(Please scan the QR code to view the DRHP)

VARINDERA CONSTRUCTIONS

VARINDERA CONSTRUCTIONS LIMITED

CORPORATE IDENTITY NUMBER: U45201DL1987PLC128579

REGISTERED OFFICE	CORPORATE OFFICE	CONTACT PERSON	E-MAIL AND TELEPHONE	WEBSITE
Office No. 613, 6th Floor, Plot No. 4, Vishwadeep Tower, District Centre, Janakpuri, New Delhi, India, 110058	Plot no. 65, Sector -18, Urban Estate, Gurgaon, Haryana, 122001	Anurag Srivastava Company Secretary and Compliance Officer	investor@vclgroup.in 0124 - 4046363	https://www.vclgroup.in/

NAME OF PROMOTERS OF OUR COMPANY: VARINDER KUMAR GARG, SUSHMA GARG, VIVEK GARG, VG FAMILY TRUST

DETAILS OF THE OFFER

TYPE	FRESH ISSUE SIZE	OFFER FOR SALE SIZE	TOTAL OFFER SIZE	ELIGIBILITY AND RESERVATION
Fresh Issue and Offer for Sale	Up to [●] Equity Shares of face value of ₹1 each aggregating up to ₹ 9,000.00 million	Up to [●] Equity Shares of face value of ₹1 each aggregating up to ₹ 3,000.00 million	[●] Equity Shares of face value of ₹1 each aggregating up to ₹ 12,000.00 million	The Offer is being made pursuant to Regulation 6(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**"). For details of share reservation among QIBs, NIBs, RIBs and Eligible Employees, see "*Offer Structure*" on page 511.

DETAILS OF THE PROMOTER SELLING SHAREHOLDERS, OFFER FOR SALE AND AVERAGE COST OF ACQUISITION

NAME OF THE SELLING SHAREHOLDERS	TYPE	NUMBER OF EQUITY SHARES BEING OFFERED/AMOUNT (IN ₹ MILLION)	WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE (IN ₹)*
Varinder Kumar Garg	Promoter Selling Shareholder	Up to [●] Equity Shares of face value of ₹1 each aggregating up to ₹ 2,010.00 million	0.04
Sushma Garg	Promoter Selling Shareholder	Up to [●] Equity Shares of face value of ₹1 each aggregating up to ₹ 990.00 million	0.04

**As certified by Mukesh Raj & Co., Chartered Accountants, by way of their certificate dated September 30,2024.*

RISKS IN RELATION TO THE FIRST OFFER

The face value of the Equity Shares is ₹1 each. The Floor Price, Cap Price or Offer Price as determined by our Company in consultation with the BRLMs and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "*Basis for Offer Price*" on page 136, should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Offer. For taking an investment decision, investors must rely on their own examination of our Company and this Offer, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" on page 32.

ISSUER'S AND PROMOTER SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and this Offer, which is material in the context of this Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. Further, the Promoter Selling Shareholders, severally and not jointly, accept responsibility for, and confirm that the statements specifically made or confirmed by the Promoter Selling Shareholders in this Draft Red Herring Prospectus, to the extent that the statements and information specifically pertain to the Promoter Selling Shareholder and the Equity Shares offered by such Promoter Selling Shareholder under the Offer for Sale, are true and correct in all material respects and are not misleading in any material respect.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**"). For the purposes of this Offer, [●] shall be the Designated Stock Exchange. A signed copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/Offer Closing Date, see "*Material Contracts and Documents for Inspection*" on page 564.

DETAILS OF THE BOOK RUNNING LEAD MANAGERS

NAME OF BOOK RUNNING LEAD MANAGER AND LOGO	CONTACT PERSON	TELEPHONE AND E-MAIL
ICICI Securities ICICI SECURITIES LIMITED	Sohail Puri / Sumit Singh	+91 22 6807 7100 varindera.ipo@icicisecurities.com

EQUIRUS CAPITAL PRIVATE LIMITED	Malay Shah / Mrunal Jadhav	+91 22 4332 0736 vcl.ipo@equirus.com
IIFL SECURITIES LIMITED	Aditya Raturi / Pawan Jain	(+ 91 22) 4646 4728 varindera.ipo@iiflcap.com

REGISTRAR TO THE OFFER

NAME OF REGISTRAR	CONTACT PERSON	TELEPHONE AND E-MAIL
LINK INTIME INDIA PRIVATE LIMITED	Shanti Gopalkrishnan	+91 810 811 4949 varindera.ipo@linkintime.co.in

BID/ OFFER PERIOD

ANCHOR INVESTOR BID/OFFER PERIOD	[●]*	**BID/OFFER OPENS ON**	[●]*	**BID/OFFER CLOSES ON**	[●]**

**Our Company may, in consultation with the BRLMs, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investors shall Bid during the Anchor Investor Bidding Date, i.e., one Working Day prior to the Bid/Offer Opening Date.*

***Our Company in consultation with the BRLMs, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date, in accordance with the SEBI ICDR Regulations.*

^The UPI mandate end time and date shall be at 5:00 p.m. on Bid/Issue Closing Date.

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DRAFT RED HERRING PROSPECTUS
Dated September 30, 2024
Please read Section 32 of the Companies Act, 2013
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
100% Book Built Offer

VARINDERA CONSTRUCTIONS

VARINDERA CONSTRUCTIONS LIMITED

Our Company was originally incorporated as *'Varindera Constructions Private Limited'* as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated December 15, 1987, issued by the Registrar of Companies, Punjab, H.P. & Chandigarh at Jalandhar, Punjab. Moreover, our registered office was changed from the Registrar of Companies, Punjab, H.P. & Chandigarh at Jalandhar, Punjab to NCT of Delhi, by way of a resolution passed by our Shareholders on December 20, 2003 and a Certificate of Registration of the Order of the Company Law Board, Delhi Confirming the transfer of the Registered Office from one State to Another was issued by the Assistant Registrar of Companies, National Capital Territory of Delhi and Haryana on August 25, 2004. Subsequently, our Company was converted into a public limited company pursuant to a special resolution passed by our Shareholders on May 2, 2007, and consequently, a fresh certificate of incorporation dated June 16, 2007 was issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana to our Company under its present name, *'Varindera Constructions Limited'*. For further details of change in the name of our Company and the registered office, see "*History and Certain Corporate Matters*" on page 324.

Corporate Identity Number: U45201DL1987PLC128579; **Registered Office:** Office No. 613, 6th Floor, Plot No. 4, Vishwadeep Tower, District Centre, Janakpuri, New Delhi, India, 110058
Corporate Office: Plot no. 65, Sector -18, Urban Estate, Gurgaon, Haryana, 122001; **Tel**: 0124 - 404 6363
Contact Person: Anurag Srivastava, Company Secretary and Compliance Officer; **Website**: https://www.vclgroup.in/; **E-mail**: investor@vclgroup.in

PROMOTERS OF OUR COMPANY: VARINDER KUMAR GARG, SUSHMA GARG, VIVEK GARG AND VG FAMILY TRUST

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 1 EACH ("EQUITY SHARES") OF VARINDERA CONSTRUCTIONS LIMITED (OUR "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE (THE "OFFER PRICE") AGGREGATING UP TO ₹ 12,000.00 MILLION. THE OFFER COMPRISES OF A FRESH ISSUE OF UP TO [●] EQUITY SHARES BY OUR COMPANY AGGREGATING UP TO ₹ 9,000.00 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 1 EACH (THE "OFFERED SHARES") AGGREGATING UP TO ₹ 3000.00 MILLION (THE "OFFER FOR SALE"), COMPRISING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 1 EACH AGGREGATING UP TO ₹ 2,010.00 MILLION BY VARINDER KUMAR GARG, UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 1 EACH AGGREGATING UP TO ₹ 990.00 MILLION BY SUSHMA GARG, (COLLECTIVELY THE "PROMOTER SELLING SHAREHOLDERS") (THE "OFFER FOR SALE, AND TOGETHER WITH THE FRESH ISSUE, THE "OFFER"). THE OFFER WILL CONSTITUTE [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THIS OFFER MAY INCLUDE A RESERVATION OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 1 EACH AGGREGATING UP TO ₹ [●] MILLION (CONSTITUTING UP TO [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY) FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (THE "EMPLOYEE RESERVATION PORTION"). OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS, MAY OFFER A DISCOUNT OF ₹[●] PER EQUITY SHARE) TO THE OFFER PRICE TO ELIGIBLE EMPLOYEES BIDDING UNDER THE EMPLOYEE RESERVATION PORTION ("EMPLOYEE DISCOUNT"). THE EMPLOYEE RESERVATION PORTION SHALL NOT EXCEED 5.00% OF OUR POST-OFFER PAID-UP EQUITY SHARE CAPITAL. THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER SHALL CONSTITUTE [●]% AND [●]%, RESPECTIVELY OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

OUR COMPANY, IN CONSULTATION WITH THE BRLMS, MAY CONSIDER ISSUE OF SPECIFIED SECURITIES, AS MAY BE PERMITTED UNDER THE APPLICABLE LAW, AGGREGATING UP TO ₹1,800.00 MILLION PRIOR TO FILING OF THE RED HERRING PROSPECTUS WITH THE ROC ("PRE-IPO PLACEMENT"). THE PRE-IPO PLACEMENT, IF UNDERTAKEN, WILL BE AT A PRICE TO BE DECIDED BY OUR COMPANY, IN CONSULTATION WITH THE BRLMS. IF THE PRE-IPO PLACEMENT IS COMPLETED, THE AMOUNT RAISED PURSUANT TO THE PRE-IPO PLACEMENT WILL BE REDUCED FROM THE FRESH ISSUE, SUBJECT TO COMPLIANCE WITH RULE 19(2)(B) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED. THE PRE-IPO PLACEMENT, IF UNDERTAKEN, SHALL NOT EXCEED 20% OF THE SIZE OF THE FRESH ISSUE. PRIOR TO THE COMPLETION OF THE OFFER, OUR COMPANY SHALL APPROPRIATELY INTIMATE THE SUBSCRIBERS TO THE PRE-IPO PLACEMENT, PRIOR TO ALLOTMENT PURSUANT TO THE PRE-IPO PLACEMENT, THAT THERE IS NO GUARANTEE THAT OUR COMPANY MAY PROCEED WITH THE OFFER OR THE OFFER MAY BE SUCCESSFUL AND WILL RESULT INTO LISTING OF THE EQUITY SHARES ON THE STOCK EXCHANGES. FURTHER, RELEVANT DISCLOSURES IN RELATION TO SUCH INTIMATION TO THE SUBSCRIBERS TO THE PRE-IPO PLACEMENT (IF UNDERTAKEN) SHALL BE APPROPRIATELY MADE IN THE RELEVANT SECTIONS OF THE RED HERRING PROSPECTUS AND THE PROSPECTUS.

THE FACE VALUE OF THE EQUITY SHARES IS ₹ 1 EACH. THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES.
THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND WILL BE ADVERTISED IN ALL EDITIONS OF THE ENGLISH NATIONAL DAILY NEWSPAPER [●], ALL EDITIONS OF THE HINDI NATIONAL DAILY NEWSPAPER [●], (HINDI ALSO BEING THE REGIONAL LANGUAGE OF THE STATE WHEREIN THE REGISTERED OFFICE OF OUR COMPANY IS LOCATED) EACH WITH WIDE CIRCULATION, AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 (THE "SEBI ICDR REGULATIONS").

In case of any revision in the Price Band, the Bid/ Offer Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/Offer Period not exceeding 10 Working Days. In cases of *force majeure*, banking strike or similar unforeseen circumstances, our Company may, in consultation with the BRLMs, for reasons to be recorded in writing, extend the Bid / Offer Period for a minimum of one Working Day, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the websites of the BRLMs and at the terminals of the Members of the Syndicate and by intimation to Designated Intermediaries, and Sponsor Bank(s), as applicable.

This Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**") read with Regulation 31 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process in terms of Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**", and such portion, the "**QIB Portion**"), provided that our Company in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis ("**Anchor Investor Portion**"). One-third of the Anchor Investor Portion shall be reserved for the domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the Anchor Investor Allocation Price in accordance with the SEBI ICDR Regulations. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion (other than the Anchor Investor Portion) (the "**Net QIB Portion**"). Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation to Non-Institutional Bidders, out of which a) one third of such portion shall be reserved for applicants with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million and (b) two-third of such portion shall be reserved for applicants with an application size of more than ₹ 1.00 million, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. Equity Shares will be allocated on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, subject to valid Bids received from them at or above the Offer Price. All Bidders, other than Anchor Investors, are required to participate in the Offer by mandatorily utilising the Application Supported by Blocked Amount ("**ASBA**") process by providing details of their respective ASBA Account (as defined hereinafter) and UPI ID (as defined hereinafter) in the case of UPI Bidders (as defined hereinafter) using the UPI Mechanism (as defined hereinafter), as applicable, pursuant to which their corresponding Bid Amounts will be blocked by the Self Certified Syndicate Banks ("**SCSBs**") or by the Sponsor Bank(s) under the UPI Mechanism, as the case may be, to the extent of their respective Bid Amounts. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For details, see "*Offer Procedure*" on page 516.

RISKS IN RELATION TO FIRST OFFER

The face value of the Equity Shares is ₹1 each. The Floor Price, Cap Price or Offer Price as determined by our Company in consultation with the BRLMs and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "*Basis for Offer Price"* on page 136, should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Offer. For taking an investment decision, investors must rely on their own examination of our Company and this Offer, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI")**, nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors"* on page 32.

ISSUER'S AND THE PROMOTER SELLING SHAREHOLERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and this Offer, which is material in the context of this Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. Further, the Promoter Selling Shareholders, severally and not jointly, accept responsibility for, and confirm that the statements specifically made or confirmed by the Promoter Selling Shareholders in this Draft Red Herring Prospectus, to the extent that the statements and information specifically pertain to the Promoter Selling Shareholder and the Equity Shares offered by such Promoter Selling Shareholder under the Offer for Sale, are true and correct in all material respects and are not misleading in any material respect.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**"). Our Company has received in-principle approvals from BSE and NSE for listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively. For the purposes of this Offer, [●] shall be the Designated Stock Exchange. A signed copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/Offer Closing Date, see *Material Contracts and Documents for Inspection"* on page 564.

BOOK RUNNING LEAD MANAGERS			REGISTRAR TO THE OFFER
ICICI Securities	equirus	IIFL SECURITIES	LINK Intime
ICICI Securities Limited ICICI Venture House, Appasaheb Marathe Marg Prabhadevi, Mumbai – 400 025 Maharashtra, India **Tel:** +91 22 6807 7100 **E-mail:** varindera.ipo@icicisecurities.com **Investor Grievance E-Mail:** customercare@icicisecurities.com **Website:** www.icicisecurities.com **Contact person:** Sohail Puri / Sumit Singh **SEBI Registration No.:** INM000011179	**Equirus Capital Private Limited** 12th Floor, C Wing, Marathon Futurex, N.M. Joshi Marg, Lower Parel, Mumbai 400 013 **Tel**: +91 22 4332 0736 **Email**: vcl.ipo@equirus.com **Investor Grievance E-Mail:** investorsgrievance@equirus.com **Website**: www.equirus.com **Contact person**: Malay Shah / Mrunal Jadhav **SEBI Registration No.:** INM000011179	**IIFL Securities Limited** 24th Floor, One Lodha Place, Senapati Bapat Marg Lower Parel (West) Mumbai 400 013 Maharashtra, India **Tel**: (+ 91 22) 4646 4728 **E-mail**: varindera.ipo@iiflcap.com **Investor Grievance ID**: ig.ib@iiflcap.com **Website**: www.iiflcap.com **Contact person**: Aditya Raturi / Pawan Jain **SEBI Registration No**.: INM000010940	**Link Intime India Private Limited** C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West) Mumbai, Maharashtra – 400083, India **Tel:** +91 810 811 4949 **E-mail:** varindera.ipo@linkintime.co.in **Investor Grievance E-mail:** varindera.ipo@linkintime.co.in **Website:** www.linkintime.co.in **Contact Person:** Shanti Gopalkrishnan **SEBI Registration No.:** INR000004058

BID/ OFFER PERIOD

ANCHOR INVESTOR BID/OFFER PERIOD*	**[●]**
BID/ OFFER OPENS ON: **	**[●]**
BID/ OFFER CLOSES ON: **	**[●]**

**Our Company may in consultation with the BRLMs, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investors shall Bid during the Anchor Investor Bidding Date, i.e., one Working Day prior to the Bid/ Offer Opening Date.*
***Our Company may in consultation with the BRLMs, consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date, in accordance with the SEBI ICDR Regulations.*

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TABLE OF CONTENTS

SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, or unless otherwise specified shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines, policies, circulars, notifications, directions or clarifications shall be to such legislation, act, regulation, rule, guideline, policy, circular, notification, direction or clarification as amended, updated, supplemented, re-enacted or modified, from time to time, and any reference to a statutory provision shall include any subordinate legislation made, from time to time, under such provision.

The words and expressions used in this Draft Red Herring Prospectus but not defined herein shall have, to the extent applicable, the same meaning ascribed to such terms in the SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder. Further, the Offer related terms used but not defined in this Draft Red Herring Prospectus shall have the meaning ascribed to such terms under the General Information Document (as defined below). In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document, the definitions given below shall prevail.

Notwithstanding the foregoing, the terms used in the sections titled "Industry Overview", "Statement of Possible Special Tax Benefits", "Restated Consolidated Financial Information", "Basis for Offer Price", "Outstanding Litigation and Material Developments", "Offer Procedure" and "Main Provision of the Articles of Association" on pages 162, 152, 361, 136, 474, 516, and 543 respectively, shall have the meaning ascribed to such terms in the relevant sections.

General Terms

Term	Description
"the Company", "Our Company", or "the Issuer"	Varindera Constructions Limited, a public limited company incorporated under the Companies Act, 1956, and having its registered office at Office No. 613, 6th Floor, Plot No. 4, Vishwadeep Tower, District Centre, Janakpuri, New Delhi, India, 110058.
"We", "Our" or "Us"	Unless the context otherwise indicates or implies, our Company together with its Subsidiary as applicable, as at and during the relevant period / Fiscal/ Financial Year.

Company Related Terms

Term	Description
Altis-VCL	Altis Holding Corporation - Varindera Constructions Limited
Articles or Articles of Association or AoA	The articles of association of our Company, as amended from time to time.
Audit Committee	The audit committee of the Board of Directors, as described in "*Our Management-Corporate Governance- Board-level committees-Audit committee*" on page 339.
Board or Board of Directors	The board of directors of our Company.
Chairman	Chairman of the Board, as described in "*Our Management*" on page 332.
Chief Financial Officer/CFO	Chief financial officer of our Company, as described in "*Our Management - Key Managerial Personnel and Senior Management of our Company*" on page 351.
Company Secretary and Compliance Office	Company secretary and compliance officer of our Company, as described in "*Our Management - Key Managerial Personnel and Senior Management of our Company*" on page 351.
Corporate Office	Plot no. 65, Sector -18, Urban Estate, Gurgaon, Haryana, 122001
Corporate Social Responsibility Committee or CSR Committee	The corporate social responsibility committee of Board of Directors, as described in "*Our Management-Corporate Governance- Board-level committees- Corporate Social Responsibility Committee"* on page 346.
CRISIL	CRISIL Limited
CRISIL Report	Report titled "*Assessment of the Construction Industry in India*" dated September 2024, issued by CRISIL which has been exclusively commissioned and paid for by our Company in connection with the Offer.
Director(s)	Director(s) on the Board of our Company, as appointed from time to time.
ESOP Scheme	The employee stock option scheme of our Company described in "*Capital Structure*" on page 99**.**
Equity Shares	The equity shares of our Company of face value of ₹1 each.
GIPL-VCL	Ganga Infrabuild Private Limited – Varindera Constructions Limited

Term	Description
Group Companies	In terms of SEBI ICDR Regulations, the term "group company" includes a company (other than our Subsidiary) with which there were related party transactions as disclosed in the Restated Consolidated Financial Information as covered under the applicable accounting standards, and any other companies as considered material by Board of Directors, in accordance with the Materiality Policy, as described in "*Our Group Companies*" on page 486.
Independent Director(s)	A non-executive, independent Director appointed as per the Companies Act, 2013 and the SEBI Listing Regulations. For further details of our Independent Directors, see "*Our Management - Brief profiles of our Directors"* on page 334.
IPO Committee	The committee consisting of Varinder Kumar Garg, Sushma Garg and Vivek Garg for the Offer.
Joint Ventures	The joint ventures* of our Company as described under "*History and Certain Corporate Matters – Joint Ventures*" on page 329. **As per Ind AS 111, a joint arrangement is an arrangement of which two or more parties have joint control. A joint arrangement is either a joint operation or a joint venture. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Basis the given provisions, in the Restated Consolidated Financial Information of our Company, our Company has classified its investments in joint arrangements as follows:* *<u>Investment in joint operation</u>: Altis-VCL JV, VCL-VRC, VRC-VCL-S&P I, VRC-VCL-S&P II, VRC-VCL-CIL, GIPL-VCL JV, SOM-VCL Joint Venture, VCL-VCIPL JV, VCL-SOM JV* *<u>Investment in joint venture:</u> Nil*
Key Managerial Personnel/KMP	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations, which includes key managerial personnel in terms of the Companies Act, 2013 as disclosed in "*Our Management- Key Managerial Personnel"* on page 351.
Managing Director and Chief Executive Officer	Managing director and chief executive officer of our Company, as described in "*Our Management- Brief profiles of our Directors*" on page 334.
Materiality Policy	Policy for identification of i) Group Companies, ii) material outstanding civil litigations proceedings of our Company, our Subsidiary, our Promoters and our Directors including identification of material litigation of Group Companies and iii) material creditors of our Company, pursuant to the disclosure requirements under SEBI ICDR Regulations, as adopted by the Board through its resolution dated September 23, 2024.
Memorandum or Memorandum of Association or MoA	The memorandum of association of our Company, as amended from time to time.
Nomination and Remuneration Committee	The Nomination and Remuneration Committee of Board of Directors, as described in "*Our Management- Corporate Governance- Board-level committees-Nomination and Remuneration Committee*" on page 342.
Promoters	Varinder Kumar Garg, Sushma Garg, Vivek Garg and VG Family Trust. For further details, see *"Our Promoters and Promoter Group"* on page 355.
Promoter Group	The persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations. For details, see "*Our Promoters and Promoter Group*" on page 355.
Promoter Selling Shareholders	Varinder Kumar Garg and Sushma Garg
Registered Office	The registered office of our Company is located at Office No. 613, 6th Floor, Plot No. 4, Vishwadeep Tower, District Centre, Janakpuri, New Delhi, India, 110058
Registrar of Companies or RoC	The Registrar of Companies, Delhi and Haryana at New Delhi
Restated Consolidated Financial Information	The restated consolidated financial information of our Company and its Subsidiary (the Company and its subsidiary together referred to as the "Group") and its Associate, comprising the Restated Consolidated Statement of Assets and Liabilities as at March 31, 2024, March 31, 2023 and March 31, 2022, the Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Statement of Changes in Equity, the Restated Consolidated Statement of Cash Flows for the years ended March 31, 2024, March 31, 2023 and March 31, 2022, the summary statement of material accounting policies, other explanatory information, annexures and which includes jointly controlled operations of the Group accounted on proportionate basis.

Term	Description
Risk Management Committee	The risk management committee of our Company, described in "*Our Management-Corporate Governance- Board-level committees-Risk Management Committee*" on page 346.
Senior Management	Senior management of our Company in terms of Regulation 2(1)(bbbb) of the SEBI ICDR Regulations, as disclosed in "*Our Management- Senior Management*" on page 351.
Shareholders	The equity shareholders of our Company whose names are entered into (i) the register of members of our Company; or (ii) the records of a depository as a beneficial owner of Equity Shares.
SOM-VCL	Som Projects Private Limited - Varindera Constructions Limited
Stakeholders' Relationship Committee	The stakeholders' relationship committee of Board of Directors as described in "*Our Management-Corporate Governance- Board-level committees*" on page 339.
Statutory Auditor	The current statutory auditor of our Company, namely, S S Kothari Mehta & Co. LLP, Chartered Accountants.
Subsidiary	The subsidiary of our Company, namely Varindera Constructions International Limited.
VCL-VCIPL	Varindera Constructions Limited – Vijai Construction (India) Private Limited
VCL-VRC	Varindera Constructions Limited -– VRC Constructions (I) Private Limited
VDIPL	Varindera Developers and Infrastructure Private Limited
VDIPL SPA	Share purchase agreement dated August 2, 2022 entered into between Varinder Kumar Garg, Sushma Garg, Vivek Garg, Surbhi Garg, and our Company
VRC-VCL-S&P I	VRC Constructions (I) Private Limited - Varindera Constructions Limited – S&P Infrastructure Developers (P) Ltd
VRC-VCL-S&P II	VRC Constructions (I) Private Limited - Varindera Constructions Limited – S&P Infrastructure Developers (P) Ltd
VRC-VCL-CIL	VRC Constructions (I) Private Limited - Varindera Construction Limited - Ceigall India Limited
Whole-time Director	Whole-time director of our Company, as described in "*Our Management*" on page 332.

Offer Related Terms

Term	Description
Abridged Prospectus	A memorandum containing such salient features of a prospectus as may be specified by the SEBI in this behalf.
Acknowledgement Slip	The slip or document issued by the relevant Designated Intermediary (ies) to the Bidder as proof of registration of the Bid cum Application Form.
'Allot' or 'Allotment' or 'Allotted'	Unless the context otherwise requires, allotment of Equity Shares pursuant to the Offer to the successful Bidders.
Allotment Advice	Advice or intimation of Allotment sent to the Bidders who have Bid in the Offer after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allottee	A successful Bidder to whom an Allotment is made.
Anchor Investor(s)	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with SEBI ICDR Regulations and the Red Herring Prospectus, and who has Bid for an amount of at least ₹ 100 million.
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to Anchor Investors on the Anchor Investor Bidding Date according to the terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company in consultation with the BRLMs, , in compliance with the SEBI ICDR Regulations.
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus.
Anchor Investor Bid/ Offer Period or Anchor Investor Bidding Date	The date, one Working Day prior to the Bid/ Offer Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed.
Anchor Investor Offer Price	The price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company in consultation with the BRLMs.
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company and the Promoter Selling Shareholders in consultation with the BRLMs, to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations.

Term	Description
	One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations.
Anchor Investor Pay-in Date	With respect to Anchor Investor(s), it shall be the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Offer Price, not later than two Working Days after the Bid/ Offer Closing Date.
'ASBA' or 'Application Supported by Blocked Amount'	An application, whether physical or electronic, used by Bidders/Applicants, other than Anchor Investors, to make a Bid and authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB and will include amounts blocked by UPI Bidders using the UPI Mechanism.
ASBA Account	Account maintained with an SCSB in which the Bid Amount may be blocked by such SCSB or the account of the UPI Bidder in which the Bid Amount may be blocked upon acceptance of UPI Mandate Request by UPI Bidders using the UPI Mechanism.
ASBA Bid	A Bid made by an ASBA Bidder.
ASBA Bidder(s)	All Bidders except Anchor Investors.
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus.
Banker to the Offer	Collectively, the Escrow Collection Bank, the Refund Bank, the Sponsor Bank and the Public Offer Account Bank.
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer, described in "*Offer Procedure*" on page 516.
Bid(s)	An indication by a Bidder (other than an Anchor Investor) to make an offer during the Bid/Offer Period pursuant to submission of the ASBA Form, or on the Anchor Investor Bidding Date by an Anchor Investor, pursuant to the submission of the Anchor Investor Application Form, to subscribe to or purchase Equity Shares at a price within the Price Band, including all revisions and modifications thereto, to the extent permissible under the SEBI ICDR Regulations, in terms of the Red Herring Prospectus and the Bid cum Application Form. The term 'Bidding' shall be construed accordingly.
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and, in the case of RIBs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the Bidder, as the case may be, upon submission of the Bid. Eligible Employees applying in the Employee Reservation Portion can apply at the Cut Off Price and the Bid Amount shall be Cap Price, net of Employee Discount, if any, multiplied by the number of Equity Shares Bid for such Eligible Employee and mentioned in the Bid cum Application Form. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹ [●] (net of Employee Discount, if any). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ [●] (net of Employee Discount, if any). Only in the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ [●], subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ [●] (net of Employee Discount, if any).
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires.
'Bidder' or 'Applicant'	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor.
Bidding Centres	Centres at which the Designated Intermediaries shall accept the ASBA Forms, *i.e.*, Designated SCSB Branches for SCSBs, Specified Locations for Members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Bid Lot	[●] Equity Shares face value of ₹1 each and in multiples of [●] Equity Shares face value of ₹1 each thereafter.
Bid/ Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, which shall be notified in all editions of the English national daily newspaper [●], and all editions of the Hindi national daily newspaper [●], (Hindi also being the regional language of New Delhi

Term	Description
	wherein our Registered Office is located) each with wide circulation, and in case of any revision, the extended Bid/Offer Closing Date shall also be notified on the website and terminals of the Members of the Syndicate and communicated to the designated intermediaries and the Sponsor Bank(s), as required under the SEBI ICDR Regulations. In case of any revisions, the extended Bid/ Offer Closing Date will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the websites of the Book Running Lead Managers and at the terminals of the Syndicate Members and by intimation to the Designated Intermediaries and the Sponsor Bank, which shall also be notified in an advertisement in the same newspapers in which the Bid/Offer Opening Date was published, as required under the SEBI ICDR Regulations. Our Company in consultation with the BRLMs, may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date.
Bid/ Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, which shall be notified in all editions of the English national daily newspaper [●], and all editions of the Hindi national daily newspaper [●] (Hindi also being the regional language of New Delhi wherein our Registered Office is located), each with wide circulation, and in case of any revision, the extended Bid/ Offer Opening Date also to be notified on the website and terminals of the Members of the Syndicate and communicated to the Designated Intermediaries and the Sponsor Bank(s), as required under the SEBI ICDR Regulations.
Bid/ Offer Period	Except in relation to Anchor Investors, the period between the Bid/ Offer Opening Date and the Bid/ Offer Closing Date, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereto in accordance with the SEBI ICDR Regulations and in accordance with the terms of the Red Herring Prospectus. Provided that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors. Our Company may, in consultation with the Book Running Lead Managers, consider closing the Bid/Offer Period for the QIB Category, one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. The Bid/Offer Period will comprise Working Days only. In cases of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/Offer Period not exceeding ten Working Days.
Book Building Process	The book building process provided in Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made.
'Book Running Lead Managers' or 'BRLMs'	The book running lead managers to the Offer, being ICICI Securities Limited, Equirus Capital Private Limited and IIFL Securities Limited.
Broker Centres	Broker centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com.
'CAN' or 'Confirmation of Allocation Note'	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bidding Date.
Cap Price	The higher end of the Price Band, above which the Offer Price and Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted, and which shall be at least 105% of the Floor Price and less than or equal to 120% of the Floor Price.
Cash Escrow and Sponsor Bank Agreement	The agreement dated [●] amongst our Company, the Promoter Selling Shareholders, the Registrar to the Offer, the BRLMs, the Escrow Collection Bank(s), the Public Offer Account Bank(s), the Sponsor Banks, and the Refund Bank(s) for among other things, collection of the Bid Amounts from the Anchor Investors and where applicable, refunds of the amounts collected from Anchor Investors, on the terms and conditions thereof.
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account.
'CDP' or 'Collecting Depository Participant'	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.

Term	Description
Compliance Officer	Compliance officer for the Offer in terms of the SEBI ICDR Regulations.
Cut-Off Price	Offer Price, which shall be any price within the Price Band, finalised by our Company in consultation with the BRLMs. Only Retail Individual Bidders bidding in the Retail Portion and Eligible Employees Bidding in the Employee Reservation Portion are entitled to Bid at the Cut-Off Price. QIBs (including Anchor Investor) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price.
Demographic Details	Details of the Bidders including the Bidders' address, name of the Bidders' father/husband, investor status, occupation, bank account details and UPI ID, wherever applicable.
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time.
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) as updated from time to time.
Designated Date	The date on which the Escrow Collection Bank(s) transfers funds from the Escrow Accounts, and instructions are issued to the SCSBs (in case of UPI Bidders using the UPI Mechanism, instruction issued through the Sponsor Bank(s) for the transfer of the funds blocked by the SCSBs in the ASBA Accounts, as the case may be, to the Public Offer Account or the Refund Account, as appropriate, after finalisation of the Basis of Allotment, in terms of the Red Herring Prospectus following which the Equity Shares will be Allotted in the Offer.
Designated Intermediary(ies)	Collectively, the Syndicate, Sub-Syndicate Members/ agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorised to collect Bid cum Application Forms from the Bidders in the Offer.
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com, respectively,) as updated from time to time.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms used by the Bidders, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	[●]
Draft Red Herring Prospectus or DRHP	This draft red herring prospectus dated September 30, 2024 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer, including any addenda or corrigenda thereto.
Eligible Employee(s)	Permanent employees of our Company, as may be decided (excluding such employees not eligible to invest in the Offer under applicable laws, rules, regulations and guidelines), as on the date of filing of the Red Herring Prospectus with the RoC and who continue to be a permanent employee of our Company until the submission of the ASBA Form and is based, working and present in India or abroad as on the date of submission of the ASBA Form, but not including (i) our Promoter; (ii) persons belonging to our Promoter Group; or (iii) Directors who either themselves or through their relatives or through anybody corporate, directly or indirectly, hold more than 10% of the outstanding Equity Shares of our Company. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹ 500,000 (net of Employee Discount). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 200,000. Only in the event of an under-subscription in the Employee Reservation Portion, such unsubscribed portion may be available for allocation and Allotment on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹ 200,000 subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000(net of Employee Discount)

Term	Description
Eligible FPI(s)	FPI(s) that are eligible to participate in the Offer in terms of applicable law and from such jurisdictions outside India where it is not unlawful to make an offer / invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitutes an invitation to purchase the Equity Shares
Eligible NRI	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus will constitute an invitation to subscribe to, or purchase the Equity Shares.
"Employee Discount"	A discount of ₹[●] per Equity Share as may be offered by our Company, in consultation with the BRLMs, to Eligible Employees in the Employee Reservation Portion and which shall be announced at least two Working Days prior to the Bid/Offer Opening Date.
Employee Reservation Portion	The portion of the Offer being up to [●] Equity Shares aggregating ₹[●] million which shall not exceed [●]% of the post-Offer Equity Share capital of our Company, available for allocation to Eligible Employees, on a proportionate basis.
Equirus	Equirus Capital Private Limited
Escrow Account(s)	Account(s) opened with the Escrow Collection Bank and in whose favour Anchor Investors will transfer the money through direct credit/NEFT/RTGS/NACH in respect of the Bid Amount while submitting a Bid.
Escrow Collection Bank(s)	A bank which is a clearing member and registered with SEBI as a banker to an issue, and with whom the Escrow Account(s) will be opened, in this case being [●].
First or sole Bidder	The Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names.
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted.
Fraudulent Borrower	Fraudulent borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations.
Fresh Issue	Fresh issue of up to [●] Equity Shares of face value of ₹1 each aggregating up to ₹9,000.00 million by our Company. Our Company, in consultation with the BRLMs, may consider issue of specified securities, as may be permitted under the applicable law, aggregating up to ₹1,800.00 million prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.
General Information Document or GID	The General Information Document for investing in public offers, prepared and issued in accordance with the circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 issued by SEBI, suitably modified and updated pursuant to, among others, the circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020 issued by SEBI and the UPI Circulars. The General Information Document shall be made available on the websites of the Stock Exchanges and the BRLMs
ICICI Securities	ICICI Securities Limited
IIFL	IIFL Securities Limited
Mutual Fund Portion	[●] Equity Shares which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Offer Price.
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
Net Proceeds	Proceeds of the Offer less the Offer expenses.
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares allocated to the Anchor Investors.
NBFC-SI or Systemically	A systemically important non-banking financial company as defined under Regulation

Term	Description
Important Non- Banking Financial Company	2(1)(iii) of the SEBI ICDR Regulations.
Net Offer	The Offer less the Employee Reservation Portion.
Non-Institutional Bidders or NIBs	Bidders that are not QIBs or Retail Individual Bidders or Eligible Employees bidding in the Employee Reservation Portion and who have Bid for Equity Shares for an amount of more than ₹200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of this Offer being not more than 15% of the Offer, being [●] Equity Shares, which shall be available for allocation to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price, subject to the following and in accordance with the SEBI ICDR Regulations: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for Non-Institutional Bidders with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million; and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for Non-Institutional Bidders with an application size of more than ₹ 1.00 million. Provided that the unsubscribed portion in either of the sub-categories specified in (i) and (ii) above may be allocated to applicants in the other sub-category of Non-Institutional Bidders.
'Non-Resident' or 'NR'	A person resident outside India, as defined under FEMA and includes FPIs, VCFs, FVCIs and NRIs.
Offer	The initial public offering of up to [●] Equity Shares of face value ₹1 each of our Company for cash at a price of ₹ [●] per Equity Share aggregating up to ₹ 12,000.00 million comprising of the Fresh Issue and the Offer for Sale. The offer comprises the Net Offer and may include Employee Reservation. Our Company, in consultation with the BRLMs, may consider issue of specified securities, as may be permitted under the applicable law, aggregating up to ₹1,800.00 million prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.
Offer Agreement	The agreement dated September 30, 2024 among our Company, the Promoter Selling Shareholders and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer.
Offer for Sale	The offer for sale of up to [●] Equity Shares aggregating up to ₹ 3,000.00 million by the Promoter Selling Shareholders.
Offer Price	The final price at which Equity Shares will be Allotted to ASBA Bidders in terms of the Red Herring Prospectus and the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price which will be decided by our Company in consultation with the BRLMs in terms of the Red Herring Prospectus. The Offer Price will be decided by our Company in consultation with the BRLMs on the Pricing Date, in accordance with the Book-Building Process and in terms of the Red Herring Prospectus. A discount of ₹ [●] per Equity Share may be offered to Eligible Employees bidding in the Employee Reservation Portion. This Employee Discount, if any, will be decided by our Company in consultation with the BRLMs.
Offer Proceeds	The proceeds of the Fresh Issue which shall be available to our Company and the proceeds of the Offer for Sale which shall be available to the Promoter Selling Shareholders.
Offered Shares	Up to [●] Equity Shares aggregating up to ₹3,000.00 million being offered for sale by the Promoter Selling Shareholders in the Offer for Sale.

Term	Description
Pre-IPO Placement	Our Company, in consultation with the BRLMs, may consider issue of specified securities, as may be permitted under the applicable law, aggregating up to ₹1,800.00 million prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.
Price Band	Price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum Price of ₹ [●] per Equity Share (Cap Price) and includes revisions thereof, if any. The Cap Price shall be at least 105% of the Floor Price. The Price Band and minimum Bid Lot, as decided by our Company in consultation with the BRLMs will be advertised in all editions of the English national daily newspaper [●], and all editions of the Hindi national daily newspaper (Hindi also being the regional language of New Delhi wherein our Registered Office is located) each with wide circulation, at least two Working Days prior to the Bid/ Offer Opening Date with the relevant financial ratios calculated at the Floor Price and at the Cap Price, and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites.
Pricing Date	The date on which our Company in consultation with the BRLMs, finalise the Offer Price.
Prospectus	The Prospectus to be filed with the RoC after the Pricing Date in accordance with Section 26 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, *inter alia*, the Offer Price, the size of the Offer and certain other information, including any addenda or corrigenda thereto.
Public Offer Account(s)	The banks which are clearing members and registered with SEBI under the BTI Regulations, with whom the Public Offer Account(s) will be opened, in this case being [●].
Public Offer Account Bank(s)	A 'no-lien' and 'non-interest bearing' which is a clearing member and registered with SEBI as a banker to an issue, and with whom the Public Offer Account(s) will be opened, in this case being [●].
'QIBs' or 'Qualified Institutional Buyers'	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
QIB Bidders	QIBs who Bid in the Offer.
QIB Portion	The portion of the Offer (including the Anchor Investor Portion) being not more than 50% of the Offer, consisting of [●] Equity Shares of face value of ₹ 1 each which shall be allocated to QIBs, including the Anchor Investors (which allocation shall be on a discretionary basis, as determined by our Company in consultation with the BRLMs up to a limit of 60% of the QIB Portion) subject to valid Bids being received at or above the Offer Price or Anchor Investor Offer Price (for Anchor Investors), as applicable.
QIB Bid/ Offer Closing Date	In the event our Company in consultation with the BRLMs, decide to close Bidding by QIBs one day prior to the Bid/Offer Closing Date, the date one day prior to the Bid/Offer Closing Date; otherwise, it shall be the same as the Bid/Offer Closing Date.
'Red Herring Prospectus' or 'RHP'	The red herring prospectus to be issued in accordance with Section 32 of the Companies Act, 2013, and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer, including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three Working Days before the Bid/Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date.
Refund Account	The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to the Bidders shall be made.
Refund Bank	The Banker to the Offer with whom the Refund Account(s) will be opened, in this case being [●].
Registrar Agreement	The agreement dated September 30, 2024, entered into between our Company, the Promoter Selling Shareholders and the Registrar to the Offer, in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer.
Registered Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India

Term	Description
	(Stock Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate and eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012, and the UPI Circulars issued by SEBI.
'Registrar to the Offer' or 'Registrar'	Link Intime India Private Limited
'RTAs' or 'Registrar and Share Transfer Agents'	The registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, issued by SEBI.
Resident Indian	A person resident in India, as defined under FEMA.
'Retail Individual Bidder(s)' or 'Retail Individual Investor(s)' or 'RII(s)' or 'RIB(s)'	Individual Bidders, who have Bid for the Equity Shares for an amount which is not more than ₹ 200,000 in any of the bidding options in the Offer (including HUFs applying through their Karta and Eligible NRI Bidders) and does not include NRIs (other than Eligible NRIs).
Retail Portion	The portion of the Offer being not less than 35% of the Offer consisting of [●] Equity Shares of face value of ₹1 each which shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, which shall not be less than the minimum Bid Lot, subject to valid Bids being received at or above the Offer Price.
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s). QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date.
'Self-certified Syndicate Bank(s)' or 'SCSB(s)'	The banks registered with SEBI, which offer the facility of ASBA services, (i) in relation to ASBA, where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at https:/www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to UPI Bidders using the UPI Mechanism, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as may be prescribed by SEBI and updated from time to time. Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI Mechanism is provided as Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, which may be updated from time to time or at such other website as may be prescribed by SEBI from time to time.
Specified Locations	Bidding centres where the Syndicate shall accept ASBA Forms from Bidders.
Specified Securities	Specified securities in terms of Regulation 2(1)(eee) of the SEBI ICDR Regulations.
Sponsor Bank(s)	Bank(s) registered with SEBI which are appointed by the issuer to act as a conduit between the Stock Exchanges and the National Payments Corporation of India in order to push the mandate collect requests and / or payment instructions of the UPI Bidders into the UPI, the Sponsor Bank(s) in this case being [●] and [●].
Sub-Syndicate Members	The sub-syndicate members, if any, appointed by the BRLMs and the Syndicate Members, to collect ASBA Forms and Revision Forms.
Syndicate Agreement	The agreement dated [●] between our Company, the Promoter Selling Shareholders, the BRLMs and the Syndicate Members in relation to the procurement of Bid cum Application Forms by the Syndicate.
Syndicate Members	Syndicate members as defined under Regulation 2(1)(hhh) of the SEBI ICDR Regulations, namely, [●].
'Syndicate' or 'Members of the Syndicate'	The BRLMs and the Syndicate Members.
Underwriters	[●]
Underwriting Agreement	The agreement between the Underwriters, our Company and the Promoter Selling Shareholders to be entered into on or after the Pricing Date but prior to filing of the Prospectus with the RoC.
UPI Bidders	Collectively, individual investors applying as (i) Retail Individual Bidders in the Retail Portion, (ii) Eligible Employees Bidding in Employee Reservation Portion; and (iii) Non-Institutional Bidders with a Bid Amount of up to ₹ 500,000 in the Non-Institutional

Term	Description
	Portion, and Bidding under the UPI Mechanism through ASBA Forms(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents. Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual investors applying in public issues where the application amount is up to ₹ 500,000 shall use UPI and shall provide their UPI ID in the bid-cum-application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity).
UPI Circulars	Collectively, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no. CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, SEBI RTA Master Circular with circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024 (to the extent that such circulars pertain to the UPI Mechanism), SEBI master circular SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, and any subsequent circulars or notifications issued by SEBI in this regard, along with the circulars issued by the Stock Exchanges in this regard, including the circular issued by the NSE having reference no. 25/2022 dated August 3, 2022, and the circular issued by BSE having reference no. 20220803-40 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI in this regard.
UPI ID	ID created on Unified Payments Interface (UPI) for single-window mobile payment system developed by the National Payments Corporation of India (NPCI).
UPI Mandate Request	A request (intimating the UPI Bidders by way of a notification on the UPI application and by way of a SMS directing the UPI Bidders to such UPI application) to the UPI Bidders initiated by the Sponsor Bank(s) to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment. In accordance with the applicable UPI Circulars, UPI Bidders Bidding may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time.
UPI Mechanism	The bidding mechanism that may be used by a UPI Bidder to make a Bid in the Offer in accordance with UPI Circulars.
UPI PIN	Password to authenticate UPI transaction.
Wilful Defaulter	Wilful defaulter as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations.
Working Day	All days on which commercial banks in Mumbai are open for business; provided, however, with reference to (a) the announcement of Price Band; and (b) the Bid/ Offer Period, the expression “Working Day” shall mean all days on which commercial banks in Mumbai are open for business, excluding all Saturdays, Sundays or public holidays; and (c) with reference to the time period between the Bid/ Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, the expression ‘Working Day’ shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, in terms of the circulars issued by SEBI, including the UPI Circulars.

Technical/ Industry Related Terms/ Abbreviations

Term	Description
BIM	Building information modelling
Order book to revenue from operation	Orderbook to Revenue Ratio is an indicator of the size of the order book at the end of reported period to the revenue generated for that period.
BOQ	Bill of quantities
BRO	Border Roads Organisation
CMRL	Chennai Metro Rail Limited
Completed Projects	Projects wherein our work in terms of the letter of award/letter of intent has been completed and a completion certificate or any other document of similar nature, has been issued by the client confirming the completion of the said project.
Contract Value	(i) With respect to the Ongoing Projects, contract value means the bid amount for which a particular project has been awarded to us by the client, as mentioned in the letter of award or letter of intent for the respective project, including the amount of GST and other applicable taxes; and (ii) with respect to our Completed Projects, contract value means the total amount due to our Company from the client for completion of a particular project which would include, inter alia, the bid amount mentioned in the letter of award, escalation charges, GST and other applicable taxes.
CPWD	Central Public Works Department
Current ratio	Current assets divided by current liabilities for a particular period
Days sales outstanding or DSO	It is the average number of days it takes for a company to collect cash from its credit sales.
DDA	Delhi Development Authority
Debt equity ratio	The total Debt to Equity Ratio is a measure of the extent to which our Company can cover our debt and represents our debt position in comparison to our equity position. It helps evaluate our financial leverage.
DGMAP	Directorate General of Married Accommodation Project
EPC	Engineering, procurement and construction
ESG	Environmental, social, and governance
EV	Electric Vehicle
GRIHA	green rating for integrated habitat assessment
Gross Block	It represents the total worth of all the assets currently employed in the business. It is the sum of all assets of the company valued at their cost of acquisition.
GVA	Gross value added
HSCC	Hospital Services Consultancy Corporation Limited
HVAC	Heating, ventilation, and air conditioning
Interest coverage ratio	Interest Coverage Ratio is a measure that determines our ability to meet our interest obligations including finance cost on lease liability as per Ind AS – 116.
KVA	Kilo-volt-amperes
LOA	Letter of award
LOI	Letter of intent
MES	Military Engineer Services
NBCC	National Buildings Construction Corporation
NHAI	National Highways Authority of India
NPCIL	Nuclear Power Corporation of India Limited
O&M	operation and maintenance
Ongoing Projects	Projects which have been awarded to us by any client by way of a letter of award or letter of intent, and where the work for such project has not been completed and such project forms part of our Order Book for the respective applicable period.
Order Book	Order Book represents the estimated contract value of the unexecuted portion of the existing assigned EPC contracts and is an indicator of visibility of future revenue for the Company.
PAT Margin%	PAT Margin (%) is an indicator of the overall profitability of the business and provides the financial benchmarking against peers as well as to compare against the historical performance of the business.
PMC	Project Management Consultant
PMG	Project monitoring group

Term	Description
RCC	Reinforced Cement Concrete
RLDA	Rail Land Development Authority
SCM	Supply chain management
UPRNNL	Uttar Pradesh Rajkiya Nirman Nigam Limited

Conventional and General Terms or Abbreviations

Term	Description
'Mn' or 'mn'	Million.
AGM	Annual General Meeting.
AIF	An alternative investment fund as defined in, and registered with SEBI under, the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
BSE	BSE Limited
Category I FPI	FPIs registered as "Category I foreign portfolio investors" under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
Category II FPI	FPIs registered as "Category II foreign portfolio investors" under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
CDSL	Central Depository Services (India) Limited
CEO	Chief executive officer
CIN	Corporate Identity Number
CIT	Commissioner of Income Tax
Companies Act	Companies Act, 1956 and Companies Act, 2013, as applicable
Companies Act, 1956	The erstwhile Companies Act, 1956 along with the relevant rules made thereunder.
Companies Act, 2013	Companies Act, 2013, along with the relevant rules, regulations, clarifications, circulars and notifications issued thereunder, as amended
Control	Control as defined under the Takeover Regulations, and the term "**Controlled**" shall be construed accordingly
CPC	Code of Civil Procedure, 1908
CSR	Corporate Social Responsibility
Debt to Equity Ratio	Debt equity ratio is calculated as total borrowings divided by total equity.
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996, read with regulations framed thereunder.
DIN	Director Identification Number.
DP ID	Depository Participant's Identity Number.
DP or Depository Participant	A depository participant as defined under the Depositories Act.
EBITDA	EBITDA is a non–GAAP financial measure, which provides a comprehensive view of the company's operating efficiency. It facilitates evaluation of year-on-year performance of the business.
EBITDA Margin%	EBITDA Margin (%) is an indicator of the profitability of the business and assists in tracking the margin profile of the business, historical performance, and provides financial benchmarking against peers.
EGM	Extraordinary General Meeting.
Employees Provident Fund Act	Employees' Provident Funds and Miscellaneous Provisions Act, 1952.
EPS	Earnings Per Share.
FAQs	Frequently asked questions.
FCNR	Foreign currency non-resident account.
FDI	Foreign Direct Investment.
FDI Circular	The Consolidated Foreign Direct Investment Policy bearing DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020, effective from October 15, 2020, issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time.
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder.
FEMA NDI Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019.
'Financial Year' or 'Fiscal' or 'Fiscal Year' or 'FY'	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.
FPI(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations.
FVCI	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.

Term	Description
GDP	Gross domestic product.
GoI or Government or Central Government	The Government of India.
GST	Goods and services tax.
HUF	Hindu undivided family.
ICAI	The Institute of Chartered Accountants of India.
IFRS	International Financial Reporting Standards of the International Accounting Standards Board.
Income Tax Act	Income-tax Act, 1961, read with the rules framed thereunder.
Income Tax Rules	Income-tax Rules, 1962.
Ind AS	Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Companies Act, 2013.
Indian GAAP	Accounting Standards notified under Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016.
IPO	Initial public offering.
IST	Indian Standard Time.
JPC	Joint parliamentary committee
MBA	Master’s degree in business administration.
MCA	Ministry of Corporate Affairs, Government of India.
N.A.	Not applicable.
NAV	Net asset value.
NCT of Delhi	National Capital Territory of Delhi
Net Debt to EBITDA Ratio	Net Debt to EBITDA ratio is Non-GAAP financial measure which enables to measure the ability and extent to which we can cover our debt in comparison to the EBITDA being generated by the company.
NEFT	National Electronic Fund Transfer.
NRE Account	Non-Resident External account.
NRI	A non-resident Indian, as defined under FEMA.
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited.
‘OCB’ or ‘Overseas Corporate Body’	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer.
p.a.	Per annum.
P/E Ratio	Price/earnings ratio.
PAN	Permanent account number.
PAT	Profit after tax.
RBI	Reserve Bank of India.
Regulation S	Regulation S under the U.S. Securities Act.
Restated Profit after Tax	Restated Profit after Tax means the Restated Profit after Tax as appearing in the Restated Consolidated Financial Information.
Restated Profit after Tax Margin	Restated Profit after Tax Margin (%) is calculated as Profit after tax for the year/period as a percentage of Revenue from Operations.
Restated Profit after Tax - Growth Rate	Restated Profit after Tax - Growth Rate (%) is calculated as a percentage of Restated Profit after Tax of the relevant period minus Restated Profit after Tax of the preceding period, divided by Restated Profit after Tax of the preceding period.
Return on Capital Employed	Return on Capital Employed represents how efficiently we generate earnings before interest & tax from the capital employed.
‘Return on Equity’ of ‘RoE’	Return on Equity represents how efficiently we generate profits from our shareholders funds.
Revenue from Operations	Revenue from Operations as appearing in the Restated Consolidated Financial Information.
RTGS	Real time gross settlement.
SCRA	Securities Contracts (Regulation) Act, 1956.
SCRR	Securities Contracts (Regulation) Rules, 1957.
SEBI	Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992.
SEBI Act	Securities and Exchange Board of India Act, 1992.
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations,

Term	Description
	2012.
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019.
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
SEBI ICDR Master Circular	SEBI master circular bearing reference SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992.
SEBI SBEB and Sweat Equity Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
SEBI RTA Master Circular	SEBI master circular bearing number SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024
State Government	The government of a state in India.
Stock Exchanges	Together, the BSE and NSE.
STT	Securities transaction tax.
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
TAN	Tax deduction account number.
TDS	Tax deducted at source.
U.S./United States	The United States of America, together with its territories and possessions, any state of the United States of America and the District of Columbia.
U.S. GAAP	Generally accepted accounting principles of the United States of America.
U.S. Securities Act	U.S. Securities Act of 1933, as amended.
VAT	Value added tax.
VCFs	Venture capital funds as defined in and registered with SEBI under the SEBI AIF Regulations.
Working Capital Days	Working Capital Days refers to trade receivables days plus inventory days minus trade payables days. It defines the number of days taken by the company for converting the purchases to collections.
Year/ Calendar Year	The 12-month period ending December 31.

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

All references to "India" in this Draft Red Herring Prospectus are to the Republic of India and its territories and possessions and all references herein to the "Government", "Indian Government", "GoI", "Central Government" or the "State Government" are to the Government of India, central or state, as applicable.

All references to the "US", the "U.S." or the "United States" are to the United States of America and its territories and possessions.

Unless indicated otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year and references to a Fiscal or a Financial Year are to the year ended on March 31, of that calendar year.

Page Numbers

Unless otherwise stated, all references to page numbers in this Draft Red Herring Prospectus are to page numbers of this Draft Red Herring Prospectus.

Currency and Units of Presentation

All references to *"Rupee(s)," "Rs."* or "₹" or "INR" are to Indian Rupees, the official currency of the Republic of India. All references to *"US$"* or *"USD"* or *"U.S. Dollars"* are to United States Dollar, the official currency of the United States of America.

All the figures in this Draft Red Herring Prospectus have been presented in million or in whole numbers where the numbers have been too small to present in million unless stated otherwise. One million represents 1,000,000 and one billion represents 1,000,000,000. Certain figures contained in this Draft Red Herring Prospectus, including financial information, have been subject to rounding adjustments. Any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. However, figures sourced from third-party industry sources may be expressed in denominations other than million or may be rounded off to other than two decimal points in the respective sources, and such figures have been expressed in this Draft Red Herring Prospectus in such denominations or rounded-off to such number of decimal points as provided in such respective sources.

Exchange Rates

This Draft Red Herring Prospectus may contain conversions of certain other currency amounts into Rupees that have been presented solely to comply with the requirements of SEBI ICDR Regulations. Unless otherwise stated, the exchange rates referred to for the purpose of conversion of foreign currency amounts into Rupee amounts, are as follows:

(*in ₹*)

Currency	Exchange rate as on		
	March 31, 2024	March 31, 2023	March 31, 2022
1 US$*	83.37	82.22	75.81
1 MUR**	1.80	1.81	1.67
1 MVR**	5.40	5.33	4.91

**Source: Foreign exchange reference rates as available on www.fbil.org.in*
*** Source: Foreign exchange reference rates as available on www.exchangerates.org.uk*
Note: Exchange rate is rounded off to two decimal point.

Such conversion should not be considered as a representation that such currency amounts have been, could have been or can be converted into Rupees at any particular rate, the rates stated above or at all.

Time

Unless otherwise specified, all references to time in this Draft Red Herring Prospectus are to Indian Standard

Time.

Financial and Other Data

Unless otherwise stated or the context requires otherwise, the financial information and financial ratios in this Draft Red Herring Prospectus are derived from our Restated Consolidated Financial Information. For further information, see *"Financial Information"* on page 361.

The restated consolidated financial information of our Company and its Subsidiary (the Company and its subsidiary together referred to as the "**Group**") and its Associate, comprising the Restated Consolidated Statement of Assets and Liabilities as at March 31, 2024, March 31, 2023 and March 31, 2022, the Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Statement of Changes in Equity, the Restated Consolidated Statement of Cash Flows for the years ended March 31, 2024, March 31, 2023 and March 31, 2022, the summary statement of material accounting policies, other explanatory information, annexures and which includes jointly controlled operations of the Group accounted on proportionate basis (collectively, the "**Restated Consolidated Financial Information**") restated in accordance with the requirements of Section 26 of Part I of Chapter III of Companies Act 2013, as amended, the SEBI ICDR Regulations, as amended and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by the Institute of Chartered Accountants of India, as amended.

There are significant differences between Ind AS, U.S. GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, the Companies Act, Ind AS, and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should, accordingly, be limited. Also see, *"Risk Factors - We have in this Draft Red Herring Prospectus included certain non-GAAP financial measures and certain other industry measures related to our operations and financial performance that may vary from any standard methodology that is applicable across our industry. We rely on certain assumptions and estimates to calculate such measures, therefore such measures may not be comparable with financial, operational or industry related statistical information of similar nomenclature computed and presented by other similar companies"* on page 63.

Our Company's fiscal year commences on April 1 of each year and ends on March 31 of the next year. Accordingly, all references to a particular fiscal year (referred to herein as "**Fiscal**," "**Financial Year**" "**FY**") are to the 12 month period ended March 31 of that particular year, unless otherwise specified. Certain other financial information pertaining to our Group Companies are derived from their respective audited financial information. All the figures in this Draft Red Herring Prospectus have been presented in million, billion and trillion or in whole numbers where the numbers have been too small to present in million unless stated otherwise. One million represents 1,000,000 and one billion represents 1,000,000,000. Certain figures contained in this Draft Red Herring Prospectus, including financial information, have been subject to rounding adjustments. Any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off. All figures in decimals in this Draft Red Herring Prospectus have been rounded off to the second decimal. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. However, figures sourced from third-party industry sources may be expressed in denominations other than million or may be rounded off to other than two decimal points in the respective sources, and such figures have been expressed in this Draft Red Herring Prospectus in such denominations or rounded-off to such number of decimal points as provided in such respective sources.

Unless the context otherwise indicates, any percentage amounts, as set forth in "*Risk Factors*," "*Our Business"* and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 32, 276 and 440, respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of amounts derived from the Restated Consolidated Financial Information.

Non-Generally Accepted Accounting Principles Financial Measures

This Draft Red Herring Prospectus contains certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance like EBITDA, EBITDA margin, debt equity ratio, return on equity, return on capital employed, return on net worth, among others, relating to our operations and financial performance that are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS (together, "**Non-GAAP Measures**"). These Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or U.S. GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or U.S. GAAP. We compute and disclose such non-Indian GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance. These Non-GAAP Measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS, Indian GAAP, IFRS or U.S. GAAP and may not be comparable to similarly titled measures presented by other companies.

Industry and Market Data

The industry and market data set forth in this Draft Red Herring Prospectus have been obtained or derived from a report titled "*Assessment of the Construction Industry in India*" dated September, 2024 ("**CRISIL Report**"), which is exclusively prepared for the purpose of the Offer and issued by CRISIL and is commissioned and paid for by our Company. CRISIL was appointed by our Company on March 18, 2024. The CRISIL Report will be available on the website of our Company at https://www.vclgroup.in/investors/industry-report until the Bid / Offer Closing Date. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable. CRISIL has required us to include the following disclaimer in connection with the CRISIL Report:

*"**About CRISIL Market Intelligence & Analytics***
*CRISIL Market Intelligence & Analytics (**CRISIL MI&A**), a division of CRISIL Limited, provides independent research, consulting, risk solutions, and data & analytics to its clients. CRISIL MI&A operates independently of CRISIL's other divisions and subsidiaries, including, CRISIL Ratings Limited. CRISIL MI&A's informed insights and opinions on the economy, industry, capital markets and companies drive impactful decisions for clients across diverse sectors and geographies. CRISIL MI&A's strong benchmarking capabilities, granular grasp of sectors, proprietary analytical frameworks and risk management solutions backed by deep understanding of technology integration, makes it the partner of choice for public & private organisations, multi-lateral agencies, investors and governments for over three decades.*

For the preparation of this report, CRISIL MI&A has relied on third party data and information obtained from sources which in its opinion are considered reliable. Any forward-looking statements contained in this report are based on certain assumptions, which in its opinion are true as on the date of this report and could fluctuate due to changes in factors underlying such assumptions or events that cannot be reasonably foreseen. This report does not consist of any investment advice and nothing contained in this report should be construed as a recommendation to invest/disinvest in any entity. This industry report is intended for use only within India."

Although the industry and market data used in this Draft Red Herring Prospectus is reliable, industry sources and publications may base their information on estimates and assumptions that may prove to be incorrect. Further, industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.

The extent to which industry and market data set forth in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Accordingly, no investment decision should be made solely on the basis of such information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in "*Risk Factors*" on page 32.

CRISIL has, through its letter dated September 30, 2024 ("**Letter**") accorded its consent to use the CRISIL Report in this Draft Red Herring Prospectus. CRISIL has also confirmed in the Letter that it does not have any direct/indirect interest in or relationship with our Company, our Directors, KMPs and the BRLMs.

In accordance with the SEBI ICDR Regulations, the section "*Basis for Offer Price*" on page 136 includes information relating to our peer group. Such information has been derived from publicly available sources.

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Red Herring Prospectus or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision, investors must rely on their own examination of our Company and the terms of the Offer, including the merits and risks involved. The Equity Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in "offshore transactions" (as defined under Regulation S) in compliance with Regulation S and the applicable laws of the jurisdictions where those offers and sales are made.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain “forward-looking statements” which are not statements of historical fact and may be described as “forward-looking statements.” These forward-looking statements include statements which can generally be identified by words or phrases such as “aim,” “anticipate”, “believe”, “can”, “could” “goal”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “should” “will”, “will continue”, “shall” “seek to”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

These forward-looking statements are based on our present plans, estimates and expectations and actual results may differ materially from those suggested by such forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. For the reasons described below, we cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Therefore, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with the expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company and Subsidiary have businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and globally which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in laws, regulations and taxes and changes in competition in our industry and incidence of any natural calamities and/or acts of violence.

Certain important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- We derived 99.34%, 99.59% and 99.99% of our revenue from operations for Fiscal Years 2024, 2023 and 2022, respectively, from our competitive bidding process and our financial condition would be materially and adversely affected if we fail to obtain new contracts or our current contracts are terminated.

- More than 90% of our revenue from operations in the last three Fiscal Years was from clients affiliated with the central government and our financial condition would be materially and adversely affected if we fail to obtain new contracts or our current contracts with them are terminated.

- We derive majority of our revenues from contracts with a limited number of government entities. Any adverse changes in government policies may lead to our contracts being foreclosed, terminated, restructured or renegotiated, which may have a material effect on our business and results of operations.

- Our Order Book may not be representative of our future results and our actual income may be significantly less than the estimates reflected in our Order Book, which could adversely affect our results of operations.

- Our revenue from execution of projects in the residential buildings sector constituted approximately 48.15%, 62.22% and 51.56% of our total revenue for the Fiscal Years ended March 31, 2024, 2023 and 2022, respectively. Our business and our financial condition would be materially and adversely affected if we fail to obtain new contracts or our current contracts are terminated.

- We may be unable to accurately estimate costs under lump sum contracts, fail to maintain the quality and performance guarantees under our lump sum contracts and we may experience delays in completing the construction of our projects, which may increase our construction costs and working capital requirements, and may have a material adverse effect on our financial condition, cash flow and results of operations.

- Our contracts with government entities/agencies usually contain terms that favour the government entities/ agencies and as such, we have limited ability to negotiate terms of these contracts. Our inability to negotiate terms that are favourable to us may have a material adverse impact on our financial condition and results of operations.

- Our business is capital intensive. If we experience insufficient cash flows or we are unable to access suitable financing to meet required payments on our debt and working capital requirements, there may be an adverse effect on the results of our operations.

- We own and rent equipment and mobilize such construction equipment at the beginning of each project resulting in increased fixed costs to our Company. Further, in the event we are not able to generate adequate cash flows and keep pace with technical and technological developments in the construction industry it may have a material adverse impact on our operations.

- We rely on a number of third party suppliers for our key components, materials and stock-in-trade as well as customer support services including product repairs and returns. Any shortfall in the supply of our components and raw materials or an increase in our component or raw material costs, or other input costs, may adversely affect the pricing and supply of our products and have an adverse effect on our business, results of operations and financial condition.

For a discussion of factors that could cause our actual results to differ from our expectations, see "*Risk Factors*," "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" starting on pages 32, 276, 440, respectively. By their nature, certain market risk disclosures are estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance.

We cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of our future performance.

Forward-looking statements reflect our views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on the currently available information. Although we believe that the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. None of our Company, Directors, the Promoters, the BRLMs, the Syndicate Members or their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with regulatory requirements, our Company will ensure that investors in India are informed of material developments from the date of filing of the Red Herring Prospectus until the date of Allotment. The Promoter Selling Shareholders shall, severally and not jointly, ensure that the Company is informed of material developments in relation to the statements and undertakings specifically undertaken or confirmed by them in relation to themselves and their respective portion of the Offered Shares in the Red Herring Prospectus until the date of Allotment.

SUMMARY OF THE OFFER DOCUMENT

The following is a general summary of certain disclosures and terms of the Offer included in this Draft Red Herring Prospectus and is neither exhaustive, nor purports to contain a summary of all the disclosures in this Draft Red Herring Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including "Risk Factors", "The Offer", "Capital Structure", "Objects of the Offer", "Industry Overview", "Our Business", "Restated Consolidated Financial Information", "Outstanding Litigation and Material Developments", and "Offer Procedure" starting on pages 32, 82, 99, 120, 162, 276, 361, 474 *and* 516, *respectively.*

<table>
<tr><td>Summary of our primary business</td><td>We are an integrated engineering, procurement and construction ("EPC") company with experience in construction of buildings projects including residential units, office complexes, as well as undertaking infrastructure projects such as metro depot and aircraft hangar. In the last 10 Fiscal Years (ended March 31, 2024), we have executed and delivered 31 construction projects with an aggregate Contract Value of ₹ 52,932.66 million. As on March 31, 2024, we have 20 ongoing projects in India and overseas, with an Order Book of ₹ 38,447.93 million.</td></tr>
<tr><td>Summary of the Industry in which we operate</td><td>The Indian construction sector can be categorized into three main sub-sectors: Building Construction, Infrastructure Construction, and Industrial/Manufacturing Construction. The construction sector has seen an investment of Rs 42.45 trillion during fiscal 2019-23 and is projected to reach Rs 67.00-69.00 trillion by fiscal 2024-28. The investment in building construction during fiscal 2019-23 was ~ Rs 12.45 trillion and expected to rise by 1.34x time to Rs 16.00-17.00 trillion between fiscal 2024-28. The annual demand for residential real estate in 8 key cities in India expected to grow at 8-10% CAGR to 305-325 million sq.ft from 269 million sq.ft. in FY23.</td></tr>
<tr><td>Our Promoters</td><td>Varinder Kumar Garg, Sushma Garg, Vivek Garg and VG Family Trust</td></tr>
<tr><td>Offer size</td><td>
<table>
<tr><td>Offer of Equity Shares</td><td>Up to [●] Equity Shares of face value of ₹ 1 each aggregating up to ₹ 12,000.00 million</td></tr>
<tr><td>Of which:</td><td></td></tr>
<tr><td>Fresh Issue(1)*</td><td>Up to [●] Equity Shares of face value of ₹1 each aggregating up to ₹ 9,000.00 million</td></tr>
<tr><td>Offer for Sale(2)</td><td>Up to [●] Equity Shares of face value of ₹1 each aggregating up to ₹ 3,000.00 million</td></tr>
<tr><td>The Offer comprises:</td><td></td></tr>
<tr><td>Employee Reservation Portion</td><td>Up to [●] Equity Shares of face value of ₹1 each aggregating up to ₹ [●] million</td></tr>
<tr><td>Net Offer</td><td>[●] Equity Shares of face value of ₹1 each aggregating up to ₹ [●] million</td></tr>
</table>
*Our Company, in consultation with the BRLMs, may consider issue of specified securities, as may be permitted under the applicable law, aggregating up to ₹1,800.00 million prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.
(1) The Offer has been authorised by the Board of Directors of our Company pursuant to a resolution passed at its meeting held on September 11, 2024 and by our Shareholders pursuant to their resolution dated September 16, 2024.
(2) Each Promoter Selling Shareholder, severally and not jointly, specifically confirms that the Offered Shares, has been held by such Promoter Selling Shareholder for a continuous period of at least one year prior to the filing of this Draft Red Herring Prospectus in terms of Regulation 8 of the SEBI ICDR Regulations. For details on the authorization by the Promoter Selling Shareholders in relation to the Offered Shares, see "The Offer" on page 82.

The Offer shall constitute [●] % of the post-Offer paid-up equity share capital of our Company. For further details, see "The Offer" and "Offer Structure" on page 82 and 511.</td></tr>
<tr><td>Objects of the Offer</td><td>The objects for which the Net Proceeds from the Offer shall be utilized are as follows:
<table>
<tr><th>Particulars</th><th>Estimated Amount</th></tr>
<tr><td></td><td>(₹ million)</td></tr>
<tr><td>Capital expenditure towards purchase of equipments</td><td>1,601.08</td></tr>
</table></td></tr>
</table>

Funding the working capital requirements of our Company	1,550.00
Repayment/prepayment in full or in part, of certain outstanding borrowings availed by our Company	3,598.92
General corporate purposes(1)(2)	[●]
Net Proceeds(2)	[●]

(1) The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.
(2) To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC.

For further details, see "*Objects of the Offer*" on page 120.

Aggregate pre-Offer shareholding of our Promoters, and the Promoter Group and Promoter Selling Shareholders

The aggregate pre-Offer shareholding of our Promoters, Promoter Group and Promoter Selling Shareholders as a percentage of the pre-Offer paid-up share capital of the Company is set out below:

Name of the Shareholder	Number of Equity Shares of face value of ₹ 1 each^	Percentage of the pre-Offer Equity Share capital (%)
Promoter		
Varinder Kumar Garg*	103,892,000	67.04%
Sushma Garg*	47,765,200	30.82%
Vivek Garg	282,800	0.18%
VG Family Trust	100,000	0.06%
Promoter Group		
Surbhi Agarwal	2,800	Negligible
Ankita Garg	2,800	Negligible
Varindra Kumar Garg (HUF)	2,931,600	1.89%

^Based on the beneficiary position statement dated September 30, 2024.
**Also the Promoter Selling Shareholders.*

Summary of selected financial information

The following information has been derived from the Restated Consolidated Financial Information:

(₹ in million, except per share data)

Particulars	As at and for the Year ended March 31, 2024	As at and for the Year ended March 31, 2023	As at and for the Year ended March 31, 2022
Equity Share capital	6.19	6.19	6.19
Net Worth	5,054.91	3,630.84	2,538.05
Revenue from operations	13,889.28	10,485.51	9,943.29
Profit for the year (PAT)	1,433.82	1,090.14	761.47
Basic EPS (₹)1	9.25	7.03	4.91
Diluted EPS (₹)2	9.25	7.03	4.91
Net Asset Value per Equity Share*#	32.62	23.43	16.38
Current borrowings	1,529.21	1,194.12	909.60
Non-current borrowings (including current maturities)	1,952.33	1,167.27	584.19

Note:
#Subsequent to the end of the Fiscal Year ended March 31, 2024, pursuant to resolutions passed by our Board on May 27, 2024 and shareholders on June 7, 2024, the share capital of Company sub-divided from 5,00,000 equity shares of ₹ 100 each to 50,000,000 Equity Shares of ₹1 each. Thereafter, the authorised share capital of Company was increased from 50,000,000 Equity Shares of ₹1 each to 240,000,000 Equity Shares of ₹1 each. Further, Company also issued 149,445,000 bonus Equity Shares in the ratio of 27 Equity Shares of face value of ₹1 each for every one Equity Shares of face value of ₹1 each through Board and shareholders resolutions dated May 27, 2024 and June 7, 2024.
**Net asset value per equity share represents net worth as at end of the fiscal year, as re-stated, divided by the number of equity shares outstanding at the end of the year after considering the split and bonus issue subsequent to FY 2023-24.*
1Basic EPS amounts are calculated by dividing the restated consolidated profit / loss for the year attributable to equity shareholders of the company by the weighted average number of equity shares outstanding during the year (after considering the split and bonus issue subsequent to FY 2023-24). Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period.
2Diluted EPS amounts are calculated by dividing the restated consolidated profit attributable to equity shareholders by the weighted average number of equity shares outstanding during the year (after considering the split and bonus issue subsequent to FY 2023-24) plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

For further details, see "*Restated Consolidated Financial Information*" on page 361.

Auditor qualifications which have

There are no auditor qualifications which have not been given effect to in the Restated Consolidated Financial Information.

not been given effect to in the Restated Consolidated Financial Information

Summary of outstanding litigation

A summary of outstanding litigation proceedings involving our Company, Subsidiary, Directors and Promoters, as of the date of this Draft Red Herring Prospectus, as also disclosed in "*Outstanding Litigation and Material Developments*" on page 474, in terms of the SEBI ICDR Regulations and the materiality policy adopted by Board of Directors pursuant to a resolution dated September 23, 2024 is provided below:

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by SEBI or Stock Exchanges against our Promoters	Material civil litigations	Aggregate amount involved (₹ million)
Company						
By the Company	1	NIL	2*	NA	10	2,133.96
Against the Company	NIL	4	NIL	NA	NIL	5.18#**
Directors						
By the Directors	NIL	NIL	2*	NIL	NIL	NIL
Against the Directors	NIL	9	NIL	NIL	NIL	132.64
Promoters						
By the Promoters	NIL	NIL	2*	NIL	NIL	NIL
Against the Promoters	NIL	9^	NIL	NIL	NIL	132.64^
Subsidiary						
By the Subsidiary	NIL	NIL	NA	NIL	NIL	NIL
Against the Subsidiary	NIL	NIL	NIL	NIL	NIL	NIL

**Includes two adjudication applications filed by our Company and our Promoter-Directors. For further details, please see 'Outstanding Litigations and Material Developments - Adjudication applications filed by our Company' on page 475.*
#To the extent quantified and is inclusive of interest and penalty (if any).
***The amount is attributable to show cause notices received by the Company from GST authorities.*
^This includes the number of cases and amount involved for cases against the promoters who are also the directors of our Company. For further details, please see 'Outstanding Litigations and Material Developments - Tax claims against our Company, Subsidiary, Promoters and Directors' on page 480.

None of our Group Companies are currently party to any pending litigations which would have a material impact on our Company.

Risk Factors

Specific attention of investors is invited to the section titled "*Risk Factors*" on page 32. A list of the top 10 risks that impact us is provided below:

- We derived 99.34%, 99.59% and 99.99% of our revenue from operations for Fiscal Years 2024, 2023 and 2022, respectively, from our competitive bidding process and our financial condition would be materially and adversely affected if we fail to obtain new contracts or our current contracts are terminated.
- More than 90% of our revenue from operations in the last three Fiscal Years was from clients affiliated with the central government and our financial condition would be materially and adversely affected if we fail to obtain new contracts or our current contracts with them are terminated.

	• We derive majority of our revenues from contracts with a limited number of government entities. Any adverse changes in government policies may lead to our contracts being foreclosed, terminated, restructured or renegotiated, which may have a material effect on our business and results of operations. • Our Order Book may not be representative of our future results and our actual income may be significantly less than the estimates reflected in our Order Book, which could adversely affect our results of operations. • Our revenue from execution of projects in the residential buildings sector constituted approximately 48.15%, 62.22% and 51.56% of our total revenue for the Fiscal Years ended March 31, 2024, 2023 and 2022, respectively. Our business and our financial condition would be materially and adversely affected if we fail to obtain new contracts or our current contracts are terminated. • We may be unable to accurately estimate costs under lump sum contracts, fail to maintain the quality and performance guarantees under our lump sum contracts and we may experience delays in completing the construction of our projects, which may increase our construction costs and working capital requirements, and may have a material adverse effect on our financial condition, cash flow and results of operations. • Our contracts with government entities/agencies usually contain terms that favour the government entities/ agencies and as such, we have limited ability to negotiate terms of these contracts. Our inability to negotiate terms that are favourable to us may have a material adverse impact on our financial condition and results of operations. • Our business is capital intensive. If we experience insufficient cash flows or we are unable to access suitable financing to meet required payments on our debt and working capital requirements, there may be an adverse effect on the results of our operations. • We own and rent equipment and mobilize such construction equipment at the beginning of each project resulting in increased fixed costs to our Company. Further, in the event we are not able to generate adequate cash flows and keep pace with technical and technological developments in the construction industry it may have a material adverse impact on our operations. • We rely on a number of third party suppliers for our key components, materials and stock-in-trade as well as customer support services including product repairs and returns. Any shortfall in the supply of our components and raw materials or an increase in our component or raw material costs, or other input costs, may adversely affect the pricing and supply of our products and have an adverse effect on our business, results of operations and financial condition. Please see "*Risk Factors*" beginning on page 32.
Summary of contingent liabilities	The following is a summary table of our contingent liabilities and commitments as at March 31, 2024, as indicated in our Restated Consolidated Financial Information:

(₹ in million)

Contingent liabilities (to the extent not provided for)	
Particulars	**As at March 31, 2024**
Goods and service tax	6.59
Total of Contingent Liabilities	**6.59**

Certified by S S Kothari Mehta & Co. LLP, Chartered Accountants, by its certificate dated September 30,2024.

For details of contingent liabilities, see "*Restated Consolidated Financial Information - Contingent Liabilities*" on page 422**.**

Summary of related party transactions

Details of related party transactions entered into by our Company for the year ended March 31, 2024, for the year ended March 31, 2023 and for the year ended March 31, 2022, and derived from the Restated Consolidated Financial Information are as set out in the table below:

(₹ in million)

Nature of Transactions	March 31, 2024	March 31, 2023	March 31, 2022	% of revenue from operations for Fiscal Year ended March 31, 2024	% of revenue from operations for Fiscal Year ended March 31, 2023	% of revenue from operations for Fiscal Year ended March 31, 2022
Remuneration to key managerial personnel						

	('KMP') and their relatives						
	Varinder Kumar Garg	46.70	44.40	26.03	0.34%	0.42%	0.26%
	Sushma Garg	41.35	39.60	7.20	0.30%	0.38%	0.07%
	Vivek Garg	45.85	39.60	21.00	0.33%	0.38%	0.21%
	Ankita Garg	18.00	18.00	4.80	0.13%	0.17%	0.05%
	Baljeet Sharma	5.94	5.94	5.40	0.04%	0.06%	0.05%
	Vikas Jain	2.74	-	-	0.02%	0.00%	0.00%
	Anurag Srivastava	0.55	-	-	0.00%	0.00%	0.00%
	Sales of Goods and Services:						
	NAS Buildcon Private Limited	4.86	2.37	-	0.03%	0.02%	0.00%
	ALTIS-VCL JV	686.17	724.44	44.13	4.94%	6.91%	0.44%
	Varindera Constructions Ltd VRC Constructions (l) Pvt Ltd (JV)	1,048.86	1,962.21	1,671.81	7.55%	18.71%	16.81%
	VRC-VCL-S&P JV	46.58	52.39	1,264.48	0.34%	0.50%	12.72%
	Purchase of Goods and Services:						
	Surbhi Metal India Pvt. Ltd.	-	0.82	3.11	0.00%	0.01%	0.03%
	Varindera Construction (Overseas) Limited	-	-	23.96	0.00%	0.00%	0.24%
	Vivek RMC Plant Pvt. Ltd.	-	-	0.23	0.00%	0.00%	0.00%
	Shiv Infratech	-	0.84	0.32	0.00%	0.01%	0.00%
	Reimbursement for expenses paid on behalf of related party:						
	Varindera Developers & Infrastructure Pvt. Ltd.	10.05	0.10	-	0.07%	0.00%	0.00%
	Vivek Infraprojects Pvt. Ltd.	0.87	0.88	0.53	0.01%	0.01%	0.01%
	Varindra & Co.	0.05	-	0.01	0.00%	0.00%	0.00%
	NAS Buildcon Private Limited	-	0.70	-	0.00%	0.01%	0.00%
	ALTIS-VCL JV	55.78	65.06	20.00	0.40%	0.62%	0.20%
	Varindera Constructions Ltd VRC Constructions (l) Pvt Ltd (JV)	44.63	264.98	377.05	0.32%	2.53%	3.79%
	VRC-VCL-S&P JV	1.79	31.14	429.80	0.01%	0.30%	4.32%
	Surbhi Art World	17.09	-	-	0.12%	0.00%	0.00%

	Sale of Shares of Varindera Developers & Infrastructure Pvt. Ltd.(Associate):						
	Varinder Kumar Garg	-	15.08	-	0.00%	0.14%	0.00%
	Sushma Garg	-	15.07	-	0.00%	0.14%	0.00%
	Vivek Garg	-	15.08	-	0.00%	0.14%	0.00%
	Ankita Garg	-	15.07	-	0.00%	0.14%	0.00%
	Sale of property to KMP:						
	Varinder Kumar Garg	26.90	-	-	0.19%	0.00%	0.00%
	Sushma Garg	26.90	-	-	0.19%	0.00%	0.00%
	Investment in subsidiary:						
	Varindera Constructions International Limited	1.89	-	-	0.01%	0.00%	0.00%
	Advances given to subsidiary:						
	Varindera Constructions International Limited	22.49	-	-	0.16%	0.00%	0.00%
	Security deposits received:						
	Varindera Construction (Overseas) Limited	0.46	-	-	0.00%	0.00%	0.00%
	Loan given to the related party:						
	Vivek Infraprojects Pvt. Ltd.	-	18.50	-	0.00%	0.18%	0.00%
	Varindera Developers & Infrastructure Pvt. Ltd.	-	37.70	-	0.00%	0.36%	0.00%
	NAS Buildcon Private Limited	76.24	1.00	-	0.55%	0.01%	0.00%
	Varindera Constructions International Limited	217.96	-	-	1.57%	0.00%	0.00%
	Som Projects Private Limited	13.00	20.00	66.50	0.09%	0.19%	0.67%
	Somansion Estates Private Limited	-	12.50	32.50	0.00%	0.12%	0.33%
	Varinder Kumar Garg	-	-	14.00	0.00%	0.00%	0.14%
	Vivek Garg	-	32.50	11.25	0.00%	0.31%	0.11%

	Loan taken from the related party:						
	Surbhi Metal India Pvt. Ltd.	11.10	-	-	0.08%	0.00%	0.00%
	Varinder Kumar Garg	27.38	-	-	0.20%	0.00%	0.00%
	Sushma Garg	3.68	-	-	0.03%	0.00%	0.00%
	Som Projects Private Limited	50.00	17.50	22.50	0.36%	0.17%	0.23%
	Dove Building Solution Private Limited	-	3.50	-	0.00%	0.03%	0.00%
	Somansion Estates Private Limited	-	-	36.50	0.00%	0.00%	0.37%
	Vivek Garg	-	-	8.95	0.00%	0.00%	0.09%
	Repayment by related party for loan given:						
	Varindera Developers & Infrastructure Pvt. Ltd.	-	5.00	-	0.00%	0.05%	0.00%
	Vivek Infraprojects Pvt. Ltd.	18.50	-	-	0.13%	0.00%	0.00%
	Som Projects Private Limited	13.00	20.00	66.50	0.09%	0.19%	0.67%
	Somansion Estates Private Limited	-	12.50	32.50	0.00%	0.12%	0.33%
	NAS Buildcon Private Limited	-	1.00	-	0.00%	0.01%	0.00%
	Varinder Kumar Garg	-	-	14.00	0.00%	0.00%	0.14%
	Vivek Garg	-	32.50	11.25	0.00%	0.31%	0.11%
	Repayment to related party for loan taken:						
	Surbhi Metal India Pvt. Ltd.	-	10.72	-	0.00%	0.10%	0.00%
	Varinder Kumar Garg	27.38	-	-	0.20%	0.00%	0.00%
	Sushma Garg	3.68	-	-	0.03%	0.00%	0.00%
	Som Projects Private Limited	50.00	17.50	22.50	0.36%	0.17%	0.23%
	Dove Building Solution Private Limited	-	3.50	-	0.00%	0.03%	0.00%
	Somansion Estates Private Limited	-	-	36.50	0.00%	0.00%	0.37%
	Vivek Garg	-	-	8.95	0.00%	0.00%	0.09%
	Interest income on loan given:						
	Varindera Developers & Infrastructure Pvt. Ltd.	2.94	2.08	-	0.02%	0.02%	0.00%
	NAS Buildcon Private Limited	0.98	-	-	0.01%	0.00%	0.00%
	Varindera Constructions	3.59	-	-	0.03%	0.00%	0.00%

International Limited						
Vivek Infraprojects Pvt. Ltd.	1.45	-	-	0.01%	0.00%	0.00%
Som Projects Private Limited	0.51	-	-	0.00%	0.00%	0.00%
Somansion Estates Private Limited	0.57	-	-	0.00%	0.00%	0.00%
Interest expense on loan taken:						
Surbhi Metal India Pvt. Ltd.	0.99	0.90	0.51	0.01%	0.01%	0.01%

For details of the related party transactions eliminated during the year, **s**ee "*Restated Consolidated Financial Information – Related Party Transactions*" in Note 39 on page 415**.**

Details of financing arrangements

Our Promoters, members of the Promoter Group, our Directors and their relatives have not financed the purchase by any person of securities of our Company during a period of six months immediately preceding the date of this Draft Red Herring Prospectus.

Weighted average price at which the specified securities were acquired by our Promoters and the Selling Shareholders in the last one year preceding the date of this Draft Red Herring Prospectus

The weighted average price at which the specified securities were acquired by our Promoters and the Promoter Selling Shareholders in the last one year preceding the date of this Draft Red Herring Prospectus is as follows:

Name of our Promoters	Number of Equity Shares acquired	Weighted average price per Equity Share (in ₹)
Varinder Kumar Garg*	10,3892,000	Nil
Sushma Garg*	47,765,200	Nil
Vivek Garg	282,800	Nil
VG Family Trust	100,000	Nil

As certified by Mukesh Raj & Co., Chartered Accountants, by way of their certificate dated September 30,2024.
**Also the Promoter Selling Shareholders.*

Average cost of acquisition of Equity Shares of our Promoters including the Promoter Selling Shareholders

The average cost of acquisition of Equity Shares for our Promoters including the Promoter Selling Shareholders as on the date of the Draft Red Herring Prospectus is as set out below:

S. No.	Name of the Promoter	Number of Equity Shares held on a fully diluted basis	Average cost of acquisition per Equity Shares (in ₹)
1.	Varinder Kumar Garg*	103,892,000	0.04
2.	Sushma Garg*	47,765,200	0.04
3.	Vivek Garg	282,800	0.04
4.	VG Family Trust	100,000	NIL

As certified by Mukesh Raj & Co., Chartered Accountants, Chartered Accountants, by way of their certificate dated September 30,2024.
**Also the Promoter Selling Shareholders.*

Weighted average cost of acquisition of all shares transacted in last one year, 18 months and three years

The details of the weighted average cost of acquisition of all shares transacted in last one year, 18 months and three years preceding the date of this Draft Red Herring Prospectus are set out below:

Period	Weighted average cost of acquisition (in ₹)	Range of acquisition price: lowest price – highest price (in ₹)	Cap Price is 'x' times the weighted average cost of acquisition^
Last one year preceding the date of this Draft Red Herring Prospectus	NIL	Lowest Price – Nil Highest Price - Nil	[●]
Last 18 months preceding the date	NIL	Lowest Price – Nil	[●]

preceding the date of this Draft Red Herring Prospectus

of this Draft Red Herring Prospectus		Highest Price - Nil	
Last three years preceding the date of this Draft Red Herring Prospectus	0.00	Lowest Price – Nil Highest Price - 100	[●]

As certified *by Mukesh Raj & Co., Chartered Accountants, by way of their certificate dated September 30, 2024.*
^To be updated in the Prospectus following the finalisation of Cap Price, as per the finalised Price Band.

Details of price at which specified securities were acquired by our Promoters, the members of the Promoter Group and Shareholders with the right to nominate directors or any other special rights, in the last three years preceding the date of this Draft Red Herring Prospectus

Name of the Shareholders	Date of acquisition	Number of Equity Shares acquired	Acquisition price per Equity Share (in ₹)	Nature of acquisition
Promoters				
Varinder Kumar Garg	July 6, 2024	100,278,000	NA	Bonus issue in the ratio of 27 Equity Shares for every 1 Equity Share held in the Company
Sushma Garg	July 6, 2024	46,059,300	NA	Bonus issue in the ratio of 27 Equity Shares for every 1 Equity Share held in the Company
Vivek Garg	March 28, 2022	1	100	Transfer of equity share from Ashok Kumar Gupta
	July 6, 2024	272,700	NA	Bonus issue in the ratio of 27 Equity Shares for every 1 Equity Share held in the Company
VG Family Trust	September 23, 2024	100,000	NA	Gift of shares from Varinder Kumar Garg
Promoter Group				
Surbhi Agarwal	July 6, 2024	2,700	NA	Bonus issue in the ratio of 27 Equity Shares for every 1 Equity Share held in the Company
Ankita Garg	July 6, 2024	2,700	NA	Bonus issue in the ratio of 27 Equity Shares for every 1 Equity Share held in the Company
Varindra Kumar Garg (HUF)	May 7, 2024	1	NA	Gift of share from Sushma Garg
	July 6, 2024	2,826,900	NA	Bonus issue in the ratio of 27 Equity Shares for every 1 Equity Share held in the Company

As certified by Mukesh Raj & Co., Chartered Accountants, by way of their certificate dated September 30,2024.

None of the shareholders of our Company have the right to appoint nominee directors.

Details of the Pre-IPO Placement

Our Company, in consultation with the BRLMs, may consider issue of specified securities, as may be permitted under the applicable law, aggregating up to ₹1,800.00 million prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.

Any issuance of Equity Shares in the last one year for consideration other than cash

Except as disclosed in the section, "*Capital Structure*" on page 99, our Company has not issued any Equity Shares in the one year immediately preceding the date of this Draft Red Herring Prospectus, for consideration other than cash.

Any split or consolidation of Equity

Except as disclosed in the section, "*Capital Structure"* on page 99, in relation to the split of equity shares with face value of ₹100 each to Equity Shares of face value ₹1 each, our Company has not undertaken a split or consolidation of the Equity Shares in the one year preceding the date of this Draft Red Herring Prospectus.

Shares in the last one year	
Exemption from complying with any provisions of securities laws, if any, granted by SEBI	Our Company has not made any application under Regulation 300 of the SEBI ICDR Regulations for seeking exemption from complying with any provisions of securities laws, as on the date of this Draft Red Herring Prospectus.

SECTION II - RISK FACTORS

An investment in Equity Shares involves a high degree of risk. Potential investors should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares, the industry in which we operate or to India. Additional risks and uncertainties, not currently known to us or that we currently do not deem material may also adversely affect our business, results of operations, cash flows and financial condition. If any or some combination of the following risks, or other risks that are not currently known or believed to be adverse, actually occur, our business, results of operations and financial condition could suffer, the trading price of, and the value of your investment in, our Equity Shares could decline and you may lose all or part of your investment. Further, some events may be material collectively rather than individually.

In order to obtain a complete understanding of our Company and our business, prospective investors should read this section in conjunction with "Industry Overview", "Our Business", "Key Regulations and Policies", "Financial Information - Restated Consolidated Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 162, 276, 316, 361 and 440, respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus. In making an investment decision, prospective investors must rely on their own examination of us and our business and the terms of the Offer including the merits and risks involved. Potential investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Offer. Unless specified or quantified in the relevant risk factors below, we are unable to quantify the financial or other impact of any of the risks described in this section. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment, which may differ in certain respects from that of other countries.

Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our Restated Consolidated Financial Information. This Draft Red Herring Prospectus also contains certain forward-looking statements that involve risks, assumptions, estimates and uncertainties many of which are beyond our control. Our actual results could differ from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. For further information, see "Forward-Looking Statements" on page 20.

Unless otherwise indicated, industry and market data used in this section has been derived from the report "Assessment of the construction industry in India" dated September, 2024 (the "CRISIL Report") prepared and issued by CRISIL Limited, which has been commissioned and paid for by us as well as exclusively prepared for the purposes of the Offer. For the disclaimers associated with the CRISIL Report, see "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Disclaimer of CRISIL" on page 18. CRISIL Limited was appointed by our Company through an engagement letter dated March 18, 2024. The CRISIL Report will form part of the material documents for inspection and will be available on the website of our Company at https://www.vclgroup.in/investors/industry-report. See "– Internal Risk Factors - Industry information included in this Draft Red Herring Prospectus has been derived from an industry report commissioned and paid for by us as well as exclusively prepared for the purposes of the Offer. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate" on page 68.

Our Company's Fiscal Year commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Fiscal Year are to the 12 months ended March 31 of that year. Unless otherwise stated or the context otherwise requires, the financial information as of and for the Fiscal Years ended March 31, 2024, March 31, 2023 and March 31, 2022 included in this section has been derived from the Restated Consolidated Financial Information included in this Draft Red Herring Prospectus on page 361. Unless otherwise indicated or the context otherwise requires, in this section, references to "we", "us" and "our" are to the Company together with its Subsidiaries on a consolidated basis and references to "our Company" are to the Company on a standalone basis.

INTERNAL RISK FACTORS

Risks relating to our Business and Industry

1. ***We derived 99.34%, 99.59% and 99.99% of our revenue from operations for Fiscal Years 2024, 2023 and 2022, respectively, from our competitive bidding process and our financial condition would be materially and adversely affected if we fail to obtain new contracts or our current contracts are terminated.***

Our business depends significantly on our ability to identify opportunities, bid for and be awarded projects. As on the date of this Draft Red herring Prospectus, all our projects are won through competitive bidding. Details of the revenue from our projects won on competitive bidding, are as follows:

Particulars	**Fiscal Year 2024**		**Fiscal Year 2023**		**Fiscal Year 2022**	
	₹ (in million)	**% of our total revenue from operations**	**₹ (in million)**	**% of our total revenue from operations**	**₹ (in million)**	**% of our total revenue from operations**
Revenue from our projects won on competitive bidding	13,797.21	99.34%	10,442.96	99.59%	9,942.40	99.99%

Details of the total contract value of bids submitted by us and total contract value of projects awarded to us in respect of such bids, during the last three Fiscal years are as follows:

Particulars	**Fiscal Year 2024**	**Fiscal Year 2023**	**Fiscal Year 2022**
Total Contract Value of bids submitted *(in ₹ million)*	110,199.00	103,713.30	190,070.30
Total Contract Value of projects awarded in respect of total bids submitted (*in %)*	19.10	21.55	5.32

As a part of our business and operations, we bid for projects on an on-going basis and projects are awarded following competitive bidding processes and satisfaction of prescribed pre-qualification criteria. We generally incur significant one-time costs in the preparation and submission of bids. While service quality, technological capacity and performance, health and safety records and personnel, as well as reputation and experience and sufficiency of financial resources are important considerations in authority decisions, there can be no assurance that we would be able to meet such qualification criteria, particularly for larger projects. Further, once the prospective bidders satisfy the qualification requirements of the tender, the project is usually awarded based on the quote by the prospective bidder. For instance, while as a pre-qualification criteria to apply for tenders of government projects, our Company is registered as a contractor with certain government agencies such as CPWD, DRDO, MES, and BRO, such registrations are provided only for a limited period of time and are subject to review and renewal every three to five years, by the respective government agencies, We cannot assure you that we would bid where we have been pre-qualified to submit a bid or that our bids, when submitted or if already submitted, would be accepted. For further details see, "– *We require various statutory and regulatory permits and approvals in the ordinary course of our business, and our failure to obtain, renew or maintain them in a timely manner may adversely affect our operations. Further, we are also registered in 'Class- I (Super)' in composite category with CPWD and DRDO and as the 'Super Special' class contractor with MES and BRO, and any downgrade in our category and/or termination of our registration may adversely affect our business, financial condition, results of operations and cash flows*" on page 51**.**

There can be no assurance that the projects for which we bid will be tendered within a reasonable time, or at all. In the last three fiscal years, we had an average time period of 30 days to 60 days within which our bids were tendered from the date of announcement. In the event that new projects which have been announced and which we plan to bid for are not put up for tender within the announced timeframe, or qualification criteria are modified such that we are unable to qualify, our business, prospects, financial condition, cash flows and results of operations could be materially and adversely affected. Additionally, aggressive bidding may affect the credit profile of the company and exert pressure on our profitability.

Further, all our ongoing projects have been awarded to us for a term between eight months to three years and the relevant authorities may float fresh tenders for such projects after expiry of the current term. Projects awarded to us may also be subject to litigation by unsuccessful bidders. While in the last three Fiscal years there have been no such litigations against us, such legal proceedings may result in delay in award of the projects and/or notification of appointed dates, for the bids where we have been successful, which may result in us having to retain unallocated resources and as a result, it would adversely affect our results of operations and financial condition. Further, we may be required to incur substantial expenditure, time and resources in defending such litigation. Any unsuccessful outcome in any such proceedings may lead to termination of a contract awarded to us, which could have a material adverse effect on our future revenues and profits.

2. *More than 90% of our revenue from operations in the last three Fiscal Years was derived from clients affiliated with the central government and our financial condition would be materially and adversely affected if we fail to obtain new contracts or our current contracts with them are terminated.*

Our business depends significantly on our ability to obtain projects from clients affiliated with the central government. As on March 31, 2024 and as on the date of this DRHP, 100% and 86.36%, respectively, of our ongoing projects were with clients affiliated with the central government and the details of the revenue from the above mentioned projects are as follows:

Particulars	Fiscal Year 2024		Fiscal Year 2023		Fiscal Year 2022	
	₹ (in million)	% of our total revenue from operations	₹ (in million)	% of our total revenue from operations	₹ (in million)	% of our total revenue from operations
Revenue from our projects with clients affiliated with the central government	13,430.44	96.70%	10,214.60	97.42%	9216.14	92.69%

Given that we derived a significant portion of our revenue from projects awarded by the agencies affiliated with central government in the last three Fiscal Years, we are exposed to various additional risks inherent in doing business with them, which may adversely affect our business, results of operations and financial condition. These risks include:

- participation in contracts with government entities could subject us to rigorous regulatory and testing requirements which may increase our compliance costs;
- execution of the detailed definitive documentation and agreements with government entities or agencies may take a significant amount of time and cause delays;
- cancelation of empanelment with government entities or agencies.
- delays in project implementation and key initiatives where we have invested significant costs;
- delays in recovery of service charges due to time taken to complete internal processes by such entities and agencies;
- levy of liquidated damages due to our execution delays, which may adversely affect our profit margins;
- contracts with government entities or agencies are awarded to the lowest bidder that meets technical conditions of the tender, which makes winning such tenders difficult. In addition, if we have to lower our pricing in order to win tenders, it would exert pressure on our margins;
- the tender process is long and may be subject to significant delays and/or renegotiation of the terms of the bid or lowering the price for products and services included in the tender;
- political and economic factors such as pending elections, changes in leadership among key governmental decision makers, changes or delays in the implementation of government policies, revisions to tax policies can affect the number and terms of new government contracts signed;

- any disinvestment by the Government of India of its shareholding in such entities could result in a change in business operations of such entities, which may impact existing or future business arrangements between our Company and such entities;

- terms and conditions of contracts, including requests for proposals and tenders tend to be more onerous and are often more difficult to negotiate than those for other commercial contracts; and

- in the event of any non-payment or delay in payment by such clients, we may be unable to make payments to third-party contractors, who may initiate proceedings against our Company.

In the event of any adverse change in budgetary allocations for infrastructure development or a downturn in available work in these sectors or resulting from any change in government policies or priorities, our business prospects and our financial performance, may be adversely affected. The contracts with government entities may be subject to extensive internal processes, policy changes, government or external budgetary allocation, insufficiency of funds and political pressure, which may lead to lower number of contracts available for bidding or increase in the time gap between invitation for bids and award of the contract or lead to renegotiation of the terms of these contracts which may lead to a delay in our business operations. In relation to such contracts, we may also be subject to additional regulatory scrutiny associated with commercial transactions with government owned or controlled entities and agencies.

In addition to this, our contracts with government entities/agencies usually contain terms that favour the government clients. For further details please see "- *Our contracts with government entities/agencies usually contain terms that favour the government clients and as such, we have limited ability to negotiate terms of these contracts. Our inability to negotiate terms that are favourable to us may have a material adverse impact on our financial condition and results of operations.*"

3. ***We derive majority of our revenues from contracts with a limited number of government entities. Any adverse changes in government policies may lead to our contracts being foreclosed, terminated, restructured or renegotiated, which may have a material effect on our business and results of operations.***

We have diversified horizontally with successfully executed projects in commercial building – railway, commercial building – complex and offices, institutional building, healthcare building, and infrastructure project verticals, in recent years. Our construction projects can be broadly classified into residential building, commercial building- railway, commercial building- complex and offices, institutional building, healthcare building and infrastructure projects. The table below depicts the revenue from our top five clients in the last three Fiscal Years.

Particulars	**Fiscal Year 2024**		**Fiscal Year 2023**		**Fiscal Year 2022**	
	₹ million	**% of contribution to our total revenue of operations (in%)**	**₹ million**	**% of contribution to our total revenue of operations (in%)**	**₹ million**	**% of contribution to our total revenue of operations (in%)**
Revenue earned from top 5 clients	12,784.81	92.05	9,923.30	94.64	9,741.22	97.97
Revenue earned from single largest client	7,786.16	55.93	7,899.72	75.34	5,140.01	51.69

Larger contracts from few clients may also represent a larger part of our Order Book, increasing the potential volatility of our results and exposure to individual contract risks. Of our total Order Book value as on March 31, 2024, projects awarded by NBCC contributed 57.29%, projects awarded by NHAI contributed 15.69 %, projects awarded by South Western Railway contributed 11.24 %, projects awarded by South Central Railway contributed 4.81% and projects awarded by Ministry of Health and Wellness, Republic of Mauritius, Ministry of Arts and Cultural Heritage, Mauritius, DGMAP, CMRL and MES collectively contributed 10.97 %. For further details, see

"*Our Business – Our Strengths- Robust order book with central government/multilateral institutions funded projects"* on page 287.

The loss of any one of our key customers, including our top customer, for any reason including any adverse changes to the government policies could have an adverse effect on our business, results of operations and financial condition. There can be no assurance that we will not lose all or a portion of our business generated by these key customers, or that we will be able to offset any reduction of prices to these customers with reductions in our costs or by obtaining new customers. We may continue to remain dependent upon our key customers for a substantial portion of our revenues. Further, the deterioration of the financial condition or business prospects of these customers could reduce their requirement of our services and result in a significant decrease in the revenues we derive from these customers. In the event of our failure to retain one or more of our key customers, it will have an adverse effect on our financial performance and result of operations.

4. ***Our Order Book may not be representative of our future results and our actual income may be significantly less than the estimates reflected in our Order Book, which could adversely affect our results of operations.***

Our Company's Order Book as of a particular date comprises the estimated revenues from the unexecuted portions of all the existing contracts. Further, our Company's Order Book as of a particular date is calculated on the basis of the aggregate contract value of our ongoing projects as of such date, adjusted for any change in scope of our work for such projects, reduced by the value of work executed by us until such date, as certified by the relevant client. The table below provide details of our Order Book for the last three Fiscal Years:

	As on March 31, 2024	**As on March 31, 2023**	**As on March 31, 2022**
Value of the Order Book (in ₹ million)	38,447.93	32,238.35	19,295.18

For the purposes of calculating the Order Book value, our Company does not take into account any escalation as of the relevant date, or the work conducted by us in relation to any such escalation of such projects until such date. The manner in which we calculate and present our Order Book is therefore not comparable to the manner in which our revenue from operations is accounted, which takes into account revenue from work relating to escalation or changes in scope of work of our projects. The manner in which we calculate and present our Company's Order Book information may also vary from the manner in which such information is calculated and presented by other companies, including our competitors. The Order Book information included in this Draft Red Herring Prospectus is not audited and does not necessarily indicate our future earnings. Our Order Book should not be considered in isolation or as a substitute for performance measures. For further details on our Order Book, see "*Our Business – Order Book*" on page 301.

For some of the contracts in our Order Book, our clients are obliged to perform or take certain actions, such as acquiring land, securing the right of way, securing required licenses, authorizations or permits, approving designs and drawings, approving supply chain vendors and shifting existing utilities.). For instance, as on the date of this DRHP, the land on which we are redeveloping the general pool residential accommodation (GPRA) colony at Sarojini Nagar had certain impediments including an existing live electric sub station and trees which delayed the construction process as it was not cleared by the client before construction began If a client does not perform such actions in a timely manner, and the possibility of such failure is not provided for in the contract, our projects could be delayed, modified or cancelled. We may not have the full protection in our construction contracts against such delays or associated liabilities and/or additional costs. Due to the possibility of cancellations or changes in scope and schedule of projects, resulting from our clients' discretion or problems we encounter in project execution or reasons outside our control or the control of our clients, we cannot predict with certainty when, if or to what extent, a project forming part of our Order Book will be performed and this could reduce the income and profits we ultimately earn from the contracts. Further, we have escalation clauses in some of our contracts, which, may be interpreted restrictively by our counterparties, who may dispute our claims for additional costs. Delays in the completion of a project can lead to clients delaying or refusing to pay the amount, in part or full, that we expect to be paid in respect of such project. Any delay, reduction in scope, cancellation, execution difficulty, payment postponement or payment default in regard to our Order Book projects or any other uncompleted projects, or disputes with clients in respect of any of the foregoing, could materially harm our cash flow position, revenues and earnings.

5. ***Our revenue from execution of projects in the residential buildings sector constituted approximately 48.15%, 62.22%and 51.56% of our total revenue for the Fiscal Years ended March 31, 2024, 2023 and***

2022, respectively. Our business and our financial condition would be materially and adversely affected if we fail to obtain new contracts or our current contracts are terminated.

We are an integrated engineering, procurement and construction ("**EPC**") company with experience in construction of buildings projects including residential units, commercial- complex and offices, railway stations, hospitals, high court and library as well as undertaking infrastructure projects such as metro depot, aircraft hangar and roads. As part of our business, we bid for projects on a continual basis. The table below shows our revenue from execution of projects in the residential building sector, for the Fiscals 2024, 2023 and 2022:

Particulars	**Fiscal Year 2024**		**Fiscal Year 2023**		**Fiscal Year 2022**	
	₹ (in million)	**% of our total revenue from operations**	**₹ (in million)**	**% of our total revenue from operations**	**₹ (in million)**	**% of our total revenue from operations**
Revenue from our projects in the residential building sector	6,687.54	48.15	6,524.35	62.22	5,127.19	51.56

As on the date of this DRHP, our Company has 22 ongoing projects, of which eight are in the residential building sector. Since our Order Book is focused on the residential buildings, our future earnings are also dependent on progress of the residential building sector in general. If there is any change in the government or in governmental policies, practices or focus those lead to a slowdown in residential building projects, our Order Book and future earnings may be materially and adversely affected. Further, if our Order Book is not adequately diversified, any adverse impact in investment by public sector or private sector in residential building projects may lead to an adverse impact to our financial condition.

The table below provides the details of our residential projects in our order book for the last three Fiscal Years:

	As on March 31, 2024	**As on March 31, 2023**	**As on March 31, 2022**
Value of the Order Book (in ₹ million)	20,408.08	8,239.16	13,857.05
% of the total Order Book value	53.08%	25.56%	71.82%

Our business, growth prospects and financial performance largely depends on our ability to obtain new contracts in the residential building sector, and there can be no assurance that we will be able to procure new contracts. Our future results of operations and cash flows can fluctuate materially from period to period depending on the timely award of contracts, commencement of work and completion of projects in the scheduled time period. If we are unable to obtain new contracts for our business, our business will be materially and adversely affected.

6. ***We may be unable to accurately estimate costs under lump sum contracts, fail to maintain the quality and performance guarantees under our lump sum contracts and we may experience delays in completing the construction of our projects, which may increase our construction costs and working capital requirements, and may have a material adverse effect on our financial condition, cash flow and results of operations.***

Our construction contracts that we have entered in the past have been design and build contracts, item rate contracts, percentage rate contracts and lump sum contracts. We derived ₹ 1,914.49 million, which was 13.78% of our revenue from operations in Fiscal Year 2024 through projects with lumpsum contract. For further details regarding our various types of agreements, please see "*Our Business – Summary of our construction contracts*" on page 308. For lumpsum contracts, we estimate essential costs, such as the cost of construction materials and direct project costs, at the time we enter into an lumpsum contract for a particular project and these are reflected in the overall price that we charge our clients for our construction projects. However, these cost estimates are preliminary, and at the time we submit bids for a project or enter into lump sum contracts, we may not have finalized these costs in our related contracts with subcontractors, suppliers and other parties involved in the construction project. Our actual expense in executing a project may vary substantially from the assumptions underlying our bid for various reasons, including, unanticipated increases in the cost of construction materials, fuel, labour or other inputs, unforeseen construction conditions, including the inability of the client to obtain requisite environmental and other approvals resulting in delays and increased costs, delays caused by local weather conditions and suppliers' failures to perform. While there have been no instances in the last three Fiscal Years where the actual expense incurred in executing a project has substantially exceeded our assumptions underlying the respective bids made by us, we may in the future have to bear the cost of additional materials required to complete the project, in case the client does not agree to cover the price of the same.

The construction of projects undertaken by us generally takes two to three years to complete. We may suffer significant cost overruns or even losses in these projects due to unanticipated cost increases resulted from a number of factors such as changes in assumptions underlying our contracts, changes in applicable taxation structures or the scope of work, delays in acquisition of land, procuring right of way, disruptions of the supply of raw materials due to factors beyond our control, unforeseen design or engineering challenges, inaccurate drawings or technical information provided by clients, or force majeure events. Our construction contracts may include provisions allowing for changes by our clients to the scope of work. Such provisions generally allow us to reprice the contract and charge our client for any additional work. 81.81% of our contracts for the projects undertaken in India in the last three Fiscal Years have included such price variation clauses.

We generally cannot reprice or renegotiate a lump sum contract once it has been entered into with our client. Despite the escalation clauses in some of our contracts, our government clients may interpret the applicability of the escalation clauses in their favour and we may experience difficulties in enforcing such clauses to recover the costs we incurred in relation to the additional work performed at the clients' requests or because of the change of scope of work. Our ability to pass on increases in the purchase price or manufacturing cost of raw materials and other inputs may be limited in the case of contracts with limited or no price escalation provisions and we cannot assure you that these variations in cost will not lead to financial losses to us. We may have to bear risks associated with any increase in actual costs for construction activities exceeding the agreed work. Depending on the size of the project, if any of these risks materialize, they could adversely affect our reputation and profitability, which may in turn have an adverse effect on our cash flows, business, financial condition and results of operations.

Under our lump sum contracts we also typically provide certain performance guarantees that require us to complete the construction project in accordance with a specified timeline and to be responsible for the construction project maintaining a 5% ratio for a specified time period, typically for up to three to five years after commissioning of the construction project. Any failure to maintain these performance guarantees may subject us to penalties under our lump sum contracts, such as requiring us to perform remediation work to meet the guarantees, pay liquidated damages or allowing the counterparty to terminate the lump sum contract. As a result, we may face losses under a particular project, may not be able to achieve our expected margins and may record an overall loss in the relevant financial period. While, as of March 31, 2024, we did not have any provision for liquidated damages for time/cost overruns at our projects, we cannot assure that we will not be required to pay any actual liquidated damages as a result of such delays.

7. *Our contracts with government entities/agencies usually contain terms that favour the government entities/agencies and as such, we have limited ability to negotiate terms of these contracts. Our inability to negotiate terms that are favourable to us may have a material adverse impact on our financial condition and results of operations.*

The counterparties to a number of our construction contracts are government entities and these contracts are usually based on forms chosen by the government entities. As a result, we have only a limited ability to negotiate the terms of these contracts, which tend to favour our government clients. For instance, in our agreements with government clients the clauses in relation to the defects liability period, performance bank guarantee, escalation clauses, price variation, retention money, termination, liquidated damages, force majeure and bonus clauses are mostly decided by the government entities itself and we do not have any right to amend, negotiate or discuss the terms under these clauses.

The contractual terms may present risks to our business, including:

- risks we have to bear and lack of recourse to our government clients where defects in site or geological conditions were unforeseen or latent from our preliminary investigations, design and engineering prior to submitting a bid;
- liability for defects arising after the termination of the agreement;
- clients' discretion to grant time extensions, which may result in project delays and/or cost overruns;
- our liability as a contractor for consequential or economic loss to our clients;
- commitment of the government to secure encumbrance free land, utility shifting and delay in obtaining approvals; and
- the right of the government client to terminate our contracts for convenience at any time after providing us with the required written notice within the specified notice period.

Our ability to continue or undertake projects thus largely depends on our government clients, who may terminate the relevant construction agreements for reasons set forth in these agreements. If the government client terminates any of our construction agreements, under the relevant agreement it is generally required to compensate us for the amount of our unrecovered investment, unless the agreement is terminated pursuant to applicable law or our breach of the terms of the agreement is material. Such compensation process is likely to be time consuming and the amount paid to us may not fully compensate us. We are typically required to transfer the control and possession of the project and construction sites back to the government client, which may restrain us from clustering our projects or divesting our assets on our desired terms and conditions. We cannot assure you that we would receive such compensation on a timely basis or in an amount equivalent to the value of our investment plus our lost profits. Further, in particular, under our contracts with NHAI and South Western Railway, the government authority has the right to change the scope of work to include additional work which was not contemplated at the time of execution of the contract.

Further, under our construction contracts, the contract price and scheduled completion date of the project may not be adjusted for any unforeseen difficulties or costs and we are responsible for having foreseen difficulties that may arise in completing the project. Additionally, a failure to repair or rectify defects or deficiency within the prescribed period entitles the relevant authority to reduce the monthly lump sum amounts payable for maintenance. In the event we commit a default under the terms of the contract and are unable to rectify such default within the applicable cure period, the government authority also has to suspend us from carrying out any work on the relevant project for a maximum period of 90 days from the date of issue of notice and we are required to indemnify the government authority for all costs incurred during such period by the authority for discharging our obligations. Such onerous conditions in the government contracts may affect the efficient execution of these projects and may have adverse effects on our profitability. While there have been no instances in the last three Fiscal Years, we cannot assure you there will be no instances in the future. For further details of the contracts entered into in relation to our EPC projects, see "*Our Business – Strengths - Efficient business model with integrated execution capabilities*" on page 285.

Our EPC construction services contracts with government authorities are also subject to certain restrictions including technical audits by such government authorities which awarded that particular contract. If we fail to comply with a contractual or any other requirement or if there are any concerns that arise out of the audit conducted by a government entity, a variety of penalties can be imposed including monetary damages and criminal and civil penalties. As a result of this, any or all of our contracts entered into with government entities could be terminated and we could be suspended or debarred from all government contract work, or payment of our costs could be disallowed. While there have been no such instances in the last three years, the occurrence of any of these actions could harm our reputation and could have a material adverse effect on our business, results of operations and financial condition.

In addition, our agreements contain restrictive covenants and obligations, which require the prior consent of the relevant authority to undertake certain actions, including, amendment or modification of project agreements, creation of encumbrance or security interest, selection or replacement of contractors. We cannot assure you that any failure to comply with such restrictive covenants will not constitute an event of default under the relevant agreements and could result in situations, such as, amongst others, payment of damages to the relevant authority or termination of our construction agreement by the relevant authority. In addition, we may be restricted in our ability to, among other things, sell our interests to third parties, undertake expansions, contract with certain third parties and certain clients or completely assign our rights or obligations under our contracts to any person. These restrictions may limit our flexibility in operating these projects, which could have an adverse effect on our cash flows, results of operations and financial condition.

8. *Our business is capital intensive. If we experience insufficient cash flows or we are unable to access suitable financing to meet required payments on our debt and working capital requirements, there may be an adverse effect on the results of our operations.*

Our business requires a significant amount of working capital which is based on certain assumptions, and accordingly, any change of such assumptions would result in changes to our working capital requirements. A significant amount of working capital is required to finance the purchase or manufacturing of materials, mobilization of resources and other work on projects before payment is received from clients.

Details regarding working capital availed in the last three Fiscal Years are provided below

Particulars	As on March 31, 2024		As on March 31, 2023		As on March 31, 2022	
	₹ (in million)	% of total consolidated	₹ (in million)	% of total consolidated	₹ (in million)	% of total consolidated

		financial indebtedness		financial indebtedness		financial indebtedness
Working capital facilities availed	1,407.90	40.44%	1,194.12	50.57%	899.60	60.22%

Further, since the contracts we bid typically involve a lengthy and complex bidding and selection process which is affected by a number of factors such as the price quoted and competition, it is generally difficult to predict whether or when a particular contract we have bid for will be awarded to us and the time period within which we will be required to mobilize our resources for the execution of such contract. Our gross capital days were 118.81, 100.69 and 82.14 for Fiscal Years 2024, 2023 and 2022, respectively. As a result, we may need to incur additional indebtedness in the future to satisfy our working capital requirements. Our working capital requirements may increase if we undertake larger or additional projects or if payment terms do not include advance payments or such contracts have payment schedules that shift payments toward the end of a project or otherwise increase our working capital burden.

Our capital expenditure requirements and growth strategy thus require continued access to significant amounts of capital on acceptable terms. We cannot assure you that market conditions and other factors will permit future project and acquisition financings, debt or equity, on terms acceptable to us or at all. Our ability to arrange financing and the costs of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from financial institutions, the amount and terms of our existing indebtedness, investor confidence, the continued success of current projects and laws that are conducive to our raising capital in this manner. Our attempts to consummate future financings may not be successful or be on terms favourable to us or at all. In addition, our ability to raise funds, either through equity or debt, is limited by certain restrictions imposed under Indian law. Further, if the demand for, or supply of, infrastructure financing at attractive rates or terms were to diminish or cease to exist, our business, prospects, financial condition and results of operation could be adversely affected.

We strive to maintain strong relationships with local and national banks, as well as non-banking financial institutions to increase our financing flexibility. However, we cannot assure you that our relationships with lenders will not change or that lenders will continue lending practices we are familiar with. Our lenders may implement new credit policies, adopt new pre-qualification criteria or procedures, raise interest rates or add restrictive covenants in loan agreements, some or all of which may significantly increase our financing costs, or prevent us from obtaining financings totally. As a result, our projects may be subject to significant delays and cost overruns, and our business, financial condition and results of operations may be materially and adversely affected. There can be no assurance that the progress payments and the retention money will be remitted by our clients to us on a timely basis or that we will be able to efficiently manage the level of bad debt arising from such payment practice. Our working capital position is therefore also dependent on the financial position of our clients. All of these factors may result in an increase in the amount of our receivables and short-term borrowings and the continued increase in working capital requirements may have an adverse effect on our financial condition and results of operations.

9. ***We own and rent equipment and mobilize such construction equipment at the beginning of each project resulting in increased fixed costs to our Company. Further, in the event we are not able to generate adequate cash flows and keep pace with technical and technological developments in the construction industry it may have a material adverse impact on our operations.***

We own and rent large and modern construction equipment and mobilize such equipment at the beginning of each project, resulting in increased fixed costs to our Company. As of March 31, 2024, our Company owned 945 construction equipment and vehicles such as piling rig, excavators, loaders, dozers, hot mix plant, and transportation vehicles. As on March 31, 2024, we have rented a total of 23 equipment including cranes, hydra and grader, as per our requirement. The table below indicates the details of our rental and owned equipment for the relevant periods.

Particulars	Rental equipment			Owned equipment		
	Fiscal Year 2024	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2024	Fiscal Year 2023	Fiscal Year 2022
Equipment Cost (in ₹ million)	22.91	18.72	22.58	757.01	575.05	43.80
As a % of total revenue from operations (in %)	0.16	0.18	0.23	5.45	5.48	0.44

Further, our recent experience indicates that clients are increasingly developing larger, more technically complex projects in the civil construction and infrastructure sector We have adopted newer technologies such as building information modelling ("**BIM**") for service integration, SAP S/4 HANA system for procurement and budgeting as well as MS Projects software for tracking the projects. We have also implemented mobile automation ("**MOBA**"), which is a digital site management system, through which we monitor and improve utilisation and operational efficiency of our equipment and operators, by keeping a track of the fuel consumption and pilferages and keeping a check on any unauthorised fuel dispensing. For further details, see "*Our Business -Information Technology*" on page 313. To meet our clients' needs, we must regularly update existing technology and acquire or develop new technology for our engineering construction undertakings. In addition, rapid and frequent technology and market demand changes can often render existing technologies and equipment obsolete, requiring substantial new capital expenditures and/or write-downs of assets. While we have a disaster recovery policy and monthly backup process for our SAP S/4 HANA systems, our failure to anticipate or to respond adequately to changing technical, market demands, may affect our operations, reputation and profitability.

The mobilization, maintenance and management of such equipment is critical for timely completion of our projects. If we are unable to source equipment required for a certain project or if we are unable to timely dispatch and mobilize our construction vehicles or machinery to worksites where they are required due to project delays, unavailability of land, disputes or other problems with our work force such as work stoppages, strikes or political protests, our operations could be disrupted and it could have a material adverse effect on our financial condition and operations. Further, on an average the cost of maintaining such equipment in proper working condition constitutes 4.32% of our cost of equipment in Fiscal Year 2024. In the event, we are unable to generate or maintain adequate revenues by successfully bidding for projects or recover payments from our clients in a timely manner or at all, it could have a material adverse effect on our financial condition and operations.

Our estimate of the future requirement of equipment depends on, among other things, whether and when we will be awarded new contracts. While our estimates are based upon best judgment, these estimates can be unreliable and may frequently change based upon newly available information. In the case of large-scale projects where timing is often uncertain, it is particularly difficult to predict whether or when we will be awarded the contract. Uncertainty of the contract being awarded, and its timing can present difficulties in matching equipment leasing with the contract needs. If our Company does not receive future contract awards or if a contract, is delayed or terminated, our Company could incur significant costs in the interim due to leasing and mobilizing such equipment, which could have a material adverse effect on our profitability, financial condition and results of operations and financial condition.

10. *We rely on a number of third party suppliers for our key components, materials and stock-in-trade as well as customer support services including product repairs and returns. Any shortfall in the supply of our components and raw materials or an increase in our component or raw material costs, or other input costs, may adversely affect the pricing and supply of our products and have an adverse effect on our business, results of operations and financial condition.*

Our principal raw materials include but are not limited to cement, steel, glass, wood, diesel, aluminium. The following table sets forth our consolidated cost of materials consumed and our consolidated cost of materials consumed as a percentage of our consolidated expenses in the relevant periods:

Particulars	Fiscal Year 2024		Fiscal Year 2023		Fiscal Year 2022	
	In ₹ million	As a % of total consolidated expenses (%)	In ₹ million	As a % of total consolidated expenses (%)	In ₹ million	As a % of total consolidated expenses (%)
Consolidated cost of materials consumed and construction expenses	10,175.01	83.70	8,135.54	87.76	8,218.83	91.68

We rely on a number of suppliers for our raw materials, components and stock-in-trade which are an integral part of our equipment and systems as well as suppliers for our customer support services. In Fiscal Year 2024, 2023 and 2022, we utilized 1,147, 1,624, and 1,597 suppliers, respectively, for our components and materials. Further, we rely on a limited number of suppliers for some of our raw materials, including but not limited to diesel, cement, sand, and admixture While we have not historically encountered problems with availability, and our global sourcing team has mitigated these risks by increasing inventory for some of these materials and completed advanced preparation, this does not ensure that we will continue to have timely access to adequate supplies of essential materials and components in the future or that supplies of these materials and components will be available on satisfactory terms when needed.

Delayed supplies from our suppliers may in turn result in delayed deliveries by us to our clients and we may incur liquidated damages. While there have been no such instances in the last three Fiscal Years, we cannot assure you that we will be liable to pay liquated damages due to a delay in delivery of raw materials from our suppliers. Prices are negotiated for each purchase order and we generally have more than one supplier for each component or raw material. The terms and conditions including the return policy are set forth in the purchase orders We are also subject to the risk that one or more of our existing suppliers may discontinue their operations, which may adversely affect our ability to source raw materials at a competitive price. Our suppliers may enter into exclusive arrangements with our competitors or other non-competing manufacturing companies and we may be unable to obtain alternative sources for our raw materials, components and stock-in-trade at commercially reasonable prices, or at all, or enter into alternative arrangements with other manufacturing partners. Any increase in component or raw material prices may result in corresponding increases in our product costs. A failure to maintain our required supply of raw materials, and any inability on our part to find alternate sources for the procurement of such raw materials, on acceptable terms, could adversely affect our ability to deliver our cryogenic equipment and systems to clients in an efficient, reliable and timely manner, and adversely affect our business, results of operations and financial condition.

We may incur additional expenses for resolving errors, providing damages for the defects or delays, extending warranties, increasing insurance coverage, obsolescence of inventory and defective products. In addition, we may have to divert significant research and development and engineering efforts to resolve such defects. Although there have been no such instances in the past three Fiscal Years, our clients may also bring legal actions against us, which could expose us to additional liabilities. Further, we may also be unable to realise any results from our research and development efforts undertaken to develop those products and recognise any revenue from the sales of those products in a timely manner, or at all. If any of these eventualities materialise, our reputation, business, results of operations and financial condition could be materially and adversely affected. We are also required to negotiate product and performance warranties and related insurance, for ourselves and our clients, with suppliers. Our failure to negotiate the product and performance warranties and procure insurances from suppliers for the required scope and period or at all, exposes us to the risks of compensating our clients for any defects in the raw materials. Where the warranty period by our suppliers is shorter in duration than our warranty obligations under the contract, we may be exposed to further claims in case of defects and this may materially and adversely affect our profitability and financial condition. While there have been no instances of defects claimed in the last three Fiscal Years, we cannot assure you we will not be subject to claims pursuant to defects in the future.

We also make advance payments in connection with our procurement agreements for equipment and materials used in our operations. We may not be able to recover such advance payments and would suffer further losses if any subcontractor, supplier or specialist agency fails to fulfil its delivery obligations under its contract, including failing to provide sufficient quantities of materials of such quality as specified in the contract. Any negotiation or litigation arising out of disputes with subcontractors, suppliers and specialist agencies could distract management from the day-to-day operation of our business, subject us to potentially significant legal expenses, the forfeiture of our advance payments to these subcontractors, suppliers and specialist agencies and interrupt our operations, which could materially and adversely affect our business, financial condition and results of operations.

11. *We may not be able to collect receivables due from our clients, in a timely manner, or at all, which may adversely affect our business, financial condition, results of operations and cash flows.*

Our business depends on our ability to successfully obtain payments from our clients for the services provided by us. We typically raise our invoice and maintain provisions against receivables and unbilled services. The details of our trade receivables, on a consolidated basis, which had been outstanding for a period exceeding six months from their respective due dates, are as follows:

Particulars	**Fiscal Year 2024**		**Fiscal Year 2023**		**Fiscal Year 2022**	
	₹ million	**% of total trade receivables**	**₹ million**	**% of total trade receivables**	**₹ million**	**% of total trade receivables**
Trade receivables on a consolidated basis	672.15	20.81%	907.32	34.77%	681.81	23.13%

outstanding for a period exceeding six months from their respective due dates						

There may be delays in the collection of receivables, such as grant and annuity, from our clients or entities owned, controlled or funded by our clients or their related parties. In case of non payment by clients and counterparty credit risk, we may be required to write off the relevant amounts. Further, any delay in payment may adversely affect our cash flow and consequently our working capital which is required for our business. We cannot assure you that we will be able to collect our receivables in time or at all which may have an adverse effect on our cash flows, business, results of operations and financial condition.

In addition, we may, at times, be required to claim additional payments from our clients for additional work and costs incurred in excess of the contract price or amounts not included in the contract price. However, our clients may interpret such additional work and costs restrictively and dispute our claims, resulting in lengthy arbitration, litigation or other dispute resolution proceedings, which we cannot assure that we can recover adequately. Although there have been no instances of dispute of claims by our customers in the last three years, we cannot assure you there will not be any disputes in the future. Further, we may incur substantial costs in collecting against our debtors and such costs may not be recovered in full or at all from the debtors. We require significant working capital requirements in our business operations and such delayed collection of receivables or inadequate recovery on our claims could materially and adversely affect our business, cash flows, financial condition and results of operations.

12. ***We may be exposed to liabilities arising from defects or faults during construction and risks of accidents that could cause damage or loss to life and property which may adversely affect our business, financial condition, results of operations and prospects.***

Actual or claimed defects or defaults in construction quality during the construction of our projects, could give rise to claims, liabilities, costs and expenses. we may, in the course of our operations, encounter construction faults on account of factors including design, location, etc. related deficiencies arising in our projects. Any construction related faults typically result in revision/modification to our design and engineering thereby resulting in increased interest cost due to delay, increase in estimated cost of operations on account of additional work executed towards rehabilitation and further expenditure incurred towards appointment of external consultants for assistance in revising our design. We typically have a defect liability period under our construction contracts, which starts post completion of the projects, wherein we work on rectification of any defects or defaults in the execution of such projects, post which the completion certificate for a particular project is received from the client. For instance, while our project for construction of commercial tower at Sarojini Nagar, New Delhi, was completed earlier this year, we will undertake rectification of certain defects, during the defect liability period post completion of the project after receipt of the completion certificate. Although there have been no such instances in the last three years, and while we generally have a defect liability period under our construction contracts, we cannot assure you that any claims in respect of the quality of our construction will not arise in the future and would not affect our business or financial condition.

Further, we may not be able to recover such increased costs from our clients in part, or at all, for any defects observed in the projects or damage caused to the project on account of the fault of our workers. and may further be subject to penalties, including liquidated damages on account of such construction faults arising in our projects. While there have been no such instances in the last three Fiscal Years, we cannot assure you that we will be liable to pay liquated damages due to a defects in our projects. Additionally, such construction faults may result in loss of goodwill and reputation and may furthermore have a material and adverse impact on our eligibility in respect of future bids made by us towards projects, thereby affecting our future operations and revenues. In the event of any material events which bring the quality of our undertakings could impact our eligibility to bid for civil construction, institutional, healthcare and other projects may be affected, or in the event any defects in our construction trigger the extreme circumstances leading to termination or affect public interest, could lead to termination of our contracts blacklisting of our registration as a civil constructor and therefore could adversely affect our business operations and result of operations.

We may further face slight delays in the estimated project completion schedule in respect of such projects on account of additional works required to be undertaken towards rectifying such construction faults, and are dependent upon our customers permitting extension of time of completion of such projects. In addition, if there is a customer dispute regarding our performance, the client may delay or withhold payment to us. If we are ultimately unable to collect these payments, our profits would be reduced. In the last three years, no money was withheld and not recovered from clients and written off in our financials. Any instances of such claims, liabilities, costs and expenses, if not fully covered, could have an adverse effect on our business, financial condition, results of operations, and prospects. We seek protection through our practice of covering risks through contractual limitations of liability, indemnities and insurance. However, there can be no assurance that any cost escalation or additional liabilities in connection with the development of such projects would be fully offset by amounts due to us pursuant to the guarantees and indemnities, if any, provided by our contractors or insurance policies that we maintain. For further details on our insurance coverage, please see "*Our Business – Insurance*" on page 313.

13. *Our global business operations are subject to global and local risks related to economic, regulatory and, social and political uncertainties, any of which could have a material adverse effect on our business, financial condition and results of operations.*

Currently, we have a presence across two countries, other than India, namely, Maldives and Mauritius where we generated ₹ 3,307.12 million, ₹ 1,886.04 million and ₹ 649.69 million in Fiscal Years 2024, 2023 and 2022, respectively which contributed 23.97%, 18.06% and 6.53% of our revenue from operations in Fiscal Years 2024, 2023 and 2022. Our business is therefore subject to diverse and constantly changing economic, regulatory and social and political conditions in the jurisdictions in which we operate. Operating in the international markets exposes us to a number of risks globally including, without limitation:

- compliance with local business, environmental, safety, health and other labour laws and regulations, which can be onerous and costly as the magnitude and complexity of, and continual amendments to, those laws and regulations are difficult to predict, and the liabilities, costs, obligations and requirements associated with these laws and regulations can be substantial;
- dependence on governments, utility companies and other entities for electricity, water, telecommunications, transportation and other utilities or infrastructure needs;
- difficulties with local operating and market conditions, particularly regarding customs, taxation and labour;
- difficulties in organizing a skilled workforce for efficient execution of our construction projects including processing visas or entry permits quickly and repeatedly for our personnel;
- economic and financial conditions, including the stability of credit markets, foreign currency fluctuations and controls, particularly the ability to repatriate funds to India and other countries;
- changes in EPC industry practices or trends;
- changes in government regulations, policies, tax, subsidies and incentives, including transfer pricing rules; and political risks, risks of expropriation and nationalization of assets, potential losses due to civil unrest, acts of terrorism and war, regional and global political or military tensions, strained or altered foreign relations and protectionism.

To the extent that our operations are affected by unexpected and adverse economic, regulatory and, social and political conditions in the countries in which we operate, we may experience operational disruptions, loss of assets and personnel and other indirect losses that could materially and adversely affect our business, financial condition and results of operations. For instance, there are currently certain geopolitical and diplomatic tensions between Maldives and the Indian government. While we do not anticipate and as of the date of this Draft Red Herring Prospectus, our operations in the Maldives have not been affected by such ongoing tensions, in case of any developments, we may experience operational disruptions, loss of assets and personnel and other indirect losses that could materially and adversely affect our business, financial condition and results of operations.

14. *We are required to furnish bank guarantees as part of our business. Our inability to arrange such guarantees or the invocation of such guarantees may adversely affect our cash flows and financial condition.*

As part of our business and as is customary, we are required to provide financial and performance bank guarantees in favour of our clients under the respective contracts for our projects. For our projects, we typically issue bank guarantees to the relevant authority with whom the contractual arrangement has been entered into. These guarantees are typically required to be furnished within a few days of the signing of a contract and remain valid as per the terms of the relevant contract. In addition, letters of credit are often required to satisfy payment obligations to suppliers and sub-contractors. We may not be able to continue obtaining new financial and performance bank guarantees in sufficient quantities to match our business requirements. If we are unable to provide sufficient collateral to secure the financial bank guarantees, performance bank guarantees or letters of credit, our ability to enter into new contracts or obtain adequate supplies could be limited and could have a material adverse effect on our business, results of operations and financial condition.

The details of the bank guarantees outstanding as at March 31, 2024, March 31, 2023 and March 31, 2022, towards securing our financial / performance obligations under our ongoing projects, are as follows:

Particulars	As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
	₹ million	% of total borrowings	₹ million	% of total borrowings	₹ million	% of total borrowings
Outstanding Bank guarantees	5,650.30	162.29%	3,926.70	166.29%	2,533.80	169.62%

Providing security to obtain letters of credit, financial and performance bank guarantees also increases our working capital requirements. We may be unable to fulfil any or all of our obligations under the contracts entered into by us in relation to our ongoing projects due to unforeseen circumstances which may result in a default under our contracts resulting in invocation of the bank guarantees issued by us. There have been no instances of default under our contracts resulting in invocation of the bank guarantees issued by us in the last three Fiscal Years. If any or all the bank guarantees are invoked, it may result in a material adverse effect on our business and financial condition.

15. ***Delays in the acquisition of land or rights of way, eviction of encroachments, environmental clearances for the projects or resolution of associated land issues, which are though attributable to our clients, may adversely affect our timely performance of our contracts and lead to disputes and losses.***

Pursuant to the agreements, government clients are typically required to acquire, lease, or secure rights of way, over the land underlying the infrastructure we construct. The land to be free of encroachments and encumbrances and with environmental clearances are beyond our control and contingent on the government providing the tracts of land. Their failure to acquire the relevant land, free of encumbrances and on time, may cause project delays, cost overruns or even force us to change or abandon the projects completely. We may be entitled to terminate such contracts on the basis of our counterparty's default, such as the failure to acquire or lease the requisite land or right of way or relevant environmental clearance, and be entitled to a termination payment from the client. However, such payment may not be sufficient to cover the losses incurred by the project companies in the construction of the projects. There may be cases which may further lead to disputes and cross-claims for liquidated damages between us and the customers. These factors, either individually or collectively, could have an adverse effect on our business, financial condition and results of operations.

Failure to acquire land may lead to a change of scope of the project or payment delays or disputes with the government entity for claims in connection with a completed project's eligibility for an early completion bonus (if any). For instance, as on the date of this DRHP, the land on which we are redeveloping the general pool residential accommodation (GPRA) colony at Sarojini Nagar had certain impediments including an existing live electric sub station and labour camp which delayed the construction process as it was not cleared before construction began. Further, in relation to our project for construction of lanes in Mohali, the construction could not commence on scheduled time due to delay in procurement of land, increasing our scheduled time for completion of the project. We will continue to face risks associated with implementation which could be due to reasons beyond our control such as any delay or inability to complete such land acquisitions, which may also result in termination of our project contracts, increase in the price of construction materials from original estimates, which we may not be able to pass on to the contractors or users of projects. While we have not had instances of any termination of our contracts, where the government client was unable to provide the project land, we cannot assure you that such instances will not occur in the future. Any of these factors could affect are ability to implement our projects timely and may even lead to termination of our projects, which could have an adverse effect on our business, results of operations and financial condition.

In addition, relevant laws and regulations may change in the future, requiring the expenditure of resources and any changes in development plans and development control regulations of the various cities in which we operate are subject to change which may affect our business. Any changes and related uncertainties with respect to the implementation of new regulations may have an adverse effect on our business, financial condition and results of operations, including delays in commissioning schedule of our projects.

16. ***Projects undertaken through a joint venture may be delayed on account of non-performance of the joint venture partner, resulting in delayed payments or non-enforcement of performance guarantee issued by us, could lead to material adverse effect on our business, prospects, financial condition and results of operations.***

In order to be able to bid for certain large scale infrastructure projects, we enter into joint venture agreements with other companies to meet technical or other requirements that may be required as part of the prequalification for the purposes of participating in the bidding process or execution of the contract.

The details of the revenue from operations earned by us from our joint ventures, in last three Fiscal Years, are as follows:

Particulars	**Fiscal Year 2024**		**Fiscal Year 2023**		**Fiscal Year 2022**	
	₹ million	**% of contribution to our total revenue of operations**	**₹ million**	**% of contribution to our total revenue of operations**	**₹ million**	**% of contribution to our total revenue of operations**
Revenue from operations from joint ventures	184.80	1.33%	365.35	3.48%	1,798.11	18.08%

For details, see "*Our Business- Our Joint Ventures*" and "*History and Certain Corporate Matters- Joint Ventures*" on pages 303 and 329, respectively. Where we have constituted certain joint ventures to jointly participate in tender and bidding processes in order to execute projects by pooling our technical and management skills, expertise, finances, equipment, etc. The success of these Joint Ventures, including the completion of the contracts, depends significantly on the satisfactory performance by our joint venture partners and fulfilment of their obligations. If our joint venture partners fail to perform their obligations satisfactorily, or at all, the joint venture may be unable to perform adequately or deliver its contracted services. If the joint venture partner fails to complete its work on time, it could result in delayed payments or in breach of our contract. In such cases, we may be required to pay penalties and liquidated damages, or the client may invoke our performance bond or guarantee, if applicable. Further, the liability of joint venture partners is joint and several. Therefore, we would be liable for the completion of the entire project if a joint venture partner were to default on its duty to perform. Failure to effectively protect ourselves against risks for any of these reasons could expose us to substantial costs and potentially lead to material losses. Further, our joint venture agreements require us to comply with certain terms and conditions, and if we fail to comply with any of these terms and conditions, it could result in increased liability for us in relation to the project including levy of damages or penalty on us or termination of the joint venture agreement. While as on the date of this DRHP, we have not been non-compliant under any of our joint venture agreements, we cannot assure you we will continue to be compliant with our joint venture agreements.

17. ***Our business is substantially dependent on our ability to accurately carry out the pre-bidding engineering studies for bidding in such projects. Any deviation during the implementation and operation of the project as compared to our pre-bid engineering studies could have an adverse effect on our cash flows, results of operations and financial condition.***

In addition to our in-house experience in engineering survey which we conduct before bidding for any project including site visit, assessing potential risks, logistic feasibility, we also appoint technical consultants to carry out detailed inspection of the relevant project area and to record and highlight important features, preparation of the detailed bill of quantities and identify any issue that may be of importance in terms of implementation and operation of such project. While we hire technical consultants for the purpose of carrying our pre-bidding engineering studies, we may not be able to assure the accuracy of such studies. The accuracy of the pre-bidding studies is dependent on the following key elements:

- preparing a project road map based on investigations conducted of the project site which include amongst other, pavement conditions, major water bodies, indication of any notified forest, right of way details, sensitive receptors on the project site;
- undertaking engineering surveys and preliminary designs which broadly include carrying out inventory and detailed condition surveys, carrying our preliminary pavement investigations, availability of construction

materials, identification of geometrically deficient stretches, investigating intersections and stretches and implementing design in accordance with environmental and social concern;
- preparation of O&M estimates for the entire concession period of the project; and
- preparation of bills of quantities, in consultation with our Company covering all the items required in the work.

Our pre-bidding engineering studies are usually conducted in a short span of time, as part of our preparation and research for a potential bid by us. In light of this, such studies are typically not exhaustive, because of which, there may be deviations in the estimation and calculation of the aforementioned key elements including the nature of soil, detailed design and drawings of the project. Any significant deviations during the implementation and operation of the project as compared to our pre-bid engineering studies may have an adverse effect on our cash flows, results of operations and financial condition.

18. *If we are not successful in managing our growth, our business may be disrupted and our profitability may be affected.*

We have experienced high growth of our revenue from operations and profit after tax in recent years and expect our businesses to continue to grow significantly. We achieved a CAGR of 18.19% of revenue growth on a consolidated basis for the three year period ended March 31, 2024 and a CAGR of 37.22% growth in our profit after tax on a consolidated basis for the same period. Our future growth is subject to risks arising from a rapid increase in order volume, and inability to retain and recruit skilled staff. Although we plan to continue to expand our scale of operations through organic growth, we may not grow at a rate comparable to our growth rate in the past, either in terms of income or profit.

Our future growth may place significant demands on our management and operations and require us to continuously evolve and improve our financial, operational and other internal controls within our group. In particular, continued expansion may pose challenges in:

- maintaining high levels of project control and management, and client satisfaction;
- securing contracts from existing and new clients;
- recruiting, training and retaining sufficient skilled management, technical and bidding personnel;
- developing and improving our internal administrative infrastructure, particularly our financial, operational, communications, internal control and other internal systems;
- making accurate assessments of the resources we will require;
- adhering to the standards of health, safety and environment and quality and process execution to meet clients' expectations;
- operating in jurisdictions and business segments where we have limited experience;
- preserving a uniform culture, values and work environment;
- strengthening internal control and ensuring compliance with legal and contractual obligations;
- managing relationships with clients, suppliers, contractors, investors, lenders and service providers; and
- supporting infrastructure such as IT and HR management systems.

To manage our growth, we are also in the process of establishing a project monitoring group to bring in additional control and project monitoring measures. We are also strengthening our safety, quality and execution teams to meet and even surpass client expectations. Failure to implement these systems on time or at all may have an adverse impact on our ability to manage our growth. If we are not successful in managing our growth, our business may be disrupted, and profitability may be affected.

19. *We have substantial existing debt and may incur substantial additional debt, which could adversely affect our financial health, our ability to obtain financing and react to changes in our business and the amount of interest that we pay on our borrowings, which may adversely affect our business, prospects, financial condition and results of operations*.

Our projects are capital intensive and require us to have significant amounts of long-term loans for capital expenditure and working capital. Our business requires a large amount of working capital to finance the purchase of materials, machinery and the performance of engineering, construction and other work on the projects before payments are received from the client. Our Company has availed loans and bank facilities in the ordinary course of business, primarily for funding working capital and capital expenditure requirements. The table depicts the details of our borrowings for the relevant periods:

Particulars	Fiscal Year 2024		Fiscal Year 2023		Fiscal Year 2022	
	₹ million	**% of total revenue of operations**	**₹ million**	**% of total revenue of operations**	**₹ million**	**% of total revenue of operations**
Total Borrowings	3,481.54	25.07%	2,361.39	22.52%	1,493.79	15.02%

For further details, see *"Financial Indebtedness"* on page 471.

We may need to incur additional substantial indebtedness in the future. However, we cannot assure you that we will be able to obtain such financing on commercially reasonable terms or at all. Our ability to borrow and the terms of our borrowings will depend on our financial condition, the stability of our cash flows, general market conditions for infrastructure companies, economic and political conditions in the markets where we operate and our capacity to service debt in the current environment. Our ability to meet our debt service obligations and our ability to repay our outstanding borrowings will depend primarily upon the cash flow generated by our businesses. We cannot assure you that we will generate sufficient revenue from our businesses to service existing or proposed borrowings. If we fail to meet our debt service obligations, our lenders could declare us to be in default under the terms of our borrowings and may accelerate the maturity of our obligations. Further, defaults under one of our financing facilities may trigger cross defaults under remaining facilities, leading to a substantial portion or all of our debt becoming payable simultaneously or at an early stage, including for projects currently under construction. We cannot assure you that, in the event of any such acceleration, we would have sufficient resources to repay these borrowings. Accordingly, any such acceleration would have an adverse effect on our cash flows and, consequently, business, prospects, financial condition and results of operations.

In addition:

- our ability to obtain additional financing for working capital, capital expenditures, acquisitions or general corporate purposes may be impaired in the future;
- a substantial portion of our cash flow from operations may be dedicated to the payment of principal and interest on our indebtedness, thereby reducing the funds available to us for other purposes, especially meeting working capital requirements;
- we may be exposed to the risk of increased interest rates; and
- our flexibility to adjust to changing market conditions and ability to withstand competitive pressures could be limited, and we may be more vulnerable to a downturn in general economic conditions in our business or may be unable to carry out capital spending that is necessary or important to our growth strategy.

Our Company has received the following credit ratings from CRISIL Ratings Limited vide its letter dated June 2, 2023:

Particulars	Ratings
Long term banking facilities	CRISIL A/Stable
Short term banking facilities	CRISIL A1

Our credit ratings, which are intended to measure our ability to meet our debt obligations, are a significant factor in determining our finance costs. The interest rates of certain of our borrowings may be significantly dependent on our credit ratings. A downgrade of our credit ratings could lead to greater risk with respect to refinancing our debt and would likely increase our cost of borrowing and adversely affect our business, financial condition, results of operations and prospects.

If our cash flow and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay capital expenditure, sell assets including stakes in our Subsidiaries, seek additional equity capital, or restructure our debt. In the future, our cash flow and capital resources may not be sufficient for interest or principal payments on our indebtedness, and any remedial measures may not be successful and therefore may not permit us to meet our scheduled debt service obligations.

A substantial portion of our borrowings carry interest at rates that are either linked to one-year marginal cost of fund-based lending rate determined by our lenders which is fixed for periods of one year or at rates that are fixed, subject to adjustment at specified intervals. Accordingly, we may not be able to benefit from any downward movement in interest rates during any given year.

20. ***We are required to comply with certain restrictive covenants under our financing agreements. Any non-compliance may lead to, amongst others, suspension of further drawdowns, which may adversely affect our business, results of operations, financial condition and cash flows. Further, our Promoters and certain member of the Promoter Group have provided guarantees in connection with our borrowings. Our business, financial condition, results of operations and prospects may be adversely affected by the revocation of all or any of the guarantees provided by our Promoters and member of the Promoter Group in connection with our borrowings.***

As of July 31, 2024, we had a total outstanding of ₹4,423.37 million consisting of secured short-term borrowings of ₹ 4,202.23 million and unsecured borrowings of ₹221.14 million. Our Company has also availed of unsecured loans which may be recalled by the lenders at any time, and our Company and our Promoters have also provided guarantee(s) in relation to certain of these loans as and when required.

Some of the financing arrangements entered into by us include conditions that require our Company to obtain respective lenders' consent prior to carrying out certain activities and entering into certain transactions. Failure to meet these conditions or obtain these consents could have significant consequences and may adversely affect our business, prospects, financial condition and results of operations. These covenants vary depending on the requirements of the financial institution extending such loan and the conditions negotiated under each financing agreement. Some of the corporate actions that require prior consents from certain lenders including to undertake actions in relation to this Offer which include, amongst others, changes to the capital structure and shareholding pattern of the Company, mergers, reorganisation, and changes in the MoA and AoA of the Company. For further details of the restrictive covenants under our financing documents, see "*Financial Indebtedness*" on page 471.

Certain of our borrowings contain restrictive covenants, including, but not limited to effecting a change in ownership or control of the Company, effecting any material change in the equity, management and operating structure of the Company, undertaking any changes in the capital structure, schemes of amalgamation, re-construction, undertaking any new borrowing or creating a charge on the assets of the Company, declaration or payment of dividend or distribution to shareholders of the Company if an event of default has occurred and is subsisting under the financing documents While we have obtained all consents required under its relevant loan documentation from the relevant lenders to undertake all required actions in relation to this Offer, and have complied with such covenants, a failure to comply with such covenants may restrict or delay certain actions or initiatives that we may propose to take from time to time. In addition, while there has been no violation of any restrictive covenants and no event of default has occurred and we have not rescheduled repayment of loans in relation to debt financing availed by our Company and our Subsidiaries in the past three Fiscal Years, we cannot assure that we will be able to comply with all such restrictive covenants in the future. Any failure to observe the restrictive covenants under our financing agreements or to obtain necessary consents required thereunder may lead to the termination of our credit facilities, levy of penalty interest, acceleration of all amounts due under such facilities, suspension of further access/ withdrawals, either in whole or in part, for the use of the facility, restructuring of our debt, the enforcement of any security provided and/or invocation of the personal guarantees provided. Any acceleration of amounts due under such facilities may also trigger cross default provisions under our other financing agreements. If the obligations under any of our financing agreements are accelerated, we may have to dedicate a substantial portion of our cash flow from operations to make payments under such financing documents, thereby reducing the availability of cash for our working capital requirements and other general corporate purposes. Further, during any period in which we are in default, we may be unable to raise, or face difficulties raising, further financing. In addition, other third parties may have concerns over our financial position and it may be difficult to win new bids for projects. Any of these circumstances could adversely affect our business, credit rating, prospects, results of operations and financial condition. For further details of the terms and conditions of our borrowing arrangements, see "*Financial Indebtedness*" on page 471.

Further, our Promoters namely, Varinder Kumar Garg, Sushma Garg and Vivek Garg and the member of our Promoter Group namely Surbhi Garg, have provided personal guarantees, amounting to ₹ 12,566.30 million as of March 31, 2024, in relation to the outstanding borrowings availed by us. While there have not been any invocation of personal guarantees of Promoters and / or guarantees issued by our Company in the past three Fiscal Years and there has been no default in any loan repayment, we cannot assure that this will continue to be the case in the future. Further, if any of these guarantees are revoked, our lenders may require alternative guarantees or cancel such loans or facilities, entailing repayment of amounts outstanding under such facilities. If we are unable to procure alternative guarantees satisfactory to our lenders, we may need to seek alternative sources of capital, which may not be available to us at commercially reasonable terms or at all, or to agree to more onerous terms under our financing agreements, which may limit our operational flexibility. Accordingly, our business, financial condition, results of operations and prospects may be adversely affected by the revocation of all or any of the guarantees provided by our Promoters in connection with our outstanding borrowings. For further information, see "*Restated Financial Information*" and "*Financial Indebtedness*" on pages 361 and 471, respectively.

Some of our borrowings are secured, among others, through a charge by way of hypothecation on our current assets and movable property including our plant and machinery, vehicles, trade receivables, fixed deposits, stock of raw materials, and consumable store spares. For further information, see "*Restated Financial Information*" and "*Financial Indebtedness*" on pages 361 and 471, respectively. As these assets are hypothecated or mortgaged, our rights in respect of transferring or disposing of these assets are restricted except in the normal course of business. Further, in the event we fail to service our debt obligations, the lenders have the right to enforce the security created in respect of our secured borrowings. If the lenders choose to enforce security and dispose our assets to recover the amounts due from us, our business, results of operations, financial condition and cash flows may be adversely affected.

21. ***We are unable to trace some of our historical records including corporate records and statutory filings. We have also made certain errors in our secretarial records in the past. We cannot assure you that regulatory proceedings or actions will not be initiated against us in the future and that we will not be subject to any penalty imposed by the competent regulatory authority in this regard.***

Certain of our Company's corporate regulatory filings and records are not traceable:

S. No	Particulars of Form / documents
1.	Return of allotment (Form 2) for allotment dated January 23, 1989;
2.	Return of allotment (Form 2) for allotment dated March 26, 1990;
3.	Form 5 for increasing the authorized share capital from 10,000 equity shares of Rs. 100 each to 30,000 Equity Shares of Rs. 100 each;
4.	Shareholders resolution for shifting of registered office 1500, Street Number 2, Nai Basti, Street No. 2, Bhatinda, Punjab, 151001 to 408, Suneja Tower-I, DISTT Centre, Janakpuri, New Delhi, 110058 dated May 05, 2004;
5.	Share transfer form for transfer of 1,740 Equity Shares vide board resolution dated March 15, 1999;
6.	Share transfer form for transfer of 13,300 Equity Shares vide board resolution dated July 15, 2003;
7.	Share transfer form for transfer of 13,300 Equity Shares vide board resolution dated August 20, 2003;
8.	Share transfer form for transfer of 4,020 Equity Shares vide board resolution dated November 15, 2003;
9.	Share transfer form for transfer of 1,072 Equity Shares vide board resolution dated May 21, 2005;
10.	Share transfer form for transfer of 1,000 Equity Shares vide board resolution dated May 25, 2005;
11.	Share transfer form for transfer of 1,500 Equity Shares vide board resolution dated June 07, 2005;
12.	Share transfer form for transfer of 20,350 Equity Shares vide board resolution dated March 31, 2010;
13.	Share transfer form for transfer of 103 Equity Shares vide board resolution dated March 16, 2015;
14.	Share transfer form for transfer of 6,701 Equity Shares vide board resolution dated March 14, 2018;
15.	Share transfer form for transfer of 6,701 Equity Shares vide board resolution dated March 28, 2022;
16.	Form 23 for issuance of 13,000 Equity Shares;
17.	Annual Return for the financial year ended 1989;
18.	Annual Return for the financial year ended 1990;
19.	Annual Return for the financial year ended 1991;
20.	Annual Return for the financial year ended 1992;
21.	Annual Return for the financial year ended 1993;
22.	Annual Return for the financial year ended 1994;
23.	Financial statements for the financial year ended 1999

In relation to these missing records, we have relied on other supporting documents available in our records and the search report dated September 30, 2024 ("**ROC Search Report**") issued by CL associates, independent practising company secretary (having peer review certificate from the Institute of Company Secretaries of India bearing number 4741/2023), engaged by our Company, who carried out their inspection and independent verification of the documents available or maintained by our Company, the Ministry of Corporate Affairs, Government of India at the MCA Portal and physical inspections conducted at the office of the RoC and issued the RoC Search Report. However, we have not been able to retrieve such documents, and accordingly, have relied on the RoC Search Report and other supporting documents available in our records, including annual returns, minutes of the meetings of Board of Directors of our Company and register of members maintained by our Company. Further, our Company has also e-mailed a letter to the RoC on September 30, 2024 to inform them about our inability to trace the corporate records along with details of such missing form filings required to be filed with them. For further details, see "*History and certain corporate matters*" and "*Capital Structure*" beginning on page 324 and 99.

We have also made certain errors in our secretarial filings in the past:

S. No.	Particulars of Form / documents
1.	Filing of Form 2 dated December 23, 1996 for allotment of 1,200 Equity Shares was not been given effect by the Company;
2.	Erroneous form filing of Form 2 for allotment dated May 10, 2007, which was subsequently rectified by filing of another Form 2 for the same allotment;
3.	Discrepancy in the original date of incorporation in the certificate of incorporation dated June 16, 2007, pursuant to conversion from private to public company;
4.	The Annual Return of 1999 states that only 740 equity shares have been transferred to Sushma Garg while the actual number of shares transferred was 1740;
5.	The Annual return of 2004 incorrectly reflects shareholding of Varindra Kumar HUF as 1750, while it should be 1150;
6.	While the transfer of 103 shares were made from Varindera Kumar Garg HUF to various accounts the shareholding of Varindera and Company was deducted by 103 shares in the list of shareholders provided.;
7.	The MGT-7 for FY 2022 does not account for the transfer of 1 equity share from Ashok Kumar Gupta to Vivek Garg;
8.	Adjudication application dated September 30, 2024 with Adjudicating Officer, Registrar of Companies, NCT of Delhi & Haryana.

Moreover, on March 28, 2022, our shareholders undertook two secondary transfers i.e. transfer of one equity share each from Ashok Kumar Gupta to Vivek Garg and Varindra Kumar Garg (HUF) to Prateek Agarwal. However, these share transfers were conducted in physical form in violation of Section 29(1A) of the Companies Act and Rule 9A of Companies (Prospectus and Allotment of Securities) Rules, 2014 which requires an unlisted public company to get the equity shares dematerialised before a transfer is undertaken. Accordingly, to rectify this procedural lapse, our Company has filed a suo moto adjudication application dated September 30, 2024 with the Adjudicating Officer, Registrar of Companies, NCT of Delhi & Haryana praying for the non-compliance to be condoned. This adjudication application is currently pending.

While as on the date of this Draft Red Herring Prospectus, no legal proceedings or regulatory action has been initiated against our Company in relation to the untraceable and erroneous secretarial documents mentioned above, we cannot assure you that the above-mentioned corporate records will be available in the future, and that we will not be subject to any proceedings initiated by any regulatory or statutory authority (including the RoC) and any liability on account of such non-compliances in this respect. If we are subject to such liability or any actions, including legal proceedings if initiated by regulatory or statutory authorities against our Company, we may have an adverse effect on our business, financial condition or reputation.

22. ***We require various statutory and regulatory permits and approvals in the ordinary course of our business, and our failure to obtain, renew or maintain them in a timely manner may adversely affect our operations. Further, we are also registered as a contractor in 'Class- I (Super)' in composite category with CPWD, as the 'Super Special' class contractor with MES and SS class with BRO and any downgrade in our category and/or termination of our registration may adversely affect our business, financial condition, results of operations and cash flows.***

We require certain statutory and regulatory permits, approvals, licenses, registrations and permissions for our business and operations. For details of the key laws and regulations applicable to us, see "*Key Regulations and Policies*" on page 316. We may need to apply for further approvals in the future including renewal of approvals that may expire from time to time. There can be no assurance that the relevant authorities will issue such permits or approvals in the timeframe anticipated by us or at all. In addition, during the course of our business we also receive notices from various statutory authorities primarily related to the labour employed by us for our projects. Our Company has been issued notices from statutory and other regulatory authorities for non-compliance under labour laws. Our Company has responded as appropriate to such notices related to the labour employed and related factors therein. Failure by us to renew, maintain or obtain the required permits or approvals at the requisite time may result in the interruption of our operations and may have an adverse effect on our business, financial condition and results of operations.

Further, we cannot assure that the approvals, licenses, registrations and permits issued to us would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Any failure to renew the approvals that have expired or apply for and obtain the required approvals, licenses, registrations or permits, or any suspension or revocation of any of the approvals, licenses, registrations and permits that have been or may be issued to us, may impede our operations. We have made an application for a fire NOC dated February 2, 2024 for the Bangalore Cantonment Railway Station project following regulatory approvals that have not been received as of the date of this Draft Red Herring Prospectus. For further details, see "*Government and Other Approvals*" on page 482. Our Company has also not applied for certain approvals, details of which have been provided in "*Government and Other Approvals*" on page 482.

We cannot assure you that the relevant regulatory or statutory authorities will not initiate actions against us for carrying out the work without applying for and holding valid approvals. In the event that we are unable to obtain such approvals in a timely manner or at all, our business operations may be adversely affected. Further, we may not obtain the relevant documentation to evidence completion of our projects in a timely manner or at all. For instance, we await the completion certificate for the for the construction of commercial tower at Sarojini Nagar, New Delhi as the work was recently completed.

In addition to this, our Company has been enlisted and registered with CPWD as a contractor in 'Class- I (Super)" in composite category, as "Super Special" class contractor with BRO, and MES and as a civil contractor with MPPWD. These registrations provide certain terms and conditions that the Company needs to comply with, and also includes certain restrictive covenants which require the Company to intimate or take prior consent from the respective government authorities before undertaking any actions including. We cannot assure that we will be able to comply with all such terms and conditions and covenants prescribed under these registrations. Failure to comply with these covenants and conditions may result among other things, which will have a material adverse effect on our business, financial condition, results of operations. For further details, see "*Government and Other Approvals*" on page 482.

23. ***Our projects are exposed to various implementation risk and other uncertainties which may adversely affect our business, results of operations and financial condition.***

Our operations are subject to hazards inherent in providing erection, civil and maintenance services, such as risk of equipment failure, work accidents, fire or explosion, including hazards that may cause injury and loss of life, severe damage to and destruction of property and equipment, and environmental damage. A significant number of our projects are under construction or under development. The construction or development of these projects involves various implementation risks including construction delays, delay or disruption in supply of raw materials, delays in acquisition of land, unanticipated cost increases, force majeure events, cost overruns or disputes with our joint venture partners.

We may be further subject to risks such as:

- we may encounter unforeseen engineering problems, disputes with workers, force majeure events and unanticipated costs due to defective plans and specifications;
- we may not be able to obtain adequate capital or other financing at affordable costs or obtain any financing at all to complete construction of any of our projects;
- we may not be able to provide the required guarantees under project agreements or enter into financing arrangements;
- the projects that we are engaged in may not receive timely regulatory approvals and/or permits for development and operation of our projects, such as environmental clearances, mining, forestry or other approvals from the central or State environmental protection agencies, mining, forestry, railway or other regulatory authorities and may experience delays in land acquisition by the government and procuring right of way and other unanticipated delays;
- we may experience shortages of, and price increases in, materials and skilled and unskilled labour, and inflation in key supply markets;
- geological, construction, excavation, regulatory and equipment problems with respect to operating projects and projects under construction;
- the relevant authorities may not be able to fulfil their obligation prior to construction of a project, in accordance with the relevant contracts resulting in unanticipated delays;

- spread of infectious diseases at our project sites, resulting in temporary shutdown of operations at such sites until such sites successfully decontaminated and the relevant persons are quarantined;
- delays in shifting of utilities or receipt of approvals from railways or other local bodies;
- delays in completion and commercial operation could increase the financing costs associated with the construction and cause our forecast budget to be exceeded we may be subject to risk of equipment failure or industrial accidents that may cause injury and loss of life, and severe damage to and destruction of property and equipment;
- we may experience adverse changes in market demand or prices for the services that our projects are expected to provide; and
- other unanticipated circumstances or cost increases.

In particular, EPC projects typically have a long gestation period and require substantial capital infusion at periodic intervals before their completion and while we generally raise our bills on a monthly progress basis and receive the amount within a span of 60 days of raising such bill, it may take several months or years before positive cash flows can be generated, if at all, from such projects. There cannot be any assurance that these projects will be completed in the time expected or at all, or that their gestation projects, or that we will recover our investments. In addition, even where a project proceeds as scheduled, it is possible that contracting parties may default and fail to pay amounts owed on the receivables due. If any or all of these risks materialise, we may suffer significant cost overruns or even losses in these projects due to unanticipated increase in costs as a result of which our business, profits and results of operations will be materially and adversely affected.

We may also face delays due to factors out of our control including acts of God, government policy among otherss For instance, we are subject to the National Green Tribunal's ban on construction activity in winters in the Delhi-NCR region due to which the constructions activities which will cause disruption in our construction process in the winter

As on the date of this Draft Red Herring Prospectus, we have completed 13 projects before the scheduled completion date in the last 10 years. However, such early completion is dependent on a number of factors including ability to acquire land in time, a change of scope of the project or payment delays or disputes, availability of labour, etc. Further, in instances where we complete a particular project early, payment of bonus is subject to approval of the respective government authority. We will continue to face risks associated with implementation which could be due to reasons beyond our control such as delays from the relevant authority or joint venture partners with whom we have entered into contractual arrangements. Any such risks and related uncertainties with respect to the execution of the projects may result in delays in commissioning schedule of our projects and our eligibility for bonus payments and may have an adverse effect on our business, financial condition and results of operations.

24. ***Our in-house integrated model may fail which may affect our operations, reputation and profitability.***

Our inhouse integrated model reduces dependence on third party suppliers for construction equipment and other products and services required in the development and construction of our projects. Further, we procure metal, doors and windows from one of our Group Company, namely, Surbhi Metals Private Limited, which not only ensures timely delivery of such long lead items but also ensures that we procure the optimum quality of these items, at a reasonable cost. We rely on our in-house integrated model for timely and efficient execution of our projects. Any unscheduled or prolonged disruption of the manufacturing operations, including due to power failure, fire and unexpected mechanical failure of equipment, performance below expected levels of output or efficiency, obsolescence, labour disputes, strikes, lock-outs, earthquakes and other natural disasters, industrial accidents or any significant social, political or economic disturbances, could reduce our ability to produce the raw materials required for our projects and as a result, adversely affect our business and financial conditions.

In the event of prolonged interruptions in the operations of the manufacturing facility, we may have to procure such materials from other third party suppliers which may not be available at short notice or within the timelines required by us or at the rates favourable to us which may have an adverse effect on our profitability and results of operations. Further, any damage to our storage units or mishandling of our raw materials will adversely affect the timely execution of projects.

25. ***Our construction contracts generally include provisions permitting our clients to terminate the agreement at their convenience. If our construction contracts are terminated prematurely, we may not receive payments otherwise due to us which may result in a material adverse effect on our business, financial condition and results of operations.***

Our construction contracts typically include provisions permitting our clients to terminate the construction contract prior to the issue of a notice to proceed ("**NTP**") or at their convenience with a relatively short notice period. In the last three years, there have been two instances wherein the respective client had cancel the project or the tender process before issuance of NTP. In such circumstances, we are generally able to recover actual costs incurred until that time, but we do not recover the full payment that would otherwise have been due to us under the contract. If our clients cancel some of our significant construction contracts and we are unable to secure new contracts on substantially the same terms, or if our clients use such termination rights as leverage to re-negotiate the terms and conditions of the construction contract, including pricing terms, changes to the scope of work or delivery schedule, this may materially and adversely affect our business, financial condition and results of operations. While we have not had any construction contracts terminated in the last three years, we cannot assure you our clients may not exercise their right to terminate contracts in the future.

26. *Our proposed strategy of diversification into projects with private clients may not yield the desired benefits*

Historically, we been focussed on providing our services to clients affiliated with the central government. Our business growth has been attributable to increased activities in bidding for more and larger projects to be awarded by central government clients. As a result, 96.70 %, 97.42 % and 92.69 % of our revenue for the last three Fiscal Years ended March 31, 2024, March 31, 2023, March 31, 2022, respectively, was on account of EPC projects for clients affiliated with the central government. While we have done certain projects for our private sector clients on a non-strategic basis such construction of school building for Delhi Public School, Greater Noida, in 2019, our Order Book for the last three Fiscal Years has largely comprised of projects being undertaken for clients affiliated with the central government. However, recently we have taken certain concrete steps towards expanding our clientele to private clients and bidding for new construction projects in the private residential construction sector. For further details, please see "Our *Business – Our Strategies - Continue to expand our client portfolio*" on page 289.

Unliked our clients affiliated with the central government, there is a greater credit risk with private clients. While we do have internal review process which includes looking at the financial strength of the private client, feedback received from our other peers and other subjective criteria and a comprehensive two-stage risk assessment process, namely pre-site survey and post-site survey, designed by our teams, which encompasses over 50 different risk attributes including payment terms, project complexity, geographic location, resource availability, plant and machinery requirements, we cannot assure you we will be able to recover the fees associated with the project in a timely manner. Any delay or default in the payment of fees for projects undertaken in the private sector may adversely affect our revenue from operations and may have to be written off.

27. *Our logo and the name "Varindera Constructions" used by our Company is not registered under the Trade Marks Act, 1999. we are unable to obtain, protect or use our intellectual property rights, our business may be adversely affected.*

Our ability to market and sell our products depends upon the recognition of our brand names and associated consumer goodwill. As on the date of this Draft Red Herring Prospectus, the wordmark "*Varindera Constructions*" used by our Company is not registered under the Trade Marks Act, 1999. We have applied for registration of the wordmark "*Varinera Constructions*" but are yet to receive the registration. Therefore, as on date we do not enjoy the statutory protections for the wordmark "Varindera Constructions" that are accorded to a registered trademark.

Further, we do not have any trademark registration for our logo VARINDERA CONSTRUCTIONS .We have filed nine trademark applications under classes 36, 37 and 42 for registration of device and word mark under the Trademarks Act of which are three are opposed and have made two applications for name "VARINDERA CONSTRUCTIONS LIMITED", under the Copyright Act, 1957, which are yet to be received. However, our construction processes are not protected by any intellectual property right and further, they may not be eligible for intellectual property protection. In addition, our technical skill and expertise may not be adequately protected by intellectual property rights such as patent registration. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that other players may be able to use the same or similar automation in construction and production processes, thereby undermining any competitive advantage we may have derived from such processes and adversely affecting our financial condition and results of operations. For details, please see "*Government and Other Approvals*" beginning on page 482.

Further, while we intend to defend against any threats to our intellectual property and as on date of this DRHP, we have not faced any material past instances of infringement of our intellectual property rights, we cannot assure you that our intellectual property rights can be adequately protected in a timely manner. In addition, our intellectual property rights may expire, and we cannot assure you that we will be able to renew them after expiry.

Our inability to obtain or maintain these registrations may adversely affect our competitive position and, in turn, our business, financial condition and results of operations.

28. ***Obsolescence, destruction, theft, breakdowns of our major equipment or failures to repair or maintain them may adversely affect our business, prospects, financial condition and results of operations.***

We own certain of the equipment used in our operations. As of March 31, 2024, our Company has a fleet of 945 owned construction equipment and vehicles such as piling rig, excavators, pavers, roller, tipper, pick and carry cranes, skid steer loaders, hot mix plant, and transportation vehicles. To maintain our capability to undertake large and complex projects, we seek to purchase plants and equipment built with the latest technologies and capabilities and keep them readily available for our construction activities through careful and comprehensive repairs and maintenance. We have also installed GPS systems and security devices such as MOBA device in our major pieces of equipment to protect them against theft and monitor their performance including their fuel consumption. However, we cannot assure you that we will be immune from the associated operational risks such as the obsolescence of our equipment, destruction, theft or major equipment breakdowns or failures to repair our major equipment, which may result in their unavailability, project delays, cost overruns and even defaults under our construction contracts.

The latest technologies used in newer models of construction equipment may improve productivity significantly and render our older equipment obsolete. During the last three Fiscal Years, no construction vehicles were stolen and no pieces of equipment were destroyed due to accidents. Obsolescence, destruction, theft or breakdowns of our major plants or equipment may significantly increase our equipment purchase cost and the depreciation of our equipment, as well as change the way our management estimates the useful life of our equipment. In such cases, we may not be able to acquire new equipment or repair the damaged equipment in time or at all, particularly where our equipment are not readily available from the market or requires services from original equipment manufacturers. For instance, we had to discard certain equipment as it was obsolete which resulted in a loss of ₹48.87 million in Fiscal Year 2024. Some of our major equipment or parts may be costly to replace or repair. We may experience significant price increases due to supply shortages, inflation, transportation difficulties or unavailability of bulk discounts. Such obsolescence, destruction, theft, breakdowns, repair or maintenance failures or price increases may not be adequately covered by the insurance policies availed by our Company and may have an adverse effect our business, prospects, financial condition and results of operations.

29. ***Our operations are dependent on a significant number of contract labour and an inability to access adequate contract labour at reasonable costs at our project sites across India or a shortage of contract labour or any strikes, work stoppages, increased wage demands by workmen or changes in regulations governing contractual labour may have an adverse impact on our cash flows and results of operations may adversely affect our business prospects and results of operations.***

Our business is manpower intensive, and we are dependent on the availability of our permanent employees and the supply of a sufficient pool of contract labourers at our project locations. The number of contract labourers employed by us varies from time to time based on the nature and extent of work we are involved in. Unavailability or shortage of such a pool of workmen or any strikes, work stoppages, increased wage demands by workmen or changes in regulations governing contractual labour may have an adverse impact on our cash flows and results of operations. Our dependence on such contract labour may result in significant risks for our operations, relating to the availability and skill of such contract labourers, as well as contingencies affecting availability of such contract labour during peak periods in labour intensive sectors such as ours.

The table below shows details of employees for the Fiscal Years 2024, 2023 and 2022 and our retention rate for the respective Fiscal Years:

Particulars	Fiscal Year 2024	Fiscal Year 2023	Fiscal Year 2022
Number of permanent employees	1,810	1,341	1,014
Retention rate for permanent employees	71.00%	75.00%	71.00%

Further, there can be no assurance that disruptions in our business will not be experienced if there are strikes, work stoppages, disputes or other problems with sub-contractors or contract labourers deployed at our projects. In addition, we enter into contracts with independent contractors to complete specified assignments and these contractors are required to source the labour necessary to complete such assignments. Although we generally do not engage such labour directly, it is possible under Indian law that we may be held responsible for wage payments to the labour engaged by contractors should the contractors default on wage payments. Any requirement to fund such payments will adversely affect us, our business, financial condition and results of operations.

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. Also, any upward revision of the prescribed minimum wage or other benefits required to be paid to our workers (including in the event of injuries or death sustained in course of employment, dismissal or retrenchment) will result in the increase in cost of labour which we may be unable to pass on to our clients due to market conditions and also the pre agreed conditions of contract. This would result in us being required to absorb the additional cost, which may have a material adverse impact on our profitability. Further we also depend on third party contractors for the provision of various services such as supply of skilled and unskilled labour associated with our business. Such third-party contractors and their employees/workmen may also be subject to these labour legislations.

Any order from a regulatory body or court requiring us to absorb such contract labour may have an adverse effect on our business, financial condition and results of operations. This may adversely affect our business and cash flows and results of operations. In respect of labour cost and overhead cost components, based on our internal estimates and belief, we include appropriate escalation provisions in the cost estimates at the time of bidding for a project. However, we may enter into contracts in the future which may not contain price escalation clauses specifically covering increase in the cost of labour. Any such increase in labour cost may have an adverse impact on our revenue from operations and profitability.

30. ***Compliance with, and changes in, environmental, health and safety laws and regulations or stringent enforcement of existing environmental, health and safety laws and regulations may result in increased liabilities and increased capital expenditures may adversely affect our cash flows, business results of operations and financial condition.***

Our project operations are subject to environmental, health and safety and other regulatory and/ or statutory requirements in the jurisdictions in which we operate. Our project operations may generate pollutants and waste, some of which may be hazardous. We are accordingly subject to various national, state, municipal and local laws and regulations concerning environmental protection in India, including laws addressing the discharge of pollutants into the air and water, the management and disposal of any hazardous substances, and wastes and the clean-up of contaminated sites. We may incur substantial costs in complying with environmental laws and regulations. We cannot assure you that compliance with such laws and regulations will not result in delays in completion, a material increase in our costs or otherwise have an adverse effect on our financial condition, cash flows and results of operations.

Further, construction activities in India are also subject to various health and safety laws and regulations as well as laws and regulations governing their relationship with their respective employees in areas such as minimum wages, maximum working hours, overtime, working conditions, hiring and terminating employees, contract labour and work permits. Accidents, in particular fatalities, may have an adverse impact on our reputation and may result in fines and/or investigations by public authorities as well as litigation from injured workers or their dependents. Non-compliance with these laws and regulations, which among other things, limit or prohibit emissions or spills of toxic substances produced in connection with our operations, could expose us to civil penalties, criminal sanctions and revocation of key business licences. Environmental laws and regulations in India are becoming more stringent, and the scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. In case of any change in environmental or pollution regulations, we may be required to invest in, among other things, environmental monitoring, pollution control equipment, and emissions management. As a consequence of unanticipated regulatory or other developments, future environmental and regulatory related expenditures may vary substantially from those currently anticipated. We cannot assure you that our costs of complying with current and future environmental laws and other regulations will not adversely affect our business, results of operations or financial condition.

In addition, we could incur substantial costs, our products could be restricted from entering certain markets, and we could face other sanctions, if we were to violate or become liable under environmental laws or if our products become non-compliant with applicable regulations. Our potential exposure includes fines and civil or criminal sanctions, third-party property damage or personal injury claims and clean-up costs.

31. ***We are subject to risks arising from interest rate fluctuations, which could reduce the profitability of our projects and adversely affect our business, financial condition and results of operations.***

Interest rates for borrowings have been volatile in India in recent periods. Our operations are funded to a significant extent by debt and increases in interest rate and a consequent increase in the cost of servicing such debt may have an adverse effect on our results of operations and financial condition. Changes in prevailing interest rates affect our interest expense in respect of our borrowings and our interest income in respect of our interest on short term deposits with banks. Our current debt facilities carry interest at variable rates as well as fixed rates. Although we may in the future engage in interest rate hedging transactions or exercise any right available to us under our financing arrangements to terminate the existing debt financing arrangement on the respective reset dates and enter into new financing arrangements, there can be no assurance that we will be able to do so on commercially reasonable terms or that these agreements, if entered into, will protect us adequately against interest rate risks. Further, if such arrangements do not protect us adequately against interest rate risks, they would result in higher costs.

32. *Our projects may be adversely affected by public and political oppositions, conflicting local interests, elections and protests.*

The construction and operations of our projects may face oppositions from the local communities where these projects are located and from special interest groups. In particular, the public, the forest authorities, mining department and other authorities may oppose our operations due to the perceived negative impact it may have on the environment, which may cause suspension or delay to our construction or operations until the disputes are resolved. There may be negative publicity about us made by opposing interest groups in local media due to our construction activities. While there have not been any such instances in the past, however, such negative publicity could have an adverse effect on our business, financial condition, results of operations, and prospects.

We may also be required by the local authorities or communities to provide jobs to the local labour market or provide other benefits. In addition, we may be adversely affected by political events such as protests and general strikes in the states where we operate, especially when such events take place on or close to our construction sites. Local and national elections often strain government and community resources and government's decisions in respect of accepting new bids or awarding new construction contracts may be delayed when substantial resources are dedicated to meeting voter's needs. During these elections, we may not have enough manpower to conduct our business normally and may further experience other difficulties such as heavy traffic, blocked roads and delivery delays. Voters or protestors may occupy our land, conduct various activities on or close to our construction sites to express their views and disrupt our operations. Such events may also disrupt the normal contract awarding or decision-making processes and cause us to lose business or incur significant costs. In these events, our business, financial condition and result of operations may be materially and adversely effected despite force majeure conditions generally being included in our contracts in order to mitigate such losses.

33. *Failure to successfully implement our business strategies may adversely affect our business, prospects, financial condition and results of operations.*

We aim to implement our business strategies to ensure future business growth, which may be subject to various risks and uncertainties, including but not limited to the following:

- failure to maintain our competitive edge due to cost overruns or failure to execute our construction projects in a timely manner or according to quality specifications;
- intensified competition, delayed payments or non-payments by our clients and associated litigation or arbitration proceedings and inability to enforce escalation clauses in our construction contracts;
- failure to implement our bidding strategy or geographically cluster our projects;
- inability to make an efficient use of or improve our execution system or fail to maintain or operate our equipment bank, SAP S/4 HANA system and MS Projects in an effective and efficient manner;
- lack of ability to properly manage financing resources or maintain financial discipline and unavailability of funds at affordable costs;
- adverse changes in applicable laws, regulations or policies or political or business environments; •
- inability to diversify across states or into different business sectors;
- lack of ability to recruit or retain skilled employees;
- failure to correctly identify market trends relating to the demand for our services, inability to carry out our strategy of bidding for new construction projects; and
- inadequate or interrupted supply of raw materials or sub-standard quality of raw materials.

Implementation of our strategies may be subject to a number of risks and uncertainties including those mentioned above, some of which are beyond our control. There can be no assurance that we will be able to execute our growth strategy on time and within the estimated costs, or that we will continue to meet the expectations of our clients. In order to manage growth effectively, we must implement and improve operational systems, procedures and controls on a timely basis, which, as we grow and diversify, we may not be able to implement, manage or execute efficiently and in a timely manner or at all, which could result in delays, increased costs and diminished quality and may adversely affect our reputation. Any failure or delay in the implementation of any of our strategies may have an adverse effect on our business, prospects, financial condition and results of operations.

As part of our growth strategy, we have diversified and intend to continue to diversify our portfolio of projects and services. For example, in 2014, we had undertaken structural work for construction of new high court building at Jodhpur, Rajasthan, involving construction of an ornamental structure inspired by the parliament of India , and we are currently undertaking construction of an eye hospital in Mauritius, which is a healthcare building project. We do not have a long-term, established track record in executing construction projects in these new business verticals or geographical areas, which may expose us to unanticipated risks, including financial, management and operational strains. Due to our limited experience in undertaking certain types of projects or offering certain services, our entry into new business segments or new geographical areas may not be successful, which could hamper our growth and damage our reputation. We may be unable to compete effectively for projects in these segments or areas or execute the awarded projects efficiently. Further, our new business or projects may turn out to be mutually disruptive and may cause an interruption to our business as a result. In the event, we are unable to implement such strategies in a timely manner or at all or any inefficient implementation of such strategies may have an adverse effect on our business, prospects, financial condition and results of operations.

34. *We have had negative cash flows from operating activities in the past and may, in the future, experience similar negative cash flows.*

We have experienced negative cash flows from operating activities in Fiscal Year 2022. However, our Company was net cash positive in Fiscal Year 2023 and Fiscal Year 2024. We may, in the future, experience negative cash flows from operating activities. The following table sets forth certain information relating to our cash flows for the periods indicated below:

Particulars	For the Fiscal Year		
	2024	2023	2022
	In ₹ million		
Net cash flow from/(used in) operating activities	416.68	539.13	(520.24)
Net cash flow (used in) investing activities	(1,006.04)	(989.37)	(257.79)
Net cash flows from/(used in) financing activities	778.45	692.87	468.81
Net increase/(decrease) in cash and cash equivalents	189.09	242.63	(309.22)
Cash and cash equivalents at the beginning of the year	330.84	88.21	397.43
Cash and cash equivalents at the end of the year	519.93	330.84	88.21

Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans. As a result, our business, financial condition and results of operations could be materially and adversely affected. For further information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Statement of Cash Flows*" on page 459. Further, we cannot assure you that our net cash flow will be positive in the future.

35. *We have certain contingent liabilities that have not been provided for in our financial statements, which if they materialise, may adversely affect our financial condition.*

The summary of our contingent liabilities on March 31, 2024, as indicated in our Restated Consolidated Financial Statements are as follows:

Particulars	As of March 31, 2024
	(₹ million)
Goods and service tax	6.59

For further details of our contingent liabilities as on March 31, 2024, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Outstanding Litigation and Material Developments*" and "*Financial Statements*" beginning on pages 440, 474 and 361, respectively.

If a significant portion of these liabilities materialize, it could have an adverse effect on our business, financial condition and results of operations.

36. ***We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.***

We have entered into transactions with certain related parties, including our Subsidiaries, our Promoters, certain KMPs. In particular, we have entered into various transactions with such parties in relation to, amongst others, investment in Subsidiaries, payment for services received from Subsidiary and remuneration to KMPs.

The table below provides details of our aggregate amount of related party transactions in the last three Fiscal Years:

(*₹ in million*)

Nature of Transactions	**Fiscal Year 2024**	**Fiscal Year 2023**	**Fiscal Year 2022**	**% of revenue from operations for Fiscal Year 2024**	**% of revenue from operations for Fiscal Year 2023**	**% of revenue from operations for Fiscal Year 2022**
Remuneration to key managerial personnel (‘KMP’) and their relatives						
Varinder Kumar Garg	46.70	44.40	26.03	0.34%	0.42%	0.26%
Sushma Garg	41.35	39.60	7.20	0.30%	0.38%	0.07%
Vivek Garg	45.85	39.60	21.00	0.33%	0.38%	0.21%
Ankita Garg	18.00	18.00	4.80	0.13%	0.17%	0.05%
Baljeet Sharma	5.94	5.94	5.40	0.04%	0.06%	0.05%
Vikas Jain	2.74	-	-	0.02%	0.00%	0.00%
Anurag Srivastava	0.55	-	-	0.00%	0.00%	0.00%
Sales of Goods and Services:						
NAS Buildcon Private Limited	4.86	2.37	-	0.03%	0.02%	0.00%
ALTIS-VCL JV	686.17	724.44	44.13	4.94%	6.91%	0.44%
Varindera Constructions Ltd VRC Constructions (l) Pvt Ltd (JV)	1,048.86	1,962.21	1,671.81	7.55%	18.71%	16.81%
VRC-VCL-S&P JV	46.58	52.39	1,264.48	0.34%	0.50%	12.72%
Purchase of Goods and Services:						
Surbhi Metal India Pvt. Ltd.	-	0.82	3.11	0.00%	0.01%	0.03%
Varindera Construction (Overseas) Limited	-	-	23.96	0.00%	0.00%	0.24%
Vivek RMC Plant Pvt. Ltd.	-	-	0.23	0.00%	0.00%	0.00%
Shiv Infratech	-	0.84	0.32	0.00%	0.01%	0.00%
Reimbursement for expenses paid on behalf of related party:						
Varindera Developers & Infrastructure Pvt. Ltd.	10.05	0.10	-	0.07%	0.00%	0.00%
Vivek Infraprojects Pvt. Ltd.	0.87	0.88	0.53	0.01%	0.01%	0.01%
Varindra & Co.	0.05	-	0.01	0.00%	0.00%	0.00%
NAS Buildcon Private Limited	-	0.70	-	0.00%	0.01%	0.00%
ALTIS-VCL JV	55.78	65.06	20.00	0.40%	0.62%	0.20%

Nature of Transactions	Fiscal Year 2024	Fiscal Year 2023	Fiscal Year 2022	% of revenue from operations for Fiscal Year 2024	% of revenue from operations for Fiscal Year 2023	% of revenue from operations for Fiscal Year 2022
Varindera Constructions Ltd VRC Constructions (l) Pvt Ltd (JV)	44.63	264.98	377.05	0.32%	2.53%	3.79%
VRC-VCL-S&P JV	1.79	31.14	429.80	0.01%	0.30%	4.32%
Surbhi Art World	17.09	-	-	0.12%	0.00%	0.00%
Sale of Shares of Varindera Developers & Infrastructure Pvt. Ltd.(Associate):						
Varinder Kumar Garg	-	15.08	-	0.00%	0.14%	0.00%
Sushma Garg	-	15.07	-	0.00%	0.14%	0.00%
Vivek Garg	-	15.08	-	0.00%	0.14%	0.00%
Ankita Garg	-	15.07	-	0.00%	0.14%	0.00%
Sale of property to KMP:						
Varinder Kumar Garg	26.90	-	-	0.19%	0.00%	0.00%
Sushma Garg	26.90	-	-	0.19%	0.00%	0.00%
Investment in subsidiary:						
Varindera Constructions International Limited	1.89	-	-	0.01%	0.00%	0.00%
Advances given to subsidiary:						
Varindera Constructions International Limited	22.49	-	-	0.16%	0.00%	0.00%
Security deposits received:						
Varindera Construction (Overseas) Limited	0.46	-	-	0.00%	0.00%	0.00%
Loan given to the related party:						
Vivek Infraprojects Pvt. Ltd.	-	18.50	-	0.00%	0.18%	0.00%
Varindera Developers & Infrastructure Pvt. Ltd.	-	37.70	-	0.00%	0.36%	0.00%
NAS Buildcon Private Limited	76.24	1.00	-	0.55%	0.01%	0.00%
Varindera Constructions International Limited	217.96	-	-	1.57%	0.00%	0.00%
Som Projects Private Limited	13.00	20.00	66.50	0.09%	0.19%	0.67%
Somansion Estates Private Limited	-	12.50	32.50	0.00%	0.12%	0.33%
Varinder Kumar Garg	-	-	14.00	0.00%	0.00%	0.14%
Vivek Garg	-	32.50	11.25	0.00%	0.31%	0.11%
Loan taken from the related party:						

Nature of Transactions	Fiscal Year 2024	Fiscal Year 2023	Fiscal Year 2022	% of revenue from operations for Fiscal Year 2024	% of revenue from operations for Fiscal Year 2023	% of revenue from operations for Fiscal Year 2022
Surbhi Metal India Pvt. Ltd.	11.10	-	-	0.08%	0.00%	0.00%
Varinder Kumar Garg	27.38	-	-	0.20%	0.00%	0.00%
Sushma Garg	3.68	-	-	0.03%	0.00%	0.00%
Som Projects Private Limited	50.00	17.50	22.50	0.36%	0.17%	0.23%
Dove Building Solution Private Limited	-	3.50	-	0.00%	0.03%	0.00%
Somansion Estates Private Limited	-	-	36.50	0.00%	0.00%	0.37%
Vivek Garg	-	-	8.95	0.00%	0.00%	0.09%
Repayment by related party for loan given:						
Varindera Developers & Infrastructure Pvt. Ltd.	-	5.00	-	0.00%	0.05%	0.00%
Vivek Infraprojects Pvt. Ltd.	18.50	-	-	0.13%	0.00%	0.00%
Som Projects Private Limited	13.00	20.00	66.50	0.09%	0.19%	0.67%
Somansion Estates Private Limited	-	12.50	32.50	0.00%	0.12%	0.33%
NAS Buildcon Private Limited	-	1.00	-	0.00%	0.01%	0.00%
Varinder Kumar Garg	-	-	14.00	0.00%	0.00%	0.14%
Vivek Garg	-	32.50	11.25	0.00%	0.31%	0.11%
Repayment to related party for loan taken:						
Surbhi Metal India Pvt. Ltd.	-	10.72	-	0.00%	0.10%	0.00%
Varinder Kumar Garg	27.38	-	-	0.20%	0.00%	0.00%
Sushma Garg	3.68	-	-	0.03%	0.00%	0.00%
Som Projects Private Limited	50.00	17.50	22.50	0.36%	0.17%	0.23%
Dove Building Solution Private Limited	-	3.50	-	0.00%	0.03%	0.00%
Somansion Estates Private Limited	-	-	36.50	0.00%	0.00%	0.37%
Vivek Garg	-	-	8.95	0.00%	0.00%	0.09%
Interest income on loan given:						
Varindera Developers & Infrastructure Pvt. Ltd.	2.94	2.08	-	0.02%	0.02%	0.00%
NAS Buildcon Private Limited	0.98	-	-	0.01%	0.00%	0.00%
Varindera Constructions International Limited	3.59	-	-	0.03%	0.00%	0.00%
Vivek Infraprojects Pvt. Ltd.	1.45	-	-	0.01%	0.00%	0.00%
Som Projects Private Limited	0.51	-	-	0.00%	0.00%	0.00%
Somansion Estates Private Limited	0.57	-	-	0.00%	0.00%	0.00%

Nature of Transactions	Fiscal Year 2024	Fiscal Year 2023	Fiscal Year 2022	% of revenue from operations for Fiscal Year 2024	% of revenue from operations for Fiscal Year 2023	% of revenue from operations for Fiscal Year 2022
Interest expense on loan taken:						
Surbhi Metal India Pvt. Ltd.	0.99	0.90	0.51	0.01%	0.01%	0.01%

For further information relating to our related party transactions, see "*Financial Information - Restated Consolidated Financial Information - Note* 39 - *Related Party Transactions*" on page 415. While we believe that all such transactions have been conducted on an arm's length basis, we cannot assure you that we might have obtained more favourable terms had such transactions been entered into with unrelated parties. While we will conduct all related party transactions post listing of the Equity Shares subject to the Board's or Shareholders' approval, as applicable, and in compliance with the applicable accounting standards, provisions of Companies Act, 2013, as amended, provisions of the SEBI Listing Regulations and other applicable law, such related party transactions may potentially involve conflicts of interest. However, other than our Subsidiary and our Joint Ventures that are either engaged in or are authorised by their respective constitutional documents to engage in the same line of business as that of our Company, there are no conflict of interests between our Company and its related parties. Our Company will endeavor to duly address such conflicts of interest as and when they may arise, however, we cannot assure you that such transactions, individually or in the aggregate, may not involve potential conflict of interest which will not have an adverse effect on our business, results of operations, cash flows and financial condition.

37. *We do not own the land on which our registered office is situated.*

We do not own the land on which our registered office is situated. Our Company has leased the premises where our registered office is situated from Frizo India Private Limited, pursuant to an agreement dated July 16, 2024, for a period of 11 months from the date of the agreement. We cannot assure you that we will be able to continue with the uninterrupted use of this premise. If we are unable to comply with the terms of our lease deed, it may impair our operations and adversely affect our business, results of operations and financial condition. For further details, see "*Our Business – Description of Our Business – Property*" on page 315.

38. *We are dependent on our Promoters, Directors, Key Managerial Personnel and certain members of the Senior Management] and skilled employees and our inability to attract or retain such persons or finding equally skilled personnel could adversely affect our business, results of operations, cash flows and financial condition.*

We are highly dependent on our Promoters, Directors, Key Managerial Personnel and certain members of the Senior Management for formulating our business strategies and managing our business. For further information, see "*Our Management*" on page 332. Our ability to meet continued success and future business challenges depends on our ability to attract, recruit and retain experienced, talented and skilled professionals. The market for skilled employees is extremely competitive, and the process of hiring employees with the necessary skills requires the diversion of significant time and resources. The specialized skills we require can be difficult and time-consuming to acquire and develop and, as a result, such skilled personnel are often in short supply. To attract and retain top talent, we have had to offer, and we believe we will need to continue to offer, competitive compensation and benefits packages.

We may need to invest significant amounts of cash and equity to attract and retain new employees and expend significant time and resources to identify, recruit, train, and integrate such employees, and we may never realize returns on these investments. The table below provides details of the attrition rate of our employees for Fiscal Years 2022, 2023, and 2024:

Particulars	Fiscal Year		
	2024	2023	2022
Attrition Rate (in %)	16.00%	17.00%	13.00%

For details of changes in Key Managerial Personnel in the last three years, please see the section titled "*Our Management – Changes in Key Management Personnel during the last three years*" on page 353. The loss of the services of our Senior Management, any Key Managerial Personnel or any skilled employee and our inability to locate suitable or qualified replacements or our inability to recruit or train a sufficient number of experienced personnel or our inability to manage the attrition levels in different employee categories may incur additional expenses which could severely disrupt our business and have an adverse effect on our financial results and business prospects.

We cannot assure you that we will be able to retain our staff or find adequate replacements in a timely manner, or at all. Competition for skilled personnel in the EPC industry is intense, and we may need to increase our levels of employee compensation, including share-based compensation, to attract and retain our staff. Even if we were to offer higher compensation and other benefits, there is no assurance that these individuals will continue to work for us or that we will successfully attract new talent. We may also require significant time to hire and train replacement personnel when skilled personnel terminate their employment with us. The loss of the services of our staff could adversely affect our business, results of operations and financial condition.

39. ***We have in this Draft Red Herring Prospectus included certain non-GAAP financial measures and certain other industry measures related to our operations and financial performance that may vary from any standard methodology that is applicable across our industry. We rely on certain assumptions and estimates to calculate such measures, therefore such measures may not be comparable with financial, operational or industry related statistical information of similar nomenclature computed and presented by other similar companies.***

We use certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance like EBITDA, PAT Margin, RoE and RoCE and certain other statistical information relating to our operations and financial performance that are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS. Although these non-GAAP measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us and our operating and financial performance. For more information on the non-GAAP financial measures used in this Draft Red Herring Prospectus, see "*Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation –Non-Generally Accepted Accounting Principles Financial Measures*" on page 17.

Presentation of these non-GAAP financial measures and such other statistical information relating to our operations and financial performance should not be considered in isolation from, or as a substitute for, analysis of our historical financial performance, as reported and presented in our Restated Consolidated Financial Information set out in this Draft Red Herring Prospectus. These non-GAAP financial measures and such other statistical information relating to our operations and financial performance are not defined under Ind AS, are not presented in accordance with Ind AS and have limitations as analytical tools. These non-GAAP financial measures may differ from similar titled information used by our peer companies, who may calculate such information differently and hence their comparability with the measures used by us may be limited. These measures may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies and has limited usefulness as a comparative measure. Therefore, these non-GAAP financial measures and such other statistical information relating to our operations and financial performance should not be viewed as substitutes for measures of performance under Ind AS or as indicators of our cash flows, liquidity or profitability.

40. ***There are outstanding litigation proceedings against our Company, Subsidiaries, Promoters and Directors. Any adverse outcome in such proceedings may have an adverse impact on our reputation, business, financial condition, results of operations and cash flows.***

There are outstanding legal proceedings against our Company, our Subsidiaries, our Promoters and our Directors, which are pending at various levels of adjudication before various courts, tribunals and other authorities. The summary of outstanding matters set out below includes details of criminal proceedings, tax proceedings and other material pending litigation (as defined in the section "*Outstanding Litigation and Material Developments*" on page 474) involving our Company, Directors, Subsidiaries and Promoters.

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by SEBI or Stock Exchanges against our Promoters	Material civil litigations	Aggregate amount involved (₹ million)
Company						
By the Company	1	NIL	2*	NA	10	2,133.96
Against the Company	NIL	4	NIL	NA	NIL	5.18#**
Directors						
By the Directors	NIL	NIL	2*	NIL	NIL	NIL
Against the Directors	NIL	9	NIL	NIL	NIL	132.64
Promoters						
By the Promoters	NIL	NIL	2*	NIL	NIL	NIL
Against the Promoters	NIL	9^	NIL	NIL	NIL	132.64
Subsidiary						
By the Subsidiary	NIL	NIL	NA	NIL	NIL	NIL
Against the Subsidiary	NIL	NIL	NIL	NIL	NIL	NIL

**Includes two adjudication applications filed by our Company and our Promoter-Directors. For further details, please see 'Outstanding Litigations and Material Developments - Adjudication applications filed by our Company' on page 475.*
#To the extent quantified and is inclusive of interest and penalty (if any)
***The amount is attributable to show cause notices received by the Company from GST authorities.*
^This includes the number of cases and amount involved for cases against the promoters who are also the directors of our Company. For further details, please see 'Outstanding Litigations and Material Developments - Tax claims against our Company, Subsidiary, Promoters and Directors' on page 480.

There can be no assurance that these legal proceedings will be decided in our favour. In addition, we cannot assure you that no additional liability will arise out of these proceedings, and the same could divert our management's time and attention and consume financial resources. While as on date, there are is outstanding litigation which is so major that the Company's survival is dependent on it, any adverse order or direction in these cases by the concerned authorities even though not quantifiable, may have an adverse effect on our business, results of operations and financial condition. Moreover, none of our Group Companies are currently party to any pending litigations which would have a material impact on our Company. For further details, please refer to "*Outstanding Litigation and Material Developments*" on page 474. If a significant portion of these liabilities materialize, it could have an adverse effect on our business, financial condition and results of operations.

41. *Our insurance coverage could prove inadequate to satisfy potential claims or protect us from potential operational hazards and losses which may have a material adverse effect on our financial condition, results of operations and cash flows.*

We have obtained insurance policies that we believe are customary in our industry and provide for commercially appropriate insurance coverage for a variety of risks including equipment insurance policies such as commercial goods carrying vehicle policy, motor vehicles policy, contractors plant and machinery insurance policy, as well as contractor's all risk insurance policies for our certain ongoing projects, as well as, other insurance policies such as mediclaim insurance policy and director and officers liability insurance policy. For further information regarding the insurance policies obtained by us, see "*Our Business – Insurance*" on page 313. The table below depicts our insurance coverage for the respective periods.

Particulars	Fiscal Year 2024	Fiscal Year 2023	Fiscal Year 2022
Insurance coverage* (in ₹ million)	1,236.02	668.78	303.61
% of insurance coverage	75.50%	60.67%	57.82%

** includes written down value of investment property and property, plant & equipment excluding value of land.*

However, there can be no assurance that our current insurance policies will insure us fully against all risks and losses that may arise in the future. There have been instances in past, which have led us to claim coverage from our insurance policies, *inter alia*, on account of loss of construction material and/or equipment, accident of construction vehicles or damage to machinery, loss of life due to accident with construction vehicle or machinery, where we had to incur additional costs above the insurance coverage awarded. For instance, in Fiscal Year 2024, we received ₹ 8.99 million in insurance claim due to losses on account of excess rainfall while executing a project for the NHAI, in Jodhpur, Rajasthan. Therefore, in the future there could be instances where any liability in excess of our insurance payments, reserves or backup guarantee could result in additional costs, which would reduce our profits.

Further, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time. Our insurance may not be adequate to completely cover any or all of our risks and liabilities including our insurance coverage during O&M period. In cases where certain loss or damages are not covered under our insurance policies, or even if such losses are insured, we are required to pay a significant deductible on any claim for recovery of such a loss, or the amount of the loss may exceed our coverage for the loss or the premium charged is significantly increased, our results of operations and cash flows could be adversely affected. In addition, our insurance policies are subject to annual review, and we cannot assure you that we will be able to renew these policies on similar or otherwise acceptable terms, or at all. If we were to incur a serious uninsured loss or a loss that significantly exceeds the limits of our insurance policies, it could have a material adverse effect on our financial condition, results of operations and cash flows.

42. ***Our Promoters and certain of our Directors have interests in our Company other than their normal remuneration or benefits and reimbursement of expenses.***

Our Promoters and certain of our Directors, Key Managerial Personnel and Senior Management are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses. Our Promoters and certain of our Directors (namely, Varinder Kumar Garg, Sushma Garg and Vivek Garg are interested in our Company to the extent of their respective shareholding in our Company as well as to the extent of any dividends, bonus or other distributions on such Equity Shares, certain related party transactions in the last three Fiscal Years, , their shareholding and directorships in our Subsidiaries and Group Companies, which are in same line of business and to the extent of promotion of the Company. For details, please see the sections entitled "Our *Management – Shareholding of our Directors in our Company*", "*Capital Structure – Employee Stock Option Plan*" and "*Restated Consolidated Financial Information – Related Party Transactions*" in Note 39 on pages 337, 118 and 415. We cannot assure you that our Promoters, Directors, will exercise their rights as shareholders to the benefit and best interest of our Company. Further, our Promoters holding Equity Shares may take or block actions with respect to our business which may conflict with the best interests of our Company or that of minority shareholders. For further information on the interest of our Promoters and Directors, other than reimbursement of expenses incurred or normal remuneration or benefits, see "*Our Management*" and "*Our Promoters and Promoter Group*" on pages 332 and 355, respectively.

43. ***A majority of Directors on our Board do not have prior experience of directorship in any of companies listed on recognized stock exchanges, therefore, they will be able to provide only a limited guidance in relation to the affairs of our Company post listing.***

Except for Kuljit Singh Popli and Neeru Abrol, our Independent Directors, our remaining Directors do not have prior experience as directors of companies listed on recognized stock exchanges. While our Directors have experience in the EPC industry, directors of listed companies have a wide range of responsibilities, including, among others, ensuring compliance with continuing listing obligations, monitoring and overseeing management, operations, financial condition and trajectory of the company. We cannot assure you that our Directors will be able to adequately manage our Company after we become a listed company, due to their lack of prior experience as directors of companies listed on recognized stock exchanges. Accordingly, we will get limited guidance from them and accordingly, may fail to maintain and improve the effectiveness of our disclosure controls, procedures and internal control as required for a listed entity under the applicable law.

44. ***We have issued Equity Shares during the preceding 12 months from the date of this Draft Red Herring Prospectus at a price which may not be indicative of the Offer Price.***

We have issued Equity Shares in the last 12 months at a price which may be lower than the Offer Price, as set out in the table below. For details, see "*Capital Structure – Share capital history of our Company – Equity Share capital*" on page 100.

Date of Allotment	No. of Equity Shares	Details of Allottees	Face Value per Equity Share (in ₹)	Issue Price per Equity Share (in ₹)	Reason for Allotment
July 6, 2024	149,445,000	Allotment of 100,278,000 Equity Shares to Varinder Kumar Garg, 46,059,300 Equity Shares to Sushma Garg, 2,826,900 Equity Shares to Varinder Kumar Garg HUF, 272,700 Equity Shares to Vivek Garg and 2,700 Equity Shares each to Surbhi Agarwal, Ankita Garg and Prateek Agarwal.	1	NA	Bonus issue in the ratio of 27:1

The Offer Price is not indicative of the price at which our Company has issued the Equity Shares in the preceding 12 months or that will prevail in the open market following listing of the Equity Shares.

45. *We intend to utilize a portion of the Net Proceeds for funding our capital expenditure requirements.*

Pursuant to the resolution dated September 30, 2024 passed by the Board of Directors of our Company, we intend to utilize, up to ₹1,601.08 million from the Net Proceeds for funding capital expenditure requirements of our Company which primarily includes, inter alia, purchasing such construction equipments, based on our current estimates, the specific number and nature of such equipment to be purchased by our Company will depend on our business requirements and the details of our construction equipments to be purchased from the Net Proceeds which will be suitably updated at the time of filing of the Red Herring Prospectus with the RoC. For further details, See "*Objects of the Offer - Funding capital expenditure requirements of our Company*" on page . Any delay or increase in the costs could have a material adverse effect on our business or results of operations. We are yet to place orders for the total capital expenditure. We have not entered into any definitive agreements to utilize the Net Proceeds for this object of the Offer and have relied on the quotations received from third parties for estimation of the cost. While we have obtained the quotations from various vendors in relation to such capital expenditure, most of these quotations are valid for a certain period of time and may be subject to revisions, and other commercial and technical factors, including our financial and market condition, business and strategy, competition, negotiation with suppliers, variation in cost estimates on account of factors, including changes in design or configuration of the equipment and interest or exchange rate fluctuations, changes in freight and transportation charges, and other external factors including changes in the price of the equipment due to variation in commodity prices (including steel) which may not be within the control of our management. We cannot assure you that we will be able to undertake such capital expenditure within the cost indicated by such quotations or that there will not be cost escalations. For details, see "*Objects of the Offer*" at page 122.

46. *Our funding requirements and proposed deployment of the Net Proceeds are based primarily on management estimates and assumptions and our management will have broad discretion over the use of Net Proceeds. The utilisation of the Net Proceeds may be subject to change based on various factors, some which are beyond our control. Further, any change or variation in the utilisation of Net Proceeds from the terms and conditions stated in this Draft Red Herring Prospectus shall be subject to compliance requirements, including among other things, prior Shareholders' approval.*

Our Company intends to utilise ₹ [●] million from the Net Proceeds towards the objects set forth below (**"Objects"**):

Particulars	Estimated Amount
	(₹ million)
Capital expenditure towards purchase of equipments	1,601.08
Funding the working capital requirements of our Company	1,550.00

Particulars	Estimated Amount
	(₹ million)
Repayment/prepayment in full or in part, of certain outstanding borrowings availed by our Company	3,598.92
General corporate purposes(1)(2)	[●]
Net Proceeds(2)	[●]

(1) *The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.*
(2) *To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC.*

For further details, see *"Objects of the Offer"* on page 120.

We cannot predict whether these initiatives will result in increase in efficiency of operations, or an overall increase in profits. Further, there is no guarantee that deployment of the Net Proceeds as mentioned above will generally have a positive impact on our operations of business. Our deployment of the Net Proceeds has been determined primarily on the basis on management estimates, historic expenses and funding patterns for our business, current circumstances of our business and prevailing market conditions. The estimates for the proposed expenditures are based on several variables, a significant variation in any one or a combination thereof would have an adverse effect. We operate in a highly competitive and dynamic industry and we may have to revise our funding requirements and deployment from time to time on account of various factors beyond our control, such as a change in regulatory environment under which we operate, requirements of business pursuant to a change in consumer behaviour, consumer confidence, or consumer preferences, increasing compliance cost due to increasing regulations, our Board's analysis of business requirements, competitive landscape, economic trends as well as general factors that affect our business, results of operations, financial conditions, access to capital such as credit availability, interest rate levels, wars, pandemics and epidemics or any other *force majeure* events.

Our Company, in accordance with the policies established by the Board from time to time, will have the flexibility to deploy the Net Proceeds and further, pending utilisation of such Net Proceeds, the Company will temporarily deposit such Net Proceeds with one or more scheduled commercial banks included in Second Schedule of the Reserve Bank of India Act, 1939, as may be approved by the Board. Accordingly, prospective investors will need to rely on our management's judgement with respect to the steps taken in the interim pre-utilisation of Net Proceeds and we cannot assure you that we will earn a significant interest income on, or that we will not suffer unanticipated diminution in the value of, such temporary deposits.

Furthermore, various unanticipated risks and uncertainties, such as economic trends and business requirements, competitive landscape, regulatory factors, as well as general factors that affect our business operations may delay our deployment of the Net Proceeds and adversely affect our business and future growth.

In accordance with Sections 13(8) and 27 of the Companies Act 2013, we cannot undertake any variation in the utilisation of the Net Proceeds without obtaining the shareholders' approval through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilisation of the Net Proceeds, we may not be able to obtain the shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders' approval may adversely affect our business or operations.

Further, our Promoters may be required to provide an exit opportunity to Shareholders who do not agree with our proposal to change the objects of the Offer or vary the terms of such contracts, at a price and manner as prescribed by SEBI or any other regulatory authority, as the case may be. Further, we cannot assure you that the Promoters or the controlling shareholders of our Company will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price prescribed by SEBI or any other regulatory authority, as the case may be. In light of these factors, we may not be able to undertake variation of objects of the Offer to use any unutilized proceeds of the Offer, if any, or vary the terms of any contract referred to in this Draft Red Herring Prospectus. This may restrict our Company's ability to respond to any change in our business or financial condition by re-deploying the unutilised portion of Net Proceeds, if any, or varying the terms of contract, which may adversely affect our business, cash flows, and results of operations.

For more details, see "*Objects of the Offer*" page 120.

47. *Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by any bank or financial institution or any other independent agency.*

We intend to utilise the Net Proceeds of the Offer for purposes as set forth in "*Objects of the Offer*" on page 120. The funding requirements mentioned for the objects of the Offer are based primarily on internal management estimates in view of past expenditures, and have not been appraised by any bank or financial institution. They are based on current conditions and is subject to change in light of changes in external circumstances, costs, other financial conditions or business strategies, financial conditions, regulatory framework, etc.

Various risks and uncertainties, including those set forth in this section, may limit or delay our efforts to use the Net Proceeds. Accordingly, use of Net Proceeds for purposes identified by our Board may not result in growth of business, increased profitability or a substantial increase in value. See "- *Our funding requirements and proposed deployment of the Net Proceeds are based primarily on management estimates and assumptions and our management will have broad discretion over the use of Net Proceeds. Utilisation of Net Proceeds may be subject to change based on various factors, some which are beyond our control. Further, any change or variation in the utilisation of Net Proceeds from the terms and conditions stated in this Draft Red Herring Prospectus shall be subject to compliance requirements, including among other things, prior Shareholders' approval*" on page 66.

48. *After the completion of the Offer, our Promoters will continue to collectively hold substantial shareholding in our Company.*

After the completion of the Offer, our Promoters hold 99.99% of our shareholding as on the date of this Draft Red Herring Prospectus and will hold [●]% of our shareholding in our Company after the Offer. Our Promoters will continue to exercise significant influence over our business policies and affairs and all matters requiring shareholders' approval, including the composition of our Board, the adoption of amendments to our certificate of incorporation, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, investments and capital expenditures This concentration of ownership also may delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of these shareholders. Further, the Promoters' shareholding may limit the ability of a third party to acquire control of our Company. The interests of the Promoters as our controlling shareholder could conflict with our interests or the interests of its other shareholders. We cannot assure you that our Promoters will act to resolve any conflicts of interest in our favour and any such conflict may adversely affect our ability to execute our business strategy or to operate our business.

49. *Industry information included in this Draft Red Herring Prospectus has been derived from an industry report commissioned and paid for by us as well as exclusively prepared for the purposes of the Offer. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.*

We have availed the services of an independent third party research agency, CRISIL Limited, to prepare an industry report titled "*Assessment of the construction industry in India*" dated September, 2024 for purposes of inclusion of such information in this Draft Red Herring Prospectus. The CRISIL Report is subject to various limitations and based upon certain assumptions that are subjective in nature. Our Company commissioned and paid for this report for the purpose of confirming our understanding of the industry in connection with the Offer. The CRISIL Report has been exclusively prepared for the purposes of the Offer. All such information in this Draft Red Herring Prospectus indicates the CRISIL Report as its source. Accordingly, any information in this Draft Red Herring Prospectus derived from, or based on, the CRISIL Report should be read taking into consideration the foregoing.

Further, due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. In addition, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Red Herring Prospectus. Accordingly, prospective investors should not place undue reliance on, or base their investment decision solely on this information. While these industry sources and publications may take due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data.

The prospective investors should not place undue reliance on, or base their investment decision solely on this information. You should consult your own advisors and undertake an independent assessment of information in this Draft Red Herring Prospectus based on, or derived from, the CRISIL Report before making any investment decision regarding the Offer. See "*Industry Overview"* on page 162. For the disclaimers associated with the

CRISIL Report, see "*Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Disclaimer of CRISIL*" on page 18.

50. ***Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.***

Our ability to pay dividends in the future will depend on a number of factors including our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. Our Board in their meeting held on August 28, 2024 has approved the formal dividend policy of the Company, which includes parameters to be considered by the Board for declaration of dividend, with an objective of rewarding the shareholders of the Company. We have declared and paid dividend amounting in the past. The table below indicates the details of dividend paid by us in the relevant periods.

Particulars	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	From April 1, 2024 until the date of this DRHP
Face value per share (in ₹)*	100	100	No dividend declared for the Fiscal 2024	No dividend declared from April 1, 2024 until the date of this DRHP
Dividend (₹ in million)	2.21	2.21		
Interim dividend per share (in ₹)	Nil	Nil		
Final dividend per share (in ₹)	40	40		
Rate of dividend (%)	40	40		
Dividend Distribution Tax (%)	Nil	Nil		
No. of Equity Shares	55,350	55,350		
Dividend Distribution Tax (in ₹)	Nil	Nil		
Mode of payment of dividend	Bank Transfer	Bank Transfer		

As certified by S S Kothari Mehta & Co. LLP, Chartered Accountants, by way of their certificate dated September 30, 2024.
**The Board of Directors of the Company in its meeting held on May 27, 2024 and Shareholders of the company in the Extra Ordinary General Meeting dated June 7, 2024 have approved the sub-division of the Equity Share having face value of Rs. 100/- each into Equity Share having face value of Rs.1/- each.*

The amounts paid as dividends in the past are not necessarily indicative of the dividend policy of our Company or dividend amounts, if any, in the future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, sufficient profitability, working capital requirements and capital expenditure requirements, business prospects and any other financing arrangements. The declaration and payment of dividends, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, in accordance with provisions of our Articles of Association and applicable law, including the Companies Act. For further information, see "*Dividend Policy*" on page 360. We may retain all future earnings, if any, for use in the operations and expansion of the business. As a result, we may not declare dividends in the foreseeable future. We cannot assure you that we will be able to pay dividends in the future. Accordingly, realization of a gain on Shareholders' investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

External Risk Factors

Risks Relating to India

51. ***Political, economic or any other prevailing conditions in India that are beyond our control may have an adverse effect on our business, results of operations, financial condition, and cash flows.***

Our Company is incorporated in India and derives the majority of its revenue from operations in India. Consequently, our performance and the market price of the Equity Shares may be affected by interest rates, government policies, taxation, and other social, political and economic developments affecting India. The Indian economy and capital markets are influenced by economic, political and market conditions in India and globally. Adverse economic developments, such as rising fiscal or trade deficit, in other emerging market countries may result in a loss of investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, results of operations, financial condition and cash flows and reduce the price of our Equity Shares.

We are dependent on prevailing economic conditions in India and our results of operations are affected by factors influencing the Indian economy. The following external risks may have an adverse impact on our business and results of operations, should any of them materialize:

- increase in interest rates may adversely affect our access to capital and increase our borrowing costs, which may constrain our ability to grow our business and operate profitably;
- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- any scarcity of credit or other financing in India, or change in India's credit rating, resulting in an adverse effect on economic conditions in India and scarcity of financing of our developments and expansions;
- political instability, resulting from a change in government or economic and fiscal policies, may adversely affect economic conditions in India. In recent years, India has implemented various economic and political reforms. Reforms in relation to land acquisition policies and trade barriers have led to increased incidents of social unrest in India over which we have no control;
- changes in India's tax, trade, fiscal or monetary policies, such as the application of GST;
- instability in other countries and adverse changes in geopolitical situations;
- protectionist and other adverse public policies, including local content requirements, import/export tariffs, increased regulations or capital investment requirements;
- strikes, lock-outs, work stoppages or increased wage demands by employees, suppliers or other service providers;
- civil unrest, acts of violence, terrorist attacks, regional conflicts, or war;
- India has experienced epidemics and natural calamities such as earthquakes, tsunamis, floods and drought in recent years;
- instability in the financial markets and volatility in, and actual or perceived trends in trading activity on India's principal stock exchanges;
- a decline in India's foreign exchange reserves which may affect liquidity in the Indian economy;
- macroeconomic factors and central bank regulation, including in relation to interest rates movements which may in turn adversely impact our access to capital and increase our borrowing costs;
- high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins;
- epidemics, pandemics, or any other public health concerns in India or in countries in the region or globally, including in India's various neighbouring countries, such as the contagious COVID-19 pandemic, the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine. Any future outbreaks of COVID-19, avian or swine influenza or a similar contagious disease could adversely affect the Indian economy and economic activity in the region;
- downgrading of India's sovereign debt rating by an independent agency; and
- international business practices that may conflict with other customs or legal requirements to which we are subject to, including anti-bribery and anti-corruption laws; being subject to the jurisdiction of foreign courts, including uncertainty of judicial processes and difficulty enforcing contractual agreements or judgments in foreign legal systems or incurring additional costs to do so.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely affect our business, results of operations, financial condition and cash flows and the price of the Equity Shares. Our performance and the growth of our business depend on the overall performance of the Indian economy as well as the economies of the regional markets in which we operate. Moreover, we are dependent on the various policies, initiatives and schemes proposed or implemented in India, however, there can be no assurance that such policies, initiatives and schemes will yield the desired results or benefits which we anticipate and rely upon for our growth.

52. ***Changing laws, rules or regulations and legal uncertainties in India, including adverse application of taxation laws and regulations, may adversely affect our business, results of operations, financial condition and cash flows.***

The regulatory and policy environment in which we operate is evolving and is subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations, financial condition, cash flows and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

The Government of India may implement new laws or other regulations and policies that could affect the EPC industry in general, which could lead to new compliance requirements, including requiring us to obtain approvals and licenses from the Government and other regulatory bodies, or impose onerous requirements. New compliance requirements could increase our costs or otherwise adversely affect our business, financial condition, cash flows and results of operations. Further, the manner in which new requirements will be enforced or interpreted can lead to uncertainty in our operations and could adversely affect our operations.

For instance, prior to the enactment of Taxation Laws (Amendment) Act, 2021 the Ministry of Finance issued the Taxation Laws (Amendment) Act, 2019, effective as of September 20, 2019, which prescribed certain changes to the income tax rate applicable to companies in India. According to this legislation, companies can henceforth voluntarily opt in favour of a concessional tax regime (subject to no other special benefits and/or exemptions being claimed), which reduces the rate of income tax payable to 22% subject to compliance with conditions prescribed. Domestic companies are otherwise subject to tax at the rate of 25% or 30% depending upon their total turnover or gross receipt in the relevant period. Any such future amendments may affect other benefits such as exemption for income earned by way of dividend from investments in other domestic companies and units of mutual funds, exemption for interest received in respect of tax-free bonds, and long-term capital gains on equity shares if withdrawn by the statute in the future, and the same may no longer be available to us. Any adverse order passed by the appellate authorities, tribunals or courts would have an effect on our profitability. In addition, due to COVID-19 pandemic, the Government of India had also passed the Taxation and Other Laws (Relaxation of Certain Provisions) Act, 2020, implementing relaxations from certain requirements under, amongst others, the Central Goods and Service Tax Act, 2017 and Customs Tariff Act, 1975.

Further, the Government of India has announced the Union Budget for Fiscal Year 2025, pursuant to which the Finance Act, 2024 has introduced various amendments to taxation laws in India. In addition, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs relating to compliance with such new requirements, which may also require management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. We may incur increased costs relating to compliance with such new requirements, which may also require management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation, or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

A change of law that requires us to increase the benefits to the employees from the benefits now being provided may create potentially liability for us. Such benefits could also include provisions which reduce the number of hours an employee may work for or increase in number of mandatory casual leaves, which all may affect the productivity of the employees. For example, the GoI has introduced (a) the Code on Wages, 2019; (b) the Code on Social Security, 2020 ("**Social Security Code**"); (c) the Occupational Safety, Health and Working Conditions Code, 2020; and (d) the Industrial Relations Code, 2020 which consolidate, subsume and replace numerous existing central labour legislations. The rules for the implementation of these codes have not been announced, and as such, the full impact of such laws on our business, operations and growth prospects, remain uncertain. For example, the Social Security Code aims to provide uniformity in providing social security benefits to employees which were previously segregated under different acts and had different applicability and coverage.

The Government of India has also enacted the Digital Personal Data Protection Act, 2023 ("**Data Protection Act**") on personal data protection for implementing organizational and technical measures in processing personal data and lays down norms for cross-border transfer of personal data including ensuring the accountability of entities processing personal data. The Data Protection Act requires companies that collect and deal with high volumes of personal data to fulfil certain additional obligations such as appointment of a data protection officer for grievance redressal and a data auditor to evaluate compliance with the Data Protection Act. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects.

We cannot predict whether any new tax laws or regulations impacting our services will be enacted, what the nature and impact of the specific terms of any such laws or regulations will be or whether, if at all, any laws or regulations would have an adverse effect on our business.

53. *The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.*

We are dependent on domestic, regional and global economic and market conditions. The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, infectious disease outbreaks such as the COVID-19 pandemic and man-made disasters, including acts of terrorism and military actions, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn materially and adversely affect our business, cash flows financial condition, and results of operations. For instance, due to the COVID-19 pandemic, our clients were provided relaxations by the Government such as extension of time for completion of projects and relaxation and extension of payment schedules.

Developments in the ongoing international conflicts have resulted in and may continue to result in a period of sustained instability across global financial markets, induce volatility in commodity prices, adversely impact availability of natural gas, increase in supply chain, logistics times and costs, increase borrowing costs, cause outflow of capital from emerging markets and may lead to overall slowdown in economic activity in India. Our operations may be adversely affected by fires, natural disasters, and/or severe weather, which can result in damage to our property or inventory and generally reduce our productivity and may require us to evacuate personnel and suspend operations. Any terrorist attacks or civil unrest as well as other adverse social and economic in India could have a negative effect on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the price of the Equity Shares.

54. *A slowdown in economic growth in India could cause our business to suffer.*

Our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. Any slowdown or perceived slowdown in the Indian economy or future volatility in global commodity prices could adversely affect our business. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. Any downturn in the macroeconomic environment in India could also adversely affect our business, results of operations, financial condition and the trading price of the Equity Shares.

India's economy could be adversely affected by a general rise in interest rates, adverse weather conditions affecting agriculture, commodity and energy prices as well as various other factors. A slowdown in the Indian economy could adversely affect the policy of the GoI towards our industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy. The Indian economy is also influenced by economic and market conditions in other countries, particularly emerging market conditions in Asia. A decline in India's foreign exchange reserves may also affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition. A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business and results of operations and the market price of the Equity Shares.

India has from time to time experienced instances of social, religious and civil unrest and hostilities between neighbouring countries. Military activity or terrorist attacks in the future could influence the Indian economy by disrupting communications and making travel more difficult and such political tensions could create a greater perception that investments in Indian companies involve higher degrees of risk. A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business and results of operations and the market price of the Equity Shares.

Other factors which may adversely affect the Indian economy are scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our developments and expansions; volatility in, and actual or perceived trends in trading activity on India's principal stock exchanges; changes in India's tax, trade, fiscal or monetary policies, like political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries; occurrence of natural or man-made disasters; infectious disease outbreaks or other serious public health concerns; prevailing regional or global economic conditions, including in India's principal export markets; and other significant regulatory or economic developments in or affecting India.

55. ***Financial instability in other countries may cause increased volatility in Indian financial markets.***

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe, and certain emerging economies in Asia. Financial turmoil in emerging economies in Asia, United States, United Kingdom, Russia and elsewhere in the world in recent years has adversely affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us. Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian economy. Financial disruptions could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows. Further, economic developments globally can have a significant impact on our principal markets. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy. Following the United Kingdom's exit from the European Union ("**Brexit**"), there still remains significant uncertainty around the impact of Brexit on the general economic conditions in the United Kingdom and the European Union and any consequential impact on global financial markets.

In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. The sovereign rating downgrades for Brazil and Russia (and the imposition of sanctions on Russia in connection with the Russia-Ukraine war) have also added to the growth risks for these markets. These factors may also result in a slowdown in India's export growth. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. Any significant financial disruption could have a material adverse effect on our business, financial condition and results of operation. These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. This could have a material adverse effect on our business, financial condition and results of operations and reduce the price of the Equity Shares.

56. ***A downgrade in ratings of India, may affect the trading price of the Equity Shares.***

The borrowing costs of our Company, its customers' and our access to the debt capital markets depends significantly on the credit ratings of India. India's sovereign rating improved from Baa3 with a "negative" outlook to Baa3 with "stable" outlook by Moody's in October 2021and improved from BBB –with "negative" outlook to BBB – with "stable" outlook by Fitch in August 2024. DBRS improved India's rating as BBB "low" with a positive outlook in May 2024. India's sovereign ratings from S&P is BBB with a "positive" outlook. Any further adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available, including raising any overseas additional financing.

India's sovereign debt rating could be downgraded due to several factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, all which are outside the control of our Company. Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional external financing, and the interest rates and other commercial terms at which such additional financing is available.

57. ***Investors may not be able to enforce a judgment of a foreign court against us, our Directors, the Book Running Lead Managers or any of their directors and executive officers in India respectively, except by way of a law suit in India.***

We are incorporated under the laws of India and, all of our Directors, Key Managerial Personnel and Senior Management reside in India. A substantial portion of our assets and the assets of our Directors and executive officers resident in India is located in India. As a result, it may be difficult for investors to effect service of process upon us or such persons outside India or to enforce judgments obtained against us or such parties outside India. India exercises reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions. In order to be enforceable, a judgment obtained in a jurisdiction which India recognises as a reciprocating territory must meet certain requirements of the Code of Civil Procedure, 1908 (the "**CPC**").

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments is provided for under Section 13, Section 14 and Section 44A of the CPC on a statutory basis. Section 44A of the CPC provides that where a certified copy of a decree of any superior court, within the meaning of that Section, obtained in any country or territory outside India which the government has by notification declared to be in a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a district court in India. However, Section 44A of the CPC is applicable only to monetary decrees and does not apply to decrees for amounts payable in respect of taxes, other charges of a like nature or in respect of a fine or other penalties and does not apply to arbitration awards (even if such awards are enforceable as a decree or judgment).

Among other jurisdictions, the United Kingdom, United Arab Emirates, Singapore and Hong Kong have been declared by the government to be reciprocating territories for the purposes of Section 44A of the CPC. The United States has not been declared by the Government of India to be a reciprocating territory for the purposes of Section 44A of the CPC. A judgment of a court of a country which is not a reciprocating territory may be enforced in India only by a suit upon the judgment under Section 13 of the CPC, and not by proceedings in execution. Section 13 of the CPC provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and/ or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. The suit must be brought in India within three years from the date of judgment in the same manner as any other suit filed to enforce a civil liability in India.

It cannot be assured that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it views the amount of damages awarded as excessive or inconsistent with Indian practice or public policy in India. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI under the Foreign Exchange Management Act, 1999, to repatriate any amount recovered pursuant to the execution of such foreign judgment, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approvals would be acceptable. Such amount may also be subject to income tax in accordance with applicable law.

58. ***Our ability to raise foreign capital may be constrained by Indian law.***

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Limitations on foreign debt may have an adverse effect on our business growth, financial condition and results of operations.

For additional details, please refer to "*Risk Factors – Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.*" on page 77.

59. ***If inflation were to rise in India, we might not be able to increase the prices of our products at a proportional rate in order to pass costs on to our clients thereby reducing our margins.***

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of transportation, wages, raw materials, and other expenses relevant to our business.

High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our clients, whether entirely or in part, and may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or entirely offset any increases in costs with increases in prices for our products. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

Further, the Government has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

Risks Relating to the Offer

60. ***Rights of shareholders of companies under Indian law may be more limited than under the laws of other jurisdictions.***

Our Articles of Association, composition of our Board, Indian laws governing our corporate affairs, the validity of corporate procedures, directors' fiduciary duties, responsibilities and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights, including in relation to class actions, under Indian law may not be as extensive and widespread as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as shareholder in an Indian company than as a shareholder of an entity in another jurisdiction.

61. ***A third party could be prevented from acquiring control of our Company because of anti-takeover provisions under Indian law.***

There are provisions in Indian law that may delay, deter, or prevent a future takeover or change in control of our Company, even if a change in control would result in the purchase of your Equity Shares at a premium to the market price or would otherwise be beneficial to you. Such provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of our Company. Under the SEBI Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to its stakeholders, it is possible that such a takeover would not be attempted or consummated because of the SEBI Takeover Regulations.

62. ***Investors may be subject to Indian taxes arising out of income from capital gains and stamp duty on the sale of the Equity Shares and on the payment of dividends.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any capital gain realized on the sale of listed equity shares on a Stock Exchange held for more than 12 months immediately preceding the date of transfer will be subject to long term capital gains in India at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the Stock Exchanges, the quantum of gains and any available treaty relief. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of Securities Transaction Tax ("**STT**"), on the sale of any Equity Shares held for more than 12 months immediately preceding the date of transfer. Such long-term capital gains exceeding ₹100,000 arising from the sale of listed equity shares on the stock exchange are subject to tax at the rate of 10% (plus applicable surcharge and cess). STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold.

Further, any capital gains realized on the sale of listed equity shares held for a period of 12 months or less immediately preceding the date of transfer will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will not be chargeable to tax in India in cases where relief from such taxation in India is provided under a treaty between India and the country of which the seller is resident and the seller is entitled to avail benefits thereunder, subject to certain conditions. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

The Finance Act, 2019, amended the Indian Stamps Act, 1899, and had clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. These provisions have been notified with effect from July 1, 2020.

Further, the GoI has notified the Finance Act, 2023, which has introduced various amendments to the Income Tax Act, 1961. There is no certainty on the impact that the Finance Act, 2023 may have on our business and operations. We cannot predict whether any tax laws or other regulations impacting us will be enacted or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have a material adverse effect on our business, financial condition, results of operations and cash flows. Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. For instance, the Supreme Court of India has in a decision clarified the components of basic wages which need to be considered by companies while making provident fund payments, which resulted in an increase in the provident fund payments to be made by companies. Any such decisions in future or any further changes in interpretation of laws may have an impact on our results of operations.

Additionally, no dividend distribution tax is required to be paid in respect of dividends declared, distributed, or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source pursuant to any corporate action including dividends.

Further, our Company cannot predict whether any tax laws or other regulations impacting it will be enacted or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have a material adverse effect on our Company's business, financial condition, results of operations and cash flows. Uncertainty in the applicability, interpretation, or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning Equity Shares.

63. ***The determination of the Price Band is subject to various factors and assumptions and the Offer Price may not be indicative of the trading price of the Equity Shares, upon listing on the Stock Exchanges subsequent to the Offer. Further, the current trading price of equity shares listed pursuant to certain past issues handled by the BRLMs is below their respective offer price.***

The determination of the Price Band is based on various factors and assumptions, and was determined by our Company in consultation with the BRLMs. Further, the Offer Price of the Equity Shares was determined by our Company in consultation with the BRLMs through the Offer Building Process. This price is based on certain factors, as described under "*Basis for Offer Price*" on page 136 and may not be indicative of the trading price of the Equity Shares, upon listing on the Stock Exchanges subsequent to the Issue. We cannot assure you that an active market will develop or sustained trading will take place in the Equity Shares and the trading price of the Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Offer Price. In addition to the above, the current trading price of equity shares listed pursuant to certain past issues handled by the BRLMs is below their respective issue price.

There has been significant volatility in the Indian stock markets in the recent past, and the market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors. Consequently, the price of our Equity Shares may be volatile, and there can be no assurance that the investors will be able to resell Equity Shares at or above the Offer Price resulting in a loss of all or part of the investment.

64. *Proceeds from the Offer for Sale portion of this Offer will not be available to us.*

As this Offer includes an Offer for Sale of Equity Shares by the Promoter Selling Shareholders, the proceeds from the Offer for Sale net of proportionate Offer Expenses will be remitted to the Promoter Selling Shareholders and our Company will not benefit from such proceeds. For details relating to the Offer, see "*The Offer*" and "*Objects of the Offer*" on pages 82 and 120, respectively.

65. *Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.*

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time taken for such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Shareholders. For example, the exchange rate between the Indian Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the returns on our Equity Shares, independent of our operating results.

66. *Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.*

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to compliance with sectoral norms and certain other restrictions), if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then a prior regulatory approval will be required. Further, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior regulatory approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. Further, this conversion is subject to the shares having been held on a repatriation basis and, either the security having been sold in compliance with the pricing guidelines or, the relevant regulatory approval having been obtained for the sale of shares and corresponding remittance of the sale proceeds.

In addition, pursuant to the Press Note 3 of 2020, dated April 17, 2020, issued by the DPIIT, which has been incorporated as the proviso to Rule 6(a) of the FEMA Rules, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the consolidated FDI policy circular of 2020 dated October 15, 2020, issued by DPIIT, and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/purview, such subsequent change in the beneficial ownership will also require approval of the Government of India.

We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained with or without any particular terms or conditions or at all. For further information, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 539.

Further, in terms of notification dated June 14, 2021 issued by the RBI, new investors from FATF non-compliant jurisdictions such as Mauritius, Cayman Islands and Uganda are not permitted to acquire, directly or indirectly, 20% or more of the voting power of any existing payment system operators ("PSOs") or any entity seeking authorization as a PSO. However, existing investors may continue holding their investments in PSOs made prior to classification of their jurisdiction as FATF non-compliant and/or bring in additional investments as per the extant regulations.

67. *Any future issuance of Equity Shares may dilute your shareholding and sale of Equity Shares by the Promoters may adversely affect the trading price of the Equity Shares.*

We may be required to finance our growth, whether organic or inorganic, through future equity offerings. Any future equity issuances by us, including a primary offering or the exercise of employee stock options, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us (including under an employee benefit scheme) or disposal of our Equity Shares by the Promoters or any of our other principal shareholders or any other change in our shareholding structure to comply with minimum public shareholding norms applicable to listed companies in India or any public perception regarding such issuance or sales may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. There can be no assurance that we will not issue further Equity Shares or that our existing shareholders including our Promoters will not dispose of further Equity Shares after the completion of the Offer (subject to compliance with the lock-in provisions under the SEBI ICDR Regulations) or pledge or encumber their Equity Shares. Any future issuances could also dilute the value of shareholder's investment in the Equity Shares and adversely affect the trading price of our Equity Shares. Such securities may also be issued at prices below the Offer Price. We may also issue convertible debt securities to finance our future growth or fund our business activities. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares. We cannot predict what effect, if any, market sales of our Equity Shares held by our Promoter or other major shareholders or the availability of these Equity Shares for future sale will have on the market price of our Equity Shares.

68. *Investors will not be able to sell immediately on an Indian stock exchange any of the Equity Shares they purchase in the Offer.*

The Equity Shares will be listed on the Stock Exchanges. Pursuant to applicable Indian laws, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares may commence. Investors' book entry, or 'demat' accounts with depository participants in India, are expected to be credited within one working day of the date on which the Basis of Allotment is approved by the Stock Exchanges. The Allotment of Equity Shares in the Offer and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately five Working Days from the Bid/ Issue Closing Date and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchanges is expected to commence within three Working Days of the Bid/ Offer Closing Date. There could be a failure or delay in listing of the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval or otherwise commence trading in the Equity Shares would restrict investors' ability to dispose of their Equity Shares. There can be no assurance that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this risk factor. We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

69. *Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby may suffer future dilution of their ownership position.*

Under the Companies Act, a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution by holders of three-fourths of the of the Equity Shares who have voted on such resolution. However, if the laws of the jurisdiction the investors are located in do not permit them to exercise their pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value the custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emption rights granted in respect of the Equity Shares held by them, their ownership position will be diluted and their proportional interest in us would be reduced.

70. *QIBs and Non-Institutional Bidders are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid amount) at any stage after submitting a bid, and Retail Individual Bidders are not permitted to withdraw their Bids after Bid/ Offer Closing Date.*

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are required to pay the Bid amount on submission of the Bid and are not permitted to withdraw or lower their Bids (in terms of quantity of equity shares or the Bid Amount) at any stage after submitting a Bid. Similarly, Retail Individual Bidders can revise or withdraw their Bids at any time during the Bid/ Offer Period and until the Bid/ Offer Closing date, but not thereafter. While we are required to complete all necessary formalities for listing and commencement of trading of the Equity Shares on all Stock Exchanges where such Equity Shares are proposed to be listed, including Allotment, within three Working Days from the Bid/ Offer Closing Date or such other period as may be prescribed by the SEBI, events affecting the investors' decision to invest in the Equity Shares, including adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows or financial condition may arise between the date of submission of the Bid and Allotment. We may complete the Allotment of the Equity Shares even if such events occur, and such events may limit the investors' ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing. Therefore, QIBs and Non-Institutional Bidders will not be able to withdraw or lower their bids following adverse developments in international or national monetary policy, financial, political, or economic conditions, our business, results of operations, cash flows or otherwise between the dates of submission of their Bids and Allotment.

71. ***Our Equity Shares have never been publicly traded and may experience price and volume fluctuations following the completion of the Offer, an active trading market for the Equity Shares may not develop, the price of our Equity Shares may be volatile and you may be unable to resell your Equity Shares at or above the Offer Price or at all.***

Prior to the Offer, there has been no public market for our Equity Shares, and an active trading market may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for our Equity Shares will develop or, if developed, the liquidity of such market for the Equity Shares. The Offer Price of the Equity Shares is proposed to be determined through a book building process. This price will be based on numerous factors, as described in the section "*Basis for Offer Price*" on page 136. This price may not necessarily be indicative of the market price of our Equity Shares after the Offer is completed. You may not be able to re-sell your Equity Shares at or above the Offer price and may as a result lose all or part of your investment.

Our Equity Shares are expected to trade on NSE and BSE after the Offer, but there can be no assurance that active trading in our Equity Shares will develop after the Offer, or if such trading develops that it will continue. Investors may not be able to sell our Equity Shares at the quoted price if there is no active trading in our Equity Shares.

There has been significant volatility in the Indian stock markets in the recent past, and the trading price of our Equity Shares after this Offer could fluctuate significantly as a result of market volatility or due to various internal or external risks, including but not limited to those described in this Draft Red Herring Prospectus. The market price of our Equity Shares may be influenced by many factors, some of which are beyond our control, including:

- the failure of security analysts to cover the Equity Shares after this Issue, or changes in the estimates of our performance by analysts;
- our financial condition, results of operations, cash flows and our prospects and variations in our quarterly financial results
- the activities of competitors and suppliers;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;
- future sales of the Equity Shares by us or our shareholders;
- investor perception of us and the industry in which we operate;
- our quarterly or annual earnings or those of our competitors;
- developments affecting fiscal, industrial, or environmental regulations;
- new laws and governmental regulations or changes in laws and governmental regulations applicable to our industry;
- the public's reaction to our press releases and adverse media reports; and
- general economic conditions.

A decrease in the market price of our Equity Shares could cause you to lose some or all of your investment. The trading price of our Equity Shares may also decline in reaction to events that affect the entire market and/or other companies in our industry even if these events do not directly affect us and/or are unrelated to our business or operating results.

72. *Any future changes in accounting standards may cause adverse unexpected operating results, affect our reported results of operations or otherwise harm our business and financial results.*

A change in accounting standards can also have a significant effect on our reported results and may affect our reporting of transactions before the change is effective. New pronouncements and varying interpretations of pronouncements have occurred and may occur in the future. Changes to existing accounting rules or the application of current accounting practices may adversely affect our reported financial results. Additionally, our assumptions, estimates and judgments related to complex accounting matters could significantly affect our financial results. Generally accepted accounting principles and related accounting pronouncements, implementation guidelines and interpretations with regard to a wide range of matters that are relevant to our business, including but not limited to, revenue recognition, fair value of investments, impairment of long-lived assets, leases and related economic transactions, derivatives, pension and post-retirement benefits, intangibles, self-insurance, income taxes, property and equipment, unclaimed property laws and litigation, and stock-based compensation are highly complex and involve many subjective assumptions, estimates and judgments by us. Changes in these rules or their interpretation or changes in underlying assumptions, estimates or judgments by us could significantly change our reported or expected financial performance or otherwise harm our business and financial results. For further details, please see "*Management's Discussion and Analysis of Financial Condition and Results of Operations -Material Accounting Policies*" on page 443.

73. *Subsequent to the listing of the Equity Shares, we may be subject to pre-emptive surveillance measures, such as the Additional Surveillance Measures and the Graded Surveillance Measures by the Stock Exchanges in order to enhance the integrity of the market and safeguard the interest of investors.*

Subsequent to the listing of the Equity Shares, we may be subject to Additional Surveillance Measures ("**ASM**") and Graded Surveillance Measures ("**GSM**") by the Stock Exchanges. These measures are in place to enhance the integrity of the market and safeguard the interest of investors. The criteria for shortlisting any security trading on the Stock Exchanges for ASM is based on objective criteria, which includes market based parameters such as high low price variation, concentration of client accounts, close to close price variation, market capitalization, average daily trading volume and its change, and average delivery percentage, among others. Securities are subject to GSM when its price is not commensurate with the financial health and fundamentals of the issuer. Specific parameters for GSM include net worth, net fixed assets, price to earnings ratio, market capitalization and price to book value, among others. Factors within and beyond our control may lead to our securities being subject to GSM or ASM. In the event our Equity Shares are subject to such surveillance measures implemented by any of the Stock Exchanges, we may be subject to certain additional restrictions in connection with trading of our Equity Shares such as requiring higher margin requirements, requirement of settlement on a trade for trade basis without netting off, limiting trading frequency (for example, trading either allowed once in a week or a month) or freezing of price on upper side of trading, as well as mentioning of our Equity Shares on the surveillance dashboards of the Stock Exchanges. The imposition of these restrictions and curbs on trading may have an adverse effect on the market price of our Equity Shares or may in general cause disruptions in the development of an active trading market for our Equity Shares.

74. *We may be affected by competition laws, the adverse application or interpretation of which could adversely affect our business.*

The Competition Act regulates practices and seeks to prevent an appreciable adverse effect on competition in the relevant market in India ("**AAEC**"). Under the Competition Act, any formal or informal arrangement, understanding or action in concert between enterprises, whether formal or informal, which causes or is likely to cause an AAEC is considered void and may result in the imposition of substantial penalties. Furthermore, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or the provision of services or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or number of consumers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an AAEC and is considered void. The Competition Act also prohibits abuse of a dominant position by any enterprise. If it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such a company, that person shall also be guilty of contravention and may be punished.

On March 4, 2011, the Government notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to and pre-approved by the CCI. Additionally, on May 11, 2011, the CCI issued Competition Commission of India (Procedure for Transaction of Business Relating to Combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India. In the event we pursue an acquisition or combination or amalgamation in the future, we may be affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act.

The Competition Act aims to, among others, prohibit all agreements and transactions, including agreements between vertical trading partners, i.e., entities at different stages or levels of the production chain in different markets, which may have an AAEC in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Furthermore, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an AAEC in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. We may be affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it could adversely affect our business, results of operations, cash flows and prospects.

75. ***The requirements of being a publicly listed company may strain our resources*.**

We are not a listed company and have historically not been subjected to the compliance requirements and increased scrutiny of our affairs by shareholders, regulators and the public at large associated with being a listed company. As a listed company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the SEBI Listing Regulations which will require us to file audited annual and unaudited quarterly reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations or cash flows as promptly as other listed companies.

Further, as a listed company, we will be required to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management attention will be required. As a result, our management's attention may be diverted from our business concerns, which may adversely affect our business, prospects, financial condition, results of operations and cash flows. In addition, we may need to hire additional legal and accounting staff with appropriate experience and technical accounting knowledge, but we cannot assure you that we will be able to do so in a timely and efficient manner.

76. ***There is no guarantee that our Equity Shares will be listed on the BSE and NSE in a timely manner or at all.***

In accordance with Indian law and practice, permission for listing and trading of our Equity Shares will not be granted until after certain actions have been completed in relation to this Offer and until Allotment of Equity Shares pursuant to this Offer. In accordance with current regulations and circulars issued by SEBI, our Equity Shares are required to be listed on the BSE and NSE within such time as mandated under UPI Circulars, subject to any change in the prescribed timeline in this regard. However, we cannot assure you that the trading in our Equity Shares will commence in a timely manner or at all. Any failure or delay in obtaining final listing and trading approvals may restrict your ability to dispose of your Equity Shares.

SECTION III – INTRODUCTION

THE OFFER

The following table summarises details of the Offer.

Offer of Equity Shares*	Up to [●] Equity Shares of face value ₹1 each aggregating up to ₹ 12,000.00 million
Of which:	
Fresh Issue(1)	Up to [●] Equity Shares of face value ₹1 each aggregating up to ₹9,000.00 million
Offer for Sale(2)	Up to [●] Equity Shares of face value ₹1 each aggregating up to ₹ 3,000.00 million
which includes	
Employee Reservation Portion(4)(6)(7)	Up to [●] Equity Shares of face value ₹1 each aggregating to up to ₹[●] million
Net Offer	Up to [●] Equity Shares of face value ₹1 each aggregating to up to ₹[●] million
The Net Offer consists of:	
A. QIB Portion(3) (4)	Not more than [●] Equity Shares of face value ₹1 each
Of which:	
Anchor Investor Portion	[●] Equity Shares of face value ₹1 each
Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares of face value ₹1 each
Of which:	
Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	[●] Equity Shares of face value ₹1 each
Balance for all QIBs including Mutual Funds	[●] Equity Shares of face value ₹1 each
B. Non-Institutional Portion(4)(5)	Not less than [●] Equity Shares of face value ₹1 each
Of which:	
One-third of the Non-Institutional Portion, available for allocation to Bidders with an application size between ₹ 200,000 to ₹ 1,000,000.	[●] Equity Shares of face value ₹1 each
Two-thirds of the Non-Institutional Portion, available for allocation to Bidders with an application size of more than ₹ 1,000,000.	[●] Equity Shares of face value ₹1 each
C. Retail Portion(4)	Not less than [●] Equity Shares of face value ₹1 each
Pre and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer (as on the date of this DRHP)	154,980,000 Equity Shares of face value ₹1 each
Equity Shares outstanding after the Offer	[●] Equity Shares of face value ₹1 each
Use of Net Proceeds of this Offer	See "*Objects of the Offer*" on page 120 for information about the use of the proceeds from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale.

**Subject to finalization of basis of allotment.*

(1) *The Offer has been authorised pursuant to the resolution dated September 11, 2024 passed by the Board and the Fresh Issue has been authorised pursuant to the resolution dated September 16, 2024, passed by the Shareholders. Further, Board of Directors has taken on record the consents of the respective Promoter Selling Shareholders for participation in the Offer for Sale pursuant to its resolution dated September 30, 2024. Our Company, in consultation with the BRLMs, may consider issue of specified securities, as may be permitted under the applicable law, aggregating up to ₹1,800.00 million prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant*

disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.

(2) *Each of the Promoter Selling Shareholders, severally and not jointly, specifically confirms and undertakes that its portion of the Offered Shares has been held by such Promoter Selling Shareholder for a continuous period of at least one year prior to the filing of this Draft Red Herring Prospectus in terms of Regulation 8 of the SEBI ICDR Regulations. For more details, see "Capital Structure" beginning on page 99. Each Selling Shareholder, severally and not jointly, has confirmed and authorised its respective participation in the Offer for Sale as set out below:*

S. No.	Selling Shareholder	Maximum number/amount of Equity Shares offered in the Offer for Sale	Date of consent letter
1.	Varinder Kumar Garg	Up to [●] Equity Shares of face value of ₹ 1 each aggregating up to ₹ 2,010 million	September 30, 2024
2.	Sushma Garg	Up to [●] Equity Shares of face value of ₹ 1 each aggregating up to ₹ 990 million	September 30, 2024

(3) *Our Company, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids For details, see "Offer Procedure" beginning on page 516.*

(4) *Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange, subject to applicable laws. Further, an Eligible Employee Bidding in the Employee Reservation Portion can also Bid under the Net Offer and such Bids will not be treated as multiple Bids subject to applicable limits. Eligible Employee can also apply under Retail Portion. However, Bids by Eligible Employees in the Employee Reservation Portion and in the Non-Institutional Portion shall be treated as multiple Bids, only if Eligible Employee has made an application of more than ₹2,00,000 (net of Employee Discount) in the Employee reservation portion. Under-subscription, if any, in the QIB Portion (excluding the Anchor Investor Portion) will not be allowed to be met with spill-over from other categories or a combination of categories of Bidders. In the event of under-subscription in the Offer, after receiving minimum subscription for 90% of the Fresh Issue and complying with Rule 19(2)(b) of the SCRR, if there remains any balance valid Bids in the Offer, the Allotment for the balance valid Bids will be first made pro rata towards Equity Shares offered by the Promoter Selling Shareholders, and thereafter, towards the balance Fresh Issue. For further details, see "Terms of the Offer" beginning on page 504.*

(5) *The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 200,000 and up to ₹ 1,000,000, and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with application size of more than ₹ 1,000,000, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders. The allotment to each Non-Institutional Bidder shall not be less than the minimum application size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allotted on a proportionate basis.*

(6) *Eligible Employees bidding in the Employee Reservation Portion must ensure that the maximum Bid Amount does not exceed ₹500,000 (net of Employee Discount, if any). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 200,000 (net of Employee Discount, if any). Only in the event of an under-subscription in the Employee Reservation Portion post the initial Allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹200,000 (net of Employee Discount, if any), subject to the total Allotment to an Eligible Employee not exceeding ₹500,000 (net of Employee Discount, if any). The Employee Reservation Portion shall not exceed 5.00% of our post-Offer paid-up equity share capital. Any unsubscribed portion remaining in the Employee Reservation Portion shall be added to the Net Offer. For further details, see "Offer Structure" on page 511.*

(7) *Our Company in consultation with the BRLMs, may offer an Employee Discount of up to [●]% to the Offer Price (equivalent of ₹ [●] per Equity Share), which shall be announced two Working Days prior to the Bid/Offer Opening Date.*

Allocation to Bidders in all categories, except Anchor Investors, if any, Non-Institutional Bidders, and Retail Individual Bidders, shall be made on a proportionate basis, subject to valid Bids received at or above the Offer Price. The Allocation to each Retail Individual Bidder shall not be less than the minimum Bid lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be Allocated on a proportionate basis. The allocation to each Non-Institutional Bidder shall not be less than the minimum application size, i.e. ₹ 200,000, subject to the availability of Equity Shares in Non-Institutional Investors' category, and the remaining Equity Shares, if any, shall be allocated on a proportionate basis. Allocation to Anchor Investors shall be on a discretionary basis.

For further details, see "*Offer Procedure*" on page 516. For details, including in relation to grounds for rejection of Bids, please see *"Offer Structure"* and *"Offer Procedure"* on pages 511 and 516, respectively. For details of the terms of the Offer, please see *"Terms of the Offer"* on page 504.

SUMMARY OF RESTATED CONSOLIDATED FINANCIAL INFORMATION

The summary financial information presented below should be read in conjunction with "*Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 361 and 440.

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Restated Consolidated Statement of Assets and Liabilities

(₹ in million, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	1,663.11	1,086.54	506.75
Investment Property	8.02	49.92	52.45
Intangible Assets	13.31	16.88	0.01
Right-of-use assets	4.77	15.79	5.03
Financial assets			
(i) Investments	-	-	14.26
(ii) Loans	-	53.28	-
(iii) Other financial assets	860.78	358.85	53.81
Deferred tax assets (net)	5.60	-	8.44
Other non-current assets	9.58	-	-
Total non-current assets (1)	**2,565.17**	**1,581.26**	**640.75**
Current assets			
Inventories	1,635.99	1,027.26	286.74
Financial assets			
(i) Investments	7.73	2.16	-
(ii) Trade receivables	3,229.46	2,609.69	2,948.07
(iii) Cash and cash equivalents	519.93	330.84	88.21
(iv) Other bank balances (other than iii above)	985.39	840.51	654.91
(v) Loans	116.62	-	-
(vi)Other financial assets	134.77	47.84	8.07
Current tax Assets (Net)	30.39	95.83	27.86
Other current assets	1,515.18	1,024.55	615.91
Total current assets (2)	**8,175.46**	**5,978.68**	**4,629.77**
Total assets (1+2)	**10,740.63**	**7,559.94**	**5,270.52**
EQUITY AND LIABILITIES			
Equity			
(i) Equity share capital	6.19	6.19	6.19
(ii) Other equity	5,048.72	3,624.65	2,531.86
Total equity (1)	**5,054.91**	**3,630.84**	**2,538.05**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	878.15	560.43	293.86
(ii) Lease liabilities	-	4.10	2.69
Deferred tax liabilities (net)	-	3.57	-
Provisions	70.39	50.73	35.72
Total non-current liabilities (2)	**948.54**	**618.83**	**332.27**
Current liabilities			
Financial liabilities			
(i) Borrowings	2,603.39	1,800.96	1,199.93
(ii) Lease liabilities	4.79	12.12	2.17
(iii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	701.31	456.88	399.50
Total outstanding dues of creditors other than micro enterprises and small enterprises	635.38	749.64	595.22
(iv) Other financial liabilities	626.43	259.85	173.40
Other current liabilities	155.73	24.69	24.15
Provisions	10.15	6.13	5.83
Total current liabilities (3)	**4,737.18**	**3,310.27**	**2,400.20**
Total equity and liabilities (1+2+3)	**10,740.63**	**7,559.94**	**5,270.52**

Restated Consolidated Statement of Profit and Loss

(₹ in million, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Income			
Revenue from operations	13,889.28	10,485.51	9,943.29
Other income	150.53	152.62	28.21
Total income (I)	**14,039.81**	**10,638.13**	**9,971.50**
Expenses			
Cost of materials consumed	7,003.27	5,920.89	6,227.02
Construction expenses	3,171.74	2,214.65	1,991.81
Employee benefits expense	1,017.20	661.63	441.76
Finance costs	325.79	168.46	122.09
Depreciation and amortization expenses	188.36	109.69	62.95
Other expenses	450.00	195.21	119.27
Total expenses (II)	**12,156.36**	**9,270.53**	**8,964.90**
Share of net profit/(loss) of associates accounted for using the equity method	-	(0.29)	(0.02)
Profit before tax (I - II)	**1,883.45**	**1,367.31**	**1,006.58**
Tax expense			
(a) Current tax	456.26	266.81	239.08
(b) Deferred tax	(6.63)	10.36	6.03
Total tax expense	**449.63**	**277.17**	**245.11**
Profit for the year (III - IV)	**1,433.82**	**1,090.14**	**761.47**
Other comprehensive income			
Items that will not be reclassified to Profit or Loss :			
-Re-measurement gains / (losses) on defined benefit plans	2.93	1.51	8.16
-Income Tax relating to Items that will not be reclassified to Profit or Loss	(0.74)	(0.38)	(2.05)
Items that will be reclassified to Profit or Loss			
Exchange differences in translating the financial statements of foreign operations	(13.00)	4.99	(3.22)
Income Tax relating to Items that will be reclassified to Profit or Loss	3.27	(1.26)	0.81
Total other comprehensive income for the year (net of tax)	(7.54)	4.86	3.70
Total comprehensive income for the year (V + VI)	**1,426.28**	**1,095.00**	**765.17**
Earnings per equity share (EPS)			
Basic (in Rs)	9.25	7.03	4.91
Diluted (in Rs)	9.25	7.03	4.91
Face value per share (in Rs)*	1.00	1.00	1.00

**Face value reduced from Rs. 100 to Rs. 1 as result of subsequent event of split of shares*

Restated Consolidated Statement of Cash Flows

(₹ in million, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
A. Cash flow from Operating Activities			
Net profit before tax	**1,883.45**	**1,367.60**	**1,006.60**
Adjustments for :			
Depreciation of Property, Plant and Equipment's and Intangible Assets	188.36	109.69	62.95
Foreign exchange loss/(gain)	(25.93)	(37.09)	(0.05)
Interest Expense (including processing fees and others)	324.78	167.61	122.00
Interest Expense on lease liabilities	1.01	0.85	0.09
Interest Income	(82.56)	(50.76)	(26.17)
Interest unwinding on security deposits	(0.12)	(0.08)	(0.02)
Profit on sale of Investments in associates	-	(46.33)	-
Liabilities Written Back	(3.03)	-	-
Loss/(Profit) on Sale of investment property	(13.77)	-	-
Loss/(Profit) on Sale of property, plant and equipment	49.61	(0.23)	-
Loss on lease termination	0.09	-	-
Fair value change of Mutual funds	(1.57)	0.04	-
Provision for expected credit loss	66.23	-	-
Operating profit before working capital changes	**2,386.55**	**1,511.30**	**1,165.40**
Adjustments for :			
(Increase)/Decrease in trade receivables	(660.26)	371.91	(982.85)
(Increase)/Decrease in Other financial assets	(390.21)	(173.04)	6.38
(Increase) / Decrease in Other assets	(490.63)	(408.64)	(308.19)
(Increase) / Decrease in Inventories	(608.73)	(740.52)	(102.73)
(Decrease)/increase in other liabilities	131.04	0.54	(57.93)
(Decrease)/Increase in trade payables	133.20	211.80	(80.05)
(Decrease)/Increase in Other financial liabilities	279.93	83.74	71.23
(Decrease)/increase in provisions	26.61	16.82	12.63
Cash generated from/(used in) operating activities	**807.50**	**873.91**	**(276.11)**
Income Tax Paid	(390.82)	(334.78)	(244.13)
Net cash generated from/(used in) operating activities	**416.68**	**539.13**	**(520.24)**
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	(717.50)	(680.74)	(58.81)
Purchase of intangible assets	(0.06)	(17.45)	-
Proceeds from sale of investments in associates companies	-	60.30	-
Investment in Subsidiary	-	-	-
Purchase of mutual funds	(4.00)	(2.20)	-
Proceeds from sale of investment property	53.80	-	-
Proceeds from sale of property, plant and equipment	1.64	12.65	-
Loan given to the related party	(103.95)	(124.28)	(124.25)
Repayment of Loan given by the related parties	31.50	71.00	124.25
Investment in deposits (net) with banks	(349.12)	(347.74)	(221.79)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest Income	81.65	39.09	22.81
Net cash generated from/(used in) investing activities	**(1,006.04)**	**(989.37)**	**(257.79)**
C. Cash flow from Financing Activities			
Interest paid (including processing fees and others)	(324.11)	(164.90)	(119.97)
Interest on lease liabilities	(1.01)	(0.85)	(0.09)
Proceeds from long term borrowings	1,813.00	968.08	541.72
Repayment of long term borrowings	(1,027.94)	(385.00)	(371.02)
Proceeds / (repayment) of short term borrowings (net)	335.09	284.52	421.96
Dividend Paid	(2.21)	(2.21)	(1.10)
Principal payments against lease liabilities	(14.37)	(6.77)	(2.69)
Net cash generated from/(used in) Financing Activities	**778.45**	**692.87**	**468.81**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**189.09**	**242.63**	**(309.22)**
Cash and cash equivalents at the beginning of the year	**330.84**	**88.21**	**397.43**
Cash and cash equivalents at the closing of the year	**519.93**	**330.84**	**88.21**

GENERAL INFORMATION

Our Company was originally incorporated as *'Varindera Constructions Private Limited'* as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated December 15, 1987, issued by the Registrar of Companies, Punjab, H.P. & Chandigarh at Jalandhar, Punjab. Moreover, our registered office was changed from Registrar of Companies, Punjab, H.P. & Chandigarh at Jalandhar, Punjab to NCT of Delhi, by way of a resolution passed by our Shareholders on December 20, and a Certificate of Registration of the Order of the Company Law Board, Delhi Confirming the Transfer of the Registered Office from one State to Another was issued by the Assistant Registrar of Companies, National Capital Territory of Delhi and Haryana on August 25, 2004. Subsequently, our Company was converted into a public limited company pursuant to a special resolution passed by our Shareholders on May 2, 2007, and consequently, a fresh certificate of incorporation dated June 16, 2007 was issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana to our Company under its present name, *'Varindera Constructions Limited'*. For details regarding a an error in the certificate of incorporation dated June 16, 2007, please refer to *'Risk Factors - We are unable to trace some of our historical records including corporate records and statutory filings. We have also made certain errors in our secretarial records in the past. We cannot assure you that regulatory proceedings or actions will not be initiated against us in the future and that we will not be subject to any penalty imposed by the competent regulatory authority in this regard'* on page 50.

Registered Office

The address and certain other details of our Registered Office is as follows:

Office No. 613, 6th Floor,
Plot No. 4, Vishwadeep Tower,
District Centre, Janakpuri,
New Delhi, India, 110058

Corporate Office
Plot no. 65, Sector -18,
Urban Estate, Gurgaon,
Haryana, 122001

For details of changes in the registered office address of our Company, see '*History and Certain Corporate Matters*' on page 324.

Corporate Identity Number: U45201DL1987PLC128579

Name and address of the Registrar of Companies

Our Company is registered with the Registrar of Companies, Central Registration Centre, under the administrative control of the Registrar of Companies, Delhi and Haryana at New Delhi, situated at the following address:

Registrar of Companies, Delhi and Haryana at New Delhi
4th Floor, IFCI Tower,
61, Nehru Place,
New Delhi 110 019, India

Filing of this Draft Red Herring Prospectus

A copy of this Draft Red Herring Prospectus has been filed electronically through the SEBI Intermediary Portal at https://sipotal.sebi.gov.in, in accordance with SEBI circular bearing reference SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, and has been emailed to SEBI at cfddil@sebi.gov.in, in accordance with the instructions issued by the SEBI on March 27, 2020, in relation to "Easing of Operational Procedure – Division of Issues and Listing –CFD" and as specified in Regulation 25(8) of the SEBI ICDR Regulations. It will also be filed with the SEBI at:

Securities and Exchange Board of India

Corporation Finance Department

Division of Issues and Listing
SEBI Bhavan, Plot No. C4 A, 'G' Block
Bandra Kurla Complex, Bandra (E)
Mumbai 400 051, Maharashtra, India

A copy of the Red Herring Prospectus, along with the material documents and contracts required to be filed, will be filed with the RoC in accordance with Section 32 of the Companies Act and a copy of the Prospectus required to be filed under Section 26 of the Companies Act, will be filed with the RoC situated at Registrar of Companies, Delhi and Haryana at New Delhi, 4th Floor, IFCI Tower, 61, Nehru Place, New Delhi 110 019, India and through the electronic portal of the MCA.

Board of Directors

The table below sets forth the details of the constitution of our Board of Directors as on the date of this Draft Red Herring Prospectus:

Name	Designation	DIN	Address
Varinder Kumar Garg	Chairman and Whole-time Director	01563868	PH-1 B Block, The Villas, D.L.F Phase II, Nathupur (67), Gurgaon -122002, Haryana, India
Vivek Garg	Managing Director and Chief Executive Officer	02187343	PH-1 B Block, The Villas, D.L.F Phase II, Nathupur (67), Gurgaon - 122002, Haryana, India
Sushma Garg	Whole-time Director	01130678	PH-1 B Block, The Villas, D.L.F Phase II, Nathupur (67), Gurgaon - 122002, Haryana, India
Vinod Kumar	Independent Director	10392103	H. No - 4, 4th Floor, Jacaranda Marg, Sector 25, DLF Phase II, Gurgaon - 122008, Haryana, India
Kuljit Singh Popli	Independent Director	01976135	11/1, Nehru Enclave, Kalkaji Extension, Aali Ali, South Delhi, Delhi - 110019, India
Neeru Abrol	Independent Director	01279485	K-3, Lajpat Nagar-3, Lajpat Nagar, South Delhi, Delhi -110024

For brief profiles of our Directors, please see "*Our* Management" on page 334.

Company Secretary and Compliance Officer

Anurag Srivastava is the Company Secretary and Compliance Officer of our Company. His contact details are as follows:

Anurag Srivastava
Company Secretary and Compliance Officer
Plot no. 65, Sector -18, Urban Estate,
Gurgaon, Haryana, 122001
E-mail: cs@vclgroup.in
Tel: 0124-4046363

Statutory Auditor of our Company

Name: S S Kothari Mehta & Co. LLP
Address: Plot No. 68, Okhla Industrial Area, Phase III,
New Delhi, 110020
Tel: +91-11-4670 8888
Firm Registration Number: 000756N/N500441
Peer review certificate no: 014441
Membership Number: 528799
Email: delhi@sskmin.com

Changes in Statutory Auditors

Except as mentioned below, there has been no change in our statutory auditors in the three years immediately preceding the date of this Draft Red Herring Prospectus:

Name of the statutory auditor	Date of change	Reason
S. S. Kothari Mehta & Co.LLP Address: Plot No. 68, Okhla Industrial Area, Phase III, New Delhi, 110020 Email: delhi@sskmin.com Firm registration number: 000756N/N500441	December 21, 2023	Appointment as the Statutory Auditor of the Company due to creation of a casual vacancy for Fiscal 2024.
SD Gupta and Associates Address: Krishnam, near Laxmi Dharm Kanta, 22 Godown, Jaipur, Rajasthan, 302006 Email: casdgupta05@gmail.com Firm registration number: 004365C	December 5, 2023	Resignation as the statutory auditor of the Company due to preoccupation in other assignments
SD Gupta and Associates Address: Krishnam, near Laxmi Dharm Kanta, 22 Godown, Jaipur, Rajasthan, 302006 Email: casdgupta05@gmail.com Firm registration number: 004365C	September 30, 2023	Appointment as the statutory auditor of the Company for the Fiscal 2024 to 2028.
SD Gupta and Associates Address: Krishnam, near Laxmi Dharm Kanta, 22 Godown, Jaipur, Rajasthan, 302006 Email: casdgupta05@gmail.com Firm registration number: 004365C	March 3, 2023	Appointment as the statutory auditor of the Company due to creation of a casual vacancy for Fiscal 2023.
Agrawal Gunja and Co 442, Sector-03, Mukharjee Nagar, Bharatpur, Rajasthan, 321001 Email: cagunjan4l@gmail.com Firm registration number:030985C	February 28, 2023	Resignation as the statutory auditor of the Company due to preoccupation in other assignments.
Agrawal Gunja and Co Address: 442, Sector-03, Mukharjee Nagar, Bharatpur, Rajasthan, 321001 Email: cagunjan4l@gmail.com Firm registration number: 030985C	July 11, 2022	Appointment as the statutory auditor of the Company for the Fiscal 2023 to 2025.
Agrawal Gunja and Co Address: 442, Sector-03, Mukharjee Nagar, Bharatpur, Rajasthan, 321001 Email: cagunjan4l@gmail.com Firm registration number: 030985C	April 4, 2022	Appointment as the statutory auditor of the Company due to creation of a casual vacancy for the Fiscal year 2022.
SD Gupta and Associates Address: Krishnam, near Laxmi Dharm Kanta, 22 Godown, Jaipur, Rajasthan, 302006 Email: casdgupta05@gmail.com Firm registration number: 004365C	March 31, 2022	Resignation as the statutory auditor of the Company due to preoccupation in other assignments.

Investor Grievances

Investors may contact our Company Secretary and Compliance Officer, the Book Running Lead Managers or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems, such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode.

All Offer related grievances, other than that of Anchor Investors, may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder’s DP ID, Client ID, PAN, date of submission of the Bid cum Application Form, address of the Bidder, number of Equity Shares applied for, the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder and ASBA Account number (for Bidders other than UPI Bidders) in which the amount equivalent to the Bid Amount was blocked or the UPI ID in case of UPI Bidders.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

All Offer-related grievances of the Anchor Investors may be addressed to the Registrar, giving full details such as the name of the sole or First Bidder, Anchor Investor Application Form number, Bidders' DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the Book Running Lead Manager where the Anchor Investor Application Form was submitted by the Anchor Investor.

Book Running Lead Managers

ICICI Securities Limited
ICICI Venture House,
Appasaheb Marathe Marg,
Prabhadevi, Mumbai 400 025
Maharashtra, India
Tel: +91 22 6807 7100
E-mail: varindera.ipo@icicisecurities.com
Website: www.icicisecurities.com
Investor Grievance E-Mail:
customercare@icicisecurities.com
Contact person: Sohail Puri/Sumit Singh
SEBI Registration No.: INM000011179

Equirus Capital Private Limited
12th Floor, C Wing,
Marathon Futurex, N.M. Joshi Marg,
Lower Parel, Mumbai 400 013
Tel: +91 22 4332 0736
Email: vcl.ipo@equirus.com
Investor Grievance E-Mail:
investorsgrievance@equirus.com
Website: www.equirus.com
Contact person: Malay Shah/Mrunal Jadhav
SEBI Registration No.: INM000011179

IIFL Securities Limited
24th Floor, One Lodha Place,
Senapati Bapat Marg Lower Parel (West)
Mumbai 400 013
Maharashtra, India
Tel: (+ 91 22) 4646 4728
E-mail: varindera.ipo@iiflcap.com
Investor Grievance ID: ig.ib@iiflcap.com
Website: www.iiflcap.com
Contact person: Aditya Raturi/Pawan Jain
SEBI Registration No.: INM000010940

Statement of inter-se allocation of responsibilities among the BRLMs

The responsibilities and coordination by the BRLMs for various activities in this Offer are as follows:

Sr No	Activity	Responsibility	Co-ordination
1.	Capital structuring, positioning strategy, due diligence of our Company including its operations/management, legal etc. Drafting and design of the Draft Red Herring Prospectus, the Red Herring Prospectus, this Prospectus, abridged prospectus and application form. The BRLMs shall ensure compliance with the SEBI ICDR Regulations and stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI and RoC filings and follow up and coordination till final approval from all regulatory authorities.	ICICI Securities/ Equirus/ IIFL	ICICI Securities
2.	Drafting and approval of statutory advertisements	ICICI Securities / Equirus/ IIFL	ICICI Securities
3.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertising, brochure, etc. and filing of media compliance report.	ICICI Securities / Equirus/ IIFL	Equirus
4.	Appointment of intermediaries – Bankers to the Issue, Registrar to the Issue, advertising agency, Monitoring Agency, Sponsor Banks, printers to the Issue and other intermediaries including co-ordination for agreements to be entered into with such intermediaries.	I-SEC/Equirus/ IIFL	Equirus
5.	Preparation of road show marketing presentation	ICICI Securities / Equirus/ IIFL	Equirus
6	Preparation of frequently asked questions	ICICI Securities / Equirus/ IIFL	IIFL

7.	International institutional marketing of the Issue, which will cover, inter alia: • Institutional marketing strategy; • Finalizing the list and division of international investors for one-to-one meetings; and • Finalizing international road show and investor meeting schedule	ICICI Securities / Equirus/ IIFL	ICICI Securities
8	Domestic institutional marketing of the Issue, which will cover, inter alia: • Institutional marketing strategy; • Finalizing the list and division of domestic investors for one-to-one meetings; and • Finalizing domestic road show and investor meeting Schedule	ICICI Securities / Equirus/ IIFL	IIFL
9	Non-institutional marketing of the Offer, which will cover, inter-alia: • Finalising media, marketing, public relations strategy and • Formulating strategies for marketing to Non –Institutional Investors	ICICI Securities / Equirus/ IIFL	Equirus
10	Retail marketing of the Offer, which will cover, inter-alia: • Finalising media, marketing, public relations strategy and publicity budget, frequently asked questions at retail road shows • Finalising brokerage, collection centres • Finalising centres for holding conferences for brokers etc. Follow-up on distribution of publicity and Offer material including form, Red Herring Prospectus/ Prospectus and deciding on the quantum of the Offer material	ICICI Securities/ Equirus/ IIFL	IIFL
11	Managing the book and finalization of pricing in consultation with the Company	ICICI Securities / Equirus/ IIFL	ICICI Securities
12	Coordination with Stock Exchanges for book building software, bidding terminals, mock trading, anchor coordination, anchor CAN and intimation of anchor allocation.	ICICI Securities / Equirus/ IIFL	Equirus
13	Post bidding activities including management of escrow accounts, coordinate non-institutional allocation, coordination with registrar, SCSBs and Bank to the Issue, intimation of allocation and dispatch of refund to bidders, etc. Post-Issue activities, which shall involve essential follow-up steps including allocation to Anchor Investors, follow-up with Bankers to the Issue and SCSBs to get quick estimates of collection and advising our Company about the closure of the Issue, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-issue activity such as registrar to the Issue, Bankers to the Issue, SCSBs including responsibility for underwriting arrangements, as applicable. Co-ordination with SEBI and Stock Exchanges for submission of all post Issue reports including the initial and final post Issue report to SEBI.	ICICI Securities / Equirus/ IIFL	IIFL

Registrar to the Offer

Link Intime India Private Limited
C-101, 1st Floor, 247 Park,
Lal Bahadur Shastri Marg,
Vikhroli (West) Mumbai,
Maharashtra- 400083, India
Telephone: +91 810 811 4949
Email: varindera.ipo@linkintime.co.in
Investor grievance email: varindera.ipo@linkintime.co.in
Website: www.linkintime.co.in

Contact Person: Shanti Gopalkrishnan
SEBI Registration No: INR000004058

Legal Counsel to our Company as to Indian law

IndusLaw
Address: 2nd Floor, Block D, The MIRA,
Mathura Road New Delhi,
110 065,
Tel: +91 11 4782 1000

Bankers to our Company

Name: HDFC Bank Limited
Address: 2nd Floor, Tower-A, AMP Building, Plot no. 31, Shivaji Marg, New Delhi - 110015
Tel.: 9310998593/8006758051
Email: mujahid.ali@hdfcbank.com/sharwan.jhal@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Mujahid Ali/Sharwan Kumar Jha

Name: Axis Bank Ltd
Address: 2nd Floor, sco no-57, Huda District Centre
Tel.: 079-26409322
Email: Vikas9.Rai@axisbank.com
Website: www.axisbank.com
Contact Person: Vikas Rai

Name: HDB Financial Services Limited
Address: Upper Ground Floor, 2/12 Mall Road Near Key ways Showroom, Tilak Nagar, New Delhi-110018
Tel.: +91 9873845034
Email: Narinder.sharma@hdbfs.com
Website: www.hdbfs.com
Contact Person: Narinder Sharma

Name: Yes Bank Ltd
Address: 4th Floor, Max Tower, Sector 16 B, Noida-201301
Tel: +91 9811657365
Email: samvedna.bhaliyan@yesbank.in
Website: www.yesbank.in
Contact Person: Samvedna Singh

Syndicate Members

[●]

Escrow Collection Bank(s)/ Refund Bank(s)/Public Offer Account Bank

[●]

Sponsor Bank(s)

[●]

Designated Intermediaries

Self-Certified Syndicate Banks

The list of SCSBs notified by SEBI for the ASBA process is available on the SEBI website at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which an ASBA Bidder (other than a UPI Bidder), not bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Bid cum Application Form, is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34, or at such other websites as may be prescribed by SEBI from time to time.

SCSBs eligible as Issuer Banks and mobile applications enabled for the UPI Mechanism

In accordance with SEBI RTA Master Circular, SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, UPI Bidders using the UPI Mechanism may only apply through the SCSBs and mobile applications using the UPI handles specified on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is provided as 'Annexure A' for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investors, RIBs and Non-Institutional Investors with an application size up to ₹1.00 million) submitted under the ASBA process to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes&intmId=35, which may be updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do? Do Recognised=yes & in tm Id=35 or any such other website as may be prescribed by SEBI from time to time.

Registered Brokers

Bidders can submit ASBA Forms in the Offer using the stockbroker network of the stock exchange, i.e. through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at https://www.bseindia.com/ and https://www.nseindia.com, as updated from time to time.

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number, and e-mail address, are provided on the websites of BSE and NSE at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, or such other websites as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the websites of BSE and NSE at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, or such other websites as updated from time to time.

Credit Rating

As this is an offer of Equity Shares, there is no credit rating for the Offer.

Grading of the Offer

No credit agency registered with SEBI has been appointed in respect of obtaining grading for the Offer.

Debenture Trustees

As this is an offer of Equity Shares, there are no debenture trustees appointed for the Offer.

Monitoring Agency

Our Company will appoint the monitoring agency for monitoring the utilization of the Net Proceeds in compliance with Regulation 41 of the SEBI ICDR Regulations, prior to filing of the Red Herring Prospectus with the RoC. For details, see "*Objects of the Offer – Monitoring of utilisation of funds*" on page 134.

Green Shoe Option

No green shoe option is contemplated under the Offer.

Appraising Entity

None of the objects for which the Net Proceeds will be utilised have been appraised by any agency. Accordingly, no appraising entity has been appointed for the Offer.

Experts to the Offer

Except as stated below, our Company has not obtained any expert opinions:

(i) Our Company has received written consent dated September 30, 2024 from the Statutory Auditor namely, S S Kothari Mehta & Co. LLP, Chartered Accountants, to include their names as required under section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this DRHP, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditor, and in respect of their: (i) examination report, dated September 23, 2024, on our Restated Consolidated Financial Information; (ii) the Statement of Tax Benefits available to the Company and its Shareholders dated September 30, 2024; and iii) in respect of their certificates in connection with the Offer;

(ii) Further, our Company has received written consent dated September 30, 2024 from Mukesh Raj & Co, Chartered Accountants, to include their name as required under section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this DRHP, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 in respect of their certificates in connection with the Offer;

(iii) Our Company has received written consent dated September 30, 2024, from M/s. CL and Associates, Company Secretaries, to include their name as an Independent Practicing Company Secretary and as an "expert" as defined under Section 2(38) of the Companies Act, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Such consents have not been withdrawn as on the date of this DRHP. However, the term "expert" and the consent thereof shall not be construed to mean an "expert" or consent within the meaning as defined under the U.S. Securities Act.

Book Building Process

"Book building" refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus, the Bid cum Application Forms and the Revision Forms within the Price Band. The Price Band and minimum Bid Lot and Employee Discount (if any) will be decided by our Company in consultation with the BRLMs, and advertised in all editions of the English national daily newspaper the [●], and all editions of the Hindi national daily newspaper [●] (Hindi also being the regional language of New Delhi wherein our Registered Office is located) each with wide, at least two Working Days prior to the Bid/ Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their website. The Offer Price shall be determined by our Company in consultation with the BRLMs, after the Bid/ Offer Closing Date. For details, see "*Offer Procedure*" on page 516.

All Bidders, other than Anchor Investors, shall participate in the Offer mandatorily through the ASBA process by providing the details of their respective ASBA Accounts in which the corresponding Bid Amount will be blocked by the SCSBs. Retail Institutional Investors may participate through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs or, (b) through the UPI Mechanism. Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹500,000 shall use the UPI Mechanism. This circular has come into force for initial public offers opening on or after May 1, 2022 and the provisions of these circular form part of this Draft Red Herring Prospectus. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw or lower the size of their Bid(s) (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Investors and Eligible Employees bidding in the Employee Reservation Portion can revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date. Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date. Further, allocation to QIBs in the Net QIB Portion will be on a proportionate basis and allocation to Anchor Investors in the Anchor Investor Portion will be on a discretionary basis. Additionally, allotment to each Non-Institutional Bidder shall not be less than the minimum application size, subject to the availability of Equity Shares in the Non - Institutional Portion, and the remaining Equity Shares, if any, shall be allotted on a proportionate basis.

For an illustration of the Book Building process and further details, see "*Terms of the Offer*", "and "*Offer Procedure*" on pages 504 and 516 respectively.

Our Company will comply with the SEBI ICDR Regulations and any other directions issued by SEBI in relation to this Offer. Each Selling Shareholder specifically confirms that it will comply with the SEBI ICDR Regulations and any other directions issued by SEBI, as applicable to such Selling Shareholder, in relation to its respective portion of the Offered Shares. In this regard, our Company and the Promoter Selling Shareholders have appointed the BRLMs to manage this Offer and procure Bids for this Offer.

The Book Building Process under the SEBI ICDR Regulations and the Bidding Process are subject to change from time to time. Bidders are advised to make their own judgment about an investment through this process prior to submitting a Bid.

Bidders should note that the Offer is also subject to (i) filing of the Prospectus by our Company with the RoC; and; and (ii) our Company obtaining final listing and trading approvals from the Stock Exchanges, which our Company shall apply for post-Allotment.

For further details on the method and procedure for Bidding, see "*Offer Procedure*" on page 516.

Underwriting Agreement

After the determination of the Offer Price, but prior to the filing of the Prospectus with the RoC, our Company and Promoter Selling Shareholders intend to enter into the Underwriting Agreement with the Underwriters for the Equity Shares. It is proposed that pursuant to the terms of the Underwriting Agreement, each of the BRLMs shall be severally responsible for bringing in the amount devolved in the event the respective Syndicate Member does not fulfill their underwriting obligations. Pursuant to the terms of the Underwriting Agreement, the obligations of each of the Underwriters are several and are subject to certain conditions to closing, as specified therein.

The Underwriting Agreement is dated [●]. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(The Underwriting Agreement has not been entered into as on the date of this Draft Red Herring Prospectus. The Underwriting Agreement shall be entered into on or after the Pricing Date but prior to filing of the Prospectus with the RoC. The extent of underwriting obligations and the Bids to be underwritten in the Offer shall be as per the Underwriting Agreement. This portion has been intentionally left blank and will be filled in before the filing of the Prospectus with the RoC.)

Name, address, telephone number and e-mail address of the Underwriters	Indicative number of Equity Shares to be underwritten	Amount underwritten (₹ million)
[●]	[●]	[●]
[●]	[●]	[●]
[●]	[●]	[●]
[●]	[●]	[●]
Total	[●]	[●]

The above-mentioned amount is indicative and will be finalised after determination of the Offer Price and finalisation of the Basis of Allotment and will be subject to the provisions of the SEBI ICDR Regulations.

In the opinion of the Board of Directors (based on representations given by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or are registered as brokers with the Stock Exchange(s). The Board of Directors/ IPO Committee, at its meeting, held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in the proportion of their underwriting commitments set forth in the table above. Notwithstanding the above table, each of the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to Bidders procured by them, in accordance with the Underwriting Agreement.

CAPITAL STRUCTURE

The share capital of our Company as of the date of this Draft Red Herring Prospectus is set forth below.

(In ₹, except share data or where indicated otherwise)

Sr. No.	Particulars	Aggregate value at nominal value	Aggregate value at offer price*
A.	**AUTHORISED SHARE CAPITAL**		
	240,000,000 Equity Shares of face value of ₹1 each	240,000,000	-
B.	**ISSUED# AND SUBSCRIBED CAPITAL BEFORE THE OFFER**		
	156,280,000 Equity Shares of face value of ₹1 each	156,280,000	-
	PAID-UP SHARE CAPITAL BEFORE THE OFFER		
	154,980,000* Equity Shares of face value of ₹1 each	154,980,000	-
C.	**PRESENT OFFER**		
	Offer of up to [●] Equity Shares aggregating up to ₹ 12,000.00 million(1)(2)	[●]	[●]
	Of which:		
	Fresh Issue of up to [●] Equity Shares aggregating up to ₹9,000.00 million(1)	[●]	[●]
	Offer for Sale of up to [●] Equity Shares aggregating up to ₹3,000.00 million by the Promoter Selling Shareholders(2)	[●]	[●]
	Which includes:		
	Employee reservation portion of up to [●] Equity Shares aggregating up to ₹ [●] million(3)	[●]	[●]
	Net Offer of up to [●] Equity Shares aggregating up to ₹ [●] million	[●]	[●]
D.	**ISSUED, SUBSCRIBED CAPITAL AFTER THE OFFER**		
	[●] Equity Shares of face value of ₹ 1 each	[●]	-
	PAID-UP SHARE CAPITAL AFTER THE OFFER		
	[●] Equity Shares of face value of ₹ 1 each	[●]	-
E.	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer (as on the date of this Draft Red Herring Prospectus)	NIL	
	After the Offer*	₹ [●] million	

**To be included upon finalisation of Offer Price.*

 # Our Company forfeited 13,000 partly paid-up equity shares on February 27, 2013 due to failure of the allottees in paying the balance of a total sum of ₹65.00 million on such equity shares when called upon. The issued capital of the Company includes such forfeited amount as adjusted for the bonus issue. For further details, please see "Restated Consolidated Financial Information – Note 18" on page 405.

**The paid-up share capital of the Company excludes the amount received on forfeited shares.*

(1)Our Company, in consultation with the BRLMs, may consider issue of specified securities, as may be permitted under the applicable law, aggregating up to ₹1,800.00 million prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.

(1) The Fresh Issue has been authorised by our Board pursuant to resolutions dated September 11, 2024 and by our shareholders pursuant to the resolution passed on September 16, 2024.

(2) Each of the Promoter Selling Shareholders, severally and not jointly, confirms that their portion of the Offered Shares has been held by them for a period of at least one year prior to filing of this Draft Red Herring Prospectus and are eligible for the Offer for Sale in accordance with the provisions of the SEBI ICDR Regulations. The Offer for Sale has been taken on record by our Board pursuant to resolution dated September 30, 2024. The Promoter Selling Shareholders have confirmed and approved their participation in the Offer for Sale as set out below:

Sr. No.	Promoter Selling Shareholder	Number of Equity Shares Offered	Maximum number/amount of Equity Shares offered in the Offer for Sale	Date of consent letter
1.	Varinder Kumar Garg	[●]	Up to [●] Equity Shares of face value of ₹ 1 each aggregating up to ₹ 2,010.00 million	September 30, 2024
2.	Sushma Garg	[●]	Up to [●] Equity Shares of face value of ₹ 1 each aggregating up to ₹ 990.00 million	September 30, 2024

(3) Eligible Employees bidding in the Employee Reservation Portion must ensure that the maximum Bid Amount does not exceed ₹500,000 (net of employee discount, if any). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000 (net of employee discount, if any). Only in the event of an under-subscription in the Employee Reservation Portion post the initial Allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹200,000 (net of employee discount, if any), subject to the total Allotment to an Eligible Employee not exceeding ₹500,000 (net of employee discount, if any). For details, see "The Offer" beginning on page 82.

Changes in the authorised share capital of our Company

For details of the changes to the authorised share capital of our Company in the past 10 years, see "*History and Certain Corporate Matters - Amendments to the Memorandum of Association of our Company*" on page 325.

Notes to the capital structure

1. ***History of equity share capital of our Company***

The following table sets forth the history of the equity share capital of our Company:

[***Remainder of this page intentionally kept blank***]

Date of allotment of equity shares	Nature of allotment	Number of equity shares allotted[&]	Cumulative number of equity shares	Face value (₹)	Issue price per equity share (₹)	Form of consideration	Name of allottees: S No.	Name of allottee	Number of equity shares
December 23, 1987	Allotment pursuant to subscription to the Memorandum of Association	100	100	100	100	Cash	1.	Varinder Kumar Garg	50
							2.	Sushma Garg	25
							3.	Vinod Kumar	25
January 23, 1989	Rights Issue	1,850[#]	1,950	100	100	Cash	1.	Varinder Kumar Garg	800
							2.	Sushma Garg	275
							3.	Vinod Kumar	775
March 26, 1990	Rights Issue	4,110[#]	6,060	100	100	Cash	1.	Varinder Kumar Garg	2,750
							2.	Sushma Garg	420
							3.	Vinod Kumar	940
March 31, 2002	Preferential Allotment	13,467	19,527	100	1,000	Cash	1.	Varinder Kumar Garg	60
							2.	Sushma Garg	107
							3.	Deepak Methwani	3,300
							4.	Dharam Das Methwani	2,900
							5.	Dharam Das Methwani HUF	1,300
							6.	Nirmala Methwani	2,100
							7.	Dimple Methwani	1,700
							8.	Vipra Methwani	2,000
March 30, 2003	Preferential Allotment	5,170	24,697	100	1,000	Cash	1.	Deepak Methwani	900
							2.	Dharam Das Methwani	1,200
							3.	Nirmala Methwani	300
							4.	Dimple Methwani	600
							5.	Vipra Methwani	200
							6.	Liberty Finance & Lease Private Limited	820
							7.	Varindra Kumar Garg (HUF)	1,150
March 31, 2004	Preferential Allotment	5,303	30,000	100	1,000	Cash	S No.	Name of allottee	Number of equity shares

<table>
<tr><th>Date of allotment of equity shares</th><th>Nature of allotment</th><th>Number of equity shares allotted[&]</th><th>Cumulative number of equity shares</th><th>Face value (₹)</th><th>Issue price per equity share (₹)</th><th>Form of consideration</th><th>Name of allottees</th></tr>
<tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td><table>
<tr><td>1.</td><td>Varinder Kumar Garg</td><td>15</td></tr>
<tr><td>2.</td><td>Sushma Garg</td><td>16</td></tr>
<tr><td>3.</td><td>Varindra & Company</td><td>1,700</td></tr>
<tr><td>4.</td><td>Dimple Methwani</td><td>700</td></tr>
<tr><td>5.</td><td>Kajal Thawani</td><td>300</td></tr>
<tr><td>6.</td><td>Liberty Finance & Lease Private Limited</td><td>2,500</td></tr>
<tr><td>7.</td><td>Radha Thawani</td><td>72</td></tr>
</table></td></tr>
<tr><td>March 31, 2005</td><td>Preferential Allotment</td><td>5,000</td><td>35,000</td><td>100</td><td>1,000</td><td>Cash</td><td><table>
<tr><th>S No.</th><th>Name of allottee</th><th>Number of equity shares</th></tr>
<tr><td>1.</td><td>Varindra & Company</td><td>5,000</td></tr>
</table></td></tr>
<tr><td>May 10, 2007</td><td>Preferential Allotment</td><td>3,700</td><td>38,700</td><td>100</td><td>1,350</td><td>Cash</td><td><table>
<tr><th>S No.</th><th>Name of allottee</th><th>Number of equity shares</th></tr>
<tr><td>1.</td><td>Gulab Thanwani</td><td>270</td></tr>
<tr><td>2.</td><td>Kishore Thawani</td><td>240</td></tr>
<tr><td>3.</td><td>Doulat Rijwani</td><td>240</td></tr>
<tr><td>4.</td><td>Vandana Rijwani</td><td>270</td></tr>
<tr><td>5.</td><td>Mukesh Uttamchandani</td><td>220</td></tr>
<tr><td>6.</td><td>Prakash Rochwani</td><td>250</td></tr>
<tr><td>7.</td><td>Sharda Rochwani</td><td>250</td></tr>
<tr><td>8.</td><td>Ramesh Rochwani</td><td>150</td></tr>
<tr><td>9.</td><td>Ashok Julsani</td><td>300</td></tr>
<tr><td>10.</td><td>Lal Chand Bulani</td><td>250</td></tr>
<tr><td>11.</td><td>Gopichand Samtani HUF</td><td>220</td></tr>
<tr><td>12.</td><td>Gopichand Samtani</td><td>250</td></tr>
<tr><td>13.</td><td>Rekha Samtani</td><td>250</td></tr>
<tr><td>14.</td><td>Sheela Rijwani</td><td>200</td></tr>
<tr><td>15.</td><td>Gulab Thanwani HUF</td><td>160</td></tr>
<tr><td>16.</td><td>Pradeep Thanwani</td><td>180</td></tr>
</table></td></tr>
<tr><td>October 1, 2007</td><td>Preferential Allotment</td><td>16,650</td><td>55,350</td><td>100</td><td>1,350</td><td>Cash</td><td><table>
<tr><th>S No.</th><th>Name of allottee</th><th>Number of equity shares</th></tr>
<tr><td>1.</td><td>Radha Thawani</td><td>665</td></tr>
<tr><td>2.</td><td>Vipra Methwani</td><td>1,480</td></tr>
<tr><td>3.</td><td>Deepak Methwani</td><td>1,850</td></tr>
<tr><td>4.</td><td>Deepak Methwani HUF</td><td>1,850</td></tr>
<tr><td>5.</td><td>Kishore Thawani HUF</td><td>740</td></tr>
<tr><td>6.</td><td>Deepak Thawani</td><td>370</td></tr>
<tr><td>7.</td><td>Kajal Thawani</td><td>370</td></tr>
</table></td></tr>
</table>

Date of allotment of equity shares	Nature of allotment	Number of equity shares allotted[&]	Cumulative number of equity shares	Face value (₹)	Issue price per equity share (₹)	Form of consideration	Name of allottees
							8. Dimple Methwani – 1,110 9. Nirmala Methwani – 1,480 10. Dharamdas Methwani HUF – 1,110 11. Dharamdas Methwani – 1,850 12. Liberty Finance & Lease Private Limited – 3,775
March 13, 2012	Preferential Allotment[(1)]	13,000	68,350	100	10,000*	Cash	**S No. / Name of allottee[(1)] / Number of equity shares** 1. OEC DIASCANS Limited – 5,000 partly paid up equity shares 2. G Trading India Limited – 6,000 partly paid up equity shares 3. Europas Meditechnik Industries Limited – 2,000 partly paid up equity shares
February 27, 2013	Forfeiture[(1)]	(13,000)	55,350	NA	NA	NA	Forfeiture of 5,000 partly paid-up equity shares to OEC DIASCANS Limited, 6,000 partly paid up equity shares to G Trading India Limited and 2,000 partly paid up equity shares to Europas Meditechnik Industries Limited
Our Company sub-divided 55,350 equity shares of face value of ₹100 each into 5,535,000 Equity Shares of face value of ₹1 each pursuant to a board resolution dated May 27, 2024 and shareholders resolution dated June 7, 2024.							
July 6, 2024	Bonus issue in the ratio of 27 Equity Shares for every Equity Share held	149,445,000	154,980,000	1	NA	NA	**S No. / Name of allottee / Number of Equity Shares** 1. Varinder Kumar Garg – 100,278,000 2. Sushma Garg – 46,059,300 3. Varindra Kumar Garg (HUF) – 2,826,900 4. Vivek Garg – 272,700 5. Surbhi Agarwal – 2,700 6. Ankita Garg – 2,700 7. Prateek Agarwal – 2,700

**Only ₹5,000.00 on such equity shares were called upon.*

[&]Our Company has erroneously filed two Form 2 in relation to the allotment of 3,700 equity shares on May 10, 2007. Further, our Company has inadvertently filed a Form 2 for allotment of 1,200 equity shares on December 23, 1996 when no such equity shares were resolved to be issued by our Board. For further details, see "Risk Factors - We are unable to trace some of our historical records including corporate records and statutory filings. We have also made certain errors in our secretarial records in the past. We cannot assure you that regulatory proceedings or actions will not be initiated against us in the future and that we will not be subject to any penalty imposed by the competent regulatory authority in this regard" on page 50.

(1) These equity shares were partly paid up at the time of allotment and such equity shares were forfeited pursuant to a resolution passed by the Board of Directors on February 27, 2013

due to failure of OEC DIASCANS Limited, G Trading India Limited and Europas Meditechnik Industries Limited in paying their respective balances of a total sum of ₹65.00 million on such equity shares when called upon. OEC DIASCANS Limited, G Trading India Limited and Europas Meditechnik Industries Limited do not have the right to receive any Equity Shares.
 # Our Company is unable to trace the Form 2 filed for allotments dated January 23, 1989 and March 26, 1990 under the Companies Act, 1956, including the letters of renunciation and other related documents. Our Company has also conducted a search at the RoC for these records and received the search report dated September 30, 2024 prepared by CL and Associates, independent practicing company secretary, and certified by their certificate dated September 30, 2024. Our Company has relied on the relevant resolutions of our Board in relation to these issues. For further details, see "Risk Factors - We are unable to trace some of our historical records including corporate records and statutory filings. We have also made certain errors in our secretarial records in the past. We cannot assure you that regulatory proceedings or actions will not be initiated against us in the future and that we will not be subject to any penalty imposed by the competent regulatory authority in this regard" on page 50.

2. ***History of preference share capital of our Company***

Our Company does not have any preference share capital as on the date of the Draft Red Herring Prospectus.

3. ***Details of acquisition of Equity Shares by our Promoters, Promoter Group and Selling Shareholders through secondary transactions:***

Set out below are the details of acquisition of Equity Shares by our Promoters, Promoter Group and Selling Shareholders through secondary transactions:

Date of transfer	Name of transferor	Name of transferee	Number of equity shares	Nature of Consider ation	Face value per Equity Share (₹)	Issue price/transfer price per Equity Share (₹)
Varinder Kumar Garg*						
August 20, 2003#	Liberty Finance & Lease Private Limited	Varinder Kumar Garg	7,500	Cash	100	100
November 15, 2003#	Liberty Finance & Lease Private Limited	Varinder Kumar Garg	820	Cash	100	100
November 15, 2003#	Deepak Methwani	Varinder Kumar Garg	900	Cash	100	100
November 15, 2003#	Dharam Das Methwani	Varinder Kumar Garg	1,200	Cash	100	100
May 25, 2005#	Liberty Finance & Lease Private Limited	Varinder Kumar Garg	1,000	Cash	100	100
June 7, 2005#	Liberty Finance & Lease Private Limited	Varinder Kumar Garg	1,500	Cash	100	100
March 31, 2010#	Kishore Thawani	Varinder Kumar Garg	240	Cash	100	100
March 31, 2010#	Doulat Rijwani	Varinder Kumar Garg	240	Cash	100	100
March 31, 2010#	Mukesh Uttamchandani	Varinder Kumar Garg	220	Cash	100	100
March 31, 2010#	Prakash Rochwani	Varinder Kumar Garg	250	Cash	100	100
March 31, 2010#	Ramesh Rochwani	Varinder Kumar Garg	150	Cash	100	100
March 31, 2010#	Ashok Julsani	Varinder Kumar Garg	300	Cash	100	100
March 31, 2010#	Lal Chand Bulani	Varinder Kumar Garg	250	Cash	100	100
March 31, 2010#	Gopichand Samtani H.U.F.	Varinder Kumar Garg	220	Cash	100	100
March 31, 2010#	Gopichand Samtani	Varinder Kumar Garg	250	Cash	100	100
March 31, 2010#	Pradeep Thanwani	Varinder Kumar Garg	180	Cash	100	100
March 31, 2010#	Deepak Methwani	Varinder Kumar Garg	1,850	Cash	100	100
March 31, 2010#	Deepak Methwani H.U.F.	Varinder Kumar Garg	1,850	Cash	100	100
March 31, 2010#	Kishore Thawani H.U.F.	Varinder Kumar Garg	740	Cash	100	100
March 31, 2010#	Deepak Thawani	Varinder Kumar Garg	370	Cash	100	100

Date of transfer	Name of transferor	Name of transferee	Number of equity shares	Nature of Consideration	Face value per Equity Share (₹)	Issue price/transfer price per Equity Share (₹)
March 31, 2010#	Dharamdas Methwani H.U.F.	Varinder Kumar Garg	1,110	Cash	100	100
March 31, 2010#	Dharamdas Methwani	Varinder Kumar Garg	1,850	Cash	100	100
March 31, 2010#	Liberty Finance & Lease Private Limited	Varinder Kumar Garg	3,775	Cash	100	100
March 14, 2018#	Varindra & Company	Varinder Kumar Garg	6,700	Cash	100	100
Sushma Garg*						
March 15, 1999#	Vinod Kumar	Sushma Garg	1,740	Cash	100	111.49
August 20, 2003#	Liberty Finance & Lease Private Limited	Sushma Garg	5800	Cash	100	100
November 15, 2003#	Nirmala Methwani	Sushma Garg	300	Cash	100	100
November 15, 2003#	Dimple Methwani	Sushma Garg	600	Cash	100	100
November 15, 2003#	Vipra Methwani	Sushma Garg	200	Cash	100	100
May 21, 2005#	Dimple Methwani	Sushma Garg	700	Cash	100	100
May 21, 2005#	Kajal Thawani	Sushma Garg	300	Cash	100	100
May 21, 2005#	Radha Thawani	Sushma Garg	72	Cash	100	100
March 31, 2010#	Gulab Thanwani	Sushma Garg	270	Cash	100	100
March 31, 2010#	Vandana Rijwani	Sushma Garg	270	Cash	100	100
March 31, 2010#	Sharda Rochwani	Sushma Garg	250	Cash	100	100
March 31, 2010#	Rekha Samtani	Sushma Garg	250	Cash	100	100
March 31, 2010#	Sheela Rijwani	Sushma Garg	200	Cash	100	100
March 31, 2010#	Gulab Thanwani HUF	Sushma Garg	160	Cash	100	100
March 31, 2010#	Radha Thawani	Sushma Garg	665	Cash	100	100
March 31, 2010#	Vipra Methwani	Sushma Garg	1,480	Cash	100	100
March 31, 2010#	Kajal Thawani	Sushma Garg	370	Cash	100	100
March 31, 2010#	Dimple Methwani	Sushma Garg	1,110	Cash	100	100
March 31, 2010#	Nirmala Methwani	Sushma Garg	1,480	Cash	100	100
Vivek Garg						
March 16, 2015#	Varindra Kumar Garg (HUF)	Vivek Garg	100	Cash	100	100
March 28, 2022# $	Ashok Kumar Gupta	Vivek Garg	1	Cash	100	100
VG Family Trust						
September 23, 2024	Varinder Kumar Garg	VG Family Trust	100,000	Gift	1	NA
Varindra Kumar Garg (HUF)						
May 7, 2024	Sushma Garg	Varindra Kumar Garg (HUF)	1	Gift	1	NA
Surbhi Garg						
March 26, 2015#	Varindra Kumar Garg (HUF)	Surbhi Garg	1	Cash	100	100
Ankita Garg						
March 14, 2018#	Gopal Kishan Gupta	Ankita Garg	1	Cash	100	100

**Also the Promoter Selling Shareholder.*
#The share transfer forms for these transfers of equity shares to the Promoters could not be traced as the relevant information was not available in the records maintained by our Company. Accordingly, our Company has relied on other corporate records maintained by our Company such as minutes of meetings of our board, as applicable, register of members and annual returns filed by our Company, as applicable. For details see "Risk Factors- "We are unable to trace some of our historical records including corporate records and statutory filings. We have also made certain errors in our secretarial records in the past. We cannot assure you that regulatory proceedings or actions will not be initiated against us in the future and that we will not be subject to any penalty imposed by the competent regulatory authority in this regard" on page 50.
$ Our Company has also filed an adjudication application in relation to share transfers dated March 28, 2022 conducted in physical form. For details see "Risk Factors- "We are unable to trace some of our historical records including corporate records and statutory filings. We have also made certain errors in our secretarial records in the past. We cannot assure you that regulatory proceedings or actions will not be initiated against us in the future and that we will not be subject to any penalty imposed by the competent regulatory authority in this regard" on page 50.

4. *Equity Shares issued for consideration other than cash or through bonus issue or out of revaluation reserves*

Our Company has not issued any Equity Shares for consideration other than cash or out of revaluation reserves since its incorporation.

Except as detailed below, our Company has not issued any Equity Shares through bonus issue since its incorporation:

Date of allotment	Name of allotees	Number of equity shares allotted	Face value (₹)	Issue price per equity share (₹)	Reason/Nature of allotment	Benefits accrued to our Company
July 6, 2024	Allotment of 100,278,000 Equity Shares to Varinder Kumar Garg, 46,059,300 Equity Shares to Sushma Garg, 2,826,900 Equity Shares to Varindra Kumar Garg (HUF), 272,700 Equity Shares to Vivek Garg and 2,700 Equity Shares each to Surbhi Agarwal, Ankita Garg and Prateek Agarwal.	149,445,000	1	NA	Bonus issue in the ratio of 27 Equity Shares for every Equity Share held	NA

5. *Issue of Equity Shares pursuant to schemes of arrangement*

As of the date of this Draft Red Herring Prospectus, our Company has not allotted any Equity Shares pursuant to any scheme of arrangement approved under sections 230-234 of the Companies Act, 2013 or Sections 391 to 394 of the Companies Act, 1956.

6. *Issue of Equity Shares under employee stock option schemes*

As of the date of this Draft Red Herring Prospectus, our Company has not issued Equity Shares under the ESOP Scheme.

7. *Issue of Equity Shares that may have been at a price lower than the Issue Price in the last year from the date of the Draft Red Herring Prospectus*

The Offer Price for the Equity Shares is ₹ [●]. The details of Equity Shares issued by our Company in the last one year preceding the date of filing of this Draft Red Herring Prospectus which may have been issued at a price lower than the Offer Price are as follows:

Name of allottees	Whether allottees are part of the promoter group	Date of allotment	Number of equity shares allotted	Face value (in ₹)	Offer price per equity share (in ₹)	Reason for allotment
Varinder Kumar Garg, Sushma Garg, Varindra Kumar Garg (HUF), Vivek Garg, Surbhi Agarwal, Ankita Garg and Prateek Agarwal.	Yes, except Prateek Agarwal	July 6, 2024	149,445,000	1	NA	Bonus issue in the ratio of 27 Equity Shares for every Equity Share held

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8. Shareholding Pattern of our Company

The table below presents the shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus.

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid-up Equity Shares held (IV)	Number of Partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) =(IV)+(V)+ (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of voting rights held in each class of securities (IX)			Number of Equity Shares underlying outstanding convertible securities (including warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) as a % of (A+B+C2)	Number of Locked in Equity Shares (XII)		Number of Equity Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)
								Number of voting rights		Total as a % of (A+B+ C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
								Class: Equity Shares	Total								
(A)	Promoter and Promoter Group	7	154,977,200	-	-	154,977,200	99.99%	-	154,977,200	99.99%	-	-	-	-	-	-	154,977,200
(B)	Public	1	2,800	-	-	2,800	Negligible	-	2,800	Negligible	-	-	-	-		-	2,800
(C)	Non-Promoter-Non-Public	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-
	Total	**8**	**15,49,80,000**	**-**	**-**	**15,49,80,000**	**100**	**-**	**15,49,80,000**	**100**	**-**	**-**	**-**	**-**		**-**	**15,49,80,000**

9. **Equity Shares held by the Shareholders holding 1% or more of the paid-up capital of our Company**

(i) The Shareholders holding 1% or more of the equity paid-up capital of our Company as on the date of this Draft Red Herring Prospectus are as follows:

Sr. No.	Shareholder	Category	Pre-Offer	
			Number of Equity Shares	Percentage of pre- Offer equity share capital
1.	Varinder Kumar Garg	Promoter	103,892,000	67.04
2.	Sushma Garg	Promoter	47,765,200	30.82
3.	Varindra Kumar Garg (HUF)	Promoter Group	2,931,600	1.89
	Total		**15,45,88,800**	**99.75**

(ii) The Shareholders holding 1% or more of the equity paid-up capital of our Company as on 10 days prior to the date of this Draft Red Herring Prospectus are as follows:

Sr. No.	Shareholder	Category	Pre- Offer	
			Number of Equity Shares	Percentage of pre- Offer equity share capital
1.	Varinder Kumar Garg	Promoter	103,992,000	67.10
2.	Sushma Garg	Promoter	47,765,200	30.82
3.	Varindra Kumar Garg (HUF)	Promoter Group	2,931,600	1.89
	Total		**154,688,800**	**99.81**

(iii) The Shareholders holding 1% or more of the equity paid-up capital of our Company as on one year prior to the date of this Draft Red Herring Prospectus are as follows:

Sr. No.	Shareholder	Category	Pre-Offer	
			Number of Equity Shares	Percentage of pre-Offer equity share capital
1.	Varinder Kumar Garg	Promoter	37,140	67.10
2.	Sushma Garg	Promoter	17,060	30.82
3.	Varindra Kumar Garg (HUF)	Promoter Group	1,046	1.89
	Total		**55,246**	**99.81**

(iv) The Shareholders holding 1% or more of the equity paid-up capital of our Company as on two years prior to filing of this Draft Red Herring Prospectus are as follows:

Sr. No.	Shareholder	Category	Pre-Offer	
			Number of Equity Shares	Percentage of pre-Offer Equity Share capital
1.	Varinder Kumar Garg	Promoter	37,140	67.10
2.	Sushma Garg	Promoter	17,060	30.82
3.	Varindra Kumar Garg (HUF)	Promoter Group	1,046	1.89
		Total	**55,246**	**99.81**

10. Except for the Equity Shares to be allotted pursuant to the Offer, allotment of Equity Shares upon exercise of options vested pursuant to the ESOP Scheme and allotment pursuant to Pre-IPO Placement, our Company presently does not intend or propose or is under negotiation or consideration to alter its capital structure for a period of six months from the Bid/ Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable for, directly or indirectly Equity Shares), whether on a preferential basis or by way of issue of bonus shares or rights issue or by way of further public issue of Equity Shares.

11. *Details of shareholding of our Promoters and Promoter Group in our Company*

(i) ***Shareholding of our Promoters and the members of the Promoter Group in our Company***

As on the date of this Draft Red Herring Prospectus, our Promoters hold 152,040,000 Equity Shares, which constitute 98.10% of the issued, subscribed, and paid-up equity share capital of our Company, as set forth in the table below:

Sr. no.	Name of shareholders	Pre- Offer		Post- Offer	
		No. of Equity Shares	Percentage of pre- Offer capital	No. of Equity Shares	Percentage of post- Offer capital
Promoters					
1.	Varinder Kumar Garg	10,38,92,000	67.04 %	[●]	[●]
2.	Sushma Garg	4,77,65,200	30.82 %	[●]	[●]
3.	Vivek Garg	2,82,800	0.18 %	[●]	[●]
4.	VG Family Trust	1,00,000	0.06 %	[●]	[●]
Promoter Group					
5.	Ankita Garg	2,800	0.00%	[●]	[●]
6.	Surbhi Agarwal	2,800	0.00%	[●]	[●]
7.	Varindra Kumar Garg (HUF)	2,931,600	1.89%	[●]	[●]
	Total	**154,977,200**	**99.99%**	**[●]**	**[●]**

The entire shareholding of our Promoters and the Promoter Group is in dematerialised form as of the date of this Draft Red Herring Prospectus.

(ii) ***Build-up of Promoters' shareholding in our Company***

Set forth below is the build-up of our Promoter's equity shareholding since the incorporation of our Company:

Date of allotment/transfer	Nature of transaction	Number of equity shares	Nature of Consider ation	Face value per equity shares (in ₹)	Offer / acquisition/ transfer price per Equity Share (in ₹)	% of the pre- Offer equity share capital	% of the post- Offer equity share capital
Varinder Kumar Garg							
December 23, 1987	Allotment pursuant to subscription to the Memorandum of Association	50	Cash	100	100	Negligible	[●]
January 23, 1989	Rights Issue#	800	Cash	100	100	Negligible	[●]
March 26, 1990	Rights Issue#	2,750	Cash	100	100	Negligible	[●]
March 31, 2002	Preferential Allotment	60*	Cash	100	1,000	Negligible	[●]
August 20, 2003	Transfer of equity shares from Liberty Finance & Lease Private Limited	7,500*	Cash	100	100	Negligible	[●]
November 15, 2003	Transfer of equity shares from Liberty Finance & Lease Private Limited	820*	Cash	100	100	Negligible	[●]
November 15, 2003	Transfer of equity shares from Deepak Methwani	900*	Cash	100	100	Negligible	[●]
November 15, 2003	Transfer of equity shares from	1,200*	Cash	100	100	Negligible	[●]

Date of allotment/transfer	Nature of transaction	Number of equity shares	Nature of Consideration	Face value per equity shares (in ₹)	Offer / acquisition/ transfer price per Equity Share (in ₹)	% of the pre-Offer equity share capital	% of the post- Offer equity share capital
	Dharam Das Methwani						
March 31, 2004	Preferential allotment	15	Cash	100	1,000	Negligible	[●]
May 25, 2005	Transfer of equity shares from Liberty Finance & Lease Private Limited	1,000*	Cash	100	100	Negligible	[●]
June 7, 2005	Transfer of equity shares from Liberty Finance & Lease Private Limited	1,500*	Cash	100	100	Negligible	[●]
March 31, 2010	Transfer of equity shares from Kishore Thawani	240*	Cash	100	100	Negligible	[●]
March 31, 2010	Transfer of equity shares from Doulat Rijwani	240*	Cash	100	100	Negligible	[●]
March 31, 2010	Transfer of equity shares from Mukesh Uttamchandani	220*	Cash	100	100	Negligible	[●]
March 31, 2010	Transfer of equity shares from Prakash Rochwani	250*	Cash	100	100	Negligible	[●]
March 31, 2010	Transfer of equity shares from Ashok Julsani	300*	Cash	100	100	Negligible	[●]
March 31, 2010	Transfer of equity shares from Ramesh Rochwani	150*	Cash	100	100	Negligible	[●]
March 31, 2010	Transfer of equity shares from Lal Chand Bulani	250*	Cash	100	100	Negligible	[●]
March 31, 2010	Transfer of equity shares from Gopichand Samtani HUF	220*	Cash	100	100	Negligible	[●]
March 31, 2010	Transfer of equity shares from Gopichand Samtani	250*	Cash	100	100	Negligible	[●]
March 31, 2010	Transfer of equity shares from Pradeep Thanwani	180*	Cash	100	100	Negligible	[●]
March 31, 2010	Transfer of equity shares from Deepak Methwani	1,850*	Cash	100	100	Negligible	[●]
March 31, 2010	Transfer of equity shares from Deepak Methwani HUF	1,850*	Cash	100	100	Negligible	[●]
March 31, 2010	Transfer of equity shares from Kishore Thawani	740*	Cash	100	100	Negligible	[●]

Date of allotment/transfer	Nature of transaction	Number of equity shares	Nature of Consideration	Face value per equity shares (in ₹)	Offer / acquisition/ transfer price per Equity Share (in ₹)	% of the pre-Offer equity share capital	% of the post- Offer equity share capital
	HUF						
March 31, 2010	Transfer of equity shares from Deepak Thawani	370*	Cash	100	100	Negligible	[●]
March 31, 2010	Transfer of equity shares from Dharam Das Methwani HUF	1,110*	Cash	100	100	Negligible	[●]
March 31, 2010	Transfer of equity shares from Dharam Das Methwani	1,850*	Cash	100	100	Negligible	[●]
March 31, 2010	Transfer of equity shares from Liberty Finance & Lease Private Limited	3,775*	Cash	100	100	Negligible	[●]
March 14, 2018	Transfer of equity shares from Varindra & Company	6,700*	Cash	100	100	Negligible	[●]
Our Company sub-divided 55,350 equity shares of face value of ₹100 each into 5,535,000 Equity Shares of face value of ₹ 1 each pursuant to a board resolution dated May 27, 2024 and a shareholders resolution dated June 7, 2024. Consequently, cumulative shareholding of Varinder Kumar Garg post sub-division of the equity shares was 3,714,000 Equity Shares.							
July 6, 2024	Bonus issue in the ration of 27 Equity Shares for every Equity Share held	100,278,000	NA	1	NA	64.70	[●]
September 23, 2024	Gift of Equity Shares to VG Family Trust	(100,000)	NA	1	NA	(0.06)	[●]
Total		**103,892,000**				67.04	[●]
Sushma Garg							
December 23, 1987	Allotment pursuant to subscription to the Memorandum of Association	25*	Cash	100	100	Negligible	[●]
January 23, 1989	Rights Issue#	275	Cash	100	100	Negligible	[●]
March 26, 1990	Rights Issue#	420	Cash	100	100	Negligible	[●]
March 15, 1999	Transfer of equity shares from Vinod Kumar	1,740*	Cash	100	111.49	Negligible	[●]
March 31, 2002	Preferential allotment	107	Cash	100	1,000	Negligible	[●]
August 20, 2003	Transfer of equity shares from Liberty Finance & Lease Private Limited	5,800*	Cash	100	100	Negligible	[●]
November 15, 2003	Transfer of equity shares from Nirmala Methwani	300*	Cash	100	100	Negligible	[●]
November 15, 2003	Transfer of equity shares from Dimple Methwani	600*	Cash	100	100	Negligible	[●]
November 15, 2003	Transfer of equity shares from Vipra	200*	Cash	100	100	Negligible	[●]

Date of allotment/transfer	Nature of transaction	Number of equity shares	Nature of Consideration	Face value per equity shares (in ₹)	Offer / acquisition/ transfer price per Equity Share (in ₹)	% of the pre-Offer equity share capital	% of the post- Offer equity share capital
	Methwani						
March 31, 2004	Preferential allotment	16*	Cash	100	1,000	Negligible	[●]
May 21, 2005	Transfer of equity shares from Dimple Methwani	700*	Cash	100	100	Negligible	[●]
May 21, 2005	Transfer of equity shares from Kajal Thawani	300*	Cash	100	100	Negligible	[●]
May 21, 2005	Transfer of equity shares from Radha Thawani	72*	Cash	100	100	Negligible	[●]
March 31, 2010	Transfer of equity shares from Gulab Thanwani	270*	Cash	100	100	Negligible	[●]
March 31, 2010	Transfer of equity shares from Vandana Rijwani	270*	Cash	100	100	Negligible	[●]
March 31, 2010	Transfer of equity shares from Sharda Rochwani	250*	Cash	100	100	Negligible	[●]
March 31, 2010	Transfer of equity shares from Rekha Samtani	250*	Cash	100	100	Negligible	[●]
March 31, 2010	Transfer of equity shares from Sheela Rijwani	200*	Cash	100	100	Negligible	[●]
March 31, 2010	Transfer of equity shares from Gulab Thanwani HUF	160*	Cash	100	100	Negligible	[●]
March 31, 2010	Transfer of equity shares from Radha Thanwani	665*	Cash	100	100	Negligible	[●]
March 31, 2010	Transfer of equity shares from Vipra Methwani	1,480*	Cash	100	100	Negligible	[●]
March 31, 2010	Transfer of equity shares from Kajal Thawani	370*	Cash	100	100	Negligible	[●]
March 31, 2010	Transfer of equity shares from Dimple Methwani	1,110*	Cash	100	100	Negligible	[●]
March 31, 2010	Transfer of equity shares from Nirmala Methwani	1,480*	Cash	100	100	Negligible	[●]
May 7, 2024	Gift of Equity share to Varindra Kumar Garg (HUF)	(1)	NA	100	NA	Negligible	[●]
Our Company sub-divided 55,350 equity shares of face value of ₹100 each into 5,535,000 Equity Shares of face value of ₹ 1 each pursuant to a board resolution dated May 27, 2024 and a shareholders resolution dated June 7, 2024. Consequently, cumulative shareholding of Sushma Garg post sub-division of the equity shares was 1,705,900 Equity Shares.							
July 6, 2024	Bonus issue in the ration of 27 Equity Shares for every Equity Share held	46,059,300	NA	1	NA	29.72	[●]
Total		**47,765,200**				**30.82%**	**[●]**
Vivek Garg							

Date of allotment/transfer	Nature of transaction	Number of equity shares	Nature of Consideration	Face value per equity shares (in ₹)	Offer / acquisition/ transfer price per Equity Share (in ₹)	% of the pre-Offer equity share capital	% of the post- Offer equity share capital
March 16, 2015	Transfer from Varindra Kumar Garg (HUF)	100[*]	Cash	100	100	Negligible	[●]
March 28, 2022[$]	Transfer from Ashok Kumar Gupta	1	Cash	100	100	Negligible	[●]
Our Company sub-divided 55,350 equity shares of face value of ₹100 each into 5,535,000 Equity Shares of face value of ₹ 1 each pursuant to its shareholders resolution dated June 7, 2024. Consequently, cumulative shareholding of Vivek Garg post sub-division of the equity shares was 10,100 Equity Shares.							
July 6, 2024	Bonus issue in the ration of 27 Equity Shares for every Equity Share held	272,700	NA	1	NA	0.18	[●]
Total		**282,800**				**0.18%**	**[●]**
VG Family Trust							
September 23, 2024	Gift of Equity Shares from Varinder Kumar Garg	100,000	NA	1	NA	0.06	[●]
Total		**100,000**				0.06%	**[●]**

**The share transfer forms for these transfers of equity shares to the Promoters could not be traced as the relevant information was not available in the records maintained by our Company. Accordingly, we have relied on other corporate records maintained by our Company such as minutes of meetings of our Board, as applicable, register of members and annual returns filed by our Company. For details see "Risk Factors- "We are unable to trace some of our historical records including corporate records and statutory filings. We have also made certain errors in our secretarial records in the past. We cannot assure you that regulatory proceedings or actions will not be initiated against us in the future and that we will not be subject to any penalty imposed by the competent regulatory authority in this regard" on page 50.*

#Our Company is unable to trace the Form 2 filed for allotments dated January 23, 1989 and March 26, 1990 filed under the Companies Act, 1956. Our Company has also conducted a search at the RoC for these records and has received the search report dated September 30, 2024 prepared by CL and Associates, independent practicing company secretary, and certified by their certificate dated September 30, 2024. For further details, see "Risk Factors – "We are unable to trace some of our historical records including corporate records and statutory filings. We have also made certain errors in our secretarial records in the past. We cannot assure you that regulatory proceedings or actions will not be initiated against us in the future and that we will not be subject to any penalty imposed by the competent regulatory authority in this regard" on page 50.

[$] Our Company has also filed an adjudication application in relation to share transfers dated March 28, 2022 conducted in physical form. For details see "Risk Factors- "We are unable to trace some of our historical records including corporate records and statutory filings. We have also made certain errors in our secretarial records in the past. We cannot assure you that regulatory proceedings or actions will not be initiated against us in the future and that we will not be subject to any penalty imposed by the competent regulatory authority in this regard" on page 50.

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of allotment or acquisition of such Equity Shares. Further, none of the Equity Shares held by our Promoters are pledged or are otherwise encumbered.

(iii) ***Sales or purchases of Equity Shares or other specified securities of our Company by the Promoter Group, or by our Directors and their relatives during the six months immediately preceding the date of this Draft Red Herring Prospectus.***

Except as stated below, none of members of the Promoter Group or our Directors and their relatives have sold or purchased any Equity Shares or other specified securities of our Company during the period of six months immediately preceding the date of this Draft Red Herring Prospectus:

Transferor	Transferee	Date of transfer/ allotment	Number of Equity Shares	Price per Equity Share (in ₹)
Sushma Garg	Varindra Kumar Garg (HUF)	May 7, 2024	1	NA (Gift of equity shares)
Varinder Kumar Garg	VG Family Trust	September 23, 2024	100,000	NA (Gift of Equity Shares)

(iv) There have been no financing arrangements whereby the Promoters, Promoter Group, the directors of our Company and their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity in the six months immediately preceding the date of this Draft Red Herring Prospectus.

12. *Details of Promoter's contribution locked in for 18 months*

(i) Pursuant to Regulations 14 and 16(1) of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post- Offer Equity Share capital of our Company held by our Promoters, shall be locked-in for a period of eighteen (18) months from the date of Allotment as the minimum promoter's contribution ("**Promoter's Contribution**"). Our Promoter's shareholding in excess of 20% of the fully diluted post-Offer Equity Share capital shall be locked in for a period of six (6) months from the date of Allotment.

(ii) Our Promoters have given consent to include such number of Equity Shares held by them as may constitute 20% of the fully diluted post- Offer Equity Share capital of our Company as the Promoter's Contribution. Our Promoters have agreed not to dispose, sell, transfer, charge, pledge or otherwise encumber in any manner the Promoter's Contribution from the date of this Draft Red Herring Prospectus, until the expiry of the lock-in period specified above, or for such other time except as may be permitted, in accordance with the SEBI ICDR Regulations. Details of the Promoter's Contribution are as provided below:

Name of our Promoters: [●]							
Date of allotment/ transfer#	**Nature of transaction**	**No. of Equity Shares allotted/ received***	**No. of Equity Shares locked in****	**Face value per Equity Share (₹)**	**Offer / acquisition price per Equity Share (₹)**	**% of the fully diluted post-Offer paid-up Capital**	**Date up to which the Equity Shares are subject to lock-in**
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total			[●]			[●]	[●]

 # All Equity Shares were fully paid-up on the respective dates of allotment or acquisition, as the case may be, of such Equity Shares.
***Subject to finalisation of Basis of Allotment.*

(iii) Our Company undertakes that the Equity Shares that shall be locked-in for computation of the minimum Promoter's Contribution are not and will not be ineligible in terms of the Regulation 15 of the SEBI ICDR Regulations. In this connection, we confirm the following:

a) The Equity Shares offered for minimum Promoter's Contribution does not include any Equity Shares acquired during the immediately preceding three years from the date of this Draft Red Herring Prospectus: (a) for consideration other than cash and revaluation of assets or capitalisation of intangible assets, or (b) as a result of bonus shares issued by utilization of revaluation reserves or unrealised profits of our Company or from bonus issue against Equity Shares which are otherwise ineligible for computation of the Promoter's Contribution;

b) The Equity Shares offered for the Promoter's Contribution do not include any Equity Shares acquired during the immediately preceding one year from the date of this Draft Red Herring Prospectus, at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;

c) Our Company has not been formed by the conversion of one or more partnership firms or a limited liability partnership firm into a company and hence no Equity Shares have been issued in the one year immediately preceding the date of this Draft Red Herring Prospectus pursuant to conversion from a partnership firm; and

d) The Equity Shares forming part of the Promoter's Contribution are not subject to any pledge or any other form of encumbrance.

e) All the Equity Shares held by our Promoters are in dematerialized form as on the date of this Draft Red Herring Prospectus.

13. ***Details of Equity Shares locked-in for six months:***

In terms of Regulation 17 of the SEBI ICDR Regulations, the entire pre-Offer Equity Share capital of our Company (other than the Promoter's Contribution), shall be locked in for a period of six months from the date of Allotment in the Offer.

14. ***Lock-in of Equity Shares Allotted to Anchor Investors***

50% of the Equity Shares Allotted to Anchor Investors under the Anchor Investor Portion will be locked-in for a period of 30 days from the date of Allotment, and the remaining 50% of Equity Shares Allotted to Anchor Investors under the Anchor Investor Portion will be locked-in for a period of 90 days from the date of Allotment.

15. ***Recording of non-transferability of Equity Shares locked-in***

As required under Regulation 20 of the SEBI ICDR Regulations, our Company shall ensure that the details of the Equity Shares locked-in are recorded by the relevant Depository.

16. ***Other requirements in respect of lock-in***

Pursuant to Regulation 21 of the SEBI ICDR Regulations, Equity Shares held by our Promoters which are locked-in, as per Regulation 16 of the SEBI ICDR Regulations, may be pledged as collateral security for a loan with a scheduled commercial bank, a public financial institution, a Systemically Important Non-Banking Financial Company or a housing finance company, subject to the following:

(i) with respect to the Equity Shares locked-in as the minimum Promoter's Contribution for 18 months from the date of Allotment, the loan must have been granted to our Company or its Subsidiary for the purpose of financing one or more of the objects of the Offer, which is not applicable in the context of this Offer; and

(ii) with respect to the Equity Shares locked-in for six months from the date of Allotment, such pledge of the Equity Shares must be one of the terms of the sanction of the loan.

However, the relevant lock-in period shall continue post the invocation of the pledge referenced above, and the relevant transferee shall not be eligible to transfer the Equity Shares till the relevant lock-in period has expired in terms of the SEBI ICDR Regulations.

In terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by our Promoters which are locked-in, in terms of Regulation 16 of SEBI ICDR Regulations, may be transferred to and amongst any member of the Promoter Group or to any new Promoters, subject to continuation of lock-in in the hands of the transferees for the remaining period and compliance with provisions of the Takeover Regulations, as applicable and such transferee shall not be eligible to transfer them till the lock-in period stipulated in SEBI ICDR Regulations has expired.

Further, the Equity Shares held by persons other than our Promoters and locked-in for a period of six months from the date of Allotment in the Offer, may be transferred to any other person holding Equity Shares which are locked-in, subject to the continuation of the lock-in in the hands of the transferee for the remaining period and compliance with provisions of the Takeover Regulations, as applicable and such transferee shall not be eligible to transfer them till the lock-in period stipulated in SEBI ICDR Regulations has expired.

17. All issuances of our Equity Shares since the incorporation of our Company till the date of filing of this Draft Red Herring Prospectus were in compliance the Companies Act, 1956 and Companies Act, 2013, as applicable. Our Company is unable to trace some corporate records and has filed certain erroneous filings in the past. Our Company has also filed an adjudication application in relation to share transfers dated March 28, 2022 conducted in physical form. For details in relation to such corporate records and the adjudication application, see, *'Risk Factors- We are unable to trace some of our historical records including corporate records and statutory filings. We have also made certain errors in our secretarial records in the past. We cannot assure you that regulatory proceedings or actions will not be initiated against us in the future and that we will not be subject to any penalty imposed by the competent regulatory authority in this regard'* on page 50.

18. As on the date of this Draft Red Herring Prospectus, our Company has eight holders of Equity Shares.

19. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing this Draft Red Herring Prospectus and any existing partly paid up shares have been forfeited. Further, the Equity Shares to be issued shall be fully paid-up at the time of Allotment, failing which no Allotment shall be made.

20. As on the date of this Draft Red Herring Prospectus, none of the BRLMs or their respective associates (determined as per the definition of 'associate company' under the Companies Act, 2013 and as per definition of the term 'associate' under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) hold any Equity Shares of our Company. The BRLMs and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.

21. Our Company, its Directors, or the BRLMs have not entered into any buy-back arrangements for purchase of the specified securities of our Company.

22. ***Employee Stock Option Scheme ("ESOP Scheme")***

Our Company, pursuant to the resolutions passed by the Board on August 28, 2024, and the Shareholders on August 29, 2024 adopted the ESOP Scheme. The ESOP Scheme shall be effective from August 29, 2024. As per the ESOP Scheme, the maximum options to be granted to the eligible employees shall not exceed 1,549,800 options to the eligible employees in one or more tranches, from time to time, which in aggregate shall be with each such option conferring a right upon the employees to apply for one Equity Share in the Company to be transferred upon exercise thereof, in accordance with the terms and conditions as may be decided under the ESOP Scheme. Further, the ESOP Scheme is in compliance with the SEBI SBEB and Sweat Equity Regulations *(as certified by S S Kothari Mehta & Co. LLP, Chartered Accountants, pursuant to their certificate dated September 30, 2024).*

The primary objective of the ESOP Scheme is to reward the employees for their association, dedication and contribution to the goals of the Company. The Company intends to use this ESOP Scheme to attract and retain the key talents by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability. As on the date of this DRHP, our Company has not granted any options under the ESOP Scheme.

23. No person connected with the Offer, including, but not limited to the BRLMs, the Syndicate Members, our Company, our Directors, the Promoters or the members of the Promoter Group, shall offer or make payment of any incentive, whether direct or indirect, in the nature of discount, commission and allowance, except for fees or commission for services rendered in relation to the Offer, in any manner, whether in cash or kind or services or otherwise, to any Bidder for making a Bid.

24. Except the Pre-IPO Placement, and allotment of Equity Shares upon exercise of options vested pursuant to the ESOP Scheme there will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of this Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges or all application moneys have been refunded to the Anchor Investors, or the application moneys are unblocked in the ASBA Accounts of ASBA Bidders on account of non-listing, under-subscription etc, as the case may be, other than (i) in connection with in the Offer; or (ii) any issue of Equity Shares pursuant to exercise of options vested under the ESOP Scheme.

25. Except as disclosed in "*Our Management*" on page 332, none of our Directors, KMPs or Senior Management hold any Equity Shares in our Company.

26. The Promoter and members of our Promoter Group will not receive any proceeds from the Offer, except to the extent of participation of Varinder Kumar Garg and Sushma Garg as Promoter Selling Shareholders in the Offer for Sale.

27. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

28. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group, if any, during the period between the date of filing of the Draft Red Herring Prospectus and the date of closure of the Offer shall be reported to the Stock Exchanges within 24 hours of such transactions.

OBJECTS OF THE OFFER

The Offer comprises a Fresh Issue of up to [●] Equity Shares, aggregating up to ₹ 9,000.00 million and an Offer for Sale of up to [●] Equity Shares, aggregating up to ₹ 3,000.00 million. The proceeds of the Offer, after deducting the Offer related expenses, are estimated to be ₹ [●] million ("**Net Proceeds**").

Offer for Sale

The Promoter Selling Shareholders will be entitled to their respective portion of the proceeds of the Offer for Sale after deducting their proportion of Offer expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer for Sale and the proceeds received from the Offer for Sale will not form part of the Net Proceeds. For further details of the Offer for Sale, please see below and see "*The Offer*" and "*Other Regulatory and Statutory Disclosures*" on pages 82 and 489, respectively.

Name of the Promoter Selling Shareholders	Maximum number/amount of Equity Shares offered in the Offer for Sale	Date of consent letter
Varinder Kumar Garg	₹ 2,010.00 million	September 30,2024
Sushma Garg	₹ 990.00 million	September 30,2024

Fresh Issue

Our Company proposes to utilize the Net Proceeds from the Fresh Issue towards funding the following objects:

1. Capital expenditure towards purchase of equipments;
2. Funding the working capital requirements of our Company;
3. Repayment/prepayment in full or in part, of certain outstanding borrowings availed by our Company; and
4. General corporate purposes

(collectively, the "**Objects**")

In addition to the above Objects, we expect to receive the benefits of listing of the Equity Shares on the Stock Exchanges, and creation of a public market for our Equity Shares in India. The main objects and objects incidental and ancillary to the main objects set out in our Memorandum of Association enable us: (i) to undertake our existing business activities and other activities set out therein; (ii) to undertake the activities proposed to be funded from the Net Proceeds; and (iii) the activities towards which the loans proposed to be repaid/ prepaid from the Net Proceeds were utilized.

Net Proceeds

The details of the Net Proceeds of the Fresh Issue are set out below:

Particulars	Estimated amount *(₹ million)*
Gross proceeds of the Fresh Issue*	Up to 9,000.00*
(*Less*) Offer-related expenses in relation to the Fresh Issue(1)	[●]
Net Proceeds(2)	[●]

(1) *See "- Offer Related Expenses" on page 132.*

(2) *To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC.*

**Subject to finalisation of basis of allotment, our Company in consultation with the Book Running Lead Managers, may consider a Pre-IPO Placement of specified securities as may be permitted under applicable law for an amount aggregating up to ₹ 1,800 million, at its discretion, prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the general corporate purposes portion of the Fresh Issue, subject to compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result in listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the RHP and Prospectus.*

Utilization of Net Proceeds

The Net Proceeds are proposed to be utilized in accordance with the details provided in the following table:

Particulars	Estimated Amount
	(₹ million)
Capital expenditure towards purchase of equipments	1,601.08
Funding the working capital requirements of our Company	1,550.00
Repayment/prepayment in full or in part, of certain outstanding borrowings availed by our Company	3,598.92
General corporate purposes[(1)(2)]	[●]
Net Proceeds[(2)]	[●]

(1) *The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.*
(2) *To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC.*

Proposed schedule of implementation and deployment of Net Proceeds

We propose to deploy the Net Proceeds towards the Objects in accordance with the estimated schedule of implementation and deployment of funds, as set forth in the table below:

Particulars	Total estimated costs	Estimated utilization from Net Proceeds	Estimated schedule of deployment of Net Proceeds	
			Financial Year 2025	Financial Year 2026
	(₹ million)			
Capital expenditure towards purchase of equipments	1,601.08	1,601.08	-	1,601.08
Funding the working capital requirements of our Company	1,550.00	1,550.00	-	1,550.00
Repayment/prepayment, in full or in part, of certain outstanding borrowings availed by our Company;	3,755.84	3,598.92	3,598.92	- -
General corporate purposes[(1)]	[●]	[●]	[●]	[●]
Total	[●]	[●]	[●]	[●]

(1) *The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds*.

The above fund requirements are based on our current business plan, management estimates, other commercial and technical factors including interest rates and other charges, and the financing and other agreements entered into by our Company, quotations received from third-party vendors, which are subject to change in the future and have not been appraised by any agency. Given the nature of our business, and since the amount of the Net Proceeds proposed to be utilized towards the Objects are not towards implementing any specific project, we may have to revise our funding requirements and deployment from time to time, on account of a variety of factors such as our financial condition, business strategies and external factors such as market conditions, any epidemic, competitive environment and other external factors, which would not be within the control of our management. This may entail rescheduling or revising the proposed utilisation of the Net Proceeds, implementation schedule and funding requirements, including the expenditure for a particular purpose, at the discretion of our management, subject to compliance with applicable laws. For further details of our proposed capital expenditure, see "—*Details of the Objects – Capital expenditure towards purchase of equipment*" on page 122.

Subject to applicable law, in the event of any increase in the actual utilization of funds earmarked for the purposes set forth above, such additional funds for a particular activity will be met by way of means available to us, including from internal accruals and any additional equity and/or debt arrangements. Further, if the actual utilization towards any of the stated objects is lower than the proposed deployment, the balance remaining may be utilized towards future growth opportunities, and/or towards funding any other purpose, and/or general corporate purposes, subject to applicable laws to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the Gross Proceeds in accordance with the SEBI ICDR Regulations and in compliance with the objectives as set out under "—*Details of the Objects — General corporate purposes*" below and will be consistent with the requirements of our business. The estimated schedule of deployment of Net

Proceeds is indicative and our management may vary the amount to be utilized in a particular Financial Year at its discretion.

For further information on factors that may affect our internal management estimates, see "*Risk Factors – Our funding requirements and proposed deployment of the Net Proceeds are based primarily on management estimates and assumptions and our management will have broad discretion over the use of Net Proceeds. The utilisation of the Net Proceeds may be subject to change based on various factors, some which are beyond our control. Further, any change or variation in the utilisation of Net Proceeds from the terms and conditions stated in this Draft Red Herring Prospectus shall be subject to compliance requirements, including among other things, prior Shareholders' approval.*" on page 67.

Means of finance

The fund requirements for the Objects are proposed to be met from the Net Proceeds and our internal accruals. Accordingly, we confirm that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Fresh Issue as required under Regulation 7(1)(e) the SEBI ICDR Regulations.

Details of the Objects

1. *Capital expenditure towards purchase of equipments*

On an ongoing basis, we invest in the procurement of equipment, which is utilized by us in carrying out our constructions business, based on our order book and the future requirements estimated by our management. Our Board, in its meeting dated September 30, 2024, took note that an aggregate amount of up to ₹ 1,601.08 million is proposed to be utilized for purchase of construction equipments required in relation to our projects.

Our Company has received quotations from supplier for such equipment and the Company is yet to place any orders or enter into definitive agreements for purchase of such equipment. While we propose to utilize ₹ 1,601.08 million towards purchasing such construction equipments, based on our current estimates, the specific number and nature of such equipment to be purchased by our Company will depend on our business requirements and the details of our construction equipments to be purchased from the Net Proceeds which will be suitably updated at the time of filing of the Red Herring Prospectus with the RoC.

A list of such construction equipment that we intend to purchase, along with details of the quotations we have received in this respect is set forth below:

Sr. No.	Description of the equipment	Classification of the equipment	Quantity	Cost per unit (in ₹)*	Total estimated costs (in ₹ million)*	Date of quotation	Name of the vendor	Period of validity of quotation
1.	Aluminium formwork with standard accessories (250 + repetitions)	Shuttering	30,000 sq metres	12,980	389.40	September 25, 2024	Knest Manufacturers Private Limited	12 months
2.	Aluminium formwork with standard accessories with (230 to 250 repetitions)	Shuttering	30,000 sq. metres	11,564	346.92	August 31, 2024	Winntus Aluminium formwork	12 months
3.	Aluminium formwork system with standard accessories for towers (200 to 220 repetitions)	Shuttering	30,000 sq. metres	11,305	339.15	August 31, 2024	M/S BSL Scaffolding Limited	12 months

Sr. No.	Description of the equipment	Classification of the equipment	Quantity	Cost per unit (in ₹)*	Total estimated costs (in ₹ million)*	Date of quotation	Name of the vendor	Period of validity of quotation
4.	Formwork system with standard accessories with (180 to 200 repetitions)	Shuttering	30,000 sq. metres	10,738	322.14	August 31, 2024	Eins Technik Private Limited	12 months
5.	Batching plant module	Production equipment	2	8,802,800	17.61	August 30, 2024	Putzmeister Concrete Machines Private Limited	12 months
6.	Radial conveyor	Production equipment	2	1,180,000	2.36	August 29, 2024	Kamal Enterprises	12 months
7.	Fly-ash silo, silo accessories and screw conveyor cement	Production equipment	2	1,026,600	2.05	August 29, 2024	Kamal Enterprises	12 months
8.	Cement silo, silo accessories and screw conveyor cement	Production equipment	4	1,026,600	4.11	August 29, 2024	Kamal Enterprises	12 months
9.	Dust collector with compressor, silo dual feeding pump and pipeline	Production equipment	2	1,020,000	2.04	August 29, 2024	Kamal Enterprises	12 months
10.	Diesel generator set	Power generation	6	2,729,362	16.38	August 29, 2024	GSP Power Projects (retail division)	19 months (Till March 31,2026)
11.	Rebar bending machine	Minor equipment -plant and machinery	14	253,700	3.55	September 24, 2024	Spartan Engineering Industries Private Limited	12 months
12.	Rebar cutting machine	Minor equipment -plant and machinery	14	241,900	3.39	September 24, 2024	Spartan Engineering Industries Private Limited	12 months
13.	Anti-smog gun	Minor equipment -plant and machinery	10	206,500	2.07	August 29, 2024	D S Electrical & Refrigerated Work	12 months
14.	Two-wheeler	Minor equipment -plant and machinery	10	109,611	1.10	August 29, 2024	Himigiri Automobiles Private Limited	12 months
15.	2-wheel tipping type trolley	Minor equipment -plant and machinery	4	171,100	0.68	August 29, 2024	Commonwealth Tractors (India)	12 months
16.	Scrap bar straightening machine	Minor equipment -plant and machinery	1	501,500	0.50	August 29, 2024	Spartan Engineering Industries Private Limited	12 months
17.	Tata Harrier	Light motor vehicle	2	2,744,935	5.49	August 29, 2024	Himgiri Automobile Private Limited	12 months
18.	Camper gold	Light motor vehicle	2	1,063,200	2.13	September 24, 2024	Arav Motor	12 months

Sr. No.	Description of the equipment	Classification of the equipment	Quantity	Cost per unit (in ₹)*	Total estimated costs (in ₹ million)*	Date of quotation	Name of the vendor	Period of validity of quotation
19.	Nexon	Light motor vehicle	2	1,095,252	2.19	August 23, 2024	Himgiri Automobile Private Limited	12 months
20.	EECO Ambulance shell	Light motor vehicle	1	679,871	0.68	August 30, 2024	Auto Vibes (Dinco 4 Wheels LLP)	12 months
21.	Tower crane model TC5540	Lifting equipment	6	6,608,000	39.65	August 29, 2024	Action Construction Equipment Limited	12 months
22.	Single cage hoist (1.5 tonnes)	Lifting equipment	6	2,773,000	16.64	August 29, 2024	Alikraft Engineers Private Limited	12 months
23.	Escort Kubota's F15 fighter or (BSIV)	Lifting equipment	4	3,682,662	14.73	August 29, 2024	Catalyst engineering services	12 months
24.	Telehandler	Lifting equipment	1	4,748,100	4.75	August 29, 2024	Manitou South Asia Private Limited	19 months (till March 31,2026)
25.	Mobile tower crane with tractor	Lifting equipment	1	2,832,000	2.83	August 29, 2024	Action Construction Equipment Limited	12 months
26.	Mobile scissor lift	Lifting equipment	2	902,020	1.80	August 29, 2024	Ajashy Engineering Sales Private Limited	12 months
27.	Concrete pump	Lifting equipment	1	13,924,000	13.92	August 29, 2024	Putzmeister Concrete Machines Private Limited	12 months
28.	Stationery concrete pump	Lifting equipment	4	3,348,958	13.40	June 26, 2024	Putz Putzmeister Concrete Machines Private Limited	12 months
29.	Back hoe loader	Earthmoving equipment	4	3,153,000	12.61	August 29, 2024	Pasco Earthmovers LLP	12 months
30.	Mini tandem roller	Earthmoving equipment	2	1,550,000	3.10	August 29, 2024	Pasco Earthmovers LLP	12 months
31.	Fork lifter	Earthmoving equipment	1	2,180,000	2.18	August 29, 2024	Pasco Earthmovers LLP	12 months
32.	Skid steer roller	Earthmoving equipment	1	2,073,732	2.07	August 29, 2024	Manitou South Asia Private Limited	19 months (Till March 31, 2026)
33.	Digital loadcell steel weigh bridge	Other project equipment	3	1,811,300	5.43	August 29, 2024	Essae Digitronics Private Limited	12 months
34.	Pre case civil block (weigh bridge)	Other project equipment	3	409,460	1.23	August 29, 2024	Essae Digitronics Private Limited	12 months
35.	Tractor	Other project equipment	4	6,99,022	2.80	August 29, 2024	Commonwealth tractors (India)	12 months
	Total				**1,601.08**			

**Per unit cost and total estimated cost of the respective equipment mentioned above is inclusive of GST and other charges related to procurement, to the extent quantifiable. Also, there are certain other costs involved in procurement of such equipment, including transportation, transit insurance, registration and other such charges, as applicable, which have not been considered for calculation of the per unit cost and estimated cost, as they are levied at actuals at the time of procurement.*

All quotations received from the above suppliers are valid as on the date of this Draft Red Herring Prospectus. Some of the quotations mentioned above do not include cost of freight, insurance, octroi, entry tax, customs duty and other applicable taxes as these can be determined only at the time of placing of orders. Such additional costs shall be funded from the Net Proceeds proposed to be utilised towards the purchase of capital equipment or through internal accruals, if required. However, we have not entered into any definitive agreements with any of the above suppliers which have provided quotations and there can be no assurance that the abovementioned suppliers would be engaged to eventually supply the machinery or that the abovementioned machinery would be purchased at the specified costs. The quantity of machinery to be purchased is based on the estimates of our Company's management and our business requirements. No second-hand or used equipment is proposed to be purchased out of the Net Proceeds. Each of the units mentioned above is proposed to be acquired in a ready-to-use condition**.** Our Promoters, Directors, Key Managerial Personnel and Senior Management do not have any interest in the in the proposed acquisition of the equipment or in the entity from whom we have obtained quotations in relation to such proposed acquisition of the equipment.

Any equipment not purchased from the Net Proceeds shall be purchased from our internal accruals. Our Company shall have the flexibility to deploy such machinery at any of our existing and future plants, according to our business requirements based on the estimates of our Company's management.

2. *Funding working capital requirements of our Company*

The company funds its working capital requirements in the ordinary course of business through internal accruals and financing facilities from various banks. However, the company requires additional working capital to support operations and future growth initiatives. The funds the company plans to secure will be pivotal in enabling them to procure essential construction materials, fulfilling vendor payment obligations, covering operating payments, payroll & others expenses including overheads to sustain ongoing operations, and effectively manage cash flow by bridging the gap between current receivables and payables.

For further details of the working capital facilities currently availed by our Company, see "*Financial Indebtedness*" and "*Restated Consolidated Financial Information*" on pages 471 and 361, respectively.

Our Company requires additional working capital for our working capital gap. Our Company proposes to utilize up to ₹ 1,550.00 million from the Net Proceeds towards working capital requirements for meeting our future business requirements.

Basis of estimation of working capital requirements

The details of the existing working capital requirements of our Company as of March 31, 2024, 2023 and 2022 and the funding pattern for such periods, based on our restated standalone financial statements, are set out in the table below:

(in ₹ million)

Particulars	As at March 31, 2024 (standalone)	As at March 31, 2023 (standalone)	As at March 31, 2022 (standalone)
Current Assets			
Inventories	1,423.68	1,027.26	286.74
Financial Assets			
Trade Receivables	3,229.46	2,609.69	2,948.07
Other Current Assets	1,537.00	1,024.55	615.91
Other Financial Assets	134.77	47.84	8.07
Total Current Assets (Total (A))	**6,324.91**	**4,709.34**	**3,858.79**
Current Liabilities			
Financial Liabilities			
Trade Payables	1,336.01	1,206.52	994.72
Other Current Liabilities	155.69	24.69	24.15

Particulars	As at March 31, 2024 (standalone)	As at March 31, 2023 (standalone)	As at March 31, 2022 (standalone)
Other Financial Liabilities	626.43	259.85	173.40
Total current liabilities (Total (B))	**2,118.13**	**1,491.06**	**1,192.27**
C. Total working capital requirement (A-B)	**4,206.78**	**3,218.28**	**2,666.52**
D. Existing funding pattern			
Working capital loans, internal accruals, equity, Cash & Cash equivalent	**4,206.78**	**3,218.28**	**2,666.52**

On the basis of existing and estimated working capital requirements of our Company on an audited restated standalone basis, and the assumptions for such working capital requirements, our Board pursuant to its resolution dated September 30, 2024 has approved the projected working capital requirements (on a standalone basis) for Fiscal 2025 and Fiscal 2026 and the proposed funding of such working capital requirements, as set forth below:

(Amount in ₹ millions)

Particulars	As at March 31, 2025 (standalone) (projected)	As at March 31, 2026 (standalone) (projected)
Current Assets		
Inventories	2,247.40	3,441.39
Financial Assets		
Trade Receivables	5,090.26	7,811.29
Other Current Assets	2,440.01	3,696.01
Other Financial Assets	219.51	345.43
Total Current Assets (Total (A))	**9,997.18**	**15,294.12**
Current Liabilities		
Financial Liabilities		
Trade Payables	2,112.09	3,311.33
Other Current Liabilities	253.59	399.05
Other Financial Liabilities	1,020.32	1,605.62
Total current liabilities (Total (B))	**3,386.00**	**5,316.00**
C. Total working capital requirement (A-B)	**6,611.18**	**9,978.12**
D. Proposed funding pattern		
Working capital loans, internal accruals, equity	6,611.18	8,428.12
Amount Proposed to be utilized from Net proceeds	***Nil***	**1,550.00**

Holding levels

The table hereunder contains the details of the holding period (with days rounded to the nearest number) and justifications for holding period levels for Fiscal Years 2022, 2023 and 2024, the projections for Fiscal Years 2025 and 2026 and the assumptions based on which the working capital projections have been made and approved by our Board of Directors on September 30, 2024:

Particulars	Actuals	Projected	Projected
	Financial Year Ending	Financial Year Ending	Financial Year Ending

	March 31,2022	March 31,2023	March 31,2024	March 31,2025	March 31,2026
Trade Receivables	108	91	85	82	80
Inventories	12	42	45	44	43
Other Current Assets	23	36	40	39	38
Other Financial Assets	0*	2	4	4	4
Trade Payables	42	50	44	43	43
Other Current Liabilities	1	1	5	5	5
Other Financial Liabilities	7	11	20	21	21

Actual & Estimated Holding days have been rounded off to the nearest whole number.
** This represents number below rounding off norms adopted by the company.*
Notes –

1. *Trade receivable days are calculated as (Trade receivables/ Revenue from operations)*365*
2. *Inventory days are calculated as (Closing inventory/ Cost of material + Cost of construction + Employee benefit expense + Other expense)*365*
3. *Trade payable days are calculated as [Trade payables/ (Cost of material + Cost of construction + Employee benefit expense])*365*
4. *Other current assets days are calculated as [(Other current assets / Revenue from operations)]*365*
5. *Other financial assets days are calculated as [(Other financial assets / Revenue from operations)]*365*
6. *Other current liability days are calculated as [(Other current liabilities/ Cost of material + Cost of construction + Employee benefit expense)]*365*
7. *Other financial liability days are calculated as [(Other financial liabilities/ Cost of material + Cost of construction + Employee benefit expense)]*365*
8. *The holding period has been computed over 365 days for each Fiscal.*

Assumptions and justifications for Holding Period Levels

S. No.	Particulars	Assumptions and justifications
		Current Assets
1	Trade receivables	For Fiscal 2022, Fiscal 2023 and Fiscal 2024, the Company had trade receivable days of 108 days, 91 days and 85 days respectively. The receivables are generally collected within 60 days except retentions & withholds which are collected as per terms of contract.
2	Other current assets	It is assumed that as the company's revenue grows, there will be a corresponding increase in current assets. By estimating other current assets based on the percentage increase in revenue, the projection aligns with the growth trajectory of the company's overall operations.
3	Other financial assets	It is assumed that as the company's revenue grows, there will be a corresponding increase in other financial assets. By estimating other financial assets based on the percentage increase in revenue, the projection aligns with the growth trajectory of the company's overall operations.
4	Inventories	For Fiscal 2022, Fiscal 2023 and Fiscal 2024, the Company had inventory days of 12 days, 42 days and 45 days respectively. Increase of inventory days from 12 in FY 2022 to 42 in FY 2023 in on account of new location Maldives, as the entire project material are exported from India. 45 days inventory are kept at site so that the project is not suffered due to non-availability of material and therefore, is assumed at similar levels as those of the preceding financial years.
		Current Liabilities
4	Trade Payables	For Fiscal 2022, Fiscal 2023 and Fiscal 2024, the Company had trade payable days of 42 days, 50 days and 44 days respectively. The trade payables cycle is envisaged to be around 45 days and above in line with the preceding financial years.
5	Other current liabilities	For FY 2024, other current liability days have been increased due to receipt of advance from customers. It is assumed that as the company's revenue grows, there will be a corresponding increase in current liabilities. By estimating other current liabilities based on the percentage increase in revenue, the projection aligns with the growth trajectory of the company's overall operations.
6	Other financial liabilities	It is assumed that as the company's revenue grows, there will be a corresponding increase in other financial liabilities. By estimating other financial liabilities based on the percentage increase in revenue, the projection aligns with the growth trajectory of the company's overall operations.

Note: The above calculations are inclusive of GST, where applicable.

Pursuant to a certificate and report dated September 30, 2024, Mukesh Raj & Co., Chartered Accountants, have certified the working capital requirements and working capital estimates, respectively, of our Company, as approved by the Board pursuant to its resolution dated September 30, 2024. See "*Material Contracts and Documents for Inspection – Material Documents*" on page 564.

3. *Repayment/prepayment/redemption, in full or in part, of certain outstanding borrowings availed by our Company*

Our Company has entered into various borrowing arrangements, including borrowings in the form of terms loans and various fund based and non-fund based working capital facilities. As on July 31, 2024, we had outstanding borrowings of ₹ 4,423.37 million on a consolidated basis. For more information, please see '*Financial Indebtedness*' on page 471.

Our Company intends to utilize an aggregate amount of ₹3,598.92 million from the Net Proceeds towards repayment/ prepayment/ redemption of all or a portion of certain outstanding borrowings availed by our Company, comprising 81.36% of our total borrowings as of July 31, 2024. Pursuant to the terms of the borrowing arrangements, prepayment of certain indebtedness may attract prepayment charges as prescribed by the respective lender. Such prepayment charges, as applicable, will also be funded out of the Net Proceeds, as per the requirements of the Company. If the Net Proceeds are insufficient for making payments for such pre-payment penalties or premiums or interest, such excessive amount shall be met from our internal accruals of our Company. Given the nature of the borrowings and the terms of repayment/ prepayment/ redemption, the aggregate outstanding amounts under the borrowings may vary from time to time and our Company may, in accordance with the relevant repayment schedule, repay or refinance some of their existing borrowings prior to Allotment. We believe that such repayment or prepayment or redemption will help reduce our outstanding indebtedness on a consolidated basis and debt servicing costs and enable utilization of the internal accruals for further investment towards business growth and expansion. Further, as on the date of this Draft Red Herring Prospectus, our Company has obtained all applicable consents from our lenders, in writing, for the purpose of the Offer.

In addition, we believe that this would improve our ability to raise further resources in the future to fund potential business development opportunities. The selection of borrowings proposed to be prepaid or repaid or redeemed amongst our borrowing arrangements will be based on various factors, including (i) maturity profile and the remaining tenor of the loan, (ii) cost of the borrowing, including applicable interest rates, (iii) any conditions attached to the borrowings, restricting our ability to prepay/ repay/ redeem the borrowings and time taken to fulfil, or obtain waivers for fulfilment of such conditions, or relating to the terms of repayment, (iv) levy of any prepayment penalties and the quantum thereof, (v) provisions of any laws, rules and regulations governing such borrowings, and (vi) other commercial considerations including, among others, the amount of the loan outstanding.

Further, our Company may also avail additional borrowings and/ or draw down further funds under existing borrowing facilities, from time to time, after the date of this Draft Red Herring Prospectus. Accordingly, in case any of the below loans are pre-paid or further drawn-down prior to the filing of the Red Herring Prospectus, we may utilize the Net Proceeds towards repayment and / or pre-payment of such additional indebtedness provided that the total amount utilised from Net Proceeds for repayment/pre-payment shall not exceed ₹3,598.92 million. In light of the above, if at the time of filing the Red Herring Prospectus, any of the below mentioned loans are repaid in part or full or refinanced or if any additional credit facilities are availed or drawn down or if the limits under the working capital borrowings are increased, then the table below shall be suitably revised to reflect the revised amounts or loans as the case may be which have been availed by our Company.

The following table provides an indicative list of certain borrowings availed by our Company, as on July 31, 2024, which we may propose pre-pay/ repay, in full or in part from the Net Proceeds for an aggregate amount of ₹ 3,598.92 million:

Sr. No.	Name of the Lender	Nature of Borrowings	Sanction date / Renewed sanction date/ Loan agreement date/ \Repayment schedule date	Amount sanctioned (₹In Millions)	Loans outstanding amount as on July 31, 2024 as per books (₹ In Millions)	Interest rate[#]	Tenor of loan	Repayment schedule/ Date of redemption/ Maturity date	Prepayment/ Early redemption penalty conditions	Purpose of the borrowing/issuance	Whether used for capital expenditure (Yes/No
1	Bank of Baroda	Cash credit	May 17, 2023*	500.00	478.46	9.05%	On going-cash credit	On going-cash credit	No pre-payment penalty	Working Capital	No
2	HDFC Bank Limited	Cash credit	December 27, 2023*	400.00	304.03	8.86%	On going-cash credit	On going-cash credit	Preclosure charge of facility - 2% after 6 months and 4% within 6 months of total credit facility amount	Working Capital	No
3	Yes Bank Limited	Working capital demand loan	September 27, 2023***	300.00	240.00	8.40%	33 Days - WCDL	07-Aug-24**	No pre-payment penalty	Working capital	No
		Cash credit	September 27, 2023*		54.23	8.83%	On going-cash credit	On going-cash credit	No pre-payment penalty	Working capital	No
4	Axis Bank Limited	Working capital demand loan	June 18, 2024	340.00	300.00	8.70%[##]	180 Days-WCDL	October 9, 2024**	2% + GST (18%) i.e. 2.36%	Working capital	No
					40.00	8.50%[##]	90 Days-WCDL	September 18, 2024**	2% + GST (18%) i.e. 2.36%	Working capital	No
5	HDFC Bank Limited	Term Loan	December 27, 2022*	420.00	10.30	8.63%	36 months	December 31, 2025	Preclosure charges of facility: 2% after 6 months and 4% within 6 months of total credit facility amount	Mobilization	No
		Term Loan	December 27, 2022*		10.72	8.60%	36 months	December 30, 2025	Preclosure charges of facility: 2% after 6 months and 4% within 6 months of total credit facility amount	Mobilization	No
		Term Loan	December 27, 2022*		195.35	8.60%	36 months	December 30, 2025	Preclosure charges of facility: 2% after 6 months and 4% within 6 months of total credit facility amount	Mobilization	No
6	HDFC Bank Limited	Term Loan	June 26, 2023*	320.00	153.04	8.31%	24 Months	June 7, 2025	Preclosure charges of facility: 2% after 6 months and 4% within 6 months of total credit facility amount	Mobilization	No
7	HDFC Bank Limited	Term Loan	September 20, 2023*	200.00	121.74	8.11%	24 Months	September 7, 2025	Preclosure charges of facility: 2% after 6 months and 4% within 6 months of total credit facility amount	Mobilization	No

Sr. No.	Name of the Lender	Nature of Borrowings	Sanction date / Renewed sanction date/ Loan agreement date/ \Repayment schedule date	Amount sanctioned (₹In Millions)	Loans outstanding amount as on July 31, 2024 as per books (₹ In Millions)	Interest rate#	Tenor of loan	Repayment schedule/ Date of redemption/ Maturity date	Prepayment/ Early redemption penalty conditions	Purpose of the borrowing/issuance	Whether used for capital expenditure (Yes/No
8	HDFC Bank Limited	Term loan	November 28, 2023*	110.00	70.00	8.14%	22 months	September 29, 2025	Preclosure charges of facility: 2% after 6 months and 4% within 6 months of total credit facility amount	Mobilization	No
9	HDFC Bank Limited	Term Loan	December 26, 2023*	450.00	384.26	8.04%	24 Months	December 7, 2025	Preclosure charges of facility: 2% after 6 months and 4% within 6 months of total credit facility amount	Mobilization	No
10	Axis Bank Limited	Term Loan	May 22, 2023	199.00	94.82	9.30%###	2 Years	May 31, 2025	2% + GST (18%) i.e. 2.36%	Mobilization	No
11	HDFC Bank Limited	Term Loan	March 22, 2024*	150.00	116.67	8.91%	24 Months	September 7, 2025	Preclosure charges of facility: 2% after 6 months and 4% within 6 months of total credit facility amount	Mobilization	No
12	IndusInd Bank Limited	Working capital demand loan	March 12, 2024	300.00	187.50	8.10%##	90 days-WCDL	August 4, 2024**	No pre-payment penalty	Working Capital	No
					62.50	8.10%##		August 2, 2024**			
					50.00	8.10%##		September 28, 2024**			
13	HDFC Bank Limited	Term Loan	May 31, 2024*	140.00	132.22	8.75%##	18 months	December 1, 2025	Preclosure charges of facility: 2% after 6 months and 4% within 6 months of total credit facility amount	Mobilization	No
14	Kotak Mahindra Bank Limited	Working capital demand loan	June 25, 2024	600.00	200.00	8.45%##	80 days-WCDL	September 17, 2024**	For floating rate loans: charge of 2% per annum not exceeding 2% of the outstanding loan amount	Working Capital	No
					200.00	8.45%##	85 days-WCDL	September 21, 2024**			
					200.00	8.45%##	90 days-WCDL	September 27, 2024**			
15	Kotak Mahindra Bank Limited	Term Loan	June 25, 2024	250.00	150.00	8.85%##	30 Months	January 15, 2027	For floating rate loans: charge of 2% per annum not exceeding 2% of the outstanding amount	Equipment Financing	Yes
	Total			**4,679.00**	**3,755.84**						

* *Sanction letters are under the process of renewal as of July 31, 2024.*

***Working capital demand loans ("**WCDL**") are roll-over on expiry of period.*

****Yes Bank WCDL has been renewed on August 6, 2024 for Rs. 280 Millions having Tenue of 33 days.*
 # Interest Rate is provided as on July 31, 2024 unless specifically mentioned.
Interest Rate mentioned as per the last sanction letter / last working capital demand loan roll-over request prior to July 31, 2024.
Interest Rate as on September 24, 2024.
Note:
(1) In accordance with Clause 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations which requires a certificate from the statutory auditor certifying the utilization of loan for the purpose availed, our Statutory Auditor has confirmed that the loans have been utilised for the purpose for which they were availed pursuant to a certificate dated September 30, 2024.

For the purposes of the Offer, we have obtained the necessary consents from the lenders as is required under the relevant loan documentation for undertaking activities in relation to the Offer.

4. *General corporate purposes*

Our Company proposes to deploy the balance Net Proceeds aggregating up to ₹ [●] million towards general corporate purposes, subject to such amount not exceeding 25% of the Gross Proceeds, in compliance with the SEBI ICDR Regulations. The general corporate purposes for which our Company proposes to utilize Net Proceeds include marketing expense requirements, strengthening marketing capabilities and brand building exercises, funding growth opportunities, meeting corporate contingencies and expenses incurred in ordinary course of business, strategic and any other purpose as may be approved by our Board or a duly appointed committee from time to time, subject to compliance with applicable laws. The quantum of utilization of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company and other relevant considerations, from time to time. Our Company's management, in accordance with the policies of our Board, shall have flexibility in utilizing surplus amounts, if any. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of the Net proceeds in a Fiscal, we will utilize such unutilized amount(s) in the subsequent Fiscal. In addition to the above, our Company may utilize the balance Net Proceeds towards any other expenditure considered expedient and as approved periodically by our Board or a duly appointed committee thereof, subject to compliance with applicable law. However, usage of funds will be as disclosed in the Objects of the Offer and any spill over from the intended Objects of the Offer to the general corporate purposes will not be carried out by the Company.

Offer Related Expenses

The total expenses of the Offer are estimated to be approximately ₹ [●] million. The expenses of this Offer include, among others, listing fees, underwriting commission (if any), selling commission and brokerage, fees payable to the BRLMs, fees payable to legal counsel, fees payable to the Registrar to the Offer, Escrow Collection Bank and Sponsor Bank to the Offer, processing fee to the SCSBs for processing application forms, brokerage and selling commission payable to members of the Syndicate, Registered Brokers, RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

Except for (a) listing fees, (b) audit fees of the statutory auditors, and (c) expenses for corporate advertisements and branding of the Company undertaken in the ordinary course of business by the Company, i.e. any corporate advertisements consistent with past practices of the Company and not including expenses relating to marketing and advertisements undertaken in connection with the Offer which will be borne by the Company , all costs, charges, fees and expenses that are associated with and incurred in connection with the Offer including, *inter-alia*, filing fees, book building fees and other charges, fees and expenses of the SEBI, the Stock Exchanges, the Registrar of Companies and any other Governmental Authority, advertising, printing, road show expenses, accommodation and travel expenses, fees and expenses of the legal counsel to the Company and the Indian legal counsel to the BRLMs, fees and expenses of the statutory auditors, registrar fees and broker fees (including fees for procuring of applications), bank charges, fees and expenses of the BRLMs, Syndicate Members, Self-Certified Syndicate Banks, other Designated Intermediaries and any other consultant, advisor or third party in connection with the Offer shall be borne by the Company and each of the Promoter Selling Shareholders in proportion to the number of Equity Shares issued and/or transferred by the Company and each of the Promoter Selling Shareholders in the Offer, respectively, except as may be prescribed by the SEBI or any other regulatory authority.

The estimated Offer expenses are as follows:

(*₹ in million*)

S. No	Activity	Estimated expenses*	As a % of the total estimated Offer expenses	As a % of the total Offer size
1.	Fees payable to the BRLMs including underwriting commission, brokerage and selling commission, as applicable	[●]	[●]	[●]
2.	Selling commission and processing fees for SCSBs (1)(2) and Bidding Charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs(3)(4)(5)(6)	[●]	[●]	[●]
3.	Processing fees payable to the Sponsor Banks	[●]	[●]	[●]

S. No	Activity	Estimated expenses*	As a % of the total estimated Offer expenses	As a % of the total Offer size
4.	Fees payable to the Registrar to the Offer	[●]	[●]	[●]
5.	Other expenses:			
	(i) Listing fees, SEBI and Stock Exchanges filing fees, book building software fees and other regulatory expenses	[●]	[●]	[●]
	(ii) Printing and stationery expenses	[●]	[●]	[●]
	(iii) Advertising and marketing expenses	[●]	[●]	[●]
	(iv) Fees payable to the legal counsels to the Offer	[●]	[●]	[●]
	(v) Fees payable to Statutory Auditor	[●]	[●]	[●]
	(vi) Fees payable to the industry service provider	[●]	[●]	[●]
	(vii) Miscellaneous expenses including [●]	[●]	[●]	[●]
	Total Estimated Offer Expenses	[●]	[●]	[●]

**To be incorporated in the Prospectus after finalisation of the Offer Price. Offer expenses are estimates and are subject to change. Offer expenses include goods and services tax, where applicable.*

(1) Selling commission payable to the SCSBs on the portion for Retail Individual Bidders, portion for Non-Institutional Bidders, which are directly procured by them would be as follows:

*Portion for Retail Individual Bidders**	*[●]% of the Amount Allotted (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*[●]% of the Amount Allotted (plus applicable taxes)*
*Portion for Eligible Employees**	*[●]% of the Amount Allotted (plus applicable taxes)*

** Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price*

Selling Commission payable to the SCSBs will be determined on the basis of the bidding terminal id as captured in the Bid book of BSE or NSE.

No additional processing/uploading charges shall be payable by our Company or the Promoter Selling Shareholders to the SCSBs on the applications directly procured by them.

(2) Processing fees payable to the SCSBs on the portion for Retail Individual Bidders and portion for Non-Institutional Bidders (excluding UPI Bids) which are procured by the members of the Syndicate/sub-Syndicate/Registered Brokers/RTAs/CDPs and submitted to SCSBs for blocking would be as follows:

Portion for Retail Individual Bidders	*₹ [●] per valid Bid cum Application Forms* (plus applicable taxes)*
Portion for Non-Institutional Bidders	*₹ [●] per valid Bid cum Application Forms* (plus applicable taxes)*

**Based on valid Bid cum Application Forms*

(3) Selling commission on the portion for Retail Individual Bidders, the portion for Non-Institutional Bidders which are procured by Syndicate Members (including their sub-Syndicate Members) Registered Brokers, RTAs, CDPs would be as follows:

*Portion for Retail Individual Bidders **	*[●]% of the Amount Allotted (plus applicable taxes)*
*Portion for Non-Institutional Bidders **	*[●]% of the Amount Allotted (plus applicable taxes)*
*Portion for Eligible Employees**	*[●]% of the Amount Allotted (plus applicable taxes)*

** Amount allotted is the product of the number of Equity Shares Allotted and the Offer Price.*
Bidding Charges: ₹ [●] (plus applicable taxes) per valid application bid by the Members of the Syndicate (including their sub-Syndicate Members)/ RTA/CDPs.

Note: The brokerage/selling commission payable to the Syndicate/sub-Syndicate members will be determined on the basis of the ASBA Form number/series, provided that the application is also bid by the respective Syndicate/sub-Syndicate member. For clarification, if an ASBA bid on the application form number/series of a Syndicate/sub-Syndicate member, is bid for by an SCSB, the brokerage/selling commission will be payable to the SCSB and not to the Syndicate/sub-Syndicate member. The brokerage/selling commission payable to the SCSBs, RTAs and CDPs will be determined on the basis of the bidding terminal ID as captured in the Bid book of either of the Stock Exchanges. The bidding charges payable to the Syndicate/sub-Syndicate members will be determined on the basis of the bidding terminal ID as captured in the Bid book of the Stock Exchanges. Payment of brokerage/selling commission payable to the sub-brokers/agents of the sub-Syndicate members shall be handled directly by the sub-Syndicate members, and the necessary records for the same shall be maintained by the respective sub-Syndicate member.

(4) Selling commission payable to the Registered Brokers, RTAs and CDPs on the portion for Retail Individual Bidders, portion for Non-Institutional Bidder which are directly procured by the Registered Broker or RTAs or CDPs or submitted to SCSB for processing, would be as follows:

Portion for Retail Individual Bidders	*₹ [●] per valid Bid cum Application Form* (plus applicable taxes)*
Portion for Non-Institutional Bidders	*₹ [●] per valid Bid cum Application Form* (plus applicable taxes)*
*Portion for Eligible Employees**	*₹ [●] per valid Bid cum Application Form* (plus applicable taxes)*

** Based on valid Bid cum Application Forms*

(5) Bidding charges of ₹ [•] (plus applicable taxes) shall be paid per valid Bid cum Application Form collected by the Syndicate, RTAs and CDPs (excluding applications made by Retail Individual Bidders using the UPI mechanism). The terminal from which the Bid has been uploaded will be taken into account in order to determine the total bidding charges. Further, in order to determine to which Registered Broker/RTA/CDP, the commission is payable, the terminal from which the bid has been uploaded will be taken into account.

(6) Processing fees for applications made by UPI Bidders would be as follows:

RTAs / CDPs/ Registered Brokers/Members of the Syndicate	*₹[●] per valid Bid cum Application Form (plus applicable taxes)*
Sponsor Bank(s)	*₹ [●] for applications made by UPI Bidders using the UPI mechanism** *The Sponsor Bank shall be responsible for making payments to third parties such as the remitter bank, the NPCI and such other parties as required in connection with the performance of its duties under applicable SEBI circulars, agreements and other Applicable Laws.*

** Based on valid applications*

All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Cash Escrow and Sponsor Bank Agreement.

The processing fees for applications made by UPI Bidders may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and such payment of processing fees to the SCSBs shall be made in compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

Interim Use of Funds

Pending utilization of the Net Proceeds for the purposes described above, we undertake to temporarily deposit the funds from the Net Proceeds only with scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934, as amended, as may be approved by our Board. In accordance with Section 27 of the Companies Act 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

Bridge Loan

Our Company has not raised any bridge loans from any bank or financial institution as of the date of this Draft Red Herring Prospectus, which are required to be repaid from the Net Proceeds.

Monitoring of Utilization of Funds

In terms of Regulation 41 of the SEBI ICDR Regulations, prior to filing the Red Herring Prospectus with RoC, our Company will appoint a Monitoring Agency to monitor the utilization of the Gross Proceeds as the proposed Fresh Issue exceeds ₹ 1,000.00 million. The Monitoring Agency will monitor the utilisation of the Gross Proceeds, and the Monitoring Agency shall submit the report required under Regulation 41(2) of the SEBI ICDR Regulations, on a quarterly basis, until such time as the Gross Proceeds have been utilised in full and Company shall provide details / information / certifications obtained from statutory auditors on the utilization of the Net Proceeds to the Monitoring Agency. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay.

Our Company will disclose and continue to disclose, the utilisation of the Gross Proceeds, including interim use under a separate head in our balance sheet for such Fiscals as required under applicable law, clearly specifying the purposes for which the Gross Proceeds have been utilised, till the time any part of the Gross Proceeds remains unutilised. Our Company will also, in its balance sheet for the applicable Fiscals, provide details, if any, in relation to all such Gross Proceeds that have not been utilised, if any, of such currently unutilised Gross Proceeds. Further, our Company, on a quarterly basis, shall include the deployment of Gross Proceeds under various heads, as applicable, in the notes to our quarterly financial results. Our Company will indicate investments, if any, of unutilised Gross Proceeds in the balance sheet of our Company for the relevant Fiscals subsequent to receipt of listing and trading approvals from the Stock Exchanges.

In accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Gross Proceeds from the Objects as stated above; and (ii) details of category wise variations in the actual utilisation of the Gross Proceeds from the Objects as stated above. Pursuant to Regulation 32(3) and Part C of Schedule II, of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Gross Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in the Red Herring Prospectus and the Prospectus and place it before the Audit Committee and make other disclosures as may be required until such time as the Gross Proceeds remain unutilised. Such disclosure shall be made only until such time that all the Gross Proceeds have been utilised in full. The statement shall be certified by the Statutory Auditors of our Company in accordance with Regulation 32(5) of SEBI Listing Regulations.

Variation in Objects of the Offer

In accordance with Sections 13(8) and 27 of the Companies Act and the SEBI ICDR Regulations, our Company shall not vary the objects of the Fresh Issue unless our Company is authorized to do so by way of a special resolution of its Shareholders. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution ("**Notice**") shall specify the prescribed details and be published in accordance with the Companies Act. The Notice shall simultaneously be published in the newspapers, one in English and one in Hindi, the vernacular language of the jurisdiction where our Registered Office is situated. Our Promoters and controlling Shareholders, as of the time of such proposed variation, will be required to provide an exit opportunity to the Shareholders who do not agree to the above stated proposal subject to the provisions of the Company Act, and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with our Articles of Association and the SEBI ICDR Regulations, in this regard.

Appraising Entity

None of the Objects for which the Net Proceeds will be utilized have been appraised by any bank/financial institution. Also see, '*Risk Factors - Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by any bank or financial institution or any other independent agency'* on page 67.

Other Confirmations

Except to the extent of any proceeds received pursuant to the sale of Offered Shares proposed to be sold in the Offer by the Promoter Selling Shareholders, no part of the Offer Proceeds will be paid to our Promoters, members of the Promoter Group, Group Companies, Directors, our Key Managerial Personnel or Senior Management. Our Company has neither entered into nor has planned to enter into any arrangement/ agreements with our Promoters, members of the Promoter Group, Directors, our Key Managerial Personnel, our Senior Management or our Group Companies in relation to the utilization of the Offer Proceeds. Further, there are no material existing or anticipated interest of such individuals and entities in the Objects of the Offer except as set out above.

There has been no instance of delays, defaults, rescheduling/restructuring or evergreening in respect of the outstanding borrowings for which the Net Proceeds will be utilized for repayment or prepayment.

BASIS FOR OFFER PRICE

The Price Band, the Offer Price and the Floor Price will be determined by our Company in consultation with the BRLMs on the basis of assessment of market demand for the Equity Shares offered in the Offer through the Book Building Process and on the basis of the qualitative and quantitative factors as described below. The face value of the Equity Shares is ₹1 each and the Offer Price is [●] times the Floor Price and [●] times the Cap Price, and Floor Price is [●] times the face value and the Cap Price is [●] times the face value.

Bidders should also refer to the sections "*Our Business*", "*Risk Factors*", "*Financial Information – Restated Consolidated Financial Information*" and "*Management Discussion and Analysis of Financial Condition and Results of Operations*" on pages 276, 32, 361 and 440 respectively, to have an informed view before making an investment decision.

Qualitative Factors

We believe that some of the qualitative factors which form the basis for computing the Offer Price are:

- **We have a proven track record of successful execution and focus on building construction.** With over 30 years of experience in executing construction projects primarily for central government agencies, we have put in place well-tested systems and control for identification of bid opportunities, robust contract and project management, utilisation of in-house equipment and usage tracking as well as cost-effective procurement;

- **Efficient business model with integrated execution capabilities.** Our growth is attributable to our efficient business model of careful selection and execution of our projects. This model has facilitated optimum efficiency and improved profitability over the years. Additionally, owning and maintaining a modern equipment fleet, backward integration and use of technology for our projects ensures better control over execution in terms of quality and cost and timely completion in providing EPC services;

- **Robust order book with central government/multilateral institutions funded projects.** An order book is considered an indicator of future performance since it represents a portion of anticipated future revenue. During the last three Fiscal Years, our Order Book value was ₹ 38,447.93 million as of March 31, 2024, ₹ 32,238.35 million as of March 31, 2023, and ₹ 19,295.18 million as of March 31, 2022. This continued momentum in Order Book value provides us financial as well as operational benefits, such as clarity regarding future revenue potential and, work requirements;

- **Consistent financial performance and credit rating.** Our integrated execution capabilities, project management efficiency and equipment ownership model have led to a significant year over year growth in our revenue and net profit and led to improvement in our other financial metrics as well including PAT margin and return on equity. Our financial strength enables us to access bank guarantees and letters of credit at reasonable terms. Our strong financial performance and substantial assets, helps us present a strong credit profile to our lenders and keeps alternatives sources of financing available to us. We have seen improvement in our credit rating for long-term borrowings from CRISIL A- to CRISIL A over the past three fiscal years from fiscal 2022 to fiscal 2024. (*Source: CRISIL Report*); and

- **Experienced promoters with a strong management and technical team.** We have seen robust business growth under the vision, leadership and guidance of our Promoters, who have more than 36 years of experience in the construction industry. In addition to our Promoters, our team includes qualified, experienced and skilled professionals who have experience in engineering and construction sector. Additionally, as on March 31, 2024, we had a workforce of 1,810 employees of which 304 employees are our in-house engineers.

For further details see "*Our Business – Our Strengths*" on page 284.

Quantitative factors

Some of the information presented in this section relating to our Company is derived from the Restated Consolidated Financial Information. For details, see "*Financial Information – Restated Consolidated Financial Information*" and *'Other Financial Information'* on page 361 and 436, respectively.

Some of the quantitative factors, which may form the basis for computing the Offer Price, are as follows:

A. Basic and Diluted Earnings Per Share ("EPS"), adjusted for changes in capital at face value of ₹ 1 each:

Financial period	Basic EPS (BEPS) (in ₹)	Diluted EPS (DEPS) (in ₹)	Weight
March 31, 2024	9.25	9.25	3
March 31, 2023	7.03	7.03	2
March 31, 2022	4.91	4.91	1
Weighted Average	**7.79**	**7.79**	

Certified by S S Kothari Mehta & Co. LLP, Chartered Accountants, by its certificate dated September 30, 2024.

Notes:

i. *Pursuant to the resolutions passed at board meeting and extra ordinary general meeting held on May 27, 2024 and June 7,2024 respectively, stock split of one equity share having face value of ₹ 100 each into 100 equity shares having face value of ₹ 1 each has been approved.*

ii. *Pursuant to the resolutions passed at board meeting and extra ordinary general meeting held on May 27, 2024 and June 7,2024 respectively 27 bonus equity shares for every 1 existing equity shares (1:27) had been approved.*

iii. *The impact of events mentioned in note (i) and (ii) in relation to stock split and bonus shares has been considered retrospectively for the purpose of calculation of Earnings per share for current year and previous years.*

iv. *Earnings per share calculations are in accordance with Ind AS 33 (Earnings per Share).*

v. *The ratios have been computed as below:*

   a. *Basic earnings per share (₹) = Restated Net profit attributable to equity shareholders divided by weighted average number of shares outstanding during the year.*

   b. *Diluted earnings per share (₹) = Numerator for calculating dilutive earnings per share divided by weighted average number of dilutive equity shares.*

vi. *The weighted average basic and diluted EPS is a product of basic and diluted EPS and respective assigned weight, dividing the resultant by total aggregate weight.*

vii. *Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.*

B. Price/Earning ("P/E") ratio in relation to the Price Band of ₹ [●] to ₹ [●] per Equity Share:

Particulars	P/E at the Floor Price* (no. of times)	P/E at the Cap Price (no. of times)
Based on basic EPS for year ended March 31, 2024	**[●]**	**[●]**
Based on diluted EPS for year ended March 31, 2024	**[●]**	**[●]**

*****_To be computed after finalisation of Price Band_

C. Industry Peer Group P/E ratio

Particulars	Name of Company	Industry P/E	Face Value of Equity Shares (Rs)
Highest	NCC Ltd	27.27	2.00
Lowest	PSP Projects Ltd	19.52	10.00
Average	NA	23.24	NA

Notes:

i. *P/E Ratio has been computed based on the closing market price of the equity shares of the peer group identified above, as on September 25, 2024 on www.nseindia.com, divided by the Diluted EPS as on March 31, 2024.*

ii. *Diluted EPS for Ahluwalia Contracts (India) Limited, Capacite Infraprojects Limited and PSP Projects Limited has taken from Audited Results for the year ended March 31, 2024 uploaded by the respective companies with Stock exchanges and for NCC Limited diluted EPS is taken from annual report for the year ended March 31, 2024 published on its website.*

iii. *The industry high and low has been considered from the industry peer set provided in table Comparison of accounting ratios with Listed Industry Peers.*

iv. *The industry composite has been calculated as the arithmetic average P/E of the industry peer table Comparison of accounting ratios with Listed Industry Peers.*

D. Return on Net Worth ("RoNW"):

Fiscal year/ period ended	RoNW (%)	Weight
March 31, 2024	33.02	3
March 31, 2023	35.34	2
March 31, 2022	35.32	1
Weighted Average	34.18	

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i. RoNW is calculated as Profit for the year divided by net worth calculated on average of opening and closing Net worth of the year. Net worth means aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write back of depreciation, each as applicable for the Company on a restated basis.
ii..Weighted average is aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x weight) for each year/period)/(Total of weights).

E. Net Asset Value ("NAV") per Equity Share:

NAV per Equity Share	(in ₹)
As on March 31, 2024#	32.62
As on March 31, 2023#	23.43
As on March 31, 2022#	16.38
At Floor Price	[●]*
At Cap Price	[●]*
At Offer Price#	[●]

To be computed after finalisation of Price Band
#Offer price per Equity Share will be determined at the conclusion of the Book Building Process
#As per the Restated Financial Statements and as adjusted for sub-division of Equity Shares and bonus issuance of the Equity Shares of the Company.
Notes:

i. *Net asset value per Equity Share is calculated as Restated net worth divided by Number of Equity Shares outstanding as at the end of year. Restated net worth means aggregate value of the paid-up share capital including effect of bonus shares and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation, each as applicable for the Company on a restated basis.*
ii. *Pursuant to the resolutions passed at board meeting and extra ordinary general meeting held on May 27, 2024 and June 07, 2024 respectively, stock split of one equity share having face value of ₹ 100 each into 100 equity shares having face value of ₹ 1 each has been approved.*
iii. *Pursuant to the resolutions passed at board meeting and extra ordinary general meeting held on May 27, 2024 and June 07, 2024 respectively 27 bonus equity shares for every 1 existing equity shares (1:27) had been approved.*
iv. *The impact of events mentioned in note (iii) and (iv) in relation to stock split and bonus shares has been considered retrospectively for the purpose of calculation of net asset value per share for current year and previous years.*
v. *The figures disclosed above for the financial year ended March 31, 2024, are based on the Restated Consolidated Financial Information of the Company*

F. Comparison of accounting ratios with Listed Industry Peers

Following is the comparison with our peer group companies listed in India (i.e. companies of comparable size in the same industry) and in the same line of business as our Company:

Name of the Company	Face value per equity share (₹)	P/E	EPS (Basic)	EPS (Diluted)	RoNW (%)	NAV (₹ per share)
Varindera Constructions Limited*	1^	Na	9.25	9.25	33.02	32.62
Ahluwalia Contracts (India) Limited	2	21.26	55.95	55.95	26.51	238.84
Capacite Infraprojects Limited	10	24.90	16.09	16.09	9.29	179.31
NCC Limited	2	27.27	11.32	11.32	11.14	108.50
PSP Projects Limited	10	19.52	34.16	34.16	14.33	254.13

**Financial information for the Company is derived from the Restated Financial Statements as at and for the Fiscal 2024.*
^The face value of equity shares of the Company is ₹ 1. Please refer to note 54 of the Restated Consolidated Financials Information on page 429.
Source for Industry Peer information included above: Data for Ahluwalia Contracts (India) Limited, Capacite Infraprojects Limited and PSP Projects Limited has been taken from Audited Results for the year ended March 31, 2024 uploaded by the respective companies with Stock exchanges and for NCC Limited data is taken from annual report for the year ended March 31, 2024 published on its website.
Notes:

1. *NAV is computed as the Restated net worth divided by the closing outstanding number of equity shares as on March 31, 2024. Restated net worth means aggregate value of the paid-up share capital including effect of bonus shares and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the*

aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation, each as applicable for the Company on a restated basis.

2. *P/E Ratio has been computed based on the closing market price of the equity shares of the peer group identified above, as on September 25, 2024, on www.nseindia.com, divided by the Diluted EPS as on March 31, 2024.*
3. *RoNW is calculated as Profit for the year divided by net worth calculated on average of opening and closing Net worth of the year. Restated Net-worth means: aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation, each as applicable for the Company on a restated basis.*
4. *The financial information for our Company is based on the Restated Consolidated Financial Information as at and for the financial year ended March 31, 2024.*
5. *The financial information for listed industry peer mentioned above is on a consolidated basis and is sourced from the financial statements for the financial year ended March 31, 2024 submitted to the Stock Exchanges.*

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A. Key Performance Indicators

Key performance indicators having a bearing on the basis for the Offer Price

The KPIs disclosed below have been used historically by our Company to understand and analyze the business performance, which in result, help us in analyzing the growth of various verticals in comparison to our peers. In evaluating our business, we consider and use certain KPIs, as stated above, as a supplemental measure to review and assess our financial and operating performance. The presentation of these KPIs is not intended to be considered in isolation or as a substitute for the Restated Consolidated Financial Information. We use these KPIs to evaluate our financial and operating performance. These KPIs have limitations as analytical tools. Further, these KPIs may differ from the similar information used by other companies and hence their comparability may be limited. Therefore, these metrics should not be considered in isolation or construed as an alternative to Ind AS measures of performance or as an indicator of our operating performance, liquidity or results of operation. Although, these KPIs are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it provides an additional tool for investors to use in evaluating our ongoing operating results and trends and in comparing our financial results with other companies in our industry because it provides consistency and comparability with past financial performance, when taken collectively with financial measures prepared in accordance with Ind AS.

Investors are encouraged to review the Ind AS financial measures and to not rely on any single financial or operational metric to evaluate our business.

Our Company considers the following key performance indicators ("**KPI**") to have a bearing for arriving at the basis for the Offer Price. The table below also sets forth a brief explanation of and the importance of these KPIs for our business and operations, along with details of KPIs as at/ for the fiscal years ended March 31, 2024, March 31, 2023, March 31, 2022:

Sr. no.	Particulars	Type of Parameter	Unit	March 31, 2022	March 31, 2023	March 31, 2024	Explanation
1	Order Book[#(1)]	Operational	INR Billion	19.30	32.24	38.45	Order Book represents the as reported contract value of the unexecuted portion of a company's existing assigned contracts and is an indicator of visibility of future revenue for the company.
2	Order book to revenue from operations[(2)]	Operational	Times (*x*)	1.94	3.07	2.77	Orderbook to Revenue Ratio is an indicator of the size of the order book at the end of reported period to the revenue generated for that period.
3	Order Inflow[(3)]	Financial	INR Billion	9.96	23.78	21.14	Order Inflow represents the value of orders won during the period.
4	Total Income[(4)]	Financial	INR Million	9,971.48	10,637.84	14,039.81	Total income represents the revenue from goods or services sold by the company as well as non-operating income generated during the period.
5	Revenue from operations[(5)]	Financial	INR Million	9,943.29	10,485.51	13,889.28	Revenue from operations represents the revenue from goods or services sold by the company during the period.
6	EBITDA [(6)]	Financial	INR Million	1,191.62	1,645.46	2,397.60	EBITDA indicates company's profit/loss before interest expenses, depreciation / amortisation and tax expenses incurred
7	EBITDA Margin (%)[(7)]	Financial	%	11.98	15.69	17.26	EBITDA Margin (%) is an indicator of the profitability/losses of a company's business and indicates earnings margin profile of a company's business for the period.

Sr. no.	Particulars	Type of Parameter	Unit	March 31, 2022	March 31, 2023	March 31, 2024	Explanation
8	Profit after tax ("PAT") [(8)]	Financial	INR Million	761.47	1,090.14	1,433.82	PAT provides information regarding the overall profitability / Losses of a company's business during the period
9	Cash Profit After Tax[(9)]	Financial	INR Million	824.42	1,199.83	1,622.18	Cash Profit is an indicator of the profitability/losses of the business excluding depreciation and amortization expense
10	PAT Margin (%)[(10)]	Financial	%	7.66	10.40	10.32	PAT Margin (%) is an indicator of the profit / loss margin of a company's business during the period.
11	Cash Profit Margin (%)[(11)]	Financial	%	8.29	11.44	11.68	Cash Profit Margin (%) is an indicator cash profit / loss margin of a company's business excluding the depreciation / amortisation during the period.
12	Total Net Worth [(12)]	Financial	INR Million	2,538.05	3,630.84	5,054.91	Total Net Worth is an indicator of a company's total equity as on end date of the reporting period.
13	Total Debt [(13)]	Financial	INR Million	1,493.79	2,361.39	3,481.54	Total Debt is a financial position metric, and it represents the absolute value of borrowings.
14	Net Debt [(14)]	Financial	INR Million	750.67	1,190.04	1,976.22	Net Debt is a liquidity metric, and it represents the absolute value of borrowings net of cash and cash equivalents, bank balances and other cash and cash equivalents.
15	Net Debt to EBITDA Ratio [(15)]	Financial	Times (*x*)	0.63	0.72	0.82	Net Debt to EBITDA ratio enables a company to measure the ability and extent to which a company can cover their debt in comparison to the EBITDA being generated by them.
16	Net Debt to Equity [(16)]	Financial	Times (*x*)	0.30	0.33	0.39	Total net debt to Equity Ratio is a measure of the extent to which a represents a company's debt position in comparison to their equity position. It helps evaluate a company's financial leverage.
17	Return on Equity(including total networth) (%) [(17)]	Financial	%	35.32	35.34	33.02	Return on Equity represents how efficiently a company generates profits from their shareholders funds.
18	Return on Capital Employed (including total networth) (%) [(18)]	Financial	%	26.87	24.90	25.03	Return on Capital Employed represents how efficiently a company generates earnings before interest and tax from the shareholders funds and borrowings.
19	Working Capital Days [(19)]	Financial	Days	82.14	100.69	118.81	Working Capital Days describes duration it takes for a company to convert its working capital into revenue.
20	Cash Flow from Operations ("**CFO**") [(20)]	Financial	INR Million	(520.24)	539.13	416.68	Cash Flow from Operations is a measure of the cash generated or utilised by a company for its operations, excluding any financing, or investing activities during the year.
21	Interest Coverage Ratio [(21)]	Financial	Times (*x*)	9.24	9.12	6.78	Interest coverage ratio indicates company's ability to pay the interest costs during the period.
22	Gross Block/Revenue from Operations [(22)]	Financial	%	5.80	12.35	14.49	Gross block/ Revenue from Operations is a Non-GAAP financial measure of efficiency in utilizing assets to generate revenue.

Notes:

 # Order Book of the company is inclusive of taxes;

** The information with respect to financial parameters of the company have been considered on a consolidated basis as per the audited restated consolidated financial statements of the company for the fiscals ended March 31, 2024, March 31, 2023 & March 31, 2022.*

Certified by Mukesh Raj & Co., Chartered Accountants, by its certificate dated September 30, 2024. This certificate has been designated a material document for inspection in connection with the Offer. See "Material Contracts and Documents for Inspection" on page 564.

1. *Order Book is calculated as sum of value of unexecuted contract as on a particular date.*
2. *Order book / revenue from operations*
3. *Order inflow is calculated as sum of all the order won during a particular period.*
4. *Total income is calculated as sum of Revenue from operation plus other income plus share of profit from associates / joint ventures minus share of losses from associates / joint ventures*
5. *Revenue from operation is calculated as sum of Revenue from operating activities of the company during a particular period under consideration*
6. *EBITDA is considered profit before exceptional items plus finance costs plus depreciation / amortisation*
7. *EBITDA Margin (%) is the percentage of EBITDA divided by revenue from operations*
8. *PAT is calculated by considering EBITDA minus any finance costs, depreciation / amortisation, exceptional items, and tax expenses.*
9. *Cash profit after Tax is sum of PAT and depreciation & amortization*
10. *PAT Margin (%) is calculated as profit (after tax) for the period / year as a % of revenue from operations*
11. *Cash Profit Margin is calculated as Cash Profit as a % of revenue from operations*
12. *Total Net worth has been defined as the aggregate value of the paid-up equity share capital and all reserves, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.*
13. *Total Debt is computed as Non-Current Borrowings plus Current Borrowings*
14. *Net debt is total debt minus cash and bank balances. Cash and bank balances is calculated by subtracting balance with banks in unpaid dividend account, deposits pledged with banks, deposits kept as margin money, bank balances part of escrow accounts and long-term deposits with banks*
15. *Calculated as Net Debt divided by EBITDA.*
16. *Calculated as Net Debt divided by tangible networth. Tangible networth is calculated as total networth minus intangible assets.*
17. *ROE (including total networth) is calculated as PAT as a % of Average total net worth. Average is computed as simple average of current year and previous year*
18. *RoCE (including total networth) is calculated as Earnings before depreciation, interest and tax (EBIT) as % of capital employed, where in capital employed is considered as sum of total networth, total debt, lease liabilities and deferred tax liabilities. In EBIT the interest includes all interest costs except for interest on income tax.*
19. *Working Capital (in days) is calculated as Receivables days + Unbilled revenue days – Payables days + Inventory days.*

    - *Receivable days are calculated as (Current Receivables *365)/ Revenue from operations*
    - *Inventory days are calculated as (Inventory *365)/Cost of sales. Where cost of sales include total expenses minus finance costs and depreciation/ amortization.*
    - *Unbilled revenue days is calculated as (Current Unbilled Revenue *365)/ Revenue from Operations.*
    - *Payable days are calculated as (Payables *365)/(Cost of material consumed + Construction Expenses + Subcontracting Expense + Employee Benefit Expenses + Purchase of Traded Goods + Changes in inventory.)*

20. *Cash Flow from Operations (CFO) Is calculated as Profit Before Tax Plus Non-operating expenses and non-cash expenses plus interest expense Less Non-operating income / non-cash income Less Increase in current assets / decrease in current liabilities add Decrease in current assets / increase in current liabilities Less Tax paid).*
21. *Interest coverage ratio is calculated by dividing the company's Earnings before interest and tax expense by the finance cost for that period*
22. *Gross Block /revenue from operations is calculated as Gross Block including intangible assets as a % of revenue from operations. Intangible assets include goodwill and other intangible assets and exclude intangible assets under development*

The Audit Committee has confirmed and taken on record that (a) no KPIs have been shared by our Company with any investors in the three years prior to filing of this Draft Red Herring Prospectus, and (b) verified details of the aforementioned KPIs have been included in this section. Further, the KPIs herein have been certified by *Mukesh Raj & Co, Chartered Accountants*, by their certificate dated September 30, 2024.

Our Company shall continue to disclose the KPIs disclosed hereinabove in this section on a periodic basis, at least once in a year (or for any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares, or until the utilization of Offer Proceeds, whichever is later, on the Stock Exchanges pursuant to the Offer, or for such other period as may be required under the SEBI ICDR Regulations.

We have described and defined the KPIs, as applicable, in "*Definitions and Abbreviations*" on page 1. For further information on the other operating metrics of our Company please see "*Our Business – Our Projects*" on page 293.

Comparison of KPIs based on additions or dispositions to our business

Our Company has not undertaken any material acquisition or dispositions of assets/business during the Fiscal Years ended March 31, 2024, 2023 and 2022.

Comparison of KPIs with listed industry peers

While our listed peer (mentioned below), like us, operate in the same industry and may have similar offerings or end use applications, our business may be different in terms of differing business models, different product verticals serviced or focus areas or different geographical presence.

Set forth below is a comparison of the KPIs of our Company vis-à-vis its listed peer as of/ for the fiscal years ended March 31, 2022, March 31, 2023 and March 31, 2024.

S.No.	Parameter	Type of Parameter	Fiscal Year 2022					
			UoM	The Company	Ahluwalia Contracts (India) Limited	Capacite Infraprojects Limited	NCC Limited	PSP Projects Limited
1	Order book	Operational	INR Billion	19.30	57.92	87.02	393.61	43.24
2	Order book to revenue from operations	Operational	Times (x)	1.94	2.15	6.49	3.53	2.47
3	Order inflow	Operational	INR Billion	9.96	N.A.	6.16	121.58	N.A.
4	Total Income	Financial	INR Million	9,971.48	27,216.09	13,522.23	1,12,100.80	17,701.57
5	Revenue from operations	Financial	INR Million	9,943.29	26,924.69	13,398.28	1,11,379.60	17,480.63
6	EBITDA	Financial	INR Million	1,191.62	2,857.02	2,309.29	10,959.20	2,805.33
7	EBITDA Margin (%)	Financial	%	11.98	10.61	17.24	9.84	16.05
8	Profit after tax ("PAT")	Financial	INR Million	761.47	1,552.17	477.57	4,940.30	1,666.52
9	Cash Profit after Tax	Financial	INR Million	824.42	1,887.99	1,465.70	6,807.70	1,987.05
10	PAT Margin (%)	Financial	%	7.66	5.76	3.56	4.43	9.53
11	Cash Profit Margin %	Financial	%	8.29	7.01	10.94	6.11	11.37
12	Total Networth	Financial	INR Million	2,538.05	10,351.85	9,651.74	58,961.50	6,869.59
13	Total Debt	Financial	INR Million	1,493.79	6.87	3,282.95	13,024.30	996.57

S.No.	Parameter	Type of Parameter	Fiscal Year 2022					
			UoM	The Company	Ahluwalia Contracts (India) Limited	Capacite Infraprojects Limited	NCC Limited	PSP Projects Limited
14	Net Debt	Financial	INR Million	750.67	(3,356.34)	2,146.08	10,204.20	(647.94)
15	Net Debt to EBITDA Ratio	Financial	Times (x)	0.63	(1.17)	0.93	0.93	(0.23)
16	Net debt to Equity	Financial	Times (x)	0.30	(0.33)	0.22	0.17	(0.09)
17	Return on Equity (including total networth)	Financial	%	35.32	16.22	5.07	8.69	27.26
18	Return on Capital Employed (including total networth)	Financial	%	26.87	22.06	8.14	10.66	30.52
19	Working capital days	Financial	Days	82.14	35.63	114.10	35.27	41.29
20	Cash Flow from Operations (CFO)*	Financial	INR Million	(520.24)	657.49	344.95	14,155.50	1,472.72
21	Interest Coverage Ratio	Financial	Times (x)	9.24	5.77	1.97	1.90	9.38
22	Gross Block /revenue from operations	Financial	%	5.80	9.77	81.96	21.42	19.75

Certified by Mukesh Raj & Co, Chartered Accountants by its certificate dated September 30, 2024.

Notes:

(1) The information in the above table pertaining to industry peers has been fetched from the annual report of the respective companies available on the official website of the respective peers on a consolidated basis;

(2) For all the listed peers except for NCC Limited, the information other than order book as on/ for the year ended March 31, 2022 was in INR Lakhs and we have undertaken to convert this information into INR Million for uniform comparison and the information in respect of NCC Limited as on/ for the year ended March 31, 2022 was in INR Crores and we have undertaken to convert this information into INR Million for uniform comparison;

(3) The key performance indicators for the peers have been calculated as per the formula defined for the company tabulated above.

S.No.	KPI Metric	Type of Parameter	Fiscal Year 2023					
			UoM	The Company	Ahluwalia Contracts (India) Limited	Capacite Infraprojects Limited	NCC Limited	PSP Projects Limited
1	Order book	Operational	INR Billion	32.24	81.63	95.13	502.44	50.52
2	Order book to revenue from operations	Operational	Times (x)	3.07	2.88	5.29	3.23	2.61
3	Order inflow	Operational	INR Billion	23.78	N.A.	34.62	258.95	N.A.
4	Total Income	Financial	INR Million	10,637.84	28,677.71	18,086.02	1,57,114.70	19,601.07
5	Revenue from operations	Financial	INR Million	10,485.51	28,383.93	17,985.87	1,55,534.10	19,378.06
6	EBITDA	Financial	INR Million	1,645.46	3,335.06	3,613.76	16,170.50	2,523.65
7	EBITDA Margin (%)	Financial	%	15.69	11.75	20.09	10.40	13.02
8	Profit after tax ("PAT")	Financial	INR Million	1,090.14	1,939.77	952.97	6,462.10	1,319.41

S.No.	KPI Metric	Type of Parameter	Fiscal Year 2023					
			UoM	The Company	Ahluwalia Contracts (India) Limited	Capacite Infraprojects Limited	NCC Limited	PSP Projects Limited
9	Cash Profit after Tax	Financial	INR Million	1,199.83	2,327.51	2,312.93	8,488.20	1,719.46
10	PAT Margin (%)	Financial	%	10.40	6.83	5.30	4.15	6.81
11	Cash Profit Margin %	Financial	%	11.44	8.20	12.86	5.46	8.87
12	Total Networth	Financial	INR Million	3,630.84	12,283.32	10,734.52	64,854.60	8,009.93
13	Total Debt	Financial	INR Million	2,361.39	26.92	3,696.52	9,738.20	1,449.81
14	Net Debt	Financial	INR Million	1,190.04	(4,893.48)	2,300.02	6,582.90	593.99
15	Net Debt to EBITDA Ratio	Financial	Times (x)	0.72	(1.47)	0.64	0.41	0.24
16	Net debt to Equity	Financial	Times (x)	0.33	(0.40)	0.21	0.10	0.07
17	Return on Equity (including total networth)	Financial	%	35.34	17.14	9.35	10.44	17.73
18	Return on Capital Employed (inlcuding total networth)	Financial	%	24.90	21.92	13.55	16.60	21.74
19	Working capital days	Financial	Days	100.69	49.44	110.42	42.88	82.89
20	Cash Flow from Operations (CFO)*	Financial	INR Million	539.13	3,013.09	1,009.27	11,001.10	452.78
21	Interest Coverage Ratio	Financial	Times (x)	9.12	8.91	2.52	2.75	6.64
22	Gross Block /Revenue from operations	Financial	%	12.35	12.75	65.78	16.81	21.48

Certified by Mukesh Raj & Co, Chartered Accountants by its certificate dated September 30, 2024.

Notes:

(1) The information in the above table pertaining to industry peers has been fetched from the annual report of the respective companies available on the official website of the respective peers on a consolidated basis;

(2) For all the listed peers except for NCC Limited, the information other than order book as on/ for the year ended March 31, 2023 was in INR Lakhs and we have undertaken to convert this information into INR Million for uniform comparison and the information in respect of NCC Limited as on/ for the year ended March 31, 2023 was in INR Crores and we have undertaken to convert this information into INR Million for uniform comparison;

(3) The key performance indicators for the peers have been calculated as per the formula defined for the company tabulated above.

S.No.	KPI Metric	Type of Parameter	Fiscal Year 2024					
			UoM	The Company	Ahluwalia Contracts (India) Limited	Capacite Infraprojects Limited	NCC Limited	PSP Projects Limited
1	Order book	Operational	INR Billion	38.45	111.80	90.11	575.36	60.49
2	Order book to revenue from operations	Operational	Times (x)	2.77	2.90	4.66	2.76	2.41
3	Order inflow	Operational	INR Billion	21.14	65.37	20.09	272.83	N.A.

S.No.	KPI Metric	Type of Parameter	Fiscal Year 2024					
			UoM	The Company	Ahluwalia Contracts (India) Limited	Capacite Infraprojects Limited	NCC Limited	PSP Projects Limited
4	Total Income	Financial	INR Million	14,039.81	38,912.71	19,646.55	2,09,761.90	25,295.20
5	Revenue from operations	Financial	INR Million	13,889.28	38,552.98	19,316.38	2,08,449.60	25,057.89
6	EBITDA	Financial	INR Million	2,397.60	4,244.71	3,643.74	19,001.10	2,846.67
7	EBITDA Margin (%)	Financial	%	17.26	11.01	18.86	9.12	11.36
8	Profit after tax ("PAT")	Financial	INR Million	1,433.82	3,748.26	1,203.30	7,404.10	1,229.73
9	Cash Profit after Tax	Financial	INR Million	1,622.18	4,416.82	2,216.89	9,523.30	1,878.41
10	PAT Margin (%)	Financial	%	10.32	9.72	6.23	3.55	4.91
11	Cash Profit Margin %	Financial	%	11.68	11.46	11.48	4.57	7.50
12	Total Networth	Financial	INR Million	5,054.91	15,999.45	15,170.75	68,118.80	9,148.70
13	Total Debt	Financial	INR Million	3,481.54	449.66	3,257.98	9,800.20	4,550.90
14	Net Debt	Financial	INR Million	1,976.22	(5,587.43)	1,873.66	3,731.50	4,046.77
15	Net Debt to EBITDA Ratio	Financial	Times (x)	0.82	(1.32)	0.51	0.20	1.42
16	Net debt to Equity	Financial	Times (x)	0.39	(0.35)	0.12	0.05	0.44
17	Return on Equity (including total networth)	Financial	%	33.02	26.51	9.29	11.14	14.33
18	Return on Capital Employed (inlcuding total networth)	Financial	%	25.03	19.93	12.21	19.00	15.23
19	Working capital days	Financial	Days	118.81	66.25	150.49	22.68	98.58
20	Cash Flow from Operations (CFO)*	Financial	INR Million	416.68	2,574.54	(388.16)	13,594.50	(2,239.84)
21	Interest Coverage Ratio	Financial	Times (x)	6.78	7.43	2.75	2.84	4.32
22	Gross Block /Revenue from operations	Financial	%	14.49	12.09	63.06	13.31	22.32

Notes:

(1) The information in the above table pertaining to industry peers has been fetched from the annual report of the respective companies available on the official website of the respective peers on a consolidated basis;

(2) For all the listed peers except for NCC Limited, the information other than order book as on/ for the year ended March 31, 2024 was INR Lakhs and we have undertaken to convert this information into INR Million for uniform comparison and the information in respect of NCC Limited as on/ for the year ended March 31, 2024 was in INR Crores and we have undertaken to convert this information into INR Million for uniform comparison;

(3) (3) The key performance indicators for the peers have been calculated as per the formula defined for the company tabulated above.

Weighted average cost of acquisition

(a) **Price per share of the Company (as adjusted for corporate actions, including split, bonus issuances) based on primary issuances of Equity Shares or convertible securities (excluding Equity Shares issued under the ESOP schemes and issuance of Equity Shares pursuant to a bonus issue) during the 18 months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-Offer capital before such transaction(s) and excluding ESOPs granted but not vested) in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Primary Issuances")**

There has been no issuance of Equity Shares or convertible securities during the 18 months preceding the date of this DRHP, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-Offer capital before such transaction(s) and excluding employee stock options granted but not vested, as applicable), in a single transaction or multiple transactions combined together over a span of 30 days. As on the date of this Draft Red Herring Prospectus, no Equity Shares have been issued under the ESOP Scheme.

(b) **Price per share of the Company (as adjusted for corporate actions, including bonus issuances) based on secondary sale or acquisition of equity shares or convertible securities (excluding gifts) involving any of the Promoters, members of the Promoter Group, Selling Shareholders or other Shareholder(s) with rights to nominate directors during the 18 months preceding the date of filing of the DRHP/ RHP, where the acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-Offer capital before such transaction/s and excluding ESOPs granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Secondary Transactions")**

There have been no secondary sale/ acquisitions of Equity Shares or any convertible securities, where the Promoter, members of the Promoter Group are a party to the transaction, during the 18 months preceding the date of this Draft Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of our Company (calculated based on the pre-Offer capital before such transaction/s and excluding ESOPs granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

For the purpose of disclosure under part (a) and (b) above, 'primary transaction' refers to a primary issue of Equity Shares or securities convertible into Equity Shares, excluding shares issued under a bonus issuance and sub-division of shares and 'secondary transactions' refer to any secondary sale or acquisition of Equity Securities (excluding gifts).

(c) *Primary and secondary transactions in the last three years preceding the date of this Draft Red Herring Prospectus*

Since there are no such transactions to report to under (a) and (b) therefore, information for the last 5 primary or secondary transactions (secondary transactions where Promoter / Promoter Group entities or Selling Shareholders or shareholder(s) having the right to nominate director(s) in the Board of our Company, are a party to the transaction), not older than 3 years prior to the date of this DRHP irrespective of the size of transactions, is as below:

Primary transactions:

Except as disclosed below, there have been no primary transactions in the last three years preceding the date of this DRHP:

Date of allotment	No. of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of allotment	Nature of consideration	Total consideration (in ₹ million)
July 6, 2024	149,445,000	1	NA	Bonus Issue[1]	NA	NIL
Weighted average cost of acquisition			NIL			

Certified by Mukesh Raj & Co., Chartered Accountants, Chartered Accountants, by its certificate dated September 30, 2024. This certificate has been designated material document for inspection in connection with the Offer. See "Material Contracts and Documents for Inspection" on page

564.

Notes:

[1]Allotment pursuant to Bonus issue in the ratio of 27 Equity Shares of ₹ 1 each fully paid up for every 1 share of ₹ 1 each fully paid up. Allotment of 100,278,000 shares to Varinder Kumar Garg; 46,059,300 Equity Shares to Shushma Garg; 2,826,900 Equity Shares to Varindra Kumar Garg (HUF); 272,700 Equity Shares to Vivek Garg; 2,700 Equity Shares to Surbhi Agarwal; 2,700 Equity Shares to Ankita Garg and 2,700 Equity Shares to Prateek Agarwal.

Secondary acquisition:

Except as disclosed below, there have been no secondary transactions by the Promoters, members of the Promoter Group, Promoter Selling Shareholders are a party to the transaction, in the last three years preceding the date of this DRHP:

*[**Remainder of this page is intentionally kept blank**]*

Promoter									
Date of transfer	**Category**	**Name of transferor**	**Name of transferee**	**No. of securities**	**Nature of securities**	**Face value of securities (₹)**	**Price per security (₹)**	**Nature of consideration**	**Total Consideration (in Rs. Million)**
March 28, 2022	Promoter	Ashok Kumar Gupta	Vivek Garg	1	Equity Shares	100	100	Cash	**Negligible******
May 7, 2024	Promoter	Sushma Garg	Varinder Kumar Garg HUF	(1)	Equity Shares	100	-	Gift	**Nil**
September 23, 2024	Promoter	Varinder Kumar Garg	VG Family Trust	(1,00,000)	Equity Shares	1	-	Gift	**Nil**
September 23, 2024	Promoter	Varinder Kumar Garg	VG Family Trust	1,00,000	Equity Shares	1	-	Gift	**Nil**
Total				**Nil**					**Negligible**
Weighted average cost of acquisition (WACA)									**Nil**
Promoter Group:									
Date of transfer	**Category**	**Name of transferor**	**Name of transferee**	**No. of securities**	**Nature of securities**	**Face value of securities (₹)**	**Price per security (₹)**	**Nature of consideration**	**Total Consideration (in Rs. Million)**
March 28, 2022	Promoter Group	Varinder Kumar Garg HUF	Prateek Agrawal	(1)	Equity Shares	100	100	Cash	**Negligible****
May 7, 2024	Promoter Group	Sushma Garg	Varinder Kumar Garg HUF	1	Equity Shares	100	-	Gift	**Nil**
Total				**Nil**					**Nil**
Weighted average cost of acquisition (WACA)									**Nil**

Notes:

**Effective shares have been calculated considering one equity share = 100 equity shares after sub-division (effective date: June 7, 2024)*

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(d) *Weighted average cost of acquisition, floor price and cap price*

Based on the transaction described in (a), (b) and (c) above, the weighted average cost of acquisition, as compared with the Floor Price and Cap Price is set forth below:

Types of transactions	Weighted average cost of acquisition (₹ per Equity Share)	Floor price* (i.e. ₹ [●])	Cap price* (i.e. INR ₹)
Weighted average cost of acquisition for last 18 months for primary / new issue of shares (equity/ convertible securities), excluding shares issued under an employee stock option plan/employee stock option scheme and issuance of bonus shares, during the 18 months preceding the date of filing of this Draft Red Herring Prospectus, where such issuance is equal to or more than five per cent of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days	NA	[●]	[●]
Weighted average cost of acquisition for last 18 months for secondary sale/acquisition of shares equity/convertible securities), where promoter/ promoter group entities or Selling Shareholders or shareholder(s) having the right to nominate director(s) in the Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of filing of this Draft Red Herring Prospectus, where either acquisition or sale is equal to or more than five per cent of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days	NA	[●]	[●]
Since there were no primary or secondary transactions of equity shares of the Company during the 18 months preceding the date of filing of this certificate, the information has been disclosed for price per share of the Company based on the last five primary or secondary transactions where promoter /promoter group entities or shareholder(s) having the right to nominate director(s) on our Board, are a party to the transaction, not older than three years prior to the date of filing of this certificate irrespective of the size of the transaction.			
Based on primary issuances	NIL	**[●]** times	**[●]** times
Based on secondary transactions	NIL	**[●]** times	**[●]** times

***** *To be updated at prospectus stage*

Certified by Mukesh Raj & Co., Chartered Accountants, by its certificate dated September 30, 2024. This certificate has been designated a material document for inspection in connection with the Offer. *See "Material Contracts and Documents for Inspection" on page 564.*

Explanation for Offer Price / Cap Price being [●] price of weighted average cost of acquisition of primary issuance price / secondary transaction price of Equity Shares (set out in [●] above) along with our Company's key performance indicators and financial ratios for the FY 2024, 2023 and 2022.

[●]*
**To be included on finalisation of Price Band*

Explanation for Offer Price / Cap Price being [●] price of weighted average cost of acquisition of primary issuance price / secondary transaction price of Equity Shares (set out in [●] above) in view of the external factors which may have influenced the pricing of the Offer.

[●]*
**To be included on finalisation of Price Band*

The Offer Price is [●] times of the face value of the Equity Shares.

The Offer Price of ₹ [●] has been determined by our Company in consultation with the BRLMs, on the basis of market demand from investors for Equity Shares, as determined through the Book Building Process, and is justified in view of the above qualitative and quantitative parameters. Investors should read the above-mentioned information along with "*Risk Factors*", "*Our Business*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Restated Consolidated Financial Information*" on pages 32, 276, 440 and 361, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the "*Risk Factors*" and you may lose all or part of your investments.

STATEMENT OF TAX BENEFITS

To,

The Board of Directors
Varindera Constructions Limited
Office No. 613, 6th Floor,
Plot No. 4, Vishwadeep Tower,
District Centre, Janakpuri,
New Delhi 110058

(the "**Company**")

ICICI Securities Limited
ICICI Venture House
Appasaheb Marathe Marg
Prabhadevi, Mumbai 400 025
Maharashtra, India

Equirus Capital Private Limited
12th Floor, C Wing, Marathon Futurex,
N M Joshi Marg,
Lower Parel,
Mumbai – 400 013
Maharashtra, India

IIFL Securities Limited
24th Floor, Lodha One Place
Senapati Bapat Marg
Lower Parel (West), Mumbai 400 013
Maharashtra, India

(collectively with any other book running lead managers that may be appointed in connection with the Offer, the "**Book Running Lead Managers**")

Re: Proposed initial public offering of equity shares of ₹ 1 each (the "Equity Shares") by the Company and such offering, the "Offer".

Dear Sirs,

We, S S Kothari Mehta & Co. LLP, Chartered Accountants (Firm Registration Number: 000756N/N500441), the statutory auditor of the Company, hereby confirm that the enclosed statement in the Annexure prepared by the Company and initialled by us and the Company ("**Statement**") is true and correct and sets out the possible special tax benefits available to the Company and its shareholders, under the direct tax and indirect tax laws presently in force in India, as on the date of this certificate including the Income-tax Act, 1961, as amended by the Finance Act, 2024, read with rules, circular and notification issued thereunder ("**Act**") i.e. applicable for the Financial Year 2024-25 relevant to the assessment year 2025-26, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, ("**GST Act**") read with Rules, Circulars, and Notifications, Customs Act, 1962 and the Customs Tariff Act, 1975 and Foreign Trade Policy 2015-2020 ("**FTP**") as amended by the Finance Act, 2024, i.e., applicable for the Financial Year 2024-25 relevant to the Assessment Year 2025-26, presently in force in India (collectively the "**Taxation Laws**") read with the rules, regulations, circulars and notifications issued thereon, as applicable to the assessment year 2025-26 relevant to the financial year 2024-25.

Several of these benefits are dependent on the Company and, or, its Shareholders, as the case may be, fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company and its Shareholders to derive the special tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company and its Shareholders face in the future, the Company and, or, its Shareholders may or may not choose to fulfil.

This statement of possible special tax benefits is required as per Schedule VI (Part A) (9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (**SEBI ICDR Regulations**). While the term 'special tax benefits' has not been defined under the SEBI ICDR Regulations, it is assumed that with respect to special tax benefits available to the Company and its Shareholders the same would include those benefits as enumerated in the statement. Any benefits under the Taxation Laws other than those specified in the statement are considered to be general tax benefits and therefore not covered within the ambit of this statement. Further, any benefits available under any other laws within or outside India, except for those specifically mentioned in the statement, have not been examined and covered by this statement.

Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

The benefits discussed in the enclosed statement cover the possible special tax benefits available to the Company and its Shareholders and do not cover any general tax benefits available to them. In respect of non-residents, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.

The benefits stated in **Annexure A** of this certificate, for possible special tax benefits available to the Company and its Shareholders are not exhaustive and the preparation of the contents stated is the responsibility of the Company. We are informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the distinct nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the Offer and we shall in no way be liable or responsible to any shareholder or subscriber for placing reliance upon the contents of this statement. Also, any tax information included in this written communication was not intended or written to be used, and it cannot be used by the Company or the investor, for the purpose of avoiding any penalties that may be imposed by any regulatory, governmental taxing authority or agency. We are neither suggesting nor advising the investor to invest in the Offer based on this Statement of Special Tax Benefits.

We do not express any opinion or provide any assurance as to whether:

a. The Company and its Shareholders will continue to obtain these benefits in the future;

b. The conditions prescribed for availing of the benefits have been/would be met with.

c. The revenue authorities/courts will concur with the views expressed herein.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company on the basis of our understanding of the business activities and operations of the Company. We have relied upon the information and documents of the Company being true, correct and complete and have not audited or tested them. Our view, under no circumstances, is to be considered as an audit opinion under any regulation or law.

No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our Firm or any of partners or affiliates, shall not be responsible for any loss, penalties, surcharges, interest or additional tax or any tax or non-tax, monetary or non-monetary, effects or liabilities (consequential, indirect, punitive or incidental) before any authority / otherwise within or outside India arising from the supply of incorrect or incomplete information of the Company.

We hereby consent to the extracts of this certificate being used in the draft red herring prospectus to be filed with the Securities and Exchange Board of India (**SEBI**), the BSE Limited (**BSE**) and the National Stock Exchange of India Limited (**NSE** and together with the BSE, the **Stock Exchanges**), and the red herring prospectus and the prospectus to be filed with the Registrar of Companies, National Capital Territory of Delhi and Haryana at New

Delhi (**RoC**) and submitted to the SEBI and the Stock Exchanges in connection with the Offer, and submission of this certificate as may be necessary, to any regulatory authority statutory, judicial or governmental authorities, and in any other material used in connection with the Offer and/or for the records to be maintained by the Book Running Lead Managers in connection with the Offer and in accordance with applicable law.

We also consent to the references to us as "Experts" as defined under Section 2(38) of the Companies Act, 2013, read with Section 26(5) of the Companies Act, 2013 to the extent of the certification provided hereunder and included in the draft red herring prospectus of the Company or in any other documents in connection with the Offer.

We confirm that the information in this certificate is true and correct, and is in accordance with the requirements of the Companies Act, ICDR Regulations and other applicable law

We hereby consent to the submission and disclosure of this certificate as may be necessary to the SEBI, the ROC, the Stock Exchanges and any other regulatory or judicial authorities and, or, for any other litigation purposes and, or, for the records to be maintained by the Book Running Lead Managers, in accordance with applicable law.

We undertake to update you, in writing, of any change in the above-mentioned disclosures which we are aware of until the Equity Shares allotted, pursuant to the Offer, are listed and commence trading on the Stock Exchanges. In the absence of any such communication from us, the above information should be considered as updated information until the Equity Shares commence trading on the Stock Exchanges, pursuant to the Offer.

This certificate is for information and inclusion (in part or full) in the Offer Documents to be filed in relation to the Offer or any other Offer related material, and may be relied on by the Company, the Book Running Lead Managers, their affiliates and the legal counsel in relation to the Offer and to assist the Book Running Lead Managers in the context of due diligence procedures that the Book Running Lead Managers has to conduct and the documents in relation of their investigation of the affairs of the Company in connection with the Offer.

All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the Offer Documents.

Yours faithfully,

For and on behalf of

S S Kothari Mehta & Co. LLP,
Chartered Accountants
ICAI Firm Registration No: 000756N/N500441

Jalaj Soni
Membership No.: 528799
UDIN: 24528799BKDIGB1202
Date: September 30, 2024
Place: New Delhi

Encl: As above

Annexure A

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO VARINDERA CONSTRUCTIONS LIMITED AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA – INCOME TAX ACT, 1961

Outlined below are certain possible special direct tax benefits available to Varindera Constructions Limited ("the Company") and its shareholders under the Income-tax Act, 1961 (hereinafter referred to as **"the ITA"**), read with Income Tax Rules, circulars, notifications, as amended by the Finance (No. 1) Act, 2024 and the proposals introduced by the Finance (No. 2) Bill, 2024, (collectively hereinafter referred to as the **"Income Tax Laws"**). These possible special direct tax benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the ITA and the relevant Income Tax Laws of India.

A. Possible special direct tax benefits available to the Company under the Income Tax Laws in India

1. <u>Beneficial corporate tax rate - Section 115BAA of the ITA</u>

Section 115BAA of the ITA, introduced vide The Taxation Laws (Amendment) Act, 2019, lays down certain conditions on fulfillment of which domestic companies are entitled to avail a beneficial tax rate of 22% (plus applicable surcharge and cess). The option to apply this tax rate is made available from Financial Year ('FY') 2019- 20 relevant to Assessment Year ('AY') 2020-21 and the option once exercised shall apply to subsequent AYs. The beneficial tax regime is subject to a company not availing any of the following deductions / exemptions under the provisions of the ITA:

- Section10AA: Tax holiday available to units in a Special Economic Zone.
- Section 32(1)(iia): Additional depreciation;
- Section 32AD: Investment allowance.
- Section 33AB / 33ABA: Tea coffee rubber development expenses / site restoration expenses
- Section 35(1)(ii) or 35(1)(iia) or 35(1)(iii) / 35(2AA) / 35(2AB): Expenditure on scientific research.
- Section 35AD: Capital expenditure incurred on specified businesses.
- Section 35CCC / 35CCD: Expenditure on agricultural extension / skill development.
- Section 80LA of the ITA other than deduction applicable to a unit in the International Financial Services Centre, as referred to in sub-section (1A) of Section 80LA of the ITA
- Chapter VI-A other than the provisions of section 80JJAA and section 80M of the ITA.

The total income of a company availing the beneficial tax rate of 25.168% (i.e., 22% tax plus 10% surcharge and 4% health & education cess) is required to be computed without set-off of any carried forward loss and depreciation attributable to any of the aforesaid deductions/incentives. A company can exercise the option to apply for the beneficial tax regime in its return of income filed under section 139(1) of the ITA. Further, provisions of Minimum Alternate Tax ('MAT') under section 115JB of the ITA shall not be applicable to companies availing this beneficial tax regime.

The provisions do not specify any limitation / condition on account of turnover, nature of business or date of incorporation for opting for the beneficial tax regime. Accordingly, all existing as well as new domestic companies are eligible to avail this beneficial tax regime by filing Form 10-IC which is a pre-requisite for availing the concessional tax rates under section 115BAA of the ITA.

Note: The Company has opted for beneficial tax regime under section 115BAA of the ITA starting FY 2019-20 and onwards, and therefore, is eligible for a concessional effective tax rate of 25.168% (including applicable surcharge and health and education cess) subject to fulfilment of above conditions.

2. Deduction in respect of inter-corporate dividends – Section 80M of the ITA

As per the provisions of section 80M of the ITA, inserted with effect from 01 April 2021, a domestic company, shall be allowed to claim a deduction of dividend income earned from any other domestic company or a foreign company or a business trust. However, such deduction shall be restricted to the amount of dividend distributed by it to its shareholders on or before the due date i.e., one month prior to the date of furnishing the return of income under sub- section (1) of section 139 of the ITA.

3. Deductions in respect of employment of new employees – Section 80JJAA of the ITA

As per section 80JJAA of the ITA, where a company is subject to tax audit under section 44AB of the ITA and derives income from business, it shall be allowed to claim a deduction of an amount equal to 30% of additional employee cost incurred in the course of such business in a previous year, for 3 consecutive assessment years including the assessment year relevant to the previous year in which such additional employment cost is incurred.

The eligibility to claim the deduction is subject to fulfilment of prescribed conditions specified in sub -section
(2) of section 80JJAA of the ITA. Further, to claim the aforesaid deduction, it is required to furnish the report of an accountant electronically in Form 10DA containing the particulars of deduction prior to the due date of filing tax audit report as per section 44AB of the ITA.

4. Deduction in respect of certain preliminary expenses – Section 35D of the ITA

In accordance with and subject to the fulfillment of conditions as laid out under section 35D of the ITA, a company may be entitled to amortize preliminary expenditure, being specified expenditure incurred in connection with the Offer for public subscription or such expenditure as prescribed under section 35D of the ITA, subject to the limit specified therein (viz maximum 5% of the cost of the project or 5% of the capital employed in the business of the company).

The deduction is allowable for an amount equal to one-fifth of such expenditure for each of five successive previous years beginning with the previous year in which the business commences or as the case may be, the previous year in which the extension of the undertaking is completed, or the new unit commences production or operation.

Further, to claim the aforesaid deduction, it is required to furnish a statement in Form 3AF containing the particulars of expenditure specified under section 35D of the ITA to such income tax authority prior to one month before the due date of filing income tax return as per section 139(1) of the ITA.

5. Deduction in respect of expenditure incurred in relation to demerger under Section 35DD of the ITA

As per section 35DD of the ITA, where an Indian company, incurs any expenditure, wholly and exclusively for the purposes of amalgamation or demerger of an undertaking, the company is allowed a deduction of an amount equal to one-fifth of such expenditure for each of the five successive years beginning with the year in which the amalgamation or demerger takes place. The benefit of same may be availed by company in relation any such expenditure incurred for the purpose of amalgamation or demerger.

6. Deduction in respect of capital expenditure incurred in relation to scientific research under Section 35(1)(iv) of the ITA

As per section 35(1)(iv) of the ITA, any expenditure of a capital nature (excluding expenditure incurred on acquisition of any land) incurred on scientific research related to the business carried on by the company can be claimed a revenue deduction.

The deduction under Section 35(1)(iv) is available even if domestic company opts for concessional tax rate under Section 115BAA of the ITA.

B. Possible special direct tax benefits available to the shareholders under the Income Tax Laws in India

Below are certain possible special tax benefits available to the shareholders of the Company for investing in the shares of the Company.

1. Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. However, in case of a domestic corporate shareholder, benefit of deduction under section 80M of the ITA would be available on fulfilling the conditions (as discussed in A.2. above).

2. As per section 111A of the ITA, short-term capital gains arising from transfer of equity shares on which securities transaction tax (STT) is paid at the time of acquisition and sale, shall be taxed at the rate of 15% (proposed to be increased to 20% w.e.f. 23 July 2024 by the Finance (No. 2) Bill 2024. This is subject to fulfilment of prescribed conditions under the ITA.

3. As per section 112A of the ITA, long-term capital gains arising from transfer of equity shares on which STT is paid at the time of acquisition and sale, shall be taxed at the rate of 10%. This is subject to fulfilment of prescribed additional conditions as per Notification No. 60/2018/F. No.370142/9/2017-TPL dated 01 October 2018 for cases where STT was not paid at the time of acquisition.

   The tax rate on long-term capital gains has been proposed to be increased to 12.5% w.e.f. 23 July 2024 by the Finance (No. 2) Bill, 2024.

   However, no tax under the said section shall be levied where such capital gains does not exceed INR 1,00,000 in a financial year (proposed to be increased to INR 1,25,000 w.e.f. 23 July 2024 by the Finance (No. 2) Bill, 2024).

4. Where the shareholders are Individuals, Hindu Undivided Family, Association of Persons, Body of Individuals, and every artificial juridical person, surcharge would be restricted to 15% in respect of dividend income, long-term capital gain and short-term capital gain under section 111A of the ITA.

5. Simplified/New tax regime

As per Section 115BAC of the ITA, a simplified/new tax regime may be opted for by individuals, Hindu undivided juridical person, wherein income-tax shall be computed at the rates specified as under:

Total Income	Rate of tax
Upto INR 3,00,000	Nil
From INR 3,00,001 to 6,00,000	5%
From INR 6,00,001 to 9,00,000	10%
From INR 9,00,001 to 12,00,000	15%

From INR 12,00,001 to 15,00,000	20%
Above INR 15,00,000 Rate	30%

Pertinent to note that the above rates are subject to the assessee not availing specified exemptions and deductions as specified under said section.

Recently, the Finance (No.2) Bill 2024 has further proposed few changes in said section to make it more attractive. These proposals are as under:

- The outer limits of INR 6,00,000 and INR 9,00,000 as stated in above table have been proposed to be changed to INR 7,00,000 and INR 10,00,000 respectively.

- Standard deduction for salaried employees opting for new tax regime has been proposed to be increased from INR 50,000 to INR 75,000.

- Deduction of family pension is presently available at lower of 33% or INR 15,000. The said limit of INR 15,000 has been proposed to be increased to INR 25,000 under the new regime.

- Deduction for employer's contribution to NPS (for private sector employees) proposed to be increased from 10% to 14%. Section 36 (allowing for deduction of such contribution to employers) proposed to be amended correspondingly to enable companies to claim higher deduction.

It may be noted that the shareholders have the discretion to exercise the simplified tax regime.

6. As per section 90(2) of the ITA, non-resident shareholders will be eligible to take advantage of the beneficial provisions under the respective Double Taxation Avoidance Agreement ("DTAA"), if any, applicable to such non- residents. This is subject to fulfilment of conditions prescribed to avail treaty benefits.

   Further, any income by way of capital gains, dividends accruing to non-residents may be subject to withholding tax per the provisions of the ITA or under the relevant DTAA, whichever is more beneficial to such non-resident. However, where such non-resident has obtained a lower withholding tax certificate from the tax authorities, the withholding tax rate would be as per the said certificate. The non-resident shareholders can also avail credit of any taxes paid by them, subject to local laws of the country in which such shareholder is resident.

Notes:

1. These possible special direct tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Income Tax Laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfil.

2. The possible special direct tax benefits discussed in the Statement are not exhaustive and is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer.

3. The Statement has been prepared on the basis that the shares of the Company are listed on a recognized stock exchange in India and the Company will be issuing shares.

4. The Statement is prepared based on information available with the Management of the Company

and there is no assurance that:

i. the Company or its shareholders will continue to obtain these benefits in future;

ii. the conditions prescribed for availing the benefits have been/ would be met with; and

iii. the revenue authorities / courts will concur with the view expressed herein.

5. The above views are based on the existing provisions of law and its interpretation, which are subject to change from time to time.

6. The Statement sets out the provisions of law in a summarized manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership, and disposal of shares.

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY, ITS AND SHAREHOLDERS UNDER THE APPLICABLE INDIRECT TAX REGULATIONS IN INDIA

Outlined below are the special tax benefits available to VARINDERA CONSTRUCTIONS LIMITED **(the "Company")** including its shareholders under the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, applicable State/ Union Territory Goods and Services Tax Act, 2017, the Customs Act, 1962, the Customs Tariff Act, 1975, including the relevant rules, notifications and circulars issued there under, the Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2023) (collectively referred as **"Indirect Tax Regulations"**), presently in force in India.

I. SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO THE COMPANY

a. Benefits under The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2023)

Remission of Duties and Taxes on Exported Products (RoDTEP)

The objective of RoDTEP scheme is to refund various duties and taxes incurred on the export of goods. Under the scheme, rebate of taxes will be given in the form of electronic scrip which could be utilised for payment of Basic Customs Duty.

The Company is availing benefit under RoDTEP Scheme.

b. Benefits under Customs Act (read with Tariff Act and related rules and regulations)

Benefits of Duty Drawback scheme under Section 75 of Customs Act

As per section 75 of the Customs Act, Central Government is empowered to allow duty drawback on export of goods, where the imported materials are used in the manufacture of such exported goods. The main principle is that the Government fixes a rate per unit of final article to be exported out of the country as the drawback amount payable on such goods. The Company is availing such duty drawback benefit.

c. Benefits under the Central Goods and Services Act, 2017 (CGST Act), respective State Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017 (IGST) (read with relevant Rules prescribed thereunder)

Export of goods under the GST law

Under the GST regime, all supplies of goods and services which qualify as export of goods or services are zero-rated. On account of zero rating of supplies, the supplier will be entitled to claim Input Tax Credit (ITC) in respect of input and input services used for such supplies and can seek refund of accumulated/ unutilized ITC.

GST law inter-alia allows export of goods at zero rate on fulfilment of certain conditions. Exporters can export goods under Bond / Letter of Undertaking (LUT) without payment of IGST and claim refund of accumulated ITC. There is also an alternative available to export goods with payment of IGST and subsequently claim refund thereof, as per the provisions of Section 54 of CGST Act. We understand that the Company is undertaking exports with payment of tax and is availing refund of IGST paid at the time of export.

II. SPECIAL INDIRECT TAX BENEFITS FOR SHAREHOLDERS OF THE COMPANY

There are no special indirect tax benefits available to the Equity Shareholders of Company under the Indirect tax laws.

Notes:

1. This Annexure sets out only the special tax benefits available to the Company, and its Shareholders under the Indirect Tax Regulations, presently in force in India.

2. These special tax benefits may be dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its Shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its Shareholders may or may not choose to fulfil.

3. This special tax benefits discussed in this Annexure is not exhaustive. It is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed Offer

4. This annexure covers only indirect tax regulations benefits and does not cover any income tax law benefits or benefit under any other law.

5. The Statement is prepared on the basis of information available to the management of the Company and there is no assurance that:

    i. the Company or its shareholders will continue to obtain these benefits in future; and

    ii. the conditions prescribed for availing the benefits have been/ would be met with.

6. These comments are based upon the existing provisions of the specified indirect tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.

7. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

SECTION IV – ABOUT OUR COMPANY

INDUSTRY OVERVIEW

The information in this section is derived from the report titled 'Assessment of the Construction Industry in India', dated September, 2024 (the "CRISIL Report") prepared by CRISIL Limited ("CRISIL"). A copy of the CRISIL Report will be available on the website of our Company at https://www.vclgroup.in/investors/industry-report from the date of the filing of the Red Herring Prospectus. The CRISIL Report was exclusively commissioned and paid for by our Company in connection with the Offer, pursuant to the CRISIL Letters, for the purposes of confirming our understanding of the industry exclusively in connection with the Offer. The data included herein includes excerpts from the CRISIL Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the Offer), that have been left out or changed in any manner.

CRISIL Market Intelligence & Analytics ("CRISIL MI&A"), a division of CRISIL has taken reasonable care and diligence in preparing the CRISIL Report based on the information obtained by CRISIL from sources which it considers reliable.

Review of India's GDP growth

GDP registered a CAGR of 5.90% between fiscal 2012 and fiscal 2024

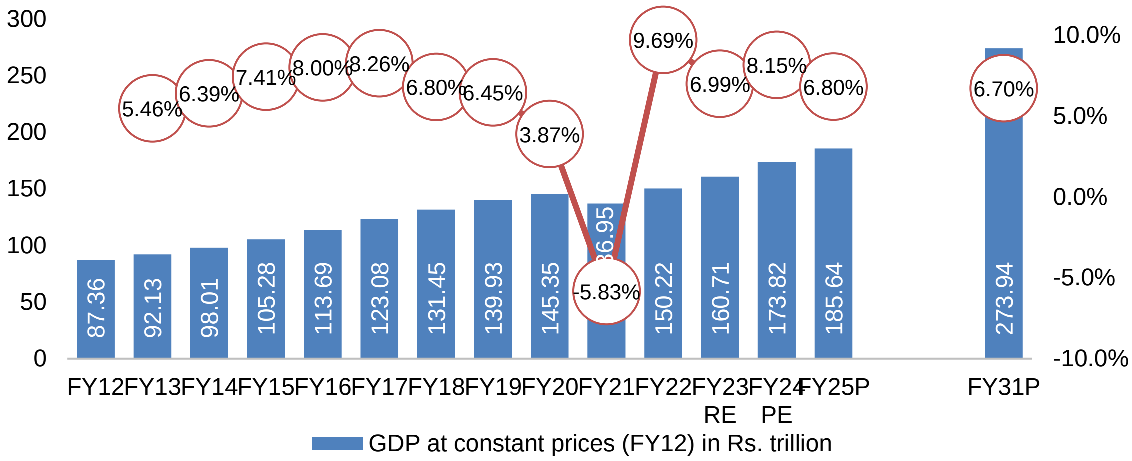
The country's gross domestic product (GDP) increased at a compound annual growth rate (CAGR) of 5.90% to Rs 173.82 trillion in fiscal 2024 from Rs 87.36 trillion in fiscal 2012. This growth is expected to sustain further, with GDP expected to grow at an average of 6.7% between fiscal 2025 and 2031, aiding India to become to third-largest economy in the world.

In fiscal 2022, the economy recovered from the pandemic-related stress as restrictions were eased and economic activity resumed, though inflation spiralled in the last quarter due to geopolitical pressures, with a GDP print of 9.69% vs -5.83% in fiscal 2021. In fiscal 2023, GDP rose 6.99% on strong growth momentum propelled by investments and private consumption. The share of private consumption in GDP rose to a 11-year high of 58.01%. During the same period the investments occupied a share of 33.27% in GDP.

In fiscal 2024, real GDP has seen a growth of 8.15%. Even as the agricultural economy slowed sharply in fiscal 2024 following a weak monsoon, the surge in non-agricultural economy has more than offset it. The government-driven investment push, along with easing input cost pressures for industry, has also played a major role in shoring up growth. However, services have been slowing with waning pent-up demand (post pandemic), with the exception of financial, real estate and professional services, which has powered ahead on the back of robust growth in banking and real estate.

In fiscal 2025, CRISIL MI&A expects the country's GDP to expand 6.80% on a Y-o-Y basis, driven by continued disinflation supporting the purchasing power of consumers, growth in agricultural sector coupled with gradual pick-up in the private sector capital expenditure. However, the growth is estimated to be slower than fiscal 2024, on account of continuing transmission of rate hike made by RBI, uneven economic growth for trading partner, normalisation of net tax impact on GDP and escalation of on-going red sea crisis coupled with regulatory actions towards unsecured lending taming the credit growth.

Real GDP growth in India (new series) – constant prices



Note: RE: revised estimates, PE: Provisional estimates P: projected
These values are reported by the government under various stages of estimates
Only actuals and estimates of GDP are provided in the bar graph
Source: Second advance estimates of national income 2023-24, quarterly estimates of gross domestic product for the third quarter (October - December) of 2023-24 and first revised estimates of national income, consumption expenditure, saving and capital formation for 2022-23, Central Statistics Office (CSO), Ministry of Statistics and Programme Implementation (MoSPI), CRISIL MI&A

Between fiscal 2025 and fiscal 2031, India's GDP is expected to average at 6.7%

Between fiscal 2025 and fiscal 2031, CRISIL expects India to sustain average GDP growth of 6.7%, which will make India the third-largest economy in the world and lift per capita income. FY31 will mark the year when India enters the upper middle-income country club with per capita income rising to ~$4,500, as per World Bank definition.

Going ahead, in the near-term GDP growth is majorly characterised by rise in private sector investments and improved efficiency in domestic industries. As the government focuses on fiscal consolidation, its contribution to overall capital expenditure will partly diminish compared to past few years. Nevertheless, private sector investments are expected to gradually become more significant. Manufacturing sector is expected to grow faster than in the past decade between FY11 and FY20. During FY25 and FY31, the manufacturing and the service sector are expected to grow at 9.1% and 6.9% respectively. But service sector will remain the dominant driver of India's growth, contributing to 55.5% share in GDP by FY31 compared to 20.0% share of manufacturing sector in FY31, even as manufacturing sector catches-up on growth momentum.

India among the world's fastest-growing key economies

Following the recovery from the COVID-19 pandemic, India exhibited a faster growth rate of 7.0% in 2022 (FY23), surpassing both advanced economies at 2.6% and emerging and developing economies at 4.1%. This trend is expected to continue, with India leading the growth compared to its key counterparts.

United States: In the United States, growth is projected to shift from 2.5% in 2023 to 2.6% in 2024 and 1.9% in 2025, with the lagged effects of monetary policy tightening, gradual fiscal tightening, and a softening in labour markets slowing the aggregate demand.

United Kingdom: Growth in the United Kingdom is projected to rise modestly from an estimated 0.1% in 2023 to 0.7% in 2024, due to lagged negative effects of high energy prices wane. Then in 2025, as disinflation allows an easing in financial conditions and permits real incomes to recover, the economy is expected to see a growth of 1.5%.

European Union: Growth in the European union is projected to recover from 0.6% in 2023, which reflected relatively high exposure to the war in Ukraine, to 1.2% in 2024 and 1.8% in 2025. As per IMF estimates, the growth in is driven by strong household consumption as the energy prices subside and inflation falls, supporting the real income growth. Further, in recent years, the EU technology industry has faced disruptions due to currency fluctuations on account of fall in Euro and Pound against US dollar impacting the imports coupled with Russia-Ukraine war disrupting the supply chains which further impacted the sector.

In terms of emerging and developing economies, growth is projected to be relatively stable at 4.3% during both 2024 and 2025.

Real GDP growth comparison among India vs Advanced and emerging economies

Real GDP growth (Annual % change)	2018	2019	2020	2021	2022	2023	2024 P	2025 P	2026 P	2027 P	2028 P
USA	3.0	2.5	-2.2	5.8	1.9	2.5	2.6	1.9	2.0	2.1	2.1
UK	1.4	1.6	-10.4	8.7	4.3	0.1	0.7	1.5	1.7	1.7	1.6
Japan	0.6	-0.4	-4.1	2.6	1.0	1.9	0.7	1.0	0.8	0.6	0.6
European Union	2.3	2.0	-5.5	6.1	3.7	0.6	1.2	1.8	1.7	1.6	1.6
Advanced economies	**2.3**	**1.8**	**-3.9**	**5.7**	**2.6**	**1.7**	**1.7**	**1.8**	**1.8**	**1.7**	**1.7**
China	6.8	6.0	2.2	8.4	3.0	5.2	5.0	4.5	3.8	3.6	3.4
India*	6.5	3.9	-5.8	9.8*	7.0*	8.2*	7.0*	6.5	6.5	6.5	6.5
Malaysia	4.8	4.4	-5.5	3.3	8.9	3.6	4.4	4.4	4.4	4.0	4.0
Thailand	4.2	2.1	-6.1	1.5	2.5	1.9	2.9	3.1	3.0	3.0	3.0
Brazil	1.8	1.2	-3.3	4.8	3.0	2.9	2.1	2.4	2.1	2.0	2.0
Mexico	2.0	-0.3	-8.6	5.7	3.7	3.2	2.2	1.6	1.9	2.1	2.1
Emerging market and developing economies	**4.7**	**3.6**	**-1.8**	**7.0**	**4.1**	**4.4**	**4.3**	**4.3**	**4.1**	**4.0**	**3.9**
World	**3.6**	**2.8**	**-2.7**	**6.5**	**3.5**	**3.3**	**3.2**	**3.3**	**3.2**	**3.1**	**3.1**

Note: P: Projected. * Numbers for India are for financial year (2020 is FY21 and so on) and as per the IMF's forecast. ^India GDP estimate for the FY24 is 8.15% according to advanced estimate from MoSPI. Note: Projection as per IMF update

Source: IMF economic database, World Bank national accounts data, OECD national accounts data, CRISIL MI&A

Overview on agriculture, industrial and services GVA

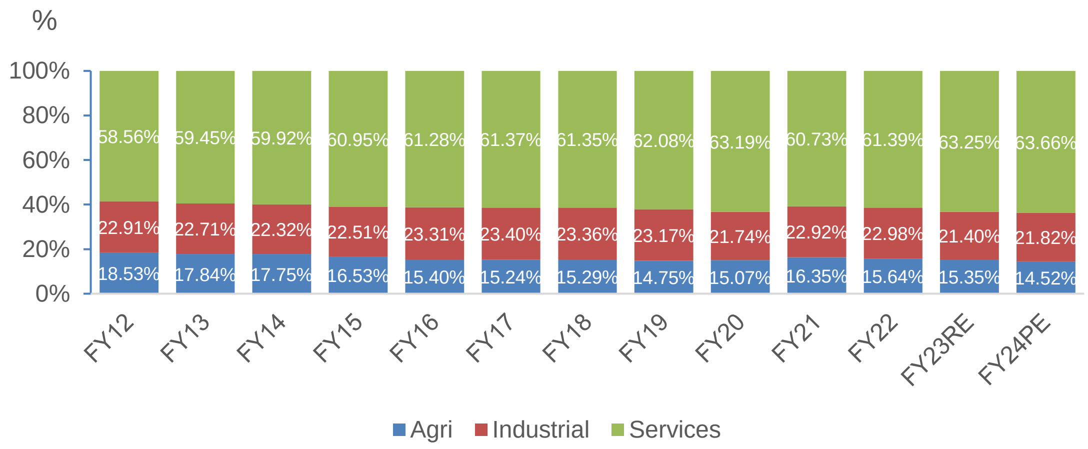
The services sector occupies the major share in overall GVA

Over the past decade, service sector has occupied highest share in the overall GDP with 63.66% share as of fiscal 2024. The sector, saw a dip in its share in fiscal 2021 owning to services being down due to lock down induced by covid pandemic. The sector saw a growth of 7.91% in fiscal 2024 majorly driven by growth in financial, real estate and professional services and construction activity which occupy a share of 50.74% (fiscal 2024) in the sector. Among the service sector, construction has grown the fastest during fiscal 2024 at 9.94% majorly driven pent-up demand and robust consumer sentiment for home ownership seen since the pandemic, maintained momentum in fiscal 2024. The growth in sector is supported by rise in digital platforms, increasing India's share in global service trade and rise in industrial sector to further contribute to the service sector growth.

Industrial sector which is the second major contributor to GVA has seen the highest growth (9.33%) in fiscal 2024. This growth in majorly driven easing of input cost pressure across sectors coupled with government initiatives such as PLI scheme coupled with increase in production. Going ahead, rise in investments, tailwinds as a result global supply chain diversification and improvement in logistics would aid the growth in the sector.

Agriculture and allied sector has seen the slowest growth in fiscal 2024 at 1.44% constraining the overall GVA growth. This is due to headwinds faced by the sector in terms of uneven and deficit monsoon as well as El Nino effecting the crop production during the period.

India's GVA across sectors – constant prices



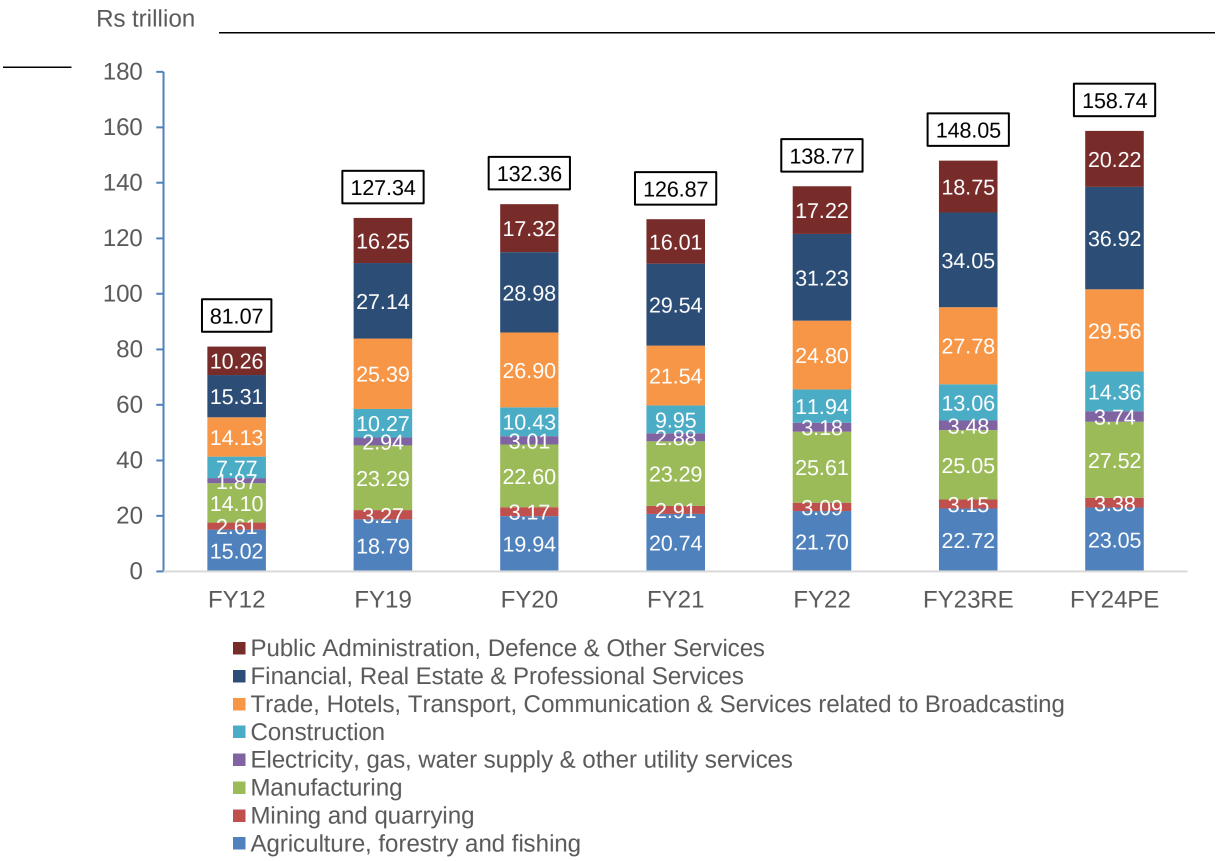
Note: Agri refers to Agriculture, livestock, forestry and fishing
Industrial includes Mining and quarrying, Manufacturing, Electricity, Gas, Water supply & Other utility services
Services include Construction, Trade, Hotels, Transport, Communication & Services related to Broadcasting, Financial, Real Estate and Professional Services and Public Administration, Defence & Other Services

GVA sees 7.22% growth in constant terms during fiscal 2024

Gross value added (GVA) at constant prices grew 6.69% in fiscal 2023, compared with 9.38% growth in fiscal 2022. In absolute terms, constant GVA was valued at Rs 148.05 trillion in fiscal 2023, up from Rs 138.77 trillion in fiscal 2022. Additionally, in fiscal 2024, GVA is estimated to have reached Rs 158.74 trillion, up from Rs 148.05 trillion, in fiscal 2023, registering a growth of 7.22%. Overall, GVA has registered a CAGR of 5.76% between fiscal 2012 and fiscal 2024. Within GVA, i) financial, real estate & professional services, ii) trade, hotels, transport, communication & services related to broadcasting and iii) manufacturing are the top three contributors to the overall GVA in fiscal 2024(SAE) with the share of 23.26%, 18.62% and 17.33% respectively.

GVA at constant prices

FY12 - 24SAE (CAGR) : 5.73%
FY21RE -24SAE (CAGR) : 7.75%

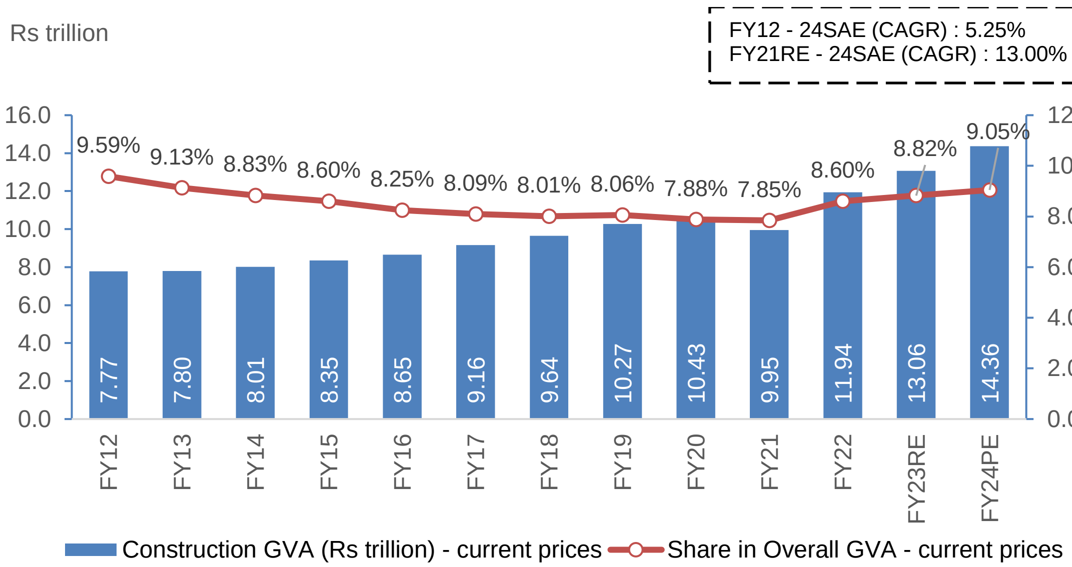


Note: RE: revised estimate, PE: Provisional estimates
The value represented in boxes in the above bar graph indicates the overall GVA for the corresponding period
Source: MoSPI, CRISIL MI&A

Construction industry occupies a share of 9.05% in overall GVA at constant prices during fiscal 2024

The contribution of construction industry in India in the overall manufacturing GVA of the country range between 7-10% during fiscal 2012 and fiscal 2024. Over the years, on back of strong government support through various initiatives such as Dedicated freight corridor, Bharatmala, Sagarmala, Smart cities, Pradhan Mantri Aawas Yojna, GVA of construction industry (in absolute terms) at constant prices grew to Rs 14.36 trillion in fiscal 2024, on a base of Rs 7.77 trillion in fiscal 2012, thereby registering a CAGR of 5.25%.

Construction GVA (constant prices)



Note: RE: revised estimate, PE: Provisional estimates
Source: Ministry of Statistics and Programme implementation, CRISIL MI&A

Fundamental growth drivers of GDP

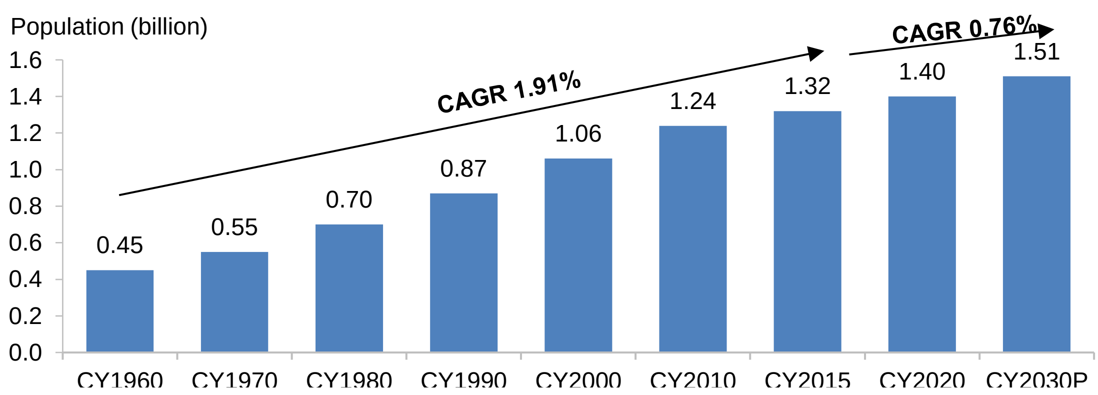
Growing population, increasing urbanisation and a young demographic profile to strengthen India's economic growth

India's population grew to ~1.21 billion according to Census 2011, at a CAGR of 1.64% between CY2001 and CY2011. As of 2010 census, the country had 249.50 million households. Additionally, as per United Nations Population Fund's (UNFPA), "State of World Population Report" of 2023, India's population by mid-year of 2023 is estimated to have surpassed China by around ~2.9 million. This demographic expansion along with increasing per capita income will lead to increase consumer spending in India in turn driving India's GDP.

Further, urbanisation has also seen an uptrend growing from 17.92% in 1960 to an estimated 32.78% in 2020. This growth in urbanisation necessitates enhancements in facilities such as housing, transportation and utilities to support the increased population density. This in turn has aided in increased spends toward urban infrastructure.

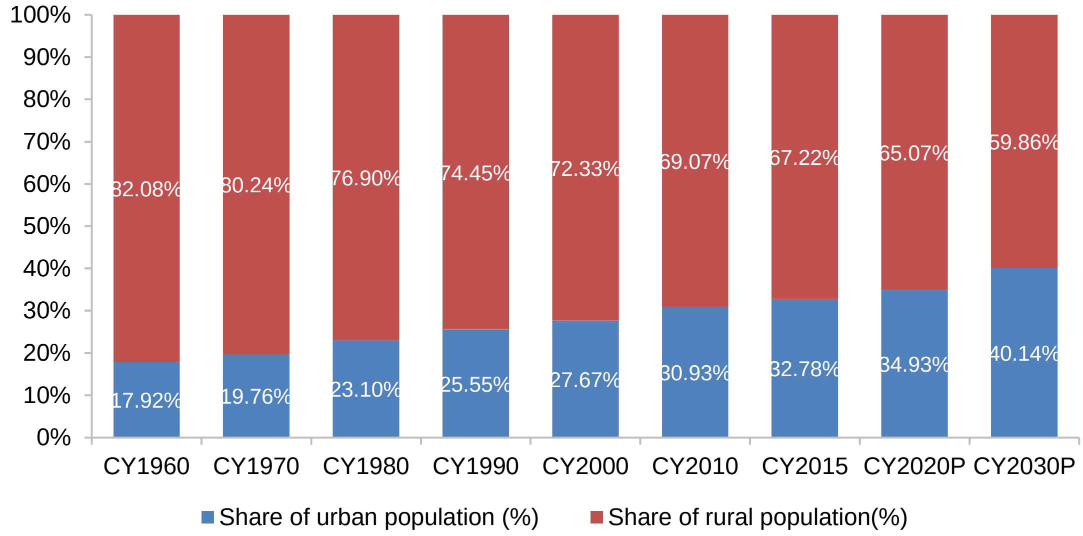
Going ahead, India's urban population is expected to continue to rise on the back of economic growth. The share of urban population is projected to increase to nearly 40.14% by 2030, according to a UN report on urbanisation.

India's population growth



P: Projected
Source: UN Department of Economic and Social Affairs, World Population Prospects 2022, CRISIL MI&A

India's urban vs. rural population (in million)



P: projected
Source: World Urbanization Prospects: The 2018 Revision, UN, CRISIL MI&A

As per the United Nations' 2022 Revision of World Population Prospects, India's youth (0-24 years) accounted for nearly half its population in 2010, significantly higher than that for some of its peers (Brazil at 42.97%, China at 35.40% and the Russian Federation at 30.25%). The fact that 31.28% of the population is aged below 15 indicates the high proportion of the country's young population is expected to remain so in the coming years.

This share (0-24 years) is, in fact, expected to reach 39.00% by 2030, and remain significantly higher than that of its peers (Brazil at 32.00%, China at 25.76% and the Russian Federation at 28.17%). This also indicates a higher proportion of the population entering the workforce.

Age-wise population break-up (%) for key countries

Country	0-14 years	15-24 years	25-49 years	50-69 years	70+	Total
Brazil						
CY2010	25.04%	17.93%	37.99%	14.63%	4.41%	100.00%
CY2020	21.09%	15.79%	38.79%	18.49%	5.84%	100.00%
CY2030P	18.46%	13.54%	37.98%	21.49%	8.53%	100.00%
China						
CY2010	18.64%	16.76%	40.68%	18.17%	5.76%	100.00%
CY2020	18.35%	11.56%	38.27%	24.15%	7.67%	100.00%
CY2030P	13.25%	12.51%	34.48%	27.63%	12.12%	100.00%
India						
CY2010	31.28%	19.29%	34.23%	12.06%	3.14%	100.00%
CY2020	26.39%	18.40%	36.61%	14.61%	3.98%	100.00%
CY2030P	22.59%	16.41%	38.48%	16.92%	5.59%	100.00%
Russian Federation						
CY2010	15.42%	14.83%	37.88%	21.86%	10.00%	100.00%
CY2020	17.91%	9.88%	37.89%	24.49%	9.83%	100.00%
CY2030P	15.61%	12.56%	34.38%	23.99%	13.46%	100.00%
UK						
CY2010	17.87%	13.23%	35.30%	21.80%	11.80%	100.00%
CY2020	18.03%	11.77%	32.97%	23.33%	13.89%	100.00%
CY2030P	15.60%	12.39%	32.35%	23.54%	16.12%	100.00%
US						

Country	0-14 years	15-24 years	25-49 years	50-69 years	70+	Total
CY2010	20.17%	14.36%	34.58%	21.67%	9.22%	100.00%
CY2020	18.76%	13.23%	33.40%	23.72%	10.89%	100.00%
CY2030P	16.65%	12.69%	33.63%	22.03%	15.00%	100.00%

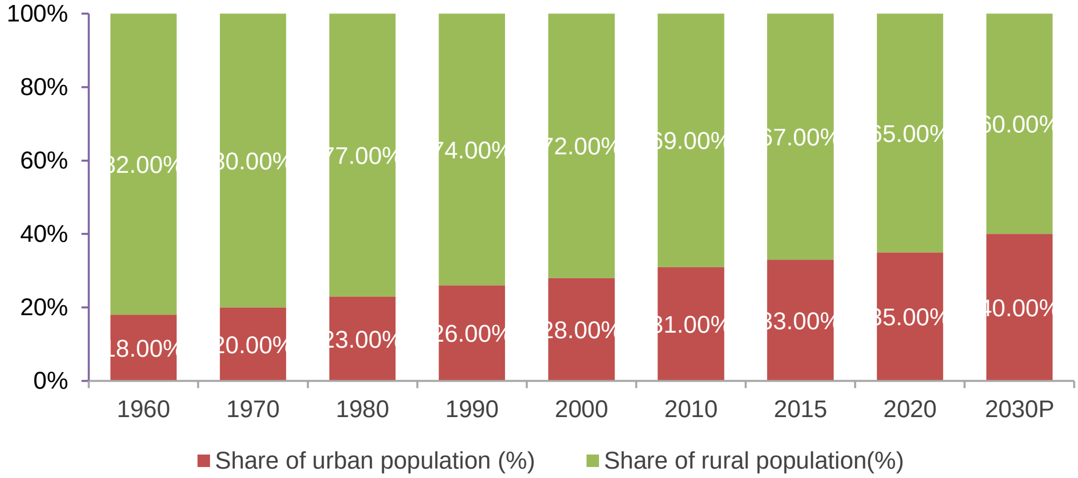
P: Projected

Source: United Nations, Department of Economic and Social Affairs, Population Division (2022); World Population Prospects 2022, CRISIL MI&A

Urbanisation likely to reach 40% by 2030

India's urban population has been increasing over the years. The trend is expected to continue as economic growth increases. From ~31% of the total population in 2010, urban population in the country is projected to reach nearly 40% by 2030, according to a UN report on urbanisation. People from rural areas move to cities for better job opportunities, education, and quality of life. Typically, migration can be of the entire family or a few individuals (generally an earning member or students).

India's urban population versus rural



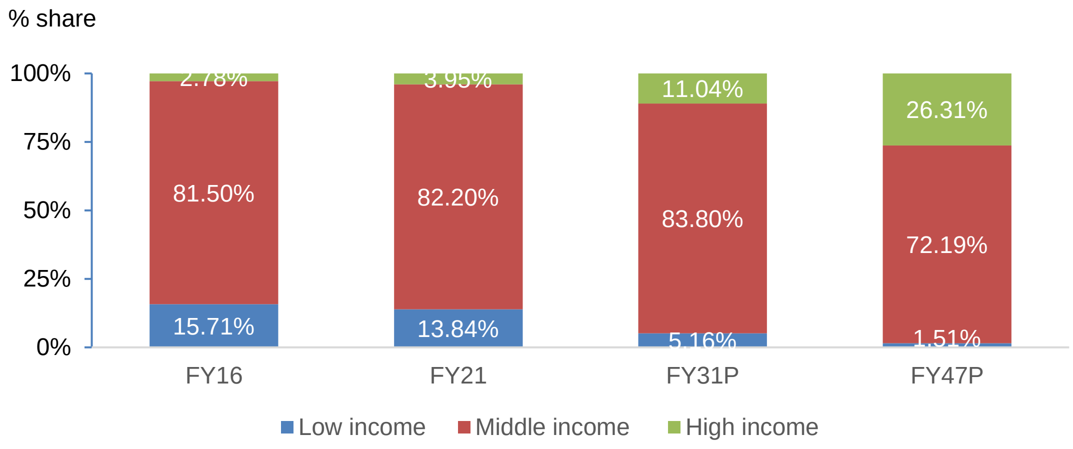
Note: P: Projected

Source: World Urbanization Prospects: The 2018 Revision, UN, CRISIL MI&A

Decline in poverty levels indicates rise in middle- and high-income group in India

The proportion of poor in India (defined as those living on Rs 125,000 per annum or less) declined from 15.71% in fiscal 2016 to 13.84% in fiscal 2021. Conversely, the proportion of those in the middle- and high-income groups increased from 84.29% to 86.16%. By fiscal 2031, this share is expected to reach 94.84%, supported by growth in per capita income.

Income-based split of the population



P: Projected

Note: Low-income group comprises those earning less than Rs 125,000 per annum; middle-income group comprises those earning between Rs 125,000 and Rs 3 million per annum, and high-income group comprises those earning more than Rs 3 million per annum; percent figures are rounded off

Source: People Research on India's Consumer Economy (ICE) 360° survey, CRISIL MI&A

Robust growth in per capita income over FY12-24

India's per capita income, a broad indicator of living standards, rose from Rs 63,461.72 in fiscal 2012 to Rs 99,403.87 in fiscal 2023, logging 4.16% CAGR. Growth was led by better job opportunities, propped up by overall GDP growth. Moreover, population growth remained stable at ~1% CAGR. Furthermore, according to second advance estimates for fiscal 2024, per capita net national income (constant prices) is estimated to have increased to Rs 106,743.80; thereby registering a y-o-y growth of 7.38%.

Per capita net national income at constant prices

	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23RE	FY24PE
Per-capita NNI (Rs)	63,461.72	65,538.47	68,572.48	72,804.60	77,659.24	83,003.02	87,585.80	92,132.77	94,420.00	86,034.00	94,054.17	99,403.87	106,743.80
Y-o-Y growth (%)		3.27%	4.63%	6.17%	6.67%	6.88%	5.52%	5.19%	2.48%	-8.88%	9.32%	5.69%	7.38%

Note: RE: revised estimates, PE: provisional estimates

Source: Second advance estimates of national income 2023-24, CSO, MoSPI, CRISIL MI&A

GFCF has seen growth led by government focus on infrastructure spending

Gross fixed capital formation (GFCF) the indicator for fixed investments done by both government and private sector, has seen a rise from Rs 29.98 trillion in fiscal 2012 to Rs 58.27 trillion in fiscal 2024 (as per advanced estimates) growing at a CAGR of 5.69%. Further, over the years, in terms of the share to the total GFCF (at constant prices), the highest contributor is non-financial corporations followed by household sector.

Overview of GFCF and share in GDP – at constant prices

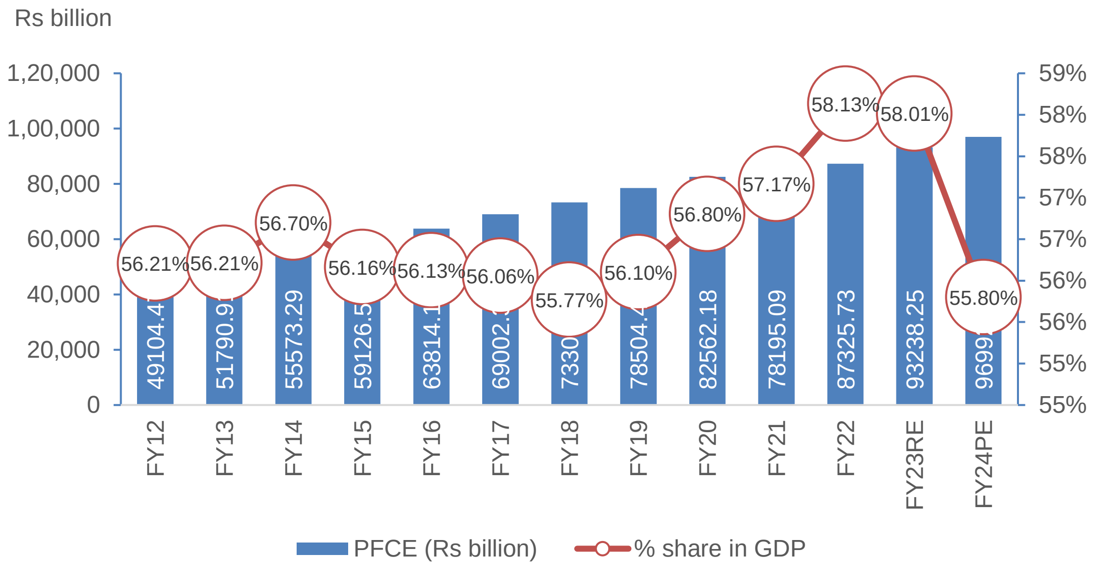
	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23RE	FY24 PE	CAGR FY12-FY24
GFCF (Rs trillion)	29.98	31.46	31.95	32.78	34.92	37.88	40.83	45.41	45.93	42.67	50.14	53.46	58.27	5.69 %
Share of GFCF in GDP	34.31 %	34.15%	32.60 %	31.14 %	30.72 %	30.77 %	31.06 %	32.45 %	31.60 %	31.16 %	33.38 %	33.27 %	34.08 %	-

RE: Revised estimates, PE: Provisional estimates
Source: Second advance estimates of national income 2023-24, CSO, MoSPI, CRISIL MI&A

PFCE to maintain dominant share in India's GDP

Private final consumption expenditure (PFCE) at constant prices clocked 6.38% CAGR between FY12-23, maintaining its dominant share of ~58.01% in FY23 (~Rs 93,238.25 billion in absolute terms, up 6.77% year-on-year). Growth was led by healthy monsoon, wage revisions due to the implementation of the Seventh Central Pay Commission's (CPC) recommendations, benign interest rates, growing middle age population and low inflation. As of FY24, PFCE is estimated to have further increased to Rs 96,992.14 billion, registering a y-o-y growth of 4.03% and forming 55.80% of India's GDP.

PFCE at constant prices



Note: RE: revised estimates; PE: Provisional estimates
Source: MoSPI, CRISIL MI&A

Increasing government focus on infrastructure along with policies like China+1 to aid GDP growth

The trade war between USA and China since 2018 combined with rupturing of global value chains during the pandemic due to high concentration in few economies like China, etc have forced the West to look for other manufacturing destinations like India, Vietnam, Malaysia and Mexico. However, this move by Western companies to diversify their manufacturing hub has benefitted countries like Vietnam, Taiwan and Malaysia more than India due to their integrated global value chains.

Nonetheless, India offers multiple advantages of large local market, combined with a young working population group, expanding middle class and cheaper labour, which makes India a suitable option for local manufacturing, which is expected to positively impact the India's positioning on manufacturing front.

Furthermore, to integrate further with US (and generally Western) supply chains, India has to majorly improve on two parameters of trade-cost reduction and investment facilitation. On cost front, India has ramped up its logistical efficiency over the past decade, from No. 54 on a list of 139 countries in 2014, India has ascended the chart and ranks No. 38 in 2023. This can be attributed to the government of India investments in trade-related soft and hard infrastructure connecting port gateways to the economic poles in the hinterland along with technology integration.

The second prong, investment facilitation, includes measures to increase and stabilize foreign investment in the country. In this context, schemes like PLI, increase in FDI limit under Atmanirbhar Bharat Abhiyan, etc facilitates high-quality foreign investment by creating a market-linked incentive structure for firms to follow.

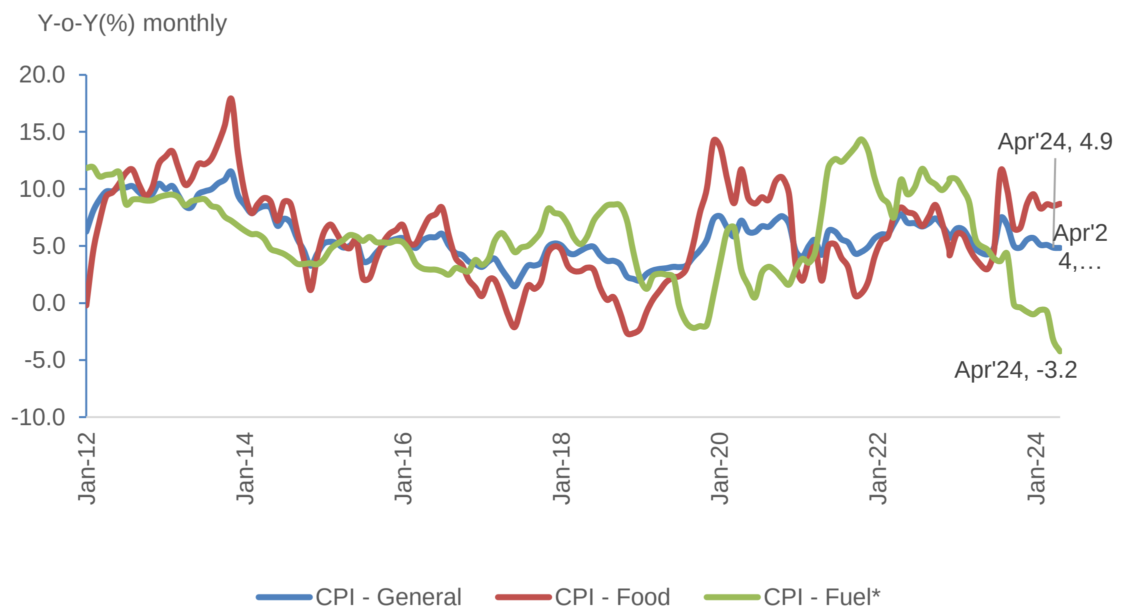
These initiatives aid global firms to diversify their supply chain and reduce their dependence on Chinese market and in turn aid India's GDP growth.

Review of CPI Inflation in India

Consumer price index (CPI) inflation eased marginally to 4.8% in April from 4.9% in March. Food inflation, however, edged up to 8.7% from 8.5%, driven by costlier cereals and meat; vegetables. Despite the uptick in food, non-food components helped curtail headline inflation with fuel prices deflating at a faster pace.

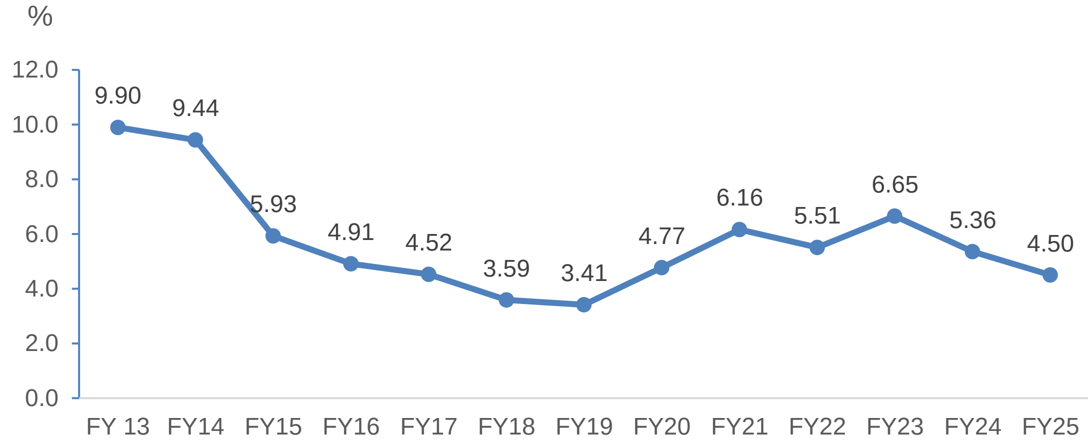
Food inflation continues to drive swings in headline inflation and has remained well above 8% for six months. Pressure on food prices continues with ongoing heatwaves being one of the factors. Fuel inflation has been reducing the pressure on the headline for eight months, led by the government's retail fuel price relaxations. But if crude oil prices surge and stay elevated in the wake of geopolitical concerns, inflation could trend upwards again.

Overview of CPI inflation



*Refers to CPI fuel and light
Source: MoSPI, CRISIL MI&A

Going ahead, CPI inflation is expected to broadly ease to 4.5% on-year this fiscal from 5.4%. Softer headline inflation forecast is primarily premised on lower food inflation assuming a normal monsoon and on the back of the high base of fiscal 2024.

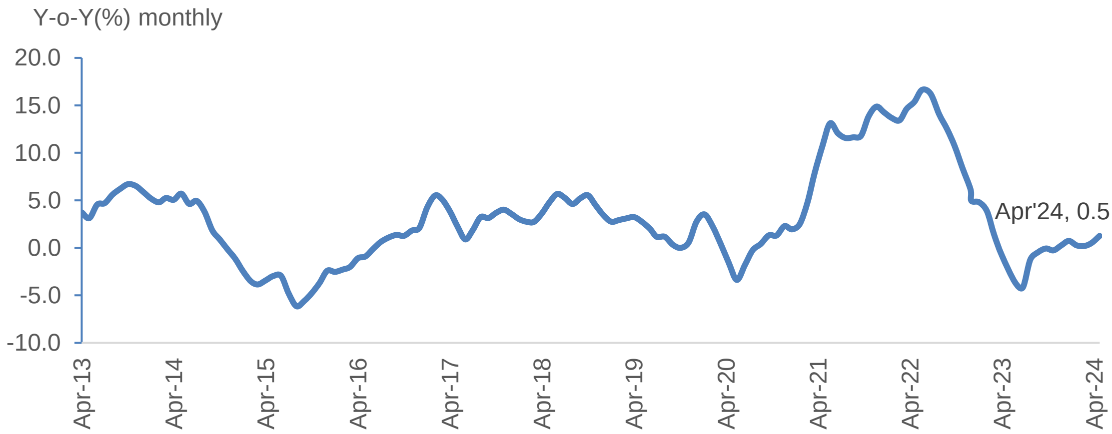


Source: MoSPI, CRISIL MI&A

Review of WPI Inflation in India

Wholesale Price Index (WPI)-linked inflation accelerated to 1.3% in April from 0.5% in March and 0.2% in February, the highest print in over a year. Both food and non-food WPI inflation rose relative to the previous month. That said, non-food prices remained in deflation mode. Food inflation hardened to 5.5% from 4.6%, led by rising vegetables inflation (23.6% vs 19.5%). Crude petroleum inflation surged to 6.5% from -9.4%, tracking the increase in global oil prices. Prices of manufactured products fell at a milder pace on-year (-0.4% vs -0.8%).

Overview of WPI inflation



Source: MoSPI, CRISIL MI&A

Overview of budget 2024-25

In the Union Budget 2025, the government is taking steps towards fiscal consolidation, buoyed by the widespread recovery of the Indian economy. The central government has maintained its emphasis on capital expenditure, allocating Rs. 11.11 trillion for fiscal 2025, a significant 16.93 % increase from Rs. 9.50 trillion in fiscal 2024. While the overall gross budgetary capital expenditure support has seen a 17%, the budgetary support for the 10 core infrastructure ministries has only increased by 4% to Rs. 5.6 trillion.

Key announcements under infrastructure sector:

- The Pradhan Mantri Gram Sadak Yojana (PMGSY)-IV initiative aims to ensure all-weather connectivity for

25,000 rural habitations. Other significant road connectivity projects include the Patna-Purnea and the Buxar-Bhagalpur expressways, extensions to Bodhgaya, Rajgir, Vaishali and Darbhanga, and an additional two-lane bridge over the river Ganga at Buxar. A total cost of Rs 260 billion has been earmarked for these projects

- Irrigation and flood relief assistance will be provided to Bihar, Assam, Uttarakhand, Himachal Pradesh and Sikkim. This includes an allocation of Rs 115 billion for the Kosi-Mechi project in Bihar and 20 other ongoing irrigation projects

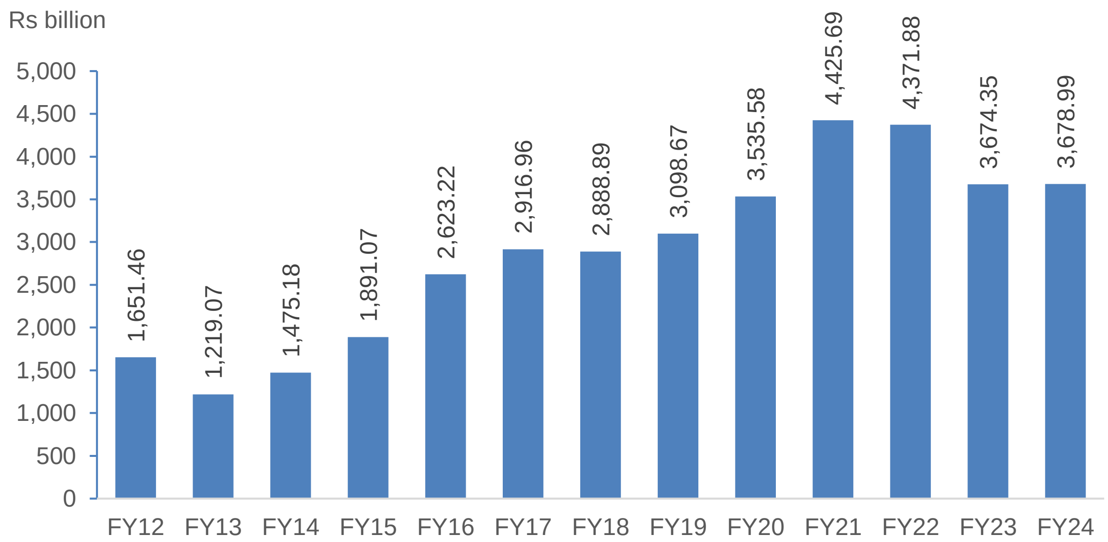
- Transit-oriented development strategies will be devised for 14 major cities with populations exceeding 3 million, incorporating implementation as well as financing frameworks. Additionally, 35 cities will be developed as growth hubs through comprehensive economic and transit planning, along with the development of peri-urban areas

FDI inflows to India

In 1990, India, with assistance from the World Bank and International Monetary Fund (IMF), initiated reforms to address a balance-of-payments crisis, opening its doors to foreign direct investments (FDI) and establishing the Foreign Investment Promotion Board (FIPB) to facilitate FDI. Although the FIPB was disbanded in 2017, individual departments now approve FDI proposals with the Department of Industrial Policy and Promotion (DIPP), positioning India as a key FDI destination.

In India, FDI can be done through the automatic route, not requiring government approval, or the government route, which requires prior approval. During fiscal 2000 to fiscal 2024, India has attracted a total FDI inflows of Rs 43,475.35. Of these major investments are attracted by computer software and hardware (17%) followed by service sector (16%). During the aforementioned period, construction sector has contributed to 9% of the overall FDI investments.

Overall FDI inflows to India



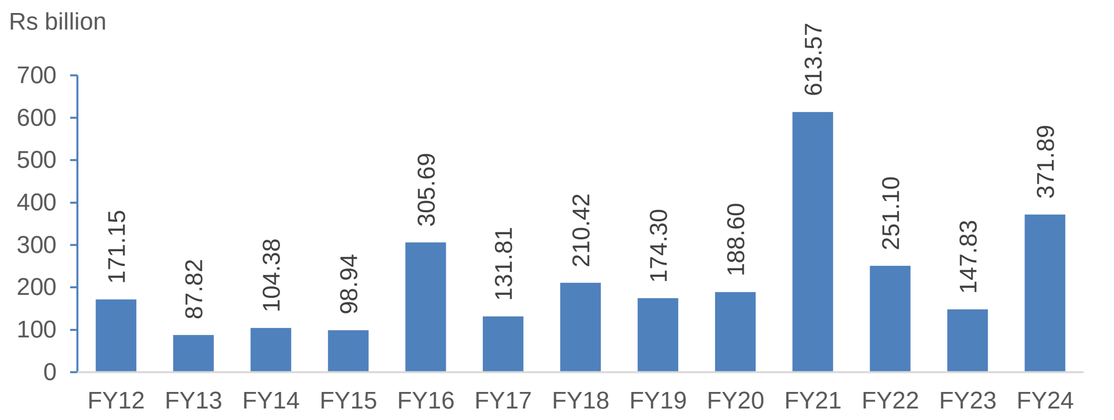
Source: Department for Promotion of Industry and Internal Trade (DPIIT), CRISIL MI&A

FDI inflows in Indian construction Industry

The Indian construction industry is a pivotal sector contributing significantly to the nation's economic growth, accounting for 9.13% of total GVA as of fiscal 2024. It includes residential, commercial, industrial, and infrastructure projects, and has seen a steady rise at 5.25% CAGR from fiscal 2012 to 2024, driven by rapid urbanization, government initiatives, and increased investments.

The construction sector attracts 100% FDI investments through automatic routes. The sector has seen highest FDI investment of Rs 613.57 billion in fiscal 2021, majorly driven by the rise of FDI investments in warehousing. As of fiscal 2024, the Indian construction industry saw an FDI inflow of Rs 371.89 billion.

Trend of FDI inflows in Indian construction industry



Note: The values mentioned above encompass Foreign Direct Investment (FDI) inflows within both India's construction and infrastructure sectors, as detailed under Construction (Infrastructure) activities and Construction development categories as published by DPIIT
Source: Department for Promotion of Industry and Internal Trade (DPIIT), CRISIL MI&A

Global trade agreements and initiatives to aid investments

Trade and Economic Partnership Agreement (TEPA) with EFTA countries

India-European Free Trade Association signed a Trade and Economic Partnership Agreement (TEPA) on 10th March 2024. Established in 1960, the EFTA, comprised of Iceland, Liechtenstein, Norway, and Switzerland, is an intergovernmental organisation promoting economic cooperation and free trade in Europe. The trade deal is slated to bring forth investments amounting to $100 Bn and a million direct jobs in India in the next fifteen years.

TEPA will give impetus to "Make in India" and Atmanirbhar Bharat by encouraging domestic manufacturing in sectors such as Infrastructure and Connectivity, Manufacturing, Machinery, Pharmaceuticals, Chemicals, Food Processing, Transport and Logistics, Banking and Financial Services and Insurance.

As investment flows into these sectors, it will further drive the development of infrastructure facilities in these sectors.

National Infrastructure Investment Fund (NIIF)

The National Investment and Infrastructure Fund (NIIF), established by the Government of India, is the country's first sovereign wealth fund aimed at driving infrastructure investments. It functions as a collaborative platform, pooling resources from the government, global investors, Multilateral Development Banks (MDBs), and domestic financial institutions. By focusing on commercially viable Greenfield and Brownfield projects, the NIIF seeks to address India's infrastructure financing gap and maximize the economic impact of these projects.

Through its ability to attract global capital and expertise, the NIIF supports the development of various infrastructure sectors. This not only accelerates infrastructure growth but also aids to modernize India's infrastructure landscape and support its economic growth.

Lines of Credit for Development Projects

Development assistance in the form of concessional Lines of Credit (LOCs) is extended by the Government of India (GoI) to low and middle-income countries under the Indian Development and Economic Assistance Scheme

(IDEAS) through the Exim Bank of India.

As of August 2024, in total, more than 300 LOCs worth $32.00 billion have been extended by the Government of India to 68 countries across the world. These LOCs cover approximately 600 projects in sectors which include railways, roads, agriculture, industry, airport, sports stadiums, port, hospitals, disaster management, hydroelectricity, power transmission and Information Technology.

Out of the total LOCs of $32.00 billion, in line with India's "Neighbourhood First" Policy, LOCs worth $7.86 billion were extended to Bangladesh, more than $2.00 billion to Sri Lanka, $ 1.65 billion to Nepal, $1.43 billion to Maldives and $ 0.75 billion to Myanmar. Of the rest, 196 LOCs worth $12.00 billion were extended to 42 African countries.

National Infrastructure Pipeline (NIP)

In fiscal 2019, Government of India has launched the National Infrastructure Pipeline (NIP) for fiscal 2020 – 2025, with an aim to improve India's infrastructure and attract investments across various sectors. To draw up NIP, economic and social infrastructure projects worth more than Rs 1,000 million per project under construction, proposed greenfield projects, brownfield projects and those in conceptualisation stage were considered. These pipelines of projects are implemented by all the states and union territories of India and 22 infrastructure ministries under Government of India.

With various projects across sectors the NIP aims to create various employment opportunities while enhancing the standard of living. It also aims to increase investments in the projects by improving investors' confidence through better project preparation, reducing aggressive bids/failure in project delivery and ensuring enhanced access to sources of finance.

Initially, the NIP started with 6,835 projects. By April 2024, this number has increased to 9,651 projects across 54 different sectors. Out of these, 2,104 projects are currently under development, showing progress in India's infrastructure development efforts. The total investment target under NIP during the period, has been revised from Rs 111 trillion to Rs 147 trillion.

Transport, power, and water projects occupy major share under planned NIP spending of planned Rs 147 trillion

Roads	Rail*	Power	WSS	Real estate	Others^
22%	13%	15%	14%	12%	24%

Note: Values are rounded-off to closest whole number
*Rail also includes investments under Mass Rapid Transit System (MRTS), Rail station redevelopment among others
Real estate includes common infrastructure for industrial parks, residential housing, commercial real estate and public space development
^Others include Others include irrigation, rural infra, ports, airports, health (including healthcare infrastructure), petroleum, natural gas, education, etc
Source: India Investment Grid (IIG), CRISIL MI&A

Half of the NIP projects (value terms) are under implementation

Planning	Pre-construction	Under construction	Completed
16%	26%	54%	4%

Note: Values are rounded-off to closest whole number
Source: India Investment Grid (IIG), CRISIL MI&A

Total EPC opportunity under NIP at ~Rs 92 trillion

EPC			
EPC	**Private**	**PPP**	**Undecided**
72%	**<1%**	**22%**	**6%**

Note: Values are rounded-off to closest whole number
Source: India Investment Grid (IIG), CRISIL MI&A

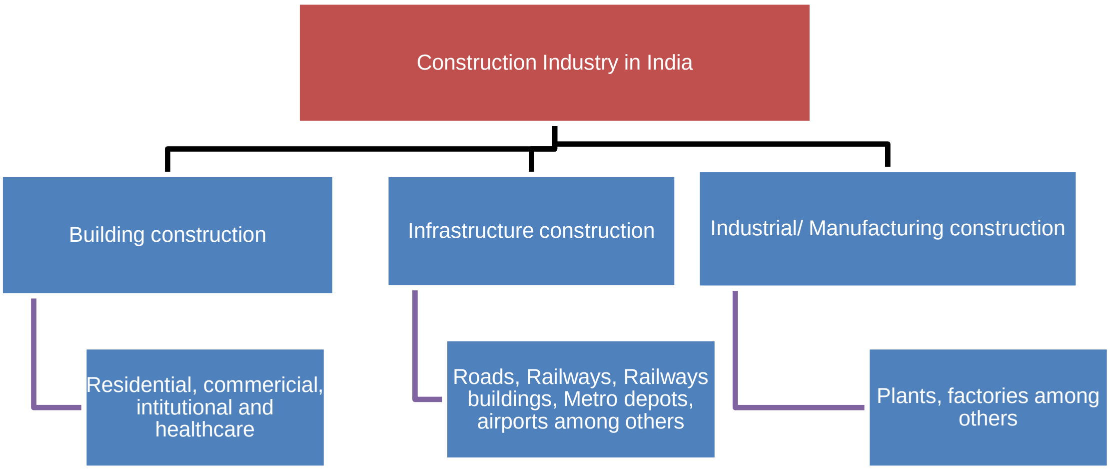
Railway segment occupies a share of 12% among the total EPC contracts

Roads	**Rail***	**Power**	**WSS**	**Others^**
23%	**12%**	**19%**	**7%**	**39%**

Note: Values are rounded-off to closest whole number
*Rail also includes investments under Mass Rapid Transit System (MRTS), Rail station redevelopment among others
^Others include Others include real estate, irrigation, rural infra, ports, airports, health (including healthcare infrastructure), petroleum, natural gas, education, food processing etc
Source: India Investment Grid (IIG), CRISIL MI&A

Assessment of construction industry in India

Overview of Indian construction industry



Source: CRISIL MI&A

The construction sector in India can be broadly classified into Infrastructure construction, Industrial/ Manufacturing construction and Building Construction. During fiscal 2019-23 the investments in the construction industry stand at Rs 42.45 trillion and is expected to grow by 1.61 times, reaching Rs 67.00 – 69.00 trillion during fiscal 2024-28.

Building construction includes constructing buildings for residential uses such as houses, residential towers as well as institutional and healthcare buildings like hospitals, educational institutions and buildings for commercial use such as offices, retail malls, etc.

Infrastructure construction includes construction of warehouses, bridges, dams, roads, airports, canals, urban infrastructure, railway infrastructure (including railway buildings), metro depots etc.

Industrial/manufacturing construction includes construction of manufacturing plants, factories, power plants, and other highly specialised facilities.

Construction investments in India

Construction investments to grow by ~1.61 times between fiscals 2024-28 compared to fiscals 2019-23; Infrastructure investments to drive long-term growth

Growth in construction sector is expected to be propelled by the infrastructure segment over the medium to long term as the building construction and industrial sectors are expected to record sedate growth rates.

Over the long term, CRISIL MI&A projects the overall construction investments to rise by ~1.61 times between fiscals 2024-28 compared with those over fiscals 2019-23.

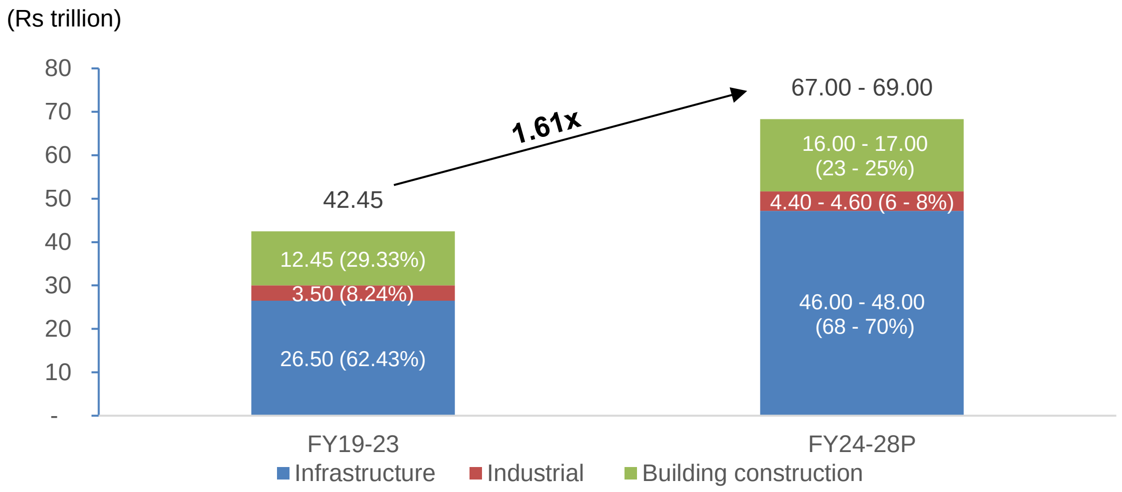
Investments in building construction vertical are expected to increase by ~1.34 times, though its share in overall construction investments is expected to fall to 23-25% between fiscals 2024-28 compared with a share of 29.33% between fiscals 2019-23. This growth is majorly driven by rise of investments in residential segment during the period.

The share of infrastructure investments is expected to increase to 68-70% of the overall construction investments for the five years (fiscals 2024-28) as against 62.43% in the past five years (fiscal 2019-23), as infrastructure investments are expected to see faster growth than the other two segments (building construction and industrial) due to the Government's focus on Infrastructure under the National Infrastructure Pipeline (NIP), National Monetisation Pipeline (NMP) and the Gati Shakti initiative. The Central government's focus on roads, urban infrastructure and railways will boost infrastructure investments. At an investment level, investments in the infrastructure vertical are expected to be ~1.78 times during fiscals 2024-28 compared to fiscals 2019-23 majorly driven by government initiatives towards infrastructure such as National Infrastructure Pipeline, Gati Shakti initiative, Sagarmala among others.

Industrials vertical investments are expected to increase by ~1.34 times between fiscals 2024-28 compared with fiscals 2019-23. Investments in the vertical are driven by the investments in oil and gas segments led by capital expansion plans by industry players as well as investments by upstream oil & gas and downstream natural gas players. Additionally, investments through PLI scheme in sectors such as auto and auto components, textiles and specialty steel are expected to further boost the overall investments.

This growth in the construction sector is majorly poised by continued urbanization, steady income profiles, expected growth in employment generating sectors as well as rising affluence and propensity to spend on real estate by mid-income buyers on the residential segment front as well as major government initiatives such as Pradhan Mantri Awas Yojana for affordable housing, infrastructure plans like National Infrastructure Pipeline and investments through PLI scheme in major capital-intensive sectors.

Overall construction investments by vertical



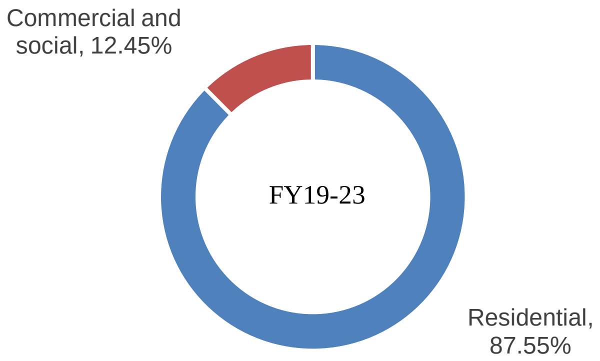
Note: P stands for projected
Source: CRISIL MI&A

Building construction

The real estate industry has been in focus with various developments such as demonetization, enactment of the Real Estate (Regulation and Development) Act (RERA), 2016, and implementation of the Goods and Services Tax (GST). The Covid-19 pandemic further significantly impacted the sector in fiscal 2021. Although fiscal 2022 had challenges due to second wave of coronavirus, the ease of curbs in various states, increase in vaccination across the country, deferred project completions from fiscal 2021 helped the sector to rise in fiscal 2022, returning to pre-Covid levels and creating high base for fiscal 2023. The increase in budgetary allocations for the PMAY scheme and announcements by state government of stamp duty cuts has helped the further sector limp back to pre-covid levels.

Between fiscal 2019 to fiscal 2023, building construction industry has seen an investment of ~Rs 12.45 trillion, driven by rise in urbanisation, growth in employment, stabilization of income of the organised workforce, preference of larger homes and government incentives for affordable housing. Of the overall investments, during the aforementioned period, investments in residential occupy the lion's share of 87.55%, while the rest is occupied by commercial and social segment.

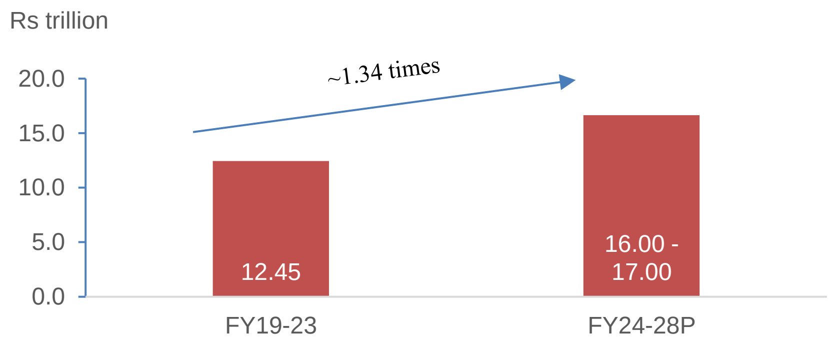
Share of various segments in Indian building construction investments



Source: CRISIL MI&A

In future, between fiscals 2024 to 2028, the investments in building construction vertical are estimated to grow by ~1.34 times, reaching ~Rs 16.00 – 17.00 trillion. This growth is majorly poised by continued urbanization, steady income profiles, expected growth in employment generating sectors as well as rising affluence and propensity to spend on real estate by mid-income buyers on the residential segment front as well as major government initiatives such as Pradhan Mantri Awas Yojana for affordable housing, while the growth in commercial and social segment is driven by return to office as the impact of Covid-19 wanes, increased hiring in key sectors as well as expectation of healthy economic growth.

Investments in building construction sector



Source: CRISIL MI&A

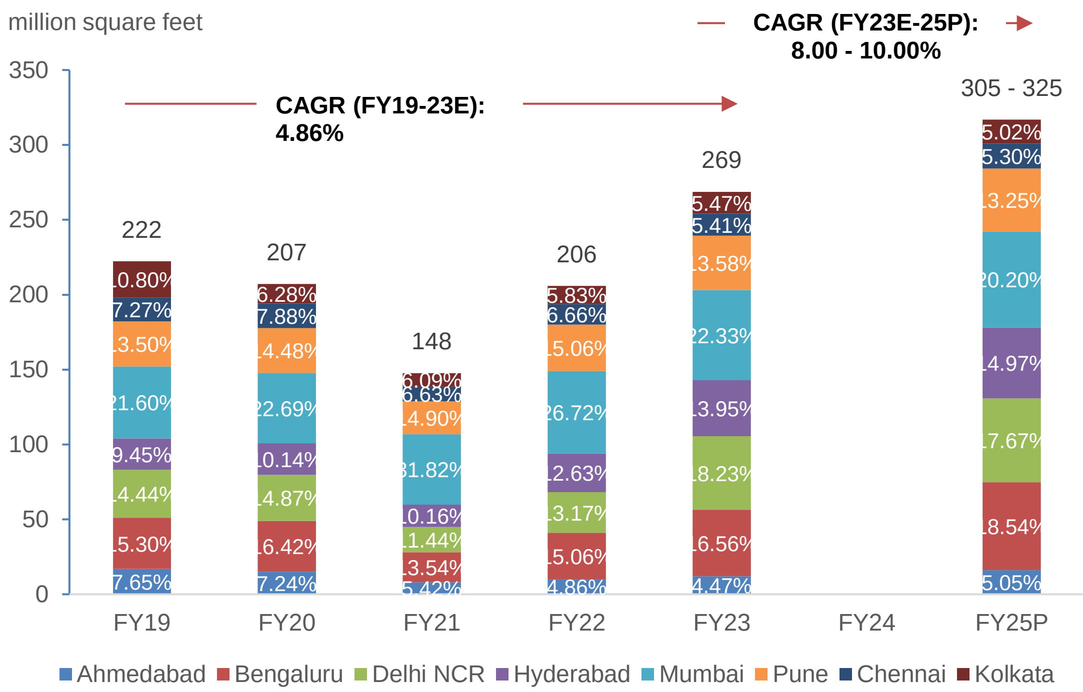
Investments in the residential segment are bolstered by the increasing demand for residential real estate, complemented by the availability of new projects

Residential demand in 8 key cities to clock CAGR 8.00 – 10.00% growth between FY23 and FY25

Demand in the 8 key cities/regions in India (Delhi NCR, Mumbai Metropolitan Region (MMR), Pune, Ahmedabad, Hyderabad, Chennai, Kolkata and Bengaluru) was 222 million square feet (msf) in fiscal 2019 with respect to residential real estate. Demand dropped slightly by 6.81% in fiscal 2020 due to the onset of the pandemic before declining sharply by 28.69% in FY21 due to the full effects of Covid-19 pandemic. Demand bounced back sharply in fiscal 2022 and fiscal 2023 to 180 million square feet (msf) and 240 million square feet (msf) respectively from lower base of in fiscal 2021 (129 msf).

Moreover, from fiscal 2023 to fiscal 2025, demand is anticipated to grow at a CAGR of 8.00 – 10.00%, from 269 million sq. feet (msf) in fiscal 2023, it is expected to go up to 305-325 msf by fiscal 2025, propelled by ongoing urbanization, stable income levels, growth in employment sectors like Information Technology, Banking, Financial Services & Insurance (BFSI), and increasing affluence leading mid-income buyers to invest more in real estate.

Annual demand for residential real estate in 8 key cities in India



Note: 8 key cities include cumulative values of Delhi NCR, Mumbai Metropolitan Region (MMR), Pune, Ahmedabad, Hyderabad, Chennai, Kolkata and Bengaluru
Note: E stands for estimated; P stands for projected
Source: CRISIL MI&A

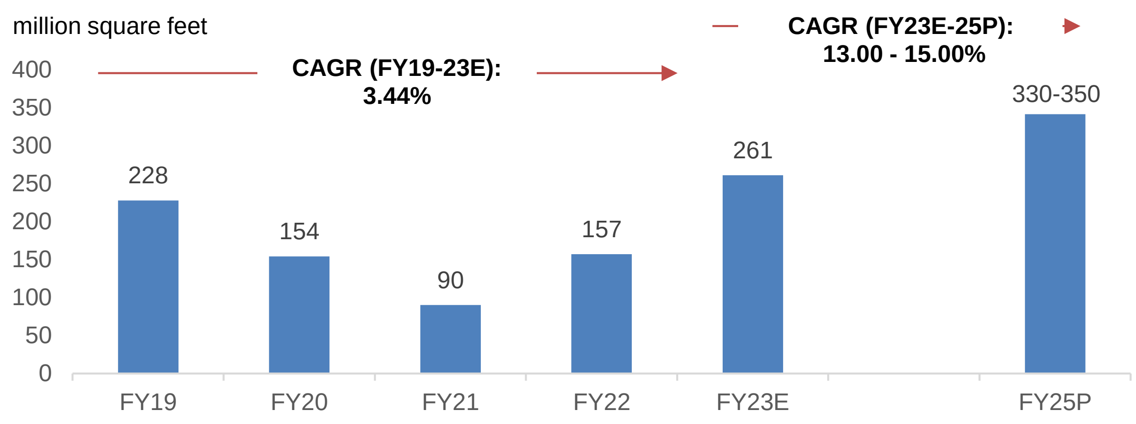
Annual supply (new launches) expected to grow at 13.00 – 15.00% CAGR between FY23 and FY25

Supply decreased to 90 msf in fiscal 2021 from 228 msf in fiscal 2019 due to projects getting deferred during the pandemic. In fiscal 2022 and fiscal 2023 higher number of new launches were witnessed, and many more projects are lined up over the next three fiscals led by reduction in inventory levels and recovery of demand post covid. This is expected to lead to annual supply (new launches) reaching 330-350 msf by fiscal 2025.

Inventory levels in 8 key cities of India (Delhi NCR, Mumbai Metropolitan Region (MMR), Pune, Ahmedabad, Hyderabad, Chennai, Kolkata and Bengaluru) registered a decline in fiscal 2022 and fiscal 2023 owing to pent-up demand created by the pandemic and is expected to recover due to launch of new supplies in these cities.

In the building construction vertical, the annual supply of new residential launches in key eight cities (namely NCR, Mumbai Metropolitan Region (MMR), Pune, Ahmedabad, Hyderabad, Chennai, Kolkata and Bengaluru) is expected to grow from 228 msf in fiscal 2019, to 330-350 msf by fiscal 2025, on account of reduction in inventory levels and recovery of demand post covid.

Annual supply (new launches) of residential real estate in 8 key cities



Note: Note: 8 key cities include cumulative values of Delhi NCR, Mumbai Metropolitan Region (MMR), Pune, Ahmedabad, Hyderabad, Chennai, Kolkata and Bengaluru
E: estimated; P: projected
Source: CRISIL MI&A

The growth in residential segment is majorly driven by

- **Growing population:** As per UN estimates, the population of India increased from 1.24 billion in 2010 to ~1.4 billion in 2020. It is expected to increase to 1.5 billion by 2030. Growing population will give rise to the need of quality housing and other infrastructure, which is expected to give a boost to the real estate sector.

- **Nuclearisation**: Nuclearisation in urban areas is primarily driven by changing lifestyle of people, individualism, changing social/cultural attitudes and increased mobility of labor in search of better employment opportunities. These trends are expected to continue in future. With increasing nuclearisation, the Per Capita Floor Space Area (PCFSA) required reduces since size of the family shrinks. As incomes increase, people shift to bigger houses and thus, there is addition in existing demand.

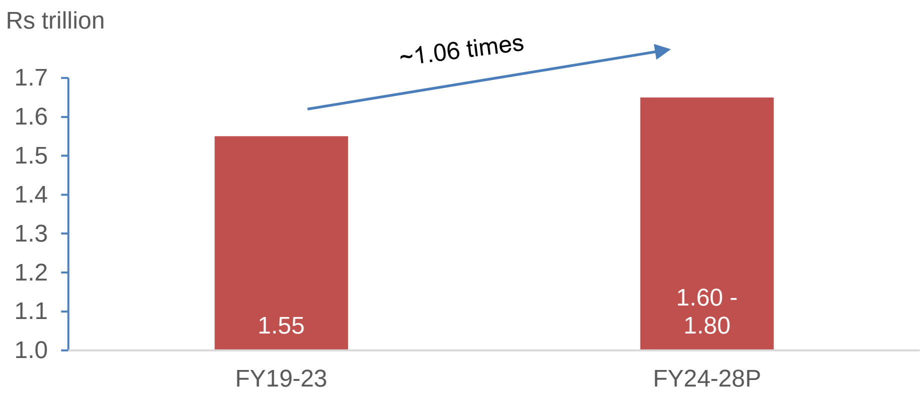
- **Affordability led by disposable income** : India's per capita income grew at a healthy rate in the recent years. Going forward, the per capita income is expected to continue its growth trajectory. This will be an enabler for domestic consumption. Increasing disposable income, typically, has a positive correlation with demand for housing units as it increases affordability.

- **Pradhan Mantri Awas Yojana – Urban**: The scheme was launched in FY16 to provide housing for the economically weaker section of society. PMAY Urban has a total target of 12.4 million houses out of which 11.86 million have been sanctioned of which 70.83% of houses are completed as of June 2024. An investment of Rs 8.07 trillion investment has been done till June 2024. With this investment, the affordable housing segment has received a considerable boost.

Investment in the commercial real-estate to be fuelled by rise in demand supported by increase in hiring and robust economic growth

The demand for commercial real estate, experienced a significant decline in fiscal year 2021 due to the COVID-19 pandemic, with many office spaces favouring remote work arrangements. However, following fiscal year 2021, demand began to rebound as people returned to the office with the easing impact of COVID-19.

Investments in commercial and social segment



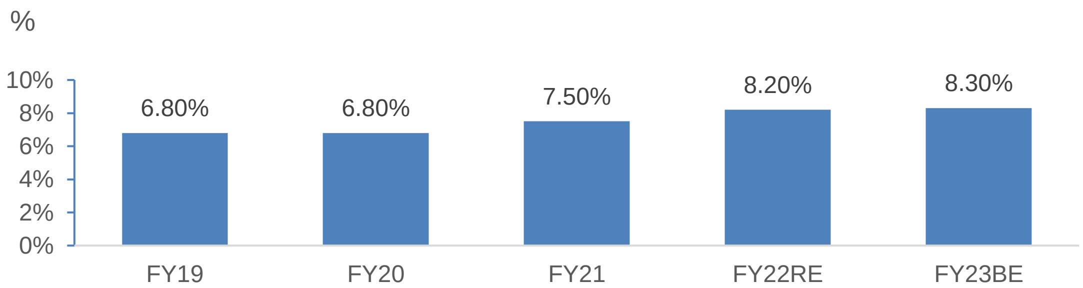
P stands for projected
Source: CRISIL MI&A

Further, the commercial real-estate is expected to grow during fiscal 2024 to fiscal 2028 with the investments in the segment estimated to see a further increase driven by rise in net absorptions, heightened hiring in key sectors and expectations of robust economic growth. However, net absorptions are expected to remain within the pre-pandemic range of 35-40 million square feet, influenced by recessionary pressures in developed economies.

Qualitative overview of social infrastructure building construction in India with focus on education and healthcare segments

Investing in social infrastructure is essential for fostering inclusive growth and generating employment opportunities in the country. It involves establishing and sustaining facilities and services that enhance the welfare, health, and overall quality of life for citizens. This encompasses investments in various sectors such as education and healthcare and community spaces among others. Further, the rise in expenditure on social services underscores the government's dedication to promoting societal well-being.

In the 2019-20 interim Budget, the Government articulated a vision that underscored the importance of strengthening social infrastructure, fostering a healthy society, ensuring the well-being of women and children, and prioritizing citizen safety. This commitment is reflected in the increased budgetary allocation for social services, such as hospitals and educational institutions among others, with their share rising from 6.2% of GDP in fiscal 2015 to 8.3% of GDP in fiscal 2023. This growth in government support has also contributed to the increased development of infrastructure construction within this sector.
Share of government (central + state) spending on social services as a % of GDP

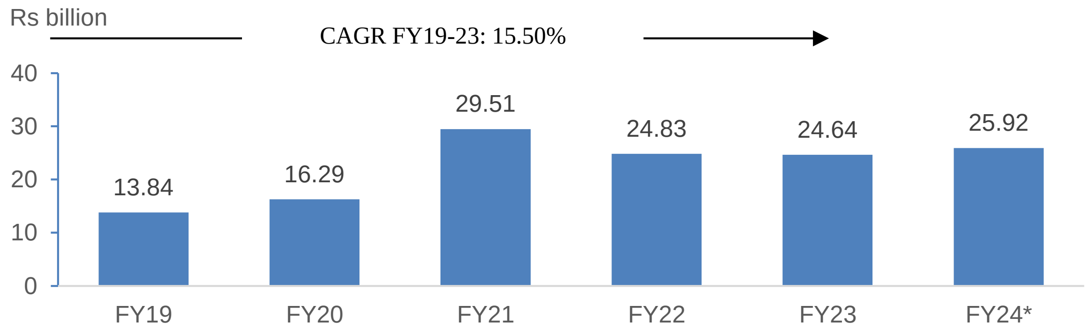


Note: The share mentioned in the above graph is as mentioned in the source document
BE: Budget estimates, RE: Revised estimates
Source: Budget documents of Union and State Governments, Economic Survey 2022-23, CRISIL MI&A

Additionally, the growth in construction is also supported by the disbursal of loans by banks to social infrastructure projects under priority sector lending. Priority sector lending refers to the mandatory allocation of a certain portion of a bank's lending portfolio to sectors deemed essential for economic and social development.

The disbursals under priority sector lending for social infrastructure has seen a growth of 15.50% between fiscals 2019 and 2023. These loans enable the construction, renovation, and maintenance of critical infrastructure that is often beyond the reach of government budgets alone.

Disbursal of bank credit for social infrastructure under priority sector lending



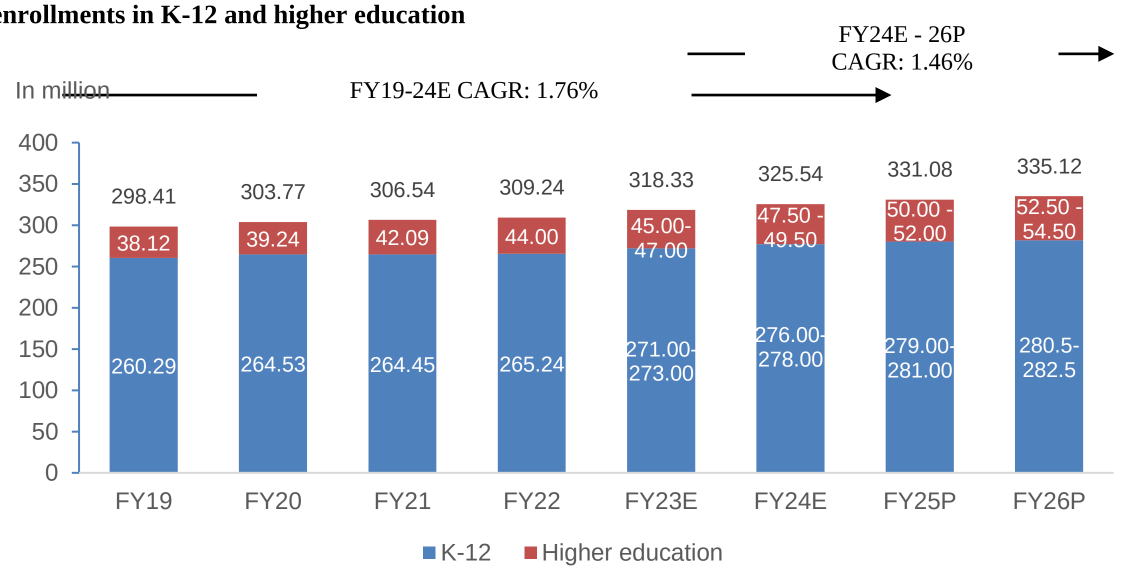
Note: Data for fiscal 2024 is as of 23rd February 2024

Source: Reserve Bank of India (RBI), CRISIL MI&A

Construction spends in educational sub-segment to be driven by rise in enrollments

As the need for education grows, educational establishments endeavour to enlarge their infrastructure to cater to increasing student numbers. The increase in enrollments within the Indian education sector has played a significant role in stimulating construction expenditure within the sector. From fiscal years 2019 to 2024, enrollments in educational institutions are estimated to have experienced a growth of 1.76%. Going ahead, this growth is expected to continue with enrollments seeing a rise of 1.46% CAGR between fiscal 2024 and 2026.

Total enrollments in K-12 and higher education



Note: K-12 includes enrollments in pre-primary to higher secondary

Higher education includes enrollments in Engineering and Technology, IT and Computer, Arts, Science and Commerce, Medical sciences, Teacher Training Institutes, Management and other courses.

Source: All India Council for Technical Education (AICTE), All-India Survey of Higher Education (AISHE), Unified District Information System for Education (UDISE), CRISIL MI&A

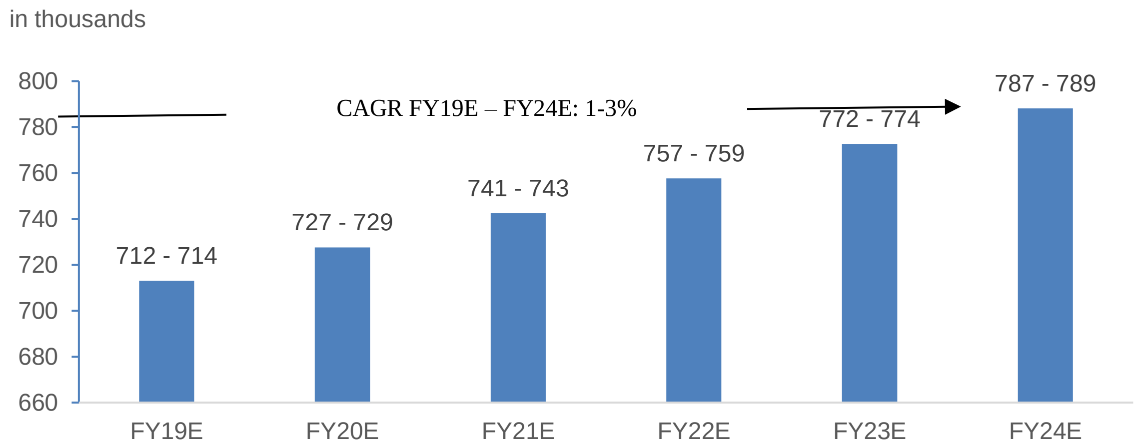
Moreover, as awareness about the significance of education increases coupled with increasing focus on holistic development of students, educational institutions are estimated to increase their investments in constructing new facilities and upgrading existing ones. This encompasses the development of classrooms, laboratories, sports facilities, hostels, and administrative buildings. Additionally, there is a rising inclination towards implementing technology-enabled learning environments, necessitating investments in digital infrastructure and connectivity, which are poised to further propel construction growth.

Rising demand for healthcare services to drive construction spending in hospital sub-segment

In India, healthcare is delivered through a combination of government and private sectors, offering both inpatient (IPD) and outpatient (OPD) services. The demand for healthcare is primarily fuelled by various factors such as the rise in lifestyle-related illnesses, the growth of medical tourism, increasing incomes, coupled with rise in healthcare awareness post-pandemic and demographic shifts. Additionally, initiatives like PMJAY and government prioritization of the healthcare sector are contributing to this growth.

As demand increases, hospitals are strategising to either enhance existing facilities or venture into new regions across the country. This is supported by estimated increase in the number of beds from 712,000 – 714,000 in fiscal 2019 to 787,000 – 789,000 by fiscal 2024. Moreover, the relatively low availability of healthcare services in India, with only 15 beds per 10,000 people compared to the global median of 29 beds, presents an opportunity for expansion. This expansion is expected to stimulate construction spending within the sub-segment.

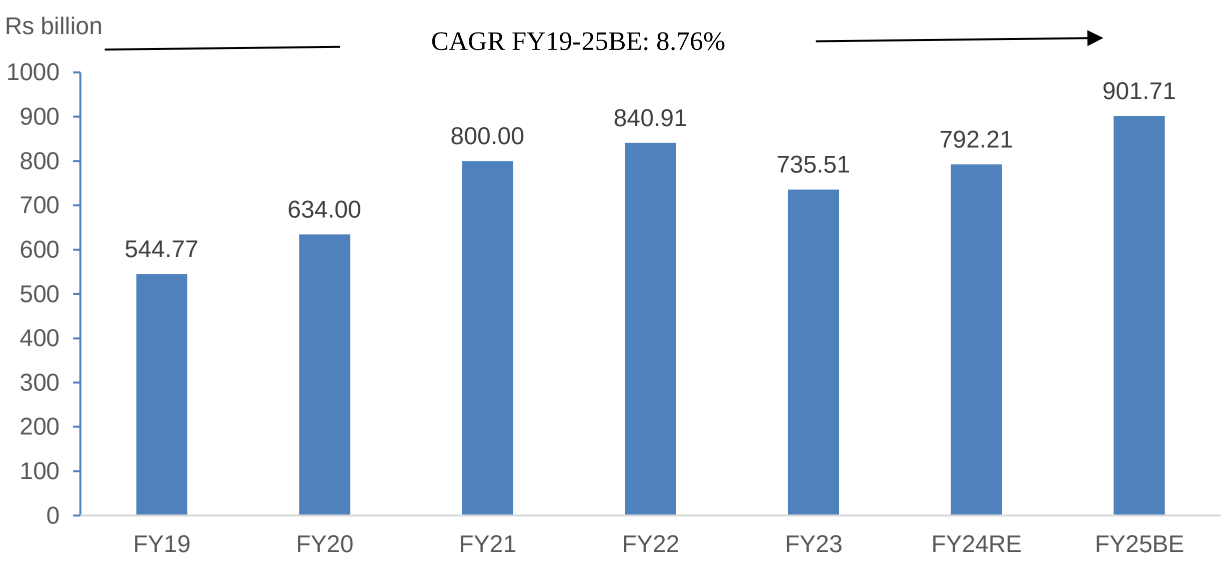
Total number of hospital beds in India



Source: CRISIL MI&A

In addition, the governments allocation to healthcare has increased from Rs 544.77 billion in FY19 to Rs 901.71 billion for FY25 (budgeted estimates), at a CAGR of 8.76%. This growth in government spending towards healthcare, further aids the construction spending in hospital sub-segment.

Budgetary allocation for healthcare over the years



RE: Revised estimates; BE: Budget estimates
Source: Budget documents, CRISIL MI&A

Overview of data centres in India

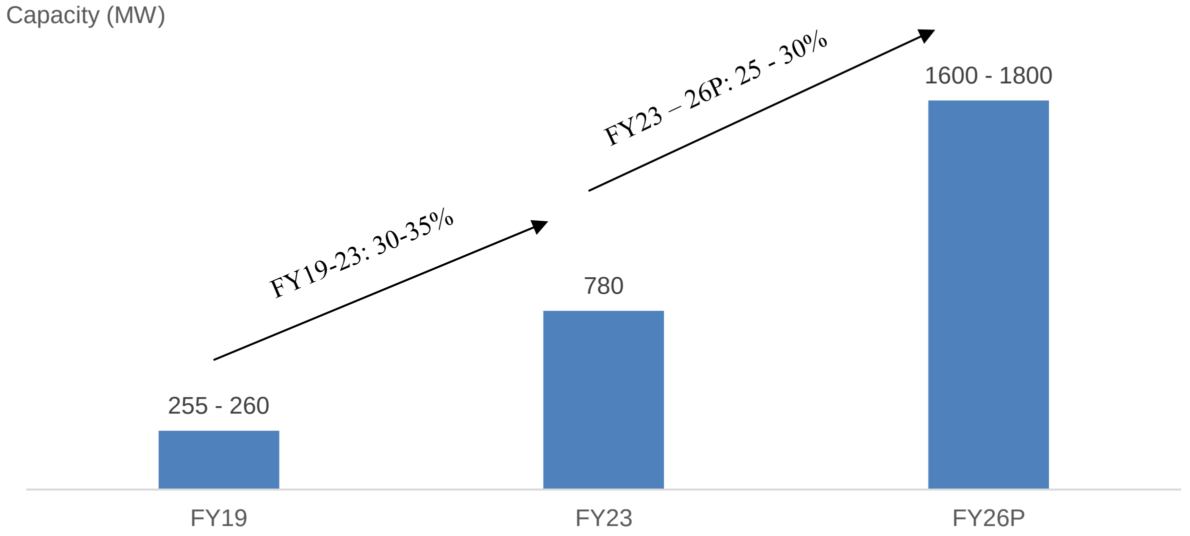
Modern data centres have evolved from their traditional physical infrastructure approach. Infrastructure has shifted from traditional on-premises physical servers to virtual networks that support applications and workloads across pools of physical infrastructure and into a multi cloud environment. Today, data exists and is connected across multiple data centres, and public and private clouds.

From fiscal 2019 to fiscal 2023, the Indian data centre industry (in capacity terms) has seen a growth at CAGR of 30-35%. During this period, the industry expanded from 255-260 MW to 780 MW, driven by factors such as increased internet accessibility, e-commerce adoption, and digital transformation initiatives by the government. The adoption of newer technologies including the cloud infrastructure by organizations seeking to reduce expenses has also contributed to this growth.

Looking ahead, the industry is expected to maintain a strong growth trajectory, with a CAGR of 25-30% between fiscal 2023 and 2026. This growth will be driven by increasing data consumption, the rollout of 5G networks across India, and advancements in technologies such as IoT, big data, artificial intelligence, and machine learning. Government initiatives, including the data protection bill 2023, draft data centre policy, and infrastructure status for data centres, will also provide a boost to the industry.

This growth of the data center industry, driven by the increasing demand for cloud computing, big data, and IoT, would aid in surge of construction projects, with new facilities being built to accommodate the expanding need for data storage and processing. As a result, the construction industry is expected to boost, with data center construction becoming one of the key growth drivers.

Data center industry India

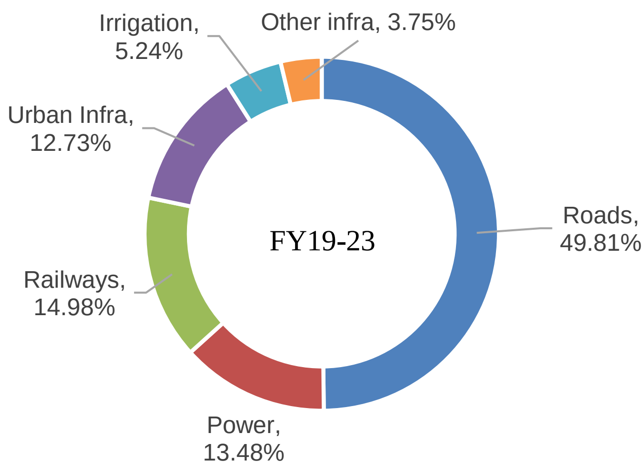


Note: P - Projected
Source: CRISIL MI&A

Infrastructure construction

In India, government's focus on the National Infrastructure Pipeline (NIP), National Monetization Pipeline (NMP), and the Gati Shakti initiatives majorly drives the infrastructure investments. Over the past few years between fiscal 2019 and fiscal 2023, in the total infrastructure investments, roads occupy the largest share (49.81% of the overall investments), followed by railways, urban infrastructure, and power segments.

Share of various segments in Indian infrastructure investments



Source: CRISIL MI&A

The share of infrastructure vertical in overall construction sector is expected to increase to 68-70% in the next four fiscals from 2024 to 2028 as against 62.43% over past four fiscals between fiscal 2019 and 2023 led by the central government's focus on roads, urban infrastructure, and railways.

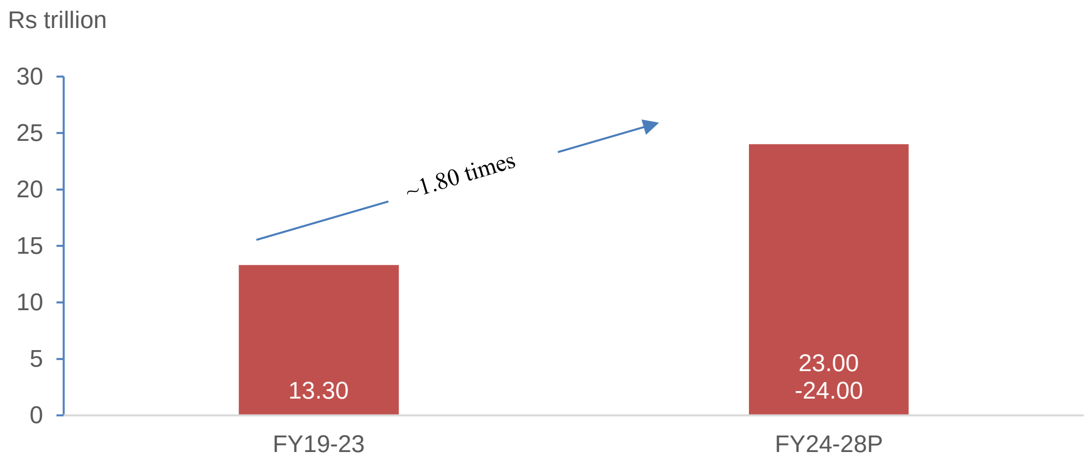
Investments in road infrastructure to rise 1.80 times during fiscal 2024-28 when compared fiscal 2019-23

In roads, as nearly all funds (save those used for land acquisition) are used only in construction, these investments augur well for construction players.

During fiscal 2019-23, the segment has attracted a total investment of Rs 13.30 trillion. Bharatmala project and increased state spending supported these investments despite brief hiccups, such as the pandemic and hampered construction due to elongated monsoons. Further, these investments in roads and highways are forecasted to nearly double over fiscals 2024-28 compared to fiscals 2019-23, reaching a total of Rs 23.00 – 24.00 trillion. Steady execution of national highway and high-value expressway projects will drive these investments.

The demand for road construction is primarily driven by rapid urbanisation, improvements for existing road network and increased vehicular traffic. Government initiatives like Bharatmala Pariyojana aim to enhance the connectivity and boost economic development through extensive road development. The rise in e-commerce and industrial sectors necessitates better logistics and transportation infrastructure. Further, development in rural regions is also pushing for improved road connectivity in order to get better access to markets, healthcare and education among others.

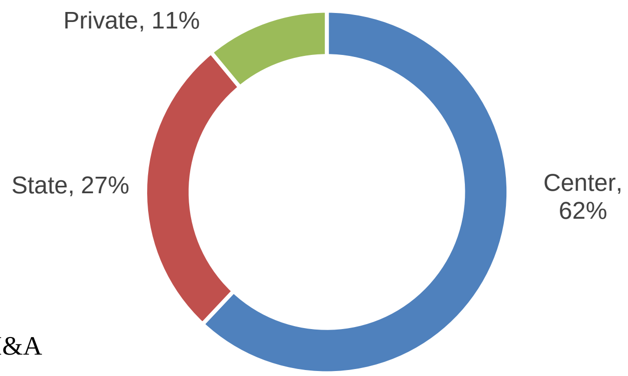
Investments in Indian road segment



Source: CRISIL MI&A

Going forward, the share of HAM in awarding projects is expected to be similar to fiscal 2020 levels or rise marginally going forward. As the HAM project requires 40% of the total construction cost to be paid by the government during the construction period, coupled with EPC projects (where 100% of the cost is funded by government) occupying major share in road construction, 75-80% of the total investment expected in national highways will be expensed by public funds (state and centre).

Source of funds (fiscal 2024E)



Source: CRISIL MI&A

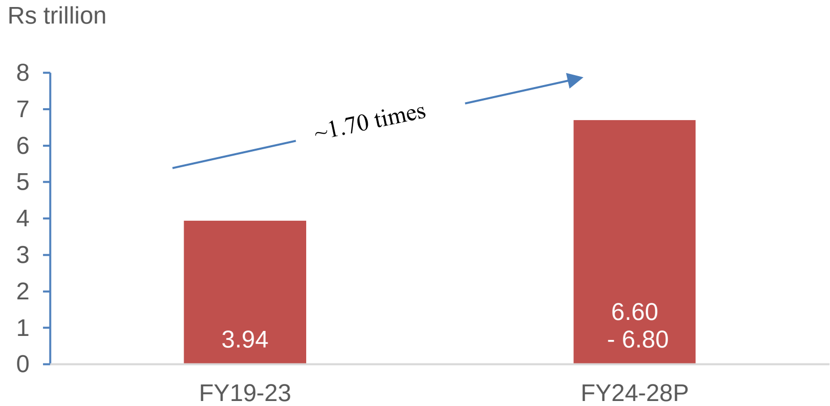
Investments in railway infrastructure to rise during fiscal 2024-28 led by Amrit Bharat station scheme

During fiscal 2019-23, due to the government's focus on completing dedicated freight corridor (DFC) projects, traction in high-speed rail, investment in newer avenues such as Vande Bharat trains, and focus on the station redevelopment program, the segment has attracted a total investment of Rs 3.94 trillion.

In the future, a construction investment of Rs 6.60 - 6.80 trillion is estimated over the next five years between fiscal 2024 and 2028, which is an increase of ~1.70 times over the past five years, led by investments in network decongestion, Amrit Bharat station development scheme, and high-speed rail projects. With construction investments over fiscal 2024 to 2028 expected to nearly double, raising funds through external agencies, IEBR, and via PPP would be a key monitorable.

Further, the railway infrastructure development is also driven by the need to support economic growth, enhance fright efficiency and improve long distance passenger connectivity. Government initiative such as dedicated freight corridor and high speed rail projects aim to modernise and expand the existing national rail network. Increased industrial trade and tourism activity require better logistics and transportation facilities. Additionally, the push towards sustainable transportation is also driving the investments in railway electrification and modernisation.

Investments in Indian railway segment



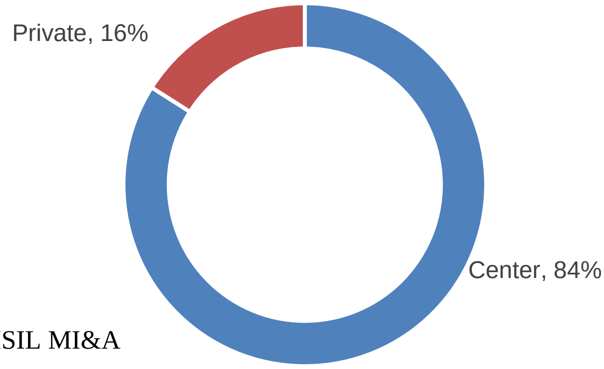
Source: CRISIL MI&A

The central government announced a capital outlay of Rs 2.52 trillion for the Indian Railways in the Union Budget

2024-25 which is a rise of 5% over the revised capital outlay under budget 2023-24. Under the proposed capital outlay the government aims to convert 40,000 conventional rail bogies to Vande Bharat standards. In addition, the government is also focusing on developing three major economic corridors - energy, mineral, and cement; port connectivity; and high-traffic density corridors – with an aim to boost efficiency and connectivity. As of July 2024, Energy, Mineral and Cement corridors (192 Projects); Port connectivity corridors (42 Projects) and High Traffic Density corridors (200 Projects) have been identified under the PM Gati Shakti Mission for enabling Multi-Modal connectivity.

As of fiscal 2024, center contributes to 84% of total investments made during the period, while the rest is contributed through private investments.

Source of funds (fiscal 2024E)

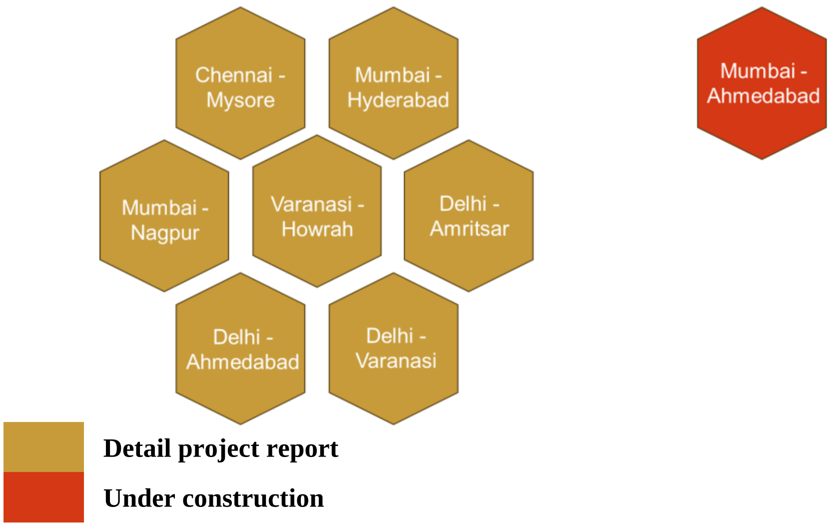


Source: CRISIL MI&A

High speed rail projects

The Government of India has envisaged development of high speed rail (HSR) corridors and has identified 8 corridors for constructing HSR projects of which the Mumbai Ahmedabad corridor is under construction while DPR preparation of the remaining projects is under preparation.

Status of HSR projects



Source: CRISIL MI&A

Amrit Bharat Station Scheme

Launched on 6th August 2023, the Amrit Bharat Station Scheme aims to transform and revitalize 1,309 railway stations nationally. The scheme involves

- Preparation and implementation of master plans to improve the amenities at the stations.

- The scheme also envisages improvement of the building, integrating the station with both sides of the city, multimodal integration, amenities for Divyangjans, sustainable and environment-friendly solutions, provision of ballast less tracks, 'roof plazas' as per necessity, phasing and feasibility and creation of city centres at the station in the long term.

On 26th February 2024, the Government of India, as part of the Amrit Bharat Station Scheme, proposed redevelopment of 553 railway stations with an overall cost of Rs 190.00 billion.

In addition, it also proposed 1,500 infrastructure redevelopment projects like overbridges and underpasses at an overall cost of Rs 215.20 billion. It will be providing an overall opportunity of Rs 410.00 billion.

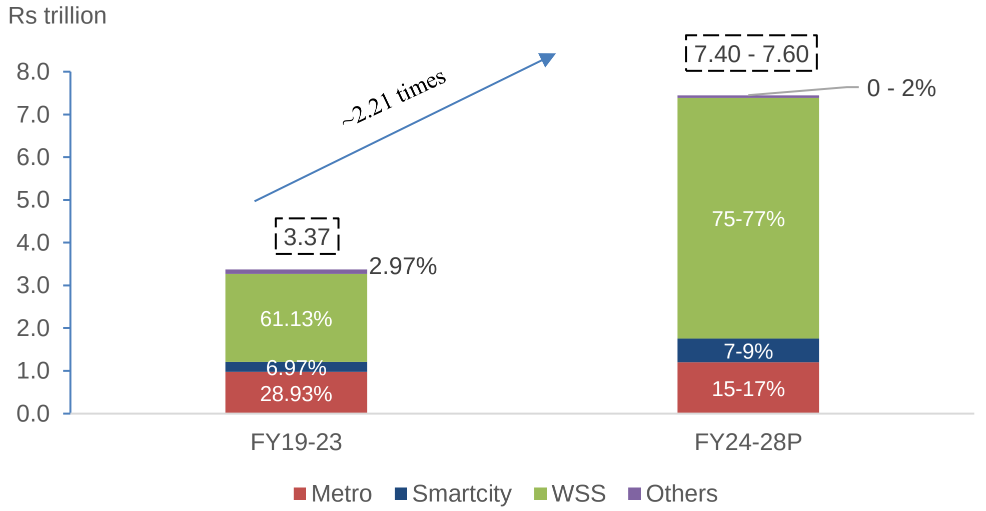
Urban infrastructure investments to continue rising led by rising urbanisation and increase in investments under Water Supply and Sanitation

Urban infrastructure includes construction-intensive mass rapid transit system (MRTS), bus rapid transit system (BRTS), water supply and sanitation (WSS) projects, smart cities, and related infrastructure development. The segment has seen an investment of Rs 3.37 trillion during fiscal 2019-23 majorly led by investments in Water supply and sanitation under schemes such as Swachh Bharat Mission, Jal Jeevan mission, AMRUT and investments in Metro projects.

Going ahead, investments in urban infrastructure are expected to rise by ~2.21 times, reaching to the levels of Rs 7.40 – 7.60 trillion majorly led by investments in WSS and metro construction in major Indian cities. Further to this, progress of work on 105 smart cities announced so far will also be a key monitorable, which would aid in further bolstering the investments in the sector. The growth also further aids in the development of building construction in the sector.

The demand for urban infrastructure development in India is driven by rapid urbanisation and increasing population density. The need to reduce traffic congestion, pollution and create a sustainable environment propels the investments in the sector. While rising commuter demand aids investments in metro, rising health awareness and water scarcity necessitate efficient resource management and infrastructure resilience in WSS segment. Further, rising migration towards urban cities and need for improved quality of life and economic opportunities fuels the demand for smart cities in turn aiding the growth in investments.

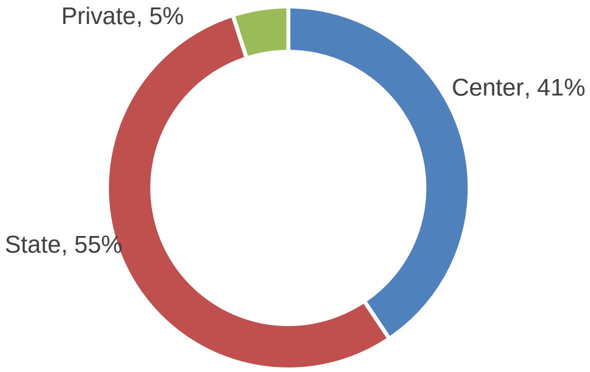
Investments in urban infrastructure segment



Source: CRISIL MI&A

As of fiscal 2024, center and state are major contributor of total investments made during the period with share of center at 41% and state share at 55%.

Source of funds (fiscal 2024E)



Note: The above values are rounded off to the closest integer, hence will not add up to 100%
Source: CRISIL MI&A

Key announced government initiatives to power WSS projects

Government schemes such as the Swachh Bharat Mission (SBM), Jal Jeevan mission and the National Mission for Clean Ganga (NMCG) are likely to boost WSS investments. On October 2, 2014, Prime Minister Narendra Modi launched SBM in order to focus on sanitation and accelerate efforts to achieve universal sanitation coverage. It comprises two sub-missions - Gramin (for the rural areas) and Urban - aimed at achieving a clean India by 2019.

The measures undertaken by the mission include construction of household, community and public toilets, and conversion of insanitary latrines into pour-flush latrines; solid waste management; and public awareness.

The overall budgetary allocation under SBM (Rural and urban) during Union budget 2024-25 is Rs. 184.92 billion with revised estimates for 2023-24 at Rs. 123.12 billion.

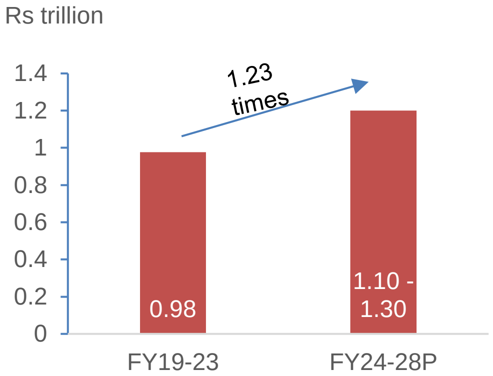
Metro projects to be second largest contributor under urban infrastructure investments

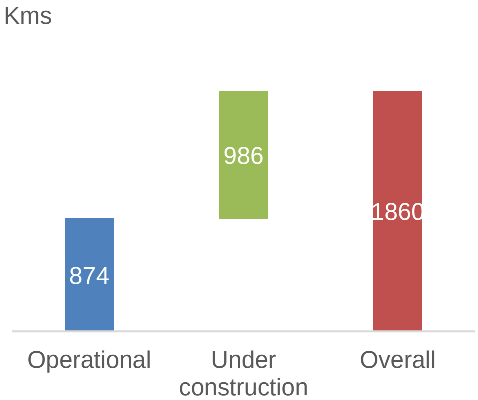
CRISIL MI&A estimates that construction spends on metro projects in India will increase ~1.23 times from Rs 0.98 trillion during fiscal 2019-23 to Rs 1.10 – 1.30 trillion over fiscals 2024 to 2028, making it the second-largest contributor to urban infrastructure investments. Bulk of the metro projects are under construction and have achieved financial closure, with the lockdown and migration of labour the only impediments that drove investments lower in fiscal 2021, while deferral of investments led to revival in fiscal 2022 with the momentum continuing during next two fiscals.

Going ahead, new project announcements, as well as completion of under construction projects, by state governments to aid growth in the sector. In addition, new metro rail policy was announced during the Union Budget (2018) to develop private interest in the segment.

To increase the viability of metro projects and make them available across cities with lesser populations, Government of India has announced Metro-Neo and Metro-Lite. These are cheaper to construct and operate and are suited for cities with lower population densities. These also would aid in creating construction opportunities in the segment which include construction of buildings and other metro infrastructure.

Investments in metro network **Metro network to double in coming years**





Note: data for metro network mentioned in the above graph (right side) as of October 2023
Source: PIB, CRISIL MI&A

Progress in metro projects across states

Project	Status
Mumbai	Work for three lines in advanced stages, five more lines under implementation, total 14 lines approved
Pune	First two phases on track, third phase to be awarded on public private partnership (PPP) basis
Delhi	Phase three almost complete, phase four-three out of six corridors approval received
Chennai	Phase one extension line to begin soon, phase two in planning stage
Hyderabad	Phase one complete, phase two in proposal stage
Bengaluru	Phase one complete, phase two under construction

Source: CRISIL MI&A

Smart cities to further push infrastructure spending under urban infrastructure

To further push urban infrastructure spending, the government approved a budget of Rs 480 billion for the development of 100 smart cities over five years, beginning fiscal 2017. The focus is on adequate and clean water supply, sanitation, solid waste management, efficient transportation, affordable housing for the poor, power supply, robust IT connectivity, e-governance, safety and security of citizens, health, and education.

The selected cities will receive central assistance of Rs 2 billion in the first year, Rs 1 billion in each of the next four years, and a matching contribution from the respective state.

The state and central government funds will only meet part of the cost. The rest will be raised through user fees, municipal bonds, existing central/state schemes such as AMRUT, and PPPs.

Under recent union budget of 2024-25, the Government of India has extended the deadline for the smart cities project till 31st March 2025.

Each smart city will have two plans:

Area-based development (ABD): Under this plan, one chosen area of the city will be developed, through retrofitting, redevelopment, or greenfield, or a combination of these. The delineated area should be contiguous within the city

Pan-city solution: Under this plan, the entire city area is considered, and information and communications technology (ICT) is used for diverse purposes, such as traffic management, water and electricity supply (smart metering), and solid waste management.

The opportunity in smart cities will primarily come from ABD projects such as affordable housing, sanitation, solid waste management, water supply, and storm water reuse.

All 105 cities announced ; Tendering activity on the uptick

Out of the 60 smart cities declared in rounds one and two and the fast track round, only ~29 cities are seeing reasonable amount of activity. Of the first 20 cities announced, only 10 have progressed in terms of execution. About eight cities have no progress or only marginal progress in execution as against what was planned initially. Except Raipur, cities from the fast-track round that were to start execution from fiscal 2017 have seen almost no activity.

For the balance 40 cities selected in rounds three and four, tendering is at a very nascent stage for the newly formed special purpose vehicles (SPVs).

Smart city status

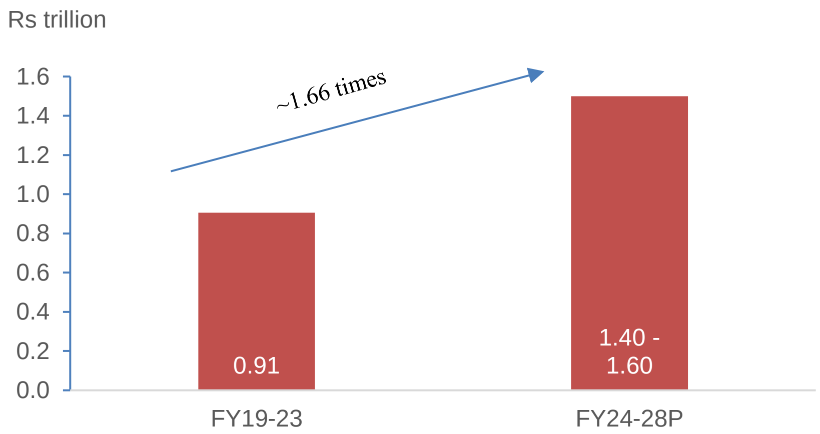
Status	Number of projects	Projects value (Rs Bn)	Percentage (%)
Completed	7,066	1,415.00	84.63%
In progress	959	256.86	14.37%
Total	**8,025**	**1,671.86**	**100.00%**

Note: Data as of May 2024
Source: CRISIL MI&A

Construction investment in other segments also to see an uptick in long term over fiscals 2024 to 2028

Other major segments include airports, ports, telecom towers and warehousing and cold storages. Investment in construction for these segments is also expected to see an uptick rising from ~Rs 0.91 trillion during fiscal 2019 to 2023 to ~Rs 1.40 – 1.60 trillion during fiscal 2024 to 2028.

Investments in other major segments



Source: CRISIL MI&A

Construction investments in **airports** is driven by expansion Bangalore, Delhi, Hyderabad and Chennai airports as well as with progress of greenfield projects at Jewar, Navi Mumbai, Mopa and Bhogapuram airports. The plan under national monetisation pipeline (NIP) to monetise 25 airports will aid in boosting PPP investments with the money raised by AAI going towards establishment / upgradation of smaller, underserved and unserved airports. Moreover, significant anticipated investments from airports such as Navi Mumbai, Goa (Mopa), Bhogapuram and Jewar airports are expected to increase the share of greenfield investments. Further, government initiatives, such as speeding up of project approvals through automated clearances using digital platforms, setting up of project monitoring group to fast-track investments, and monitoring of timelines set for clearances by various ministries to aid greenfield investments over the next five years during fiscal 2024 and 2028.

The incremental investment in **ports** is expected to be majorly in Port of loading (POL) and container segments as iron ore segment is currently facing oversupply, and fresh investments in the coal segment are tepid. The private sector has accounted for most of the investments in the ports sector in the past few years, concentrating on non-major ports. Public sector contribution has remained limited to the maintenance of draft and building of allied infrastructure, such as roads at major ports.

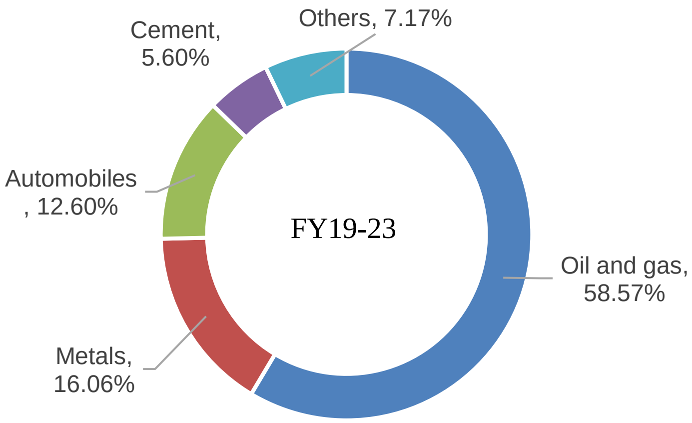
Construction investments in the **warehousing** (agricultural and industrial) and **cold-storage** (single- and multi-commodity) sectors is led by increased demand. India's warehousing stock per capita is only 0.15-0.02 sq. m. while that of China is 0.7-0.9 sq. m. and that of the USA is 4.4 sq. m. providing an opportunity for growth. Players are also likely to invest in automation to lower touch points especially since automated services have seen increasing preference among the occupiers of late. However, in agriculture warehousing, the investments are expected to be lower owing to the muted growth in demand for agricultural warehousing space amidst low FCI procurement. Given the scenario, Industrial warehousing is likely to comprise over 85-90% share of total investments in warehousing. In cold-storages, early payback in multipurpose cold storages as against single-commodity storages is expected to boost investments in the segment.

Industrial construction

CRISIL MI&A considers Oil and gas, petrochemicals, fertilisers, paper, textiles, cement, metals, and automobile sectors as a part of Industrial construction. In addition to this, the investments in the industrial construction are also driven by PLI scheme, which is a time bound incentive scheme by the Government of India which rewards companies in the range on 5-15% of their annual revenues based on the companies meeting pre-decided targets for incremental production and/or exports and capex over a base year.

During fiscal 2019 to fiscal 2023, the industrial construction has seen a total investment of ~Rs 3.50 trillion of which major share is occupied by Oil and gas sector (58.57%) followed by Metals (16.06%) and Automobiles (12.60%).

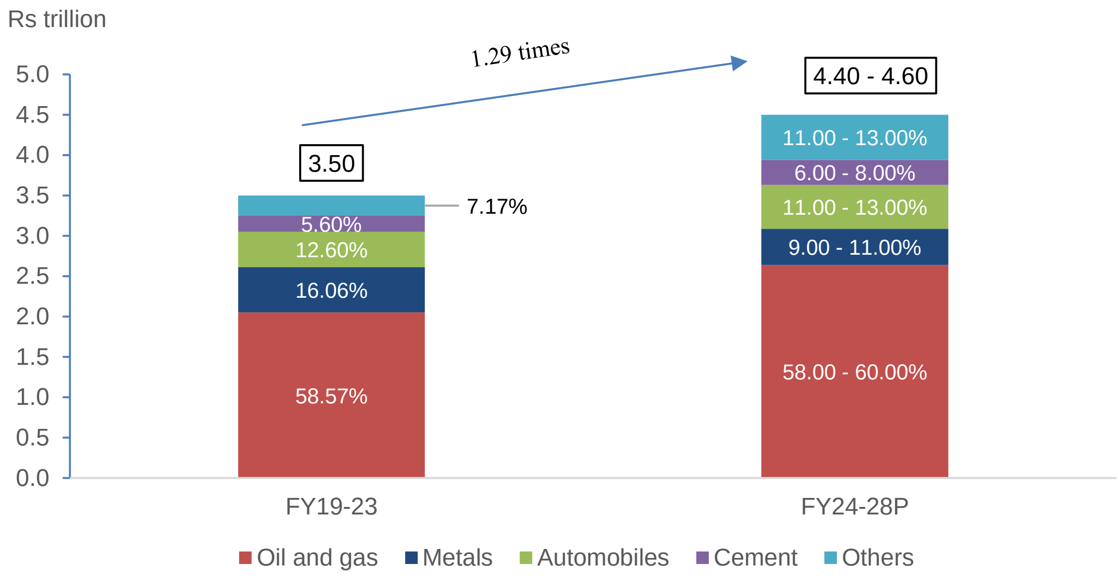
Share of various segments in Indian industrial construction investments



While the PLI scheme entails 13 sectors, CRISIL MI&A has only considered 3 capital intensive sectors which are Auto and auto components, Textiles and Specialty steel as a part of analysis
Source: CRISIL MI&A

Major driven by the investments growth in Oil and gas segment, the overall investments in Industrial construction are estimated to grow by ~1.29 times to reach ~Rs 4.40 – 4.60 trillion during fiscals 2024 and 2028.

Investments in industrial construction



Others include petrochemicals, fertilisers, paper, textiles and PLI scheme
While the PLI scheme entails 13 sectors, CRISIL MI&A has only considered 3 capital intensive sectors which are Auto and auto components, Textiles and Specialty steel as a part of analysis
Source: CRISIL MI&A

Overview of construction investments in various segments under industrial construction

Segment	Construction investments in Rs trillion (FY19-23)	Construction investments in Rs trillion (FY24-28P)	Growth (times)	Outlook	Demand drivers
Oil and gas	**2.05**	**2.50 – 2.70**	**1.29 times**	**Refinery expansion plans by Reliance Industries Ltd, Nayara Energy, IOCL as well as investments by upstream oil & gas and downstream natural gas players expected to drive the investments.**	**Growth in automobile segment, increasing energy consumption due to industrialisation and urbanisation coupled with government initiatives for infrastructure development**
Automobiles	**0.44**	**0.40 – 0.60**	**1.24 times**	**Rise in automobile sales coupled with upgradation of technologies and introduction of corporate average fuel efficiency norms and shift towards ACES - Autonomous, Connected, Electric, shared architecture would drive investments in the automobile space.**	**Enhancement in economic activities, rising income levels, development of rural infrastructure, government initiatives to boost farm income coupled with growing penetration in passenger and commercial vehicle segments**
Metals	**0.56**	**0.30 – 0.50**	**0.79 times**	**The upcoming investments are expected to be in the**	**Growth in construction activities across**

Segment	Construction investments in Rs trillion (FY19-23)	Construction investments in Rs trillion (FY24-28P)	Growth (times)	Outlook	Demand drivers
				brownfield expansions with players like ArcelorMittal Nippon Steel India Ltd expanding capacities. Investment is expected to grow in the aluminium segment, led by capacity expansion plans of Nalco as the export and domestic demand continue to rise.	sectors, rising automobile sector, coupled with government policies such as PLI scheme supporting manufacturing and increasing demand for consumer goods among others
Cement	0.20	0.40 – 0.60	1.58 times	Growth in demand for residential housing coupled with increased government spending on Pradhan Mantri Awas Yojana (PMAY) will provide impetus to the housing segment. Further, the grant of infrastructure status to affordable housing will facilitate easier access to low-cost finance. Investments are also expected to increase considerably in other infra segments such as roads, railway, irrigation, and urban infrastructure. These are expected to boost cement demand in turn leading to increase in investments in the sector.	Rising urbanisation coupled with infrastructure development across various sectors of roads, railways, urban etc coupled with growth in residential housing and commercial real-estate demand
Others	0.25	0.50 – 0.70	2.23 times	Construction spending in the petrochemicals industry is expected to rise due to China plus 1 strategy being followed by global players and supported by India's well established chemical production	In case of Petro-chemicals, the demand is expected to be driven by end-use sectors, like automobiles, infra, industrial, packaging, irrigation and construction as the consumption is

Segment	Construction investments in Rs trillion (FY19-23)	Construction investments in Rs trillion (FY24-28P)	Growth (times)	Outlook	Demand drivers
				base seeing renewed push by players. Construction investment in fertilisers is expected to rise led by government's focus on reducing import of urea and becoming self-sufficient to cater to domestic demand is expected to drive investments. Further, the government has been trying to revive sick urea units at Sindri, Gorakhpur, and Barauni. It has also been incentivising private players to enhance domestic capacity which is further expected to drive investments.	expected to rise with increasing population and mobility. In case of fertilisers the demand is expected to be driven by increase in agriculture acreage, government subsidies and initiatives such soil health card scheme to increase awareness about fertiliser usage.

Note: P: Projected
Source: CRISIL MI&A

Overview of line of credit for Infrastructure in India

According to Reserve Bank of India's deployment of Bank credit, lending to segments such as power, telecom, roads, airports, ports, and railways among others, has grown at CAGR of 4.55% between fiscal 2019 and 2024. During the same period construction credit has seen 3.60% growth.

During fiscal 2024, as per RBI data, outstanding credit to power segment stands at Rs 6,440.51 billion occupying a lion's share of 49.38% in overall infrastructure credit disbursed during fiscal 2024. This is followed by roads with a share of 24.39% during the same period.

Having said that, the credit growth in fiscal 2024 is majorly led by telecommunications and railways, while the major segments of roads and power saw a moderate growth. Further, the growth is constrained by reduction in disbursals towards infrastructure projects in airports and ports.

Deployment of bank credit

	FY19	FY20	FY21	FY22	FY23	FY24	CAGR FY19-24
Infrastructure	10,441.99	10,836.56	10,954.67	11,974.16	12,247.90	13,041.66	4.55%
Power	5,698.57	5,773.27	5,710.28	6,125.00	6,202.32	6,440.51	2.48%
Telecommunications	1,105.45	1,471.76	1,149.61	1,276.71	1,082.62	1,381.95	4.57%
Roads	1,762.54	1,815.31	2,262.99	2,714.82	3,013.20	3,180.90	12.53%
Airports	44.24	51.44	85.73	67.08	95.93	72.80	10.47%
Ports	94.79	127.45	101.53	86.73	79.83	66.81	-6.76%
Railways (other than Indian Railways)	97.04	108.85	124.71	106.05	101.75	130.63	6.13%

	FY19	FY20	FY21	FY22	FY23	FY24	CAGR FY19-24
Other Infrastructure	1,639.37	1,488.49	1,519.81	1,597.78	1,672.26	1,768.06	1.52%
Construction	1,119.37	1,278.38	1,196.70	1,205.54	1,249.56	1,336.20	3.60%

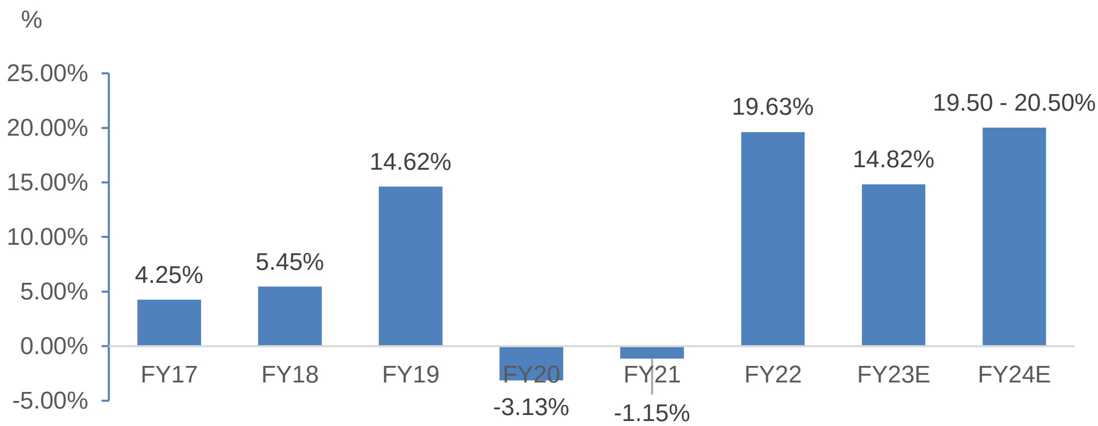
Source: RBI, CRISIL MI&A

Overview of construction sector revenue growth and profitability

Revenues of players rise by 19.50 – 20.50% in fiscal 2024

Revenue of players considered has seen an increase of 19.50 – 20.50% year on year in fiscal 2024, supported by rise in residential demand coupled with government thrust towards infrastructure development. This is post, 14.82% rise on year in fiscal 2023, led by pick up in execution, healthy order books padded by deferred investments from fiscal 2022, execution of high value projects such as expressways and the bullet train project. Whereas for fiscal 2022, revenue of players considered increased 19.63% on year attributable to the low base created in fiscal 2021 owing to lockdown impacting construction activities.

Revenue growth over the years



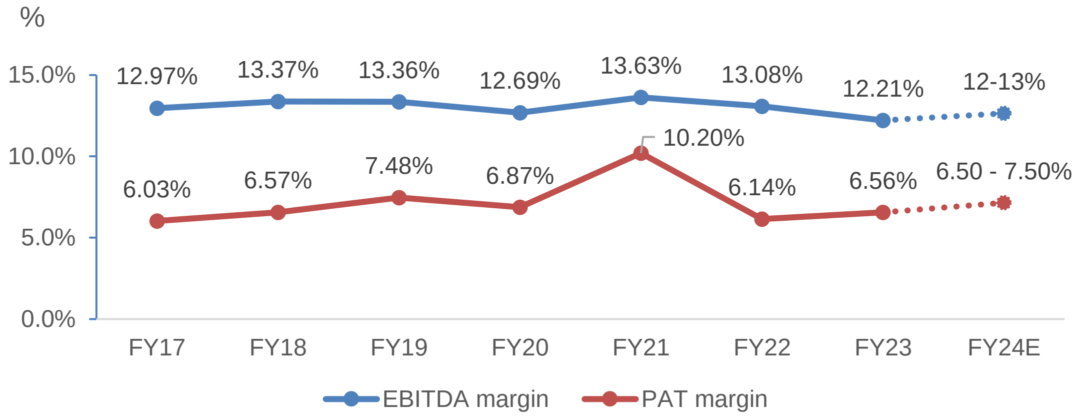
Note: The above values are arrived using a sample of 28 companies (standalone financials)
E: Estimated
Source: CRISIL MI&A

EBITDA margins remain flat in fiscal 2024 with increasing competitiveness in the sector

Construction sector firms have low proportion of fixed costs, whereas the variable costs are linked to power, fuel, raw materials and contractual labour forming the bulk of the cost heads for firms.

During fiscal 2024, EBITDA margins are estimated to have remained flat in the range of 12-13% due to rising competitiveness in the sector coupled with raise in commodity prices. Margins for fiscal 2023 seen at 12.21% led by improved execution, softening of commodity prices, operating efficiencies brought about during the pandemic and delayed pass on of commodity inflation price hikes. With more than 75-80% of projects having cost escalation clauses built in, the rising costs of raw materials would be passed on to the project owners with some delays based on contract clauses. The lag in passing on input cost escalation, has led to margins being capped in the upcoming fiscals.

Margins for players considered



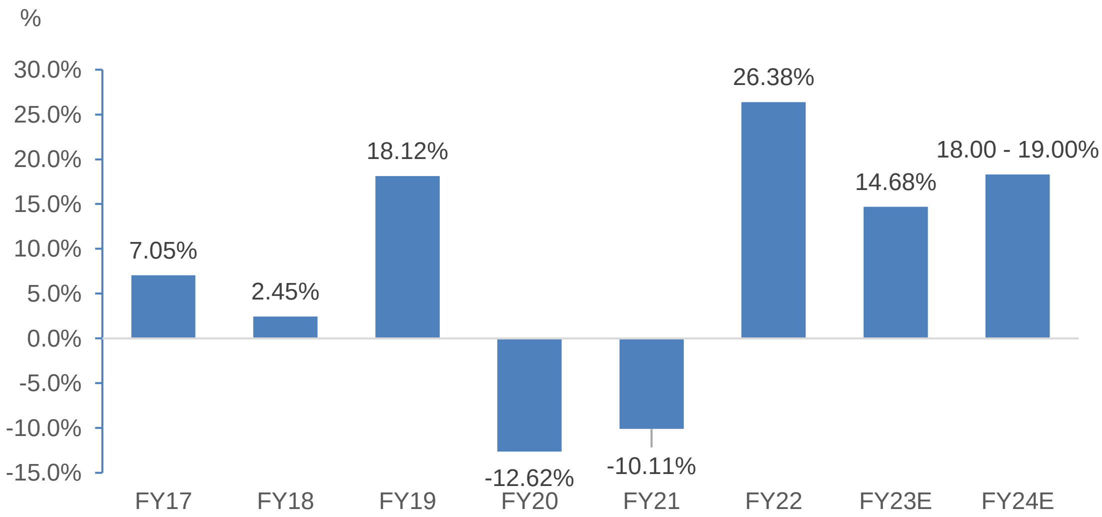
Note: The above values are arrived using a sample of 28 companies (standalone financials)
E: Estimated
Source: CRISIL MI&A

Overview of building construction vertical revenue growth and profitability

Revenues of players rise by 18.00 – 19.00% in fiscal 2024

The revenue of players considered has seen an increase of 18.00 – 19.00% year on year in fiscal 2024, majorly due to government's strong emphasis on infrastructure development across sectors. This growth comes after substantial revenue growth in fiscal 2022 and fiscal 2023 with 26.38% and 14.68% respectively. These earlier gains were majorly due to low base, during fiscal 2021 where the industry has faced a revenue degrowth 10.11% respectively as the construction activities were halted due to imposed lockdown, non-availability of labour for construction during the covid-19 pandemic.

Revenue growth over the years

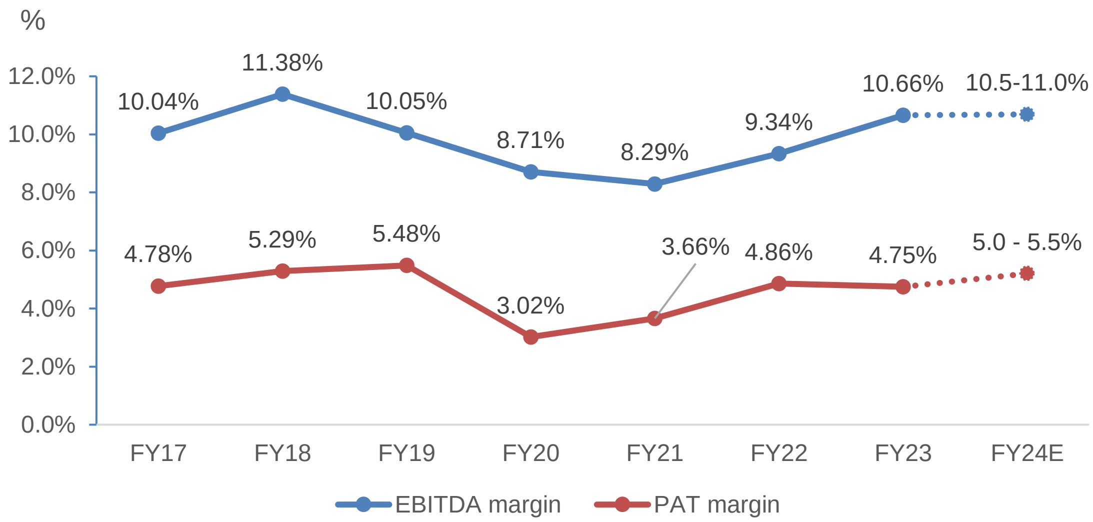


Note: The above values are arrived using a sample of 6 companies (standalone financials)
E: Estimated
Source: CRISIL MI&A

EBITDA margins remain flat in fiscal 2024 aided by cool down in raw material prices

In fiscal 2024, CRISIL estimates EBITDA margins to had remained flat in the range of 10.5-11%. During fiscal 2024, EBITDA margins for the industry are supported by cool down in commodity prices such as cement and steel, however they are constrained by slight slowdown in construction activity during March 2024 due to national elections coupled with shortage of labour during the period. Historically, the EBITDA margins in the industry have been steady typically ranging from 10-12%. Similarly, the PAT margins remain stable with a range of 5.0-5.5%.

Margins for players to remain flat



Note: The above values are arrived using a sample of 6 companies (standalone financials)
E: Estimated
Source: CRISIL MI&A

Policy & Regulatory Overview of construction industry in India

Overview of construction spending by key ministries

The central government is the primary financier for construction projects across India, making it vital for the country's infrastructure development. Its substantial financial backing catalyses the realisation of crucial projects ranging from highways to urban development. For instance, during fiscal 2024, of the total construction investments in major construction sectors of roads and railways, the share of central government stood at 62% and 84%, respectively underscoring its significant contribution to construction spending. Below are the construction spends by few key central government ministries over the years.

National Building Construction Corporation (NBCC)

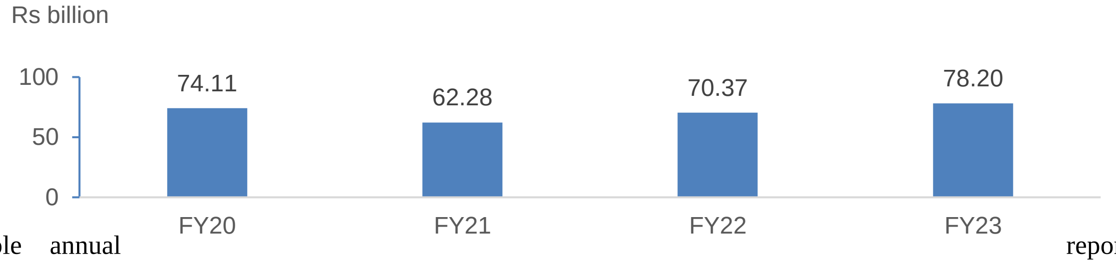
NBCC was established in 1960 as the construction arm of the Government of India to execute civil engineering projects for the state governments, various central government ministries, public and private sectors. It operates in three business segments which include

Project Management Consultancy (PMC): Under PMC it executes, civil construction projects including residential and commercial complexes, hospitals, educational Institutions, re-development projects of the Government. Infrastructure. It also executes infrastructure projects for the national security as well as civil sector. It does, project implementation for Pradhan Mantri Gram Sadak Yojna (PMGSY) and developmental work in North-Eastern Region.

Engineering Procurement & Construction (EPC): Under EPC it provides services such as Projects conceptualisation, feasibility studies, detailed project reports, basic and detailed engineering, procurement, construction, commissioning and testing.

Real-estate development: It also executes residential projects, such as apartments and townships and commercial projects such as corporate office buildings and shopping malls.

Construction spending of NBCC over the past years



Note: Latest available annual report for NBCC is as of fiscal 2023
Source: Annual reports, CRISIL MI&A

As of fiscal 2024 as per the annual report, NBCC has a total order book of approximately Rs 522.42 billion. Further as per the August 2024 conference call of NBCC, the total order book as of fiscal 2025 stands at Rs. 810.00 billion. Major works secured by NBCC during fiscal 2024 are as follows:

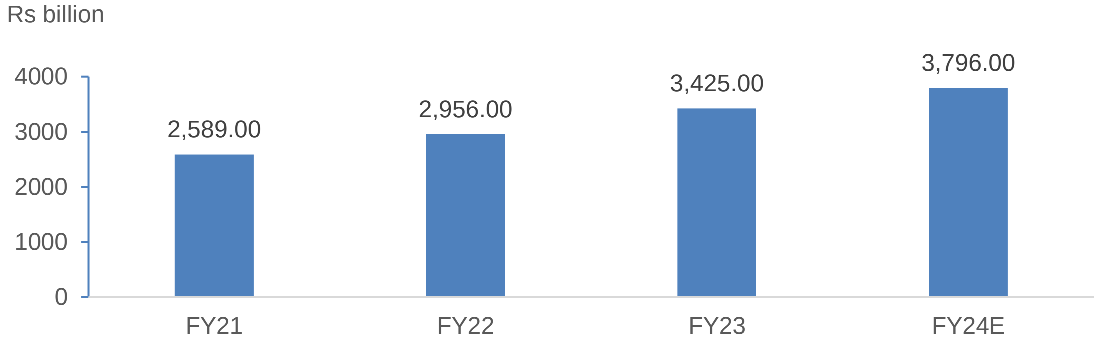
- Development and monetization of major land parcel of Kerala state Housing Board (KSHB)
- Government presses redevelopment
- Ravenshaw university works
- Public Works Department, Puducherry
- Bokaro Steel, township, works
- Paradip Port authority works
- SAIL Bhilai Steel Plant

Ministry of Road Transport and Highways and National Highway Authority of India

The Ministry of Road Transport and Highways (MoRTH) and the National Highways Authority of India (NHAI) play pivotal roles in shaping and managing India's road construction.

MoRTH is the apex body responsible for the formulation and administration of rules, regulations, and laws relating to road transport, highways, and road safety in India. It formulates policies and programs for the development and maintenance of road infrastructure, including national highways, state highways, and rural roads. NHAI is an autonomous agency of the Government of India, responsible for the development, maintenance, and management of national highways in India. Its primary function is the construction and operation of highways across the country.

Construction spending of MoRTH and NHAI over the past years

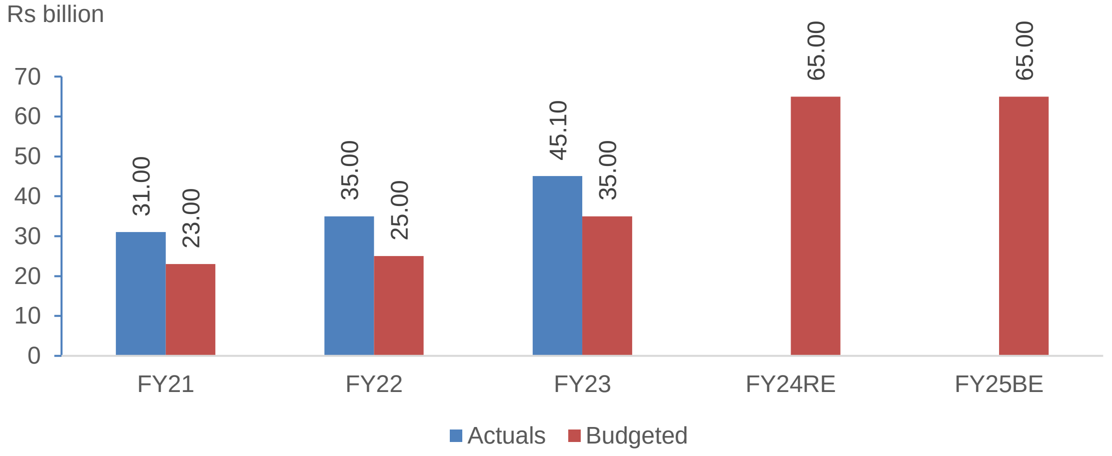


Source: CRISIL MI&A

Border Roads Organisation (BRO)

Established on 7th May 1960, the Border Roads Organisation (BRO) has been instrumental in enhancing India's border infrastructure. Serving as a key player in road construction, BRO provides crucial support to the Indian Armed Forces, focusing on the development and maintenance of road networks in border regions of the country.

Construction spending of BRO over the past years

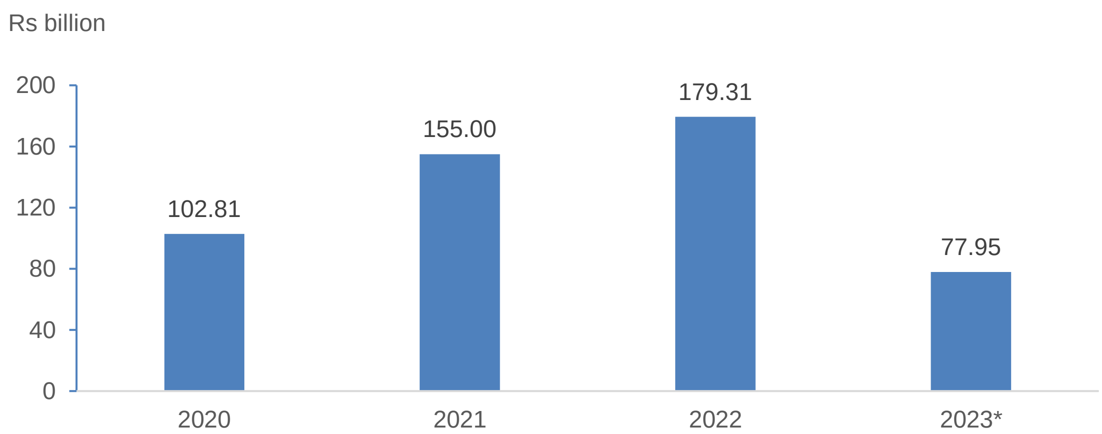


Source: Budget documents, CRISIL MI&A

Central Public Works Department (CPWD)

The Central Public Works Department (CPWD), operating under the Ministry of Housing and Urban Affairs, stands as a one of the major engineering entities. CPWD offers a wide array of services encompassing planning, design, and construction, along with post-construction maintenance management. CPWD undertakes diverse construction projects such as residential complexes, offices, schools, laboratories, hospitals, and storage facilities. Additionally, it handles infrastructure projects such as highways, flyovers, tunnels, bridges and runways.

Construction spending of CPWD over the past years



Note: The above values include spends for both construction and maintenance

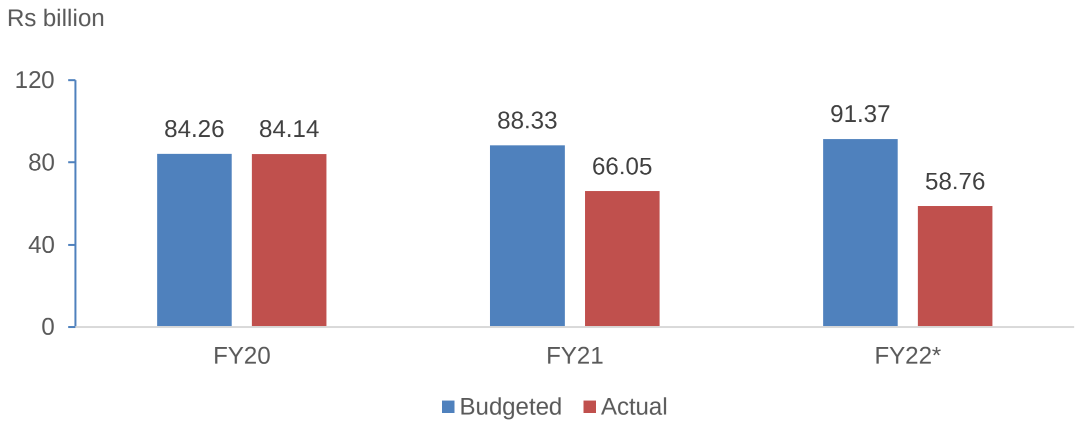
*Data is projected and for January to March period during the calendar year 2023

Source: Budget documents, CRISIL MI&A

Military Engineer Services (MES)

The Military Engineer Services (MES) is involved in development of strategic and operational infrastructure, excluding major roads, for the armed forces and associated organizations under the Ministry of Defence. MES is tasked with creating administrative facilities for the Army, Air Force, Navy, Coast Guard, Defence Estates, Defence Accounts Department, and Directorate Ordnance Coordination and Maintenance. Beyond providing engineering advice, MES executes military infrastructure projects, encompassing design, estimation, contracting, construction, and comprehensive maintenance. Its scope of work spans various areas such as runways, marine structures, ammunition storage, sewage systems, and more.

Construction spending of MES over the past years



Note: Budgeted value in the above graph indicates allocated
*Data is till 31st January 2022
Source: Budget documents, CRISIL MI&A

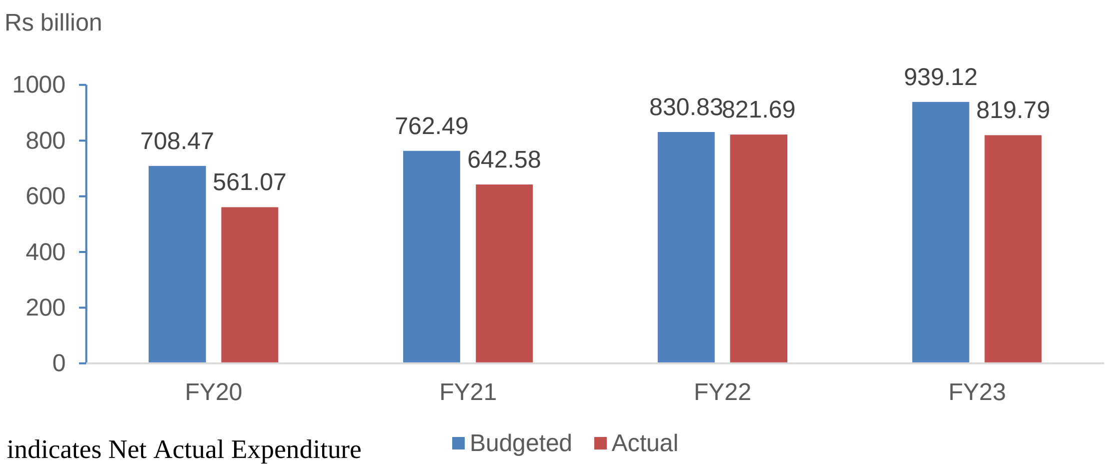
Ministry of Railways (MoR)

The Indian Railways is a government-owned organisation with monopoly in rail transportation in the country which oversees one of the world's largest railway networks. It plays a pivotal role in transportation, connectivity and economic development across India. The ministry is responsible for policy formulation, infrastructure development and operation of railway network nation-wide. All operations regarding railways are overlooked by the Railway Board, which, in turn, is headed by the Ministry of Railways.

In addition, railway land is licensed for railway-related purposes and leased to third parties for storage and public utility projects. Vacant land is also utilized for commercial purposes. The Rail Land Development Authority (RLDA) oversees commercial development on railway land, with 126 sites covering 997.83 hectares entrusted to it as of 2023. RLDA also develops Multi-Functional Complexes, with 15 sites completed out of 123 entrusted.

In addition, government has introduced Amrit Bharat Station scheme which envisages development of stations on a continuous basis with a long-term approach.

Construction spending of MoR over the years



Note:
Actual indicates Net Actual Expenditure
The values include Civil Engineering and Workshops including Production Units
Source: Ministry of Railways, CRISIL MI&A

Key budgetary proposals for Infrastructure sector

Capital outlay of different infrastructure segments

The aggregate gross budgetary support (GBS) for capex fiscal 2025 is up 17% over fiscal 2024RE at Rs 11.1 trillion. For core infrastructure ministries, this is up 4% at Rs 5.6 trillion.

Railway capital expenditure budgeted at Rs 2.65 trillion is 2% higher than fiscal 2024RE, while the GBS at Rs 2.52 trillion increased 5% over fiscal 2024RE. The three corridors targeted-1) energy, mineral and cement, 2) port connectivity and 3) high traffic density will be developed under the PM Gati Shakti plan. Additionally, 40,000 normal rail bogies would be upgraded to Vande Bharat standards to enhance safety, convenience and comfort of passengers

The government intends to expand metro rail and Namo Bharat to more cities with focus on rapid urbanisation. Currently, 874 km of metro rail is operational in the country while another 986 km is under construction.

Outlay for core infrastructure ministries (Budget Documents – July 2024)

	FY23				FY24RE				FY25BE				FY25BE vs FY24RE
	GBS	IEBR	GIA	Total	GBS	IEBR	GIA	Total	GBS	IEBR	GIA	Total	
Ministry of railways	1,592.56	447.27	0.00	2,039.83	2,400.00	200.00	0.00	2,600.00	2,520.00	130.00	0.00	2,650.00	1.92%
Ministry of road transport and highways	2,059.86	0.00	74.95	2,134.81	2,645.26	0.00	88.06	2,733.32	2,722.41	0.00	87.35	2,809.76	2.80%
Ministry of rural development	0.00	0.00	1,502.96	1,502.96	0.04	0.00	1,291.42	1,291.46	0.04	0.00	1,548.29	1,548.33	19.89%
Ministry of urban development	268.78	165.12	318.29	752.19	265.33	167.89	337.80	771.02	286.28	160.20	392.55	839.01	8.82%
Ministry of power	0.23	573.84	48.94	623.01	1.24	591.20	131.08	723.52	10.86	672.86	152.91	836.63	15.63%
Ministry of new and renewable energy	0.13	182.49	41.13	223.75	0.15	213.55	69.24	282.94	0.17	307.15	92.73	400.05	41.39%
Ministry of water resources	1.68	0.08	49.23	50.99	3.25	0.02	74.50	77.76	4.00	0.02	131.83	135.85	74.70%
Ministry of shipping	6.78	34.18	4.10	45.07	11.66	43.19	4.37	59.22	10.78	52.18	6.81	69.77	17.81%
Ministry of civil	0.86	44.42	13.89	59.17	7.72	34.28	7.11	49.10	0.99	34.48	3.59	39.06	-20.45%

	FY23				FY24RE				FY25BE				FY25BE vs FY24RE
	GBS	IEBR	GIA	Total	GBS	IEBR	GIA	Total	GBS	IEBR	GIA	Total	
aviation													
Department of atomic energy	138.32	100.63	7.70	246.65	150.04	91.61	10.10	251.75	138.61	107.79	8.06	254.46	1.08%
Total Infra capex	4,069.21	1,548.02	2,061.19	7,678.42	5,484.69	1,341.73	2,013.68	8,840.10	5,694.15	1,464.67	2,424.11	9,582.92	8.40%

Source: Budget documents, CRISIL MI&A

Impact

While the overall growth in GBS stands at 16.93%, growth in the total gross budgetary outlay for 10 core infrastructure ministries is only 3.70%. The differential in growth rate arises from the fact that non-core infrastructure ministries such as the Ministry of Telecommunications and the Ministry of Petroleum and Natural Gas have seen increased allocation. Additionally, the Department of Economic Affairs has been allocated Rs 740.52 billion, of which, Rs 704.48 billion has been allocated for new schemes. The deployment of this amount will be a key monitorable going forward

While growth has moderated, it is on a high base and the overall quantum of capex allocation is still high. The moderation implies the central government's capex is on a glide path to stabilisation. The foot is still on the pedal after a phase of robust growth where infrastructure capex was used to pump prime the economy during the Covid-19 years, thereby setting the stage for the private sector to step in and continue the healthy pace of capex for the infra build-out.

Development of the three new rail corridors along with the completion and full operationalisation of the dedicated freight corridor will improve the logistical efficiency and aid the government in achieving its target of reducing the overall logistical cost, which currently stands at 14% of the GDP.

Industry landscape of constructor sector

The construction industry accounts for ~9% of India's gross domestic product (GDP) as of fiscal 2024. The industry also provides huge employment opportunity because of its constant requirement for skilled and unskilled laborers. Moreover, growth in construction is also positive for sectors such as steel and cement, which are key raw materials.

Key growth drivers for the construction sector

A combination of economic and demographic factors is expected to drive investments in the construction sector. CRISIL MI&A believes the NIP launched by the government would also support these drivers.

Growth driver	Description and reasoning
National Infrastructure Pipeline (NIP)	**NIP outlined in fiscal 2019 by the Government of India had an initial investment target of Rs 111 trillion over fiscals 2020-25. Subsequently, the target has been revised and it currently stands at Rs 147 trillion. NIP is expected to drive infrastructure investments as nearly 50% of projects are currently under construction. Engineering, procurement and construction (EPC) dominates mode of implementation of projects as ~72% of the outlined spends come under this mode. Even though capital spending of Rs 147 trillion might not be completed by 2025, CRISIL MI&A expects 70-75% achievement**

Growth driver	Description and reasoning
	of these outlined spends, which is expected to give a huge boost to the infrastructure of the country.
National Monetisation Pipeline (NMP)	NMP estimates aggregate monetisation potential of Rs 6 trillion through core assets of the Central Government, over a four-year period, from fiscal 2021 to fiscal 2025. Asset monetisation, based on the philosophy of creation through Monetisation, is aimed at tapping private sector investment for new infrastructure creation. This is expected to help create employment opportunities, thereby enabling high economic growth and seamlessly integrating the rural and semi-urban areas for overall public welfare.
PM Gati Shakti	PM Gati Shakti is essentially a digital platform to bring 16 Ministries including Railways and Roadways together for integrated planning and coordinated implementation of infrastructure connectivity projects. The multi-modal connectivity will provide integrated and seamless connectivity for movement of people, goods and services from one mode of transport to another. It will facilitate the last mile connectivity of infrastructure and also reduce travel time for people. PM Gati Shakti will incorporate the infrastructure schemes of various Ministries and State Governments like Bharatmala, Sagarmala, inland waterways, dry/land ports, UDAN etc. Economic Zones like textile clusters, pharmaceutical clusters, defence corridors, electronic parks, industrial corridors, fishing clusters, Agri zones will be covered to improve connectivity & make Indian businesses more competitive.
Production linked incentive (PLI) scheme	PLI scheme is expected to provide the necessary boost to the various sectors which include auto and auto components, textiles, bulk drugs, medical devices, pharmaceuticals and specialty steel among others. The scheme is a time bound incentive scheme by the Government of India which rewards companies in the range on 5-15% of their annual revenues based on the companies meeting pre-decided targets for incremental production and/or exports and capex over a base year. Industrial investments are expected to increase by 25-27% during fiscals 2024-28 compared to fiscals 2019-23. The rise in investments is projected due to inclusion of PLI scheme in the capex investments of industrial sector.
Infrastructure investments expected to drive the sector	Growth in construction sector to be propelled by the infrastructure segment over the medium to long term as the building construction and industrial sector are expected to record sedate growth rates.

Government policies and regulations in the sector

Government policies related to infrastructure highly influence the construction industry and a well-defined policy framework helps in attracting investments. Government has taken various initiatives to boost infra investments by introducing fiscal incentives to BOT developers, increasing budget allocation to infrastructure sector, providing special focus to affordable housing, allowing tax-free bonds to be issued in various sectors by government entities.

Infrastructure Investments have slowed down in the last few years due to issues related to land acquisition, delays in clearances and fuel supply problems (in power sector). To resolve issues impacting execution, the government has allowed 100% exit to developers in road BOT projects and also allowed premium rescheduling for some projects. NHAI also now awards projects only after 80% of land is in its possession. The government has also started the coal block reallocation process for power projects. In order to address the issues of cash flow mismatch issues RBI introduced the 5/25 refinancing scheme for infra projects. The impact of these is evident, especially in the roads sector where execution has picked up significantly. However, in the pandemic impacted fiscal, Government has announced extensions of six months for project completions, Release of retention money based on project progress, monthly payment to contractors based on actual work completed and billed and no deduction of retention money from future bills for six months to aid EPC companies and contractors tide over the crisis.

Further, the Government has hastened the payment of bills with 75% of the bill amounts to be made within ten working days of bill submission while the balance amount should be disbursed within twenty-eight working days of initial bill submission. The faster payments will aid companies in better managing their working capital and boost margins. Quality-cum-cost based Selection (QCBS) introduced for public tenders instead of only L1 bidding. However, it is limited to projects which are non-standard (Project of quality designated by competent Govt. authority) and value of order is less than Rs 100 million. A weighted average of quality (30%) and cost (70%) to be considered for selection of contractors.

Other key regulations in the sector

Real Estate (Regulation and Development) Act

In order to protect the interest of homebuyers and to ensure transparency and accountability in the Real Estate Sector, Parliament has enacted The Real Estate (Regulation and Development) Act, 2016 (RERA). The act came into effect fully from 1st May, 2017. The Regulatory Authorities established under the Act are required to publish and maintain a web portal, containing relevant details of all real estate projects for which registration has been given, for public viewing.

Benefits under the Real Estate (Regulation and Development) Act, 2016 to Developers:

- The Act eliminates fly-by-night operators from the sector promoting genuine developers. It infuses credibility by making the sector mature and transparent
- Channelises investment into the sector
- Act/Rules would restore investment sentiment of consumers
- Increase the confidence of the financial institutions in real estate sector
- Proper regulatory mechanism of the Act will increase foreign investment (FDI, ECB) in the real estate sector

Coastal Regulation Zone Notification

Coastal regulation is a notification issued by central government under the Environment (Protection) Act, 1986, imposing restrictions on construction of building for residential purpose, industries, operations and processes in the Coastal Regulation Zone (CRZ). The objective of the Notification is to protect the coastal belt from unauthorized exploitation by way of construction and dumping of waste materials.

Indian Contract Act, 1872

With regards to housing, all the developers need to enter into contracts with government agencies and the buyers for acquisition of the land, environmental and safety clearances, transfer of rights over property etc. These contracts are governed by Indian Contract Act, 1872. This legislation specifies the composition of a valid contract. It specifies the eligibility of parties, nature of the objective, conditions, procedures etc under which a legal contract comes to effect.

The Right to Fair Compensation And Transparency in Land Acquisition, Rehabilitation And Resettlement Act, 2013

This act was passed in September 2013 and replaces the Land Acquisition Act, 1984. It unifies legislation for acquisition of land and adequate rehabilitation mechanisms for all affected persons.

List of projects in infrastructure, industrial and building construction verticals

Below is the list of key projects in select sectors. It is to be noted that the below list is not exhaustive but indicative in nature and does not contain all the projects announced by the below players.

Segments	Key announced / on-going projects	Project cost (Rs trillion)	Promoter
Roads and highways	Versova-Virar- Palghar Sea Link Project	634.26	Mumbai Metropolitan Region Development Authority
	Greenfield Highway(Thiruvananthapuram-Kottarakara-Kottayam-Anamaya)Project	194.28	National Highways Authority of India
	Highway (Neral-Shirur) Project	119.90	Public Works Department, Maharashtra
Railways and metro	Gurgaon Railway Station Project - Redevelopment	2.95	Indian Railway Stations Development Corporation limited
	Railway Station (Delhi Shahadara) Project - Redevelopment	0.7	Indian Railway Stations Development Corporation limited
	Colaba-Bandra-Seepz Metro Rail Corridor [Metro 3]	334.05	Mumbai Metro Rail Corporation Ltd.
	Railway Station (Guindy) Project - Redevelopment	0.13	Southern Railway
Airports	Maintenance Repair & Overhaul Facility (Bengaluru)	13.00	Air India Ltd.
	Civil Enclave (Gorakhpur) Project	9.97	Airports Authority of India
	Civil Enclave (Darbhanga) Project	9.11	Airports Authority of India
Ports and waterways	Captive Jetties (Kendrapara) Project	111.16	ArcelorMittal Nippon Steel India Ltd.
	Port (Murbe) Project	42.59	JSW Infrastructure Ltd.
Urban Infrastructure (Water supply and Sanitation)	Desalination Plant (Vadinar)	84.00	Nayara Energy Ltd.
	Faecal Sludge Treatment Plant (Raigad) [Phase-2]	30.79	Water Supply & Sanitation Department, Maharashtra
	Drinking Water Supply Scheme (Kodambakkam & Adyar)	19.58	Chennai Metropolitan Water Supply & Sewerage Board
Industrial (Metals)	Steel Plant (Jatadhar) - Expansion	750.00	JSW Utkal Steel Ltd
	Steel Plant (Maharashtra)	400.00	ArcelorMittal Nippon Steel India Ltd.
	Steel Plant (Burnpur) - Expansion	240.00	Steel Authority of India Ltd.
Industrial (Oil and gas)	Petrochemical Complex (Mangalore)	470.00	Mangalore Refinery & Petrochemicals Ltd.
	KG/OSDSF/CHANDRIKA/2021 & KG/OSDSF/GS49/2021 Oil Exploration Project	46.06	Oil & Natural Gas Corporation Ltd.
	Oil Exploration (Kheda, Gandhinagar, Mehsana & Ahmedabad) Project	37.70	Oil & Natural Gas Corporation Ltd.
Buildings and construction (hospitals)	Cancer Hospital (Jatni) Project	6.50	Tata Group
	District Hospital (Dharashiv) Project	6.43	State Government
	ESIC Medical College & Hospital (Faridabad) Project	6.25	Central Government
Buildings and construction (Residential construction)	Group Housing (Fazilpur Jharsa) Project	33.52	Signature Global (India) Ltd.
	Residential Complex (Sion Koliwada) - Redevelopment	30.00	Maharashtra Housing & Area Development Authority
	High Rise Residential Complex (Ahmedabad) [Anamika High Point]	13.31	Constera Realty Pvt. Ltd.
	Redevelopment of GPRA colony at Sarojini Nagar, New Delhi	8.1	Varindera Constructions Ltd

Segments	Key announced / on-going projects	Project cost (Rs trillion)	Promoter
Buildings and construction (Commercial construction)	Industrial Park (Bhondsi-Ghamroj-Mahendwara)	42.39	Signature global Business Park Pvt. Ltd.
	High Rise Commercial Complex (Ghata)	19.43	Pioneer Urban Land & Infrastructure Ltd.
	Industrial Park (Sidrawali)	15.94	Signature Global (India) Ltd.
Buildings and construction (Retail construction)	Unity Mall (Guwahati) Project [Ekta Mall]	2.94	Public Works Department, Assam
	Unilly Mall (Egmore) Project	2.15	Public Works Department, Tamil Nadu
	Unity Mall (Chimbel) Project	1.32	Goa Tourism Development. Corporation Ltd.

Source: Projects Today, CRISIL MI&A

Conclusion

India is amongst the world's fastest-growing economies with real GDP growth of 8.15% in FY24 and expected to grow at an average of 6.70% between fiscal 2025 and 2031, aiding India to become to third-largest economy in the world. The contribution of construction industry in India's overall GVA (in constant terms) ranges between 7.00 - 10.00% between fiscal 2012 and 2024.

The construction sector has seen an investment of Rs 42.45 trillion during fiscal 2019-23 and is projected to reach Rs 67.00 - 69.00 trillion by fiscal 2024-28. The Indian construction industry can be categorized into three main verticals which include Building Construction, Infrastructure Construction, and Industrial/Manufacturing Construction. The building construction vertical includes construction of residential buildings as well as commercial buildings and social infrastructure. The commercial building and social infrastructure primarily includes construction of malls and offices, Institutional buildings, healthcare buildings among others.

The investment in building construction during fiscal 2019-23 was Rs 12.45 trillion and is expected to rise by 1.34 times reaching Rs 16.00 -17.00 trillion between fiscal 2024-28. During the period between fiscal 2019 to 2023, the residential building occupied a major share of 87.55% in the building construction investments with growth aided by annual demand for residential real estate in 8 key cities in India expected to grow at 8.00 -10.00% CAGR from 269.00 msf in FY23 to 305.00 – 325.00 msf in fiscal 2025.

In the Union Budget 2025, the central government has taken steps towards fiscal consolidation with emphasis on capital expenditure, allocating Rs 11.11 trillion (of which Rs. 5.69 trillion to 10 core infrastructure ministries) for fiscal 2025, a 16.93% increase from Rs 9.50 trillion in fiscal 2024.

The building sector is witnessing huge opportunities across ministries aided by the government initiatives. Key highlights are as follows:

- The aggregate construction spent of key ministries and departments (including MES, NBCC and MoR) has increased by 1.5 times from 630.94 billion FY19 to 950.82 billion in FY23 and expected to grow considering government's thrust towards infrastructure development. Also, CPWD the construction spends have seen an increase from Rs 102.81 billion in CY20 to Rs 179.31 billion in CY22 with a rise of 1.74 times.

- Recently under Amrit Bharat Station Scheme, government announced redevelopment of ~553 railway station worth ~Rs 190 billion. There is also an opportunity in redevelopment projects which is also visible in the NBCC's current order book which is ~ Rs 810.00 billion* with major share of redevelopment project.

- Additionally, as of August 2024, in total, more than 300 LOCs worth $32.00 billion have been extended by the Government of India (GoI) in 68 countries across the world, for approximately 600 projects across various sectors including railways, airport, sports stadiums, hospitals, disaster management, hydroelectricity, power transmission and Information Technology

With eye on key risk of environmental concern, financial constraints, input cost risk and regulatory challenges, the growth in the sector is attributed to several factors, including continued urbanization, rising income, and increased real-estate spending alongside economic growth.

** As per companies August 2024 conference call.*

SWOT analysis for construction industry in India

S (Strength)	• **Growing Economy**: India's economic growth supports infrastructure development and construction activities. • **Government Initiatives**: Programs like Smart Cities, Affordable housing, Sagar mala, Bharat mala and significant investment in infrastructure projects boost the construction sector. • **Abundant Labor Supply**: India has a large pool of skilled laborers, including masons, carpenters, and engineers, who are readily available for construction projects. • **Low-cost labour**: Labor costs in India are relatively low compared to other countries, making it an attractive destination for construction projects. • **Growing Domestic Market**: Growth in major sectors such as automobile, residential, commercial real estate, couple with population growth.
W (Weakness)	• **Regulatory Challenges**: Land is a critical component in infrastructure construction across segments. Delay in providing clearances and inability to acquire require land would hinder the progress. 4 • **Environmental concerns:** The construction sector in India has faced criticism for its impact on the environment, particularly in terms of waste generation and energy consumption. • **Financial Constraints**: Access to finance and high borrowing costs can limit the capacity for new projects and expansions. • **Input related risk**: Rise in raw material costs would impact the profitability of the companies. However, presence of cost escalation clause in contract would aid in protecting the contractor • **Working capital management** : delay in payment from government agencies and security and retention money stretch working capital resulting in high interest costs.
O (Opportunities)	• **Urbanization**: Rapid urbanization offers significant opportunities for residential, commercial, and infrastructure projects. • **Technological Advancements**: Adoption of new technologies like BIM, prefabrication, and green building practices can improve efficiency and sustainability. • **Rural Development**: Government focus on rural infrastructure development creates opportunities in new geographic areas.
T (Threats)	• **Economic Slowdown**: Any downturn in the economy can significantly affect the construction sector. • **Regulatory challenges**: Changes in regulations, such as the introduction of the Real Estate (Regulation and Development) Act (RERA), can impact the construction sector's growth. • **Competitive Pressure**: Intense competition from both domestic and international players can lead to margin pressures

Source: CRISIL MI&A

Key Risks and threats in the construction industry

The construction industry occupies a pivotal position in the nation's development plans. As of fiscal 2024, construction sector occupies a share of 9.0% in the overall GVA. Below are the key risks and threats impacting the industry

Risk	Description
Time contingency	In construction projects, cost savings and timely performance are crucial concerns for all stakeholders, including owners, contractors, and subcontractors. However, projects can be delayed or stalled due to various reasons, such as land unavailability, funding issues, and incomplete clearances. The allocation of risk determines which party, the owner or the contractor, bears the burden of increased costs in the event of project disruptions.
Risks involved in dealing with governmental agencies	In the construction industry, particularly in infrastructure development, many projects involve government authorities as counterparties. These authorities may be central or state governments, or special purpose vehicles established by governments to address specific needs. As a result, companies operating in sectors, where central or state governments, or special purpose vehicles are the primary payers, often face prolonged working capital cycles due to delayed payments.
Input related risk	Land is a critical component of infrastructure development, and its acquisition is a complex, time-consuming process involving multiple stages. The status of land acquisition at the time of project award and in the subsequent period is vital, as even a small portion of unacquired land can render the entire investment in the project useless.
Raw material	The prices of essential input materials, including bitumen, are heavily influenced by the global oil market. As a critical component, fluctuations in oil prices have a direct impact on the overall project cost. Furthermore, the industry is also susceptible to changes in the international market for other key commodities, such as steel and cement. Additionally, there is a risk of cost escalation or shortages of raw materials, which can further exacerbate the situation.
Climate Change and Extreme Weather Events	Climate change is leading to more frequent and intense natural disasters, which can cause significant damage to construction projects, disrupt supply chains, and impact worker safety. Additionally, changing weather patterns and rising temperatures can also affect the durability and performance of building materials, requiring companies to adapt their designs and materials to mitigate these risks
Labour Shortages	The construction industry is facing a severe shortage of skilled labourers, which can lead to project delays, increased costs, and compromised quality. This shortage is exacerbated by an aging workforce, lack of vocational training, and a decline in interest in construction careers among younger generations
Increase in competition	The construction industry is highly fragmented as low fixed capital requirement for construction contracts. Capital expenditure is only required for procuring necessary equipment, unlike a manufacturing business, which requires plants and machinery for production. This makes the industry less capital-intensive as compared with other industries, encouraging many contractors to enter the sector.
Possibility of payment delays heightens working capital intensity	EPC contracts which are for longer than one year usually come with cost escalation clauses thereby protecting the contractor from rise in raw material costs. However, interest costs from high working capital will continue to impact profitability. The working capital requirement of construction companies is expected to remain high owing to delayed payments in sectors such as irrigation, power and urban infrastructure projects and disputes with clients. This is expected to lead to increased borrowings and thus higher interest cost and liquidity constrains.
Labour and land acquisition	Land is a critical input for infrastructure projects. In the past several projects have been delayed to inability to acquire required land and clearances. Further, construction work involves skilled and unskilled labour. Construction players struggle with wage increases, which can be attributed to labour shortages and rising inflation. Local job opportunities from government welfare schemes, growth in the overall rural economy and migration of labourers to Gulf countries for better prospects are some reasons that have led to a shortage of construction labourers. To solve the labour issue, construction companies are increasing mechanisation, particularly in the highway projects.
Fluctuations in raw material prices	The construction industry is raw material intensive. Any change in prices of raw materials like steel, cement, bitumen, etc impact the cost of the project. However, the impact is limited to the extent of the proportion of fixed price contracts in a company's order book. Some construction companies also own quarries to ensure constant raw material supply.

Risk	Description
	In the recent times, in fiscal 2023, despite drop in prices for steel , prices for cement and bitumen have been fluctuating and had reached its all-time high. Hence, prices of all three raw materials remain a key monitorable for the sector.

Source: CRISIL MI&A

Competitor analysis

In this section, CRISIL MI&A has analysed EPC players operating in the Indian construction industry. Data in this section has been obtained from publicly available sources, which include annual reports and investor presentations, regulatory filings, rating rationales, and/or company websites. Financials in this section have been re-classified by CRISIL, based on annual reports and financial filings by the respective players. Financial ratios used in this report may not match with the reported financial ratios by the players on account of standardisation and re-classification done by CRISIL.

Note: The list of peers considered in this section is not an exhaustive but an indicative list. Key Indian construction EPC players with a comparable revenue range as Varindera Constructions Limited and offering similar product portfolio (with key focus in the EPC in building construction) have been considered in this segment.

Following nomenclature has been considered in this section of the report (values in the brackets indicate the order book bifurcation for the respective players for fiscal 2024):

- Ahluwalia Contracts India Limited : Ahluwalia Contracts (Infrastructure : 34%, Hospital : 25%, Institutional : 18%, Residential : 14%, Commercial : 9%, Hotel : 1%)

- Capacit'e Infraprojects Limited : Capacite Infraprojects (Residential : 41%, Mix use: 39%, Institutional : 21%)

- NCC Limited : NCC Ltd (Buildings : 39%, Transportation : 17%, Water and Railways : 12%, Electrical (T&D) : 20%, Irrigation : 0%, Mining: 1%, Others : 10%)

- PSP Projects Limited : PSP Projects (Government : 66%, Government residential : 3%, Industrial : 5%, Institutional : 20%, Residential : 6%)

- Varindera Constructions Limited : Varindera Constructions (Commercial Building – Railway: 16.05%, Infra project : 17.47%, Commercial building – complex and offices: 0.18%, Residential building : 53.08%, Institutional building : 8.77% , Healthcare building : 4.44%)

The peer set considered has been compared based on order book segmentation. The order book values have been provided above for the respective players. All the selected peers have presence in building construction segment, as highlighted in the below table. However, the order book values of the peers may not be directly comparable as reporting structures differ across the companies. Furthermore, to confirm their presence in similar businesses / segments, we have also reviewed the key types of projects executed by each peer.

Presence in sectors

Company name	Building construction				Infrastructure	Industrial
	Residential	Commercial	Institutional	Healthcare		
Ahluwalia Contracts	✓	✓	✓	✓	ü	ü
Capacite Infraprojects	✓	✓	û	✓	û	û
NCC Ltd	✓	✓	✓	✓	ü	ü
PSP Projects	✓	✓	✓	✓	ü	ü
Varindera Constructions	✓	ü	ü	ü	ü	û

Infrastructure : This includes construction segments such as roads, railways, power, urban infra and irrigation
Industrial construction : This includes construction segments such as oil and gas, automobiles, metals and cement

Building construction: This is construction of Residential, Commercial, institutional and healthcare
Source: Company website, Company filings, CRISIL MI&A

Peers considered above are into construction sector with presence in Building construction which includes Residential building. Commercial building Institutional building and Healthcare building along with infrastructure projects.

Operational overview of players considered

Overview

Company name	About company	Geographic presence (FY24)
Ahluwalia Contracts	Founded by Late Sh. Karam Chand Ahluwalia father of Mr. Bikramjit Ahluwalia in 1965, Ahluwalia Contracts is engaged in the engineering and construction of infrastructure projects. ACIL develops and executes projects that span across segments such as hospitals, hotels, housing, irrigation and water supply, institutional buildings and industrial plants among others.	India : 99.97% Foreign: 0.03%
Capacite Infraprojects	Headquartered in Mumbai, the company provides end-to-end building construction services with a portfolio comprising of residential projects, commercial office buildings, such as data centres and buildings for educational, hospitality and healthcare purposes, and other institutional buildings along with buildings for mixed use. It also provides mechanical, electrical and plumbing ("MEP") and finishing works including interior services.	India : 100%
NCC Ltd	NCC Ltd. was established in 1978, as a partnership firm and converted into a limited company in 1990. The company undertakes civil construction in segments such as buildings, water, roads, irrigation, power, electrical, railways, metals, mining. It also has a presence in the Middle East where it undertakes works in roads, buildings, and water segments.	India: 99.78% Outside India: 0.22%
PSP Projects	Incorporated in 2008, PSP projects offers a diversified range of construction and allied services which include industrial, institutional, and residential projects in India. It also provides its services across the construction value chain, ranging from planning and design to construction and post-construction activities, including MEP work and other interior fit outs. Historically, it was more focused on projects in the Gujarat region of India.	India : 100%
Varindera Constructions*	Varindera Constructions Ltd was established by Mr. Varinder Kumar Garg in the year 1987, and got reconstituted into a public-limited company in 2007. The company has presence in building construction segments such as construction of residential units, commercial malls, office complexes, hospitals among others along with infrastructure projects such as railway station, metro depot, aircraft hangars. The company, based in Delhi-NCR, executes contracts for various government agencies across Delhi, Uttar Pradesh, Rajasthan, Madhya Pradesh and Assam. Varindera Constructions is among the companies to be pre-qualified in "Class-I(Super) (Composite) category" and "Super Special" category which are the highest possible grading of construction contractors eligible to execute projects for CPWD and MES respectively, in the buildings and roads segment.	India : 76.08%, Outside India : 23.92%

** Geographical split for the company is basis the revenue from operations for the period*
Source: Company website, Company filings, CRISIL MI&A

Among the peers considered above VCL has highest share of revenue (23.92%) from outside India.

Key projects executed

Below is the list of key projects executed by the company. The below list is in no particular order and, is indicative in nature and not exhaustive.

Company name	Key projects -indicative (Industry)
Ahluwalia Contracts	• India Bulls "Skyz" Residential complex • Indiabulls Office Building • South Asian University • CNCI Hospital building complex • Mumbai Metro Depot • ITC Cigarette Factory Modernisation Project
Capacite Infraprojects	• Oberoi enigma • Commerz III, Mumbai • Tata Trust cancer hospital
NCC Ltd	• Multi-storied residential housing units under Package -4 for RGRHCL, Bengaluru, • Multi-storied commercial spaces at Nauroji Nagar, New Delhi • University at Bolpur, West Bengal • Department of Medical Education & Research at Bhiwani • Agra-Lucknow Expressway, Uttar Pradesh • Nandyal Water treatment plant
PSP Projects	• Venus Parkland in Vejalpur • Surat diamond bourse • Sports complex for Ahmedabad university • Zydus hospital, Baroda • Metro Depot, Gyaspur • Banglore Milk Union Dairy at Kanakpur
Varindera Constructions	• Residential project pertaining to Amrapali Group, Greater Noida, Uttar Pradesh • Construction of commercial building, Sarojini Nagar, New Delhi • Rajasthan High Court, Jodhpur • Construction of Renal Transplant Unit at J. Nehru Hospital, Mauritius • Aircraft Hangar complex, Hasimara

Source: Company website, Company filings, CRISIL MI&A

Order book

Company name	FY22 (Rs million)	FY23 (Rs million)	FY24 (Rs million)	CAGR (FY22-24)
Ahluwalia Contracts	57,918.00	81,627.00	111,799.00	38.94%
Capacite Infraprojects	87,020.00	95,130.00	90,110.00	1.76%
NCC Ltd	393,610.00	502,440.00	575,360.00	20.90%
PSP Projects	43,240.00	50,520.00	60,490.00	18.28%
Varindera Constructions*	19,295.18	32,238.35	38,447.93	41.16%

*Note: * Order book for Varindera Constructions includes taxes*
Source: Company website, Company filings, CRISIL MI&A

Segmental bifurcation of order book (fiscal 2024) – Rs million

This sub-section provides bifurcation of order book of respective players as reported. Data in this section has been obtained from publicly available sources, which include annual reports and investor presentations or regulatory filings.

Ahluwalia Contracts

Fiscal 2024	Rs million	Share
Infrastructure	37,613	34%
Hospital	27,711	25%
Institutional	19,577	18%
Residential	15,203	14%
Commercial	10,519	9%
Hotel	1,176	1%
Overall	**111,799**	**100%**

Kindly note, the percentages mentioned are calculated as per the values mentioned in the investor presentation. The overall percentage may not add up to 100% on account of rounding off
Source: Company filings, CRISIL MI&A

Capacite Infraprojects

Fiscal 2024	Rs million	Share
Residential	36,945	75%
Mix use	35,143	14%
Institutional	18,923	10%
Overall	**90,110**	**100%**

Kindly note, the values mentioned are calculated as per the percentages mentioned in the investor presentation. The overall percentage may not add up to 100% on account of rounding off
Source: Company filings, CRISIL MI&A

NCC Ltd

Fiscal 2024	Rs million	Share
Buildings	224,390	39%
Transportation	97,811	17%
Water & Railways	69,043	12%
Electrical (T&D)	115,072	20%
Irrigation	0	0%
Mining	5,754	1%
Others	57,536	10%
Overall	**575,360**	**100%**

Kindly note, the values mentioned are calculated as per the percentages mentioned in the investor presentation. The overall percentage may not add up to 100% on account of rounding off
Source: Company filings, CRISIL MI&A

PSP Projects

Fiscal 2024	Rs million	Share
Government	3,992	66%
Govt. Residential	181	3%
Industrial	302	5%
Institutional	1,210	20%
Residential	363	6%
Overall	**6,049**	**100%**

Source: Company filings, CRISIL MI&A

Varindera Constructions

Fiscal 2024	Rs million	Share
Commercial Building - Railway	6,171.39	16.05%
Infra Project	6,718.65	17.47%
Commercial Building -Complex and Offices	67.87	0.18%
Residential Building	20,408.08	53.08%
Institutional Building	3,373.72	8.77%
Health Care Building	1,708.21	4.44%
Total	**38,447.93**	**100.00%**

Source: Company filings, CRISIL MI&A

Order book to revenue from operations

Company name	FY23 (times)	FY24 (times)
Ahluwalia Contracts	2.88	2.90
Capacite Infraprojects	5.29	4.66
NCC Ltd	3.23	2.76
PSP Projects	2.61	2.41
Varindera Constructions*	3.07	2.77

Note:
Order book to revenue from operations = order book / revenue from operations
** Order book for Varindera Constructions includes taxes*
Source: Company filings, CRISIL MI&A

Order inflow (Rs billion)

Company name	FY24 (Rs billion)
Ahluwalia Contracts	65.37
Capacite Infraprojects	20.09
NCC Ltd	272.83
PSP Projects	34.98

Company name	FY24 (Rs billion)
Varindera Constructions	21.14

Source: Company website, Company filings, CRISIL MI&A

Credit rating

Long term rating	Rating agency	FY22	FY23	FY24
Ahluwalia Contracts	CARE Ratings Limited	CARE A+	CARE AA-	CARE AA-
Capacite Infraprojects	India Ratings and Research Private Limited	IND BBB	IND BB+	IND BB+
NCC Ltd	India Ratings and Research Private Limited	IND A	IND A+	IND A+
PSP Projects	CARE Ratings Limited	CARE A+	CARE A+	CARE A+
Varindera Constructions	CRISIL Ratings Limited	CRISIL A-	CRISIL A	CRISIL A

Note: Latest credit rating for the fiscal year considered by the rating agency mentioned has been considered in the above table
Source: CRISIL MI&A

Financial overview of players considered

Few financial used in this section have been standardised and re-classified by CRISIL and may not match with the reported financials by the players.

Revenue from operations (Rs million)

Revenue from operations (Rs million)	FY19	FY20	FY21	FY22	FY23	FY24	CAGR FY19-24
Ahluwalia Contracts	17,547.14	18,849.27	19,821.90	26,924.69	28,383.93	38,552.98	17.05%
Capacite Infraprojects	17,966.20	15,289.92	8,797.22	13,398.28	17,985.87	19,316.38	1.46%
NCC Ltd	128,956.40	89,010.70	79,494.20	111,379.60	155,534.10	208,449.60	10.08%
PSP Projects	10,504.07	14,992.59	12,408.62	17,480.63	19,378.06	25,057.89	18.99%
Varindera Constructions	2,638.60	3,628.08	7,572.59	9,943.29	10,485.51	13,889.28	39.40%

Source: Company filings, CRISIL MI&A

Key financial parameters
Fiscal 2022

Parameter	Type of parameter	UoM	Ahluwalia Contracts	Capacite Infraprojects	NCC Ltd	PSP Projects	Varindera Constructions
Order book	Operational	Rs billion	57.92	87.02	393.61	43.24	19.30
Order book to revenue from operations	Operational	times	2.15	6.49	3.53	2.47	1.94
Order inflow	Operational	Rs billio	NA	6.16	121.58	NA	9.96

Parameter	Type of parameter	UoM	Ahluwalia Contracts	Capacite Infraprojects	NCC Ltd	PSP Projects	Varindera Constructions
		n					
Total Income	Financial	Rs million	27,216.09	13,522.23	112,100.80	17,701.57	9,971.48
Revenue from operations	Financial	Rs million	26,924.69	13,398.28	111,379.60	17,480.63	9,943.29
EBITDA	Financial	Rs million	2,857.02	2,309.29	10,959.20	2,805.33	1,191.62
EBITDA Margin	Financial	%	10.61	17.24	9.84	16.05	11.98
PAT	Financial	Rs million	1,552.17	477.57	4,940.30	1,666.52	761.47
Cash Profit after Tax	Financial	Rs million	1,887.99	1,465.70	6,807.70	1,987.05	824.42
PAT Margin	Financial	%	5.76	3.56	4.43	9.53	7.66
Cash Profit Margin	Financial	%	7.01	10.94	6.11	11.37	8.29
Total Networth	Financial	Rs million	10,351.85	9,651.74	58,961.50	6,869.59	2,538.05
Total Debt	Financial	Rs million	6.87	3,282.95	13,024.30	996.57	1,493.79
Net Debt	Financial	Rs million	(3,356.34)	2,146.08	10,204.20	(647.94)	750.67
Net Debt to EBITDA Ratio	Financial	times	(1.17)	0.93	0.93	(0.23)	0.63
Net debt to Equity	Financial	times	(0.33)	0.22	0.17	(0.09)	0.30
Return on Equity (including total networth)	Financial	%	16.22	5.07	8.69	27.26	35.32
Return on Capital Employed (including total networth)	Financial	%	22.06	8.14	10.66	30.52	26.87
Working capital days	Financial	days	35.63	114.10	35.27	41.29	82.14
Cash Flow from Operations (CFO)*	Financial	Rs million	657.49	344.95	14,155.50	1,472.72	(520.24)
Interest Coverage Ratio	Financial	times	5.77	1.97	1.90	9.38	9.24
Gross Block /revenue from operations	Financial	%	9.77	81.96	21.42	19.75	5.80

Source: Company filings, CRISIL MI&A

Fiscal 2023

Parameter	Type of parameter	UoM	Ahluwalia Contracts	Capacite Infraprojects	NCC Ltd	PSP Projects	Varindera Constructions
Order book	Operational	Rs billion	81.63	95.13	502.44	50.52	32.24
Order book to revenue from operations	Operational	times	2.88	5.29	3.23	2.61	3.07
Order inflow	Operational	Rs billion	NA	34.62	258.95	NA	23.78
Total Income	Financial	Rs million	28,677.71	18,086.02	157,114.70	19,601.07	10,637.84
Revenue from operations	Financial	Rs million	28,383.93	17,985.87	155,534.10	19,378.06	10,485.51
EBITDA	Financial	Rs million	3,335.06	3,613.76	16,170.50	2,523.65	1,645.46
EBITDA Margin	Financial	%	11.75	20.09	10.40	13.02	15.69
PAT	Financial	Rs million	1,939.77	952.97	6,462.10	1,319.41	1,090.14
Cash Profit after Tax	Financial	Rs million	2,327.51	2,312.93	8,488.20	1,719.46	1,199.83
PAT Margin	Financial	%	6.83	5.30	4.15	6.81	10.40
Cash Profit Margin	Financial	%	8.20	12.86	5.46	8.87	11.44
Total Networth	Financial	Rs million	12,283.32	10,734.52	64,854.60	8,009.93	3,630.84
Total Debt	Financial	Rs million	26.92	3,696.52	9,738.20	1,449.81	2,361.39
Net Debt	Financial	Rs million	(4,893.48)	2,300.02	6,582.90	593.99	1,190.04
Net Debt to EBITDA Ratio	Financial	times	(1.47)	0.64	0.41	0.24	0.72
Net debt to Equity	Financial	times	(0.40)	0.21	0.10	0.07	0.33
Return on Equity (including total networth)	Financial	%	17.14	9.35	10.44	17.73	35.34
Return on Capital Employed (including total networth)	Financial	%	21.92	13.55	16.60	21.74	24.90
Working capital days	Financial	days	49.44	110.42	42.88	82.89	100.69

Parameter	Type of parameter	UoM	Ahluwalia Contracts	Capacite Infraprojects	NCC Ltd	PSP Projects	Varindera Constructions
Cash Flow from Operations (CFO)*	Financial	Rs million	3,013.09	1,009.27	11,001.10	452.78	539.13
Interest Coverage Ratio	Financial	times	8.91	2.52	2.75	6.64	9.12
Gross Block /revenue from operations	Financial	%	12.75	65.78	16.81	21.48	12.35

Source: Company filings, CRISIL MI&A

Fiscal 2024

Parameter	Type of parameter	UoM	Ahluwalia Contracts	Capacite Infraprojects	NCC Ltd	PSP Projects	Varindera Constructions
Order book	Operational	Rs billion	111.80	90.11	575.36	60.49	38.45
Order book to revenue from operations	Operational	times	2.90	4.66	2.76	2.41	2.77
Order inflow	Operational	Rs billion	65.37	20.09	272.83	NA	21.14
Total Income	Financial	Rs million	38,912.71	19,646.55	209,761.90	25,295.20	14,039.81
Revenue from operations	Financial	Rs million	38,552.98	19,316.38	208,449.60	25,057.89	13,889.28
EBITDA	Financial	Rs million	4,244.71	3,643.74	19,001.10	2,846.67	2,397.60
EBITDA Margin	Financial	%	11.01	18.86	9.12	11.36	17.26
PAT	Financial	Rs million	3,748.26	1,203.30	7,404.10	1,229.73	1,433.82
Cash Profit after Tax	Financial	Rs million	4,416.82	2,216.89	9,523.30	1,878.41	1,622.18
PAT Margin	Financial	%	9.72	6.23	3.55	4.91	10.32
Cash Profit Margin	Financial	%	11.46	11.48	4.57	7.50	11.68
Total Networth	Financial	Rs million	15,999.45	15,170.75	68,118.80	9,148.70	5,054.91
Total Debt	Financial	Rs million	449.66	3,257.98	9,800.20	4,550.90	3,481.54
Net Debt	Financial	Rs million	(5,587.43)	1,873.66	3,731.50	4,046.77	1,976.22
Net Debt to EBITDA Ratio	Financial	times	(1.32)	0.51	0.20	1.42	0.82
Net debt to Equity	Financial	time	(0.35)	0.12	0.05	0.44	0.39

Parameter	Type of parameter	UoMs	Ahluwalia Contracts	Capacite Infraprojects	NCC Ltd	PSP Projects	Varindera Constructions
Return on Equity (including total networth)	Financial	%	26.51	9.29	11.14	14.33	33.02
Return on Capital Employed (including total networth)	Financial	%	19.93	12.21	19.00	15.23	25.03
Working capital days	Financial	days	66.25	150.49	22.68	98.58	118.81
Cash Flow from Operations (CFO)*	Financial	Rs million	2,574.54	(388.16)	13,594.50	(2,239.84)	416.68
Interest Coverage Ratio	Financial	times	7.43	2.75	2.84	4.32	6.78
Gross Block /revenue from operations	Financial	%	12.09	63.06	13.31	22.32	14.49

Source: Company filings, CRISIL MI&A

Current receivable days

Current receivable days	FY22	FY23	FY24
Ahluwalia Contracts	59.99	77.97	70.59
Capacite Infraprojects	107.52	70.55	103.54
NCC Ltd	83.41	74.52	54.58
PSP Projects	64.94	81.72	49.83
Varindera Constructions	108.22	90.84	84.87

*Current receivable (in days) is calculated as (Current receivables *365)/ Revenue from operations*
Source: Company filings, CRISIL MI&A

Payable days

Payable days	FY22	FY23	FY24
Ahluwalia Contracts	94.66	98.60	75.02
Capacite Infraprojects	185.73	172.47	210.53
NCC Ltd	162.85	140.72	130.65
PSP Projects	64.42	79.82	69.60
Varindera Constructions	41.92	50.06	43.59

*Payable (in days) is calculated as (Payables *365) divided by sum of cost of materials, construction expenses (including subcontracting expenses), Employee benefit expense, traded goods purchased and change in inventory*
Source: Company filings, CRISIL MI&A

Inventory days

Inventory days	FY22	FY23	FY24
Ahluwalia Contracts	36.26	35.15	33.25
Capacite Infraprojects	36.31	24.85	25.33
NCC Ltd	41.62	35.58	33.75

Inventory days	FY22	FY23	FY24
PSP Projects	20.06	32.73	51.68
Varindera Constructions	11.92	41.70	51.29

*Inventory (in days) is calculated as (Inventory*365)/ (cost of sales). Cost of sales include total expenses minus finance costs and depreciation / amortisation*
Source: Company filings, CRISIL MI&A

Current unbilled revenue days

Current unbilled revenue days	FY22	FY23	FY24
Ahluwalia Contracts	34.04	34.92	37.42
Capacite Infraprojects	156.00	187.48	232.14
NCC Ltd	73.08	73.50	65.00
PSP Projects	20.72	48.26	66.67
Varindera Constructions	3.92	18.21	26.25

*Current unbilled revenue days is calculated as (Current unbilled revenue*365)/ Revenue from operations.*
Source: Company filings, CRISIL MI&A

Current ratio

Current ratio	FY22	FY23	FY24
Ahluwalia Contracts	1.77	1.80	2.17
Capacite Infraprojects	1.43	1.44	1.75
NCC Ltd	1.37	1.34	1.34
PSP Projects	1.45	1.39	1.42
Varindera Constructions	1.93	1.81	1.73

Current Ratio is calculated as Current Assets divided by Current Liabilities
Source: Company filings, CRISIL MI&A

CFO to revenue from operations

CFO to revenue from operations	FY22	FY23	FY24
Ahluwalia Contracts	0.02	0.11	0.07
Capacite Infraprojects	0.03	0.06	(0.02)
NCC Ltd	0.13	0.07	0.07
PSP Projects	0.08	0.02	(0.09)
Varindera Constructions	(0.05)	0.05	0.03

CFO divided by Revenue from operations
Source: Company filings, CRISIL MI&A

Key observations:

- Among the players considered above, during fiscal 2022-24, Varindera Constructions has seen the highest growth (CAGR) in terms of EBITDA.
- As of fiscal 2024, among the players compared above, in terms of EBITDA margin, Varindera Constructions (17.26%) stands second only next to Capacite Infraprojects (18.86%).

- Varindera Constructions has the highest PAT margin. 10.32% among the players considered above, as of fiscal 2024. Ahluwalia Contracts has the second highest PAT margin of 9.72% among the players considered above in fiscal 2024.

- Varindera Constructions has the highest RoCE (including tangible networth) of 25.03% among the players compared above during fiscal 2024. Ahluwalia Contracts has second highest RoCE (including tangible networth) of 19.93% during fiscal 2024.

- Varindera Constructions has the highest RoE (including tangible networth) of 33.02% among the players compared above during fiscal 2024.

- During fiscal 2024, Varindera Constructions had second highest current ratio of 1.73 times, among the players considered above. It is only next to Ahluwalia Contracts with an current ratio of 2.17 times during fiscal 2024

- During fiscal 2024, Varindera Constructions had second highest interest coverage ratio of 6.78 times, among the players considered above. It is only next to Ahluwalia Contracts (7.43 times) during fiscal 2024, among the players considered above.

- Between fiscal 2019 and 2024, among the listed construction companies with revenue from operations greater than Rs. 5,000 million for the fiscal year 2024, Varindera Constructions was one of the fastest growing construction companies in terms of revenue from operations with growth at CAGR of 39.40% during the aforementioned period.

- Varindera Constructions has seen improvement in the credit rating for long-term borrowings from CRISIL A- to CRISIL A over the past three fiscal years from fiscal 2022 to fiscal 2024.

- Among the players considered above, during fiscal 2019-24, Varindera Constructions has seen the highest growth (CAGR) in terms of Revenue from operations**.**

Formulae for key KPIs

Parameters	Formulae
Order book	Order Book is calculated as sum of value of unexecuted contract as on a particular date.
Order book to revenue from operations	Order book / revenue from operations
Order inflow	Order inflow is calculated as sum of all the order won during a particular period.
Total Income	Total income is calculated as sum of Revenue from operation plus other income plus share of profit from associates / joint ventures minus share of loses from associates / joint ventures
Revenue from operations	Revenue from operation is calculated as sum of Revenue from operating activities of the company during a particular period under consideration
Earnings Before Interest Tax Depreciation / Amortisation (EBITDA)	EBITDA is considered profit before exceptional items plus finance costs plus depreciation / amortisation
EBITDA Margin (%)	EBITDA Margin (%) is the percentage of EBITDA divided by revenue from operations
PAT	PAT is calculated by considering EBITDA minus any finance costs, depreciation / amortisation, exceptional items, and tax expenses.
Cash Profit after Tax	Cash profit after Tax is sum of PAT and depreciation
PAT Margin (%)	PAT Margin (%) is calculated as profit (after tax) for the period / year as a % of revenue from operations
Cash Profit Margin %	Cash Profit Margin is calculated as Cash Profit as a % of revenue from operations

Parameters	Formulae
Total Networth	Total Net worth has been defined as the aggregate value of the paid-up equity share capital and all reserves, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as on March 31, 2022; 2023, 2024.
Total Debt	Total Debt is computed as Non-Current Borrowings plus Current Borrowings.
Net Debt	Net debt is total debt minus cash and bank balances. Cash and bank balances is calculated by subtracting balance with banks in unpaid dividend account, deposits pledged with banks, deposits kept as margin money, bank balances part of escrow accounts and long-term deposits with banks
Net Debt to EBITDA Ratio	Calculated as Net Debt divided by EBITDA.
Net Debt to equity	Calculated as Net Debt divided by tangible networth. Tangible networth is calculated as total networth minus intangible assets
Return on Equity (including total networth) %	ROE (including total networth) is calculated as PAT as a % of Average total net worth. Average is computed as simple average of current year and previous year
Return on Capital Employed (including total networth) %	RoCE (including total networth) is calculated as Earnings before depreciation, interest and tax (EBIT) as % of capital employed, where in capital employed is considered as sum of total networth, total debt, lease liabilities and deferred tax liabilities. In EBIT the interest includes all interest costs except for interest on income tax.
Working capital days	Working Capital (in days) is calculated as Receivables days + Unbilled revenue days – Payables days + Inventory days.
Cash Flow from Operations (CFO)	Cash Flow from Operations (CFO) Is calculated as Profit Before Tax Plus Non-operating expenses and non-cash expenses plus interest expense Less Non-operating income / non-cash income Less Increase in current assets / decrease in current liabilities add Decrease in current assets / increase in current liabilities Less Tax paid).
Interest Coverage Ratio	Interest coverage ratio is calculated by dividing the company's Earnings before interest and tax expense by the finance cost for that period
Gross Block /revenue from operations	Gross Block /revenue from operations is calculated as Gross Block including intangible assets as a % of revenue from operations. Intangible assets include goodwill and other intangible assets and exclude intangible assets under development

Source: CRISIL MI&A

Explanation for key KPIs

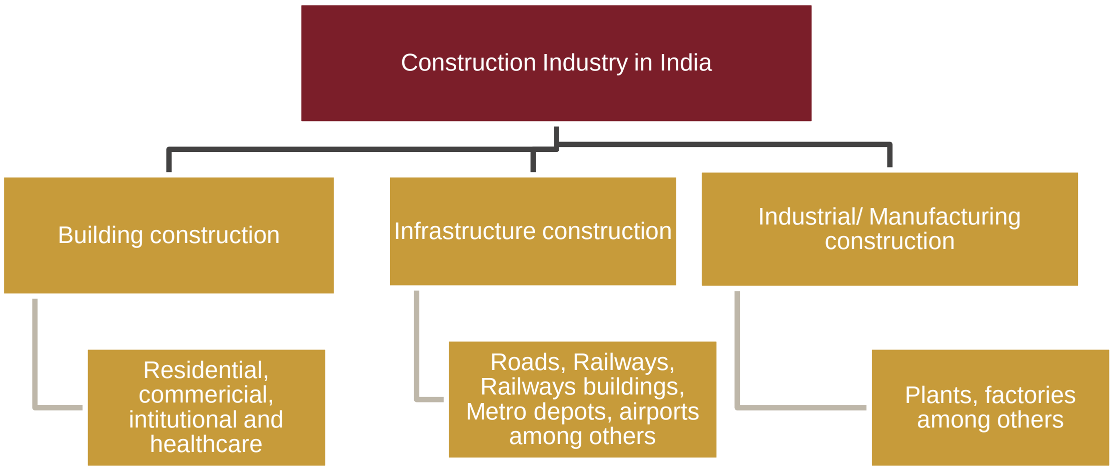
Parameter	Explanation
Order book	Order Book represents the as reported contract value of the unexecuted portion of a company's existing assigned contracts and is an indicator of visibility of future revenue for the company.
Order book to revenue from operations	Orderbook to Revenue Ratio is an indicator of the size of the order book at the end of reported period to the revenue generated for that period.
Order inflow	Order Inflow represents the value of orders won during the period.
Total Income	Total income represents the revenue from goods or services sold by the company as well as non-operating income generated during the period.
Revenue from operations	Revenue from operations represents the revenue from goods or services sold by the company during the period.
Earnings Before Interest Tax Depreciation / Amortisation (EBITDA)	EBITDA indicates company's profit/loss before interest expenses, depreciation / amortisation and tax expenses incurred
EBITDA Margin	EBITDA Margin (%) is an indicator of the profitability/losses of a company's

Parameter	Explanation
(%)	business and indicates earnings margin profile of a company's business for the period.
PAT	PAT provides information regarding the overall profitability / Losses of a company's business during the period
Cash Profit after Tax	Cash Profit is an indicator of the profitability/losses of the business excluding depreciation and amortization expense.
PAT Margin (%)	PAT Margin (%) is an indicator of the profit / loss margin of a company's business during the period
Cash Profit Margin %	Cash Profit Margin (%) is an indicator cash profit / loss margin of a company's business excluding the depreciation / amortisation during the period.
Total Networth	Total Net Worth is an indicator of a company's total equity as on end date of the reporting period.
Total Debt	Total Debt is a financial position metric, and it represents the absolute value of borrowings.
Net Debt	Net Debt is a liquidity metric, and it represents the absolute value of borrowings net of cash and cash equivalents, bank balances and other cash and cash equivalents.
Net Debt to EBITDA Ratio	Net Debt to EBITDA ratio enables a company to measure the ability and extent to which a company can cover their debt in comparison to the EBITDA being generated by them.
Net Debt to equity	Total net debt to Equity Ratio is a measure of the extent to which a represents a company's debt position in comparison to their equity position. It helps evaluate a company's financial leverage
Return on Equity (including total networth) %	Return on Equity represents how efficiently a company generates profits from their shareholders funds.
Return on Capital Employed (including total networth) %	Return on Capital Employed represents how efficiently a company generates earnings before interest and tax from the shareholders funds and borrowings.
Working capital days	Working Capital Days describes duration it takes for a company to convert its working capital into revenue.
Cash Flow from Operations (CFO)	Cash Flow from Operations is a measure of the cash generated or utilised by a company for its operations, excluding any financing, or investing activities during the year
Interest Coverage Ratio	Interest coverage ratio indicates company’s ability to pay the finance costs during the period.

Source: CRISIL MI&A

Assessment of construction industry in India

Overview of Indian construction industry



Source: CRISIL MI&A

The construction sector in India can be broadly classified into Infrastructure construction, Industrial/ Manufacturing construction and Building Construction. During fiscal 2019-23 the investments in the construction industry stand at Rs 42.45 trillion and is expected to grow by 1.61 times, reaching Rs 67.00 – 69.00 trillion during fiscal 2024-28.

Building construction includes constructing buildings for residential uses such as houses, residential towers as well as institutional and healthcare buildings like hospitals, educational institutions and buildings for commercial use such as offices, retail malls, etc.

Infrastructure construction includes construction of warehouses, bridges, dams, roads, airports, canals, urban infrastructure, railway infrastructure (including railway buildings), metro depots etc.

Industrial/manufacturing construction includes construction of manufacturing plants, factories, power plants, and other highly specialised facilities.

Construction investments in India

Construction investments to grow by ~1.61 times between fiscals 2024-28 compared to fiscals 2019-23; Infrastructure investments to drive long-term growth

Growth in construction sector is expected to be propelled by the infrastructure segment over the medium to long term as the building construction and industrial sectors are expected to record sedate growth rates.

Over the long term, CRISIL MI&A projects the overall construction investments to rise by ~1.61 times between fiscals 2024-28 compared with those over fiscals 2019-23.

Investments in building construction vertical are expected to increase by ~1.34 times, though its share in overall construction investments is expected to fall to 23-25% between fiscals 2024-28 compared with a share of 29.33% between fiscals 2019-23. This growth is majorly driven by rise of investments in residential segment during the period.

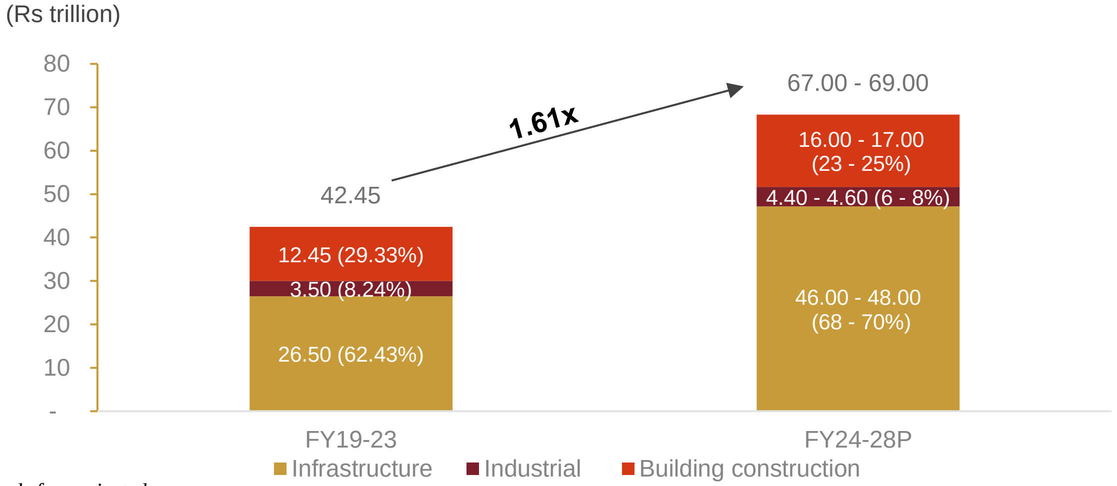
The share of infrastructure investments is expected to increase to 68-70% of the overall construction investments for the five years (fiscals 2024-28) as against 62.43% in the past five years (fiscal 2019-23), as infrastructure investments are expected to see faster growth than the other two segments (building construction and industrial) due to the Government's focus on Infrastructure under the National Infrastructure Pipeline (NIP), National

Monetisation Pipeline (NMP) and the Gati Shakti initiative. The Central government's focus on roads, urban infrastructure and railways will boost infrastructure investments. At an investment level, investments in the infrastructure vertical are expected to be ~1.78 times during fiscals 2024-28 compared to fiscals 2019-23 majorly driven by government initiatives towards infrastructure such as National Infrastructure Pipeline, Gati Shakti initiative, Sagarmala among others.

Industrials vertical investments are expected to increase by ~1.34 times between fiscals 2024-28 compared with fiscals 2019-23. Investments in the vertical are driven by the investments in oil and gas segments led by capital expansion plans by industry players as well as investments by upstream oil & gas and downstream natural gas players. Additionally, investments through PLI scheme in sectors such as auto and auto components, textiles and specialty steel are expected to further boost the overall investments.

This growth in the construction sector is majorly poised by continued urbanization, steady income profiles, expected growth in employment generating sectors as well as rising affluence and propensity to spend on real estate by mid-income buyers on the residential segment front as well as major government initiatives such as Pradhan Mantri Awas Yojana for affordable housing, infrastructure plans like National Infrastructure Pipeline and investments through PLI scheme in major capital-intensive sectors.

Overall construction investments by vertical



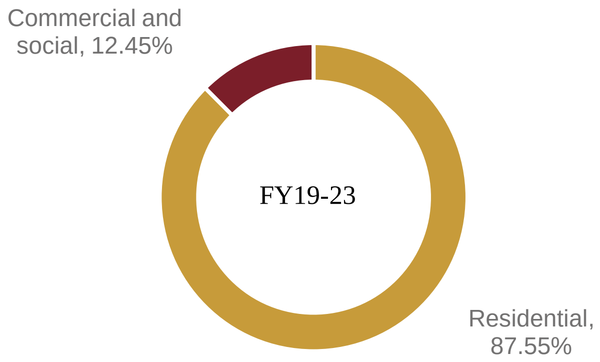
Note: P stands for projected
Source: CRISIL MI&A

Building construction

The real estate industry has been in focus with various developments such as demonetization, enactment of the Real Estate (Regulation and Development) Act (RERA), 2016, and implementation of the Goods and Services Tax (GST). The Covid-19 pandemic further significantly impacted the sector in fiscal 2021. Although fiscal 2022 had challenges due to second wave of coronavirus, the ease of curbs in various states, increase in vaccination across the country, deferred project completions from fiscal 2021 helped the sector to rise in fiscal 2022, returning to pre-Covid levels and creating high base for fiscal 2023. The increase in budgetary allocations for the PMAY scheme and announcements by state government of stamp duty cuts has helped the further sector limp back to pre-covid levels.

Between fiscal 2019 to fiscal 2023, building construction industry has seen an investment of ~Rs 12.45 trillion, driven by rise in urbanisation, growth in employment, stabilization of income of the organised workforce, preference of larger homes and government incentives for affordable housing. Of the overall investments, during the aforementioned period, investments in residential occupy the lion's share of 87.55%, while the rest is occupied by commercial and social segment.

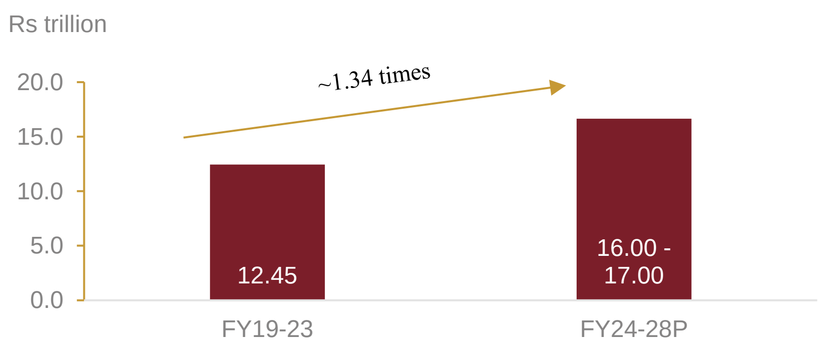
Share of various segments in Indian building construction investments



Source: CRISIL MI&A

In future, between fiscals 2024 to 2028, the investments in building construction vertical are estimated to grow by ~1.34 times, reaching ~Rs 16.00 – 17.00 trillion. This growth is majorly poised by continued urbanization, steady income profiles, expected growth in employment generating sectors as well as rising affluence and propensity to spend on real estate by mid-income buyers on the residential segment front as well as major government initiatives such as Pradhan Mantri Awas Yojana for affordable housing, while the growth in commercial and social segment is driven by return to office as the impact of Covid-19 wanes, increased hiring in key sectors as well as expectation of healthy economic growth.

Investments in building construction sector



Source: CRISIL MI&A

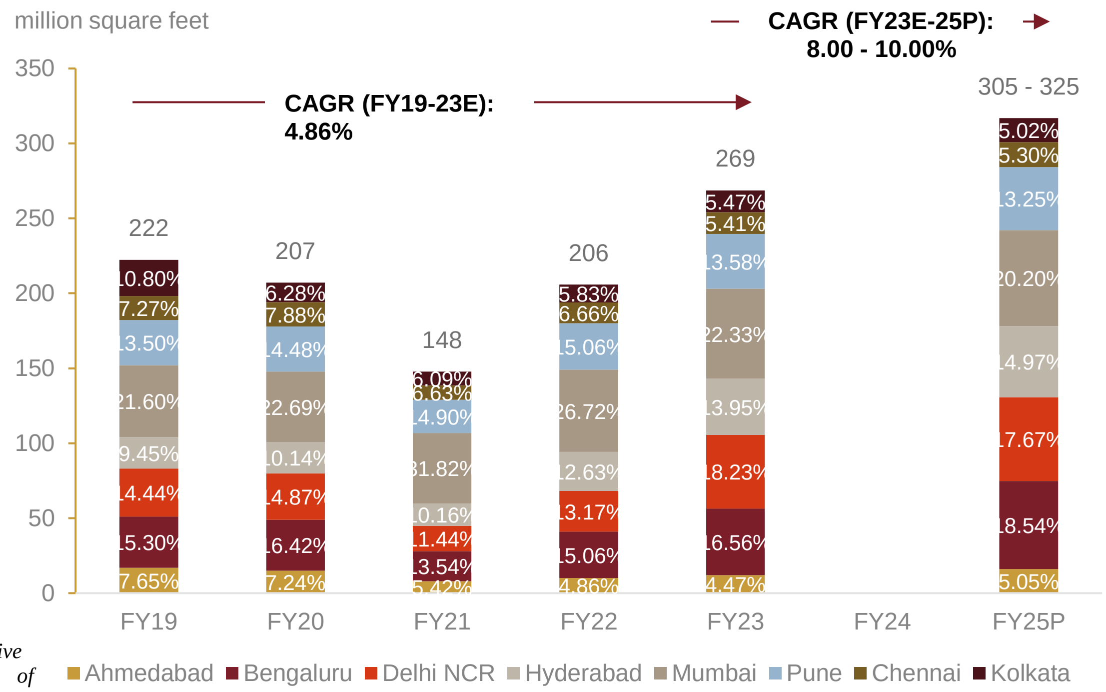
Investments in the residential segment are bolstered by the increasing demand for residential real estate, complemented by the availability of new projects

Residential demand in 8 key cities to clock CAGR 8.00 – 10.00% growth between FY23 and FY25

Demand in the 8 key cities/regions in India (Delhi NCR, Mumbai Metropolitan Region (MMR), Pune, Ahmedabad, Hyderabad, Chennai, Kolkata and Bengaluru) was 222 million square feet (msf) in fiscal 2019 with respect to residential real estate. Demand dropped slightly by 6.81% in fiscal 2020 due to the onset of the pandemic before declining sharply by 28.69% in FY21 due to the full effects of Covid-19 pandemic. Demand bounced back sharply in fiscal 2022 and fiscal 2023 to 180 million square feet (msf) and 240 million square feet (msf) respectively from lower base of in fiscal 2021 (129 msf).

Moreover, from fiscal 2023 to fiscal 2025, demand is anticipated to grow at a CAGR of 8.00 – 10.00%, from 269 million sq. feet (msf) in fiscal 2023, it is expected to go up to 305-325 msf by fiscal 2025, propelled by ongoing urbanization, stable income levels, growth in employment sectors like Information Technology, Banking, Financial Services & Insurance (BFSI), and increasing affluence leading mid-income buyers to invest more in real estate.

Annual demand for residential real estate in 8 key cities in India



Note: 8 key cities include cumulative values of Delhi NCR, Mumbai Metropolitan Region (MMR), Pune, Ahmedabad, Hyderabad, Chennai, Kolkata and Bengaluru
Note: E stands for estimated; P stands for projected
Source: CRISIL MI&A

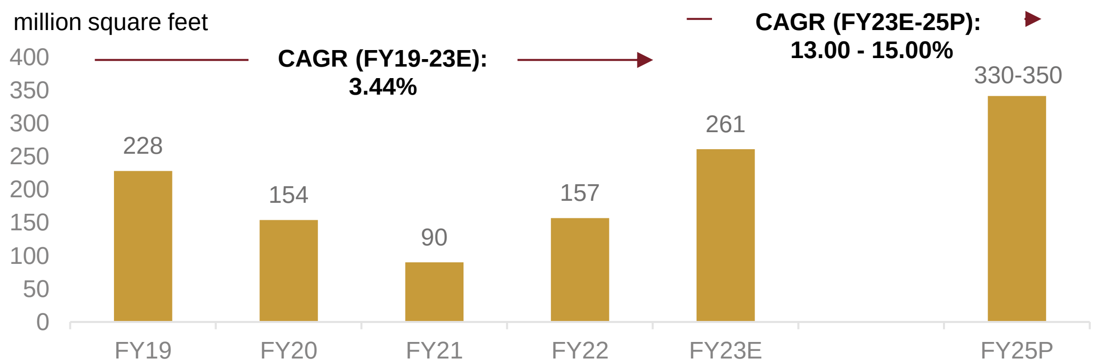
Annual supply (new launches) expected to grow at 13.00 – 15.00% CAGR between FY23 and FY25

Supply decreased to 90 msf in fiscal 2021 from 228 msf in fiscal 2019 due to projects getting deferred during the pandemic. In fiscal 2022 and fiscal 2023 higher number of new launches were witnessed, and many more projects are lined up over the next three fiscals led by reduction in inventory levels and recovery of demand post covid. This is expected to lead to annual supply (new launches) reaching 330-350 msf by fiscal 2025.

Inventory levels in 8 key cities of India (Delhi NCR, Mumbai Metropolitan Region (MMR), Pune, Ahmedabad, Hyderabad, Chennai, Kolkata and Bengaluru) registered a decline in fiscal 2022 and fiscal 2023 owing to pent-up demand created by the pandemic and is expected to recover due to launch of new supplies in these cities.

In the building construction vertical, the annual supply of new residential launches in key eight cities (namely NCR, Mumbai Metropolitan Region (MMR), Pune, Ahmedabad, Hyderabad, Chennai, Kolkata and Bengaluru) is expected to grow from 228 msf in fiscal 2019, to 330-350 msf by fiscal 2025, on account of reduction in inventory levels and recovery of demand post covid.

Annual supply (new launches) of residential real estate in 8 key cities



Note: Note: 8 key cities include cumulative values of Delhi NCR, Mumbai Metropolitan Region (MMR), Pune, Ahmedabad, Hyderabad, Chennai, Kolkata and Bengaluru
E: estimated; P: projected
Source: CRISIL MI&A

The growth in residential segment is majorly driven by

- **Growing population:** As per UN estimates, the population of India increased from 1.24 billion in 2010 to ~1.4 billion in 2020. It is expected to increase to 1.5 billion by 2030. Growing population will give rise to the need of quality housing and other infrastructure, which is expected to give a boost to the real estate sector.

- **Nuclearisation**: Nuclearisation in urban areas is primarily driven by changing lifestyle of people, individualism, changing social/cultural attitudes and increased mobility of labor in search of better employment opportunities. These trends are expected to continue in future. With increasing nuclearisation, the Per Capita Floor Space Area (PCFSA) required reduces since size of the family shrinks. As incomes increase, people shift to bigger houses and thus, there is addition in existing demand.

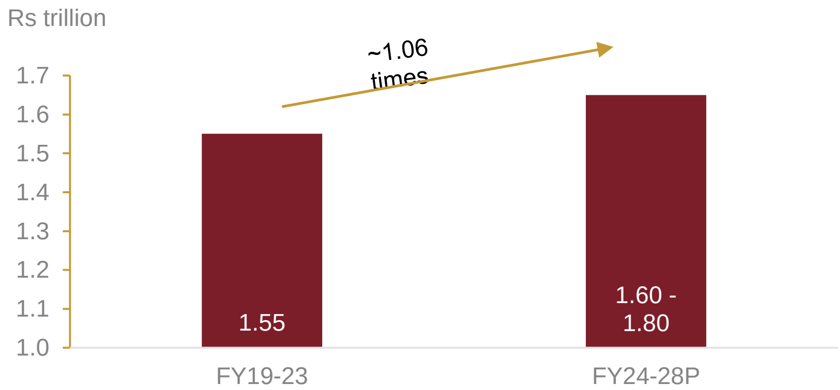
- **Affordability led by disposable income** : India's per capita income grew at a healthy rate in the recent years. Going forward, the per capita income is expected to continue its growth trajectory. This will be an enabler for domestic consumption. Increasing disposable income, typically, has a positive correlation with demand for housing units as it increases affordability.

- **Pradhan Mantri Awas Yojana – Urban**: The scheme was launched in FY16 to provide housing for the economically weaker section of society. PMAY Urban has a total target of 12.4 million houses out of which 11.86 million have been sanctioned of which 70.83% of houses are completed as of June 2024. An investment of Rs 8.07 trillion investment has been done till June 2024. With this investment, the affordable housing segment has received a considerable boost.

Investment in the commercial real-estate to be fuelled by rise in demand supported by increase in hiring and robust economic growth

The demand for commercial real estate, experienced a significant decline in fiscal year 2021 due to the COVID-19 pandemic, with many office spaces favouring remote work arrangements. However, following fiscal year 2021, demand began to rebound as people returned to the office with the easing impact of COVID-19.

Investments in commercial and social segment



P stands for projected
Source: CRISIL MI&A

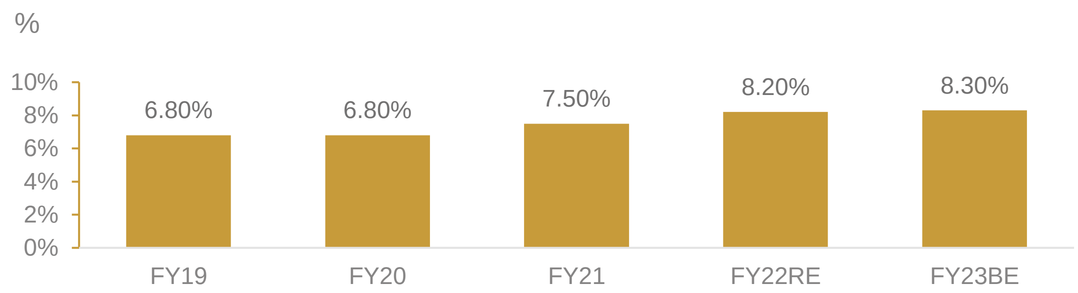
Further, the commercial real-estate is expected to grow during fiscal 2024 to fiscal 2028 with the investments in the segment estimated to see a further increase driven by rise in net absorptions, heightened hiring in key sectors and expectations of robust economic growth. However, net absorptions are expected to remain within the pre-pandemic range of 35-40 million square feet, influenced by recessionary pressures in developed economies.

Qualitative overview of social infrastructure building construction in India with focus on education and healthcare segments

Investing in social infrastructure is essential for fostering inclusive growth and generating employment opportunities in the country. It involves establishing and sustaining facilities and services that enhance the welfare, health, and overall quality of life for citizens. This encompasses investments in various sectors such as education and healthcare and community spaces among others. Further, the rise in expenditure on social services underscores the government's dedication to promoting societal well-being.

In the 2019-20 interim Budget, the Government articulated a vision that underscored the importance of strengthening social infrastructure, fostering a healthy society, ensuring the well-being of women and children, and prioritizing citizen safety. This commitment is reflected in the increased budgetary allocation for social services, such as hospitals and educational institutions among others, with their share rising from 6.2% of GDP in fiscal 2015 to 8.3% of GDP in fiscal 2023. This growth in government support has also contributed to the increased development of infrastructure construction within this sector.

Share of government (central + state) spending on social services as a % of GDP

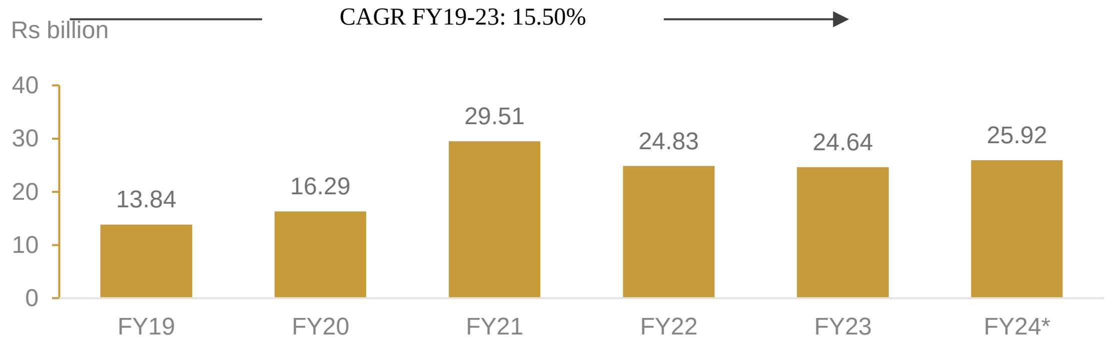


Note: The share mentioned in the above graph is as mentioned in the source document
BE: Budget estimates, RE: Revised estimates
Source: Budget documents of Union and State Governments, Economic Survey 2022-23, CRISIL MI&A

Additionally, the growth in construction is also supported by the disbursal of loans by banks to social infrastructure projects under priority sector lending. Priority sector lending refers to the mandatory allocation of a certain portion of a bank's lending portfolio to sectors deemed essential for economic and social development.

The disbursals under priority sector lending for social infrastructure has seen a growth of 15.50% between fiscals 2019 and 2023. These loans enable the construction, renovation, and maintenance of critical infrastructure that is often beyond the reach of government budgets alone.

Disbursal of bank credit for social infrastructure under priority sector lending

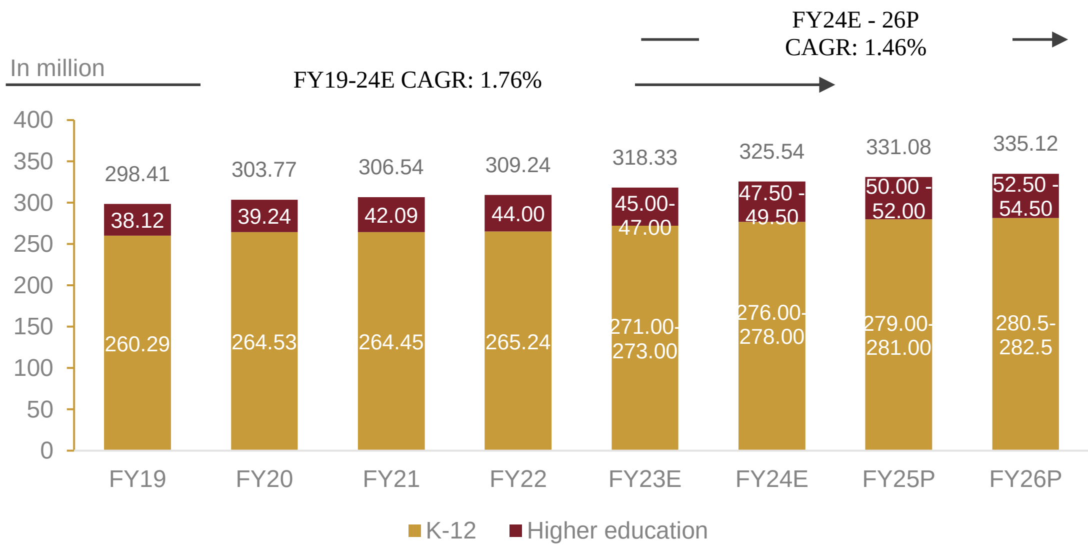


Note: Data for fiscal 2024 is as of 23rd February 2024
Source: Reserve Bank of India (RBI), CRISIL MI&A

Construction spends in educational sub-segment to be driven by rise in enrollments

As the need for education grows, educational establishments endeavour to enlarge their infrastructure to cater to increasing student numbers. The increase in enrollments within the Indian education sector has played a significant role in stimulating construction expenditure within the sector. From fiscal years 2019 to 2024, enrollments in educational institutions are estimated to have experienced a growth of 1.76%. Going ahead, this growth is expected to continue with enrollments seeing a rise of 1.46% CAGR between fiscal 2024 and 2026.

Total enrollments in K-12 and higher education



Note: K-12 includes enrollments in pre-primary to higher secondary
Higher education includes enrollments in Engineering and Technology, IT and Computer, Arts, Science and Commerce, Medical sciences, Teacher Training Institutes, Management and other courses.
Source: All India Council for Technical Education (AICTE), All-India Survey of Higher Education (AISHE), Unified District Information System for Education (UDISE), CRISIL MI&A

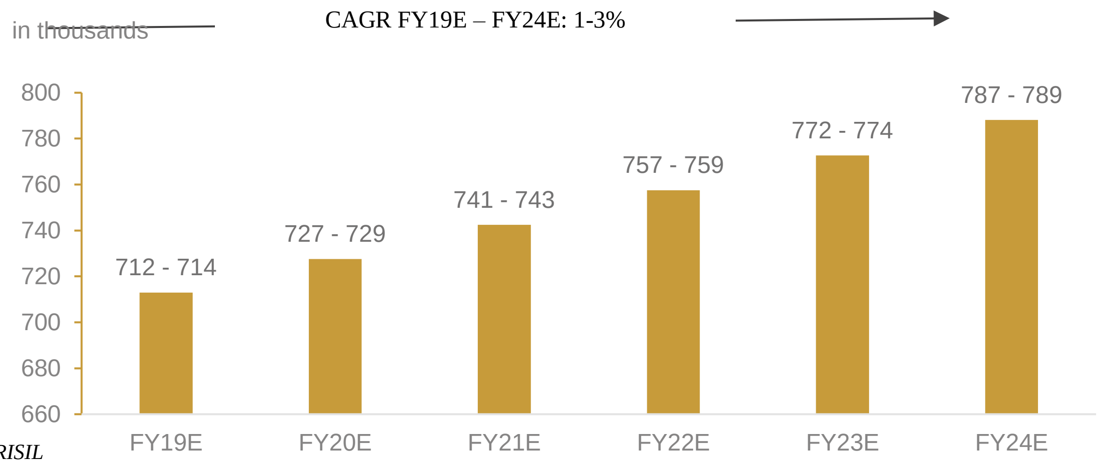
Moreover, as awareness about the significance of education increases coupled with increasing focus on holistic development of students, educational institutions are estimated to increase their investments in constructing new facilities and upgrading existing ones. This encompasses the development of classrooms, laboratories, sports facilities, hostels, and administrative buildings. Additionally, there is a rising inclination towards implementing technology-enabled learning environments, necessitating investments in digital infrastructure and connectivity, which are poised to further propel construction growth.

Rising demand for healthcare services to drive construction spending in hospital sub-segment

In India, healthcare is delivered through a combination of government and private sectors, offering both inpatient (IPD) and outpatient (OPD) services. The demand for healthcare is primarily fuelled by various factors such as the rise in lifestyle-related illnesses, the growth of medical tourism, increasing incomes, coupled with rise in healthcare awareness post-pandemic and demographic shifts. Additionally, initiatives like PMJAY and government prioritization of the healthcare sector are contributing to this growth.

As demand increases, hospitals are strategising to either enhance existing facilities or venture into new regions across the country. This is supported by estimated increase in the number of beds from 712,000 – 714,000 in fiscal 2019 to 787,000 – 789,000 by fiscal 2024. Moreover, the relatively low availability of healthcare services in India, with only 15 beds per 10,000 people compared to the global median of 29 beds, presents an opportunity for expansion. This expansion is expected to stimulate construction spending within the sub-segment.

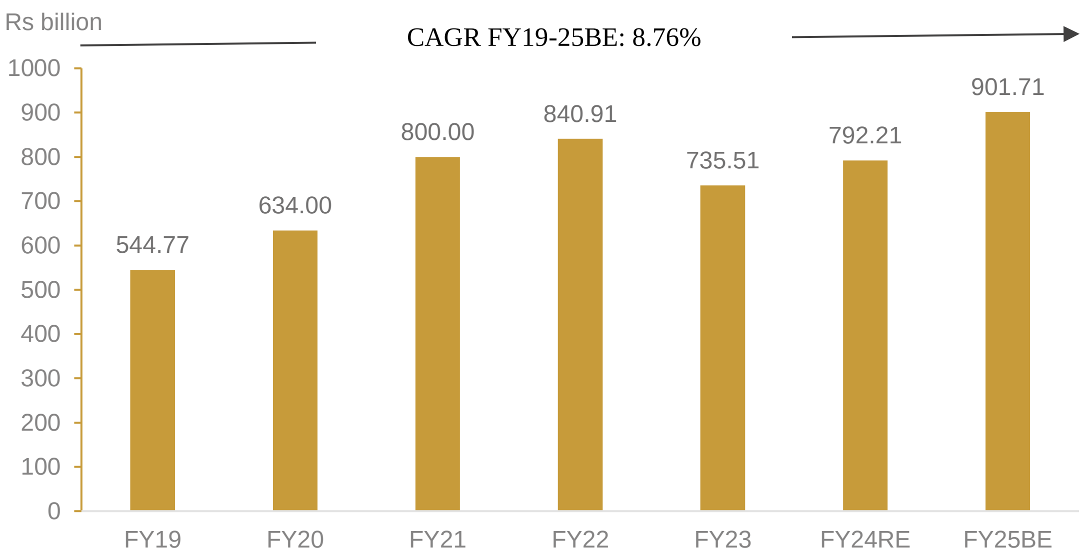
Total number of hospital beds in India



Source: CRISIL MI&A

In addition, the governments allocation to healthcare has increased from Rs 544.77 billion in FY19 to Rs 901.71 billion for FY25 (budgeted estimates), at a CAGR of 8.76%. This growth in government spending towards healthcare, further aids the construction spending in hospital sub-segment.

Budgetary allocation for healthcare over the years



RE: Revised estimates; BE: Budget estimates
Source: Budget documents, CRISIL MI&A

Overview of data centres in India

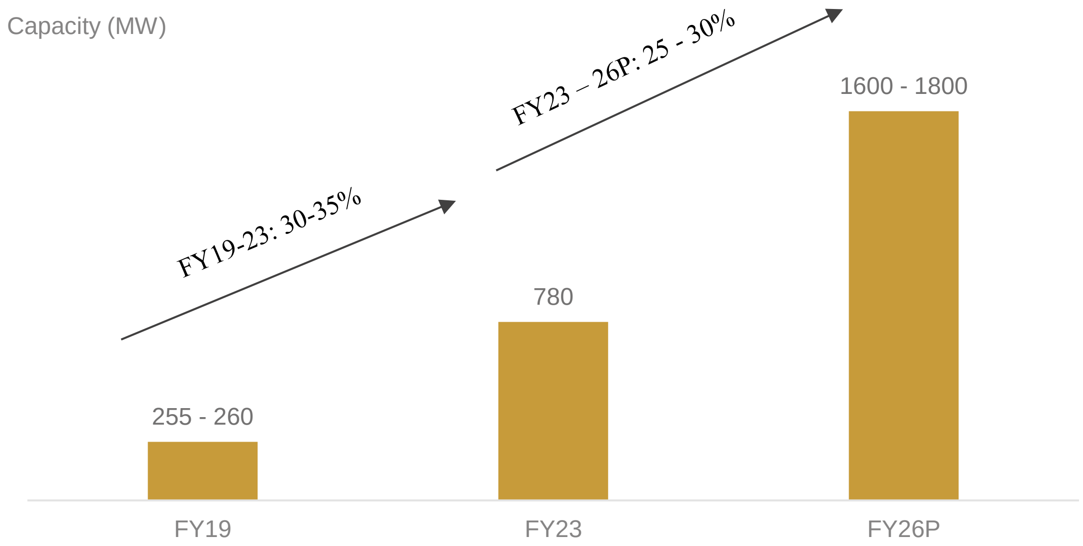
Modern data centres have evolved from their traditional physical infrastructure approach. Infrastructure has shifted from traditional on-premises physical servers to virtual networks that support applications and workloads across pools of physical infrastructure and into a multi cloud environment. Today, data exists and is connected across multiple data centres, and public and private clouds.

From fiscal 2019 to fiscal 2023, the Indian data centre industry (in capacity terms) has seen a growth at CAGR of 30-35%. During this period, the industry expanded from 255-260 MW to 780 MW, driven by factors such as increased internet accessibility, e-commerce adoption, and digital transformation initiatives by the government. The adoption of newer technologies including the cloud infrastructure by organizations seeking to reduce expenses has also contributed to this growth.

Looking ahead, the industry is expected to maintain a strong growth trajectory, with a CAGR of 25-30% between fiscal 2023 and 2026. This growth will be driven by increasing data consumption, the rollout of 5G networks across India, and advancements in technologies such as IoT, big data, artificial intelligence, and machine learning. Government initiatives, including the data protection bill 2023, draft data centre policy, and infrastructure status for data centres, will also provide a boost to the industry.

This growth of the data center industry, driven by the increasing demand for cloud computing, big data, and IoT, would aid in surge of construction projects, with new facilities being built to accommodate the expanding need for data storage and processing. As a result, the construction industry is expected to boost, with data center construction becoming one of the key growth drivers.

Data center industry India

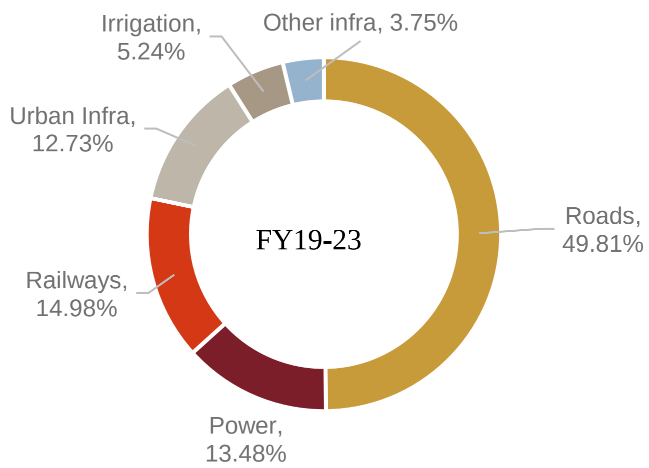


Note: P - Projected
Source: CRISIL MI&A

Infrastructure construction

In India, government's focus on the National Infrastructure Pipeline (NIP), National Monetization Pipeline (NMP), and the Gati Shakti initiatives majorly drives the infrastructure investments. Over the past few years between fiscal 2019 and fiscal 2023, in the total infrastructure investments, roads occupy the largest share (49.81% of the overall investments), followed by railways, urban infrastructure, and power segments.

Share of various segments in Indian infrastructure investments



Source: CRISIL MI&A

The share of infrastructure vertical in overall construction sector is expected to increase to 68-70% in the next four fiscals from 2024 to 2028 as against 62.43% over past four fiscals between fiscal 2019 and 2023 led by the central government's focus on roads, urban infrastructure, and railways.

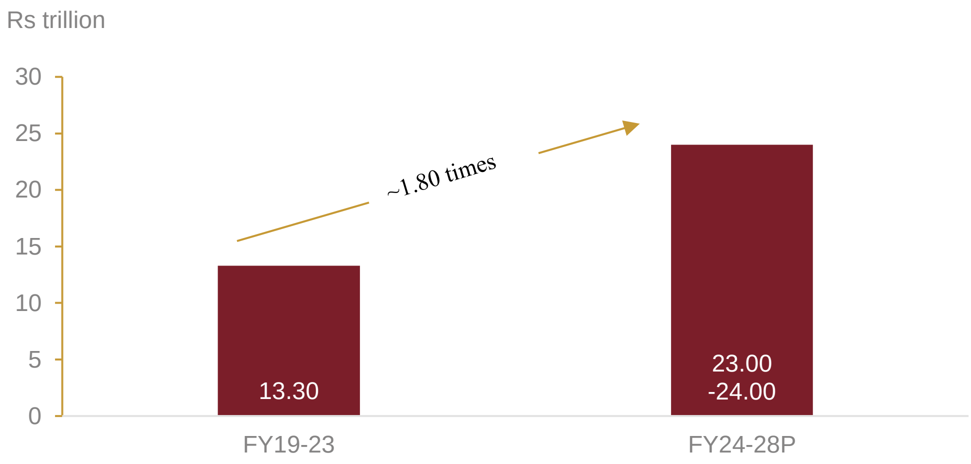
Investments in road infrastructure to rise 1.80 times during fiscal 2024-28 when compared fiscal 2019-23

In roads, as nearly all funds (save those used for land acquisition) are used only in construction, these investments augur well for construction players.

During fiscal 2019-23, the segment has attracted a total investment of Rs 13.30 trillion. Bharatmala project and increased state spending supported these investments despite brief hiccups, such as the pandemic and hampered construction due to elongated monsoons. Further, these investments in roads and highways are forecasted to nearly double over fiscals 2024-28 compared to fiscals 2019-23, reaching a total of Rs 23.00 – 24.00 trillion. Steady execution of national highway and high-value expressway projects will drive these investments.

The demand for road construction is primarily driven by rapid urbanisation, improvements for existing road network and increased vehicular traffic. Government initiatives like Bharatmala Pariyojana aim to enhance the connectivity and boost economic development through extensive road development. The rise in e-commerce and industrial sectors necessitates better logistics and transportation infrastructure. Further, development in rural regions is also pushing for improved road connectivity in order to get better access to markets, healthcare and education among others.

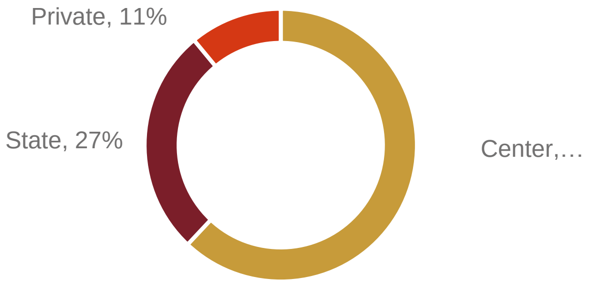
Investments in Indian road segment



Source: CRISIL MI&A

Going forward, the share of HAM in awarding projects is expected to be similar to fiscal 2020 levels or rise marginally going forward. As the HAM project requires 40% of the total construction cost to be paid by the government during the construction period, coupled with EPC projects (where 100% of the cost is funded by government) occupying major share in road construction, 75-80% of the total investment expected in national highways will be expensed by public funds (state and centre).

Source of funds (fiscal 2024E)



Source: CRISIL MI&A

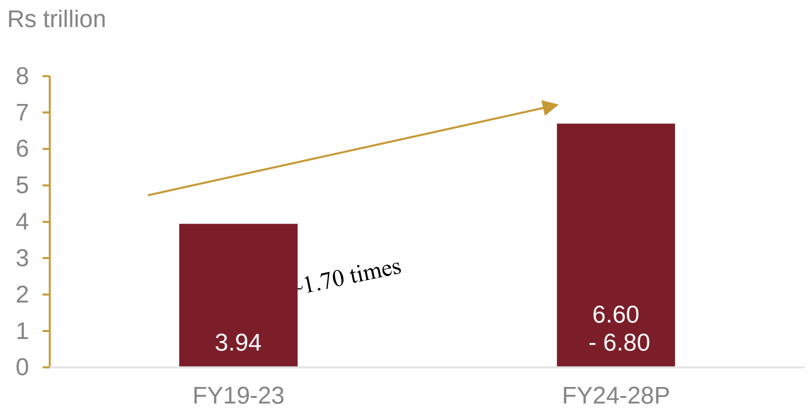
Investments in railway infrastructure to rise during fiscal 2024-28 led by Amrit Bharat station scheme

During fiscal 2019-23, due to the government's focus on completing dedicated freight corridor (DFC) projects, traction in high-speed rail, investment in newer avenues such as Vande Bharat trains, and focus on the station redevelopment program, the segment has attracted a total investment of Rs 3.94 trillion.

In the future, a construction investment of Rs 6.60 - 6.80 trillion is estimated over the next five years between fiscal 2024 and 2028, which is an increase of ~1.70 times over the past five years, led by investments in network decongestion, Amrit Bharat station development scheme, and high-speed rail projects. With construction investments over fiscal 2024 to 2028 expected to nearly double, raising funds through external agencies, IEBR, and via PPP would be a key monitorable.

Further, the railway infrastructure development is also driven by the need to support economic growth, enhance fright efficiency and improve long distance passenger connectivity. Government initiative such as dedicated freight corridor and high speed rail projects aim to modernise and expand the existing national rail network. Increased industrial trade and tourism activity require better logistics and transportation facilities. Additionally, the push towards sustainable transportation is also driving the investments in railway electrification and modernisation.

Investments in Indian railway segment

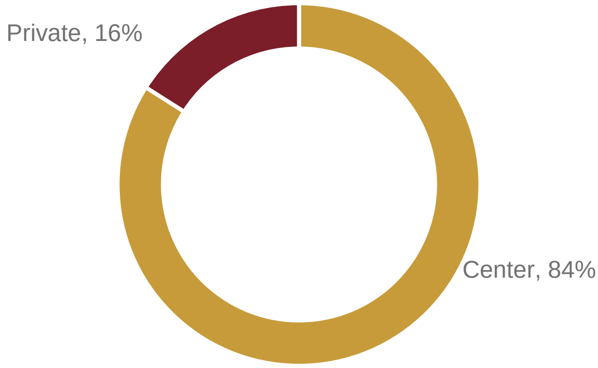


Source: CRISIL MI&A

The central government announced a capital outlay of Rs 2.52 trillion for the Indian Railways in the Union Budget 2024-25 which is a rise of 5% over the revised capital outlay under budget 2023-24. Under the proposed capital outlay the government aims to convert 40,000 conventional rail bogies to Vande Bharat standards. In addition, the government is also focusing on developing three major economic corridors - energy, mineral, and cement; port connectivity; and high-traffic density corridors – with an aim to boost efficiency and connectivity. As of July 2024, Energy, Mineral and Cement corridors (192 Projects); Port connectivity corridors (42 Projects) and High Traffic Density corridors (200 Projects) have been identified under the PM Gati Shakti Mission for enabling Multi-Modal connectivity.

As of fiscal 2024, center contributes to 84% of total investments made during the period, while the rest is contributed through private investments.

Source of funds (fiscal 2024E)

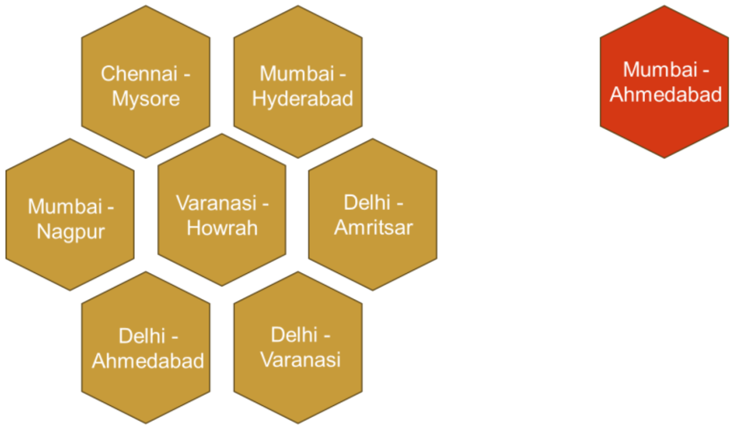


Source: CRISIL MI&A

High speed rail projects

The Government of India has envisaged development of high speed rail (HSR) corridors and has identified 8 corridors for constructing HSR projects of which the Mumbai Ahmedabad corridor is under construction while DPR preparation of the remaining projects is under preparation.

Status of HSR projects



	Detail project report
	Under construction

Source: CRISIL MI&A

Amrit Bharat Station Scheme

Launched on 6th August 2023, the Amrit Bharat Station Scheme aims to transform and revitalize 1,309 railway stations nationally. The scheme involves

- Preparation and implementation of master plans to improve the amenities at the stations.

- The scheme also envisages improvement of the building, integrating the station with both sides of the city, multimodal integration, amenities for Divyangjans, sustainable and environment-friendly solutions, provision of ballast less tracks, 'roof plazas' as per necessity, phasing and feasibility and creation of city centres at the station in the long term.

On 26th February 2024, the Government of India, as part of the Amrit Bharat Station Scheme, proposed redevelopment of 553 railway stations with an overall cost of Rs 190.00 billion.

In addition, it also proposed 1,500 infrastructure redevelopment projects like overbridges and underpasses at an overall cost of Rs 215.20 billion. It will be providing an overall opportunity of Rs 410.00 billion.

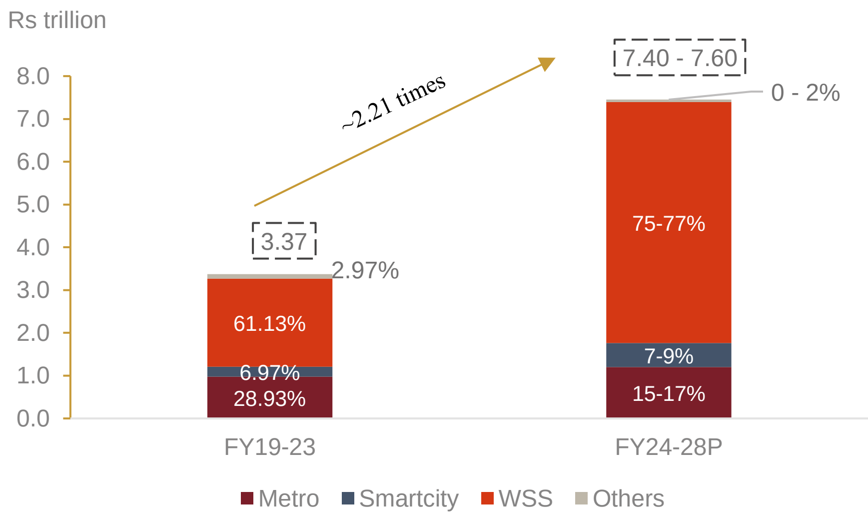
Urban infrastructure investments to continue rising led by rising urbanisation and increase in investments under Water Supply and Sanitation

Urban infrastructure includes construction-intensive mass rapid transit system (MRTS), bus rapid transit system (BRTS), water supply and sanitation (WSS) projects, smart cities, and related infrastructure development. The segment has seen an investment of Rs 3.37 trillion during fiscal 2019-23 majorly led by investments in Water supply and sanitation under schemes such as Swachh Bharat Mission, Jal Jeevan mission, AMRUT and investments in Metro projects.

Going ahead, investments in urban infrastructure are expected to rise by ~2.21 times, reaching to the levels of Rs 7.40 – 7.60 trillion majorly led by investments in WSS and metro construction in major Indian cities. Further to this, progress of work on 105 smart cities announced so far will also be a key monitorable, which would aid in further bolstering the investments in the sector. The growth also further aids in the development of building construction in the sector.

The demand for urban infrastructure development in India is driven by rapid urbanisation and increasing population density. The need to reduce traffic congestion, pollution and create a sustainable environment propels the investments in the sector. While rising commuter demand aids investments in metro, rising health awareness and water scarcity necessitate efficient resource management and infrastructure resilience in WSS segment. Further, rising migration towards urban cities and need for improved quality of life and economic opportunities fuels the demand for smart cities in turn aiding the growth in investments.

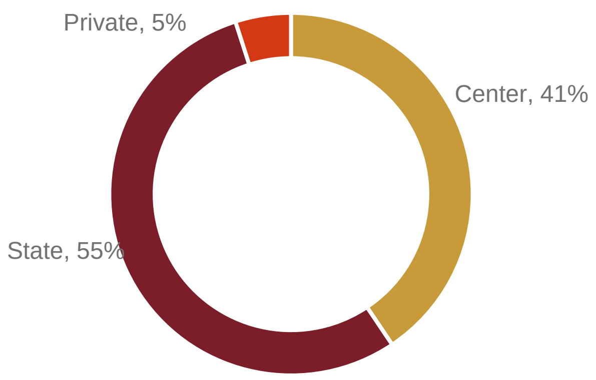
Investments in urban infrastructure segment



Source: CRISIL MI&A

As of fiscal 2024, center and state are major contributor of total investments made during the period with share of center at 41% and state share at 55%.

Source of funds (fiscal 2024E)



Note: The above values are rounded off to the closest integer, hence will not add up to 100%
Source: CRISIL MI&A

Key announced government initiatives to power WSS projects

Government schemes such as the Swachh Bharat Mission (SBM), Jal Jeevan mission and the National Mission for Clean Ganga (NMCG) are likely to boost WSS investments. On October 2, 2014, Prime Minister Narendra Modi launched SBM in order to focus on sanitation and accelerate efforts to achieve universal sanitation coverage. It comprises two sub-missions - Gramin (for the rural areas) and Urban - aimed at achieving a clean India by 2019.

The measures undertaken by the mission include construction of household, community and public toilets, and conversion of insanitary latrines into pour-flush latrines; solid waste management; and public awareness.

The overall budgetary allocation under SBM (Rural and urban) during Union budget 2024-25 is Rs. 184.92 billion with revised estimates for 2023-24 at Rs. 123.12 billion.

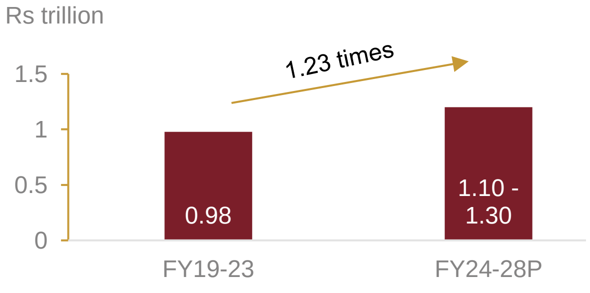
Metro projects to be second largest contributor under urban infrastructure investments

CRISIL MI&A estimates that construction spends on metro projects in India will increase ~1.23 times from Rs 0.98 trillion during fiscal 2019-23 to Rs 1.10 – 1.30 trillion over fiscals 2024 to 2028, making it the second-largest contributor to urban infrastructure investments. Bulk of the metro projects are under construction and have achieved financial closure, with the lockdown and migration of labour the only impediments that drove investments lower in fiscal 2021, while deferral of investments led to revival in fiscal 2022 with the momentum continuing during next two fiscals.

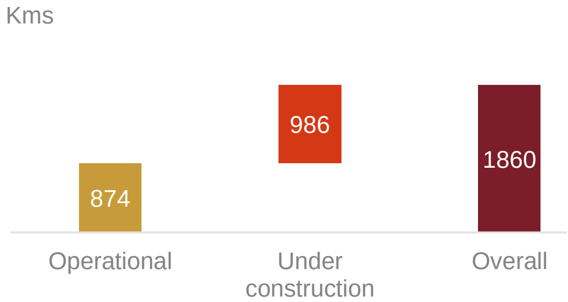
Going ahead, new project announcements, as well as completion of under construction projects, by state governments to aid growth in the sector. In addition, new metro rail policy was announced during the Union Budget (2018) to develop private interest in the segment.

To increase the viability of metro projects and make them available across cities with lesser populations, Government of India has announced Metro-Neo and Metro-Lite. These are cheaper to construct and operate and are suited for cities with lower population densities. These also would aid in creating construction opportunities in the segment which include construction of buildings and other metro infrastructure.

Investments in metro network



Metro network to double in coming years



Note: data for metro network mentioned in the above graph (right side) as of October 2023
Source: PIB, CRISIL MI&A

Progress in metro projects across states

Project	Status
Mumbai	Work for three lines in advanced stages, five more lines under implementation, total 14 lines approved
Pune	First two phases on track, third phase to be awarded on public private partnership (PPP) basis
Delhi	Phase three almost complete, phase four-three out of six corridors approval received
Chennai	Phase one extension line to begin soon, phase two in planning stage
Hyderabad	Phase one complete, phase two in proposal stage
Bengaluru	Phase one complete, phase two under construction

Source: CRISIL MI&A

Smart cities to further push infrastructure spending under urban infrastructure

To further push urban infrastructure spending, the government approved a budget of Rs 480 billion for the development of 100 smart cities over five years, beginning fiscal 2017. The focus is on adequate and clean water supply, sanitation, solid waste management, efficient transportation, affordable housing for the poor, power supply, robust IT connectivity, e-governance, safety and security of citizens, health, and education.

The selected cities will receive central assistance of Rs 2 billion in the first year, Rs 1 billion in each of the next four years, and a matching contribution from the respective state.

The state and central government funds will only meet part of the cost. The rest will be raised through user fees, municipal bonds, existing central/state schemes such as AMRUT, and PPPs.

Under recent union budget of 2024-25, the Government of India has extended the deadline for the smart cities project till 31st March 2025.

Each smart city will have two plans:

Area-based development (ABD): Under this plan, one chosen area of the city will be developed, through retrofitting, redevelopment, or greenfield, or a combination of these. The delineated area should be contiguous within the city

Pan-city solution: Under this plan, the entire city area is considered, and information and communications technology (ICT) is used for diverse purposes, such as traffic management, water and electricity supply (smart metering), and solid waste management.

The opportunity in smart cities will primarily come from ABD projects such as affordable housing, sanitation, solid waste management, water supply, and storm water reuse.

All 105 cities announced ; Tendering activity on the uptick

Out of the 60 smart cities declared in rounds one and two and the fast track round, only ~29 cities are seeing reasonable amount of activity. Of the first 20 cities announced, only 10 have progressed in terms of execution. About eight cities have no progress or only marginal progress in execution as against what was planned initially. Except Raipur, cities from the fast-track round that were to start execution from fiscal 2017 have seen almost no activity.

For the balance 40 cities selected in rounds three and four, tendering is at a very nascent stage for the newly formed special purpose vehicles (SPVs).

Smart city status

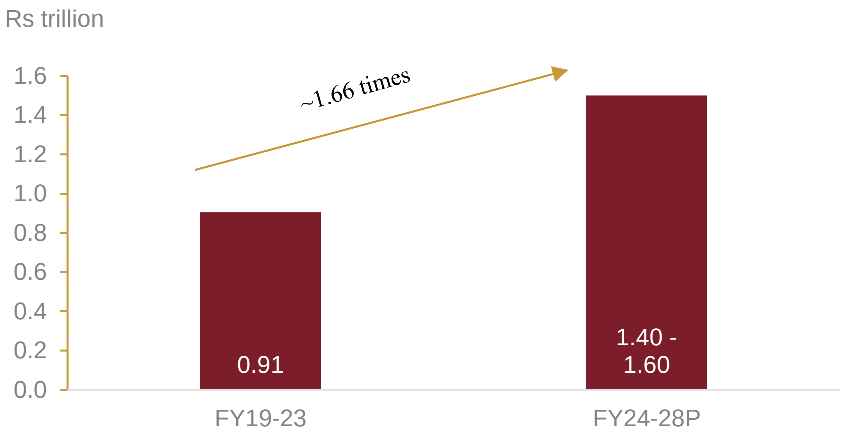
Status	Number of projects	Projects value (Rs Bn)	Percentage (%)
Completed	7,066	1,415.00	84.63%
In progress	959	256.86	14.37%
Total	**8,025**	**1,671.86**	**100.00%**

Note: Data as of May 2024
Source: CRISIL MI&A

Construction investment in other segments also to see an uptick in long term over fiscals 2024 to 2028

Other major segments include airports, ports, telecom towers and warehousing and cold storages. Investment in construction for these segments is also expected to see an uptick rising from ~Rs 0.91 trillion during fiscal 2019 to 2023 to ~Rs 1.40 – 1.60 trillion during fiscal 2024 to 2028.

Investments in other major segments



Source: CRISIL MI&A

Construction investments in **airports** is driven by expansion Bangalore, Delhi, Hyderabad and Chennai airports as well as with progress of greenfield projects at Jewar, Navi Mumbai, Mopa and Bhogapuram airports. The plan under national monetisation pipeline (NIP) to monetise 25 airports will aid in boosting PPP investments with the money raised by AAI going towards establishment / upgradation of smaller, underserved and unserved airports. Moreover, significant anticipated investments from airports such as Navi Mumbai, Goa (Mopa), Bhogapuram and Jewar airports are expected to increase the share of greenfield investments. Further, government initiatives, such as speeding up of project approvals through automated clearances using digital platforms, setting up of project monitoring group to fast-track investments, and monitoring of timelines set for clearances by various ministries to aid greenfield investments over the next five years during fiscal 2024 and 2028.

The incremental investment in **ports** is expected to be majorly in Port of loading (POL) and container segments as iron ore segment is currently facing oversupply, and fresh investments in the coal segment are tepid. The private sector has accounted for most of the investments in the ports sector in the past few years, concentrating on non-major ports. Public sector contribution has remained limited to the maintenance of draft and building of allied infrastructure, such as roads at major ports.

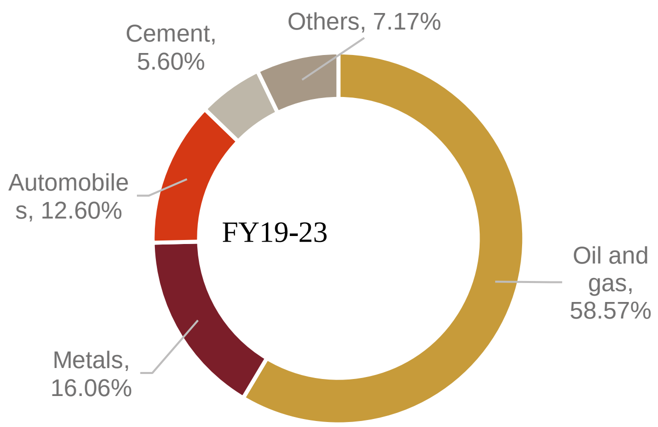
Construction investments in the **warehousing** (agricultural and industrial) and **cold-storage** (single- and multi-commodity) sectors is led by increased demand. India's warehousing stock per capita is only 0.15-0.02 sq. m. while that of China is 0.7-0.9 sq. m. and that of the USA is 4.4 sq. m. providing an opportunity for growth. Players are also likely to invest in automation to lower touch points especially since automated services have seen increasing preference among the occupiers of late. However, in agriculture warehousing, the investments are expected to be lower owing to the muted growth in demand for agricultural warehousing space amidst low FCI procurement. Given the scenario, Industrial warehousing is likely to comprise over 85-90% share of total investments in warehousing. In cold-storages, early payback in multipurpose cold storages as against single-commodity storages is expected to boost investments in the segment.

Industrial construction

CRISIL MI&A considers Oil and gas, petrochemicals, fertilisers, paper, textiles, cement, metals, and automobile sectors as a part of Industrial construction. In addition to this, the investments in the industrial construction are also driven by PLI scheme, which is a time bound incentive scheme by the Government of India which rewards companies in the range on 5-15% of their annual revenues based on the companies meeting pre-decided targets for incremental production and/or exports and capex over a base year.

During fiscal 2019 to fiscal 2023, the industrial construction has seen a total investment of ~Rs 3.50 trillion of which major share is occupied by Oil and gas sector (58.57%) followed by Metals (16.06%) and Automobiles (12.60%).

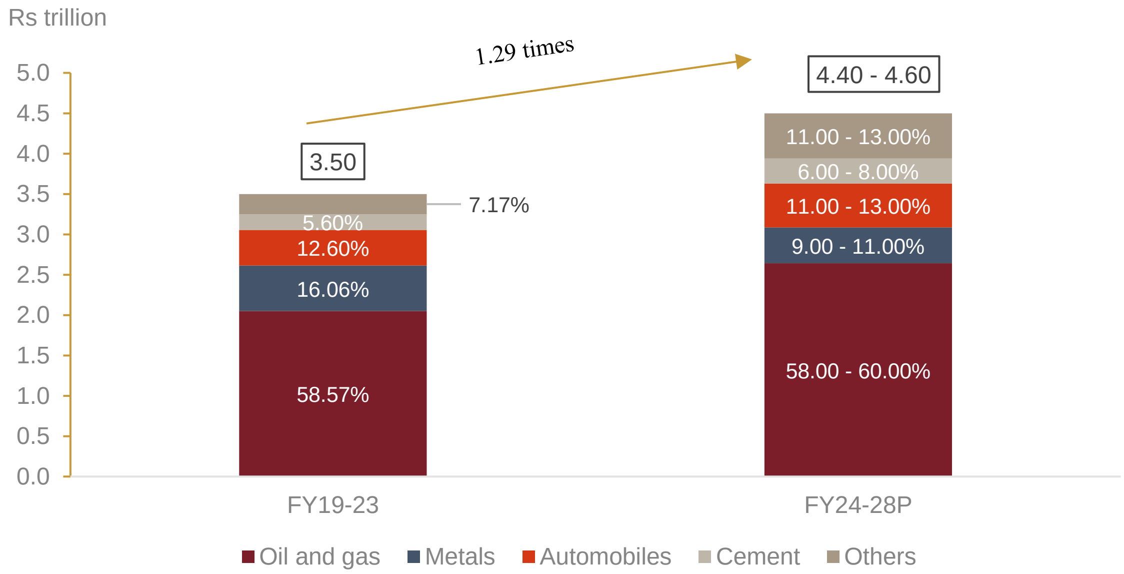
Share of various segments in Indian industrial construction investments



While the PLI scheme entails 13 sectors, CRISIL MI&A has only considered 3 capital intensive sectors which are Auto and auto components, Textiles and Specialty steel as a part of analysis
Source: CRISIL MI&A

Major driven by the investments growth in Oil and gas segment, the overall investments in Industrial construction are estimated to grow by ~1.29 times to reach ~Rs 4.40 – 4.60 trillion during fiscals 2024 and 2028.

Investments in industrial construction



Others include petrochemicals, fertilisers, paper, textiles and PLI scheme
While the PLI scheme entails 13 sectors, CRISIL MI&A has only considered 3 capital intensive sectors which are Auto and auto components, Textiles and Specialty steel as a part of analysis
Source: CRISIL MI&A

Overview of construction investments in various segments under industrial construction

Segment	Construction investments in Rs trillion (FY19-23)	Construction investments in Rs trillion (FY24-28P)	Growth (times)	Outlook	Demand drivers
Oil and gas	2.05	2.50 – 2.70	1.29 times	Refinery expansion plans by Reliance Industries Ltd, Nayara Energy, IOCL as well as investments by upstream oil & gas and downstream natural gas players expected to drive the investments.	Growth in automobile segment, increasing energy consumption due to industrialisation and urbanisation coupled with government initiatives for infrastructure development
Automobiles	0.44	0.40 – 0.60	1.24 times	Rise in automobile sales coupled with upgradation of technologies and introduction of corporate average fuel efficiency norms and shift towards ACES - Autonomous, Connected, Electric, shared architecture would drive investments in the automobile space.	Enhancement in economic activities, rising income levels, development of rural infrastructure, government initiatives to boost farm income coupled with growing penetration in passenger and commercial vehicle segments
Metals	0.56	0.30 – 0.50	0.79 times	The upcoming investments are expected to be in the brownfield expansions with players like ArcelorMittal Nippon Steel India Ltd expanding capacities. Investment is expected to grow in the aluminium segment, led by capacity expansion plans of Nalco as the export and domestic demand continue to rise.	Growth in construction activities across sectors, rising automobile sector, coupled with government policies such as PLI scheme supporting manufacturing and increasing demand for consumer goods among others
Cement	0.20	0.40 – 0.60	1.58 times	Growth in demand for residential housing coupled with increased government spending on Pradhan Mantri Awas Yojana (PMAY) will provide impetus to the housing segment. Further, the grant of infrastructure status to affordable housing will facilitate easier access to low-cost finance. Investments are also expected to increase considerably in other infra segments such as roads, railway, irrigation, and urban infrastructure. These are expected to boost cement demand in turn leading to increase in investments in the sector.	Rising urbanisation coupled with infrastructure development across various sectors of roads, railways, urban etc coupled with growth in residential housing and commercial real-estate demand
Others	0.25	0.50 – 0.70	2.23 times	Construction spending in the **petrochemicals**	In case of Petro-chemicals, the

Segment	Construction investments in Rs trillion (FY19-23)	Construction investments in Rs trillion (FY24-28P)	Growth (times)	Outlook	Demand drivers
				industry is expected to rise due to China plus 1 strategy being followed by global players and supported by India's well established chemical production base seeing renewed push by players. Construction investment in **fertilisers** is expected to rise led by government's focus on reducing import of urea and becoming self-sufficient to cater to domestic demand is expected to drive investments. Further, the government has been trying to revive sick urea units at Sindri, Gorakhpur, and Barauni. It has also been incentivising private players to enhance domestic capacity which is further expected to drive investments.	demand is expected to be driven by end-use sectors, like automobiles, infra, industrial, packaging, irrigation and construction as the consumption is expected to rise with increasing population and mobility. In case of fertilisers the demand is expected to be driven by increase in agriculture acreage, government subsidies and initiatives such soil health card scheme to increase awareness about fertiliser usage.

Note: P: Projected
Source: CRISIL MI&A

Overview of line of credit for Infrastructure in India

According to Reserve Bank of India’s deployment of Bank credit, lending to segments such as power, telecom, roads, airports, ports, and railways among others, has grown at CAGR of 4.55% between fiscal 2019 and 2024. During the same period construction credit has seen 3.60% growth.

During fiscal 2024, as per RBI data, outstanding credit to power segment stands at Rs 6,440.51 billion occupying a lion’s share of 49.38% in overall infrastructure credit disbursed during fiscal 2024. This is followed by roads with a share of 24.39% during the same period.

Having said that, the credit growth in fiscal 2024 is majorly led by telecommunications and railways, while the major segments of roads and power saw a moderate growth. Further, the growth is constrained by reduction in disbursals towards infrastructure projects in airports and ports.

Deployment of bank credit

	FY19	FY20	FY21	FY22	FY23	FY24	CAGR FY19-24
Infrastructure	10,441.99	10,836.56	10,954.67	11,974.16	12,247.90	13,041.66	4.55%
Power	5,698.57	5,773.27	5,710.28	6,125.00	6,202.32	6,440.51	2.48%
Telecommunications	1,105.45	1,471.76	1,149.61	1,276.71	1,082.62	1,381.95	4.57%
Roads	1,762.54	1,815.31	2,262.99	2,714.82	3,013.20	3,180.90	12.53%
Airports	44.24	51.44	85.73	67.08	95.93	72.80	10.47%
Ports	94.79	127.45	101.53	86.73	79.83	66.81	-6.76%
Railways (other than Indian Railways)	97.04	108.85	124.71	106.05	101.75	130.63	6.13%

	FY19	FY20	FY21	FY22	FY23	FY24	CAGR FY19-24
Other Infrastructure	1,639.37	1,488.49	1,519.81	1,597.78	1,672.26	1,768.06	1.52%
Construction	1,119.37	1,278.38	1,196.70	1,205.54	1,249.56	1,336.20	3.60%

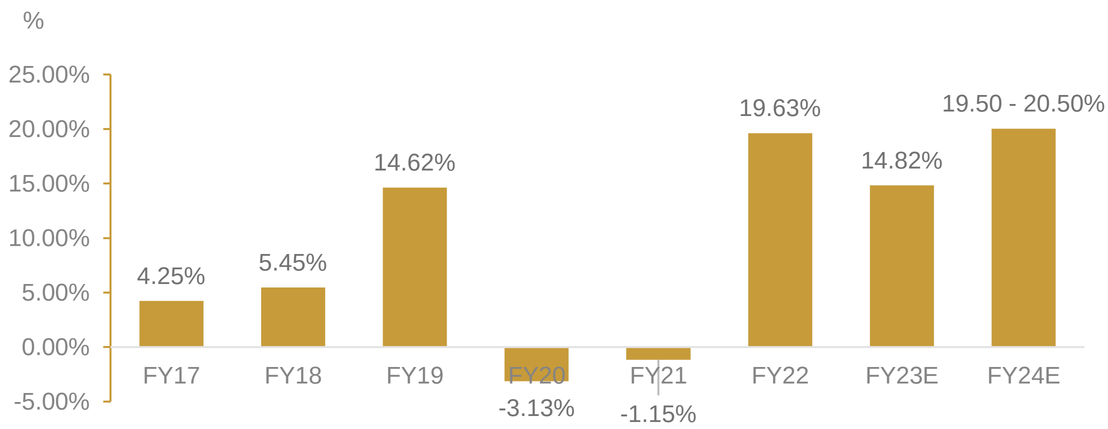
Source: RBI, CRISIL MI&A

Overview of construction sector revenue growth and profitability

Revenues of players rise by 19.50 – 20.50% in fiscal 2024

Revenue of players considered has seen an increase of 19.50 – 20.50% year on year in fiscal 2024, supported by rise in residential demand coupled with government thrust towards infrastructure development. This is post, 14.82% rise on year in fiscal 2023, led by pick up in execution, healthy order books padded by deferred investments from fiscal 2022, execution of high value projects such as expressways and the bullet train project. Whereas for fiscal 2022, revenue of players considered increased 19.63% on year attributable to the low base created in fiscal 2021 owing to lockdown impacting construction activities.

Revenue growth over the years



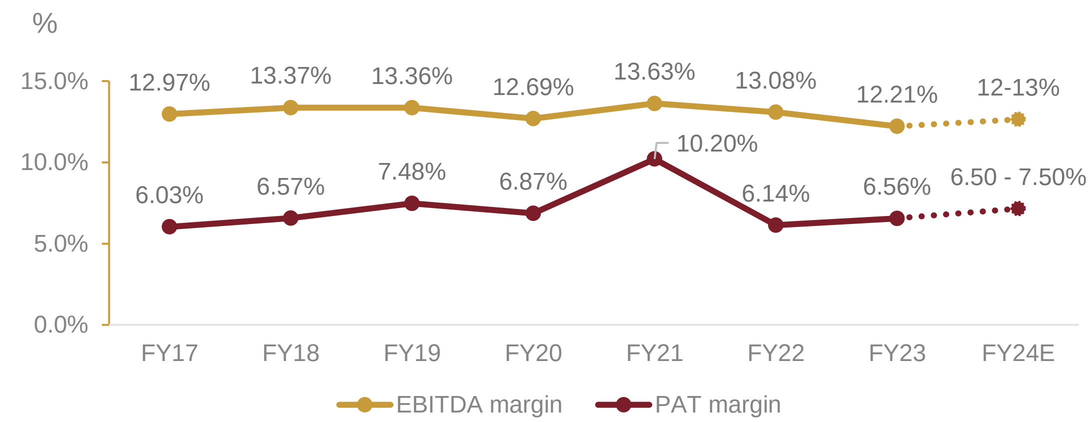
Note: The above values are arrived using a sample of 28 companies (standalone financials)
E: Estimated
Source: CRISIL MI&A

EBITDA margins remain flat in fiscal 2024 with increasing competitiveness in the sector

Construction sector firms have low proportion of fixed costs, whereas the variable costs are linked to power, fuel, raw materials and contractual labour forming the bulk of the cost heads for firms.

During fiscal 2024, EBITDA margins are estimated to have remained flat in the range of 12-13% due to rising competitiveness in the sector coupled with raise in commodity prices. Margins for fiscal 2023 seen at 12.21% led by improved execution, softening of commodity prices, operating efficiencies brought about during the pandemic and delayed pass on of commodity inflation price hikes. With more than 75-80% of projects having cost escalation clauses built in, the rising costs of raw materials would be passed on to the project owners with some delays based on contract clauses. The lag in passing on input cost escalation, has led to margins being capped in the upcoming fiscals.

Margins for players considered



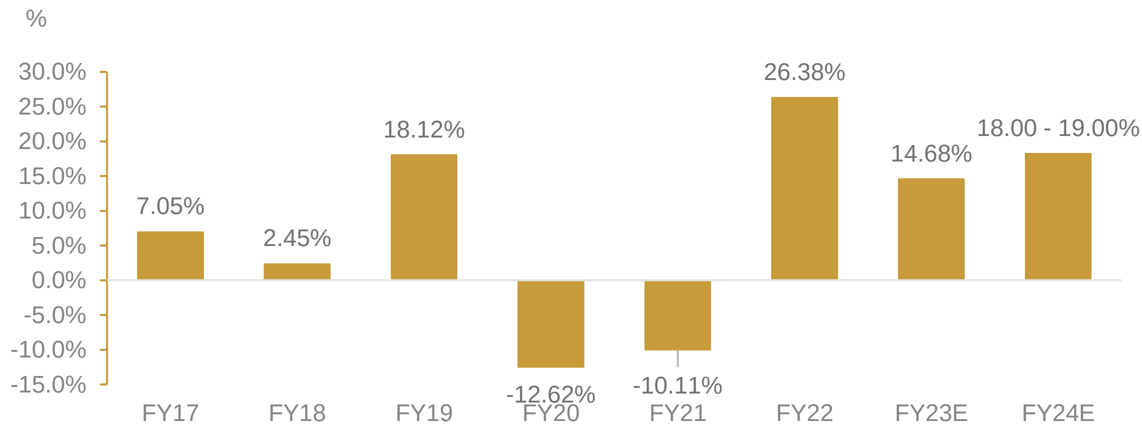
Note: The above values are arrived using a sample of 28 companies (standalone financials)
E: Estimated
Source: CRISIL MI&A

Overview of building construction vertical revenue growth and profitability

Revenues of players rise by 18.00 – 19.00% in fiscal 2024

The revenue of players considered has seen an increase of 18.00 – 19.00% year on year in fiscal 2024, majorly due to government's strong emphasis on infrastructure development across sectors. This growth comes after substantial revenue growth in fiscal 2022 and fiscal 2023 with 26.38% and 14.68% respectively. These earlier gains were majorly due to low base, during fiscal 2021 where the industry has faced a revenue degrowth 10.11% respectively as the construction activities were halted due to imposed lockdown, non-availability of labour for construction during the covid-19 pandemic.

Revenue growth over the years

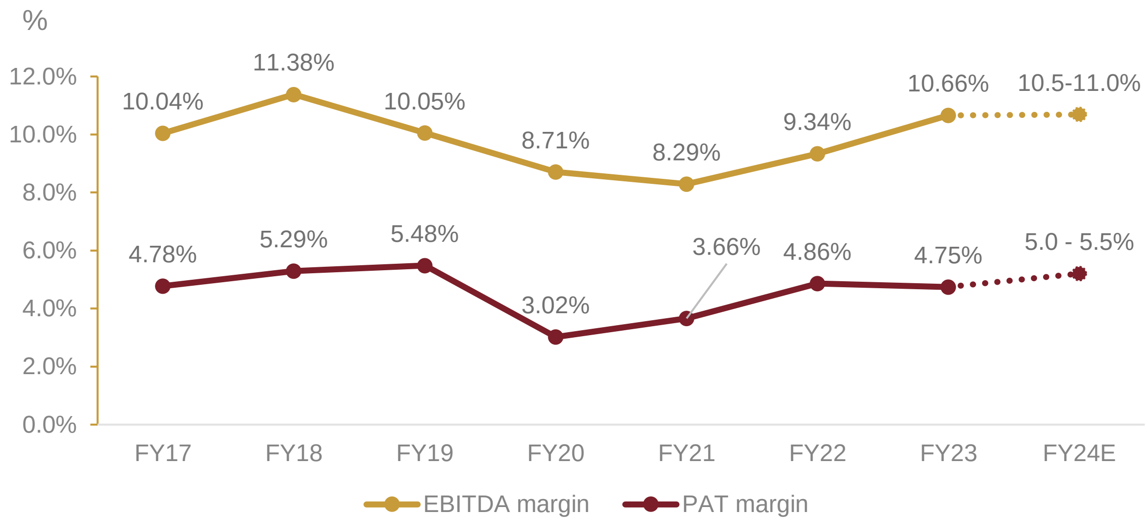


Note: The above values are arrived using a sample of 6 companies (standalone financials)
E: Estimated
Source: CRISIL MI&A

EBITDA margins remain flat in fiscal 2024 aided by cool down in raw material prices

In fiscal 2024, CRISIL estimates EBITDA margins to had remained flat in the range of 10.5-11%. During fiscal 2024, EBITDA margins for the industry are supported by cool down in commodity prices such as cement and steel, however they are constrained by slight slowdown in construction activity during March 2024 due to national elections coupled with shortage of labour during the period. Historically, the EBITDA margins in the industry have been steady typically ranging from 10-12%. Similarly, the PAT margins remain stable with a range of 5.0-5.5%.

Margins for players to remain flat



Note: The above values are arrived using a sample of 6 companies (standalone financials)
E: Estimated
Source: CRISIL MI&A

Policy & Regulatory Overview of construction industry in India

Overview of construction spending by key ministries

The central government is the primary financier for construction projects across India, making it vital for the country's infrastructure development. Its substantial financial backing catalyses the realisation of crucial projects ranging from highways to urban development. For instance, during fiscal 2024, of the total construction investments in major construction sectors of roads and railways, the share of central government stood at 62% and 84%, respectively underscoring its significant contribution to construction spending. Below are the construction spends by few key central government ministries over the years.

National Building Construction Corporation (NBCC)

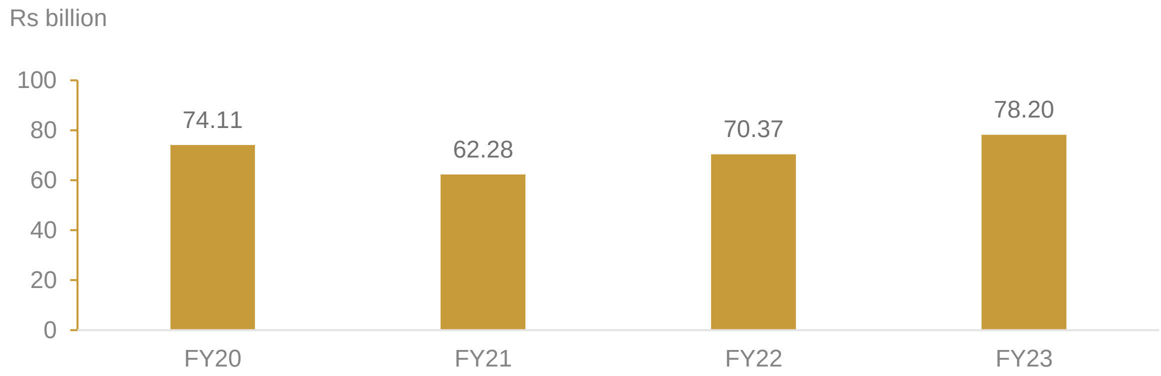
NBCC was established in 1960 as the construction arm of the Government of India to execute civil engineering projects for the state governments, various central government ministries, public and private sectors. It operates in three business segments which include

Project Management Consultancy (PMC): Under PMC it executes, civil construction projects including residential and commercial complexes, hospitals, educational Institutions, re-development projects of the Government. Infrastructure. It also executes infrastructure projects for the national security as well as civil sector. It does, project implementation for Pradhan Mantri Gram Sadak Yojna (PMGSY) and developmental work in North-Eastern Region.

Engineering Procurement & Construction (EPC): Under EPC it provides services such as Projects conceptualisation, feasibility studies, detailed project reports, basic and detailed engineering, procurement, construction, commissioning and testing.

Real-estate development: It also executes residential projects, such as apartments and townships and commercial projects such as corporate office buildings and shopping malls.

Construction spending of NBCC over the past years



Note: Latest available annual report for NBCC is as of fiscal 2023
Source: Annual reports, CRISIL MI&A

As of fiscal 2024 as per the annual report, NBCC has a total order book of approximately Rs 522.42 billion. Further as per the August 2024 conference call of NBCC, the total order book as of fiscal 2025 stands at Rs. 810.00 billion. Major works secured by NBCC during fiscal 2024 are as follows:

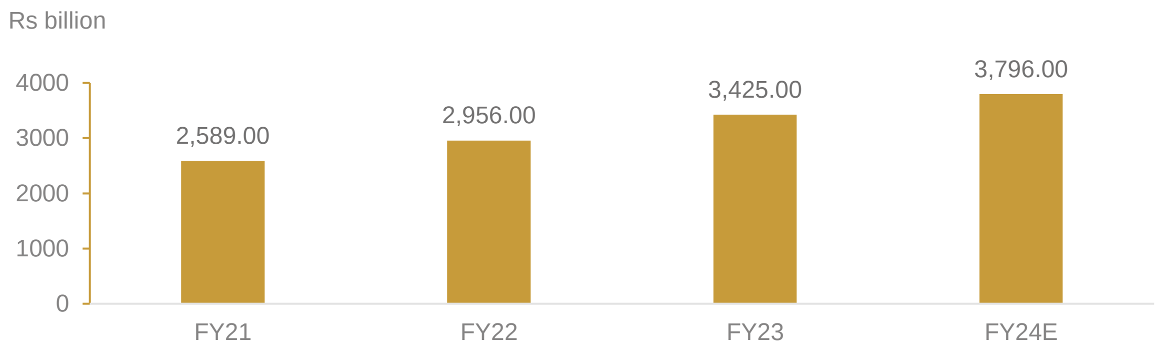
- Development and monetization of major land parcel of Kerala state Housing Board (KSHB)
- Government presses redevelopment
- Ravenshaw university works
- Public Works Department, Puducherry
- Bokaro Steel, township, works
- Paradip Port authority works
- SAIL Bhilai Steel Plant

Ministry of Road Transport and Highways and National Highway Authority of India

The Ministry of Road Transport and Highways (MoRTH) and the National Highways Authority of India (NHAI) play pivotal roles in shaping and managing India's road construction.

MoRTH is the apex body responsible for the formulation and administration of rules, regulations, and laws relating to road transport, highways, and road safety in India. It formulates policies and programs for the development and maintenance of road infrastructure, including national highways, state highways, and rural roads. NHAI is an autonomous agency of the Government of India, responsible for the development, maintenance, and management of national highways in India. Its primary function is the construction and operation of highways across the country.

Construction spending of MoRTH and NHAI over the past years

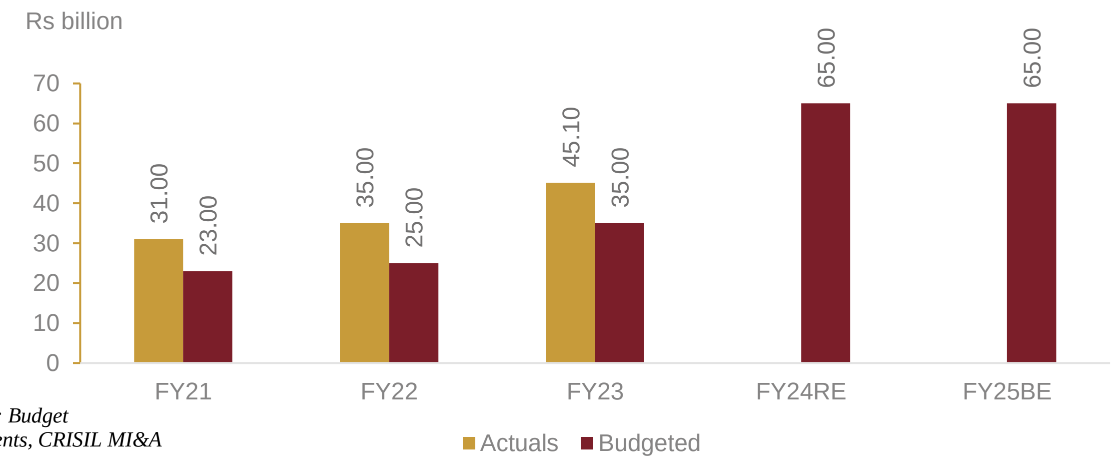


Source: CRISIL MI&A

Border Roads Organisation (BRO)

Established on 7th May 1960, the Border Roads Organisation (BRO) has been instrumental in enhancing India's border infrastructure. Serving as a key player in road construction, BRO provides crucial support to the Indian Armed Forces, focusing on the development and maintenance of road networks in border regions of the country.

Construction spending of BRO over the past years

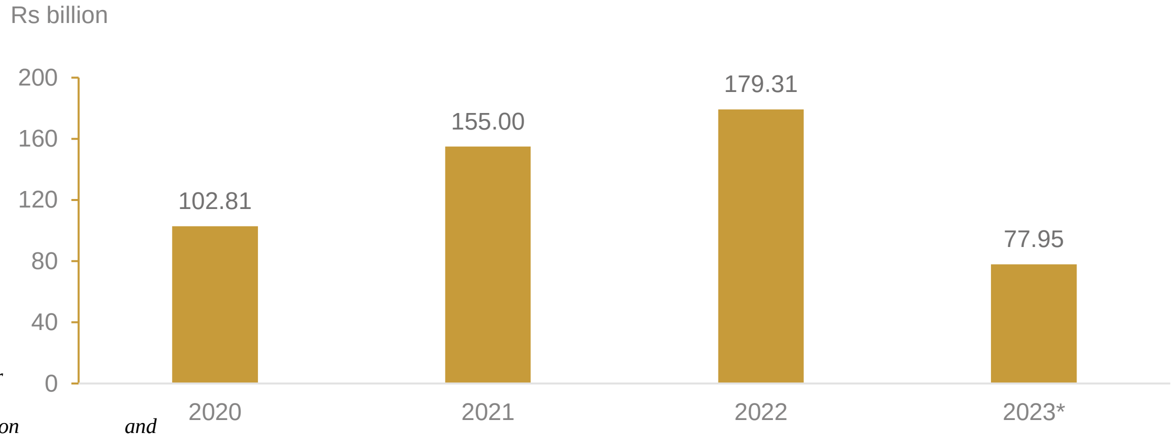


Source: Budget documents, CRISIL MI&A

Central Public Works Department (CPWD)

The Central Public Works Department (CPWD), operating under the Ministry of Housing and Urban Affairs, stands as a one of the major engineering entities. CPWD offers a wide array of services encompassing planning, design, and construction, along with post-construction maintenance management. CPWD undertakes diverse construction projects such as residential complexes, offices, schools, laboratories, hospitals, and storage facilities. Additionally, it handles infrastructure projects such as highways, flyovers, tunnels, bridges and runways.

Construction spending of CPWD over the past years

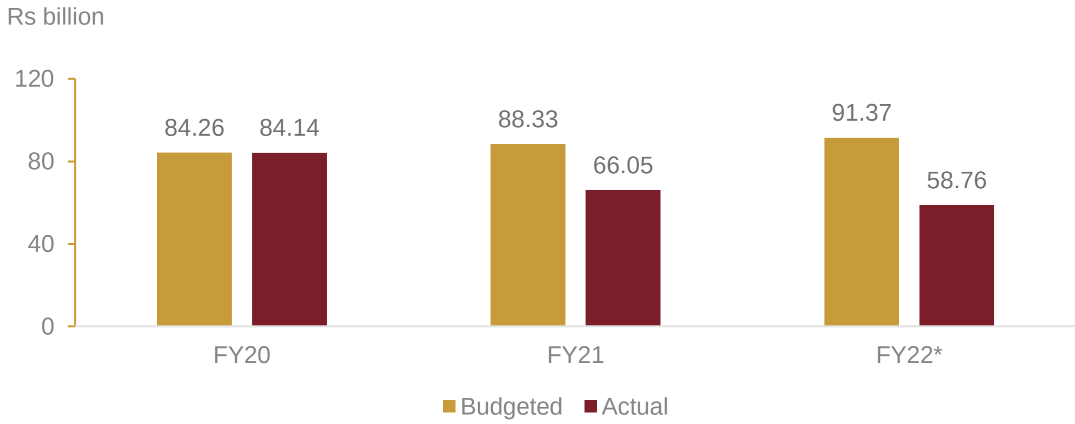


Note: The above values include spends for both construction and maintenance
**Data is projected and for January to March period during the calendar year 2023*
Source: Budget documents, CRISIL MI&A

Military Engineer Services (MES)

The Military Engineer Services (MES) is involved in development of strategic and operational infrastructure, excluding major roads, for the armed forces and associated organizations under the Ministry of Defence. MES is tasked with creating administrative facilities for the Army, Air Force, Navy, Coast Guard, Defence Estates, Defence Accounts Department, and Directorate Ordnance Coordination and Maintenance. Beyond providing engineering advice, MES executes military infrastructure projects, encompassing design, estimation, contracting, construction, and comprehensive maintenance. Its scope of work spans various areas such as runways, marine structures, ammunition storage, sewage systems, and more.

Construction spending of MES over the past years



Note: Budgeted value in the above graph indicates allocated
**Data is till 31st January 2022*
Source: Budget documents, CRISIL MI&A

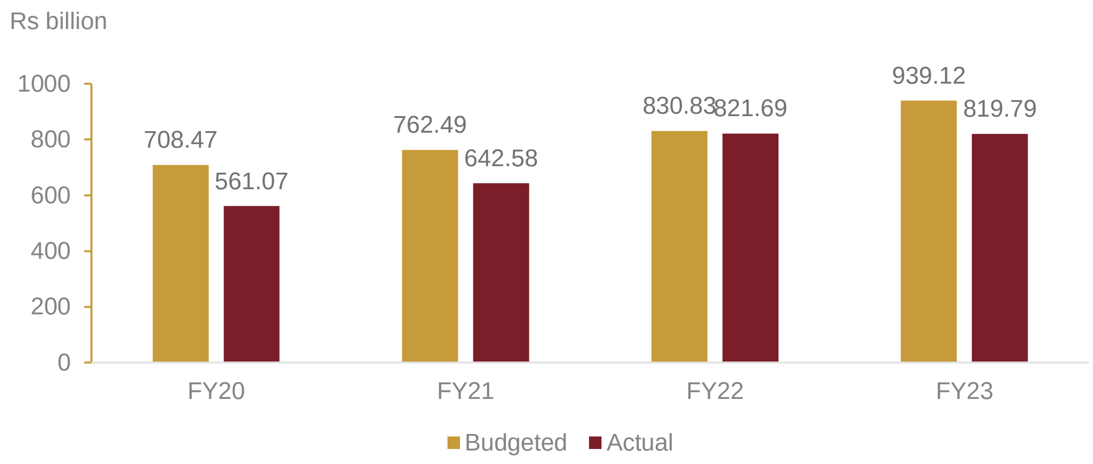
Ministry of Railways (MoR)

The Indian Railways is a government-owned organisation with monopoly in rail transportation in the country which oversees one of the world's largest railway networks. It plays a pivotal role in transportation, connectivity and economic development across India. The ministry is responsible for policy formulation, infrastructure development and operation of railway network nation-wide. All operations regarding railways are overlooked by the Railway Board, which, in turn, is headed by the Ministry of Railways.

In addition, railway land is licensed for railway-related purposes and leased to third parties for storage and public utility projects. Vacant land is also utilized for commercial purposes. The Rail Land Development Authority (RLDA) oversees commercial development on railway land, with 126 sites covering 997.83 hectares entrusted to it as of 2023. RLDA also develops Multi-Functional Complexes, with 15 sites completed out of 123 entrusted.

In addition, government has introduced Amrit Bharat Station scheme which envisages development of stations on a continuous basis with a long-term approach.

Construction spending of MoR over the years



Note:
Actual indicates Net Actual Expenditure
The values include Civil Engineering and Workshops including Production Units
Source: Ministry of Railways, CRISIL MI&A

Key budgetary proposals for Infrastructure sector

Capital outlay of different infrastructure segments

The aggregate gross budgetary support (GBS) for capex fiscal 2025 is up 17% over fiscal 2024RE at Rs 11.1 trillion. For core infrastructure ministries, this is up 4% at Rs 5.6 trillion.

Railway capital expenditure budgeted at Rs 2.65 trillion is 2% higher than fiscal 2024RE, while the GBS at Rs 2.52 trillion increased 5% over fiscal 2024RE. The three corridors targeted-1) energy, mineral and cement, 2) port connectivity and 3) high traffic density will be developed under the PM Gati Shakti plan. Additionally, 40,000 normal rail bogies would be upgraded to Vande Bharat standards to enhance safety, convenience and comfort of passengers

The government intends to expand metro rail and Namo Bharat to more cities with focus on rapid urbanisation. Currently, 874 km of metro rail is operational in the country while another 986 km is under construction.

Outlay for core infrastructure ministries (Budget Documents – July 2024)

	FY23				FY24RE				FY25BE				FY25BE vs FY24RE
	GBS	IEBR	GIA	Total	GBS	IEBR	GIA	Total	GBS	IEBR	GIA	Total	
Ministry of railways	1,592.56	447.27	0.00	2,039.83	2,400.00	200.00	0.00	2,600.00	2,520.00	130.00	0.00	2,650.00	1.92%
Ministry of road transport and highways	2,059.86	0.00	74.95	2,134.81	2,645.26	0.00	88.06	2,733.32	2,722.41	0.00	87.35	2,809.76	2.80%

	FY23				FY24RE				FY25BE				FY25BE vs FY24RE
	GBS	IEBR	GIA	Total	GBS	IEBR	GIA	Total	GBS	IEBR	GIA	Total	
Ministry of rural development	0.00	0.00	1,502.96	1,502.96	0.04	0.00	1,291.42	1,291.46	0.04	0.00	1,548.29	1,548.33	19.89%
Ministry of urban development	268.78	165.12	318.29	752.19	265.33	167.89	337.80	771.02	286.28	160.20	392.55	839.01	8.82%
Ministry of power	0.23	573.84	48.94	623.01	1.24	591.20	131.08	723.52	10.86	672.86	152.91	836.63	15.63%
Ministry of new and renewable energy	0.13	182.49	41.13	223.75	0.15	213.55	69.24	282.94	0.17	307.15	92.73	400.05	41.39%
Ministry of water resources	1.68	0.08	49.23	50.99	3.25	0.02	74.50	77.76	4.00	0.02	131.83	135.85	74.70%
Ministry of shipping	6.78	34.18	4.10	45.07	11.66	43.19	4.37	59.22	10.78	52.18	6.81	69.77	17.81%
Ministry of civil aviation	0.86	44.42	13.89	59.17	7.72	34.28	7.11	49.10	0.99	34.48	3.59	39.06	-20.45%
Department of atomic energy	138.32	100.63	7.70	246.65	150.04	91.61	10.10	251.75	138.61	107.79	8.06	254.46	1.08%
Total Infra capex	4,069.21	1,548.02	2,061.19	7,678.42	5,484.69	1,341.73	2,013.68	8,840.10	5,694.15	1,464.67	2,424.11	9,582.92	8.40%

Source: Budget documents, CRISIL MI&A

Impact

While the overall growth in GBS stands at 16.93%, growth in the total gross budgetary outlay for 10 core infrastructure ministries is only 3.70%. The differential in growth rate arises from the fact that non-core infrastructure ministries such as the Ministry of Telecommunications and the Ministry of Petroleum and Natural Gas have seen increased allocation. Additionally, the Department of Economic Affairs has been allocated Rs 740.52 billion, of which, Rs 704.48 billion has been allocated for new schemes. The deployment of this amount will be a key monitorable going forward

While growth has moderated, it is on a high base and the overall quantum of capex allocation is still high. The moderation implies the central government's capex is on a glide path to stabilisation. The foot is still on the pedal after a phase of robust growth where infrastructure capex was used to pump prime the economy during the Covid-19 years, thereby setting the stage for the private sector to step in and continue the healthy pace of capex for the infra build-out.

Development of the three new rail corridors along with the completion and full operationalisation of the dedicated freight corridor will improve the logistical efficiency and aid the government in achieving its target of reducing the overall logistical cost, which currently stands at 14% of the GDP.

Industry landscape of constructor sector

The construction industry accounts for ~9% of India's gross domestic product (GDP) as of fiscal

2024. The industry also provides huge employment opportunity because of its constant requirement for skilled and unskilled laborers. Moreover, growth in construction is also positive for sectors such as steel and cement, which are key raw materials.

Key growth drivers for the construction sector

A combination of economic and demographic factors is expected to drive investments in the construction sector. CRISIL MI&A believes the NIP launched by the government would also support these drivers.

Growth driver	Description and reasoning
National Infrastructure Pipeline (NIP)	NIP outlined in fiscal 2019 by the Government of India had an initial investment target of Rs 111 trillion over fiscals 2020-25. Subsequently, the target has been revised and it currently stands at Rs 147 trillion. NIP is expected to drive infrastructure investments as nearly 50% of projects are currently under construction. Engineering, procurement and construction (EPC) dominates mode of implementation of projects as ~72% of the outlined spends come under this mode. Even though capital spending of Rs 147 trillion might not be completed by 2025, CRISIL MI&A expects 70-75% achievement of these outlined spends, which is expected to give a huge boost to the infrastructure of the country.
National Monetisation Pipeline (NMP)	NMP estimates aggregate monetisation potential of Rs 6 trillion through core assets of the Central Government, over a four-year period, from fiscal 2021 to fiscal 2025. Asset monetisation, based on the philosophy of creation through Monetisation, is aimed at tapping private sector investment for new infrastructure creation. This is expected to help create employment opportunities, thereby enabling high economic growth and seamlessly integrating the rural and semi-urban areas for overall public welfare.
PM Gati Shakti	PM Gati Shakti is essentially a digital platform to bring 16 Ministries including Railways and Roadways together for integrated planning and coordinated implementation of infrastructure connectivity projects. The multi-modal connectivity will provide integrated and seamless connectivity for movement of people, goods and services from one mode of transport to another. It will facilitate the last mile connectivity of infrastructure and also reduce travel time for people. PM Gati Shakti will incorporate the infrastructure schemes of various Ministries and State Governments like Bharatmala, Sagarmala, inland waterways, dry/land ports, UDAN etc. Economic Zones like textile clusters, pharmaceutical clusters, defence corridors, electronic parks, industrial corridors, fishing clusters, Agri zones will be covered to improve connectivity & make Indian businesses more competitive.
Production linked incentive (PLI) scheme	PLI scheme is expected to provide the necessary boost to the various sectors which include auto and auto components, textiles, bulk drugs, medical devices, pharmaceuticals and specialty steel among others. The scheme is a time bound incentive scheme by the Government of India which rewards companies in the range on 5-15% of their annual revenues based on the companies meeting pre-decided targets for incremental production and/or exports and capex over a base year. Industrial investments are expected to increase by 25-27% during fiscals 2024-28 compared to fiscals 2019-23. The rise in investments is projected due to inclusion of PLI scheme in the capex investments of industrial sector.
Infrastructure investments expected to drive the sector	Growth in construction sector to be propelled by the infrastructure segment over the medium to long term as the building construction and industrial sector are expected to record sedate growth rates.

Government policies and regulations in the sector

Government policies related to infrastructure highly influence the construction industry and a well-defined policy framework helps in attracting investments. Government has taken various initiatives to boost infra investments by introducing fiscal incentives to BOT developers, increasing budget allocation to infrastructure sector, providing special focus to affordable housing, allowing tax-free bonds to be issued in various sectors by government entities. Infrastructure Investments have slowed down in the last few years due to issues related to land acquisition, delays in clearances and fuel supply problems (in power sector). To resolve issues impacting execution, the government has allowed 100% exit to developers in road BOT projects and also allowed premium rescheduling for some projects. NHAI also now awards projects only after 80% of land is in its possession. The government has also started the coal block reallocation process for power projects. In order to address the issues of cash flow mismatch issues RBI introduced the 5/25 refinancing scheme for infra projects. The impact of these is evident, especially in the roads sector where execution has picked up significantly. However, in the pandemic impacted fiscal, Government has announced extensions of six months for project completions, Release of retention money based on project progress, monthly payment to contractors based on actual work completed and billed and no deduction of retention money from future bills for six months to aid EPC companies and contractors tide over the crisis.

Further, the Government has hastened the payment of bills with 75% of the bill amounts to be made within ten working days of bill submission while the balance amount should be disbursed within twenty-eight working days of initial bill submission. The faster payments will aid companies in better managing their working capital and boost margins. Quality-cum-cost based Selection (QCBS) introduced for public tenders instead of only L1 bidding. However, it is limited to projects which are non-standard (Project of quality designated by competent Govt. authority) and value of order is less than Rs 100 million. A weighted average of quality (30%) and cost (70%) to be considered for selection of contractors.

Other key regulations in the sector

Real Estate (Regulation and Development) Act

In order to protect the interest of homebuyers and to ensure transparency and accountability in the Real Estate Sector, Parliament has enacted The Real Estate (Regulation and Development) Act, 2016 (RERA). The act came into effect fully from 1st May, 2017. The Regulatory Authorities established under the Act are required to publish and maintain a web portal, containing relevant details of all real estate projects for which registration has been given, for public viewing.

Benefits under the Real Estate (Regulation and Development) Act, 2016 to Developers:

- The Act eliminates fly-by-night operators from the sector promoting genuine developers. It infuses credibility by making the sector mature and transparent
- Channelises investment into the sector
- Act/Rules would restore investment sentiment of consumers
- Increase the confidence of the financial institutions in real estate sector
- Proper regulatory mechanism of the Act will increase foreign investment (FDI, ECB) in the real estate sector

Coastal Regulation Zone Notification

Coastal regulation is a notification issued by central government under the Environment (Protection) Act, 1986, imposing restrictions on construction of building for residential purpose, industries, operations and processes in the Coastal Regulation Zone (CRZ). The objective of the Notification is to protect the coastal belt from unauthorized exploitation by way of construction and dumping of waste materials.

Indian Contract Act, 1872

With regards to housing, all the developers need to enter into contracts with government agencies and the buyers for acquisition of the land, environmental and safety clearances, transfer of rights over property etc. These contracts are governed by Indian Contract Act, 1872. This legislation specifies the composition of a valid contract. It specifies the eligibility of parties, nature of the objective, conditions, procedures etc under which a legal contract comes to effect.

The Right to Fair Compensation And Transparency in Land Acquisition, Rehabilitation And Resettlement Act, 2013

This act was passed in September 2013 and replaces the Land Acquisition Act, 1984. It unifies legislation for acquisition of land and adequate rehabilitation mechanisms for all affected persons.

List of projects in infrastructure, industrial and building construction verticals

Below is the list of key projects in select sectors. It is to be noted that the below list is not exhaustive but indicative in nature and does not contain all the projects announced by the below players.

Segments	Key announced / on-going projects	Project cost (Rs trillion)	Promoter
Roads and highways	Versova-Virar- Palghar Sea Link Project	634.26	Mumbai Metropolitan Region Development Authority
	Greenfield Highway(Thiruvananthapuram-Kottarakara-Kottayam-Anamaya)Project	194.28	National Highways Authority of India
	Highway (Neral-Shirur) Project	119.90	Public Works Department, Maharashtra
Railways and metro	Gurgaon Railway Station Project - Redevelopment	2.95	Indian Railway Stations Development Corporation limited
	Railway Station (Delhi Shahadara) Project - Redevelopment	0.7	Indian Railway Stations Development Corporation limited
	Colaba-Bandra-Seepz Metro Rail Corridor [Metro 3]	334.05	Mumbai Metro Rail Corporation Ltd.
	Railway Station (Guindy) Project - Redevelopment	0.13	Southern Railway
Airports	Maintenance Repair & Overhaul Facility (Bengaluru)	13.00	Air India Ltd.
	Civil Enclave (Gorakhpur) Project	9.97	Airports Authority of India
	Civil Enclave (Darbhanga) Project	9.11	Airports Authority of India
Ports and waterways	Captive Jetties (Kendrapara) Project	111.16	ArcelorMittal Nippon Steel India Ltd.
	Port (Murbe) Project	42.59	JSW Infrastructure Ltd.
Urban Infrastructure (Water supply and Sanitation)	Desalination Plant (Vadinar)	84.00	Nayara Energy Ltd.
	Faecal Sludge Treatment Plant (Raigad) [Phase-2]	30.79	Water Supply & Sanitation Department, Maharashtra
	Drinking Water Supply Scheme (Kodambakkam & Adyar)	19.58	Chennai Metropolitan Water Supply & Sewerage Board
Industrial (Metals)	Steel Plant (Jatadhar) - Expansion	750.00	JSW Utkal Steel Ltd
	Steel Plant (Maharashtra)	400.00	ArcelorMittal Nippon Steel India Ltd.
	Steel Plant (Burnpur) - Expansion	240.00	Steel Authority of India Ltd.
Industrial (Oil and gas)	Petrochemical Complex (Mangalore)	470.00	Mangalore Refinery & Petrochemicals Ltd.
	KG/OSDSF/CHANDRIKA/2021 & KG/OSDSF/GS49/2021 Oil Exploration Project	46.06	Oil & Natural Gas Corporation Ltd.
	Oil Exploration (Kheda, Gandhinagar, Mehsana & Ahmedabad) Project	37.70	Oil & Natural Gas Corporation Ltd.
Buildings and construction (hospitals)	Cancer Hospital (Jatni) Project	6.50	Tata Group
	District Hospital (Dharashiv) Project	6.43	State Government
	ESIC Medical College & Hospital (Faridabad) Project	6.25	Central Government
Buildings and construction (Residential construction)	Group Housing (Fazilpur Jharsa) Project	33.52	Signature Global (India) Ltd.
	Residential Complex (Sion Koliwada) - Redevelopment	30.00	Maharashtra Housing & Area Development Authority
	High Rise Residential Complex (Ahmedabad) [Anamika High Point]	13.31	Constera Realty Pvt. Ltd.
	Redevelopment of GPRA colony at Sarojini Nagar, New Delhi	8.1	Varindera Constructions Ltd
Buildings and construction	Industrial Park (Bhondsi-Ghamroj-Mahendwara)	42.39	Signature global Business Park Pvt. Ltd.

Segments	Key announced / on-going projects	Project cost (Rs trillion)	Promoter
(Commercial construction)	High Rise Commercial Complex (Ghata)	19.43	Pioneer Urban Land & Infrastructure Ltd.
	Industrial Park (Sidrawali)	15.94	Signature Global (India) Ltd.
Buildings and construction (Retail construction)	Unity Mall (Guwahati) Project [Ekta Mall]	2.94	Public Works Department, Assam
	Unilly Mall (Egmore) Project	2.15	Public Works Department, Tamil Nadu
	Unity Mall (Chimbel) Project	1.32	Goa Tourism Development. Corporation Ltd.

Source: Projects Today, CRISIL MI&A

Conclusion

India is amongst the world's fastest-growing economies with real GDP growth of 8.15% in FY24 and expected to grow at an average of 6.70% between fiscal 2025 and 2031, aiding India to become to third-largest economy in the world. The contribution of construction industry in India's overall GVA (in constant terms) ranges between 7.00 - 10.00% between fiscal 2012 and 2024.

The construction sector has seen an investment of Rs 42.45 trillion during fiscal 2019-23 and is projected to reach Rs 67.00 - 69.00 trillion by fiscal 2024-28. The Indian construction industry can be categorized into three main verticals which include Building Construction, Infrastructure Construction, and Industrial/Manufacturing Construction. The building construction vertical includes construction of residential buildings as well as commercial buildings and social infrastructure. The commercial building and social infrastructure primarily includes construction of malls and offices, Institutional buildings, healthcare buildings among others.

The investment in building construction during fiscal 2019-23 was Rs 12.45 trillion and is expected to rise by 1.34 times reaching Rs 16.00 -17.00 trillion between fiscal 2024-28. During the period between fiscal 2019 to 2023, the residential building occupied a major share of 87.55% in the building construction investments with growth aided by annual demand for residential real estate in 8 key cities in India expected to grow at 8.00 -10.00% CAGR from 269.00 msf in FY23 to 305.00 – 325.00 msf in fiscal 2025.

In the Union Budget 2025, the central government has taken steps towards fiscal consolidation with emphasis on capital expenditure, allocating Rs 11.11 trillion (of which Rs. 5.69 trillion to 10 core infrastructure ministries) for fiscal 2025, a 16.93% increase from Rs 9.50 trillion in fiscal 2024.

The building sector is witnessing huge opportunities across ministries aided by the government initiatives. Key highlights are as follows:

- The aggregate construction spent of key ministries and departments (including MES, NBCC and MoR) has increased by 1.5 times from 630.94 billion FY19 to 950.82 billion in FY23 and expected to grow considering government's thrust towards infrastructure development. Also, CPWD the construction spends have seen an increase from Rs 102.81 billion in CY20 to Rs 179.31 billion in CY22 with a rise of 1.74 times.

- Recently under Amrit Bharat Station Scheme, government announced redevelopment of ~553 railway station worth ~Rs 190 billion. There is also an opportunity in redevelopment projects which is also visible in the NBCC's current order book which is ~ Rs 810.00 billion* with major share of redevelopment project.

- Additionally, as of August 2024, in total, more than 300 LOCs worth $32.00 billion have been extended by the Government of India (GoI) in 68 countries across the world, for approximately 600 projects across various sectors including railways, airport, sports stadiums, hospitals, disaster management, hydroelectricity, power transmission and Information Technology

With eye on key risk of environmental concern, financial constraints, input cost risk and regulatory challenges, the growth in the sector is attributed to several factors, including continued urbanization, rising income, and

increased real-estate spending alongside economic growth.
** As per companies August 2024 conference call*.

SWOT analysis for construction industry in India

S (Strength)	**Growing Economy**: India's economic growth supports infrastructure development and construction activities. **Government Initiatives**: Programs like Smart Cities, Affordable housing, Sagar mala, Bharat mala and significant investment in infrastructure projects boost the construction sector. **Abundant Labor Supply**: India has a large pool of skilled laborers, including masons, carpenters, and engineers, who are readily available for construction projects. **Low-cost labour**: Labor costs in India are relatively low compared to other countries, making it an attractive destination for construction projects. **Growing Domestic Market**: Growth in major sectors such as automobile, residential, commercial real estate, couple with population growth.
W (Weakness)	**Regulatory Challenges**: Land is a critical component in infrastructure construction across segments. Delay in providing clearances and inability to acquire require land would hinder the progress. 4 **Environmental concerns:** The construction sector in India has faced criticism for its impact on the environment, particularly in terms of waste generation and energy consumption. **Financial Constraints**: Access to finance and high borrowing costs can limit the capacity for new projects and expansions. **Input related risk**: Rise in raw material costs would impact the profitability of the companies. However, presence of cost escalation clause in contract would aid in protecting the contractor **Working capital management** : delay in payment from government agencies and security and retention money stretch working capital resulting in high interest costs.
O (Opportunities)	**Urbanization**: Rapid urbanization offers significant opportunities for residential, commercial, and infrastructure projects. **Technological Advancements**: Adoption of new technologies like BIM, prefabrication, and green building practices can improve efficiency and sustainability. **Rural Development**: Government focus on rural infrastructure development creates opportunities in new geographic areas.
T (Threats)	**Economic Slowdown**: Any downturn in the economy can significantly affect the construction sector. **Regulatory challenges**: Changes in regulations, such as the introduction of the Real Estate (Regulation and Development) Act (RERA), can impact the construction sector's growth. **Competitive Pressure**: Intense competition from both domestic and international players can lead to margin pressures

Source: CRISIL MI&A

Key Risks and threats in the construction industry

The construction industry occupies a pivotal position in the nation's development plans. As of fiscal 2024, construction sector occupies a share of 9.0% in the overall GVA. Below are the key risks and threats impacting the industry

Risk	Description
Time contingency	In construction projects, cost savings and timely performance are crucial concerns for all stakeholders, including owners, contractors, and subcontractors. However, projects can be delayed or stalled due to various reasons, such as land unavailability, funding issues, and incomplete clearances. The allocation of risk determines which party, the owner or the contractor, bears the burden of increased costs in the event of project disruptions.
Risks involved in dealing with governmental agencies	In the construction industry, particularly in infrastructure development, many projects involve government authorities as counterparties. These authorities may be central or state governments, or special purpose vehicles established by governments to address specific needs. As a result, companies operating in sectors, where central or state governments, or special purpose vehicles are the primary payers, often face prolonged working capital cycles due to delayed payments.
Input related risk	Land is a critical component of infrastructure development, and its acquisition is a complex,

Risk	Description
	time-consuming process involving multiple stages. The status of land acquisition at the time of project award and in the subsequent period is vital, as even a small portion of unacquired land can render the entire investment in the project useless.
Raw material	The prices of essential input materials, including bitumen, are heavily influenced by the global oil market. As a critical component, fluctuations in oil prices have a direct impact on the overall project cost. Furthermore, the industry is also susceptible to changes in the international market for other key commodities, such as steel and cement. Additionally, there is a risk of cost escalation or shortages of raw materials, which can further exacerbate the situation.
Climate Change and Extreme Weather Events	Climate change is leading to more frequent and intense natural disasters, which can cause significant damage to construction projects, disrupt supply chains, and impact worker safety. Additionally, changing weather patterns and rising temperatures can also affect the durability and performance of building materials, requiring companies to adapt their designs and materials to mitigate these risks
Labour Shortages	The construction industry is facing a severe shortage of skilled labourers, which can lead to project delays, increased costs, and compromised quality. This shortage is exacerbated by an aging workforce, lack of vocational training, and a decline in interest in construction careers among younger generations
Increase in competition	The construction industry is highly fragmented as low fixed capital requirement for construction contracts. Capital expenditure is only required for procuring necessary equipment, unlike a manufacturing business, which requires plants and machinery for production. This makes the industry less capital-intensive as compared with other industries, encouraging many contractors to enter the sector.
Possibility of payment delays heightens working capital intensity	EPC contracts which are for longer than one year usually come with cost escalation clauses thereby protecting the contractor from rise in raw material costs. However, interest costs from high working capital will continue to impact profitability. The working capital requirement of construction companies is expected to remain high owing to delayed payments in sectors such as irrigation, power and urban infrastructure projects and disputes with clients. This is expected to lead to increased borrowings and thus higher interest cost and liquidity constrains.
Labour and land acquisition	Land is a critical input for infrastructure projects. In the past several projects have been delayed to inability to acquire required land and clearances. Further, construction work involves skilled and unskilled labour. Construction players struggle with wage increases, which can be attributed to labour shortages and rising inflation. Local job opportunities from government welfare schemes, growth in the overall rural economy and migration of labourers to Gulf countries for better prospects are some reasons that have led to a shortage of construction labourers. To solve the labour issue, construction companies are increasing mechanisation, particularly in the highway projects.
Fluctuations in raw material prices	The construction industry is raw material intensive. Any change in prices of raw materials like steel, cement, bitumen, etc impact the cost of the project. However, the impact is limited to the extent of the proportion of fixed price contracts in a company's order book. Some construction companies also own quarries to ensure constant raw material supply. In the recent times, in fiscal 2023, despite drop in prices for steel , prices for cement and bitumen have been fluctuating and had reached its all-time high. Hence, prices of all three raw materials remain a key monitorable for the sector.

Source: CRISIL MI&A

Competitor analysis

In this section, CRISIL MI&A has analysed EPC players operating in the Indian construction industry. Data in this section has been obtained from publicly available sources, which include annual reports and investor presentations, regulatory filings, rating rationales, and/or company websites. Financials in this section have been re-classified by CRISIL, based on annual reports and financial filings by the respective players. Financial ratios used in this report may not match with the reported financial ratios by the players on account of standardisation and re-classification done by CRISIL.

Note: The list of peers considered in this section is not an exhaustive but an indicative list. Key Indian construction EPC players with a comparable revenue range as Varindera Constructions Limited and offering similar product portfolio (with key focus in the EPC in building construction) have been considered in this segment.

Following nomenclature has been considered in this section of the report (values in the brackets indicate the order book bifurcation for the respective players for fiscal 2024):

- Ahluwalia Contracts India Limited : Ahluwalia Contracts (Infrastructure : 34%, Hospital : 25%, Institutional : 18%, Residential : 14%, Commercial : 9%, Hotel : 1%)

- Capacit'e Infraprojects Limited : Capacite Infraprojects (Residential : 41%, Mix use: 39%, Institutional : 21%)

- NCC Limited : NCC Ltd (Buildings : 39%, Transportation : 17%, Water and Railways : 12%, Electrical (T&D) : 20%, Irrigation : 0%, Mining: 1%, Others : 10%)

- PSP Projects Limited : PSP Projects (Government : 66%, Government residential : 3%, Industrial : 5%, Institutional : 20%, Residential : 6%)

- Varindera Constructions Limited : Varindera Constructions (Commercial Building – Railway: 16.05%, Infra project : 17.47%, Commercial building – complex and offices: 0.18%, Residential building : 53.08%, Institutional building : 8.77% , Healthcare building : 4.44%)

The peer set considered has been compared based on order book segmentation. The order book values have been provided above for the respective players. All the selected peers have presence in building construction segment, as highlighted in the below table. However, the order book values of the peers may not be directly comparable as reporting structures differ across the companies. Furthermore, to confirm their presence in similar businesses / segments, we have also reviewed the key types of projects executed by each peer.

Presence in sectors

Company name	Building construction				Infrastructure	Industrial
	Residential	Commercial	Institutional	Healthcare		
Ahluwalia Contracts	✓	✓	✓	✓	ü	ü
Capacite Infraprojects	✓	✓	û	✓	û	û
NCC Ltd	✓	✓	✓	✓	ü	ü
PSP Projects	✓	✓	✓	✓	ü	ü
Varindera Constructions	✓	ü	ü	ü	ü	û

Infrastructure : This includes construction segments such as roads, railways, power, urban infra and irrigation
Industrial construction : This includes construction segments such as oil and gas, automobiles, metals and cement
Building construction: This is construction of Residential, Commercial, institutional and healthcare
Source: Company website, Company filings, CRISIL MI&A

Peers considered above are into construction sector with presence in Building construction which includes Residential building. Commercial building , Institutional building and Healthcare building along with infrastructure projects.

Operational overview of players considered

Overview

Company name	About company	Geographic presence (FY24)
Ahluwalia Contracts	Founded by Late Sh. Karam Chand Ahluwalia father of Mr. Bikramjit Ahluwalia in 1965, Ahluwalia Contracts is engaged in the engineering and construction of infrastructure projects. ACIL develops and executes projects that span across segments such as hospitals, hotels, housing, irrigation and water supply, institutional buildings and industrial plants among others.	India : 99.97% Foreign: 0.03%
Capacite Infraprojects	Headquartered in Mumbai, the company provides end-to-end building construction services with a portfolio comprising of residential projects, commercial office buildings, such as data centres and buildings for educational, hospitality and healthcare purposes, and other institutional buildings along with buildings for mixed use. It also provides mechanical, electrical and plumbing ("MEP") and finishing works including interior	India : 100%

Company name	About company	Geographic presence (FY24)
	services.	
NCC Ltd	NCC Ltd. was established in 1978, as a partnership firm and converted into a limited company in 1990. The company undertakes civil construction in segments such as buildings, water, roads, irrigation, power, electrical, railways, metals, mining. It also has a presence in the Middle East where it undertakes works in roads, buildings, and water segments.	India: 99.78% Outside India: 0.22%
PSP Projects	Incorporated in 2008, PSP projects offers a diversified range of construction and allied services which include industrial, institutional, and residential projects in India. It also provides its services across the construction value chain, ranging from planning and design to construction and post-construction activities, including MEP work and other interior fit outs. Historically, it was more focused on projects in the Gujarat region of India.	India : 100%
Varindera Constructions*	Varindera Constructions Ltd was established by Mr. Varinder Kumar Garg in the year 1987, and got reconstituted into a public-limited company in 2007. The company has presence in building construction segments such as construction of residential units, commercial malls, office complexes, hospitals among others along with infrastructure projects such as railway station, metro depot, aircraft hangars. The company, based in Delhi-NCR, executes contracts for various government agencies across Delhi, Uttar Pradesh, Rajasthan, Madhya Pradesh and Assam. Varindera Constructions is among the companies to be pre-qualified in "Class-I(Super) (Composite) category" and "Super Special" category which are the highest possible grading of construction contractors eligible to execute projects for CPWD and MES respectively, in the buildings and roads segment.	India : 76.08%, Outside India : 23.92%

Source: Company website, Company filings, CRISIL MI&A
** Geographical split for the company is basis the revenue from operations for the period*

Among the peers considered above VCL has highest share of revenue (23.92%) from outside India.

Key projects executed

Below is the list of key projects executed by the company. The below list is in no particular order and, is indicative in nature and not exhaustive.

Company name	Key projects -indicative (Industry)
Ahluwalia Contracts	India Bulls "Skyz" Residential complex Indiabulls Office Building South Asian University CNCI Hospital building complex Mumbai Metro Depot ITC Cigarette Factory Modernisation Project
Capacite Infraprojects	Oberoi enigma Commerz III, Mumbai Tata Trust cancer hospital
NCC Ltd	Multi-storied residential housing units under Package -4 for RGRHCL, Bengaluru, Multi-storied commercial spaces at Nauroji Nagar, New Delhi University at Bolpur, West Bengal Department of Medical Education & Research at Bhiwani Agra-Lucknow Expressway, Uttar Pradesh Nandyal Water treatment plant

Company name	Key projects -indicative (Industry)
PSP Projects	Venus Parkland in Vejalpur Surat diamond bourse Sports complex for Ahmedabad university Zydus hospital, Baroda Metro Depot, Gyaspur Banglore Milk Union Dairy at Kanakpur
Varindera Constructions	Residential project pertaining to Amrapali Group, Greater Noida, Uttar Pradesh Construction of commercial building, Sarojini Nagar, New Delhi Rajasthan High Court, Jodhpur Construction of Renal Transplant Unit at J. Nehru Hospital, Mauritius Aircraft Hangar complex, Hasimara

Source: Company website, Company filings, CRISIL MI&A

Order book

Company name	FY22 (Rs million)	FY23 (Rs million)	FY24 (Rs million)	CAGR (FY22-24)
Ahluwalia Contracts	57,918.00	81,627.00	111,799.00	38.94%
Capacite Infraprojects	87,020.00	95,130.00	90,110.00	1.76%
NCC Ltd	393,610.00	502,440.00	575,360.00	20.90%
PSP Projects	43,240.00	50,520.00	60,490.00	18.28%
Varindera Constructions*	19,295.18	32,238.35	38,447.93	41.16%

*Note: * Order book for Varindera Constructions includes taxes*
Source: Company website, Company filings, CRISIL MI&A

Segmental bifurcation of order book (fiscal 2024) – Rs million

This sub-section provides bifurcation of order book of respective players as reported. Data in this section has been obtained from publicly available sources, which include annual reports and investor presentations or regulatory filings.

Ahluwalia Contracts

Fiscal 2024	Rs million	Share
Infrastructure	37,613	34%
Hospital	27,711	25%
Institutional	19,577	18%
Residential	15,203	14%
Commercial	10,519	9%
Hotel	1,176	1%
Overall	**111,799**	**100%**

Kindly note, the percentages mentioned are calculated as per the values mentioned in the investor presentation. The overall percentage may not add up to 100% on account of rounding off
Source: Company filings, CRISIL MI&A

Capacite Infraprojects

Fiscal 2024	Rs million	Share
Residential	36,945	75%
Mix use	35,143	14%

Institutional	18,923	10%
Overall	**90,110**	**100%**

Kindly note, the values mentioned are calculated as per the percentages mentioned in the investor presentation. The overall percentage may not add up to 100% on account of rounding off
Source: Company filings, CRISIL MI&A

NCC Ltd

Fiscal 2024	Rs million	Share
Buildings	224,390	39%
Transportation	97,811	17%
Water & Railways	69,043	12%
Electrical (T&D)	115,072	20%
Irrigation	0	0%
Mining	5,754	1%
Others	57,536	10%
Overall	**575,360**	**100%**

Kindly note, the values mentioned are calculated as per the percentages mentioned in the investor presentation. The overall percentage may not add up to 100% on account of rounding off
Source: Company filings, CRISIL MI&A

PSP Projects

Fiscal 2024	Rs million	Share
Government	3,992	66%
Govt. Residential	181	3%
Industrial	302	5%
Institutional	1,210	20%
Residential	363	6%
Overall	**6,049**	**100%**

Source: Company filings, CRISIL MI&A

Varindera Constructions

Fiscal 2024	Rs million	Share
Commercial Building - Railway	6,171.39	16.05%
Infra Project	6,718.65	17.47%
Commercial Building -Complex and Offices	67.87	0.18%
Residential Building	20,408.08	53.08%
Institutional Building	3,373.72	8.77%
Health Care Building	1,708.21	4.44%
Total	**38,447.93**	**100.00%**

Source: Company filings, CRISIL MI&A

Order book to revenue from operations

Company name	FY23 (times)	FY24 (times)
Ahluwalia Contracts	2.88	2.90
Capacite Infraprojects	5.29	4.66
NCC Ltd	3.23	2.76
PSP Projects	2.61	2.41
Varindera Constructions*	3.07	2.77

Note:
Order book to revenue from operations = order book / revenue from operations
** Order book for Varindera Constructions includes taxes*
Source: Company filings, CRISIL MI&A

Order inflow (Rs billion)

Company name	FY24 (Rs billion)
Ahluwalia Contracts	65.37
Capacite Infraprojects	20.09
NCC Ltd	272.83
PSP Projects	34.98
Varindera Constructions	21.14

Source: Company website, Company filings, CRISIL MI&A

Credit rating

Long term rating	Rating agency	FY22	FY23	FY24
Ahluwalia Contracts	CARE Ratings Limited	CARE A+	CARE AA-	CARE AA-
Capacite Infraprojects	India Ratings and Research Private Limited	IND BBB	IND BB+	IND BB+
NCC Ltd	India Ratings and Research Private Limited	IND A	IND A+	IND A+
PSP Projects	CARE Ratings Limited	CARE A+	CARE A+	CARE A+
Varindera Constructions	CRISIL Ratings Limited	CRISIL A-	CRISIL A	CRISIL A

Note: Latest credit rating for the fiscal year considered by the rating agency mentioned has been considered in the above table
Source: CRISIL MI&A

Financial overview of players considered

Few financial used in this section have been standardised and re-classified by CRISIL and may not match with the reported financials by the players.

Revenue from operations (Rs million)

Revenue from operations (Rs million)	FY19	FY20	FY21	FY22	FY23	FY24	CAGR FY19-24
Ahluwalia Contracts	17,547.14	18,849.27	19,821.90	26,924.69	28,383.93	38,552.98	17.05%
Capacite Infraprojects	17,966.20	15,289.92	8,797.22	13,398.28	17,985.87	19,316.38	1.46%
NCC Ltd	128,956.40	89,010.70	79,494.20	111,379.60	155,534.10	208,449.60	10.08%

Revenue from operations (Rs million)	FY19	FY20	FY21	FY22	FY23	FY24	CAGR FY19-24
PSP Projects	10,504.07	14,992.59	12,408.62	17,480.63	19,378.06	25,057.89	18.99%
Varindera Constructions	2,638.60	3,628.08	7,572.59	9,943.29	10,485.51	13,889.28	39.40%

Source: Company filings, CRISIL MI&A

Key financial parameters
Fiscal 2022

Parameter	Type of parameter	UoM	Ahluwalia Contracts	Capacite Infraprojects	NCC Ltd	PSP Projects	Varindera Constructions
Order book	Operational	Rs billion	57.92	87.02	393.61	43.24	19.30
Order book to revenue from operations	Operational	times	2.15	6.49	3.53	2.47	1.94
Order inflow	Operational	Rs billion	NA	6.16	121.58	NA	9.96
Total Income	Financial	Rs million	27,216.09	13,522.23	112,100.80	17,701.57	9,971.48
Revenue from operations	Financial	Rs million	26,924.69	13,398.28	111,379.60	17,480.63	9,943.29
EBITDA	Financial	Rs million	2,857.02	2,309.29	10,959.20	2,805.33	1,191.62
EBITDA Margin	Financial	%	10.61	17.24	9.84	16.05	11.98
PAT	Financial	Rs million	1,552.17	477.57	4,940.30	1,666.52	761.47
Cash Profit after Tax	Financial	Rs million	1,887.99	1,465.70	6,807.70	1,987.05	824.42
PAT Margin	Financial	%	5.76	3.56	4.43	9.53	7.66
Cash Profit Margin	Financial	%	7.01	10.94	6.11	11.37	8.29
Total Networth	Financial	Rs million	10,351.85	9,651.74	58,961.50	6,869.59	2,538.05
Total Debt	Financial	Rs million	6.87	3,282.95	13,024.30	996.57	1,493.79
Net Debt	Financial	Rs million	(3,356.34)	2,146.08	10,204.20	(647.94)	750.67
Net Debt to EBITDA Ratio	Financial	times	(1.17)	0.93	0.93	(0.23)	0.63
Net debt to Equity	Financial	times	(0.33)	0.22	0.17	(0.09)	0.30
Return	Financial	%	16.22	5.07	8.69	27.26	35.32

Parameter	Type of parameter	UoM	Ahluwalia Contracts	Capacite Infraprojects	NCC Ltd	PSP Projects	Varindera Constructions
on Equity (including total networth)							
Return on Capital Employed (including total networth)	Financial	%	22.06	8.14	10.66	30.52	26.87
Working capital days	Financial	days	35.63	114.10	35.27	41.29	82.14
Cash Flow from Operations (CFO)*	Financial	Rs million	657.49	344.95	14,155.50	1,472.72	(520.24)
Interest Coverage Ratio	Financial	times	5.77	1.97	1.90	9.38	9.24
Gross Block /revenue from operations	Financial	%	9.77	81.96	21.42	19.75	5.80

Source: Company filings, CRISIL MI&A

Fiscal 2023

Parameter	Type of parameter	UoM	Ahluwalia Contracts	Capacite Infraprojects	NCC Ltd	PSP Projects	Varindera Constructions
Order book	Operational	Rs billion	81.63	95.13	502.44	50.52	32.24
Order book to revenue from operations	Operational	times	2.88	5.29	3.23	2.61	3.07
Order inflow	Operational	Rs billion	NA	34.62	258.95	NA	23.78
Total Income	Financial	Rs million	28,677.71	18,086.02	157,114.70	19,601.07	10,637.84
Revenue from operatio	Financial	Rs million	28,383.93	17,985.87	155,534.10	19,378.06	10,485.51

Parameters	Type of parameter	UoM	Ahluwalia Contracts	Capacite Infraprojects	NCC Ltd	PSP Projects	Varindera Constructions
EBITDA	Financial	Rs million	3,335.06	3,613.76	16,170.50	2,523.65	1,645.46
EBITDA Margin	Financial	%	11.75	20.09	10.40	13.02	15.69
PAT	Financial	Rs million	1,939.77	952.97	6,462.10	1,319.41	1,090.14
Cash Profit after Tax	Financial	Rs million	2,327.51	2,312.93	8,488.20	1,719.46	1,199.83
PAT Margin	Financial	%	6.83	5.30	4.15	6.81	10.40
Cash Profit Margin	Financial	%	8.20	12.86	5.46	8.87	11.44
Total Networth	Financial	Rs million	12,283.32	10,734.52	64,854.60	8,009.93	3,630.84
Total Debt	Financial	Rs million	26.92	3,696.52	9,738.20	1,449.81	2,361.39
Net Debt	Financial	Rs million	(4,893.48)	2,300.02	6,582.90	593.99	1,190.04
Net Debt to EBITDA Ratio	Financial	times	(1.47)	0.64	0.41	0.24	0.72
Net debt to Equity	Financial	times	(0.40)	0.21	0.10	0.07	0.33
Return on Equity (including total networth)	Financial	%	17.14	9.35	10.44	17.73	35.34

Parameter	Type of parameter	UoM	Ahluwalia Contracts	Capacite Infraprojects	NCC Ltd	PSP Projects	Varindera Constructions
Return on Capital Employed (including total networth)	Financial	%	21.92	13.55	16.60	21.74	24.90
Working capital days	Financial	days	49.44	110.42	42.88	82.89	100.69
Cash Flow from Operations (CFO)*	Financial	Rs million	3,013.09	1,009.27	11,001.10	452.78	539.13
Interest Coverage Ratio	Financial	times	8.91	2.52	2.75	6.64	9.12
Gross Block /revenue from operations	Financial	%	12.75	65.78	16.81	21.48	12.35

Source: Company filings, CRISIL MI&A

Fiscal 2024

Parameter	Type of parameter	UoM	Ahluwalia Contracts	Capacite Infraprojects	NCC Ltd	PSP Projects	Varindera Constructions
Order book	Operational	Rs billion	111.80	90.11	575.36	60.49	38.45
Order book to revenue from operations	Operational	times	2.90	4.66	2.76	2.41	2.77
Order inflow	Operational	Rs billion	65.37	20.09	272.83	NA	21.14
Total Income	Financial	Rs	38,912.71	19,646.55	209,7	25,295	14,039.81

Parameter	Type of parameter	UoM	Ahluwalia Contracts	Capacite Infraprojects	NCC Ltd	PSP Projects	Varindera Constructions
		million			61.90	.20	
Revenue from operations	Financial	Rs million	38,552.98	19,316.38	208,449.60	25,057.89	13,889.28
EBITDA	Financial	Rs million	4,244.71	3,643.74	19,001.10	2,846.67	2,397.60
EBITDA Margin	Financial	%	11.01	18.86	9.12	11.36	17.26
PAT	Financial	Rs million	3,748.26	1,203.30	7,404.10	1,229.73	1,433.82
Cash Profit after Tax	Financial	Rs million	4,416.82	2,216.89	9,523.30	1,878.41	1,622.18
PAT Margin	Financial	%	9.72	6.23	3.55	4.91	10.32
Cash Profit Margin	Financial	%	11.46	11.48	4.57	7.50	11.68
Total Networth	Financial	Rs million	15,999.45	15,170.75	68,118.80	9,148.70	5,054.91
Total Debt	Financial	Rs million	449.66	3,257.98	9,800.20	4,550.90	3,481.54
Net Debt	Financial	Rs million	(5,587.43)	1,873.66	3,731.50	4,046.77	1,976.22
Net Debt to EBITDA Ratio	Financial	times	(1.32)	0.51	0.20	1.42	0.82
Net debt to Equity	Financial	times	(0.35)	0.12	0.05	0.44	0.39
Return on Equity (including total networth)	Financial	%	26.51	9.29	11.14	14.33	33.02
Return on Capital Employed (including total networth)	Financial	%	19.93	12.21	19.00	15.23	25.03
Working capital days	Financial	days	66.25	150.49	22.68	98.58	118.81
Cash Flow from Operations (CFO)*	Financial	Rs million	2,574.54	(388.16)	13,594.50	(2,239.84)	416.68
Interest Coverage Ratio	Financial	times	7.43	2.75	2.84	4.32	6.78

Parameter	Type of parameter	UoM	Ahluwalia Contracts	Capacite Infraprojects	NCC Ltd	PSP Projects	Varindera Constructions
Gross Block /revenue from operations	Financial	%	12.09	63.06	13.31	22.32	14.49

Source: Company filings, CRISIL MI&A

Other key financials considered

Return on capital employed - RoCE (%)

RoCE (%)	FY22	FY23	FY24
Ahluwalia Contracts	25.66	25.33	37.73
Capacite Infraprojects	10.22	15.94	15.49
NCC Ltd	15.25	19.27	21.91
PSP Projects	35.94	24.90	19.27
Varindera Constructions	33.74	30.64	30.44

RoCE = Profit before Interest and tax and before extraordinary items (PBIT) / [total networth + total debt + deferred payment liabilities + lease liabilities – intangible assets]

Source: Company filings, CRISIL MI&A

Return on equity - RoE (%)

RoE (%)	FY22	FY23	FY24
Ahluwalia Contracts	16.26	17.18	26.55
Capacite Infraprojects	5.08	9.36	9.30
NCC Ltd	8.70	10.45	11.16
PSP Projects	27.31	17.76	14.35
Varindera Constructions	35.32	35.44	33.13

RoE = PAT / Average [total networth – intangible assets] for fiscal 2024 and 2023

Source: Company filings, CRISIL MI&A

Current receivable days

Current receivable days	FY22	FY23	FY24
Ahluwalia Contracts	59.99	77.97	70.59
Capacite Infraprojects	107.52	70.55	103.54
NCC Ltd	83.41	74.52	54.58
PSP Projects	64.94	81.72	49.83
Varindera Constructions	108.22	90.84	84.87

*Current receivable (in days) is calculated as (Current receivables *365)/ Revenue from operations*

Source: Company filings, CRISIL MI&A

Payable days

Payable days	FY22	FY23	FY24
Ahluwalia Contracts	94.66	98.60	75.02
Capacite Infraprojects	185.73	172.47	210.53
NCC Ltd	162.85	140.72	130.65
PSP Projects	64.42	79.82	69.60
Varindera Constructions	41.92	50.06	43.59

*Payable (in days) is calculated as (Payables *365) divided by sum of cost of materials, construction expenses (including subcontracting expenses), Employee benefit expense, traded goods purchased and change in inventory*

Source: Company filings, CRISIL MI&A

Inventory days

Inventory days	FY22	FY23	FY24
Ahluwalia Contracts	36.26	35.15	33.25
Capacite Infraprojects	36.31	24.85	25.33
NCC Ltd	41.62	35.58	33.75
PSP Projects	20.06	32.73	51.68
Varindera Constructions	11.92	41.70	51.29

*Inventory (in days) is calculated as (Inventory*365)/ (cost of sales). Cost of sales include total expenses minus finance costs and depreciation / amortisation*

Source: Company filings, CRISIL MI&A

Current unbilled revenue days

Current unbilled revenue days	FY22	FY23	FY24
Ahluwalia Contracts	34.04	34.92	37.42
Capacite Infraprojects	156.00	187.48	232.14
NCC Ltd	73.08	73.50	65.00
PSP Projects	20.72	48.26	66.67
Varindera Constructions	3.92	18.21	26.25

*Current unbilled revenue days is calculated as (Current unbilled revenue*365)/ Revenue from operations.*

Source: Company filings, CRISIL MI&A

Current ratio

Current ratio	FY22	FY23	FY24
Ahluwalia Contracts	1.77	1.80	2.17
Capacite Infraprojects	1.43	1.44	1.75
NCC Ltd	1.37	1.34	1.34
PSP Projects	1.45	1.39	1.42

Current ratio	FY22	FY23	FY24
Varindera Constructions	1.93	1.81	1.73

Current Ratio is calculated as Current Assets divided by Current Liabilities

Source: Company filings, CRISIL MI&A

CFO to revenue from operations

CFO to revenue from operations	FY22	FY23	FY24
Ahluwalia Contracts	0.02	0.11	0.07
Capacite Infraprojects	0.03	0.06	(0.02)
NCC Ltd	0.13	0.07	0.07
PSP Projects	0.08	0.02	(0.09)
Varindera Constructions	(0.05)	0.05	0.03

CFO divided by Revenue from operations

Source: Company filings, CRISIL MI&A

Key observations:

- Among the players considered above, during fiscal 2022-24, Varindera Constructions has seen the highest growth (CAGR) in terms of EBITDA.
- As of fiscal 2024, among the players compared above, in terms of EBITDA margin, Varindera Constructions (17.26%) stands second only next to Capacite Infraprojects (18.86%).
- Varindera Constructions has the highest PAT margin. 10.32% among the players considered above, as of fiscal 2024. Ahluwalia Contracts has the second highest PAT margin of 9.72% among the players considered above in fiscal 2024.
- Varindera Constructions has the highest RoCE (including tangible networth) of 25.03% among the players compared above during fiscal 2024. Ahluwalia Contracts has second highest RoCE (including tangible networth) of 19.93% during fiscal 2024.
- Varindera Constructions has the highest RoE (including tangible networth) of 33.02% among the players compared above during fiscal 2024.
- During fiscal 2024, Varindera Constructions had second highest current ratio of 1.73 times, among the players considered above. It is only next to Ahluwalia Contracts with an current ratio of 2.17 times during fiscal 2024
- During fiscal 2024, Varindera Constructions had second highest interest coverage ratio of 6.78 times, among the players considered above. It is only next to Ahluwalia Contracts (7.43 times) during fiscal 2024, among the players considered above.

- Between fiscal 2019 and 2024, among the listed construction companies with revenue from operations greater than Rs. 5,000 million for the fiscal year 2024, Varindera Constructions was one of the fastest growing construction companies in terms of revenue from operations with growth at CAGR of 39.40% during the aforementioned period.

- Varindera Constructions has seen improvement in the credit rating for long-term borrowings from CRISIL A- to CRISIL A over the past three fiscal years from fiscal 2022 to fiscal 2024.

- Among the players considered above, during fiscal 2019-24, Varindera Constructions has seen the highest growth (CAGR) in terms of Revenue from operations**.**

Formulae for key KPIs

Parameters	Formulae
Order book	Order Book is calculated as sum of value of unexecuted contract as on a particular date.
Order book to revenue from operations	Order book / revenue from operations
Order inflow	Order inflow is calculated as sum of all the order won during a particular period.
Total Income	Total income is calculated as sum of Revenue from operation plus other income plus share of profit from associates / joint ventures minus share of loses from associates / joint ventures
Revenue from operations	Revenue from operation is calculated as sum of Revenue from operating activities of the company during a particular period under consideration
Earnings Before Interest Tax Depreciation / Amortisation (EBITDA)	EBITDA is considered profit before exceptional items plus finance costs plus depreciation / amortisation
EBITDA Margin (%)	EBITDA Margin (%) is the percentage of EBITDA divided by revenue from operations
PAT	PAT is calculated by considering EBITDA minus any finance costs, depreciation / amortisation, exceptional items, and tax expenses.
Cash Profit after Tax	Cash profit after Tax is sum of PAT and depreciation
PAT Margin (%)	PAT Margin (%) is calculated as profit (after tax) for the period / year as a % of revenue from operations
Cash Profit Margin %	Cash Profit Margin is calculated as Cash Profit as a % of revenue from operations
Total Networth	Total Net worth has been defined as the aggregate value of the paid-up equity share capital and all reserves, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as on March 31, 2022; 2023, 2024.
Total Debt	Total Debt is computed as Non-Current Borrowings plus Current Borrowings.
Net Debt	Net debt is total debt minus cash and bank balances. Cash and bank balances is

Parameters	Formulae
	calculated by subtracting balance with banks in unpaid dividend account, deposits pledged with banks, deposits kept as margin money, bank balances part of escrow accounts and long-term deposits with banks
Net Debt to EBITDA Ratio	Calculated as Net Debt divided by EBITDA.
Net Debt to equity	Calculated as Net Debt divided by tangible networth. Tangible networth is calculated as total networth minus intangible assets
Return on Equity (including total networth) %	ROE (including total networth) is calculated as PAT as a % of Average total net worth. Average is computed as simple average of current year and previous year
Return on Capital Employed (including total networth) %	RoCE (including total networth) is calculated as Earnings before depreciation, interest and tax (EBIT) as % of capital employed, where in capital employed is considered as sum of total networth, total debt, lease liabilities and deferred tax liabilities. In EBIT the interest includes all interest costs except for interest on income tax.
Working capital days	Working Capital (in days) is calculated as Receivables days + Unbilled revenue days – Payables days + Inventory days.
Cash Flow from Operations (CFO)	Cash Flow from Operations (CFO) Is calculated as Profit Before Tax Plus Non-operating expenses and non-cash expenses plus interest expense Less Non-operating income / non-cash income Less Increase in current assets / decrease in current liabilities add Decrease in current assets / increase in current liabilities Less Tax paid).
Interest Coverage Ratio	Interest coverage ratio is calculated by dividing the company's Earnings before interest and tax expense by the finance cost for that period
Gross Block /revenue from operations	Gross Block /revenue from operations is calculated as Gross Block including intangible assets as a % of revenue from operations. Intangible assets include goodwill and other intangible assets and exclude intangible assets under development

Source: CRISIL MI&A

Explanation for key KPIs

Parameter	Explanation
Order book	Order Book represents the as reported contract value of the unexecuted portion of a company's existing assigned contracts and is an indicator of visibility of future revenue for the company.
Order book to revenue from operations	Orderbook to Revenue Ratio is an indicator of the size of the order book at the end of reported period to the revenue generated for that period.
Order inflow	Order Inflow represents the value of orders won during the period.
Total Income	Total income represents the revenue from goods or services sold by the company as

Parameter	Explanation
	well as non-operating income generated during the period.
Revenue from operations	Revenue from operations represents the revenue from goods or services sold by the company during the period.
Earnings Before Interest Tax Depreciation / Amortisation (EBITDA)	EBITDA indicates company's profit/loss before interest expenses, depreciation / amortisation and tax expenses incurred
EBITDA Margin (%)	EBITDA Margin (%) is an indicator of the profitability/losses of a company's business and indicates earnings margin profile of a company's business for the period.
PAT	PAT provides information regarding the overall profitability / Losses of a company's business during the period
Cash Profit after Tax	Cash Profit is an indicator of the profitability/losses of the business excluding depreciation and amortization expense.
PAT Margin (%)	PAT Margin (%) is an indicator of the profit / loss margin of a company's business during the period
Cash Profit Margin %	Cash Profit Margin (%) is an indicator cash profit / loss margin of a company's business excluding the depreciation / amortisation during the period.
Total Networth	Total Net Worth is an indicator of a company's total equity as on end date of the reporting period.
Total Debt	Total Debt is a financial position metric, and it represents the absolute value of borrowings.
Net Debt	Net Debt is a liquidity metric, and it represents the absolute value of borrowings net of cash and cash equivalents, bank balances and other cash and cash equivalents.
Net Debt to EBITDA Ratio	Net Debt to EBITDA ratio enables a company to measure the ability and extent to which a company can cover their debt in comparison to the EBITDA being generated by them.
Net Debt to equity	Total net debt to Equity Ratio is a measure of the extent to which a represents a company's debt position in comparison to their equity position. It helps evaluate a company's financial leverage
Return on Equity (including total networth) %	Return on Equity represents how efficiently a company generates profits from their shareholders funds.
Return on Capital Employed (including total networth) %	Return on Capital Employed represents how efficiently a company generates earnings before interest and tax from the shareholders funds and borrowings.
Working capital days	Working Capital Days describes duration it takes for a company to convert its working capital into revenue.
Cash Flow from Operations (CFO)	Cash Flow from Operations is a measure of the cash generated or utilised by a company for its operations, excluding any financing, or investing activities during the

Parameter	Explanation
	year
Interest Coverage Ratio	Interest coverage ratio indicates company's ability to pay the finance costs during the period.

Source: CRISIL MI&A

OUR BUSINESS

Some of the information in this section, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 20 for a discussion of the risks and uncertainties related to those statements and also the section "Risk Factors" on page 32 for a discussion of the risks that may affect our business, financial condition, or results of operations, and "Restated Consolidated Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 361 and 330, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

We have included various operational and financial performance indicators in this Draft Red Herring Prospectus, many of which may not be derived from our Restated Consolidated Financial Information or otherwise be subject to an examination, audit or review by our statutory auditors or any other expert. The manner in which such operational and financial performance indicators are calculated and presented, and the assumptions and estimates used in such calculations, may vary from that used by other companies in India and other jurisdictions.

Unless otherwise indicated, industry and market related data used in this section have been derived from the report titled "Assessment of Construction Industry in India" dated September, 2024 (the "CRISIL Report"), prepared and released by CRISIL Limited, which has been exclusively paid and commissioned for by our Company pursuant to an engagement letter dated March 18, 2024, for the purpose of confirming our understanding of the industry we operate in, in connection with the Offer. The CRISIL Report will be available on the website of our Company at https://www.vclgroup.in/investors/industry-report. The data included herein includes excerpts from the CRISIL Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the Offer), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant Fiscal Year. See "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data" and "Risk Factors — Internal Risk Factors - Industry information included in this Draft Red Herring Prospectus has been derived from an industry report commissioned and paid for by us as well as exclusively prepared for the purposes of the Offer. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate on pages 16 and 68, respectively"

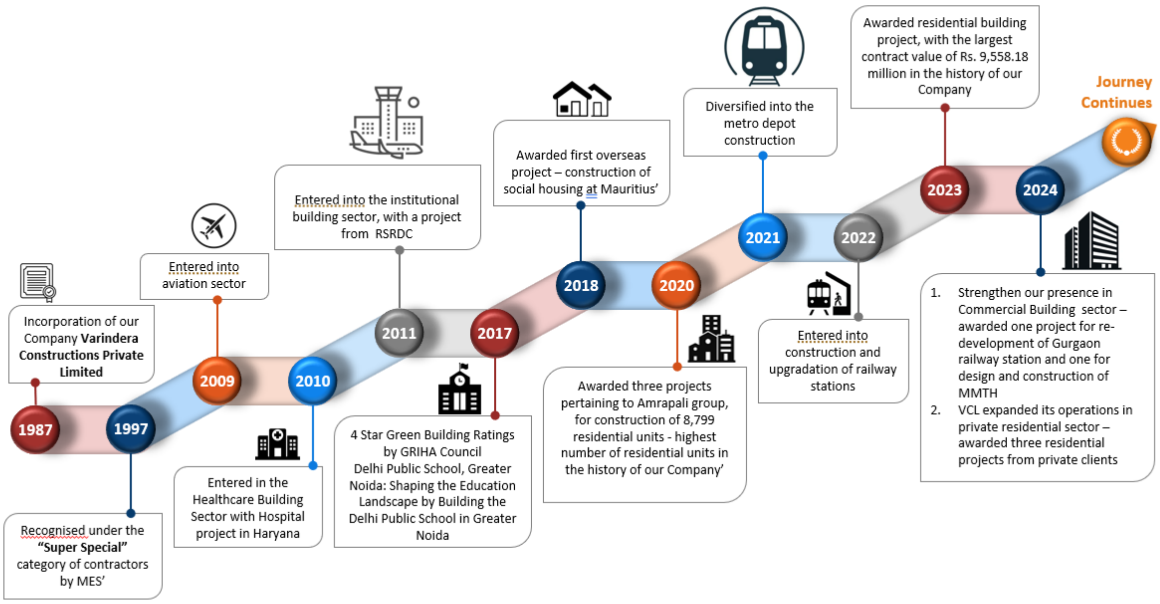
Our Company's Fiscal Year commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Fiscal Year are to the 12 months ended March 31 of that particular year. Unless otherwise indicated or the context otherwise requires, the financial information for Fiscal Years ended March 31, 2022, 2023 and 2024 included herein is derived from the Restated Consolidated Financial Information included in this Draft Red Herring Prospectus. For further information, see "Restated Consolidated Financial Information" on page 361. *Unless otherwise indicated or the context otherwise requires, in this section, references to "we", "us", "our" and "our Company", are to the Company together with its Subsidiary on a consolidated basis.*

Overview

We are an integrated engineering, procurement and construction ("**EPC**") company with experience in construction of buildings projects including residential units, commercial complex, office, railway stations, hospitals, high court and library as well as undertaking infrastructure projects such as metro depot, aircraft hangar and roads. In the last 10 Fiscal Years (*ended March 31, 2024*), we have executed and delivered 31 construction projects with an aggregate Contract Value of ₹ 52,932.66 million, across 11 states in India as well as overseas, in Mauritius. We undertook our first overseas project in 2018, in Mauritius, and have currently 7 ongoing projects in Mauritius and Maldives. 23.92 % of our revenue from operations for Fiscal Year 2024, aggregating to ₹ 3,322.82 million, was from our overseas projects. As on March 31, 2024, we have 20 ongoing projects in India and overseas, with an Order Book of ₹ 38,447.93 million (out of which overseas projects constitute ₹ 6,071.23 million), all of which are either projects awarded by the agencies affiliated with the central government or are funded by multilateral/bilateral institutions and awarded by the government of the respective country. According to the CRISIL Report, we are one of the fastest growing construction companies in terms of revenue from operations, compared to all major listed construction companies (i.e. companies with revenue from operations greater than ₹ 5,000 million for the Fiscal Year 2024), between Fiscal Year 2019 to Fiscal Year 2024 with growth in revenue from operations at a CAGR of 39.40% during this period. Further as a result of our integrated execution capabilities, project management efficiency and equipment ownership model, we have delivered a PAT Margin was 10.32 %, 10.40 % and 7.66 %, as of Fiscal Year ended March 31, 2024, March 31, 2023 and March 31, 2022, respectively.

Our Company was set up in 1987 by our Promoter, Mr. Varinder Garg, an experienced professional in the construction industry in India who was elected as the President of Military Engineer Services ("**MES**") Builder Association of India in 2007. Under Mr. Varinder Garg's vision and leadership, we gradually increased our execution capabilities in terms of the size of the project, from one of our first projects for provision of officers accommodation at Abohar with a small Contract Value of ₹ 7.73 million, to one of our recent projects for redevelopment of residential accommodation colony at Sarojini Nagar, New Delhi with a large Contract Value of ₹ 9,558.18 million. During his tenure, we diversified our technical capabilities in executing the types of projects (from residential buildings to commercial, institutional and healthcare building projects) as well as the geography (such as projects in challenging mountainous topography of Pithoragarh, Uttarakhand and Ladakh, projects in the dry and arid region of Jodhpur, Rajasthan, projects in regions of Assam and West Bengal with incessant rainfall as well as projects in the coastal regions of Kochi, Goa and Mauritius). As a result of our progress in our execution capabilities, our Company also progressed to be classified by MES, under the 'super special class' contractor category within a few years of operations, in 1997, which according to the CRISIL Report, is the highest possible grading of construction contractors eligible to execute projects awarded by MES.

The journey of growth of our Company since our incorporation in 1987, is depicted in the graphical representation below:



Note: Years included are calendar years

Historically, while we had executed primarily residential building projects, we have diversified horizontally with successfully executed projects in commercial building – railway, commercial building – complex and offices, institutional building, healthcare building, and infrastructure project verticals, in recent years. Our construction projects can be broadly classified into the following verticals:

- ***Residential building:*** This includes construction of residential building projects for our government and private clients.

- ***Commercial building – railway***: This includes projects for development of railway stations with departments of Indian Railways.

- ***Commercial building – complex and offices***: This includes construction of complex and offices.

- ***Institutional building:*** This includes projects for construction of sports university, library, schools and court complexes.

- ***Healthcare building:*** This includes construction of hospitals, mediclinic and area health centres.

- ***Infrastructure projects:*** This includes specialised structural projects such as construction of metro depots, aircraft hangars and roads and resurfacing of runways for defence organizations.

A number of our projects involve significant management and engineering expertise as well as labour, materials and plant and machinery. We undertake projects on EPC basis, with or without operation and maintenance ("**O&M**") services. Some of the key projects executed by us and are currently ongoing, include the following:

Key highlights of the project	Image
Completed Projects	
Construction and rectification of residential units pertaining to Amrapali group of companies, through three different projects at golf homes, leisure park and smart city – kingswood, in Greater Noida, Uttar Pradesh. Under this project, we developed 8,799 residential units ahead of scheduled time which is the highest number of residential units completed within a span of 3.58 years, in the history of our Company. • Project vertical – Residential building • Client – NBCC • Contract Value - ₹ 15,850.57 million [(1)]	
Aircraft Hangar Project - infrastructure development work of construction of aircraft hangar complex for Rafale aircraft at Hasimara and Chabua air force stations including landscaping and allied works; and perimeter base security framework at Chabua, Mohanbari, Jorhat and Tezpur, air force stations, in Assam and West Bengal. This project was executed in remote locations and difficult terrains of West Bengal and Assam having heavy rainfall and limited access to resources. The size of the hangar constructed was 110 * 76 meters with a height of 20.06 meters. Despite these challenges and other local issues we faced on a continuous basis, we completed this project within the stipulated timeline. • Project vertical – Infrastructure building • Client – MES • Contract Value - ₹ 3,670.00 million	

Social housing project for construction of 956 social housing units (G+1 storey) covering an area of 64,910 sq. meters., including landscaping and allied works, in Mare Tabac and Dagotiere, Mauritius. This was our Company's first international project. Since this project was funded by EXIM Bank, all raw materials and human resources were to be sourced from India. The lead time for procurement was more than 3 months, hence we had to plan the entire project well in advance. • Project vertical – Residential building • Client – NBCC • Contract Value - ₹ 3,212.16 million	
Married accommodation project - provision of married accommodation for officers, junior commissioned officers and officers of other ranks, comprising construction of 1,054 double storey dwelling units, including landscaping and allied works, in Pithoragarh, Uttarakhand. Pithoragarh is located at a height of around 1,645 metres above the sea level, which turned this into a complex project to execute geographically due to the challenging mountainous topography in Uttarakhand. The performance report issued by the executive engineer of the client, post our completion of the project, graded us either very good or outstanding, in terms of the quality of work, financial soundness, technical proficiency, resourcefulness and general behaviour, for our successful execution of this project. • Project vertical – Residential building • Client – MES • Contract Value - ₹ 2,886.50 million	
Redevelopment of general pool residential accommodation colony - construction of a commercial building covering a plot area of 8,833.78 sq. metres, including landscaping and allied works on design and O&M services, in Sarojini Nagar, New Delhi [(2)] This commercial project was executed in a high population density area of Sarojini Nagar in New Delhi and was completed by us within the scheduled timeline. This was a complex project which involved construction of a 4-level basement and included construction of a connected wall with the adjacent Sarojini Nagar metro station, which required us to prepare a detailed design to prevent any kind of damage to the adjacent structures. • Project vertical – Commercial building – complex and offices • Client – NBCC • Contract Value - ₹ 1,895.30 million	

Structural work for construction of the new high court building including utilisation of stone masonry works and building RCC framed structures, and other allied works, in Jodhpur, Rajasthan.

In this project, we constructed the main dome of the high court building, which was at a height of 120 feet from the ground, with a diameter of about 118 feet. This was one of the largest dome ever constructed by us, since our inception.

- Project vertical – Institutional building
- Client – RSRDC Limited
- Contract Value - ₹ 192.14 million

Ongoing projects*

Redevelopment of general pool resident colony at Sarojini Nagar, New Delhi.

This project comprises of construction of 1,048 type V residential quarters, community hall and other allied works covering an area of 17.98 acres, for a total contract value of ₹ 9,558.18 million, which is the largest contract value for a project that has been awarded to us since our inception.

- Project vertical – Residential building
- Client – NBCC
- Contract Value - ₹ 9,558.18 million

Upgradation of Bangalore cantonment railway station, for South-Western Railway.

We are currently undertaking the project for. This project involves a comprehensive overhaul focusing on modernizing and expanding the station's infrastructure. Our role in execution of this project is critical for transforming the railway station into a modern, efficient hub, while adhering to strict timelines and quality standards.

- Project vertical – Commercial building - railway
- Client – South Western Railway
- Contract Value - ₹ 4,800.25 million

Construction of the national sports university in Imphal, Manipal. This is a complex project which includes construction of a multipurpose sports facilities with international standards (including football ground and hockey field as per standards and quality certifications of the respective international sports federations), administration and academic and residential blocks, and various service buildings for the sports university. • Project vertical – Institutional building • Client – NBCC • Contract Value - ₹ 4,490.00 million	
Design and construction of multi model transit hub (MMTH-2) at Paharganj, New Delhi. This is our first project in the multi model transit hub segment and is being undertaken in connection with the redevelopment of the New Delhi Railway Station and comprises of, among other things, construction of basement, 16 floors including the ground floor, in the dense area of Paharganj. • Project vertical – Commercial building – complex and offices • Client – RLDA • Contract Value - ₹ 4,483.60 million	
Construction of a metro depot at the Poonamallee metro station, in Chennai. (3) This is the first metro depot project being undertaken by our Company. It involves the development of a comprehensive metro depot to support the maintenance and operations of Chennai metro, providing key infrastructure like stabling bays, repair and inspection lines and auxiliary machine sheds. • Project vertical – Infrastructure project • Client – CMRL • Contract Value - ₹ 2,099.84 million	

Construction of an eye hospital in Mauritius.

This is our first overseas project in the healthcare building vertical. This project also includes development of public health engineering system, medical gas management systems, modular and minor operation theatre, central sterile services department, pneumatic tube system, and various other development works.

- Project vertical – Healthcare building
- Client – Ministry of Health and Wellness, Mauritius
- Contract Value - ₹ 1,286.42 million[(4)]

** With respect to the ongoing projects, all the images used in the table above are just for representation purposes only. The actual project specifications may vary from the images shown above, in relation to the respective projects.*

(1) This is the total Contract Value for all the three projects executed by our Company at golf homes, leisure park and smart city - kingswood.

(2) While as on the date of the DRHP, this project has been completed, we are in the process of handing over the project to the client post which we will receive the completion certificate for this project.

(3) This project was awarded to and is being executed through, our joint venture with Altis Holding Corporation.

(4) The Contract Value of the project is MUR 714.68 million, as per the letter of award dated May 18, 2022. The amount has been converted into INR as per the conversion rate of MUR 1 = INR 1.80, as on the date of letter of award i.e. May 18, 2022. (source: https://www.exchangerates.org.uk)

As of the date of this DRHP, our Company has 22 ongoing projects, out of which, eight comprised of residential building, three comprised of commercial building - railway, one comprised of commercial building – complex and offices, two comprised of institutional building, four comprised of healthcare building and four comprised of infrastructure projects.

A breakup of Company's revenue on account of our project verticals for the preceding three Fiscal Years is as follows:

(in ₹ million)

Project vertical	Total revenue from operations as at		
	March 31, 2024	March 31, 2023	March 31, 2022
Residential building	6,687.54	6,524.35	5,127.19
Commercial building - railway	1,121.02	399.79	-
Commercial building - complex and offices	548.53	1,202.83	447.95
Institutional building	1,594.46	728.59	214.18
Healthcare building	1,100.32	137.26	-
Infrastructure project	2,837.41	1,492.69	4,153.97
Total	**13,889.28**	**10,485.51**	**9,943.29**

Order Book is defined as the potential revenue from unexecuted and uncertified portion of the projects that have been awarded to us, which is inclusive of other applicable taxes including GST. Our Order Book, as on March 31, 2024, March 31, 2023, and March 31, 2022, was ₹ 38,447.93 million, ₹ 32,238.35 million and ₹ 19,295.18 million, respectively. A breakup of Company's Order Book on account of our project verticals for the preceding three Fiscal Years is as follows:

(in ₹ million)

Project vertical	Total Order Book as at		
	March 31, 2024	March 31, 2023	March 31, 2022
Residential building	20,408.08	8,239.16	13,857.05
Commercial building - Railway	6,171.39	7,487.98	-
Commercial building – complex and offices	67.87	699.35	2,103.23
Institutional building	3,373.72	4,163.12	531.10
Healthcare building	1,708.22	2,372.41	-
Infrastructure project	6,718.65	9,276.33	2,803.80

Total	**38,447.93**	**32,238.35**	**19,295.18**

In addition to the above, as on the date of this DRHP, we have also received letter of award ("**LOA**") for one project each in commercial building – railway and commercial building – complex and offices verticals, respectively, and three projects in residential building vertical, for a total Contract Value of ₹ 16,042.21 million, which do not form part of our Order Book as on March 31, 2024.

We provide our services primarily to central government agencies and our significant experience and execution capabilities have enabled us to pre-qualify in the 'Super Special' class and 'Class- I (Super) (Composite)', eligible to execute projects independently for premier agencies such as MES and CPWD, respectively, which according to the CRISIL Report, is the highest possible grading of construction contractors eligible to execute projects for them. We are also SS class qualified contractors with BRO. By the virtue of being pre-qualified with such premier agencies, our Company is entitled to certain benefits at the time of submission of bids for projects of such agencies, such as eligibility to apply for projects without any tendering limit or with a high tendering limit across the country and non-deposit of earnest money at the time of bidding. Over the years, we have successfully delivered numerous projects for premier agencies such as NBCC, MES and NHAI, resulting in long-standing relationships with various government agencies in the process, which enables us to execute projects efficiently and to the satisfaction of the clients. For instance, in 2022 we received the appreciation letter for infrastructure development work of Hasimara Air Force Station by Commanding Officer, Falcons of Chhamb, and in 2023 we received appreciation letter for commendable completion of two infrastructure projects at Air Force Station Chabua by Station commander, Air Force Station Chabua. Our capabilities, experience and long-standing association with the clients also helps us to pre-qualify for bidding in future projects, where such process is available.

Through our extensive and diversified experience, we have developed a project management and contract material management system that enables efficient planning, monitoring, control and timely delivery of the projects that we undertake. We have adopted newer technologies such as building information modelling ("**BIM**") for service integration, SAP S/4 HANA system for procurement and budgeting as well as MS Projects software for tracking the projects. This helps us in efficient deployment of equipment and resources, quick decision making by our on-site managers, strong relationship with our suppliers and co-ordination between our project sites and head office. Our work force, as on March 31, 2024, consisted of 1,810 full-time employees, including 304 engineers. We also engage contract labourers whom we hire based on our requirement from time-to-time. As part of our execution and project management, we adhere to quality standards such as ISO 9001:2015, and ISO 14001:2015, ISO 45001:2018 for quality, environmental and occupational health and safety management systems, which provides an assurance to our clients on the quality of the projects executed by us.

We also maintain our own fleet of modern construction machinery and equipment which reduces our dependence on third party suppliers for such construction machinery and equipment and enables us in efficient execution. As of March 31, 2024, we owned a fleet of over 945 major construction equipment (such as hot mix plant, batching plant, loader, telehandlers, excavator sensor paver and bitumen bouser) with an aggregate gross block value of ₹ 1,676.52 million. Our owned fleet of modern construction machinery and equipment, along with our project management systems, engineering skills and capabilities of our work force, have been instrumental in us winning a wide variety of construction projects that involve a varying degree of complexity such as construction of new high court building at Jodhpur, Rajasthan, in 2014, and construction of complex hanger for Rafale aircrafts for MES in 2022, at air force stations at Chabua in Assam and at Hasimara in West Bengal. We have also established our own repair and maintenance workshop to upkeep our equipment, which also results in quick turnaround time in case of any breakdown or major overhaul of our equipment. Through our in-house integrated model, we have developed competencies to deliver a project from conceptualization to completion cost effectively, achieving a PAT Margin of 10.32% in Fiscal Year 2024 and delivered return on equity of 33.02 % in Fiscal Year 2024.

We believe that our long-standing relationship with key clients, our experience in variety of sectors and execution complexities as well as our project management track record, provide us the ability to successfully bid for complex EPC projects. This is demonstrated in our Company successfully bidding for 11 projects in the last three Fiscal Years which were awarded at a Contract Value higher than the estimated project cost in the original tender and improved our bid-win ratio from 5.32% in Fiscal 2022 to 19.10% in Fiscal 2024. According to the CRISIL Report, India is amongst the world's fastest-growing economies with real GDP growth of 8.15% in Fiscal 2024 and expected to grow at an average of 6.70% between Fiscal 2025 and Fiscal 2031, aiding India to become to third-largest economy in the world. As of Fiscal 2024, the construction industry contributes to around 9.05% of India's GDP. The contribution of construction industry in the overall manufacturing GVA increased from ₹ 7.77 trillion in 2012 to ₹ 14.36 trillion in 2024, thereby registering a CAGR of 5.25%**.** The investment in construction industry in India, which comprises of building construction, industrial/manufacturing construction and infrastructure verticals, is expected to grow by 1.61 times compared to investments during Fiscal Year 2019 to 2023, reaching up to ₹ 69.00 trillion during Fiscal Year 2024 to 2028. The share of investment in building construction vertical and infrastructure vertical is expected to increase around 1.34 times and 1.78 times respectively, during Fiscal Year 2024 to 2028 compared to investments during Fiscal Year 2019 to 2023. This growth is majorly poised by continued urbanization, steady income profiles, expected growth in employment generating sectors as well as rising affluence and propensity to spend on real estate by mid-income buyers on the residential segment front as well as major government initiatives such as Pradhan Mantri Awas Yojana for affordable housing, infrastructure plans like National Infrastructure Pipeline and investments through PLI scheme in major capital-intensive sectors. (*Source: CRISIL Report*) We are well positioned to capitalise this opportunity.

Our total revenue from operations and net profit for the year grew at a CAGR of 18.19 % and 37.22 %, respectively, between Fiscal 2022 and Fiscal 2024. The following table set forth our key financial and operational metrics for our operations for the periods indicated:

Metric	**Unit**	**As of/for the Fiscal Years**		
		2024	**2023**	**2022**
Order Book	₹ In million	38,447.93	32,238.35	19,295.18
Total revenue from operations	₹ In million	13,889.28	10,485.51	9,943.29
EBIDTA(1)	₹ In million	2,397.60	1,645.46	1,191.62
Net Profit - PAT	₹ In million	1,433.82	1,090.14	761.47
PAT Margin(2)	In %	10.32	10.40	7.66
Return on Equity(3)	In %	33.02	35.34	35.32
Return on Capital Employed(4)	In %	25.03	24.90	26.87
Adjusted net debt(5)	₹ In million	2,966.40	2,046.77	1,410.44
Debt to Equity Ratio	in times	0.69	0.65	0.59

Notes:

(1) EBIDTA is profit for year before finance cost, depreciation and taxes.

(2) PAT margin is calculated as profit for the year after taxes divided by revenue from operations.

(3) Return on equity is calculated as profit for the year after taxes divided by average equity.

(4) Return on capital employed is calculated as earnings before interest and tax divided by capital employed. Capital employed is sum of net worth, borrowings, lease liabilities and deferred tax liabilities.

(5) Adjusted net debt includes all long, short term borrowings and lease liabilities as reduced by cash and cash equivalent and does not consider deposit which are lien marked.

Our Strengths

1. *One of the fastest growing construction companies with a proven track record of successful execution and focus on building construction*

With over 30 years of experience in executing construction projects primarily for central government agencies, we have put in place well-tested systems and control for identification of bid opportunities, robust contract and project management, utilisation of in-house equipment and usage tracking as well as cost-effective procurement. As a result, we have achieved completion of 31 projects in the last 10 Fiscal Years (*ended March 31, 2024*) with an aggregate Contract Value of ₹ 52,932.66 million and completion of 17 projects in the last three Fiscal Years alone, achieving a CAGR of 18.19 % in growth of our revenue from ₹ 9,943.29 million in Fiscal Year 2022 to ₹ 13,889.28 million in Fiscal Year 2024, on a consolidated basis. We are one of the fastest growing construction companies in terms of revenue from operations, compared to all major listed construction companies (i.e. the companies with revenue from operations greater than ₹ 5,000 million), between Fiscal Year 2019 to Fiscal Year 2024, with revenue from operations growth at a CAGR of 39.40 % during this period (*Source: CRISIL Report*).

Six of our projects in the last three Fiscal Years were completed ahead of their respective scheduled completion date or completion dates as extended by our clients. Our timely completion has added to our clients' satisfaction and increased our opportunities to bid for large projects. Our clients have also expressed their appreciation and satisfaction with quality of our work and services through awards and letters of appreciation. For more details of the key awards, accreditations and recognitions received by our Company, please see '*History and Certain Corporate Matters- Key awards, accreditations, and recognition'* on page 326.

With our focus on building construction projects and experience in construction of residential building projects, we have also undertaken non-residential building projects including commercial building projects such as construction of commercial tower at Sarojini Nagar, New Delhi, institutional building projects such as construction of high court building at Jodhpur, Rajasthan, infrastructure building projects such as Rafale hangar project, as well as the ongoing healthcare building project including construction of eye hospital in Mauritius. Our experience in executing complex projects in challenging environment, gives us the ability to qualify and bid for similar projects in future. Some of our successfully completed projects in challenging environment are tabulated below:

Sr. no.	Type of challenging environment conditions	Completed projects
1.	Mountainous topography	• Provision of accommodation for officers at Pithoragarh, Uttarakhand.
2.	Dry and arid region	• Structural works for construction of new high court building at Jodhpur, Rajasthan. • Construction of pilot plants and firing range, at defence laboratory, Jodhpur, Rajasthan.
3.	Region with incessant rainfall	• Construction of aircraft hangar complex for Rafale aircraft at Hasimara and Chabua air force stations and perimeter base security framework at Chabua, Mohanbari, Jorhat and Tezpur, air force stations, in Assam and West Bengal.
4.	Coastal areas	• Provision of integrated bridgemanship simulator complex at ND School, Naval Base Kochi, Kerala. • Construction of social housing units at Mare Tabac and Dagotiere, Mauritius. • Resurfacing of rigid pavement of runway at INS Hansa, Goa.

As a result of our experience, we have built requisite pre-qualification skills for the departments and agencies under the central government of India such as NHAI, NBCC, MES. Given our focus on providing EPC services for central government clients, 96.70%, 97.42% and 92.69% of our revenue for the last three Fiscal Years ended March 31, 2024, March 31, 2023, March 31, 2022, respectively, came from executing projects for clients affiliated with the central government.

We believe that our experience and capabilities enable us to benefit from market opportunities and increase our order book and combined with our technical experience in executing complex projects, will be critical in competing in the industry.

2. *Efficient business model with integrated execution capabilities*

Our growth is attributable to our efficient business model of careful selection and execution of our projects. This model has facilitated optimum efficiency and improved profitability over the years. Additionally, owning and maintaining a modern equipment fleet, backward integration and use of technology for our projects ensures better control over execution in terms of quality and cost and timely completion in providing EPC services.

- *Identification of projects:* We believe that the experience of our Company and management in variety of sectors and exposure to execution complexities, allow us to successfully bid for complex EPC projects with potentially higher margins. This is demonstrated in our Company successfully bidding for 11 projects in the last three Fiscal Years (ended March 31, 2024) which were awarded at higher than the original tender rate. Further, we typically focus on bidding for projects from central government agencies, across segments which allows us to participate in high quality project execution opportunities while reducing the revenue recovery risk. Further, our experience of executing construction projects for central government agencies has also allowed our Company to expand its operations to international markets and successfully bid for and execute the projects outside India, allowing us to maintain our differentiated value creation capabilities and experience in the EPC projects.

- *Focus on equipment ownership:* We own modern construction plants and equipment, which meet most of the requirements for our present projects. Our owned equipment fleet ranges from small tools like water pump starter to high-tech complex equipment such as earthmoving machinery, lifting equipment and transportation equipment. We believe equipment ownership provides us with a competitive advantage, allowing us to utilize our machines and equipment at their optimal levels and thereby avoiding the risk of overbilling or revenue leakage or other contractual risks associated in case of lease of equipment from third party suppliers. Ready access and high availability of our modern equipment fleet also enables us to deploy such equipment flexibly as per the schedule at project, as opposed to the delays associated with returning and replacing leased equipment sourced from third party. We have also established our own repair and maintenance workshop to upkeep our equipment, which also results in quick turnaround time in case of any breakdown or major overhaul of our equipment. As of March 31, 2024, we owned a fleet of over 945 major construction equipment (such as hot mix plant, batching plant, loader, telehandlers, excavator, sensor paver and bitumen bouser) with an aggregate gross block value of ₹ 1,676.52 million, that enables us to undertake multiple projects simultaneously without having to compromise on the quality in any of the projects.

- *Backward integration:* As part of our in-house integrated services model, we have developed key competencies that enable us to deliver a project from conceptualization to completion that includes in-house execution of specialized works like heating, ventilation and air conditioning ("**HVAC**"), structural glazing, firefighting, low voltage electrical works, piling. We have our inhouse design and mechanical, electrical and plumbing (**"MEP**") teams to optimise design drawings and reduce costs. Our inhouse integrated model reduces dependence on third party suppliers for construction equipment and other products and services required in the development and construction of our projects. We have also set up a central procurement team that procures major materials and engineering items required for our projects which helps to stay efficient and reduce red tape in procurement. We procure materials in bulk which not only results in economy in procurement but also helps us in developing good relationships with our vendors. To mitigate the volatility of raw material prices and unforeseen circumstances, we integrate price escalation clauses into our contracts with our clients. This measure safeguards against financial losses resulting from fluctuating material costs, thereby enhancing project feasibility and financial sustainability. Further, we do not subcontract the main portion of our projects, mitigating risks associated with compromised quality and reliance on third-party performance, which allows us to maintain direct control over project execution, ensuring adherence to quality standards and minimizing potential disruptions.

- *Adoption and use of advanced technology*: We continuously strive to adopt advanced technology and have incorporated certain technical systems, which assist in efficient and timely execution of our construction projects. For instance, we have implemented BIM for project progress tracking, design clash detection, service integration, and have also adopted SAP S/4 HANA system across all our project sites and our offices and departments for billing process, budgeting, finance, procuring raw material and equipment, human resource and maintenance, covering every stage of our project from bidding to completion of a project, to improve planning, monitoring, and execution of our projects. We have also implemented mobile automation ("**MOBA**"), which is a digital site management system, through which we monitor and improve utilisation and operational efficiency of our equipment and operators, by keeping a track of the fuel consumption and pilferages and keeping a check on any unauthorised fuel dispensing. We are also using monolithic construction, which is an advance construction technology, in typical residential towers and modular construction structures for fast execution and delivery of the project to our clients. Further, we use digital tools like MS project for regularly tracking the progress of our projects and continuously monitoring them, and our project sites are also under the CCTV surveillance to monitor and control the work on such projects. The use of such digital tools and software, enable us to complete our projects faster by providing a shared platform for all parties such as engineers, contractors, architects, and reducing communication gap and promoting effective resource allocation. We have also implemented and are in process of implementing certain systems which helps us in the digitisation and automation of our work, such as IT enabled weigh bridge system and tools and plants systems which helps us in digitally tracking our equipment, purchases digitisation, and document management system for various departments of the Company.

3. ***Robust order book with central government/multilateral institutions funded projects***

In our industry, an order book is considered an indicator of future performance since it represents a portion of anticipated future revenue. During the last three Fiscal Years, our Order Book value was ₹ 38,447.93 million as of March 31, 2024, ₹ 32,238.35 million as of March 31, 2023, and ₹ 19,295.18 million as of March 31, 2022. This continued momentum in Order Book value provides us financial as well as operational benefits, such as clarity regarding future revenue potential and, work requirements.

Of our total Order Book value as on March 31, 2024, projects awarded by NBCC contributed 57.29%, projects awarded by NHAI contributed 15.69 %, projects awarded by South Western Railway contributed 11.24%, projects awarded by South Central Railway contributed 4.81 % and projects awarded by Ministry of Health and Wellness, Mauritius, Ministry of Arts and Cultural Heritage Mauritius, DGMAP, CMRL and MES, collectively contributed 10.97%. Our order book to revenue from operation for Fiscal 2024, Fiscal 2023 and Fiscal 2022 was 2.77, 3.07 and 1.94 times, respectively.

In addition to the above, as on the date of this DRHP, we have also received LOA for five projects, for a total Contract Value of ₹ 16,042.21 million, which do not form part of our Order Book as on March 31, 2024.

While we opportunistically execute projects for private players, our core focus over the years has remained on bidding for and executing projects for central government agencies and departments. In the last three Fiscal Years, 96.70 %, 97.42 % and 92.69 % of our revenue from operations for Fiscal Year ended March 31, 2024, March 31, 2023, and March 31, 2022, respectively was on account of revenue from projects with central government agencies. For instance, NBCC, MES and Indian Railways are some of our such key government clients who contributed 68.28 %, 84.23 % and 64.12%, respectively, of our total revenue of operations for Fiscal Year ended March 31, 2024, March 31, 2023, and March 31, 2022, respectively, which amounted to ₹ 9,483.66 million, ₹ 8,831.82 million and ₹ 6,375.38 million, respectively. As a result, we have improved our pre-qualifications, enabling us to bid for larger and more prestigious projects over the years.

4. ***Consistent financial performance and credit rating***

Our business growth has contributed significantly to our financial strength. Our integrated execution capabilities, project management efficiency and equipment ownership model have led to a significant year over year growth in our revenue and net profit and led to improvement in our other financial metrics as well including PAT margin and return on equity.

The table below sets forth certain key financial parameters on a consolidated basis for the period indicated:

(*in ₹ million, unless indicated otherwise*)

Particulars	Fiscal Year 2024	Fiscal Year 2023	Fiscal Year 2022
Revenue from operation	13,889.28	10,485.51	9,943.29
EBITDA	2,397.60	1,645.46	1,191.62
Profit after tax	1,433.82	1,090.14	761.47
Order Book	38,447.93	32,238.35	19,295.18
Return on Equity (%)	33.02	35.34	35.32

We strive to maintain a robust financial position with emphasis on having a strong balance sheet. Our balance sheet coupled with low levels of debt enable us to fund our strategic initiatives, pursue opportunities for growth and better manage unanticipated cash flow variations. Our solvency and financial ratios for the last three Fiscal Years are as follows:

Particulars	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
Current ratio	1.93	1.81	1.73
Interest coverage ratio	9.24	9.12	6.78
Debt equity ratio	0.59	0.65	0.69

Our financial strength enables us to access bank guarantees and letters of credit at reasonable terms. We have never defaulted in the repayment of our borrowings, which, together with our strong financial performance and substantial assets, helps us present a strong credit profile to our lenders and keep alternatives sources of financing available to us. According to CRISIL, we have seen improvement in our credit rating for long-term borrowings from CRISIL A- to CRISIL A over the past three fiscal years from fiscal 2022 to fiscal 2024. Our credit ratings and our relationships with the lenders enable us to raise funds in a timely manner, which helps us to maintain the requisite leverage for our operations.

5. *Experienced promoters with a strong management and technical team*

We have seen robust business growth under the vision, leadership and guidance of our Promoters, who have more than 36 years of experience in the construction industry. Our Promoter, Mr. Varinder Garg, an experienced professional in the construction industry in India, who was elected as the President of MES Builder Association of India in 2007, a society registered for the welfare of the builders engaged by 'Military Engineer Services' for construction services. He has been honoured with several prestigious awards. Our Promoter, Mr. Vivek Garg joined our Company on May 14, 2008 and, has obtained a degree in Master of Science in Construction Management from the City University, London. Since he joined our Board, he has been instrumental in expanding the business operations of our Company and especially, in driving our business towards international expansion in Mauritius and Maldives as well as growth into the private sector. For instance, under his leadership we were awarded our first international construction project in Mauritius, in 2018 and recently under his supervision, we have received LOA from three private sector clients, for construction of high-rise residential buildings, in Delhi – NCR region, for a total Contract Value of ₹ 8,648.57 million. We believe that our Promoters have played a key role in the development of our business, and we benefit from their industry knowledge and expertise, vision and leadership.

In addition to our Promoters, our team includes qualified, experienced and skilled professionals who have experience in engineering and construction sector. Additionally, as on March 31, 2024, we had a workforce of 1,810 employees of which 304 employees are our in-house engineers, with requisite experience in use and handling of modern construction equipment and machinery, to effectively execute our projects. We believe the stability of our management team and the experience of our engineering team together with our internal systems and processes complement each other will enable us to continue to execute projects in a timely manner, take advantage of future market opportunities and expand into newer markets.

Our Strategies

1. *Sectoral and geographical diversification by leveraging existing capabilities*

Due to our experience in undertaking building construction projects and pre-qualification for larger projects, we have and will remain focussed on bidding for larger building construction projects. While largely we had constructed residential buildings in the past, we have also diversified into different sectors and have successfully executed complex projects in such sectors. For instance, we executed complex construction projects such as construction of hangar for Rafale aircraft, and we are currently undertaking construction of an eye hospital in Mauritius, which is a healthcare building project. Such projects are complex in nature since they have varied requirements, and requires specific infrastructure work such as construction of laboratories, service buildings and utilisation of specific equipment.

Given our integrated execution capabilities, project management efficiency and equipment ownership model, we specifically intend to diversify into such varied complex sectors and target such complex projects with specialized requirements since these projects are expected to offer better profit margins as only bidders that match specified eligibility criteria are permitted to bid for such projects, resulting in lesser price based competitive bids. Such eligibility criteria, among other things, typically require previous experience in executing similar sectors and we benefit from our experience of having executed complex projects with such requirements in similar sectors. For instance, we are currently undertaking construction of national sports university in Manipur, which is a institutional building project and is complex in nature due to its specific requirements such as construction of a multipurpose sports hall, administration and academic blocks, faculty residences, civic amenities and football ground and hockey field as per standards and quality certifications of the respective international sports federations. As on date, we are also accredited as 'Super Special' class, 'Class I (Super) (Composite)' and 'SS' class contractors eligible to execute projects independently for premier agencies such as MES, CPWD and BRO, respectively, allowing us to bid for projects with higher tender value. With increased experience in execution of complex and specialised building projects as well as our pre-qualifications with such government agencies, we believe we will improve our opportunities to bid for larger and complex projects such as airports, exhibition/convention centres and data centres, and diversify into varied complex sectors, in future. Also, for the purpose to secure large contracts we may have to enter into project specific joint venture arrangement to meet requisite financial or technical capabilities.

Further, we intend to leverage our experience to opportunistically identify bid opportunities for executing projects overseas and continue to expand our business geographically outside India. Consistent with our existing strategy, we will continue to identify such opportunities where the overseas projects are either backed by government agencies of such regions or funded by bilateral/multilateral institutions. In the past, we have executed a social housing project for NBCC in Mauritius and are currently undertaking 5 different projects in Mauritius for various ministries and 2 projects in Maldives for NBCC, which are funded by the multilateral agencies. As of March 31, 2024, the share of revenue generated from our projects executed outside India constituted 23.92% of our total revenue from operation. The experience and ability to execute government projects overseas differentiates us from our competitors and improves our opportunity to successfully bid for such projects in future.

2. ***Continue to expand our client portfolio***

Historically, we been focussed on providing our services to central government clients. Our business growth has been attributable to increased activities in bidding for more and larger projects to be awarded by central government clients. For instance, our Order Book, as on March 31, 2024, was ₹ 38,447.93 million, which comprised of our 20 Ongoing Projects, all of which are being undertaken for government clients such as NBCC, Ministry of Health and Wellness, Republic of Mauritius and CMRL. As a result, 96.70 %, 97.42 % and 92.69 % of our revenue for the last three Fiscal Years ended March 31, 2024, March 31, 2023, March 31, 2022, respectively, was on account of projects for clients affiliated with the central government. While in the past, we have executed certain projects for our private sector clients on a non-strategic basis, such as construction of school building for Delhi Public School, Greater Noida, in 2019, our Order Book for the last three Fiscal Year has largely comprised of projects being undertaken for government clients.

According to the CRISIL Report, going ahead, rise in the private sector investments will be one of the major factors contributing to the near-term GDP growth of India. While the contribution of the government to overall capital expenditure will diminish, such private sector investments are expected to gradually become more significant. Further, as per the CRISIL Report, with respect to the residential real estate market, the demand in the eight key cities/regions of India, namely, Delhi NCR, Mumbai Metropolitan Region (MMR), Pune, Ahmedabad, Hyderabad, Chennai, Kolkata and Bengaluru, was 269 million sq. feet (msf) in Fiscal 2023, which is expected to go up to 305-325 msf by Fiscal 2025, with an anticipated growth of upto 10% CAGR, propelled by the ongoing urbanization, stable income levels, growth in employment sectors like information technology, banking, financial services and insurance (BFSI), and increasing affluence leading mid-income buyers to invest more in real estate. With recent entry into private residential unit, our Company is well positioned to take benefit of this growth opportunity.

Considering the industry trends and expected rise in the private sector investment in the residential building sector, we intend to take benefit of this opportunity and expand our client portfolio to the private sector clients as well. In furtherance of this, we have also taken certain concrete steps towards expanding our clientele to private clients and bidding for new construction projects in the private residential construction sector. For instance, in August, 2024, we have received LOA from three private sector clients, for construction of high-rise residential buildings, in Delhi – NCR region, for a total Contract Value of ₹ 8,648.57 million.

We identify private sector clients, basis our internal review process which includes looking at the financial strength of the private client, feedback received from our other peers and other subjective criteria. Further, to assess the risks for the shortlisted projects with such clients, we have a comprehensive risk assessment process to finalize developers with whom we enter into any agreement with for executing projects. The criteria include financial solvency, liquidity, rating parameters and market feedback. We have a comprehensive two-stage risk assessment process, namely pre-site survey and post-site survey, designed by our team, which encompasses over 50 different risk attributes including payment terms, project complexity, environmental and geographic location, financial and commercial, regulatory risk, client overview, resource availability, plant and machinery requirements. The detailed assessment is then presented to our core team for their approval, basis which decide to bid for a particular project. Going forward, we intend to seek opportunities for working with marquee private clients for specialised building construction projects. For such projects, we hope to seize opportunities to undertake larger projects that can match our corporate profile, project experience, execution capabilities and anticipated profit margins, forge stronger relationships with our clients and gain a better understanding of the larger market demand for the services that we aim to provide.

3. ***Continue to enhance our project management capabilities***

In the construction industry, project management capabilities typically act as a differentiator between different players and affect the profitability. We have a track record and reputation for efficient project management which is accomplished through efficient deployment of equipment and resources, quick decision making by our on-site managers, strong relationship with our suppliers and co-ordination between our project sites and head office. We intend to continue to refine our systems and procedures to enhance our project management capabilities by a strategically developed project monitoring process. We have consolidated our key KPIs on a single dashboard resulting in effective and time efficient monitoring of projects.

We have a dedicated project monitoring group, which keeps track of the project progress on daily, weekly and monthly basis and ensures smooth project progress. Our project monitoring group is supported by all the departments that are involved in the planning and execution of a project, namely, design and engineering, procurement, quality control, logistics as well as our on-site teams. We intend to maximize the scheduled performance for our projects and ensure 100% availability of man, material and machinery at our construction project sites. We monitor and improve the equipment utilization rates and aim to improve on the time required to close any non-conformance report for our projects, if any. We aim to ensure that all safety observations are properly recorded, unsafe acts and unsafe conditions are minimized and we continue our trend of maintaining zero safety incidents. Our project management capabilities have also led to improvement in our revenue from operations from ₹9,943.29 million in Fiscal 2022 to 13,889.28 million in Fiscal 2024, despite increase in order inflows.

We believe that this continued focus will help us improve our operating margins and simultaneously enhance our reputation amongst our existing as well as new clients. Through these processes, we also expect to renew and enhance our focus on our health, safety and environmental management and quality management standards as we believe these elements of performance measurement have become important differentiators of contractors by potential clients.

4. ***Grow skilled workforce and strengthen equipment base***

We believe that operational efficiency, i.e., maintaining quality, minimizing costs and ensuring timely completion of our projects depends largely on the skill and workmanship of our employees. As competition for qualified personnel and skilled labour is increasing among construction companies in India and as we pursue growth opportunities, we seek to attract, train and retain qualified personnel and skilled labour by increasing our focus on training our staff in basic and advanced engineering and construction technology and skills. For this purpose, in the past, we have also conducted testing and certification training for the development of our employees at some of our project sites through the construction industry development council (CIDC) covering 280 of our employees. We also seek to offer our engineering and technical personnel a wide range of work experience and learning opportunities by providing them with an opportunity to work on a variety of large and complex construction projects.

Further, to fuel our growth and expand operations, we intend to invest in latest equipment and technology, wherever necessary. To increase our equipment fleet, we intend to purchase latest equipment from reputed manufacturers and continue with our strategy of placing minimum reliance on hired or leased equipment. Ownership of modern equipment ensures its continuous and timely availability, thereby increasing our efficiency and cost-effectiveness, which is critical to the operations of our business. We aim to acquire equipment of the same class and same brand to facilitate the training of operators and help reduce equipment down time and maintenance cost.

5. ***Increase digitisation and adoption of new technologies***

Our Company has been an adopter of new technologies and solutions in an ongoing effort to increase efficiency and reduce costs. Information technology is part of almost every aspect of our operations, from business development to procurement and quality management. Our IT system and other internal processes have become a core underpinning of all aspects of our business and operations.

Information technology and internet connectivity at our project sites allow easy accessibility and communication among on-site project managers and each field office. We have implemented BIM for project progress tracking, design clash detection, service integration, and have also adopted the SAP S/4 HANA system across our project sites and our field offices and departments for bill processing, budgeting, procuring raw material and equipment, to improve planning, monitoring, and execution of our projects. We have also implemented MOBA, which is a digital site management system, through which we monitor and improve utilisation and operational efficiency of our equipment and operators, by keeping a track of the fuel consumption and pilferages and keeping a check on any unauthorised fuel dispensing. We are also using monolithic construction, which is an advance construction technology, in typical residential towers and modular construction structures for fast execution and delivery of the project to our clients. We also use MS Projects across all our locations and offices for regularly tracking the progress of our projects and continuously monitoring them, internally. We intend to strengthen our IT systems and other internal processes to reduce manual intervention, improve reliability and efficiency of our business.

We continue to adopt advanced construction, erection and maintenance technologies and methodologies and develop advanced construction and project execution methodologies, which improve our pace of construction and is environment friendly. In pursuance of this, we have implemented and are in process of implementing certain systems which helps us in the digitisation and automation of our work, such as IT enabled weigh bridge system and tools and plants systems which helps us in digitally tracking our equipment, purchases digitisation, and document management system for various departments of the Company. We also intend to introduce newer technology tools which will provide the capability to digitally store the quality and safety data to be recorded on-site, which will allow us to map out the on-site safety incidents and design more effective strategies to prevent recurrence in future. Further, we intend to implement drone technology integrated with artificial intelligence tools to enhance the efficiency, safety, and sustainability of our construction projects. This will be pivotal in site surveying, enabling rapid, accurate 3D mapping and real-time progress tracking of our projects. Further, this will also allow us to monitor site conditions and identify potential safety risks in our projects and integrating the artificial intelligence tools will help us minimize delays and prevent cost overruns by forecasting maintenance needs and optimizing workflows for our projects.

6. ***Capitalize on the strong industry tailwinds in the construction sector***

We believe the construction industry in India presents attractive growth opportunities for our business, especially our established business verticals. According to the CRISIL Report, as of Fiscal 2024, the construction industry contributes to 9.05% of India's GDP. the contribution of construction industry in the overall manufacturing GVA increased from ₹ 7.77 trillion in 2012 to ₹ 14.36 trillion in 2024, thereby registering a CAGR of 5.25%. As per the CRISIL Report, the growth in investment in construction industry in India, which comprises of building construction, industrial/manufacturing construction and infrastructure verticals, is expected to grow by 1.61 times compared to investments during Fiscal 2019 to 2023 which was ₹ 42.45 trillion, reaching up to ₹ 69.00 trillion during Fiscal 2024 to 2028.

As per CRISIL report, the investment in building construction vertical during Fiscal 2019-23 was ₹ 12.45 trillion and is expected to rise by 1.34 times reaching ₹ 16.00 -17.00 trillion between Fiscal 2024 to 2028. During the period between Fiscal 2019 to 2023, the residential building occupied a major share of 87.55% in the building construction investments with growth aided by annual demand for residential real estate in 8 key cities in India expected to grow at 8.00 -10.00% CAGR from 269.00 msf in Fiscal 2023 to 305.00 – 325.00 msf in Fiscal 2025.

According to the CRISIL Report, in the union budget for Fiscal 2025, the central government has taken steps towards fiscal consolidation with emphasis on capital expenditure, allocating ₹ 11.11 trillion (of which ₹ 5.69 trillion to 10 core infrastructure ministries) for Fiscal 2025, a 16.93% increase from ₹ 9.50 trillion in Fiscal 2024. The building sector is witnessing huge opportunities across ministries. The aggregate construction spent of key ministries and departments (including MES, NBCC and MoR) has increased by 1.5 times from ₹ 630.94 billion in Fiscal 2019 to ₹ 950.82 billion in Fiscal 2023 and is expected to grow considering government’s thrust towards infrastructure development. Also, with respect to CPWD, the construction spends have seen an increase from ₹ 102.81 billion in CY20 to ₹ 179.31 billion in CY22 with a rise of 1.74 times.

As per the CRISIL Report, in the building construction vertical, the annual supply of new residential launches in key eight cities (namely Delhi NCR, Mumbai Metropolitan Region (MMR), Pune, Ahmedabad, Hyderabad, Chennai, Kolkata and Bengaluru) is expected to grow from 228 million square feet pre-covid, in 2019, to upto 330-350 million square feet by 2025, on account of reduction in inventory levels and recovery of demand post covid. Further, the disbursals under priority sector lending for social infrastructure has seen a growth of 15.50% between Fiscal Years 2019 and 2023, facilitating construction of critical infrastructure. (*Source: CRISIL Report*).

As regards infrastructure vertical, with government initiatives such as National Infrastructure Pipeline (NIP), National Monetization Pipeline (NMP), and the Gati Shakti driving the infrastructure investments across roads, railways and urban infrastructure segments, the share of the infrastructure vertical in the overall construction industry is expected to increase upto 70% by Fiscal Year 2028, as compared to 62.43% over the Fiscal Years 2019 to 2023, led by the central government's focus on roads, urban infrastructure, and railways (*Source: CRISIL Report*). From Fiscal 2019 to fiscal 2023, the Indian data centre industry (in capacity terms) has seen a growth at CAGR of 30-35%. (*Source: CRISIL Report*). As per the CRISIL Report, under Amrit Bharat Station Scheme, government proposed redevelopment of 553 railway stations with an overall cost of ₹ 190 billion. There is also an opportunity in redevelopment projects which is also visible in the NBCC's current order book which is around ₹ 810.00 billion with major share of redevelopment project. According to CRISIL Report, as of August 2024, in total, more than 300 LOCs worth $32.00 billion have been extended by the Government of India (GoI) in 68 countries across the world, for approximately 600 projects across various sectors including railways, airport, sports stadiums and hospitals (*Source: CRISIL Report*). Considering our diversified experience across building construction in India and overseas, we are well positioned to capitalise this opportunity.

As an experienced player in the construction industry with long term relationship with clients and experience in executing technically complex projects, we aim to continue capitalizing on opportunities offered by India's large and growing construction sector and realizing benefits from the schemes and initiatives provided by the GoI to support development of infrastructure. With respect to the residential real estate market, the demand in the eight key cities/regions of India, namely, Delhi NCR, Mumbai Metropolitan Region (MMR), Pune, Ahmedabad, Hyderabad, Chennai, Kolkata and Bengaluru, was 269 million sq. feet (msf) in Fiscal 2023, which is expected to go up to 305-325 msf by Fiscal 2025, propelled by the ongoing urbanization, stable income levels, growth in employment sectors like information technology, banking, financial services and insurance (BFSI), and increasing affluence leading mid-income buyers to invest more in real estate (*Source: CRISIL Report*). With recent entry into private residential unit, Our Company is well positioned to take benefit of this growth opportunity.

DESCRIPTION OF OUR BUSINESS

Our core business is undertaking construction projects with a focus on building construction. We are an EPC company and over the years, we have gained experience in executing projects across different project verticals by way of executing diversified complex projects including residential units, railway stations, hospitals , high court, aircraft hangars and roads. While at the commencement of our journey, we had executed building construction projects primarily in residential building vertical, we have built on our experience and capabilities to undertake projects in commercial building – railway, commercial building – complex and offices, institutional building and healthcare building verticals. In addition to building projects, we have also diversified into infrastructure projects including specialised structural projects such as construction of roads and resurfacing of runways for defence organizations as part of our strategy to diversify our offerings.

In the last three Fiscal Years ended March 31, 2024, we have completed 17 projects, in India and outside India, in Mauritius, with an aggregate Contract Value of ₹ 40,020.19 million. Out of these, five projects were residential building projects, with an aggregate of 10,115 units and developed a total land area of 5.09 million sq. feet. Further, in the last three Fiscal Years ended March 31, 2024, we completed five residential building projects, two institutional building project and 10 infrastructure projects in India and outside India, with an aggregate Contract Value of ₹ 20,608.47 million, ₹ 2,504.80 million and ₹ 16,906.92 million, respectively.

Our revenue from operations during Fiscal 2024, Fiscal 2023 and Fiscal 2022, in terms of the project verticals, is as follows:

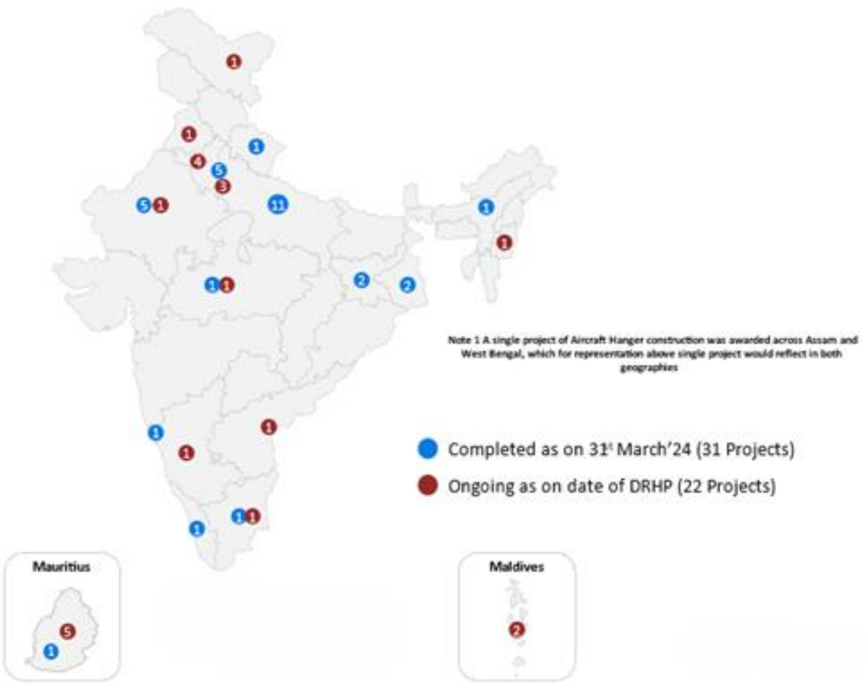
(in ₹ million, unless otherwise stated)

Project vertical	**Fiscal 2024**	**As % of total revenue from operations**	**Fiscal 2023**	**As % of total revenue from operations**	**Fiscal 2022**	**As % of total revenue from operations**
Residential building	6,687.54	48.15%	6,524.35	62.22%	5,127.19	51.56%
Commercial building -Railway	1,121.02	8.07%	399.79	3.81%	0.00	0.00%
Commercial building - complex and offices	548.53	3.95%	1,202.83	11.47%	447.95	4.51%
Institutional building	1,594.46	11.48%	728.59	6.95%	214.18	2.15%
Healthcare building	1,100.32	7.92%	137.26	1.31%	0.00	0.00%
Infrastructure project	2,837.41	20.43%	1,492.69	14.24%	4,153.97	41.78%
Total	**13,889.28**	**100.00%**	**10,485.51**	**100.00%**	**9,943.29**	**100.00%**

Our Projects

Over the years, we have have executed numerous complex projects in challenging geographical locations and environments, across India, which we believe that we have the requisite pre-qualification capabilities and execution skills to take up complex and challenging projects in the building construction sector, in addition to infrastructure sector vertical including, roads and runways. We have completed the construction of 31 projects across 11 states in India and overseas, in Mauritius in the last 10 Fiscal Years (as of March 31, 2024), and we have 22 ongoing projects as on date of this DRHP, across 9 states and one union territory in India and overseas in Mauritius and Maldives. The revenue of operations from our overseas projects was ₹ 3,322.82 million, ₹ 1,914.53 million, and ₹ 650.00 million, as of Fiscal Year 2024, Fiscal Year 2023, and Fiscal Year 2022, respectively, and contributed 23.92%, 18.26% and 6.54%, of our total revenue from operations as of Fiscal Year 2024, Fiscal Year 2023, and Fiscal Year 2022, respectively.

Set forth below is a graphical representation of our geographic presence across various states in India and overseas, in Mauritius and Maldives, in terms of our completed projects in last 10 Fiscal Years and our ongoing projects as on date of this DRHP:



While historically we have been conducting our operations in India, in 2018, we were awarded an overseas project for construction of 956 social housing units at Mare Tabac and Dagotiere, Mauritius, which was completed in 2021. We were invited by NBCC to bid for this project in Mauritius, basis our successful track record in execution of projects of NBCC and our long standing relationship with them, which opened opportunities for us to execute construction projects outside India as well. Through successful execution of this project in Mauritius, we gained experience in executing projects outside India as well, and which served as a pre-requisite for us to bid for projects outside India, basis which we have been awarded several other projects such as construction of eye hospital and mediclinic in Mauritius and construction of housing units in Maldives, which are currently ongoing as on date. We intend to build on the experience in executing projects outside India, in both Maldives and Mauritius, and also develop certain local level relationships with the suppliers, sub-contractors and other intermediaries and clients, which gives us a better footing to expand our operations overseas.

In the last 10 Fiscal Years (as of March 31, 2024), we have completed the construction of 31 projects across 11 states in India and overseas, in Mauritius. The description of some our key completed projects are as follows:

- In 2024, we had successfully completed construction and rectification of three stalled projects pertaining to the Amrapali Group, in Greater Noida, Uttar Pradesh. These projects were awarded to us by NBCC, wherein we constructed a total of 8,799 residential units at three separate localities namely golf homes, leisure park and smart city – kingswood, for a total Contract Value of 15,850.57 million. All these three projects were part of a wider effort to prevent losses to the large number of homebuyers. Our scope under this project, inter alia, involved completing residential units and carry out extensive structural rectifications, installation of utilities, construction of support infrastructure, and other amenities and landscaping. Our Company also ensured compliance with the existing legal regulations and secured all necessary approvals required for completion of the project. Despite the complexities and challenging legal and structural conditions, our Company was able to execute and deliver the project before the scheduled timelines.

- In 2024, we completed the construction of a commercial building 'C' having a total plot area of 8,883.78 sq. metres, under our project for redevelopment of general pool residential accommodation colony at Sarojini Nagar, New Delhi, awarded by NBCC. This project also included landscaping and allied works on design, EPC basis including building the entire ecosystem of earthwork diaphragm, basement raft, roadways, pathways, internal plumbing and sanitary works, elevators, solar panels, HVAC through mechanical ventilation systems and electrical services, with a total Contract Value of ₹ 1,895.30 million. We will also provide O&M services under this project for a period of 2 years, post receipt of completion certificate from the client. This project was allotted to us in 2021 and was completed in 2024.We are yet to receive the completion certificate in relation to the project.

- We completed the construction of the complex hanger for Rafale aircrafts for MES in 2022, at air force stations at Chabua in Assam and at Hasimara in West Bengal. We undertook the entire infrastructure development work, for a total Contract Value of ₹ 3,670.00 million, wherein we also constructed the perimeter base security framework at air force stations at Chabua, Mohanbari, Jorhat and Tezpur in Assam. Our scope of work also included various specialised works for building the entire infrastructure in the air force stations including development of hangar door, fire-fighting systems, HVAC through chillier, building automation system and high-end fishing. For successful completion of this project, we also received the appreciation letter for infrastructure development work of Hasimara Air Force Station by Commanding Officer, Falcons of Chhamb, and in 2023 we received appreciation letter for commendable completion of 'two of the finest infrastructure projects' at Air Force Station Chabua by Station commander, Air Force Station Chabua.

- We expanded our business operations overseas, when in 2018 we were awarded the social housing project at Mare Tabac and Dagotiere, Mauritius, by NBCC. Under this project, we completed the construction of 956 social housing units (G+1 storey) covering a total area of 64,910 sq. metres, at Mare Tabac and Dagotiere, Mauritius, with RCC framed structure using steel formwork. This project was completed in 2022 by us for a total Contract Value of ₹ 3,212.16 million. Along with the constructions of the housing units, our scope of work also included sanitary installation, sewage works, road works, horticulture and overall site development works. By way of this project, we gained experience in executing projects outside India as well, basis which we have been awarded several other projects such as construction of eye hospital and mediclinic in Mauritius and construction of housing units in Maldives, which are currently ongoing as on date.

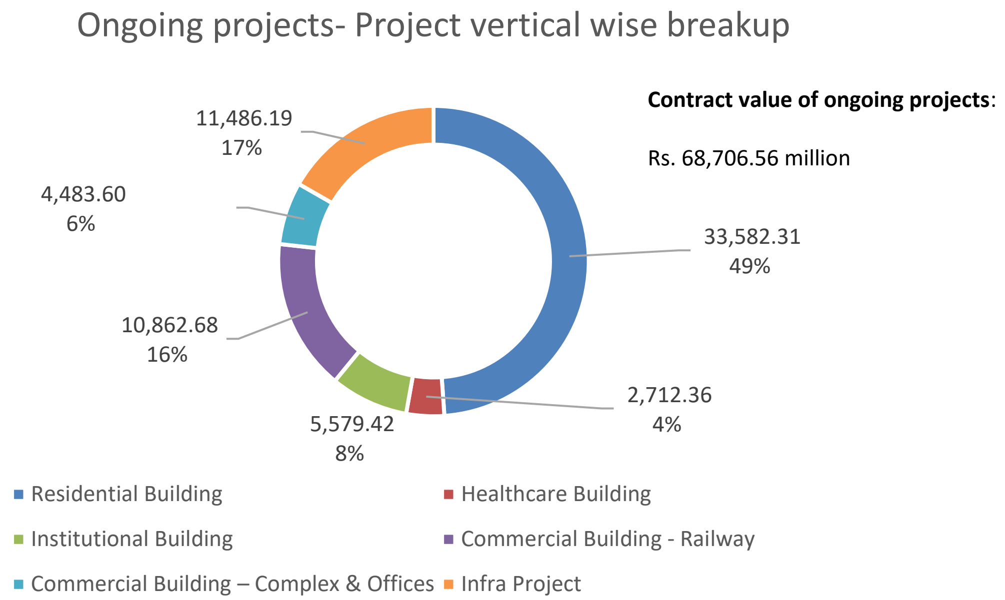
- In 2017, we completed the construction of provision of married accommodation for officers, junior commissioned officers and officers of other ranks, at Pithoragarh, Uttarakhand. This project was awarded to us by MES in 2013 and was completed by us within the prescribed scheduled timeline, in 2017, for a total Contract Value of ₹ 2,886.50 million. Under this project, we constructed a total of 1,054 double storey dwelling units with RCC framed structures and had also undertaken various other works for landscaping and development of the area surrounding the accommodation units, including building of water storage dam and electrical substation of capacity of 33/11 KVA. This was a complex project to execute geographically due to the challenging mountainous topography in Uttarakhand, and we also received an appreciation letter from Brigadier, Station Pithoragarh, Uttarakhand for the successful execution of this project, considering the uniqueness of this project in terms of its logistical challenges due to the remote location and the requisite technology infusion.

- One of the key projects executed by us was the structural work for construction of new high court building at Jodhpur, Rajasthan, in 2014. This project was awarded to us by RSRDC Limited in the year 2011, for a Contract Value of ₹ 192.14 million. This was one of the most complex projects undertaken by us since this involved construction of an ornamental structure inspired by the parliament of India, and included modern construction of a dome with a height of 35 metres and diameter of 118 feet. Further, our works also included utilisation of stone masonry works and building RCC framed structures. We were also awarded with CIDC Vishwakarma Award in 2015, by Construction Industry Development Council under the category for the best professionally managed company, for the execution of this project.

As of the date of this DRHP, our Company has 22 ongoing projects with a total contract value ₹ 68,706.56 million. Out of the total 22 ongoing projects, eight comprised of residential building, three comprised of commercial building - railway, one comprised of commercial building – complex and offices, two comprised of institutional building, four comprised of healthcare building and four comprised of infrastructure projects, with a Contract Value of ₹ 33,582.31 million, ₹ 10,862.68 million, ₹ 4,483.60 million, ₹ 5,579.42 million, ₹ 2,712.36 million and ₹ 11,486.19 million, respectively.

The graphical representation of the project vertical wise break-up of our ongoing projects along with their respective Contract Value, as on the date of this DRHP, is as follows:

(in ₹ million, unless otherwise stated)



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Details of our ongoing projects, as on the date of this Draft Red Herring Prospectus, are set out below:

S. no.	Description of Project	Location	Client	Project vertical	Contract Value (in ₹ million)	Date of LOA	Scheduled date of completion
1.	Redevelopment of general pool residential accommodation colony - construction of type V quarters, community hall, including O&M for five years	New Delhi	NBCC	Residential building	9,558.18	August 10, 2023	August 20, 2025
2.	Redevelopment of general pool residential accommodation colony construction of type IV quarters, including O&M for five years	New Delhi	NBCC	Residential building	8,699.41	October 27, 2023	November 6, 2025
3.	Development of 4/6 lane Mohali to Sirhind section of new NH-205AG(1)	Mohali, Punjab	NHAI	Infrastructure project	8,012.20	December 16, 2022	May 8, 2025
4.	Development/ redevelopment of major upgradation of Bangalore Cantonment Railway Station	Bengaluru, Karnataka	South Western Railway	Commercial building - railway	4,800.25	December 12, 2022	November 13, 2025
5.	Construction of national sports university including multipurpose sports hall, administration block, faculty residences and civic amenities	Koutruk, Imphal, Manipur	NBCC	Institutional building	4,490.00	June 16, 2022	November 22, 2024
6.	Design, construction and commissioning of multi-model transit hub and other works, in connection with redevelopment of New Delhi Railway Station	Paharganj, New Delhi	RLDA	Commercial building – complex and offices	4,483.60	June 14, 2024	-#
7.	Construction of 768 Units (3BHK) social housing units	Hulhumale, Republic of Maldives	NBCC	Residential building	3,280.00 (2)	March 16, 2022	December 26, 2024
8.	Major upgradation of railway station at Tirupati in Guntakal Division of South Central Railway	Tirupati, Andhra Pradesh	South Central Railway	Commercial building - railway	3,152.39	May 30, 2022	May 23, 2025
9.	Civil and structural works of towers and allied buildings of ‘diplomatic residences’	Gurgaon, Haryana	Puri Constructions Private Limited	Residential building	3,089.95	August 16, 2024	August 15, 2026

S. no.	Description of Project	Location	Client	Project vertical	Contract Value (in ₹ million)	Date of LOA	Scheduled date of completion
10.	Major upgradation of Gurgaon Railway Station including air concourse on modular concept	Gurugram, Haryana	RLDA	Commercial building - railway	2,910.04	June 7, 2024	February 1, 2026
11.	Civil, structure and rough finishing work for the project 'Altitude'##	Gurugram, Haryana	Manglam Multiplex Private Limited	Residential building	2,908.70	August 21, 2024	July 5, 2026
12.	Construction of 632 Units (3BHK) social housing units	Hulhumale, Republic of Maldives	NBCC	Residential building	2,685.09[(3)]	February 24, 2022	November 28, 2024
13.	Civil and structure works at "One DXP Phase 2" (eight towers with allied basements) ##	Gurugram, Haryana	Nourish Developers Private Limited	Residential building	2,649.93	August 12 ,2024	March 26, 2026
14.	Construction of metro depot [(4)]	Poonamallee, Chennai	CMRL	Infrastructure project	2,099.84	October 20, 2021	January 11,2025
15.	Construction of eye hospital, including maintenance during defects liability period	Mauritius	Ministry of Health and Wellness Mauritius	Healthcare building	1,286.42[(5)]	May 18, 2022	November 30, 2024*
16.	Construction of National Archives and National Library Building	Reduit Triangle, Moka, Mauritius	Ministry of Arts and Cultural Heritage, Mauritius	Institutional building	1,089.41[(6)]	July 11, 2023	August 1, 2025
17.	Construction of renal transplant unit J. Nehru Hospital, Mauritius including maintenance during defect liability period.	Mauritius	Ministry of Health and Wellness Mauritius	Healthcare building	1,008.85[(7)]	February 15, 2023	October 10, 2024
18.	Completion of balance works for dwelling units for officers, junior commissioned officers and other officers	Saugar, Madhya Prdesh	DGMAP	Residential building	711.06	January 29, 2024	September 5, 2025
19.	Construction of 3X twin hangers at air force station	Those, Ladakh	MES	Infrastructure project	710.00	October 5, 2015	September 13, 2025
20.	BC overlay work on Barmer - Sanchore - Gujarat Border (upto Gandhav Bridge) section of NH-68 from km.153.034 to km. 259.300.	Barmer, Rajasthan	NHAI	Infrastructure project	664.15	February 29, 2024	November 27, 2024
21.	Construction of area health centre including maintenance during defect liability period.	Cap Malheureux, Mauritius	Ministry of Health and Wellness Mauritius	Healthcare building	218.17 [(8)]	May 31, 2023	October 30, 2024**
22.	Construction of area health centre including maintenance during defect liability period.	New Grove, Mauritius	Ministry of Health and Wellness Mauritius	Healthcare building	198.92 [(9)]	May 31, 2023	October 30, 2024**

[#] The date of our appointment for this project is yet to be announced by the client. The scheduled date of completion of this project will be 24 months from the date of appointment in terms of the LOA received for this project from the client.
[##]While as on the date of this DRHP, we have received the letter of award/letter of intent from the client for this project, we are yet to enter into a contract with the client for execution of this project.
[*] Our Company has applied to the client for an extension of the date of completion of this project to November 30, 2024, and we are yet to receive the approval of such extension from the client.
[**]Our Company has applied to the respective client for extension of the date of completion of these projects to October 30, 2024, and we are yet to receive the approval of such extension from the respective clients.

(1) This project was awarded to and is being executed through, our joint venture with M/s Vijai Construction (India) Private Limited.
(2) The Contract Value of the project is USD 42.96 million, as per the letter of award dated March 16, 2022. The amount has been converted into INR as per the conversion rate of USD 1 = INR 76.35, as on the date of letter of award i.e. March 16, 2022. (source: www.fbil.org.in)
(3) The Contract Value of the project is USD 35.68 million, as per the letter of award dated February 24, 2022. The amount has been converted into INR as per the conversion rate of USD 1 = INR 75.26, as on the date of letter of award i.e. February 24, 2022. (source: www.fbil.org.in)
(4) This project was awarded to and is being executed through, our joint venture with Altis Holding Corporation.
(5) The Contract Value of the project is MUR 714.68 million, as per the letter of award dated May 18, 2022. The amount has been converted into INR as per the conversion rate of MUR 1 = INR 1.80, as on the date of letter of award i.e. May 18, 2022. (source: https://www.exchangerates.org.uk)
(6) This project was awarded to and is being executed through, our joint venture with SOM Projects Private Limited. The Contract Value of the project is USD 13.23 million, as per the letter of award dated July 11, 2023. The amount has been converted into INR as per the conversion rate of USD 1 = INR 82.35, as on the date of letter of award i.e. July 11, 2023. (source: www.fbil.org.in)
(7) The Contract Value of the project is MUR 557.38 million, as per the letter of award dated February 15, 2023. The amount has been converted into INR as per the conversion rate of MUR 1 = INR 1.81 as on the date of letter of award i.e. February 15, 2023. (source: https://www.exchangerates.org.uk)
(8) The Contract Value of the project is MUR 120.53 million, as per the letter of award dated May 31, 2023. The amount has been converted into INR as per the conversion rate of MUR 1 = INR 1.81 as on the date of letter of award i.e. May 31, 2023. (source:https://www.exchangerates.org.uk)
(9) The Contract Value of the project is MUR 109.90 million, as per the letter of award dated May 31, 2023. The amount has been converted into INR as per the conversion rate of MUR 1 = INR 1.81 as on the date of letter of award i.e. May 31, 2023. (source:https://www.exchangerates.org.uk)

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The description of some our key ongoing projects as on the date of this DRHP, are as follows:

- In 2023, we commenced the project for redevelopment of general pool resident colony at Sarojini Nagar, New Delhi. This project has been awarded to us by NBCC and comprises of construction of 1,048 type V residential quarters, community hall and other allied works covering an area of 17.98 acres, for a total contract value of ₹ 9,558.18 million, which is the largest contract value for a project that has been awarded to us since our inception. This is one of the multiple projects awarded to us for redevelopment of general pool resident colony and is a crucial project since this redevelopment will transform existing quarters and shops into modern residential accommodations with various types of quarters, commercial spaces, social infrastructure, and other buildings. This project also includes structural design and construction, architectural and civil finishing, internal plumbing and sanitary works, external water supply and sewerage, stormwater drainage, rainwater harvesting, water treatment, firefighting systems, electrical services, chargers, and site development and landscaping. In addition to this, we will also provide O&M services for five years post completion of this project.

- We are currently undertaking the project for development/re-development of upgradation of Bangalore cantonment railway station, for South-Western Railway. This project was awarded to us in 2022, for a total contract value of ₹ 4,800.25 million, and involves a comprehensive overhaul focusing on modernizing and expanding the station's infrastructure. This project includes the construction of new station buildings, along with an air concourse connecting the north and south sides of the station, development of basement parking, multiple foot over-bridges, and upgraded platforms. Additionally, under this project, we are also undertaking certain specialized works such as mechanical, electrical and plumbing installations, rainwater harvesting, HVAC systems, and landscaping around the station. Our role in execution of this project is critical for transforming the railway station into a modern, efficient hub, while adhering to strict timelines and quality standards.

- We are executing a project for construction of the national sports university in Imphal, Manipal. This project was awarded to us by NBCC, in 2022 for a total Contract Value of ₹ 4,490.00 million. This is a complex project in the institutional building vertical our business, and includes construction of a multipurpose sports hall, administration and academic blocks, faculty residences and civic amenities. We are also required to construct specific sports amenities including football ground and hockey field as per standards and quality certifications of the respective international sports federations, and tennis court, basketball court, athletics track, polyvinyl chloride (PVC) floors for kabbadi and kho-kho, as per international standards. Our scope of work under this project is not just limited to construction of sports facilities and university buildings but also involves provision and installation of loose furniture, lifts, sanitary works, electrical works, firefighting services, security and IT infrastructure, low voltage systems, plot development, horticulture, landscaping, driveways, parking, pathways and art works.

- We have been awarded a project by RLDA for design, construction and commissioning of multi model transit hub (MMTH-2) on Paharganj side, in connection with the redevelopment of the New Delhi Railway Station. This project was awarded to us vide LOA dated June 14, 2024, for a contract value of ₹ 4,483.60 million, and is scheduled to be completed by the year 2026. This project also comprises of, among other things, structural design and architectural work for construction of basement, 16 floors including the ground floor and civil, mechanical, electrical, plumbing and fire protection system, HVAC and other infrastructural works like construction of water system, drainage and solid waste management system, fire safety and power distribution system.

- We, along with Altis Holding Corporation, are undertaking the construction of a depot at the Poonamallee metro station, in Chennai, through our joint venture ALTIS – VCL – JV. This project has been awarded to us by CMRL in 2021 for a total contract value of ₹ 2,099.84 million, and involves the development of a comprehensive metro depot, including structural works, architectural finishes, plumbing, utility fittings, boundary walls, and other associated tasks. This project will support the maintenance and operations of Chennai metro, providing key infrastructure like stabling bays, repair and inspection lines, sewage treatment plants, and auxiliary machine sheds. This is a complex project with a detailed schedule focused on civil works and we are undertaking this project with a strict adherence to timelines, ensuring on-time delivery of the project for our client.

- In 2022, we were awarded the project for construction of an eye hospital in Mauritius, by Ministry of Health and Wellness, Mauritius. While our first project outside India was a residential project, this is one of our overseas projects, wherein we have diversified into the healthcare building vertical. This project also includes development of internal and external electrical systems, HVAC, public health engineering system, firefighting systems, medical gas management systems, modular operation theatres, minor operation theatres, kitchen, laundry, central sterile services department (CSSD) and pneumatic tube system (PTS), horticulture, landscaping, and various other development works. Further, our scope of work also includes providing maintenance services during the defect liability period of the project.

Order Book

Our Company's Order Book as of a particular date comprises the potential revenue from unexecuted and uncertified portion of the projects that have been awarded to us, which is inclusive of other applicable taxes including GST. Our Order Book, as on March 31, 2024, March 31, 2023, and March 31, 2022, was ₹ 38,447.93 million, ₹ 32,238.35 million and ₹ 19,295.18 million, respectively. Further, our Company's Order Book as of a particular date is calculated on the basis of the aggregate Contract Value of our ongoing projects as of such date, adjusted for any change in scope of our work for such projects, reduced by the value of work executed by us until such date, as certified by the relevant client. For the purpose of calculating the Order Book value, our Company does not take into account any escalation, or the work conducted by us in relation to any such escalation of such projects until such date. The manner in which we calculate and present our Order Book is therefore not comparable to the manner in which our revenue from operations is accounted, which takes into account revenue from work relating to escalation of our projects. The manner in which we calculate and present our Company's Order Book information may vary from the manner in which such information is calculated and presented by other companies, including our competitors. The Order Book information included in this DRHP is not audited and does not necessarily indicate our future earnings. For further details, see "*Risk Factors – Our Order Book may not be representative of our future results and our actual income may be significantly less than the estimates reflected in our Order Book, which could adversely affect our results of operations***.**" on page 36.

As of March 31, 2024, our Company had an Order Book of ₹ 38,447.93 million and comprised 20 projects from our 9 clients, as provided below:

S. No.	**Client**	**Number of projects**	**Total Contract Value (₹ million)**	**Order Book Value (₹ million)**	**Percentage of Order Book (%)**
1.	NBCC	6	30,607.97	22,027.42	57.29
2.	NHAI	2	8,676.35	6,030.38	15.69
3.	South Western Railway	1	4,800.25	4,322.43	11.24
4.	South Central Railway	1	3,152.39	1,848.96	4.81
5.	Ministry of Health and Wellness, Mauritius	5	2,931.59	1,708.23	4.44
6.	Ministry of Arts and Cultural Heritage, Mauritius	1	1,089.41	1,083.22	2.82
7.	DGMAP	1	711.06	711.06	1.85
8.	CMRL	1	2,099.84	688.27	1.79
9.	MES	2	1,514.30	27.96	0.07
Total		**20**	**55, 583.17**	**38,447.93**	**100.00**

In addition to the above, as on the date of this DRHP, we have also received letter of award ("**LOA**") from two government and three private sector clients, for re-development of railway station, design and construction of multi model transit hub and construction of high-rise residential buildings, respectively, in Delhi – NCR region, for a total Contract Value of ₹ 16,042.21 million, which do not form part of our Order Book as on March 31, 2024.

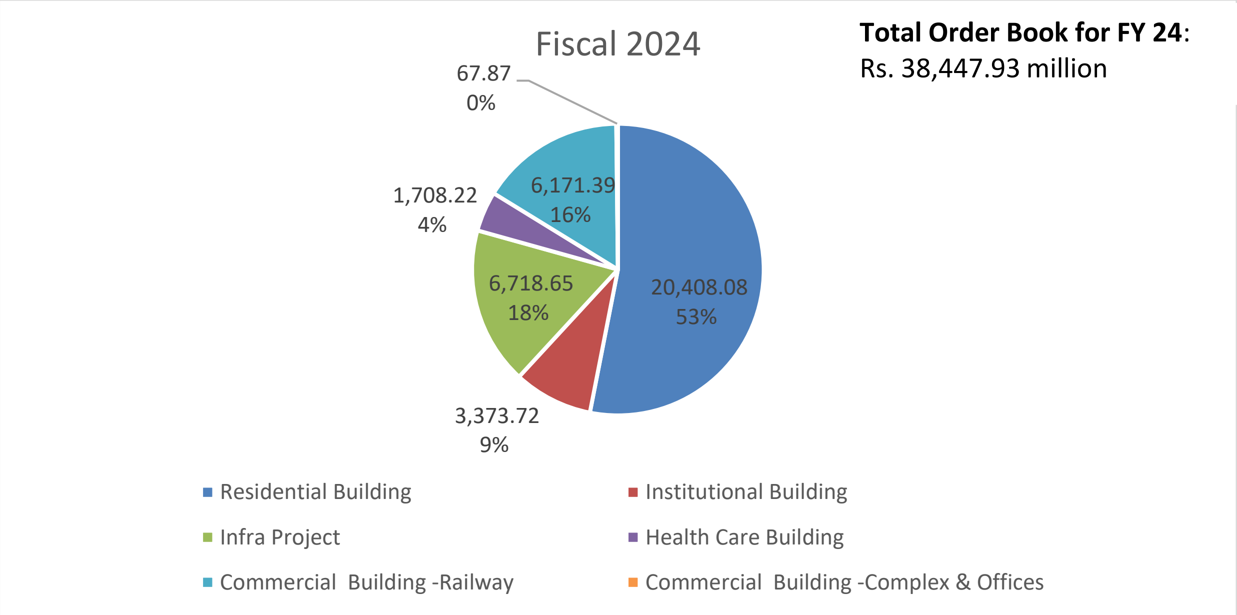
The following table sets forth the top five projects (in terms of Order Book value) that form a part of our Order Book as of March 31, 2024:

S. No.	**Name of Project**	**Total Contract Value (₹ million)**	**Order Book Value as on March 31, 2024 (₹ million)**	**Percentage of Order Book as on March 31, 2024 (%)**

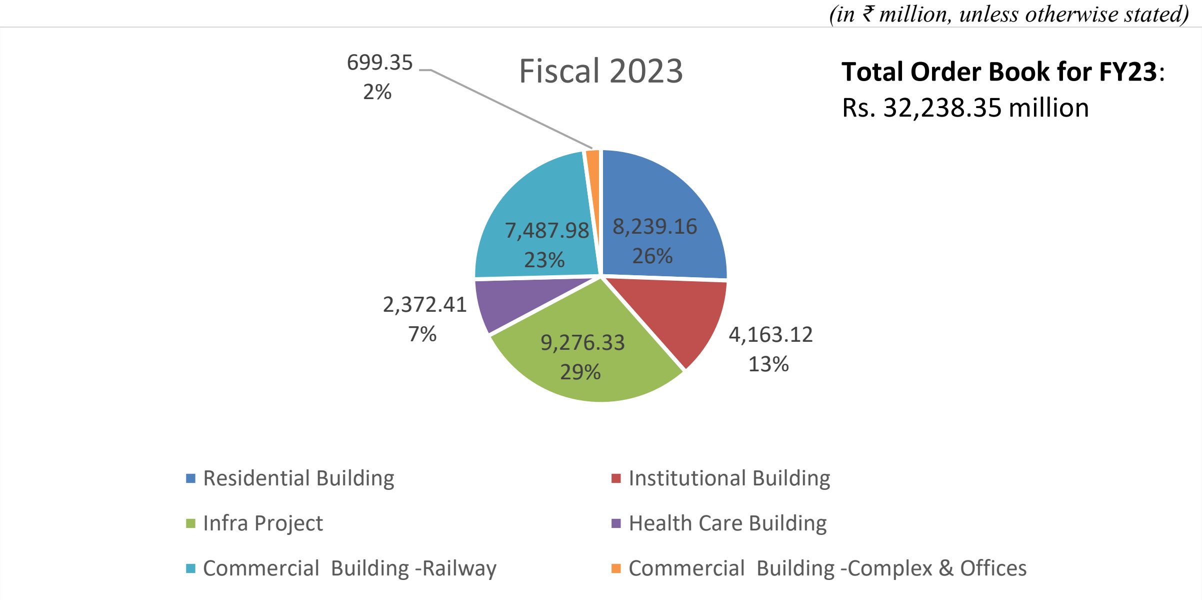
1.	Redevelopment of general pool residential accommodation colony at Sarojini Nagar, New Delhi, construction of type V quarters, community hall, including O&M for 5 years.	9,558.18	8,300.76	21.59
2.	Redevelopment of general pool residential accommodation colony at Sarojini Nagar, New Delhi, construction of type IV quarters, including O&M for 5 years.	8,699.41	8,088.51	21.04
3.	Development of 4/6 lane Mohali to Sirhind section of New NH- 205AG	8,012.20	5,366.23	13.96
4.	Development/ redevelopment of major upgradation of Bangalore Cantonment Railway Station	4,800.25	4,322.43	11.24
5.	Construction of national sports university including multipurpose sports hall, administration block, faculty residences and civic amenities	4,490.00	2,290.50	5.96
	Total	**35,560.04**	**28,368.43**	**73.79**

The following charts set forth our Order Book in terms of the contribution by our different project verticals, as on March 31, 2024, March 31, 2022 and March 31, 2022, respectively:

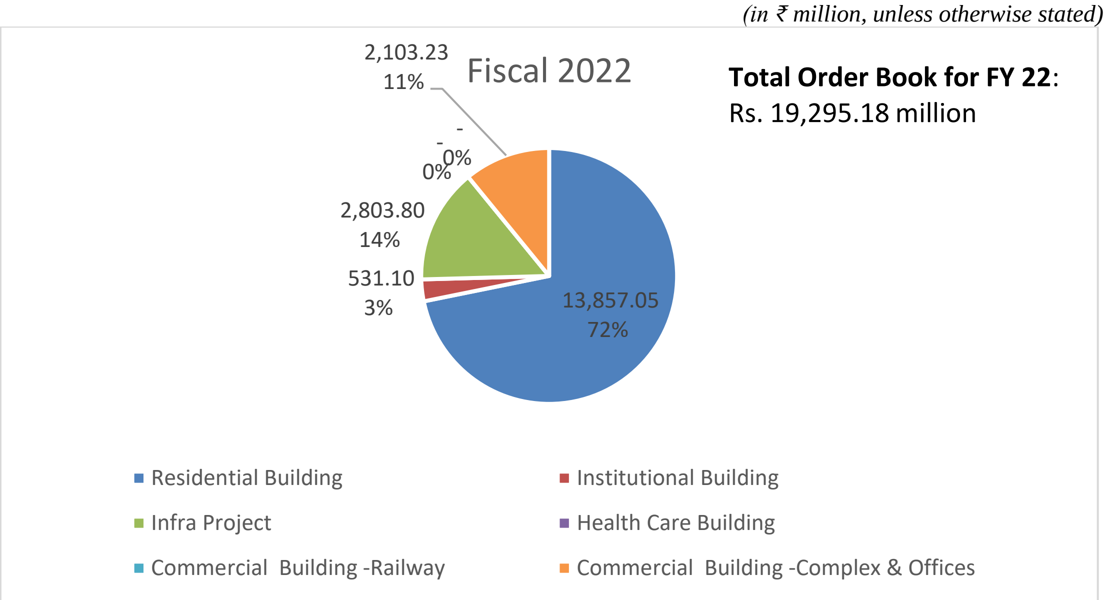
(in ₹ million, unless otherwise stated)



(in ₹ million, unless otherwise stated)



(in ₹ million, unless otherwise stated)



Our Joint ventures

We typically bid as a sole contractor for the projects, with full responsibility for the entire project, with sole discretion in execution of the projects, in accordance with our contracts with our clients. From time to time, on certain larger projects that require specific sector expertise, local knowledge or financial resources beyond what we have available, or when the tender documents (including request for proposal) of a particular project has some specific eligibility requirements or specifically requires to submit a joint bid and enter into a joint bidding agreement, we form joint ventures with other entities operating in the infrastructure and construction sector. While we have years of experience in bidding and execution of projects in the building construction projects, in order to expand our operations into specialised infrastructural projects such as construction of metro depot, we enter into joint ventures with other constructors who have certain experience and are established players in those respective sectors. For instance, we had entered into a joint venture with Altis Holding Corpoation for bidding and execution of the project for construction of a metro depot at Poonamalle, Chenai, which was awarded to us by CMRL in 2021 and is currently ongoing.

Our joint venture agreements are typically entered into for execution of a specific project and are terminated post execution of the projects or completion of defect liability period or O&M services post completion of the project, as applicable. For instance, six of our projects executed through our joint ventures, are completed as on date, however the joint venture is still subsisting since either the defect liability period is ongoing post completion or operation and maintenance (O&M) is underway for the respective projects. Typically, our joint venture agreements also provide for responsibilities of each of the member of the joint venture with respect to tendering, survey and construction activities, and the terms of profit sharing between us and them.

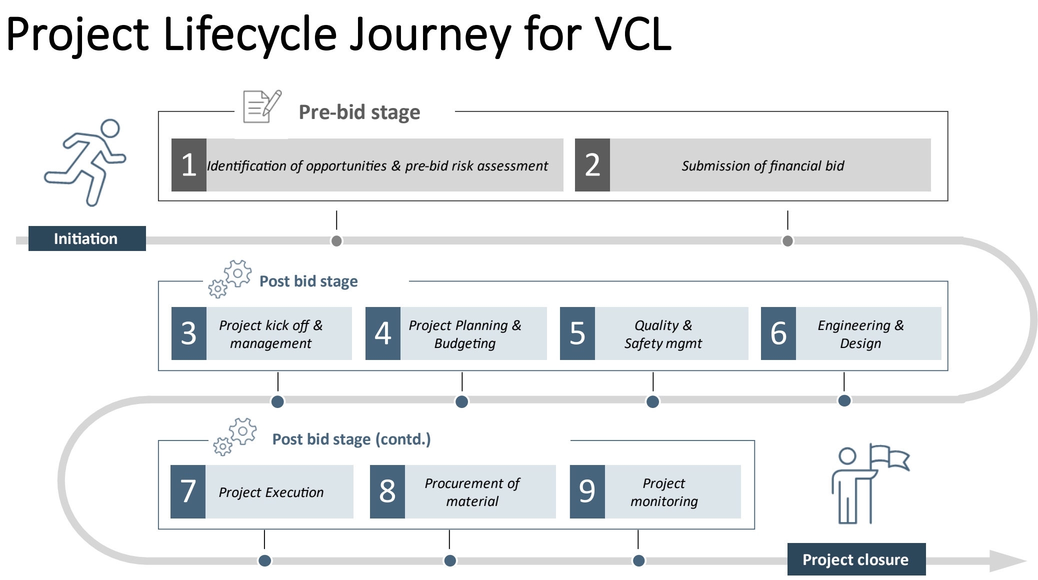
As on March 31, 2024, we have a total of nine joint ventures, which includes three joint ventures entered into for our three ongoing projects, namely (i) joint venture with Altis Holding Corporation for bidding and execution of the project for construction of a metro depot at Poonamalle, Chennai, which was awarded to us by CMRL in 2021; (ii) joint venture with M/s Vijai construction (India) Private Limited for bidding and execution of the project for development of 4/6 lane Mohali to Sirhind section of New NH- 205AG, which was awarded to us by NHAI, in 2022; and (iii) joint venture with SOM Projects Private Limited for construction of national archives and national library building at Reduit Triangle, Moka, Mauritius, which was awarded to us by Ministry of Arts and Cultural Heritage, Mauritius, in 2023. For more details regarding our joint ventures, please refer to "*History and Certain Other Matters - "Joint Ventures*" on page 329.

Operations and maintenance services

We do not enter into contracts with clients for specifically providing only operations and maintenance ("**O&M**") services for the projects. However, we do provide O&M services under some of our EPC contracts. We carry out the maintenance of the projects *inter alia* lighting, electrical, plumbing related work pursuant to the terms of the agreements. There are certain protocols, technical standards, inspection and safety standards to be adhered to during the course of the O&M period. As on March 31, 2024, our Company is providing O&M services in three of our completed projects.

Further, we will also provide O&M services under one of our key completed project namely, redevelopment of general pool residential accommodation colony - construction of a commercial building covering a plot area of 8,833.78 sq. metres, including landscaping and allied works on design and O&M services.at Sarojini Nagar, New Delhi, which was awarded by NBCC and got completed in 2024. Under this contract, we will provide the O&M services for a period of 2 years from the date of issue of taking over certificate by NBCC, for a total Contract Value of ₹ 1,895.30 million (including both construction and O&M services) which was completed in 2024.

PROJECT CYCLE



Pre-Bidding Stage

Identification of opportunities and pre-bid risk assessment

We enter into contracts primarily through a competitive bidding process. Our clients typically advertise potential projects on their websites and in leading national newspapers. We have a dedicated business development and tendering department for identification of such opportunities, and the pre-qualification and bidding criteria for such projects. Accordingly, our business development and tendering department track and review the opportunities by doing a regular review of the leading national newspapers and government websites to identify projects that could be potentially viable for us and shortlist the projects for which we meet the pre-qualification criterion. To assess the risks for the shortlisted projects, we have a comprehensive two-stages, namely pre-site survey and post-site survey, risk assessment process designed by our team, which encompasses over 50 different risk attributes including payment terms, project complexity, geographic location, resource availability, plant and machinery requirements. We calculate a comprehensive risk score on the basis of the two-stage risk assessment and decide on whether to bid for a particular project. The detailed assessment is then presented to our core team for their approval, basis which decide to bid for a particular project. While we endeavour to meet eligibility criteria for projects on our own, in the event we are unable to meet the criteria or if there is any requirement for joint bidding under any tender documents, we look to form project specific joint ventures with other qualified contractors and strengthen our chances of pre-qualifying and winning the bid for the project. Thereafter, we submit bids for the projects that have been identified.

Notices inviting bids may either involve pre-qualification, or short listing of contractors, or a post qualification process. Pre-qualification applications generally require us to submit details about our organizational set-up, financial parameters (such as turnover, net worth and profit and loss history), employee information, plant and equipment owned, portfolio of executed and ongoing projects and details in respect of litigations and arbitrations in which we are involved. In selecting contractors for major projects, clients generally limit the issue of tender to contractors they have pre-qualified based on several criteria, including experience, technical ability and performance, reputation for quality, safety record, financial strength, bidding capacity and size of previous contracts in similar projects. Further, certain clients also follow a quality and cost based selection, wherein the client give weightage to technical and financial parameters, and assign scores to each of such parameter of the contractor and in turn, select the contractor basis the evaluation of the total score earned by such contractor, in terms of the bid document. However, price competitiveness still is a significant selection criterion.

Submission of financial bid

After we pre-qualify for a bid, we are required to submit a financial bid. In order to submit a financial bid, our Company conducts an in-depth study of the proposed project, which *inter alia* includes, (i) study of the technical and commercial conditions and requirements of the project; (ii) a site visit to determine the site conditions by studying the terrain and access to the site; (iii) local market survey to determine availability and prices of key construction material, labour, and specialist sub-contractors, as the need may arise; and (iv) analysis of the incidence and rates of local taxes and levies (if any) at the project site. Further, the tender department invites quotations from vendors, sub-contractors and specialist agencies for various items or activities in respect of the tender, from whom we procure raw materials, or other required items, on a purchase order basis. This, in addition to the information gathered from the local market survey, is utilized to arrive at the cost of items in the bill of quantities ("**BOQ**"). This estimate is then marked-up to arrive at the selling price to the client. The basis of determination of the mark-up is based on overheads, expenditure and profitability benchmark as per our policies. To mitigate the volatility of raw material prices and unforeseen circumstances in projects spanning over two years, we generally have price escalation clauses into our contracts with our clients. This measure safeguards against financial losses resulting from fluctuating material costs, thereby enhancing project feasibility and financial sustainability.

Post-Bidding Stage

Post submission of the bids, the L1 bidder is declared by the client after the bid opening, pursuant to which a letter of award is issued by client and a construction contract is entered into with the client for the respective project. We provide engineering and design services, as per the requirements of the clients, for the projects we undertake. In such projects, the client typically provides scope of the project and specifications, based on which, we are required to provide detailed project plans, structural/architectural designs for the conceptual requirements of the client.

Project kick off and management

We kick-off the project with the development of a detailed mobilization plan outlining the allocation of personnel, equipment, materials, quality lab mobilization, staff and labour mobilization, plant and machinery, site barricading and fencing work and labour hutment establishment, required for the project. The project team consisting of among others, the project managers, engineers, supervisors and support staff, is assembled. We initiate our project site-set up activities and start with the 3M mobilisation plan (man, material and machinery).

Project planning and budgeting

We have a dedicated and experienced central planning team to carry out initial planning, budgeting and scheduling as well as to coordinate with the client for all project related activities. Based on the contract documents handed over by the tendering department, a detailed schedule of construction activities is prepared. A baseline budget is prepared against which all the progress is monitored. Budgeted quantities and schedules are fed into SAP S/4 HANA system that help us in effective project monitoring. The central planning team is supported by all the departments that are involved in the planning of a project, namely, design and engineering, procurement, quality control, logistics as well as our on-site teams.

Quality and safety management

We maintain stringent quality and safety standards at all stages of our project. Our aim is to reduce cost and cycle times through effective and efficient use of resources. We have a team of engineers and professionals responsible for ensuring quality and safety standards. In executing the projects, we monitor and test all materials for conformity, track non- conformities and make rectifications. Further, while we enter into agreements with sub-contractors for the purpose of executing certain specific parts of our projects such as water proofing, lift fitting, flooring, we do not subcontract the main portion of our projects, mitigating risks associated with compromised quality and reliance on third-party performance. This allows us to maintain direct control over project execution, ensuring adherence to quality standards and minimizing potential disruptions. Also, we have dedicated project safety teams headed by a corporate safety head, and we train all the site staff on safety and best practices to be followed while carrying out execution works. The team uses various digital tools like BIM, SAP S/4 HANA and MS project for planning and scheduling of our projects.

Engineering and design

We have a dedicated in-house design team for design optimization and review of design drawings prepared by our dedicated outsourced design partners. At the pre-bidding stage, the engineering and design team prepares a basic design to facilitate preparation of estimates of quantities of key materials that will be required for construction of the project. Upon the award of a project, the engineering and design team plan and co-ordinate to work towards the efficient completion of the design elements of the project with other departments of our Company. Once the pre-design activities such as surveys and site investigation are carried out, the engineering and design team prepares a quality assurance plan for detailed design and planning, based on our arrangement with them and the terms of the contract with the client as well as the result of the surveys carried out. The final detailing and designing is created by the designers and engineers in coordination with other departments of our Company responsible for execution of the particular project, for maintenance of quality and timely execution of the project.

Project execution

We employ dedicated manpower to carry out specific execution activities under the supervision of project head. Additionally, the senior management of our Company follow a hands-on approach with respect to the project execution. Our directors and promoters personally engage with each project, visiting sites frequently. By maintaining direct involvement, we ensure adherence to timelines, quality standards, and effective risk management practices throughout the project lifecycle. Each project site has a site billing team, planning team and project head who are responsible for preparing monthly plans dispatching periodic invoices to the clients and overall project execution. Joint measurements with the client’s representative are taken on a periodic basis and interim invoices prepared on the basis of such measurements are sent to the client for certification and release of interim payments. The site billing team and project head are also responsible for certifying the bills prepared by our vendors and sub-contractors for particular projects and forwarding the same to our head office for further processing.

Procurement of Raw materials

Once the client approves working designs and issues drawings, our project management team immediately identifies and works with the SCM department to procure the key construction materials and services required to commence construction. The material, services and equipment required for projects are estimated by the engineering personnel from the individual project sites. Our central procurement team based at our Corporate Office handles the procurement of all materials and engineering items like cement, reinforcement steel, structural steel, aggregates, mechanical, electrical and plumbing items, special window and door frames. The raw material requirement from all the project sites is consolidated in our SAP S/4 HANA system and basis that our SCM team procure the raw materials. The quantities and specifications are vetted/verified by the central planning team.

Project Monitoring

We have a dedicated central project monitoring group ("**PMG**"), which tracks and monitors the progress of the projects on a daily, weekly and monthly basis. The team is responsible for benchmarking and adopting best practices across projects, to ensure that the material and resource requirements are met in a timely manner at all the sites, track and prevent cost overruns, ensure that all contractual conditions are adhered to, carry out variance analysis against the budget and conduct periodic reviews with the Promoters and senior management of our Company. The PMG team carries out monthly site visits to assess the first-hand position on the site progress. Our PMG team has consolidated key project KPIs on a single dashboard for effective and time efficient reviews by the top management.

Project closure

Upon completion of construction of a project, typically an independent engineer appointed for the project certifies the work completed and a completion certificate is issued by the client. Depending on the scope of work for a project, maintenance may be required to be carried out by us upon completion of construction. The retention money, which is typically 5.00 % of the Contract Value, is returned by the client upon completion of the defect liability period.

Equipment

Equipment asset management is a critical element of timely delivery of quality infrastructure development and construction projects. We have consistently invested in fleets of modern construction equipment through our dedicated departments for plant and machinery and procurement which are responsible for identifying the need to procure or hire, deploy, maintain and monitor the plant, equipment and accessories. We own a large fleet of modern construction equipment which enables us to reduce our dependence on third party equipment providers and to efficiently manage our project execution schedules. We believe that this also provides us with a competitive advantage over other construction companies that outsource their construction related activities to external contractors and improve our profitability.

We own all the major construction equipment, whether it being a earthmoving equipment (such as excavator, motor grader, skid steer loader and vibratory soil compactor), lifting equipment (such as external tower crane, self-load crane, passenger hoist twin cage and telehandler), transportation equipment (such as self loading mixer, dumper/tipper, transit mixer), laying equipment (such as concrete pump stationary, sensor paver bitumen, vibratory tandem roller and boom placer mobile), production equipment (such as batching plant and hot mix plant), special class equipment (such as rotary piling rig, sand washing plant and water chilling plant) or aluminum shuttering or minor equipment (such as reverse osmosis plant and marble cutter) that are used in the execution of our projects. We also have over 90,000 sq. metres of aluminium formwork available across our project sites as on the date of this DRHP. Our equipment fleet consists of certain key construction equipment which are supplied by some world class suppliers. For instance, we have procured, laying equipment such as tower crane from Ace Construction Equipment Limited, Buildcon Equipment has supplied concrete batching mixing plant to us and we have procured hydraulic excavator of Tata Hitachi. We strive to acquire equipment of the same class and same brand to facilitate the training of operators and help reduce equipment down time and maintenance cost. With multiple projects in progress at any given time, ready access to such equipment is essential to our ability to execute existing projects on time and bid for additional projects. As of March 31, 2024, our Company owned over 945 construction equipment and vehicles such as piling rig, excavators, loaders, dozers, hot mix plant, and transportation vehicles. Further, as of March 31, 2024, the aggregate gross block value of our Company's property, plants and equipment was ₹ 1,961.86 million. In the Fiscal 2024, our Company had spent ₹ 757.01 million, while we spent ₹ 575.05 million in Fiscal 2023 and ₹ 43.80 million in Fiscal 2022 on purchase of plant and equipment.

We are able to dispatch our construction vehicles or machinery to worksites where they can be utilized at an efficient level without delay. We have also implemented certain systems which helps us in digitally tracking our equipment. Most of our equipment are fitted with on-line tracking technology such as GPS tracking devices and diagnostic tools which keeps us updated on productivity, cost effectiveness, fuel consumption and idling and other operational details GPS tracking devices control our logistics and ensure efficient tracking of vehicles from refineries, factories and client sites. This also ensures that the exact movement of vehicles is tracked thereby reducing any changes or pilferage in products being transported ensuring that the quality of our services is maintained. We have also implemented MOBA, which is a digital site management system, through which we monitor and improve utilisation and operational efficiency of our equipment and operators, by keeping a track of the fuel consumption and pilferages and keeping a check on any unauthorised fuel dispensing. With high control and availability of our construction equipment, we can take measures to use and maintain our equipment to improve our efficiency and profitability and decide the use of our equipment pursuant to the needs of our projects through self-diagnostic systems We currently work with SAP plant and maintenance module to track and monitor the efficiency of our equipment. Further, owned equipment also provides us with flexibility in managing any change in scheduled timeline or scope of work in our project without incurring additional rental expense, since we can utilize the equipment as per our requirements without any third party vendor interference.

To ensure high quality, low cost and timely completion of projects, we have in-house workshops and repair and maintenance teams, which carries out scheduled preventive maintenance, breakdown maintenance, regular proactive maintenance and other activities. We have also established our own repair and maintenance workshop to upkeep our equipment, which also results in quick turnaround time in case of any breakdown or major overhaul of our equipment. Further, we also deploy mechanics, electricians, engineers and other technicians at our project sites, for thorough check and maintenance of our various equipment running at our project sites.

In addition, from time to time, we also rent the equipment on the basis of our requirement from local players for a specified duration. As on March 31, 2024, we have rented a total of 23 equipment including cranes, hydra and grader, as per our requirement. Our rental expense for the Fiscal 2024, Fiscal 2023 and Fiscal 2022 was ₹ 22.91 million, ₹ 18.72 million and ₹ 22.58 million which constituted 0.16 %, 0.18 % and 0.23 % respectively, of our revenue from operations.

Summary of our construction contracts

Generally, construction contracts that we have entered into in the past fall within the following categories:

- *Design and Build Contracts* – Design and build contracts also known as 'EPC contracts', provide for a single price for the total amount of work, subject to variations pursuant to changes in the client's project requirements. In design and build contracts, the client supplies conceptual information pertaining to the project and spells out the project requirements and specifications. We are required to (i) design the proposed structure, (ii) estimate the quantities of various items that would be needed to complete the project based on the designs and drawings prepared by our design and engineering team, and (iii) prepare our own BOQ to arrive at the price to be quoted. We are responsible for the execution of all aspects of the project based on the above at our quoted price. Some of our projects wherein we have entered into design and build contracts include construction of national sports university at Imphal, Manipur, as well as construction of commercial tower at Sarojini Nagar, New Delhi.

- *Item Rate Contracts* – These contracts are also known as unit-price contracts or BOQ contracts. For item rate contracts, we are required to quote rates for individual items of work on the basis of a schedule of quantities furnished by our client. The design and drawings are provided by the client. Item rate contracts typically contain price variation or escalation clauses that provide for either reimbursement by the client in the event of a variation in the prices of key materials or a formula that splits the contract into pre-defined components for materials, labour and fuel and links the escalation in amounts payable by the client. We had entered into the item rate contract with the client in relation to our projects for, inter alia, construction of metro depot at Poonamalle, Chennai, and construction of social housing units at Mare Tabac and Dagotiere, Mauritius.

- *Lump Sum Contracts*– Lump-sum contracts provide for a single price for the total amount of work, subject to variations pursuant to changes in the client's project requirements. In lump-sum contracts, the client supplies all the information relating to the project, such as specifications, designs and drawings. Based on such information, we are required to estimate the quantities of various items and the amount of work that would be needed to complete the project, and then prepare our own BOQ to arrive at the price to be quoted. We are responsible for the execution of the project based on the information provided and technical stipulations laid down by the client at our quoted price. Escalation clauses might exist in some cases to cover, at least partially, cost overruns. Amongst others, we had our aircraft hangar project at Hasimara and Chabua air force stations was executed through a lump sum contract with our client.

The below table provides our revenue from operations of each type of contract during Fiscal 2024, Fiscal 2023 and Fiscal 2022:

(in ₹ million, unless otherwise stated)

Type of contact	**Fiscal 2024**	**As % of total revenue from operations**	**Fiscal 2023**	**As % of total revenue from operations**	**Fiscal 2022**	**As % of total revenue from operations**
Design and build contract	9,555.20	68.80%	6,919.22	65.99%	7,158.24	71.99%
Item rate contract	2,419.59	17.42%	1,871.72	17.85%	1,823.78	18.34%
Lumpsum contract	1,914.49	13.78%	1,694.58	16.16%	961.27	9.67%
Total	**13,889.28**	**100.00%**	**10,485.52**	**100.00%**	**9,943.29**	**100.00%**

As a part of our EPC services, we are primarily responsible for undertaking functions including the survey, investigation, design, engineering, procurement, construction, operation and maintenance of the concerned project and observe, fulfil, comply with and perform all the obligations set out in the contract or arising thereunder, including but not limited to compliance with applicable laws and permits, good industry practice, remedy of all loss or damage to the project during the maintenance period at its own cost, undertake necessary superintendence to plan, arrange, direct, manage, inspect and test the project works and make applications to the relevant government authorities to procure the relevant licenses, agreements, permits, proprietary rights and permissions for materials, methods, processes, know-how and systems used or incorporated in the project.

The implementation of all design, engineering, procurement and construction efforts is subject to compliance with the specifications and standards, and other terms and conditions of the relevant agreements. In such agreements, the client supplies conceptual information pertaining to the project and spells out the project requirements and specifications. We are required to *inter alia* design all elements of the project, estimate the quantities of various items that would be needed to complete the project based on the designs and drawings prepared by our design and engineering team.

We are usually required to indemnify the relevant client and its members, officers and employees against all suits, actions, proceedings, demands, claims from third parties, liabilities, damages, losses, costs and expenses due to failure on our part to perform our obligations or any negligence on our part under the contract. Further, under some of our EPC contracts, our clients may make an interest-bearing advance payment equal in amount to typically 10% of the contract price, exclusively for mobilisation expenses in one or two instalments, which is subsequently recovered from us, in accordance with the terms of the EPC contract.

We are usually required to provide a performance guarantee equal to a fixed percentage of the Contract Value, typically ranging from 3.00% to 5.00%, as the performance security which are kept valid till the defect liability period, for a period of ranging up to three to five years. Also, additional bank guarantees are required to be submitted when bids are below a specified percentage of the estimated cost. Earnest money in the form of bank guarantee or bid bond is submitted along with the bids.

We are usually required to procure insurance in relation to the employees employed for the execution of the works under the contract as well as necessary insurances for the execution of the project, as may be required under the contract. Typically, we are required to procure third party liability insurance and plant and equipment insurance as may be stipulated under the contract. For further details in relation to our insurance policies, please see "- *Insurance*" on page 313.

Additionally, during the construction period as well as the maintenance or defect liability period after the completion of construction, we are usually required to cure construction defects at our own risk and costs and may be required to provide separate performance security upon the request of the employer. We are usually responsible for curing the defects during the defect liability period, which is usually for a period of 1 to 5 years after completion of work. Further, in certain contracts wherein we also provide operation and maintenance services, during the maintenance period, which is typically for a period of 2 to 5 years after completion of work, a failure to repair or rectify defects or deficiency within the prescribed period entitles the relevant client to reduce the monthly lump sum amounts payable for maintenance. We are also required to pay liquidated damages or penalties for delays in completion of project milestones, which are often specified as a [fixed percentage of the contract price]. Our clients are entitled to deduct the amount of damages from the payments due to us.

Collaborations

We currently do not have any technical or other collaboration, however, our Company, from time to time, enters into project specific joint ventures for the purpose of bidding and execution of projects. For further information on our Joint Ventures, please see "*Our Business-Joint Ventures*" on page 303 and "*History and Certain Other Matters- Joint Ventures*" on page no. 326. Further, we also work with certain third-party design consultants, architects, and safety auditors for our projects across various sectors, including railway stations, hospitals, sports complexes, and other large scale infrastructure projects.

Human Resources

As of March 31, 2024, we had 1,810 permanent employees across various departments such as stores, projects, procurement, planning, quality, plant and machinery, administration, drivers, engineers. We undertake selective and need-based recruitment every year to maintain the size of our workforce, which may otherwise decline as a result of attrition and the retirement of employees. Our personnel policies are aimed towards recruiting the talent that we need, facilitating the integration of our employees into the Company and encouraging the development of skills in order to support our performance and the growth of our operations. The following table sets forth number of full-time permanent employees of our Company by function as of March 31, 2024, 2023 and 2022:

Function	**As of March 31,**		
	2024	**2023**	**2022**
Administration	68	49	31
Contracts	4	5	4
Corporate affairs	2	-	-
Design	2	-	-
Finance and accounting	48	36	29
Human resource	20	15	7
Health, safety and environment	181	144	94
Information technology and systems	6	8	6
Mechanical, electrical and plumbing	152	125	101
Planning	37	16	6
Plant and machinery	673	412	338
Procurement	19	16	13
Projects	455	395	291
Quality	57	46	30
Stores	74	63	52
Tendering	8	7	8
Management	4	4	4
Total	**1,810**	**1,341**	**1,014**

In addition to this, we also hire contractual labour, not on our payroll, at our construction sites, based on our requirement from time-to-time. which saves us the hassle of dealing with the labour on day-to-day basis and helps us to get labour as per our requirement. We hire contract laborers depending on various factors like the location, size, duration, of the project and have several contractors providing skilled and unskilled labour at competitive prices.

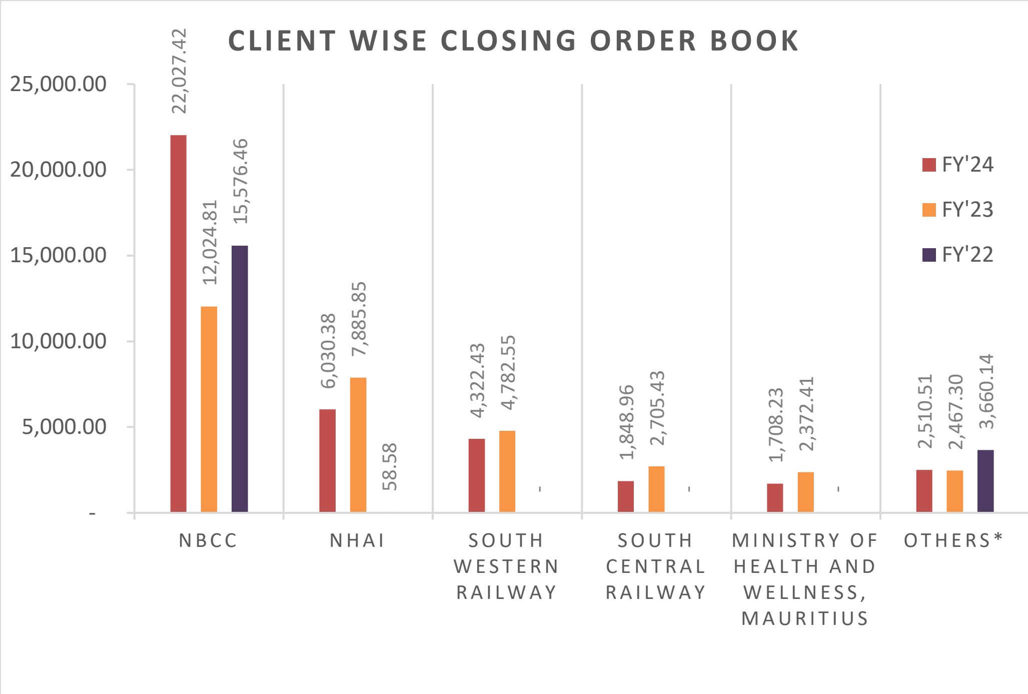
We are embarked on the journey of transforming the working culture at our organization. Our primary objectives are to provide training opportunity to our employees to align our business needs, enhancement of skill of our workforce, keeping our employees updated to the technological advancements, providing opportunities to our employees to improve their performance and also focus on their individual growth and development. For this purpose, we have undertaken several initiatives for our employees including workplace diagnostic surveys at all levels, design of organization structure, performance management process and building the rewards and benefits philosophy across the organization by way of long term incentives and employee stock options. We have also conducted testing and certification training for the development of our employees at some of our project sites through the construction industry development council (CIDC) covering 280 of our employees. Further, we have designed a learning and development framework with primary focus on skill enhancement through our workforce centric activities including training programs and seminars. By promoting such activities, our purpose is to ensure that we lay down guidelines for conduct of our operations and encourage a learning culture providing learning and development opportunities to our employees at regular intervals.

Clients

Our clients comprise of agencies affiliated with the central government such NBCC, MES and CMRL, as well as government clients outside India such as Ministry of Health and Wellness, Mauritius and Ministry of Arts and Cultural Heritage, Mauritius, as well as private sector clients such as Delhi Public School. As on March 31, 2024, our Company had an Order Book of ₹ 38,447.93 million which comprised of 20 projects from our 9 clients.

The following graphical representation sets forth our client wise Order Book for the Fiscal Year 2024, Fiscal Year 2023 and Fiscal Year 2022:

(in ₹ million, unless otherwise stated)



**Other clients include Ministry of Arts and Cultural Heritage, Mauritius, DGMAP, Chennai Metro Rail Limited, MES, UPRNNL, U P State Industrial Development Co. and NPCIL.*

The following table sets forth a breakdown of revenue from our top 10 clients along with their revenue contribution, for Fiscal Year 2024:

Sr. No.	**Name of the top 10 clients**	**For Fiscal Year ended March 31, 2024**	
		Revenue contribution *(in ₹ million)*	**% of total revenue of operation of our Company** *(in %)*
1.	NBCC	7,768.16	55.93%
2.	NHAI	2,200.83	15.85%
3.	Indian Railway	1,121.02	8.07%
4.	Ministry of Health and Wellness, Mauritius	1,100.32	7.92%
5.	MES	594.48	4.28%
6.	CMRL	580.15	4.18%
7.	UPRNNL	292.46	2.11%
8.	DDA	149.68	1.08%
9.	NPCIL	65.48	0.47%
10.	U P State Industrial Development Co.	13.92	0.10%
	Total	**13,886.50**	**99.99%**

The following table sets forth a breakdown of revenue from our top 10 clients along with their revenue contribution, for Fiscal Year 2023:

Sr. no.	Name of the top 10 clients	For Fiscal Year ended March 31, 2023	
		Revenue contribution *(in ₹ million)*	**% of total revenue of operation of our Company** *(in %)*
1.	NBCC	7,899.72	75.34%
2.	CMRL	814.40	7.77%
3.	MES	532.32	5.08%
4.	Indian Railway	399.79	3.81%
5.	NHAI	277.08	2.64%
6.	UPRNNL	166.21	1.59%
7.	NPCIL	154.04	1.47%
8.	Ministry of Health and Wellness, Mauritius	137.26	1.31%
9.	U P State Industrial Development Co.	96.79	0.92%
10.	DDA	4.91	0.05%
	Total	**10,482.52**	**99.98%**

The following table sets forth a breakdown of revenue from our top 10 clients along with their revenue contribution, for Fiscal Year 2022:

Sr. no.	Name of the top 10 clients	For Fiscal Year ended March 31, 2022	
		Revenue contribution *(in ₹ million)*	**% of total revenue of operation of our Company** *(in %)*
1.	NBCC	5,140.01	51.70%
2.	NHAI	2,668.23	26.84%
3.	MES	1,235.37	12.42%
4.	U P State Industrial Development Co.	483.43	4.86%
5.	UPRNNL	214.18	2.15%
6.	NPCIL	153.12	1.54%
7.	Chennai Metro Rail Limited	20.09	0.20%
8.	DDA	15.70	0.16%
9.	Madhya Pradesh Plastic City Development Corporation	13.15	0.13%
10.	-	-	-
	Total	**9,943.29**	**100.00%**

Information Technology

Our resources, personnel, equipment and finances are efficiently and optimally utilized through the use of management information systems and tools. As part of our commitment to continuous improvement and value creation, we have undertaken significant digitization initiatives that position us for sustainable growth. We have implemented BIM for project progress tracking, design clash detection, service integration, and to improve collaboration, accuracy, and efficiency in our construction projects. We have also adopted SAP S/4 HANA system across all our project sites and our offices and departments for billing process, budgeting, finance, procuring raw material and equipment, human resource and maintenance. covering every stage of our project from bidding to completion of a project and finally to the completion of the concession period for a project. We have a robust Document Management System (DMS) to enhance and ensure compliance and improve workforce efficiency. We have also implemented MOBA, which is a digital site management system, through which we monitor and improve utilisation and operational efficiency of our equipment and operators, by keeping a track of the fuel consumption and pilferages and keeping a check on any unauthorised fuel dispensing.

Our project sites are also under CCTV surveillance to monitor and control the work on such projects and to avoid thefts and loss of material from the stores. The use of such digital tools and software, enable us to complete our projects faster by providing a shared platform for all parties such as engineers, contractors, architects, and reducing communication gap and promoting effective resource allocation. We have also implemented and are in process of implementing certain systems which helps us in the digitisation and automation of our work, such as IT enabled weigh bridge system and tools and plants systems which helps us in digitally tracking our equipment, purchases digitisation, and document management system for various departments of the Company. Prioritizing the security of our digital assets, we have implemented advanced cybersecurity protocols, safeguarding our data against potential threats.

Intellectual Property

We have filed nine trademark applications under classes 36, 37 and 42 for registration of device and word mark under the Trademarks Act and have made two copyright registration applications including an application for copyright registration of our name "VARINDERA CONSTRUCTIONS LIMITED", under the Copyright Act, 1957, which are yet to be received. For more details, please see '*Government and other approvals*' at page 482.

Insurance

We maintain a number of insurance policies to cover different risks related to our projects in accordance with the terms of our agreements and best industry practices. Our insurance policies include equipment insurance policies such as commercial goods carrying vehicle policy, motor vehicles policy, contractors plant and machinery insurance policy, as well as contractor's all risk insurance policies for our certain ongoing projects, as well as, other insurance policies such as mediclaim insurance policy and director and officers liability insurance policy. In addition to this, we also procure insurance policies for our properties. Furthermore, these insurance policies insure us against all foreseen hazards that may cause injury and loss of life, damage and destruction of property, equipment and environmental damage. However, our insurance coverage may not adequately protect us against all material hazards as the policies may not be sufficient to cover all our economic losses. For further details, see "*Risk Factors - We may be exposed to liabilities arising from defects or faults during construction and risks of accidents that could cause damage or loss to life and property which may adversely affect our business, financial condition, results of operations and prospects.*" on page 43.

Health, Safety and Environment

We are committed to globally accepted best practices and compliance with applicable health, safety and environmental legislation and other requirements in our operations. We adhere to various quality standards such as ISO 9001:2015, and ISO 14001:2015, ISO 45001:2018 for quality, environmental and occupational health and safety management systems, which provides an assurance to our clients on the quality of the projects executed by us. Our Corporate Office has been certified as a 4 star rated office under simple versatile affordable green rating for integrated habitat assessment (SVAGRIHA) from green rating for integrated habitat assessment ("**GRIHA**") council and the energy and resource institute, and in 2017, we also received the certificate of appreciation from UNDP India, for demonstrating compliance with energy conservation building code in our Corporate Office. We comply in all material respects with applicable occupational health and safety laws, regulations and other contractual requirements relevant to the health and safety of employees and subcontractors at our project sites and manufacturing facilities. In 2019, we completed the construction of Delhi Public School Building in Greater Noida, Uttar Pradesh, which was constructed to get GRIHA 4-star rating from GRIHA council. In addition to this, as on the date of this DRHP, nine of our ongoing projects are being undertaken in accordance with the certification requirements of GRIHA and leadership in energy and environmental design ("**LEED**") or Indian green building council ("**IGBC**") as per the green energy building rating system. We have weekly safety meetings, monthly inspections and safety training sessions for our employees. We have developed a robust hazard reporting system, and we encourage our workers to proactively report unsafe acts and unsafe conditions at our project sites. Further, we also organize periodic health check-up camps across our project sites to ensure workers are in good health condition. We also hire third party safety consultants to carry out safety audits across our project sites and offices.

We are dedicated to integrating environmental, social, and governance ("**ESG**") best practices into our business and ensuring a sustainable and responsible approach to our operations. For instance, we regularly conduct dust suppressant processes on public roads, and also conduct regular fumigation processes being carried out to control mosquitoes and insects, around our project sites. We also use anti smoke guns and cover dusty and loose soil stacking yard with green mess, to mitigate air pollution. Further, we use digital tools like BIM, which plays a critical role in fostering sustainable development. For instance, it provides insights and data, which helps us to anticipate and mitigate potential environmental risks in the project, and in turn makes our projects environmental friendly and sustainable.

Additionally, pursuant to the construction contracts entered into by us, the necessary approvals and environmental clearances for the construction of the project in India, are procured by us. We incur expenditures to maintain compliance with current and future environmental, health and safety laws and regulations, including obtaining appropriate operating permits, licenses and approvals that are necessary for our business operations. We monitor and assess compliance issues in connection with our operations and undertake mock drills and other safety orientation programmes to create awareness and promote a safe working environment.

Competition

The EPC industry in India is very competitive. We operate in a competitive atmosphere where we face competition from other EPC companies with a revenue range as ours and offering a similar product portfolio with key focus in EPC in building construction. Our competition depends on various factors, such as the type of project, order book, order inflow, potential margins, geographic presence, complexity, location of the project and risks relating to revenue generation. While service quality, technical ability, performance record, experience, health and safety records and the availability of skilled personnel are key factors in client decisions among competitors, price often is the deciding factor in most tender awards.

While we believe our main competitors are Ahluwalia Contracts India Limited, Capacit'e Infraprojects Limited, NCC Limited, and PSP Projects Limited. (*Source: CRISIL Report*). However, we may also face competition from other market players as well.

Corporate Social Responsibility

Our Company has adopted a Corporate Social Responsibility ("**CSR**") policy and our CSR activities are administered by the CSR Committee. We demonstrate our commitment towards our community by committing our resources and energies to social development and have aligned our CSR programs with the legal requirements. Our Company has also incorporated VCL Foundation for the purpose of achieving its main objective of overall sustainable social responsibility. As per of our CSR initiatives we have provided financial assistance to various charitable trusts including Prabhandh Samiti Adarsh Vidya Mandir, Jodhpur which works towards education of underprivileged children, Rajasthan Vikas Sansthan, Dribble academy foundation and PM Cares fund (Covid relief fund). Our spends towards our CSR activities in Fiscals 2024, 2023 and 2022 was ₹ 15.89 million, ₹ 10.59 million and ₹ 2.15 million, respectively.

Property

Our Registered Office situated at 6th Floor, Office No. 613, Plot No. 4, Vishwadeep Tower, District Centre, Janakpuri, New Delhi, India, 110058, which we have leased pursuant to a lease agreement dated July 16, 2024, for a period of 11 months. Our Corporate office is situated at Plot no. 65, Sector -18, Urban Estate, Gurgaon, Haryana, 122001 and is owned by us pursuant to a sale deed dated June 24, 2015. Additionally, our clients provide us spaces on our project sites to set-up site offices basis the requirements of the projects, storage of raw materials and placement of machinery and equipment as well as camp sites, as required at the construction sites from time to time. In addition to our Corporate Office, we also own two properties in Gurugram, Haryana and one property in New Delhi.

KEY REGULATIONS AND POLICIES

The following is a brief overview of certain key laws, regulations, and policies in India, which are applicable to our Company and the business and operations undertaken by our Company. The information detailed below has been obtained from various legislations, including rules, regulations, guidelines, and circulars promulgated and issued by regulatory bodies that are available in the public domain. The overview and description set out below is not exhaustive and is only intended to provide general information, and is neither designed, nor intended, to be a substitute for professional legal advice. The statements below are based on the current provisions of Indian law, which are subject to change or modification by subsequent legislative, regulatory, administrative, or judicial decisions. For details of the government approvals and licenses obtained by our Company, see "Government and Other Approvals" beginning on page 482.

Key industry specific regulations

Laws in relation to the Business and Operations of the Highways

The regulatory framework governing India's highways sector primarily stems from the primary legislations of the National Highways Authority of India Act, 1988 (the "**NHAI Act**"), and the National Highways Act, 1956 (the "NH Act"), promulgated by the Indian parliament, each as amended or supplemented.

National Highways Act, 1956

The Central Government holds the power to designate national highways and acquire land for this purpose. Through official notification, the Government can declare its intention to acquire land for a 'public purpose' as defined by the law, utilizing it for the construction, maintenance, management, and operation of national highways across the country. The NH Act lays out the procedure for land acquisition, including declaring intent, conducting land surveys, holding objection hearings, making acquisition declarations, and taking possession. Compensation is provided to affected landowners and individuals in accordance with the NH Act.

Under the NH Act, the Ministry of Road Transport and Highways of India is authorized to appoint a competent authority for the effective implementation of the Act and its policies. The said appointed authority retains the right and power to (a) survey, make any inspection, valuation or enquiry; (b) take levels; (c) dig or bore into sub- soil; (d) set out boundaries and intended lines of work; (e) mark such levels, boundaries and lines placing marks and cutting trenches; or (f) do such other acts or things as may be laid down by rules made in this behalf by that government.

The Central Government may also enter into an agreement with any person (being, either an individual, a partnership firm, a company, a joint venture, a consortium or any other form of legal entity, Indian or foreign, capable of financing from own resources or funds raised from financial institutions, banks or open market) in relation to the development and maintenance of the whole or any part of a 'National Highway'. Such agreement may provide for designing and building a project and operating and maintaining it, collecting fees from users during an agreed period, which period together with construction period is usually referred to as the 'concession period'/'construction period'. Upon expiry of the 'concession period'/'construction period', the right of the person to collect fees at such rates as notified by the Central Government(in case of DBFOT mode only), , for proper management of the highway, in accordance with the provisions of the Motor Vehicles Act, 1988, as amended. Their obligation to operate and maintain the project ceases and the facility stands transferred to the central government.

All the notified national highways vest in the name of the Union and for the purposes, include all lands appurtenant thereto and all the bridges, culverts, tunnels and other enlisted constructions under the said NH Act. The Central Government assumes the responsibility of maintaining and constructing of national highways in proper condition in accordance with the law and has made it mandatory to install sensors on bridges, including gadgets to detect corrosion, and monitor their real time health. The Central Government also retains the right to levy fee over the services and benefits rendered in relation to the use of such national highways.

The National Highways (Amendment) Bill, 2017, entails the competent authority to issue reports to the Central Government in respect of any land (either acquired or proposed to be acquired) which is, either under incorrect revenue record or which is not required due to change in geometry or alignment of the construction, to issue order for the de-notification of such land from the acquisition for development and maintenance of the national highway. In pursuance of the foregoing amendment to the statute, the National Highways Rules, 1957, have been amended to ensure the exercise of the power under the NH Act. These rules provide for periodic regulatory compliance and reporting standards to be followed by the competent authority in reporting to the Central Government.

National Highways Authority of India Act, 1988

The NHAI Act was enacted by the Central Government to appoint a competent authority under the NH Act and establish an authority responsible for the development, maintenance, and management of national highways, along with related matters. Under this Act, the Government of India (GoI) executes the development and maintenance of national highways through NHAI. NHAI, subject to the provisions of the NHAI Act, possesses the authority to enter into and fulfill any contracts essential for its functions. Additionally, NHAI is empowered to acquire land necessary for its operations, with such acquired land considered for a 'public purpose'. Furthermore, NHAI has the authority to enter into and perform any contracts vital for its functions under the NHAI Act.

The NHAI Act sets a threshold for the value of contracts NHAI can undertake, though it allows NHAI to surpass this limit with prior consent from the Central Government. Additionally, the Act mandates that contracts concerning the acquisition, sale, or lease of immovable property on behalf of NHAI cannot extend beyond 30 years without prior approval from the Central Government.

Applicable Rules and Regulations

As per the NH Act and the NHAI Act, the Central Government is empowered to make rules in order to further the objects of NH Act and NHAI Act. In exercise of such power, the Central Government has framed certain rules which are as follows:

- The National Highways Rules, 1957, as amended;
- National Highways Authority of India (Budget, Accounts Audit, Investment of Funds and Powers to enter Premises) Rules, 1990, as amended;
- The National Highways (Manner of Depositing the Amount by the Central Government with Competent Authority for Acquisition of Land) Rules, 1998;
- The National Highways Tribunal (Procedure for Appointment as Presiding Officer of the Tribunal) Rules, 2003, as amended;
- The Central Road Fund (State Roads) Rules, 2007;
- The National Highways Tribunal (Procedure) Rules 2003;
- National Highways Authority of India (The Term of Office and Other Conditions of Service of Members) Rules, 2003, as amended;
- The National Highways Tribunal (Financial and Administrative Powers) Rules, 2004;
- The National Highways Tribunal (Procedure for Investigation of Misbehaviour or Incapacity of Presiding Officer) Rules, 2003;
- The National Highways Fee (Determination of Rates and Collection) Rules, 2008, as amended;
- The Highway Administration Rules, 2004;
- The National Highways (Collection of Fees by any person for the use of Section of National Highways/Permanent Bridges/Temporary bridge on National Highways) Rules, 1997;
- The National Highways (Fee for the use of National Highways and Permanent Bridge public Funded Project) Rules, 1997;
- The National Highways (Rate of Fee) Rules, 1997;
- Construction Workers (Regulation of Employment and Conditions of Services) Act, 1996 and Central Rule, 1998;
- C.E.A. (Measures Relating to Safety and Electric Supply) Regulations, 2010; and
- Central Electronical Authority (Measures Relating to Safety and Electric Supply) Regulations, 2020;
- Indian Electricity Rules, 1956

National Highways Development Project

Under the Central Road Fund Act of 2000, the Government of India established a designated fund for National Highways Development Project ("**NHDP**") (the "Fund"). Financing for NHDP is sourced from various channels, including securitization of cess, engaging the private sector, and promoting Public Private Partnerships (PPP). Additionally, NHDP is funded through long-term external loans from institutions such as the World Bank, the Asian Development Bank, and the Japan Bank for International Cooperation, as well as through toll collection on roads.

In an EPC project, the National Highway Authority of India ("**NHAI**")/Government of India ("**GoI**") meets the up-front cost and expenditure on annual maintenance. All the clearances, land acquisition and regulatory norms are met by the NHAI/GoI itself. The concessionaire/contractor is only responsible for designing, construction, and completing the project in a predetermined timeline. In HAM projects, the private entity/concessionaire is required to meet only 60% of the upfront cost through a combination of debt and equity with the remaining 40% paid in grant by NHAI/GoI. The concessionaire remains responsible for the maintenance of the project till the end of the concession period. The NHAI also forms SPVs for funding road projects. This method of private participation involves very less cash support from the NHAI in the form of equity/debt. Most of the funds come from ports/financial institutions/beneficiary organizations in the form of equity/debt. The amount spent on developments of roads/highways is to be recovered in the prescribed concession period by way of collection of toll fee by the SPV. Tax incentives which are being provided to the private entity are eligible for 100% exemption for any consecutive 10 years out of the first 20 years after completion of a project. The Government has also allowed duty free import of specified modern high-capacity equipment for highway construction.

Control of National Highways (Land and Traffic) Act, 2002

The National Highways (Land and Traffic) Act, 2002 (referred to as the "**NH Control Act**") regulates the management of land within national highways, the right of way, and the traffic flow on these highways, along with the removal of unauthorized occupation. In compliance with the NH Control Act, Highway Administrations have been established by the Central Government. According to the NH Control Act, any land acquired for road construction purposes, which was not previously owned by the Central Government, and any land forming part of a highway and vested in the Central Government, is deemed Central Government property. Occupying or depositing materials on highway land without the consent of the Highway Administration is illegal under the NH Control Act. The NH Control Act also allows for the leasing or licensing of highway land for short-term use.

Indian Tolls Act, 1851

Under the Indian Tolls Act of 1851, (referred as the "**Tolls Act**") state governments are empowered to levy tolls at reasonable rates on roads or bridges constructed or repaired at the expense of either the federal or state government. The tolls collected under this Tolls Act are classified as "public revenue," and state governments have the authority to appoint individuals to manage toll collection, subject to the same responsibilities as those in the land tax collection department. Additionally, the Tolls Act mandates that all police officers provide necessary support to toll collectors as required. Moreover, the Tolls Act outlines procedures for toll recovery and provides exemptions from toll payment for certain individuals.

Other legislations relevant to the road sector

The Motor Vehicles Act, 1988

The development, maintenance, management, and control of National Highways are governed by the NH Act and the NHAI Act. Additionally, certain powers related to traffic control have been delegated to the Transport Department of State Governments under the Motor Vehicles Act, 1988. Section 138 of the Motor Vehicles Act, 1988, empowers State Governments to enact regulations pertaining to traffic control. These regulations encompass various aspects, such as the removal and safe storage of vehicles, including their loads, that have broken down, been left standing, or abandoned on roads.

Additionally, the installation and usage of weighing devices, maintenance and management of wayside amenities complexes, and the maintenance and operation of parking places and stands, including any associated fees, fall under the purview of these rules. The section also grants the authority to prohibit the seizing or mounting of motor vehicles in motion and restricts the use of footpaths or pavements by motor vehicles. These measures aim to prevent danger, injury, annoyance to the public or any individual, as well as the risk of harm to property or obstruction to traffic. Furthermore, there are additional legislations pertinent to the road sector, including the Road Transport Corporation Act, 1950, National Highways (Temporary Bridges) Rules, 1964, National Highways (Fees for the Use of National Highways Section and Permanent Bridge Public Funded Project) Rules, 1997, National Highways Tribunal (Procedure) Rules, 2003, Central Road and Infrastructure Act, 2000, and Central Road Fund (State Roads) Rules, 2007.

Environment law legislations

Infrastructure projects must adhere to environmental regulations, including the Water (Prevention and Control of

Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981, and the Environment Protection Act, 1986, as amended ("**Environment Act**", collectively referred to as the "**Environment Protection Acts**"). The Water Pollution Act is aimed at preventing and controlling water pollution, with provisions for establishing a central pollution control board ("**Central Pollution Control Board**" or "**CPCB**") at the national level and state pollution control boards ("**State Pollution Control Boards**" or "**SPCBs**") at the state level.

Furthermore, concerning environmental compliance and regulations, the National Green Tribunal Act of 2010 (the "**NGT Act**") stands as a significant legislation, establishing a National Green Tribunal ("**NGT**") for the prompt adjudication of cases related to environmental protection and the conservation of forests and other natural resources. It also encompasses the enforcement of environmental rights, providing relief and compensation for damages to individuals and property, and addressing associated matters. Additionally, under the Forest (Conservation) Act of 1980, state governments are restricted from de-reserving reserved forests, directing forest land usage for non-forest purposes, or leasing forest land to private entities without the Government of India's approval. The Ministry of Environment, Forest and Climate Change ("**MoEF**") mandates Environmental Impact Assessments ("EIAs") for specific projects. In this process, the **MoEF** evaluates proposals for project establishment, assessing their environmental impact before granting project clearances.

The Environment (Protection) Act, 1986 (the "Environment Act") and Environment Protection Rules, 1986 (the "Environment Protection Rules")

The Environment Act is designed to safeguard and enhance environmental quality, combat pollution, and authorize governmental intervention for environmental protection. Additionally, the Environment Protection Rules outline emission and discharge standards for environmental pollutants and regulations on handling hazardous substances in various regions. Violations of the Environment Protection Act or its associated rules may result in imprisonment, fines, or both. According to the Environment Protection Rules, individuals engaged in industries, operations, or processes requiring consent under the Water Act, Air Act, or both, or authorization under the Hazardous Wastes Rules, must submit an environmental audit report to the respective state pollution control board annually, in the prescribed format.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (the "Hazardous Waste Rules")

The Hazardous Waste Rules, read with the Environment Protection Act, establish guidelines for the resource recovery and disposal of hazardous waste in an environmentally responsible manner. These rules include detailed schedules outlining specific processes and their corresponding hazardous wastes, along with concentration limits for waste constituents. Additionally, the Hazardous Waste Rules mandate that any entity involved in the generation, handling, processing, treatment, packaging, storage, transportation, use, collection, destruction, transfer, or similar activities related to hazardous wastes must obtain authorization from the relevant state pollution control board.

The Air (Prevention and Control of Pollution) Act, 1981 (the "Air Act") and the Water (Prevention and Control of Pollution) Act, 1974 (the "Water Act")

The Air Act was formulated to address air pollution by preventing, controlling, and mitigating its effects in India. It mandates that individuals establishing or operating industrial plants in air pollution control areas must obtain prior consent from the relevant state pollution control board. Furthermore, it prohibits the emission of air pollutants beyond prescribed standards by any industrial plant operating in such areas. Similarly, the Water Act aims to regulate and prevent water pollution, ensuring the cleanliness and safety of water bodies across the country, and prohibits the discharge of domestic and industrial pollutants without proper treatment. Violations of the Air Act and Water Act may result in fines and/or imprisonment, depending on the severity of the offense.

E-Waste (Management), 2022 ("E-Waste Rules")

The E-Waste Rules are applicable to various entities, including manufacturers, producers, consumers, bulk consumers, collection centers, dealers, e-retailers, refurbishers, dismantlers, and recyclers engaged in activities related to the manufacture, sale, transfer, purchase, collection, storage, and processing of e-waste or electrical and electronic equipment as defined under these rules, including their components, consumables, parts, and spares integral to product operations. Manufacturers are required to register with the state pollution control board and submit annual returns to the same authority. Producers of e-waste bear significant responsibilities and obligations and may be subject to scrutiny by either the central pollution control board or the state pollution control board.

Liability for environmental or third-party damages resulting from improper handling and management of e-waste falls on manufacturers, producers, importers, transporters, refurbishers, dismantlers, and recyclers, who may face financial penalties imposed by the state pollution control board with prior approval from the central pollution control board for any violations of these rules.

Public Liability Insurance Act, 1991 (the "Public Liability Act")

The Public Liability Act holds the owner or controller of hazardous substances accountable for any damages resulting from accidents involving such substances. The Government of India has specified a list of 'hazardous substances' covered by this law through a notification. Additionally, the owner or handler must procure an insurance policy to cover liability under this legislation. Regulations established under the Public Liability Act require employers to contribute an amount equal to the insurance premium paid to the Environment Relief Fund, which is then remitted to the insurer.

The Mines and Minerals (Development and Regulation) Act, 1957 ("Mines and Minerals Act")

The Mines and Minerals Act provides for the development and regulation of mines and minerals. It details the process and conditions for acquiring a mining or prospecting licence in India. Under the Mines and Minerals Act "minor minerals" means building stones, gravel, ordinary clay, ordinary sand other than sand used for prescribed purposes, and any other mineral which the central government may, by notification in the official gazette, declare to be a minor mineral. The State Government has the authority to make rules for regulating the grant of quarry leases, mining leases or other mineral concessions in respect of minor minerals. The holder of a mining lease or any other mineral concession granted is required to pay royalty or dead rent, whichever is more in respect of minor minerals removed or consumed by them or by their agent, manager, employee, contractor or sub-lessee at the rate prescribed for the time being in the rules framed by the State Government in respect of minor minerals.

Green Highways (Plantation, Transplantation, Beautification and Maintenance) Policy, 2015

In September 2015, the Ministry of Road Transport and Highways of India introduced the Green Highways (Plantation, Transplantation, Beautification, and Maintenance) Policy, 2015. This policy mandates road developers to allocate 1% of a project's total cost for planting trees and shrubs along national highways. Furthermore, the maintenance of these plantations will be contracted out through a competitive bidding process to specialized plantation agencies. The Ministry of Road Transport and Highways of India/NHAI will appoint the authorized agency for empanelment of such plantation agencies.

Labour law legislations

The employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws, including the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, Payment of Gratuity Act, 1972, the Payment of Bonus Act, 1965, Maternity Benefit Act, 1961, Child Labour (Prohibition and Regulation) Act, 1986 and the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

In order to rationalize and reform labour laws in India, the Government has enacted the following codes:

- ***Code on Wages, 2019***, which regulates, inter alia, the minimum wages payable to employees, the manner of payment and calculation of wages and the payment of bonus to employees. It subsumes four existing laws, namely the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, and the Equal Remuneration Act, 1976.

- ***Industrial Relations Code, 2020***, which consolidates and amends laws relating to trade unions, the conditions of employment in industrial establishments and undertakings, and the investigation and settlement of industrial disputes. It subsumes the Trade Unions Act, 1926, the Industrial Employment (Standing Orders) Act, 1946 and the Industrial Disputes Act, 1947.

- ***Code on Social Security, 2020***, which amends and consolidates laws relating to social security. It governs the constitution and functioning of social security organisations such as the employees' provident fund and the ESIC, regulates the payment of gratuity, the provision of maternity benefits, and compensation in the event of accidents to employees, among others. It subsumes various legislations including the Employee's

Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, and the Payment of Gratuity Act, 1972.

- ***Occupational Safety, Health and Working Conditions Code, 2020***, amends and consolidates laws regarding the occupational safety, health and working conditions of persons employed in an establishment. It subsumes various legislations including the Factories Act, 1948, and the Contract Labour (Regulation and Abolition) Act, 1970.

Certain portions of the Code on Wages, 2019, have come into force upon notification by the Ministry of Labour and Employment. The remaining provisions of these codes shall become effective as and when notified by the Government of India.

Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 (the "Construction Workers Act")

The Construction Workers Act establishes state-level 'Boards' to oversee the implementation of the Act, including the regulation of employment, conditions of service, safety, health, and welfare measures for building and other construction workers. All enterprises involved in construction are required to be registered within 60 days from the commencement of the applicability of Construction Workers Act to them. The Construction Workers Act is applicable to every establishment which employs or is employed during the preceding year, 10 or more workers in building or other construction work, subject to certain exceptions.

The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Central Rules, 1998, offer extensive health and safety provisions for construction workers. The Construction Workers Act mandates the formation of safety committees in establishments employing 500 or more workers, with representation from both workers and employers, and requires the appointment of qualified safety officers. Violations of safety regulations are subject to penalties, including fines, imprisonment, or both.

Petroleum Act, 1934 ("Petroleum Act") and Petroleum Rules, 2002 ("Petroleum Rules")

The Petroleum Act was enacted to consolidate and modify laws related to the import, transportation, storage, production, refining, and blending of petroleum. According to this act, the government has the authority to authorize officers to enter premises where petroleum is being imported, transported, stored, produced, refined, or blended. These officers can inspect the premises and collect samples for testing. Additionally, under the Petroleum Rules, any person intending to store furnace oil/petroleum, of such class and in such quantities, otherwise than under a licence shall take the approval of the Chief Controller before commencing storage.

The Electricity Act, 2003 ("Electricity Act")

The Electricity Act replaced the Indian Electricity Act, 1910, the Electricity (Supply) Act, 1948, and the Electricity Regulatory Commissions Act, 1998. The new act consolidates laws related to electricity generation, transmission, distribution, trading, and usage. Its objectives include safeguarding consumer interests, ensuring electricity supply to all areas, and rationalizing tariff rates. Additionally, the act establishes a central electricity regulatory commission and state electricity regulatory commissions. These bodies have the authority to define technical standards, safety requirements, and grid norms for the construction, operation, and maintenance of electrical plants and power lines.

The Explosives Act, 1884 (the "Explosives Act")

The Explosives Act regulates the manufacturing, use, possession, sale, transport, export and import of explosives, defined under the Explosives Act as any substance, whether a single chemical compound or a mixture of substances, whether solid or liquid or gaseous, used or manufactured with a view to produce a practical effect by explosion or pyrotechnic effect. As per the Explosives Act, the Central Government may, for any part of India, make rules consistent with the Explosives Act to regulate or prohibit, except under and in accordance with the conditions of a license granted as provided by those rules, the manufacture, possession, use, sale, transport, import and export of explosives, or any specified class of explosives. Penalty provisions including imprisonment, have been prescribed for manufacture, import or export, possession, usage, selling or transportation of explosives in contravention of the rules made under the Explosives Act.

The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 ("ISMW Act")

The Inter-State Migrant Workmen Act governs the employment of inter-state migrant workers and outlines their service conditions and related matters. This act applies to all establishments and contractors that employ five or more inter-state workmen. According to the ISMW Act, every principal employer of an establishment covered by this act must obtain registration. Without such registration, employing inter-state migrant workmen is strictly prohibited.

The Legal Metrology Act, 2009 (the "Legal Metrology Act")

The Legal Metrology Act replaced both the Standards of Weights and Measures Act, 1976, and the Standards of Weights and Measures (Enforcement) Act, 1985. The primary objective of the Legal Metrology Act is to establish and enforce standards for weights and measures. It also regulates trade and commerce related to goods sold or distributed by weight, measure, or number. Here are some key features of the Legal Metrology Act:

- Government-Approved Test Centers: The act mandates the appointment of government-approved test centers responsible for verifying weights and measures.
- Appointment of Directors and Employees: The act allows for the appointment of directors and other employees to exercise powers and fulfill duties related to inter-state trade and commerce under the Legal Metrology Act.
- Penalties for Non-Compliance: Non-compliance with the provisions of the Legal Metrology Act can result in penalties, including monetary fines, seizure of goods, and even imprisonment in specific cases.

Regulations in relation to Foreign Investment

Foreign investment in Indian securities is governed by the provisions of the Foreign Exchange Management Act, 1999, as amended ("FEMA") read with the applicable Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 as amended ("FEM Rules"). FEMA replaced the erstwhile Foreign Exchange Regulation Act, 1973. Foreign investment is permitted (except in the prohibited sectors) in Indian companies, either through the automatic route or the government approval route, depending upon the sector in which foreign investment is sought to be made. The DPIIT makes policy pronouncements on FDI through press notes and press releases which are notified by the RBI as amendments to the FEM Rules. In case of any conflict, the FEM Rules prevail. Therefore, the regulatory framework, over a period of time consists of acts, regulations, press notes, press releases, and clarifications among other amendments. The DPIIT issued the FDI Policy which consolidates the policy framework on FDI issued by DPIIT, in force on October 15, 2020 and reflects the FDI policy as on October 15, 2020. The FDI Policy consolidates and subsumes all the press notes, press releases, and clarifications on FDI issued by DPIIT. As per the FDI Policy, 100% FDI is permitted in our Company under the automatic route, subject to compliance with prescribed conditions. In this Offer, foreign investment is limited to investments by FPIs and NRIs.

Other applicable laws

Bureau of Indian Standards Act, 2016 ("BIS Act")

The BIS Act provides for the establishment of the Bureau of Indian Standards ("**BIS**") for the development of activities of standardisation, conformity assessment and quality assurance of goods, articles, processes, systems and services. The BIS Act provides for the functions of the BIS which includes, among others (a) publish, establish, promote and review Indian standards; (b) adopt as Indian standard, any standard, established by any other institution in India or elsewhere, in relation to goods, articles, processes, systems or services; (c) functions necessary for promotion, monitoring and management of the quality of goods, articles, processes, systems and services and to protect the interests of consumers and other stake holders; and (d) undertake, support and promote research necessary for formulation of Indian standards. The BIS Act empowers the Central Government to order compulsory use of standard mark for any goods or article if it finds it expedient to do so in public interest, national security, protection of human, animal or plant health, safety of environment or prevention of unfair trade practices. The BIS Act also provides the penalties in case there is a contravention of the provisions of the BIS Act.

In addition to the above, our Company is required to comply with Indian Contract Act, 1872, Companies Act, 2013, Transfer of Property Act, 1882, Indian Stamp Act, 1899, Prevention of Corruption Act, 1988, to the extent applicable, Income Tax Act 1961, Income Tax Rules, 1962, as amended by the Finance Act in respective years, the relevant goods and services tax legislations, Customs Act, 1962, Customs Tariff Act, 1975, Insolvency and

Bankruptcy Code, 2016, and other applicable laws and regulations imposed by the central and state governments and other authorities for its day-to- day operations.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was originally incorporated as *'Varindera Constructions Private Limited'* as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated December 15, 1987, issued by the Registrar of Companies, Punjab, H.P. & Chandigarh at Jalandhar, Punjab. Moreover, our registered office was changed from Registrar of Companies, Punjab, H.P. & Chandigarh at Jalandhar, Punjab to NCT of Delhi, by way of a resolution passed by our Shareholders on December 20, 2003 and a Certificate of Registration of the Order of the Company Law Board, Delhi Confirming the Transfer of the Registered Office from one State to Another was issued by the Assistant Registrar of Companies, National Capital Territory of Delhi and Haryana on August 25, 2004. Subsequently, our Company was converted into a public limited company pursuant to a special resolution passed by our Shareholders on May 2, 2007, and consequently, a fresh certificate of incorporation dated June 16, 2007 was issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana to our Company under its present name, *'Varindera Constructions Limited'*. For details regarding an error in the certificate of incorporation dated June 16, 2007, please see *'Risk Factors- We are unable to trace some of our historical records including corporate records and statutory filings. We have also made certain errors in our secretarial records in the past. We cannot assure you that regulatory proceedings or actions will not be initiated against us in the future and that we will not be subject to any penalty imposed by the competent regulatory authority in this regard'* on page 50.

Changes in the registered office of our Company

Our Company was originally incorporated with its registered office at 1500, Street Number 2, Nai Basti, Street No. 2, Bhatinda, Punjab, 151001. Details of subsequent changes in the registered office of our Company are set forth below:

Effective Date	Details of change	Reasons for change
May 5, 2004	Registered office of our Company was changed from 1500, Street Number 2, Nai Basti, Street No. 2, Bhatinda, Punjab, 151001 to 408, Suneja Tower-I, DISTT, Centre, Janakpuri, New Delhi, 110058.	For operational efficiency
July 26, 2024	Registered office of our Company was changed from 408, Suneja Tower-I, DISTT, Centre, Janakpuri, New Delhi, 110058 to Office No. 613,6th Floor, Plot No. 4, Vishwadeep Tower, District Centre, Janakpuri, New Delhi, India, 110058.	For operational efficiency

Main objects of our Company

The main objects of our Company as contained in our Memorandum of Association are as mentioned below:

"*1. To specialize in and undertake to carry on the business of construction, builders, contractors, engineers, colonizers, town planners, surveyors, appraisers, decorators, furnishers, manufacturers of prefabricated and precast houses, and to act as agents and contractors for construction/development of real estates, residential complexes/ flats/enclave/commercial complexes/multi-storied buildings etc., and to act as consultants, advisors, technical consultants, collaborators, designers and architects for all kinds of construction activities in India and abroad and to undertake all civil, mechanical electrical works, and all types of infrastructure facilities/works/projects including roads, highways, flyovers, bridges, dams, powerplants, reservoirs, tramways, railways, sanitary, water, gas electric, telephonic and telegraphic projects in India or abroad either individually or as joint venture with any other Company/firm/individual/consultant whether Indian or foreign participant, or under BOOT/BOT basis through Lease, acquisition/ taking over projects/Companies/firms; and also to act as manufacturers, importers, exporters, buyers, sellers, repairers, stockists and otherwise dealers of all types of plant, Equipment, machinery, spare part and accessories required in connection therewith..*

2. To carry on business as Engineers (Civil, Sanitary, Mechanical, Electrical, Marine, Automobile, Salvage and other classes of Engineers) Architects, Designers, Planners, builders and to undertake and execute constructional works of all kinds and also to carry on business of smooths, wood workers, painters, metallurgists, water supply engineers, machinists, mitt wrights, lead workers and pattern makers.

3. To buy, sell, supply manufacture, repair, alter and otherwise, deal in raw materials, building materials *apparatus, chemicals and resins.*"

The main objects as contained in the Memorandum of Association enable our Company to carry on the business presently being carried out.

Amendments to the Memorandum of Association of our Company

Set out below are the amendments to the Memorandum of Association of our Company in the last 10 years preceding the date of this Draft Red Herring Prospectus:

Date of Shareholders' resolution	Nature of amendment
June 7, 2024	Clause V of the MOA was amended to reflect the sub-division in face value of equity shares of our Company. The authorised share capital of our Company was amended from ₹50,000,000 divided into equity shares of 5,00,000 equity shares of ₹100 each to ₹50,000,000 divided into equity shares of 50,000,000 equity shares of ₹1 each.
June 7, 2024	Clause V of the MOA was amended to reflect the increase in the authorised capital of our Company fro 50,000,000 divided into Equity Shares of 50,000,000 equity shares of ₹1 each to ₹240,000,000 divided 240,000,000 Equity Shares of ₹1 each.
June 7, 2024	Clause III. (A). 1. of the Memorandum of Association of our Company was substituted by the following: "*To specialize in and undertake to carry on the business of construction, builders, contractors, engineers, colonizers, town planners, surveyors, appraisers, decorators, furnishers, manufacturers of prefabricated and precast houses, and to act as agents and contractors for construction/development of real estates, residential complexes/ flats/enclave/commercial complexes/multi-storied buildings etc., and to act as consultants, advisors, technical consultants, collaborators, designers and architects for all kinds of construction activities in India and abroad and to undertake all civil, mechanical electrical works, and all types of infrastructure facilities/works/projects including roads, highways, flyovers, bridges, dams, powerplants, reservoirs, tramways, railways, sanitary, water, gas electric, telephonic and telegraphic projects in India or abroad either individually or as joint venture with any other Company/firm/individual/consultant whether Indian or foreign participant, or under BOOT/BOT basis through Lease, acquisition/ taking over projects/Companies/firms; and also to act as manufacturers, importers, exporters, buyers, sellers, repairers, stockists and otherwise dealers of all types of plant, Equipment, machinery, spare part and accessories required in connection therewith.*"
June 7, 2024	Clause III. (B). 9. of the Memorandum of Association of our Company was substituted by the following: "*Subject to the provisions of the Companies Act, 2013 to borrow, raise money in such manner as the company shall think fit and in particular by the issue and sale of any shares, stock, debentures, obligations and other securities belonging to the company including its uncalled capital in security of any such money so borrowed, raised or received or secure the payment of money or to receive money or deposit at interest for any of the purposes of the Company and at such time or times.*"
June 7, 2024	Clause III. (B). 16, Clause III. (B). 17, Clause III. (B). 20, and clause III (B). 21 were replaced with the following clauses in the Memorandum of Association of our Company: "*16. To distribute as dividend or bonus, among the members or to place to reserve or otherwise to apply as the company may from time to time think fit, any money received by way of premium on shares or debentures issued at a premium by the Company and money arising from the sale by the Company of forfeited shares.* *17. To invest money of the Company not immediately required upon such securities' and with such firms and companies as may from time to time be determined.* *20. To treat depreciation fund, reserve fund, sinking fund, insurance fund, provident fund or any special or other fund, whether for depreciation or for repairing, improving, extending or maintaining any of the properties of the Company or for any other purpose whatsoever conducive to the interest of the Company* *21. Subject to the provisions of Companies Act, 2013 and the Rules made thereunder under the directives of the Reserve Bank of India, to receive deposit at interest or otherwise or borrow money, or lend money on mortgage of immovable property without any security and on such terms as may seem expedient but not to do the business of banking within the meaning of Banking Regulation Act, 1949.*"
June 7, 2024	Clause III. (C). of the Memorandum of Association of our Company was deleted entirely.
June 7, 2024	Clause IV of the Memorandum of Association of our Company was amended and read as the following: *"The liability of the members is limited and this liability is limited to the amount unpaid, if any, on the equity shares held by them."*
June 7, 2024	Memorandum of Association of our Company was amended to substitute the *"Companies Act, 1956"* with the *"Companies Act, 2013".*

Major events and milestones

The table below sets forth some of the major events in the history of our Company.

Fiscal Year	Details
1997	Our Company was recognized as a ‘Super Special’ Contractor by MES.
2018	Our Company was awarded the social housing project in Mauritius comprising of 956 dwelling units.
2019	Our Company was awarded our first highway project as a part of the Amritsar-Jamnagar Economic Corridor in the State of Rajasthan.
2020	Our Company was awarded the project for megalith construction of over 8,799 residential apartments by the Amrapali group.
2021	Our Company was awarded its first project for metro construction for Chennai Metro Rail Limited
2022	Our Company’s international order book contributed more than 25% of our total order booked.
2023	Our Company received an order worth ₹4,490.00 million for establishment of the National Sports University, Imphal
2024	Our Company was awarded the projects for the construction of residential buildings (private sector).

Launch of key products or services, entry in new geographies or exit from existing market

For details of key products or services launched by our Company, entry in new geographies or exit from existing markets, see “*Our Business - Overview*” on page 276.

Key awards, accreditations, and recognition

The table below sets forth some of the key awards, accreditations and recognitions received by our Company:

Calendar Year	Key awards and accreditations
2015	CIDC Vishwakarma Award for Best Construction Projects for Structural work for Construction of New High Court Building at Jhalamand by CIDC.
2015	CIDC Vishwakarma Award for Best Professionally Managed Company (turnover INR 100-500 crores) by CIDC.
2016	CIDC Vishwakarma Award for Best Construction Projects for Provision of MD Accommodation for Officers, ICOs & OR's (MAP) (Phase-II), Pithoragarh by Construction Industry Development Council.
2017	Appreciation letter for execution of Married Accommodation Project-II in Pithoragarh by Commanding Officer, 28th Batallion, the Punjab Regiment.
2017	Appreciation letter for execution of Married Accommodation Project-II in Pithoragarh by Station Commander, Station Headquarters, Pithoragarh.
2017	CIDC Vishwakarma Award for Best Constructions Project for completion of Balance works for Construction of dwelling Units including allied services for OFFRS, ICOs / Ors at Jodhpur (Army), Jodhpur by CIDC.
2021	CIDC Vishwakarma Award for Best Professionally Managed Company (turnover INR 100-500 crores) by CIDC.
2022	Appreciation letter for Infrastructure Development Work of Hasimara Air Force Station by Commanding Officer, Falcons of Chhamb.
2022	Appreciation letter for Infrastructure Development Work of Hasimara Air Force Station Senior Engineer (Aircraft) & Team Leader Project Management (Rafale).
2023	Appreciation letter for commendable completion of two of the finest infrastructure projects at Air Force Station Chabua by Station commander, Air Force Station Chabua.

Significant financial and/or strategic partnerships

While our Company has entered into various joint venture agreements as disclosed under *“History and Certain Corporate Matters - Joint venture”* on page 329 below, we do not have any significant financial and strategic partners as on the date of this Draft Red Herring Prospectus.

Time and cost overrun

Our Company has not experienced any time or cost overruns in respect of our business operations. For further details, see “*Risk Factors - Our projects are exposed to various implementation risk and other uncertainties which may adversely affect our business, results of operations and financial condition*” on page 52.

Launch of key products or services, entry into new geographies or exit from existing markets

For details of key products or services launched by our Company, entry into new geographies or exit from existing markets, see "*Our Business – Our Projects*" on page 293.

Defaults or rescheduling or restructuring of borrowings with financial institutions or banks

No payment defaults or rescheduling or restructuring have occurred in relation to any borrowings availed by our Company from any financial institutions or banks as on date of this Draft Red Herring Prospectus.

Details regarding material acquisitions or divestments of business or undertakings, slump sales, mergers, amalgamations or any revaluation of assets, in the last 10 years

Except as disclosed below, our Company has not been a part of any material acquisition or divestments of business or undertakings, mergers, amalgamations, or any revaluation of assets, in the last 10 years:

Share purchase agreement dated August 2, 2022 entered into between Varinder Kumar Garg, Sushma Garg, Vivek Garg, Surbhi Garg, and our Company ("VDIPL SPA")

Pursuant to the VDIPL SPA, our Company completely divested its stake in its associate company named Varindera Developers and Infrastructure Private Limited ("**VDIPL**"), resulting in the sale of an aggregate of 180,000 equity shares, valued at ₹ 214.15 each, to Varinder Kumar Garg, Sushma Garg, Vivek Garg, and Surbhi Agarwal (45,000 equity shares each) in Fiscal 2023 (The sale price is based on the valuation report obtained from Expert Global Consultants Private Limited dated July 11, 2022). The aggregate consideration involved in respect of such amounted to ₹ 60.30 million, with ₹ 15.07 million each contributed by Varinder Kumar Garg, Sushma Garg, Vivek Garg, and Surbhi Garg. Our Company and VDIPL have common directors i.e., Varinder Kumar Garg, Sushma Garg, and Vivek Garg.

Shareholders' agreement and other agreements

As on the date of this Draft Red Herring Prospectus there are no agreements entered into by and between our Company and Shareholders of our Company or any inter-se Shareholders with regard to rights and obligations in connection with the securities of our Company.

Agreements with Key Managerial Personnel, Senior Management, Directors, Promoters or any other employee in relation to compensation or profit sharing in connection with dealings in the securities of our Company

As on the date of this Draft Red Herring Prospectus there are no agreements entered into by a Key Managerial Personnel, Senior Management or Director or Promoter or any other employee of our Company, either by themselves or on behalf of any other person, with any Shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

Key terms of other subsisting material agreements

Our Company has not entered into any subsisting material agreements including with strategic partners, joint venture partners, and/or financial partners other than in the ordinary course of the business of our Company or which are otherwise material and need to be disclosed in this Draft Red Herring Prospectus in context of the Offer. Additionally, there are no inter-se agreements/ arrangements to which our Company or any of the Promoters or shareholders are a party to. Further, there are no clauses/ covenants which are material, and which needs to be disclosed, and that there are no other clauses / covenants which are adverse / prejudicial to the interest of the minority / public shareholders of our Company.

Except as disclosed in this section, there are no other agreements / arrangements, deed of assignments, acquisition agreements, shareholder agreements, inter-se agreements or agreements of like nature and clauses / covenants which are material and which need to be disclosed or non-disclosure of which may have bearing on the investment decision

Other Confirmations

Except as disclosed in "*Restated Consolidated Financial Information - Note 39- Related Party Transactions*" on page 415, there is no conflict of interest between the suppliers of raw materials and third-party service providers (crucial for operations of our Company) and our Company and our Subsidiary and its Directors.

Further, there is no conflict of interest between the lessors of immovable properties (crucial for operations of our Company) and our Company and our Subsidiary.

Subsidiary

As on the date of this Draft Red Herring Prospectus, our Company has one Subsidiary:

Subsidiary

Varindera Constructions International Ltd

Corporate information

Varindera Constructions International Ltd. ("**VCIL**") was incorporated under the laws of the Republic of Mauritius as a private company limited by shares on July 10, 2023, with the Registrar of Companies, Mauritius. Its company number is C198721. Its registered office is situated at Ist Floor, IBL Business Park, Royal Road, Cassis, 1112-02, Mauritius.

VCIL is engaged in the business of construction of buildings (residential).

Capital structure and shareholding pattern

The authorised share capital of VCIL is Mauritius Rupee 1,000,000 divided into 1,000,000 ordinary shares of 1 Mauritius Rupee each. The issued, subscribed and paid-up capital is Mauritius Rupee 1,000,000 divided into 1,000,000 ordinary shares of 1 Mauritius Rupee each.

The shareholding pattern of VCIL is as follows:

S. No.	Name of shareholder	Number of ordinary shares	Percentage of total ordinary shareholding
1.	Varindera Constructions Limited	1,000,000	100
Total		1,000,000	100

Financial Information

(in ₹ million, unless otherwise stated)

S. No.	Particulars	March 31, 2024	March 31, 2023	March 31, 2022
1	Reserves - DRR	Nil	NA	NA
2	Revenue from operations	Nil	NA	NA
3	Profit/(loss) after tax	(9.48)	NA	NA
4	Basic Earnings per share (₹)	(9.48)	NA	NA
5	Diluted earnings per share (₹)	(9.48)	NA	NA
6	Net asset value	(7.59)	NA	NA
7	Equity share capital	1.89	NA	NA
8	Total borrowings (including lease liabilities)	221.55	NA	NA

Amount of accumulated profits or losses

There are no accumulated profits or losses of VCIL not accounted for by our Company.

Business interest of our Subsidiary and Joint Ventures in our Company

Except as disclosed in the section "*Restated Consolidated Financial Information – Related Party Transactions*" on page 415, our Subsidiary and Joint Ventures do not have or propose to have any business interest in our Company.

Holding company

As on the date of this Draft Red Herring Prospectus, our Company does not have any holding company.

Joint ventures

As on the date of this Draft Red Herring Prospectus, our Company has nine Joint Ventures*:

1. **Altis-VCL JV (Altis Holding Corporation - Varindera Constructions Limited)**

   Our Company entered into an agreement dated July 13, 2021 with Altis Holding Corporation for the purposes of forming a joint venture, with the responsibility to construct 49% in JV, for jointly bidding for the award of contract invited by participating in the Chennai Metro Rail Limited for the construction of a depot at Poonamallee including structural works, architectural finishes, plumbing works, signages, utility shifting & boundary wall and all associated works project through EPC basis. The agreement provides that all the parties be jointly and severally responsible for all obligations and liabilities relating to the aforesaid project.

2. **Varindera Constructions Limited - VRC Constructions (I) Private Limited ("VCL-VRC")**

   Our Company entered into an agreement dated June 18, 2020 with VRC Constructions (I) Private Limited for the purpose of forming a joint venture, with share of 74% in JV, for jointly participating in the construction/rectification of balance works/ left out works of Golf Homes on as is basis at Plot No.02, Sector-4, Greater Noida of the Amrapali group on EPC Basis. The agreement provides that our Company is solely and severally responsible for performance of the entire contract for and on behalf of any or both the members of the Joint Venture.

3. **VRC Constructions (I) Private Limited - Varindera Constructions Limited – S&P Infrastructure Developers (P) Ltd ("VRC-VCL-S&P I")**

   Our Company entered into an agreement dated January 18, 2019 with VRC Constructions (I) Private Limited and S&P Infrastructure Developers (P) Ltd for the purpose of forming a joint venture, with the responsibility to construct 39% in JV, for jointly bidding for the award of contract invited by the National Highways Authority of India for the construction of 6-lane access controlled Greenfield highway from km (-) 1+142 to km 21+000 of Deogarh (near Dhandhaniya) to Rajasthan/Gujarat Border section of NH-754K as a part of Amritsar-Jamnagar Economic Corridor in the State of Rajasthan under Bharatmala Pariyojana (Phase-I) (AJ/DRGB-Package-1) project through EPC basis. The agreement provides that all the parties be jointly and severally responsible for all obligations and liabilities relating to the aforesaid project.

4. **VRC Constructions (I) Private Limited - Varindera Constructions Limited – S&P Infrastructure Developers (P) Ltd ("VRC-VCL-S&P II")**

   Our Company entered into an agreement dated January 18, 2019 with VRC Constructions (I) Private Limited and S&P Infrastructure Developers (P) Ltd for the purpose of forming a joint venture, with the responsibility to construct 39% in JV, for jointly bidding for the award of contract invited by the National Highways Authority of India for the construction of 6-lane access controlled Greenfield highway from km 21+000 to km 48+000 of Deogarh (near Dhandhaniya) to Rajasthan/Gujarat Border section of NH-754K as a part of Amritsar-Jamnagar Economic Corridor in the State of Rajasthan under Bharatmala Pariyojana (Phase-I) (AJ/DRGB- Package-2) project through EPC basis. The agreement provides that all the parties be jointly and severally responsible for all obligations and liabilities relating to the aforesaid project.

5. **VRC Constructions (I) Private Limited - Varindera Construction Limited - Ceigall India Limited ("VRC-VCL-CIL")**

   Our Company entered into an agreement dated January 25, 2019 with VRC Constructions (I) Private Limited and Ceigall India Limited to form a joint venture, with the responsibility to construct 39% in JV, for the purposes of jointly bidding for the award of contract invited by the National Highways Authority of India for jointly participating in the rehabilitation and augmentation of construction of six lane access controlled Greenfield highway from km 90+000 to 120+000 of Rasisar (near Bikaner)-Deogarh (near Dhandhaniya) section of NH-754K as a part of Amritsar-Jamnagar Economic Corridor in the State of Rajasthan under Bharatmala Pariyojana (Phase-I) (AJ/RD-Package-4) project through EPC basis. The agreement provides that all the parties be jointly and severally responsible for all obligations and liabilities relating to the aforesaid project.

6. **GIPL-VCL JV (Ganga Infrabuild Private Limited – Varindera Constructions Limited)**

Our Company entered into an agreement dated July 18, 2018 with Ganga Infrabuild Private Limited to form a joint venture, namely, M/s GIPL-VCL JV, with an entitlement of 5% remuneration in JV, for the purposes of submission of tender for survey review the designs redesign where necessary and build new sewerage network of about 21 km length and sewer house connections at Chaakeri ward in sewerage district IV of Kanpur through a business contact. The agreement provides that both the parties be jointly and severally responsible for all obligations and liabilities relating to the aforesaid project.

7. **SOM-VCL Joint Venture (Som Projects Private Limited - Varindera Constructions Limited)**

Our Company entered into an agreement dated January 4, 2019 with Som Projects Private Limited, with 33% share of profit and loss of each constituent of the JV, for the purpose of construction of 360 Nos. (D-type Nos., D-special-80 Nos. and Etype-40 Nos.) of residential quarters (9 blocks of G+10 floors) at Anuvijay Township. The agreement provides that both the parties be jointly and severally responsible for all obligations and liabilities relating to the aforesaid project.

8. **VCL-VCIPL JV ("Varindera Constructions Limited – Vijai Construction (India) Private Limited")**

Our Company entered into a memorandum of understanding / agreement dated April 6, 2022 with Vijai Construction (India) Private Limited for forming a joint venture for jointly submitting a bid invited by the National Highways Authority of India, with the responsibility to construct 95% in JV, for the purpose of development of 4/6 lane Mohali (Design Ch. 0+000) to Sirhind (Design Ch. 27+370) section of New NH-205AG (Design length: 27.370 Km) under Bharatmala Pariyojana in the state of Punjab through EPC basis. The agreement provides that both the parties be jointly and severally responsible for all obligations and liabilities relating to the aforesaid project.

9. **VCL-SOM JV ("Varindera Constructions Limited – SOM Projects Private Limited")**

Our Company entered into an agreement dated June 3, 2022 with Som Projects Private Limited, with 90% of participation in the share of JV's work, for the purpose of Construction of National Archives & National Library Building at Reduit Triangle, Moka, Mauritius. The agreement provides that both the parties be jointly and severally responsible for all obligations and liabilities relating to the aforesaid project.

**As per Ind AS 111, a joint arrangement is an arrangement of which two or more parties have joint control. A joint arrangement is either a joint operation or a joint venture. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Basis the given provisions, in the Restated Consolidated Financial Information of our Company, our Company has classified its investments in joint arrangements as follows:*

Investment in joint operation: Altis-VCL JV, VCL-VRC, VRC-VCL-S&P I, VRC-VCL-S&P II, VRC-VCL-CIL, GIPL-VCL JV, SOM-VCL Joint Venture, VCL-VCIPL JV, VCL-SOM JV

Investment in joint venture: Nil

Common pursuits between our Subsidiary, our Joint Ventures and our Company

Our Subsidiary and our Joint Ventures are either engaged in or are authorised by their respective constitutional documents to engage in the same line of business as that of our Company and hence, there are common pursuits between these Subsidiary, Joint Ventures and our Company.

Guarantees given by our Promoter Selling Shareholders

Our Promoter Selling Shareholders have issued guarantees to third parties to secure the loans availed by our Company. The details of such guarantees are as follows:

S. no	Guarantee issued by	Guarantees issued in favour of	Guarantee Amount (in₹/ million)	Reason for the Guarantee
1.	Varinder Kumar Garg And Sushma Garg	Bank of Baroda	3,111.50	Personal Guarantee to secure to Credit facility
2.	Varinder Kumar Garg and Sushma Garg		2,629.80	Supplemental composite agreement of Hypothecation of good, Book Debt, Movable Machinery & Vehicle
3.	Varinder Kumar Garg	IndusInd Bank Limited	1,000.00	Personal Guarantee to secure to Credit facilities
4.	Varinder Kumar Garg	Yes Bank Limited	1,000.00	
5.	Varinder Kumar Garg	ICICI Bank Limited	485.00	
6.	Varinder Kumar Garg	Axis Bank Limited	940.00	
7.	Varinder Kumar Garg and Sushma Garg	HDFC Bank Limited	2,400.00	
8.	Varinder Kumar Garg and Sushma Garg	Kotak Mahindra Bank Limited	1,000.00	

The guarantees set out above have been issued as security in connection with the facilities availed by our Company. Pursuant to the terms of the guarantees, in the event of any default by the borrowers towards payment of the outstanding amount under the aforementioned facilities, our Promoters shall be liable for the payment of the outstanding amount, including the interest amount, premium on prepayment, costs, and expenses and other monies payable to the Banks under the finance documents. The aforementioned guarantees shall continue and remain in force until the underlying facilities are repaid by our Company. No consideration has been paid or is payable to our Promoters for providing these guarantees. For details of the security in connection with the secured borrowings availed by our Company, see "*Financial Indebtedness–Security*" on page 471. The borrowings of our Company are typically secured by parri passu charge of the entire current assets of the borrower, present and future comprising, interalia, of stocks of raw material, work in progress, finished goods, receivable, book debts and others current assets arising out of the projects being undertaken by the borrower.

OUR MANAGEMENT

In terms of the Companies Act, 2013 and our Articles of Association, our Company is required to have a minimum of three and a maximum of fifteen Directors. As on the date of this Draft Red Herring Prospectus, our Board comprises of six Directors. For details on the strength of our Board, as permitted and required under the Articles of Association, see "*Main Provisions of Articles of Association*" on page 540.

Our Board

The following table sets forth details regarding our Board as on the date of this Draft Red Herring Prospectus:

Name, Designation, Date of Birth, Address, Occupation, Nationality, Period of Directorship, Term and DIN	Age (years)	Other directorships
Name: Varinder Kumar Garg *Designation:* Chairman and Whole-time Director *Date of Birth*: August 18, 1960 *Address:* PH – 1 B Block, The Villas, D.L.F Phase II, Nathupur (67), Gurgaon – 122002, Haryana, India. *Occupation*: Business *Nationality:* Indian *Term*: For a period of five years with effect from July 11, 2022, liable to retire by rotation *Period of Directorship*: Since incorporation of our Company *DIN:* 01563868	64	***Indian Companies*** • Surbhi Metals (India) Private Limited • Vivek Infraprojects Private Limited • Arogya City Healthcare and Research Centre Private Limited • NAS Buildcon Private Limited • Varindera Developers and Infrastructure Private Limited ***Foreign companies*** • Varindera Constructions International Limited
Name: Vivek Garg *Designation:* Managing Director and Chief Executive Officer *Date of Birth*: April 01, 1990 *Address:* PH – 1 B Block, The Villas, D.L.F Phase II, Nathupur (67), Gurgaon – 122002, Haryana, India. *Occupation*: Business *Nationality:* Indian *Term*: For a period of three years with effect from July 6, 2024; liable to retire by rotation *Period of Directorship:* Since May 14, 2008 *DIN:* 02187343	34	***Indian Companies*** • Vivek Infraprojects Private Limited • NAS Buildcon Private Limited • Varindera Developers and Infrastructure Private Limited ***Foreign companies*** • Varindera Constructions International Limited
Name: Sushma Garg *Designation:* Whole-time Director *Date of Birth*: May 13, 1964 *Address:* PH – 1 B Block, The Villas, D.L.F Phase II, Nathupur (67), Gurgaon – 122002, Haryana, India.	60	***Indian Companies*** • Surbhi Metals (India) Private Limited • Vivek Infraprojects Private Limited • Arogyacity Healthcare and Research Centre Private Limited • Varindera Developers and Infrastructure Private Limited

Name, Designation, Date of Birth, Address, Occupation, Nationality, Period of Directorship, Term and DIN	Age (years)	Other directorships
Occupation: Business *Nationality:* Indian *Term*: For a period of three years with effect from May 1, 2023, liable to retire by rotation *Period of Directorship*: Since incorporation of our Company *DIN:* 01130678		***Foreign companies*** • Varindera Constructions International Limited
Name: Vinod Kumar *Designation:* Independent Director *Date of Birth*: October 10, 1961 *Address:* H. No – 54, 4th Floor, Jacaranda Marg, Sector 25, DLF Phase II, Gurgaon – 122008, Haryana, India *Occupation*: Retired IRS officer *Nationality:* Indian *Term*: For a period of five years with effect from June 7, 2024, not liable to retire by rotation *Period of Directorship*: Since June 7, 2024 *DIN:* 10392103	62	***Indian Companies*** SGMK Corporate Spaces Private Limited ***Foreign companies*** Nil
Name: Kuljit Singh Popli *Designation:* Independent Director *Date of Birth*: June 16, 1960 *Address:* 11/1, Nehru Enclave, Kalkaji Extension, Aali Ali, South Delhi, Delhi - 110019, India *Occupation*: Retired chairman and managing director of IREDA *Nationality:* Indian *Term*: For a period of five years with effect from June 7, 2024, not liable to retire by rotation *Period of Directorship*: Since June 7, 2024 *DIN:* 01976135	64	***Indian Companies*** • Zandria Retail and Hospitality Private Limited • RMC Switchgears Limited • Gensol Engineering Limited • Insolation Energy Limited • Clime Finance Private Limited • IOV Registered Valuers Foundation ***Foreign companies*** Nil
Name: Neeru Abrol *Designation:* Independent Director *Date of Birth*: February 2, 1955 *Address:* K – 3, Lajpat Nagar – 3, Lajpat Nagar, South Delhi, Delhi – 110024 *Occupation*: Professional *Nationality:* Indian	69	***Indian Companies*** • Apollo Pipes Limited • APL Apollo Tubes Limited • Stecol International Private Limited • Apollo Metalex Private Limited • Ganesha Ecoverse Limited • SMC Global Securities Limited • SG Mart Limited

Name, Designation, Date of Birth, Address, Occupation, Nationality, Period of Directorship, Term and DIN	Age (years)	Other directorships
Current Term: For a period of five years with effect from August 29, 2024, not liable to retire by rotation *Period of Directorship*: Since August 29, 2024 *DIN:* 01279485		***Foreign companies*** Nil

Brief profiles of our Directors

Varinder Kumar Garg is the Chairman and Whole-time Director of our Company. He has been associated with our Company since December 15, 1987. He has completed his higher secondary education from Khalsa Higher Secondary School, Bhatinda. He has 36 years of experience in the construction business industry. He has been awarded with several prestigious awards including the Indira Gandhi Sadbhavana Award, 2007 by the National Integration & Economic Council and Vishwakarma Award for the year 2010 by the Construction Industry Development Council. He was also awarded the Hindustan Vikas Ratan Award, 2002 by the International Business Productivity Forum, Bhartiya Nirman Ratan Award, 2003 by the Indian Economic Development & Research Association. He serves as a director on the board of Surbhi Metals (India) Private Limited, Vivek Infraprojects Private Limited, Arogya City Healthcare and Research Centre Private Limited, NAS Buildcon Private Limited and Varindera Developers and Infrastructure Private Limited.

Vivek Garg is the Managing Director and Chief Executive Officer of our Company. He has been associated with our Company since May 14, 2008. He obtained a degree in Bachelor of Technology, Civil Engineering from the Amity University, Uttar Pradesh and a degree in Master of Science in Construction Management from the City University, London**.** He has 16 years of experience in the construction business industry. He also serves as a director on the board of Vivek Infraprojects Private Limited, NAS Buildcon Private Limited and Varindera Developers and Infrastructure Private Limited. A**s** the Chief Executive Officer, he is responsible for spearheading the business development of our Company.

Sushma Garg is a Whole-time Director of our Company. She has been associated with our Company since December 15, 1987. She obtained a degree in Bachelor of Arts and a degree in Master of Arts, Political Science from the Maharshi Dayanand University. She has 36 years of experience in the construction business industry. She also serves as a director on the board of Surbhi Metals (India) Private Limited, Vivek Infra Projects Private Limited, Arogya City Healthcare & Research Centre Private Limited and Varindera Developers and Infrastructure Private Limited.

Vinod Kumar is an Independent Director of our Company. He has been associated with our company as an Independent Director since June 7, 2024. He obtained a degree in Bachelor of Medicine & Bachelor of Surgery from Punjabi University and a degree in Master of Public Administration from the State University of New York. He has served as an officer in the Indian Revenue Services for a period of 32 years. Prior to joining our Company, he was associated with Indian Revenue Services since January 9, 1989, and retired on October 31, 2021. During this period, he served in capacities such as assistant commissioner, deputy commissioner and chief commissioner of Income Tax.

Kuljit Singh Popli is an Independent Director of our Company. He has been associated with our company as an independent director since June 7, 2024. He obtained a degree in Bachelor of Science (Electrical) from Ranchi University and a degree in Bachelor of Law from University of Delhi. He also obtained a Diploma in Project Management from Punjabi University and has completed the Programme on Investment Appraisal and Risk Analysis for Power Sector from Harvard University. Prior to joining our Company, he was associated with Indian Renewable Energy Development Agency for a period of eleven years with his last designation being chairman and managing director, Power Finance Corporation Limited for a period of fourteen years with his last designation being additional general manager and National Hydroelectric Power Corporation Limited for a period of eleven years with his last designation being deputy manager (elect). He also serves as a director on the board of Zandria Retail and Hospitality Private Limited, RMC Switchgears Limited, Gensol Engineering Limited, Insolation Energy Limited, Clime Finance Private Limited and IOV Registered Valuers Foundation.

Neeru Abrol is an Independent Director of our Company. She has been associated with our company as an independent director since August 29, 2024. She obtained a degree in Bachelor of Science (Honours) from Aligarh

Muslim University. She is also an associate member of the Institute of Chartered Accountants of India. She has twelve years of experience in the finance industry. Prior to joining our Company, she was associated with National Fertilizers Limited as director (finance) for a period of seven years before being appointed as its chairman and managing director for a term of five years. She also serves as a director on the board of Apollo Pipes Limited, APL Apollo Tubes Limited, Stecol International Private Limited, Apollo Metalex Private Limited, Ganesha Ecoverse Limited, SMC Global Securities Limited and SG Mart Limited.

Relationship between our Board of Directors and Key Managerial Personnel and Senior Management

Except as stated below, none of the Directors, Key Managerial Personnel and Senior Management on our Board are related to each other:

Name of the Director	Relationship
Varinder Kumar Garg	Husband of Sushma Garg and father of Vivek Garg
Sushma Garg	Wife of Varinder Kumar Garg and mother of Vivek Garg
Vivek Garg	Son of Varinder Kumar Garg and Sushma Garg

Arrangements or understandings with major shareholders, customers, suppliers or others

None of our Directors have been presently appointed or selected as a director pursuant to any arrangement or understanding with our major shareholders, customers, suppliers, or others.

Service contracts with Directors

There are no service contracts entered into with any Directors, which provide for benefits upon retirement or termination of employment.

Borrowing Powers of our Board of Directors

Pursuant to our Articles of Association, board resolution dated March 23, 2024 and Shareholders resolution dated March 29, 2024, subject to applicable laws, our Board is accorded to borrow, from time to time, any sum or sums of monies, which together with the monies already borrowed by our Company (apart from temporary loans obtained or to be obtained from our Company's bankers in the ordinary course of business), may exceed the aggregate of the paid-up capital of our Company its free reserves and securities premium, provided that the total amount so borrowed by our Board shall not at any time exceed ₹ 22,000.00 million or the aggregate of the paid-up capital, free from reserves and securities premium of the Company, whichever is higher.

Terms of appointment of Directors

1. *Appointment details of our Managing Director &CEO*

Vivek Garg is the Managing Director and Chief Executive Officer of our Company. He was designated as the Managing Director and Chief Executive Officer of our Company pursuant to the board resolution dated July 6, 2024, and shareholder resolution dated July 16, 2024, for a period of three years effective from July 6, 2024 to July 5, 2027 and liable to retire by rotation**.** He is entitled to a remuneration of up to ₹ 50.00 million per annum excluding other benefits in relation to gratuity and contributions to the provident fund, superannuation fund and annuity fund.

2. *Appointment details of our Whole-time Directors*

Varinder Kumar Garg is the Chairman and Whole-time Director of our Company. He was designated as the Chairman and Whole-time Director of our Company pursuant to the board resolution dated July 6, 2024, and shareholders resolution dated July 16, 2024, for the remaining period of his tenure i.e. until July 10, 2027 and liable to retire by rotation. He is entitled to a maximum remuneration of up to ₹ 123.00 million per annum with effect from July 11, 2022 to July 10, 2025 for a period of three years, excluding other benefits in relation to gratuity, contributions to the provident fund, superannuation fund and annuity fund.

Sushma Garg is a Whole-time Director of our Company. She was appointed as a Whole-time Director of our Company, pursuant to the board resolution dated April 24, 2023, and shareholders resolution dated April 24, 2023, for a term of 3 years with effect from May 1, 2023 and liable to retire by rotation. She is entitled to a remuneration of up to ₹ 50.00 million per annum excluding other benefits in relation to gratuity and contributions to the provident fund, superannuation fund and annuity fund.

Employment Agreement between our Company and Directors

As on date of this DRHP, there are no employment agreements between our Company and our Directors.

Remuneration paid to our Directors

Details of the remuneration paid to our Directors in the Fiscal Year 2024 are set forth below:

S. No.	Name of the Director	Remuneration (in ₹ million)
1.	Varinder Kumar Garg	46.70
2.	Sushma Garg	41.35
3.	Vivek Garg	45.85

As our Independent Directors were appointed in the current Fiscal Year, our Company did not pay any remuneration (including sitting fees and commission) to our Independent Directors for the Fiscal Year 2024.

Remuneration details of our Independent Directors

Pursuant to Board resolution dated August 28, 2024, each Independent Director is entitled to receive sitting fees based on the recommendation of the Nomination and Remuneration Committee, within the limits prescribed under Companies Act.

Remuneration paid to our Directors by our Subsidiary

There is no remuneration paid or payable to our Directors by our Subsidiary, including contingent or deferred compensation accrued during or for the Fiscal Year 2024.

Contingent and deferred compensation payable to our Directors

Except as disclosed in this section "*Our Management- Remuneration paid to our Directors*" on page 336, there is no contingent or deferred compensation payable by our Company/Subsidiary, as the case may be to our Directors by our Company.

Bonus or profit-sharing plan for Directors

Except as disclosed above in this section "*Our Management- Terms of Appointment of our Directors*" on page 335, our Company does not have any performance linked bonus or a profit-sharing plan for our Directors.

Shareholding of our Directors in our Company

Our articles do not require the Directors to hold any qualification shares.

Details of our Directors who hold Equity Shares in our Company as on the date of this Draft Red Herring Prospectus are as follows:

Name	Number of Equity Shares of face value of ₹1 each	Percentage of pre-Offer share capital
Varinder Kumar Garg	10,38,92,000	67.04 %
Sushma Garg	4,77,65,200	30.82 %
Vivek Garg	2,82,800	0.18 %

Interest of our Directors

All of our Directors may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration, bonus and reimbursement of expenses, if any, payable to them.

Our Directors, Varinder Kumar Garg, Vivek Garg and Sushma Garg may be deemed to be interested to the extent of Equity Shares, held by them in our Company and its Subsidiary, and any dividend and other distributions payable in respect of such Equity Shares. Also, Vivek Garg is interested in our Company to the extent of the unsecured loan extended by him to our Company. For further details, see "*Summary of the Offer Document- Related Party Transactions"* on page 26.

Except for Varinder Kumar Garg, Sushma Garg and Vivek Garg who are among the Promoters of our Company, none of our Directors have any interest in the promotion or formation of our Company or its Subsidiary as of the date of this Draft Red Herring Prospectus.

Our Directors, Varinder Kumar Garg and Sushma Garg, who are also the Promoter Selling Shareholders, may be deemed to be interested to the extent of their participation in the Offer for Sale.

Our Directors are not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to our Directors or to such firm or company in cash or shares or otherwise by any person either to induce him to become, or to help him qualify as a Director, or otherwise for services rendered by him or by the firm or company in which he is interested, in connection with the promotion or formation of our Company.

Except as disclosed in "*Restated Consolidated Financial Information - Note 39- Related Party Transactions*" on page 415, there are no conflicts of interest between the suppliers of raw materials and third-party service providers (crucial for operations of our Company) and our Directors.

There are no conflicts of interest between the lessors of immovable properties (crucial for operations of our Company) and our Directors.

Except as disclosed below, our Directors have no interest in any property acquired by our Company preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company or of our Company:

Our Company entered into a sale deed dated December 4, 2023, with Varinder Kumar Garg for the sale of one of its properties located at apartment No. VT-B/PK-1, Tower – B, 16th and 17th Floor, Akashneem Marg, Village Sarhaul, Sector – 25, Tehsil & District Gurugram, Haryana for a total consideration of ₹ 53.80 million.

Our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Red Herring Prospectus in which our Directors are directly or indirectly interested and no payments have been made to our Directors in respect of the contracts, agreements or arrangements which are proposed to be made with our Directors other than in the normal course of business.

Our Directors may be deemed to be interested to the extent of certain related party transactions that were undertaken with them and certain companies wherein they are shareholders and/or directors. Our Directors may also be deemed to be interested in the contract agreement /arrangements entered into or to be entered into by our Company in the normal course of business with any company in which they hold directorships. For further details, see "*Restated Consolidated Financial Information – Note 39 - Related Party Transactions*" on page 415.

Confirmations

None of our Directors have been identified as Wilful Defaulters or Fraudulent Borrowers.

None of our Directors are prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Our Directors are not, and have not, during the five years preceding the date of this Draft Red Herring Prospectus, been on the board of any listed company whose shares have been or were suspended from being traded on any stock exchange(s) during their term of tenure in such company.

None of our Directors have been or are directors on the board of listed companies which have been or were delisted from any stock exchange(s) during their term of tenure in such company.

No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our Directors or to the firms, or companies in which they have an interest in, by any person, either to induce him to become or to help him qualify as a Director, or otherwise for services rendered by him or by the firm, or company in which he is interested, in connection with the promotion or formation of our Company.

Changes in our Board of Directors during the last three years

The changes in our Board during the three years immediately preceding the date of this Draft Red Herring Prospectus are as follows:

Name of Director	Date of Change	Designation (at the time of appointment/ cessation)	Description and Reason
Neeru Abrol	August 29, 2024	Independent Director	Appointment as Independent Director
Varinder Kumar Garg	July 6, 2024	Managing Director	Re-designated as the Chairman and Whole-time Director
Vivek Garg	July 6, 2024	Whole-time Director	Appointment as the Managing Director and Chief Executive Officer
Nitin Kaushal	July 6, 2024	Independent Director	Resignation as Independent Director
Mayank Garg	July 6, 2024	Independent Director	Resignation as Independent Director
Vinod Kumar	June 7, 2024	Independent Director	Appointment as Independent Director
Kuljit Singh Popli	June 7, 2024	Independent Director	Appointment as Independent Director
Surbhi Agarwal	May 4, 2024	Non-Executive Director	Resignation as Non-Executive Director

Note: *This table does not include changes such as regularizations of appointments.*

Corporate Governance

In addition to the Companies Act, 2013, the provisions of the SEBI Listing Regulations will also be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges.

As on the date of filing this Draft Red Herring Prospectus, our Company has six Directors of which three are Executive Directors and three are Independent Directors (including one woman Independent Director). Our Company is in compliance with corporate governance norms prescribed under SEBI Listing Regulations and the Companies Act, 2013, to the extent applicable, particularly, in relation to composition of our Board of Directors and constitution of board level committees.

Our Company undertakes to take all necessary steps to continue to comply with all the requirements under SEBI Listing Regulations and the Companies Act, 2013.

Board-level committees

In terms of the SEBI Listing Regulations and the provisions of the Companies Act, 2013, our Company has constituted the following Board-level committees:

(a) Audit Committee;
(b) Nomination and Remuneration Committee;
(c) Corporate Social Responsibility Committee; and
(d) Stakeholder Relationship Committee;

The details of the committees required to be constituted by our Company under the Companies Act, 2013 and the SEBI Listing Regulations are as follows:

Audit Committee

The Audit Committee of the Board was constituted in accordance with the provisions of Section 177 of the Companies Act, and the SEBI Listing Regulations and as amended, the uniform listing agreements to be entered into between our Company and the Stock Exchanges, and any other applicable law or enactment for the time being in force. The Audit Committee was last re-constituted by a resolution of our Board of Directors dated July 6, 2024**.**

The Audit Committee currently comprises:

Name	Position in the committee	Designation
Vinod Kumar	Chairperson	Independent Director

Name	Position in the committee	Designation
Kuljit Singh Popli	Member	Independent Director
Vivek Garg	Member	Managing Director and Chief Executive Officer

Terms of Reference of the Audit Committee:

The terms of reference of the Audit Committee shall *inter alia,* include the following:

(a) Overseeing our Company's financial reporting process, examination of the financial statement and the auditors' report thereon and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

(b) Recommendation to the Board for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of our Company including the internal auditor, cost auditor and statutory auditor of our Company, and fixation of the audit fee and approval for payment for any other services;

(c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

(i) matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause I of sub-section (3) of Section 134 of the Companies Act, 2013;
(ii) changes, if any, in accounting policies and practices and reasons for the same;
(iii) major accounting entries involving estimates based on the exercise of judgment by management;
(iv) significant adjustments made in the financial statements arising out of audit findings;
(v) compliance with listing and other legal requirements relating to financial statements;
(vi) disclosure of any related party transactions;
(vii) qualifications and modified opinion(s) in the draft audit report;

(e) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

(f) Reviewing, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

(g) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

(h) Formulating a policy on related party transactions, which shall include materiality of related party transactions;

(i) Approval or any subsequent modification of transactions of our Company with related parties; All related party transactions shall be approved by only Independent Directors who are the members of the committee, and the other members of the committee shall recuse themselves on the discussions related to related party transactions;

Explanation: The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.

(j) Review, at least on a quarterly basis, the details of related party transactions entered into by our Company pursuant to each of the omnibus approvals given;

(k) Scrutiny of inter-corporate loans and investments;

(l) Valuation of undertakings or assets of our Company, wherever it is necessary;

(m) Appointment of Registered Valuer under Section 247 of the Companies Act, 2013.

(n) Evaluation of internal financial controls and risk management systems;

(o) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(p) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(q) Discussion with internal auditors of any significant findings and follow up thereon;

(r) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

(s) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(t) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(u) To review the functioning of the whistle blower mechanism;

(v) Approval of appointment of chief financial officer (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

(w) Ensuring that an information system audit of the internal systems and process is conducted at least once in two years to assess operational risks faced by the Company;

(x) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

(y) To formulate, review and make recommendations to the Board to amend the Terms of Reference of Audit Committee from time to time;

(z) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;

(aa) Reviewing compliance with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as may be amended from time to time, at least once in a financial year and shall verify that the systems for internal control under the said regulations are adequate and are operating effectively;

(bb) Investigating any activity within its terms of reference, seeking information from any employee, obtaining outside legal or other professional advice and securing attendance of outsiders with relevant expertise, if it considers necessary;

(cc) To consider the rationale, cost, benefits and impact of schemes involving merger, demerger, amalgamation etc. of our Company and provide comments to our Company and its shareholders;

(dd) Reviewing:

(i) any show cause, demand, prosecution and penalty notices against our Company or its Directors which are materially important including any correspondence with regulators or government agencies and any published reports which raise material issues regarding our Company's financial statements or accounting policies;
(ii) any material default in financial obligations by our Company;
(iii) any significant or important matters affecting the business of our Company; and

(ee) Carrying out any other functions as provided under the provisions of the Companies Act, the SEBI Listing Regulations and other applicable laws, and carrying out any other functions as may be required / mandated and/or delegated by the Board as per the provisions of the Companies Act, 2013, SEBI Listing Regulations, uniform listing agreements and/or any other applicable laws or by any regulatory authority and performing such other functions as may be necessary or appropriate for the performance of its duties.

The Audit Committee shall mandatorily review the following information:

(a) management discussion and analysis of financial condition and results of operations;

(b) statement of significant related party transactions (as defined by the audit committee), submitted by management;

(c) management letters / letters of internal control weaknesses issued by the statutory auditors;

(d) internal audit reports relating to internal control weaknesses;

(e) the appointment, removal and terms of remuneration of the chief internal auditor;

(f) the examination of the financial statements and the auditors' report thereon;

(g) statement of deviations:

(i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI Listing Regulations; and
(ii) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI Listing Regulations.

(h) the financial statements, in particular, the investments made by any unlisted subsidiary; and

(i) Such information as may be prescribed under the Companies Act and SEBI Listing Regulations.

The powers of the Audit Committee shall include the following:

(a) to investigate any activity within its terms of reference;

(b) to seek information from any employee of our Company;

(c) to obtain outside legal or other professional advice; and

(d) to secure attendance of outsiders with relevant expertise, if it considers necessary.

(e) such powers as may be prescribed under the Companies Act and SEBI Listing Regulations

The Company Secretary and Compliance Officer acts as secretary to the Audit Committee.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Board was constituted in accordance with section 178 of the Companies Act, and the SEBI Listing Regulations and, the uniform listing agreements to be entered into between our Company and the Stock Exchanges, and any other applicable law or enactment for the time being in force. The terms of reference of the Nomination and Remuneration Committee were adopted by a resolution of our Board of Directors dated July 6, 2024 and last re-constituted by a resolution of our Board of Directors dated

September 11, 2024.

The Nomination and Remuneration Committee currently comprises:

Name	Position in the committee	Designation
Vinod Kumar	Chairperson	Independent Director
Kuljit Singh Popli	Member	Independent Director
Neeru Abrol	Member	Independent Director
Varinder Kumar Garg	Member	Chairman and Whole-time Director

Terms of Reference of the Nomination and Remuneration Committee:

The terms of reference of the Nomination and Remuneration Committee shall *inter alia,* include the following:

(a) Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.

(b) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may

    (i) use the services of an external agencies, if required;
    (ii) consider candidates from a wide range of backgrounds, having due regard to diversity; and
    (iii) consider the time commitments of the candidates;

    The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

    (i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
    (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
    (iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of our Company and its goals.

(c) Formulating criteria for evaluation of performance of independent directors and the Board;

(d) Devising a policy on diversity of Board;

(e) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of the Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance. Our Company shall disclose the remuneration policy and the evaluation criteria in its annual report;

(f) Extending or continuing the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

(g) Recommending to the board, all remuneration, in whatever form, payable to senior management;

(h) Analysing, monitoring and reviewing various human resource and compensation matters, including the compensation strategy;

(i) Determining our Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

(j) Recommending the remuneration, in whatever form, payable to non-executive directors and the senior management personnel and other staff (as deemed necessary);

(k) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

(l) Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

(m) Administering, monitoring and formulating detailed terms and conditions of the Employees Stock Option Scheme of our Company;

(n) Framing suitable policies and systems to ensure that there is no violation, as amended from time to time, of any securities laws or any other applicable laws in India or overseas, including:

    (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; and
    (ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended;

(o) Performing such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations, the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the Companies Act, each as amended or other applicable law;

(p) Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

(q) Administering the employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the terms of such scheme/plan ("ESOP Scheme") including the following:

i. Determining the eligibility of employees to participate under the ESOP Scheme;

ii. Determining the quantum of option to be granted under the ESOP Scheme per employee and in aggregate;

iii. Date of grant;

iv. Determining the exercise price of the option under the ESOP Scheme;

v. The conditions under which option may vest in employee and may lapse in case of termination of employment for misconduct;

vi. The exercise period within which the employee shall exercise the option and that option would lapse on failure to exercise the option within the exercise period;

vii. The specified time period within which the employee shall exercise the vested option in the event of termination or resignation of an employee;

viii. The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;

ix. Re-pricing of the options which are not exercised, whether or not they have been vested if stock option rendered unattractive due to fall in the market price of the equity shares;

x. The grant, vest and exercise of option in case of employees who are on long leave;

xi. The vesting and exercise of option in case of guarantee who has been transferred or whose services have been seconded to any other entity within the group at the instance of the Company;

xii. Allow exercise of unvested options on such terms and conditions as it may deem fit;

xiii. The procedure for cashless exercise of options;

xiv. Forfeiture/cancellation of options granted;

xv. arranging to get the shares issued under the ESOP Scheme listed on the stock exchanges on which the equity shares of the Company are listed or maybe listed in future.

xvi. Formulating and implementing the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration:

- the number and the price of stock option shall be adjusted in a manner such that total value of the option to the employee remains the same after the corporate action;
- for this purpose, global best practices in this area including the procedures followed by the derivative markets in India and abroad may be considered; and
- the vesting period and the life of the option shall be left unaltered as far as possible to protect the rights of the employee who is granted such option.

(r) Construing and interpreting the employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the terms of such scheme/plan ("ESOP Scheme") and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the ESOP Scheme;

(s) Engaging the services of any consultant/professional or other agency for the purpose of recommending compensation structure/policy; and

(t) Performing such other functions as may be necessary or appropriate for the performance of its duties.

Stakeholders Relationship Committee

The Stakeholders Relationship Committee of the Board was constituted in accordance with section 178 of the Companies Act, and the SEBI Listing Regulations, and the listing agreements to be entered into between our Company and the Stock Exchanges, and any other applicable law or enactment for the time being in force. The Stakeholder Relationship Committee was last constituted by a resolution of our Board of Directors dated July 6, 2024.

The Stakeholders Relationship Committee currently comprises:

Name	Position in the committee	Designation
Vinod Kumar	Chairperson	Independent Director
Varinder Kumar Garg	Member	Chairman and Whole-time Director
Vivek Garg	Member	Managing Director and Chief Executive Officer

Terms of Reference of the Stakeholders Relationship Committee:

The terms of reference and the powers of the Stakeholders Relationship Committee shall *inter alia,* include the following:

(a) Redressal of all security holders' and investors' grievances such as complaints related to transfer of shares, including non-receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, dematerialisation and re-materialisation of shares, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of annual reports, etc., assisting with quarterly reporting of such complaints and formulating procedures in line with statutory guidelines to ensure speedy disposal of various requests received from shareholders;

(b) Resolving the grievances of the security holders of our Company including complaints related to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.;

(c) Giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;

(d) Reviewing the adherence to the service standards by our Company with respect to various services rendered by the registrar and transfer agent of our Company and to recommend measures for overall improvement in the quality of investor services;

(e) Review of measures taken for effective exercise of voting rights by shareholders;

(f) Review of adherence to the service standards adopted by our Company in respect of various services being rendered by the registrar & share transfer agent;

(g) To approve allotment of shares, debentures or any other securities as per the authority conferred / to be conferred to the Committee by the Board of Directors from time to time;

(h) To approve requests for transfer, transposition, deletion, consolidation, sub-division, change of name, dematerialization, rematerialisation etc. of shares, debentures and other securities;

(i) To monitor and expedite the status and process of dematerialization and rematerialisation of shares, debentures and other securities of our Company; and

(j) Review of the various measures and initiatives taken by our Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of our Company.

(k) Performing such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations and the Companies Act or other applicable law.

Corporate Social Responsibility Committee ("CSR Committee")

CSR Committee of the Board was constituted in accordance with section 135 of the Companies Act, and the applicable rules, regulations, guidelines and circulars promulgated thereunder and as amended, the uniform listing agreements to be entered into between our Company and the Stock Exchanges and any other applicable law or enactment for the time being in force. The CSR Committee was last re-constituted by a resolution of our Board of Directors dated July 6, 2024**.**

The CSR Committee currently comprises:

Name	Position in the committee	Designation
Varinder Kumar Garg	Chairperson	Chairman and Whole-time Director
Vinod Kumar	Member	Independent Director
Vivek Garg	Member	Managing Director and Chief Executive Officer

The terms of reference of the Corporate Social Responsibility Committee shall hereby be as follows:

a) To formulate and recommend to the Board, a Corporate Social Responsibility Policy stipulating, amongst others, the guiding principles for selection, implementation and monitoring the activities as well as formulation of the annual action plan which shall indicate the activities to be undertaken by our Company as specified in Schedule VII of the Companies Act and the rules made thereunder and make any revisions therein as and when decided by the Board;

b) To review and recommend the amount of expenditure to be incurred on the activities referred to in (a) and amount to be incurred for such expenditure shall be as per the applicable law;

c) To identify corporate social responsibility policy partners and corporate social responsibility policy programmes;

d) To review and recommend the amount of expenditure to be incurred for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by our Company;

e) To delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;

f) To review and monitor the Corporate Social Responsibility Policy of our Company and its implementation from time to time, and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;

g) To do such other acts, deeds and things as may be required to comply with the applicable laws;

h) To take note of the Compliances made by implementing agency (if any) appointed for the corporate social responsibility of our Company;

i) The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its corporate social responsibility policy, which shall include the following:

   (i) the list of corporate social responsibility projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Companies Act;
   (ii) the manner of execution of such projects or programmes as specified in the rules notified under the Companies Act;
   (iii) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
   (iv) monitoring and reporting mechanism for the projects or programmes; and
   (v) details of need and impact assessment, if any, for the projects undertaken by our Company; and

j) To perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 or by the SEBI Listing Regulations or statutorily prescribed under any other law or by any other regulatory authority.

As on date of this Draft Red Herring Prospectus, our Company is not required to constitute a risk management committee pursuant to the SEBI Listing Regulations, and accordingly, the Risk Management Committee of our Company is constituted voluntarily. Details of our Risk Management Committee are as follows:

Risk Management Committee

Risk Management Committee was constituted pursuant to a Board Resolution dated July 6, 2024.

The Risk Management Committee currently comprises:

Name	Position in the committee	Designation
Varinder Kumar Garg	Chairperson	Chairman and Whole-time Director
Vinod Kumar	Member	Independent Director
Vivek Garg	Member	Managing Director and Chief Executive Officer
Vikas Jain	Member	Chief Financial Officer

Terms of Reference of the Risk Management Committee:

The terms of reference of the Risk Management Committee shall *inter alia,* include the following:

(a) To formulate a detailed risk management policy covering risk across functions and plan integration through training and awareness programmes which shall include:

   i) A framework for identification of internal and external risks specifically faced by the listed entities, in particular including financial, operational, sectoral, sustainability (particularly environmental, social and governance related risks), information, cyber security risks or any other risk as may be determined by the Risk Management Committee;

ii) Measures for risk mitigation including systems and processes for internal control of identified risks; and

iii) Business continuity plan.

(b) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of our Company;

(c) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

(d) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

(e) To set out risk assessment and minimization procedures and the procedures to inform the Board of the same;

(f) To frame, implement, review and monitor the risk management policy for our Company and such other functions, including cyber security;

(g) To review the status of the compliance, regulatory reviews and business practice reviews;

(h) To approve the process for risk identification and mitigation;

(i) To decide on risk tolerance and appetite levels, recognizing contingent risks, inherent and residual risks including for cyber security;

(j) To monitor our Company's compliance with the risk structure. Assess whether current exposure to the risks it faces is acceptable and that there is an effective remediation of non-compliance on an on-going basis;

(k) To approve major decisions affecting the risk profile or exposure and give appropriate directions;

(l) To consider the effectiveness of decision making process in crisis and emergency situations;

(m) To balance risks and opportunities;

(n) To generally, assist the Board in the execution of its responsibility for the governance of risk;

(o) To keep the Board informed about the nature and content of its discussions, recommendations and actions to be taken;

(p) The appointment, removal and terms of remuneration of the chief risk officer (if any) shall be subject to review by the Risk Management Committee;

(q) To review and assess the risk management system and policy of our Company from time to time and recommend for amendment or modification thereof;

(r) To implement and monitor policies and/or processes for ensuring cyber security;

(s) To review and recommend potential risk involved in any new business plans and processes;

(t) To review our Company's risk-reward performance to align with our Company's overall policy objectives;

(u) To monitor and review regular updates on business continuity;

(v) The Risk Management Committee shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary;

(w) The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors;

(x) To advise the Board with regard to risk management decisions in relation to strategic and operational matters such as corporate strategy; and

(y) Performing such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 or by the SEBI Listing Regulations or statutorily prescribed under any other law or by any other regulatory authority.

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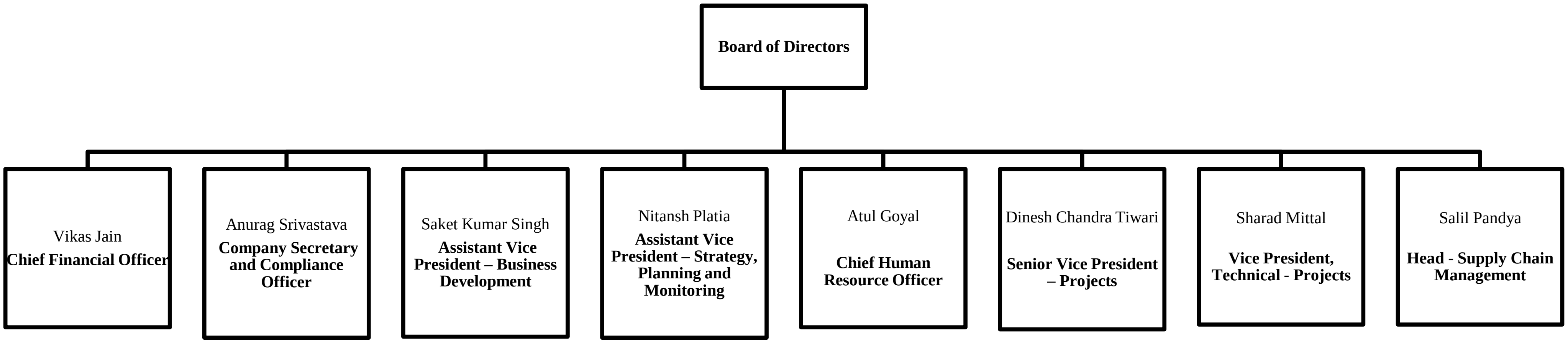
ORGANISATION STRUCTURE



Key Managerial Personnel of our Company

In addition to Varinder Kumar Garg, Sushma Garg and Vivek Garg, whose details are provided in *"Our Management – Brief Profiles of our Directors"* on page 334, the details of our other Key Managerial Personnel and Senior Management as of the date of this Draft Red Herring Prospectus are set forth below:

Vikas Jain is the Chief Financial Officer of our Company. He has been associated with our Company since September 29, 2023. He obtained a degree in Bachelor of Commerce and a degree in Master of Commerce from the University of Delhi. He also completed Executive Development Program in Leadership and Change Management from XLRI through VIL platform. He is an associate member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India. Prior to joining our Company, he has been associated with KEC International Limited as head – commercial, Kalindee Rail Nariman (a division of Texmaco Rail and Engineering Limited) as senior vice president – commercial, UEM India Private Limited as finance controller (general manager – finance & accounts) and PL Engineering Limited as deputy general manager. He is responsible for implementing financial strategy of our Company. In the Fiscal Year 2024, he received a remuneration of ₹ 2.74 million.

Anurag Srivastava is the Company Secretary and Compliance Officer of our Company. He has been associated with our Company since February 1, 2024. He obtained a degree in Bachelor of Commerce from the University of Allahabad and a degree in Bachelor of Law from Veer Kunwar Singh University. He is a fellow member of the Institute of Company Secretaries of India. Prior to joining our Company, he was associated with Signature Global (India) Limited as general manager – company secretary & legal and Supertech Limited as company secretary. He is responsible for corporate secretarial activities and compliance functions of our Company. In the Fiscal Year 2024, he received a remuneration of ₹ 0.55 million.

Senior Management of our Company

In addition to Vikas Jain, the Chief Financial Officer of our Company and Anurag Srivastava, Company Secretary and Compliance Officer of our Company who are also our Key Managerial Personnel and whose details are provided in " *Key Managerial Personnel*" on page 351, the details of our other members of the Senior Management in terms of the SEBI ICDR Regulations are set out below.

Atul Goyal is the chief human resource officer of our Company. He has been associated with our Company since June 5, 2024**.** He obtained a degree in Bachelor of Technology, Computer Science and Engineering, from Guru Nanak Dev University and a degree in Master of Business Administration, Human Resources from Punjab University. Prior to joining our Company, he was associated with KEC International limited as general manager – human resources, Avaada Energy Private Limited as assistant vice president - human resources, Hilton Hotel Management Services Private Limited as head of human resources – India, Sterling and Wilson Private limited as Head HR– north, AAPC India Hotel Management Private Limited as head - human resources, north, Cairn Group as associate - human resources, Kaz Stroy Service Infrastructure India Private Limited as deputy manager – human resource & administration and also associated with Voltas Limited. He is responsible for leading the human resource team in developing and implementing best practices, policies and procedures to support employees of our Company. Since he was appointed in Fiscal 2025, he did not receive any compensation from our Company in Fiscal 2024.

Dinesh Chandra Tiwari is the senior vice president – projects of our Company. He has been associated with our Company since May 1, 2024. He obtained a Diploma in Civil Engineering from Government Polytechnic, Nainital. Prior to joining our Company, he was associated with Monte Carlo Limited as associate vice president, Ahulwalia Contracts (India) Limited as project director – AIIMS hospital project, Jammu, JMC Projects (India) Limited as assistant vice president, RSB Projects Limited as assistant engineer - civil, Dumez Sogea Borie Sae as quality control engineer, Bhasin Associates Limited as junior engineer – civil. He is responsible for timely and cost-effective delivery of projects of our Company. Since he was appointed in Fiscal 2025, he did not receive any compensation from our Company in Fiscal 2024.

Sharad Mittal is the vice president, technical - projects of our Company. He has been associated with our Company since September 1, 2023. He obtained a degree in Bachelor of Engineering (civil) from the University of Nagpur. He also completed a master's programme in construction management from the National Institute of Construction Management and Research. Prior to joining our Company, he was associated with Saurabh Mason Private Limited as senior vice president - construction, Ashiana Dwellings Private Limited as vice president - projects, Mahagun India Private Limited as vice president – operations, TCG Developments India Private Limited as general manager – contracts, Interarch Building Products Private Limited as project manager, Al Otaiba and Garg Contracting L.L.C as contracts engineer and Cemindia Company Limited as engineer. He is responsible for for overseeing the technical aspects of construction projects and ensuring compliance with industry standards in our Company. In the Fiscal Year 2024, he received a remuneration of ₹ 3.01 million.

Salil Pandya is the head – supply chain management of our Company. He has been associated with our Company since August 20, 2024. He obtained a degree in Bachelor of Engineering (mechanical) from Rani Durgavati University, Jabalpur. He also obtained a post graduate diploma in management from Amity Business School, Noida. Prior to joining our Company, he was associated with Oberoi Realty Limited as senior vice president and head – procurement, Runwal Residency Private Limited as senior vice president – purchase, Omkar Realtors and Developers Private Limited as vice president in engineering department, Peninsula Land Limited as additional general manager – purchase, Videocon Industries Limited as AGM – sourcing and procurement, MAN Industries (India) Limited as deputy general manager – procurement, Ispat Industries Limited as manager – SCM (purchase), Thyssenkrupp Electrical Steel as deputy manager and Daewoo motors India Limited as assistant manager. He is responsible for overseeing and managing the supply chain, including procurement, logistics, and inventory management in our Company. Since he was appointed in Fiscal 2025, he did not receive any compensation from our Company in Fiscal 2024.

Nitansh Platia is the assistant vice president - strategy, planning and monitoring of our Company. He has been associated with our Company since May 22, 2024. He obtained a degree in Bachelor of Technology, Electronics and Communication Engineering from Maulana Azad National Institute of Technology and a degree in Post Graduate Diploma in Management from Indian Institute of Management, Ranchi. Prior to joining our Company, he was associated with Kalpataru Projects International Limited as deputy general manager, Alstom India Limited as engineer – C&I with gas region, MEI, Jindal Steel & Power Limited as assistant general manager and Tata Steel Limited as senior manager – strategy and performance monitoring. He is responsible for design and implementation of organization's business strategy for our Company. Since he was appointed in Fiscal 2025, he did not receive any compensation from our Company in Fiscal 2024.

Saket Kumar Singh is the assistant vice president - business development- tendering of our Company. He has been associated with our Company since June 4, 2024. He obtained a degree in Bachelor of Civil Engineering from Visveswaraiah Technological University, Belgaum and a Post Graduate Certificate in Business Management from XLRI, Jamshedpur. He also obtained a Diploma in YPO Future of Construction Program in Copenhagen. Prior to joining our Company, he was associated with Semac Consultants Limited as chief marketing officer. He is responsible to explore new business opportunities in different sectors and regions for our Company. Since he was appointed in Fiscal 2025, he did not receive any compensation from our Company in Fiscal 2024.

Status of Key Managerial Personnel and Senior Management

All our Key Managerial Personnel and Senior Management are permanent employees of our Company.

Relationship among Key Managerial Personnel and Senior Management

Except as disclosed in "*Our Management- Relationship between our Board of Directors and Key Managerial Personnel and Senior Management*" on page 335, none of the Key Managerial Personnel and Senior Management of our Company are related to each other.

Bonus or profit-sharing plan for the Key Managerial Personnel and Senior Management

None of our Key Managerial Personnel and Senior Management are a party to any bonus or profit-sharing plan or have received any compensation in the Fiscal Year 2024 pursuant to any bonus or profit-sharing plan from our Company.

Shareholding of Key Managerial Personnel and Senior Management

Except as provided under "*Our Management – Shareholding of our Directors in our Company*" on page 336, no other Key Managerial Personnel and Senior Management hold Equity Shares in our Company, as on date of this Draft Red Herring Prospectus.

Service Contracts with Key Managerial Personnel and Senior Management

None of our Key Managerial Personnel and Senior Management, are entitled to any benefit upon retirement, termination of employment or superannuation and there are no service contracts entered into with any Key Managerial Personnel and Senior Management, which provide for benefits upon retirement or termination of employment.

Interests of Key Managerial Personnel and Senior Management

Our Key Managerial Personnel and Senior Management are interested in our Company to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of their service.

Contingent and deferred compensation payable to the Key Managerial Personnel and Senior Management

There is no contingent or deferred compensation payable to our Key Managerial Personnel and Senior Management by our Company or Subsidiary as the case maybe.

Changes in the Key Managerial Personnel and Senior Management during the last three years

The changes in our Key Managerial Personnel and Senior Management, other than in relation to our Executive Directors during the three immediately preceding years are set forth below:

Name	Designation	Date of change	Reason for change
Salil Pandya	head – supply chain management	August 20, 2024	Appointment as the head – supply chain management
Atul Goyal	chief human resource officer	June 5, 2024	Appointment as the chief human resource officer
Saket Kumar Singh	assistant vice president – business development	June 4, 2024	Appointment as the assistant vice president – business development
Ramesh Rajamani	chief human resource officer	May 31, 2024	Resignation as the chief human resource officer
Nitansh Platia	assistant vice president – strategy, planning and	May 22, 2024	Appointment as the assistant vice president – strategy,

	monitoring		planning and monitoring
Dinesh Chandra Tiwari	senior vice president – projects	May 1, 2024	Appointment as the senior vice president – projects
Anurag Srivastava	Company Secretary and Compliance Officer	February 1, 2024	Appointment as the Company Secretary and Compliance Officer
Ram Prakash Singh	vice president - projects	September 30, 2023	Resignation as vice president - projects
Vikas Jain	Chief Financial Officer	September 29, 2023	Appointment as the Chief Financial Officer
Sharad Mittal	vice president, technical - projects	September 1, 2023	Appointment as the vice president, technical - projects
Sanjay Bafna	chief financial officer	July 16, 2023	Resignation as Chief Financial Officer
Sanjay Bafna	chief financial officer	April 10, 2023	Appointment as chief financial officer
Shanker Lal Goel	chief financial officer	March 9, 2023	Resignation as chief financial officer
Nilesh Kirtikant Patel	chief operations officer	November 2, 2022	Resignation as chief operations officer

The rate of attrition of our Key Managerial Personnel and Senior Management is not high in comparison to the industry in which we operate.

Payment of non-salary related benefits to officers of our Company

Except as stated in '*Related Party Transactions'* on page 415, no amount or benefit has been paid or given to any Key Managerial Personnel and Senior Management of our Company within the two years preceding the date of filing of this Draft Red Herring Prospectus or is intended to be paid, other than in the ordinary course of their employment.

Arrangements and understanding with major shareholders, customers, suppliers or others

None of our Key Managerial Personnel and Senior Management have been presently appointed or selected as a Key Managerial Personnel pursuant and Senior Management to any arrangement or understanding with our major shareholders, customers, suppliers or others.

Except as disclosed in "*Restated Consolidated Financial Information - Note 39- Related Party Transactions*" on page 415, there are no conflicts of interest between the suppliers of raw materials and third party service providers (crucial for operations of our Company) and our Key Managerial Personnel and Senior Management.

There are no conflicts of interest between the lessors of immovable properties (crucial for operations of our Company) and our Key Managerial Personnel and Senior Management.

Employee stock option and stock purchase schemes

For details of the employee stock option scheme of our Company, see "*Capital Structure – Employee Stock Option Plan*" on page 118.

OUR PROMOTERS AND PROMOTER GROUP

The promoters of our Company are Varinder Kumar Garg, Sushma Garg, Vivek Garg and VG Family Trust.
As on the date of this Draft Red Herring Prospectus, our Promoters' shareholding in our Company is as follows:

Name of the Promoter	No. of Equity Shares held of face value of ₹1 each held	Percentage of pre-Offer, subscribed, and paid-up Equity Share Capital
Varinder Kumar Garg	103,892,000	67.04 %
Sushma Garg	47,765,200	30.82 %
Vivek Garg	282,800	0.18 %
VG Family Trust	100,000	0.06 %
Total	**15,20,40,000**	**98.10%**

For details of the build-up of the Promoters' shareholding in our Company, see "*Capital Structure –Details of Shareholding of our Promoters and Promoter Group in our Company*", on page 111.

Details of our Promoters

The details of our Individual Promoters are as follows:

	**Varinder Kumar Garg** (DIN: 01563868), aged 64 years, is the Chairman, Whole-time Director and Promoter of our Company. For complete profile of Varinder Kumar Garg, along with details of his date of birth, residential address and directorships held see "*Our Management – Our Board*" on page 332, for educational qualifications, professional experience, posts held in the past and special achievements, see "*Our Management – Brief Profiles of our Directors*" on page 334, for other ventures, business and other financial activities, see "*Our Management – other Directorships"* on page 332 and "*Entities forming part of our Promoter Group"* in this chapter at page 359, respectively. His PAN is AAUPK6453D.
	**Sushma Garg** (DIN: 01130678), aged 60 years, is the Whole-time Director and Promoter of our Company. For a complete profile of Sushma Garg, along with details of her date of birth, residential address, and directorships held, see "*Our Management -Our Board*" on page 332, for educational qualifications, professional experience, posts held in the past and special achievements, see "*Our Management – Brief Profiles of our Directors*" on page 334, for other ventures, business and other financial activities, see "*Our Management – other Directorships"* on page 332 and "*Entities forming part of our Promoter Group"* in this chapter at page 359 respectively. Her PAN is AHJPG9118M.
	**Vivek Garg**, (DIN: 02187343), aged 34 years, is the Managing Director and Chief Executive Officer of our Company. For a complete profile of Vivek Garg, along with details of his date of birth, residential address, and directorships held see "*Our Management – Our Board*" on page 332, for educational qualifications, professional experience, posts held in the past and special achievements, see "*Our Management – Brief Profiles of our Directors*" on page 334, for other ventures, business and other financial activities, see "*Our Management - other Directorships"* on page 332 and "*Entities forming part of our Promoter Group"* in this chapter at page 359, respectively. His PAN is AOOPG4793E.

Our Company confirms that the permanent account number, bank account number, passport number, Aadhar card number of our Promoters and driving license number of Vivek Garg will be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus. As on the date of this Draft Red Herring Prospectus, our Promoters, Varinder Kumar Garg and Sushma Garg do not hold a driving license.

Promoter Trust

VG Family Trust

Trust information and history

Our Promoter, VG Family Trust was formed in accordance with the provisions of the Indian Trusts Act, 1882 pursuant to a trust deed dated August 27, 2024. The principal office of VG Family Trust is located at PH - 1, B Block, The Villas, D.L.F, Phase – II, Nathupur (67), Gurgaon, Haryana – 122002**.** Varinder Kumar Garg is the settlor of VG Family Trust. As on the date of this Draft Red Herring Prospectus, VG Family Trust holds 100,000 Equity Shares of face value of ₹ 1 each in our Company.

The permanent account number of the VG Family Trust is AAETV3815G.

Trustee and Settlor

Varinder Kumar Garg is the sole trustee and settlor of VG Family Trust as on the date of this Draft Red Herring Prospectus.

Beneficiaries

The primary beneficiaries of the VG Family Trust are Sushma Garg or in the event of her death, her lineal descendants, and such person/s as may be added by Trustee.

Objects, functions and reasons for formation

The objects for which the VG Family Trust has been set up are to provide, inter alia, (i) a suitable succession planning structure to ensure seamless intergenerational transfer of the trust fund amongst the beneficiaries and to ensure harmony and avoid conflicts between the beneficiaries of the trust; (ii) to provide for different needs and requirements of the beneficiaries in accordance with the terms of the trust deed depending upon changing circumstances of life style and their varying needs including, as applicable, but not limited to (a) maintenance (b) education (c) marriage expenses (d) medical expenses (e) residence; and (f) other expenses and contingencies of the beneficiaries which the trustee/s may in his/her/their absolute discretion deem fit; (iii) to provide for consolidation and preservation of all assets of the trust; (iv) to ensure that the trust fund is properly managed and administered in accordance with the provisions of this deed and to undertake other activities of any nature whatsoever, in accordance with the powers available to the trustee under this deed and applicable law.

Our Company confirms that the permanent account number and bank account number of the VG Family Trust will be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus.

Change in control

VG Family Trust was formed pursuant to a trust deed dated August 27, 2024. Hence, there has been no change in control of VG Family Trust in the three years immediately preceding the date of this Draft Red Herring Prospectus.

Change in Control of our Company

There has not been any change in the control of our Company in the five years immediately preceding the date of this Draft Red Herring Prospectus. For further details, see “*Capital Structure*” on page 99.

However, pursuant to a resolution passed by the Board of Directors dated September 11, 2024, Varinder Kumar Garg, Sushma Garg, Vivek Garg and VG Family Trust, have been identified as Promoters. Accordingly, as on the date of this Draft Red Herring Prospectus, our Company has four Promoters.

Other ventures of our Promoters

Except as disclosed in "*Our Management - other directorships*" beginning on page 332 and '*Entities forming part of our Promoter Group'* in this chapter on page 359, our Promoters are not involved in any other venture.

Interests of Promoters

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their respective shareholding in our Company, their directorship in our Company and the dividends payable and any other distributions in respect of their respective shareholding in our Company. For further details of the shareholding of our Promoters in our Company, see "*Capital Structure - Build-up of the Promoters' shareholding in our Company*" beginning on page 111.

Further, our Promoters are also directors on the boards, or shareholders, proprietors, members, partners or persons in control of entities with which our Company has had related party transactions and may be deemed to be interested to the extent of the payments made by our Company, if any, to these entities. For further details of interest of our Promoters in our Company, see "*Related Party Transactions*" on page 415.

Our Promoters are also interested in our Company to the extent of the unsecured loans extended by our Promoters and other related parties to our Company. For further details, see "*Financial Information "* on 361.

Our Promoters may also be deemed to be interested to the extent of remuneration, benefits, and reimbursement of expenses payable to them as Directors on our Board. For further details, see "*Our Management*" on 332.

Our Promoters are not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to our Promoters or to any firm or company in cash or shares or otherwise by any person either to induce him to become, or to qualify him as a directors, promoters or otherwise for services rendered by such Promoters or by such firm or company, in connection with the promotion or formation of our Company.

Except as disclosed in *"Our Management- Interest of our Directors- Interest in Property*" and '*Related Party Transactions'* on page 337 and 415, our Promoters have no interest in any property acquired by our Company during the three years immediately preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Our Promoters are not interested in any other entity which holds any intellectual property rights that are used by our Company.

Except as disclosed in "*Restated Consolidated Financial Information - Note 39- Related Party Transactions*" on page 415, there are no conflict of interest between the suppliers of raw materials and third party service providers (crucial for operations of our Company) and our Promoters and members of the Promoter Group.

There are no conflicts of interest between the lessors of immovable properties (crucial for operations of our Company) and our Promoters and members of the Promoter Group.

Payments or Benefits to Promoter or Promoter Group

Except in the ordinary course of business and as disclosed in "*Restated Consolidated Financial Information – Note 39*: *Related party Transactions*" on page 415, respectively, there has been no payment or benefits by our Company to our Promoters or any of the members of the Promoter Group during the two years preceding the date of this Draft Red Herring Prospectus nor is there any intention to pay or give any benefit to our Promoters or Promoter Group as on the date of this Draft Red Herring Prospectus.

Companies or firms with which our Promoters have dissociated in the last three years

Except as disclosed below, our Promoters has not disassociated himself from any company during the preceding three years from the date of filing this Draft Red Herring Prospectus:

Name of the Promoter	Name of the Company	Reasons for disassociation	Date of disassociation
Vivek Garg	Vivek RMC Plant Private Limited	Transfer of shareholding	November 23, 2021
Varinder Kumar Garg	PHD Chamber of Commerce and Industry	Cessation	September 29, 2023

Confirmations

Our Promoters and members of our Promoter Group have not been debarred from accessing or operating in the capital markets under any order or directions passed by SEBI or any other regulatory or governmental authorities.

Our Promoters are not a promoter of any other Company which is debarred from accessing capital markets.

Our Promoters have not been declared as Wilful Defaulters or Fraudulent Borrowers as defined under the SEBI ICDR Regulations.

None of our Promoters have been declared as a Fugitive Economic Offender in accordance with Section 12 of the Fugitive Economic Offenders Act, 2018.

Material guarantees

Our Promoters have not given any material guarantees to third parties with respect to the Equity Shares of our Company.

Promoter Group

Persons constituting the Promoter Group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations except the Promoters and our Subsidiary are set out below:

Individuals forming part of the Promoter Group

S. No.	Name of the individual	Relationship
	Varinder Kumar Garg	
1.	Sushma Garg	Spouse
2.	Kapur Chand	Father
3.	Vinod Garg	Brother
4.	Savita Aggarwal	Sister
5.	Veena Goyal	Sister
6.	Vivek Garg	Child
7.	Surbhi Agarwal	Child
8.	Mahesh Goyal	Brother of spouse
	Sushma Garg	
1.	Varinder Kumar Garg	Spouse
2.	Mahesh Goyal	Brother
3.	Vivek Garg	Child
4.	Surbhi Agarwal	Child
5.	Kapur Chand	Father of the spouse
6.	Vinod Garg	Brother of spouse
7.	Savita Agarwal	Sister of spouse
8.	Veena Goyal	Sister of spouse
	Vivek Garg	
1.	Ankita Garg	Spouse
2.	Sushma Garg	Mother
3.	Varinder Kumar Garg	Father
4.	Surbhi Agarwal	Sister
5.	Urvi Garg	Daughter
6.	Kashvi Garg	Daughter
7.	Ajay Singhal	Father of spouse

S. No.	Name of the individual	Relationship
8.	Anuradha Singhal	Mother of spouse
9.	Sarthak Singhal	Brother of spouse

Entities forming part of our Promoter Group

The following entities form part of our Promoter Group:

S. No.	Name of the Entity
1.	Ajay Singhal HUF
2.	Arogyacity Healthcare and Research Centre Private Limited
3.	A.S Wood Impex Private Limited
4.	Buddy & Co Hospitality - Sangrur
5.	Coastal Pharmacy LLC
6.	Knohow ventures Private Limited
7.	NAS Buildcon Private Limited
8.	Nalini Goods Private Limited
9.	Rabina Enterprises Private Limited
10.	Surbhi Art World
11.	Shop Easy International LLP
12.	Surbhi Metals (India) Private Limited
13.	Sitaram Overseas Private Limited
14.	Sitaram and Company Private Limited
15.	Sitaram Woodtec Private Limited
16.	Sitaram International LLP
17.	Vivek Infra Projects Private Limited
18.	Varindra Kumar Garg (HUF)
19.	VCL Foundation
20.	Varindra & Company
21.	Varindera Developers and Infrastructure Private Limited
22.	VRKP Steel Industries Private Limited

DIVIDEND POLICY

The dividend policy of our Company was adopted and approved by the Board of Directors in their meeting held on August 28, 2024 ("**Dividend Policy**"). In terms of the Dividend Policy, the declaration and payment of dividends on our Equity Shares, if any, will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and other applicable law, including the Companies Act, read with the rules notified thereunder, each as amended.

The quantum of dividend, if any, and our ability to pay dividends will depend on a number of factors, including, but not limited to, our Company's profits, past dividend trends, capital requirements, financial commitments and financial requirements including business expansion plans, applicable legal restrictions and other factors considered relevant by the Board of Directors. Our Company may also, from time to time, pay interim dividends. We may retain all our future earnings, if any, for use in the operations and expansion of our business. In a year where the profits of our Company are inadequate or there is a loss, our Company would like to utilise the reserves judiciously and the Board may not consider payment of dividend as a viable proposition. For details of risks in relation to our capability to pay dividend, see "*Risk Factors - Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements*" on page 69.

The dividends declared and paid by the Company on the equity shares of our Company in the last three Fiscals and until the date of this Draft Red Herring Prospectus as per the Restated Consolidated Financial Information are set forth below:

<table>
<tr><th>Particulars</th><th>Fiscal 2022</th><th>Fiscal 2023</th><th>Fiscal 2024</th><th>From April 1, 2024 until the date of this DRHP</th></tr>
<tr><td>Face value per share (in ₹)*</td><td>100</td><td>100</td><td rowspan="9">No dividend declared for the Fiscal 2024</td><td rowspan="9">No dividend declared from April 1, 2024 until the date of this DRHP</td></tr>
<tr><td>Dividend (₹ in million)</td><td>2.21</td><td>2.21</td></tr>
<tr><td>Interim dividend per share (in ₹)</td><td>Nil</td><td>Nil</td></tr>
<tr><td>Final dividend per share (in ₹)</td><td>40</td><td>40</td></tr>
<tr><td>Rate of dividend (%)</td><td>40</td><td>40</td></tr>
<tr><td>Dividend Distribution Tax (%)</td><td>Nil</td><td>Nil</td></tr>
<tr><td>No. of Equity Shares</td><td>55,350</td><td>55,350</td></tr>
<tr><td>Dividend Distribution Tax (in ₹)</td><td>Nil</td><td>Nil</td></tr>
<tr><td>Mode of payment of dividend</td><td>Bank Transfer</td><td>Bank Transfer</td></tr>
</table>

Certified by S S Kothari Mehta & Co. LLP, Chartered Accountants, by its certificate dated September 30, 2024.

**The Board of Directors of the Company in its meeting held on May 27, 2024 and Shareholders of the company in the Extra Ordinary General Meeting dated June 7, 2024 have approved the sub-division of the Equity Share having face value of ₹100 each into Equity Share having face value of ₹1 each ("Sub-division").*

SECTION V – FINANCIAL INFORMATION

RESTATED CONSOLIDATED FINANCIAL INFORMATION

INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION

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INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION

To,
The Board of Directors
Varindera Constructions Limited
Office No. 613, 6th Floor,
Plot No. 4, Vishwadeep Tower,
District Centre, Janakpuri,
New Delhi 110058

Dear Sirs,

1. We, S S Kothari Mehta & Co. LLP, Chartered Accountants, have examined, the Restated Consolidated Financial Information of Varindera Constructions Limited (the **"Company"** or the **"Holding Company"** or the **"Issuer"**), and its Subsidiary (the Company and its subsidiary together referred to as the "Group") and its associate, comprising the Restated Consolidated Statement of Assets and Liabilities as at March 31, 2024, March 31, 2023 and March 31, 2022, the Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Statement of Changes in Equity, the Restated Consolidated Statement of Cash Flows for the years ended March 31, 2024, March 31, 2023 and March 31, 2022, the summary statement of material accounting policies, other explanatory information, annexures and which includes jointly controlled operations of the Group accounted on proportionate basis (collectively, the "**Restated Consolidated Financial Information**"), as approved by the Board of Directors of the Company (the "Board of Directors") at their meeting held on September 23, 2024 for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP"), prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO") prepared in terms of the requirements of:

    a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act");

    b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations"); and

    c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), (the "Guidance Note").

2. The Company's management is responsible for the preparation of the Restated Consolidated Financial Information which have been approved by Board of Directors for the purpose of inclusion in the DRHP to be filed with Securities and Exchange Board of India ("SEBI") and the stock exchanges where the equity shares of the Company are proposed to be listed ("Stock Exchanges"), in connection with the proposed IPO. The Restated Consolidated Financial Information have been prepared by the management of the Company in accordance with the basis of preparation stated in Annexure V to the Restated Consolidated Financial Information.

The Board of Directors of the company are responsible for designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The Board of Directors of the Company is also responsible for identifying and ensuring that the Group complies with the Act, the ICDR Regulations and the Guidance Note.

3. We have examined such Restated Consolidated Financial Information taking into consideration:

   a) The terms of reference and our engagement agreed upon with you in accordance with our engagement letter dated January 02, 2024 in connection with the proposed IPO of equity shares of the Company;

   b) The Guidance Note - The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

   c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and

   d) The requirements of Section 26 of the Act and the ICDR Regulations.

   Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the proposed IPO of equity shares of the Company.

4. These Restated Consolidated Financial Information have been compiled by the Company's management from:

   i. the audited Consolidated Financial statement of the Group as at and for the year ended March 31, 2024, prepared in accordance with Indian Accounting Standard (Ind AS) as prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India which has been approved by the Board of Directors at their meeting held on September 11, 2024 ("the Consolidated Financial Statements"); and

   ii. the audited Special Purpose Consolidated Financial statement of the Group and its associate as at and for the year ended March 31, 2023 and March 31, 2022 prepared in accordance with Indian Accounting Standard (Ind AS) as prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India which has been approved by the Board of Directors at their meeting held on September 11, 2024 ("the Special Purpose Consolidated Financial Statements").

   iii. The audited financial statements in respect of six jointly controlled operations which have been audited after the date of the Consolidated Financial Statements referred in 4(i) above. These jointly controlled operations are not material to the group and have been audited subsequently by their respective auditors for the purpose of issuing Restated Consolidated Financial Information.

5. For the purpose of our examination, we have relied on:

   a) Auditor's reports issued by us dated September 11, 2024 on the Consolidated Financial Statement of the Group as at and for the year ended March 31, 2024 as referred in Paragraph 4 (i) above along with due reference to paragraph 4(iii) above.

   b) Auditor's report issued by us dated September 11, 2024 on the Special Purpose Consolidated Financial statement of the Group and its associate as at and for the year ended March 31, 2023 and March 31, 2022, as referred in Paragraph 4 (ii) above.

6. As indicated in our report referred above:

i. We did not audit the financial statements of subsidiary, whose Financial Statement reflect total assets , total revenues, total comprehensive Income and net cash inflow/outflow for the year ended on that date, as considered in the Consolidated Financial Statements, for the relevant year is tabulated below, which have been audited by other auditor (listed in Appendix 1) whose reports have been furnished to us by the Management. The said subsidiary is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in its respective country and which have been audited by the other auditors under generally accepted auditing standards accepted in the said country. The Holding company's management has converted these Financial Statements of such subsidiary located outside India from accounting principles generally accepted in their respective country to accounting principles generally accepted in India.

Our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of aforesaid subsidiary, is based solely on the report of other auditor and converted financial statement by management.

			Rs. in Million
Particulars	**As at/for the year ended March 31, 2024**	**As at/for the year ended March 31, 2023**	**As at/for the year ended March 31, 2022**
No. of Subsidiary	01	-	-
Total assets	232.53	-	-
Net cash Inflow/(outflow)	9.94	-	-
Total revenue	Nil	-	-
Total comprehensive Income (Loss)	(9.48)	-	-

ii. We did not audit the financial statements of associate, whose share of profit/(loss), as considered in the Special Purpose Consolidated Financial Statements, for the relevant year is tabulated below, which have been audited by other auditor (listed in Appendix 1) whose reports have been furnished to us by the Management and our opinion on the Special Purpose Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of aforesaid associate, is based solely on the report of other auditors:

			Rs. in Million
Particulars	**As at/for the year ended March 31, 2024**	**As at/for the year ended March 31, 2023**	**As at/for the year ended March 31, 2022**
No. of Associate	-	01*	01
Share of profit / (loss) in its associate	-	(0.29)	(0.02)

** Till August 02, 2022*

iii. We did not audit the financial information of jointly controlled operations included in the consolidated financial statement and the Special Purpose Consolidated Financial Statements of the Company whose financial information share of total assets and total revenue included in the consolidated financial statements and the Special Purpose Consolidated Financial Statements, for the relevant year is tabulated below, which have been audited by the other auditors (listed in Appendix 1) and whose reports have been furnished to us by the Company's management and our opinion on the consolidated financial statement and the Special Purpose Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these components, is based solely on the reports of such others auditors:

			Rs. in Million
Particulars	**As at/for the year ended March 31, 2024**	**As at/for the year ended March 31, 2023**	**As at/for the year ended March 31, 2022**
No. of jointly controlled operations	09	09	07
Total assets (Group's share)	252.38	501.60	993.41
Total revenue (Group's share)	1,148.81	1,935.89	3,364.15

Our opinion on the consolidated financial statements and the Special Purpose Consolidated Financial Statements is not modified in respect of the above matters with respect to our reliance on the work done by other auditors.

7. Based on our examination and according to the information and explanations given to us for the respective years as per paragraph 6 above, we report that:

i. the Restated Consolidated Financial Information have been prepared after incorporating adjustments for the changes in accounting policies, any material errors and regrouping / reclassifications retrospectively in the financial years as at and for the year ended March 31, 2023 and March 31, 2022 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the year ended March 31, 2024;

ii. there are no qualifications in the auditor's reports which require any adjustments; and

iii. the Restated Consolidated Financial Information has been prepared in accordance with the Act, the SEBI ICDR Regulations and the Guidance Note.

8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

9. The Restated Consolidated Financial Information does not reflect the effects of events that occurred subsequent to the respective dates of the reports on the Special Purpose Ind AS Financial Information and audited Financial Information mentioned in paragraph 4 above.

10. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the Financial Information referred to herein.

11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

12. Our report is intended solely for use of the Board of Directors for inclusion in the DRHP to be filed with SEBI and the Stock exchanges as applicable in connection with the proposed IPO. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **S S KOTHARI MEHTA & CO. LLP**
Chartered Accountants
Firm Registration No. 000756N / N500441

Jalaj Soni
Partner
Membership No.:528799
UDIN: 24528799BKDIFZ6124

Place: Gurugram
Date: September 23, 2024

Appendix 1
List of Subsidiary/ Associate / Joint operations audited by other auditors

Sr. No	Name of the Entity	Relationship	Periods audited	Audited By
1	Varindera Construction Internation Limited	Subsidiary	FY 23-24	Auditax Associates LLP
2	Varindera Developers and Infrastructure Private Limited	Associate	FY 21-22	M/s Agrawal Gunjan and Co.
			FY 22-23*	M/s Agrawal Gunjan and Co.
3	VRC-VCL-S&P (JV) - DRGB-Package-1	Joint Operation	FY 21-22	S.D. Gupta and Associates
			FY 22-23	S.D. Gupta and Associates
			FY 23-24	Shiv Raj Sohan & Company
4	VRC-VCL-S&P (JV) - DRGB-Package-2	Joint Operation	FY 21-22	A.N. Garg & Company
			FY 22-23	A.N. Garg & Company
			FY 23-24	A.N. Garg & Company
5	VCL-VCIPL (JV)	Joint Operation	FY 21-22	S.D. Gupta and Associates
			FY 22-23	S.D. Gupta and Associates
			FY 23-24	Shiv Raj Sohan & Company
6	ALTIS-VCL (JV)	Joint Operation	FY 21-22	S.D. Gupta and Associates
			FY 22-23	S.D. Gupta and Associates
			FY 23-24	Shiv Raj Sohan & Company
7	SOM-VCL (JV)	Joint Operation	FY 21-22	Tajender Khanna and Associates
			FY 22-23	Tajender Khanna and Associates
			FY 23-24	Tajender Khanna and Associates
8	GIPL-VCL (JV)	Joint Operation	FY 21-22	P. Kacker Kapoor & Co.
			FY 22-23	P. Kacker Kapoor & Co.
			FY 23-24	P. Kacker Kapoor & Co.
9	VRC-VCL-CIL (JV)	Joint Operation	FY 21-22	A.N. Garg & Company
			FY 22-23	A.N. Garg & Company
			FY 23-24	A.N. Garg & Company
10	VCL-VCIPL (JV)	Joint Operation	FY 22-23	Shiv Raj Sohan & Company
			FY 23-24	Shiv Raj Sohan & Company
11	VCL-SOM (JV)	Joint Operation	FY 22-23	Shiv Raj Sohan & Company
			FY 23-24	Shiv Raj Sohan & Company

** Till August 02, 2022*

VARINDERA CONSTRUCTIONS LIMITED
Corporate Identity Number (CIN):U45201DL1987PLC128579
Annexure I-Restated Consolidated Statement of Assets and Liabilities
(All amounts in Indian Rupees in millions, unless otherwise stated)

	Particulars	Notes	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
	ASSETS				
1	**Non-current assets**				
(a)	Property, plant and equipment	**3 (a)**	1,663.11	1,086.54	506.75
(b)	Investment Property	**3 (b)**	8.02	49.92	52.45
(c)	Intangible Assets	**4 (a)**	13.31	16.88	0.01
(d)	Right-of-use assets	**4 (b)**	4.77	15.79	5.03
(e)	Financial assets				
	(i) Investments	**5**	-	-	14.26
	(ii) Loans	**6**	-	53.28	-
	(iii) Other financial assets	**7**	860.78	358.85	53.81
(f)	Deferred tax assets (net)	**8**	5.60	-	8.44
(g)	Other non-current assets	**9**	9.58	-	-
	Total non-current assets (1)		**2,565.17**	**1,581.26**	**640.75**
2	**Current assets**				
(a)	Inventories	**10**	1,635.99	1,027.26	286.74
(b)	Financial assets				
	(i) Investments	**11**	7.73	2.16	-
	(ii) Trade receivables	**12**	3,229.46	2,609.69	2,948.07
	(iii) Cash and cash equivalents	**13 (a)**	519.93	330.84	88.21
	(iv) Other bank balances (other than iii above)	**13 (b)**	985.39	840.51	654.91
	(v) Loans	**14**	116.62	-	-
	(vi)Other financial assets	**15**	134.77	47.84	8.07
(c)	Current tax Assets (Net)	**16**	30.39	95.83	27.86
(d)	Other current assets	**17**	1,515.18	1,024.55	615.91
	Total current assets (2)		**8,175.46**	**5,978.68**	**4,629.77**
	Total assets (1+2)		**10,740.63**	**7,559.94**	**5,270.52**
	EQUITY AND LIABILITIES				
1	**Equity**				
	(i) Equity share capital	**18**	6.19	6.19	6.19
	(ii) Other equity	**19**	5,048.72	3,624.65	2,531.86
	Total equity (1)		**5,054.91**	**3,630.84**	**2,538.05**
	Liabilities				
2	**Non-current liabilities**				
(a)	Financial liabilities				
	(i) Borrowings	**20**	878.15	560.43	293.86
	(ii) Lease liabilities	**21**	-	4.10	2.69
(b)	Deferred tax liabilities (net)	**8**	-	3.57	-
(c)	Provisions	**22**	70.39	50.73	35.72
	Total non-current liabilities (2)		**948.54**	**618.83**	**332.27**
3	**Current liabilities**				
(a)	Financial liabilities				
	(i) Borrowings	**23**	2,603.39	1,800.96	1,199.93
	(ii) Lease liabilities	**24**	4.79	12.12	2.17
	(iii) Trade payables	**25**			
	-Total outstanding dues of micro enterprises and small enterprises		701.31	456.88	399.50
	-Total outstanding dues of creditors other than micro enterprises and small enterprises		635.38	749.64	595.22
	(iv) Other financial liabilities	**26**	626.43	259.85	173.40
(b)	Other current liabilities	**27**	155.73	24.69	24.15
(c)	Provisions	**28**	10.15	6.13	5.83
	Total current liabilities (3)		**4,737.18**	**3,310.27**	**2,400.20**
	Total equity and liabilities (1+2+3)		**10,740.63**	**7,559.94**	**5,270.52**

The above Statement should be read with Annexure V- Material accounting policies, Annexure VI- explanatory notes to Restated Consolidated financial statements and Annexure VII-Statement of Restatement Adjustment to Audited Consolidated financial statements.

As per our report of even date attached

For S S Kothari Mehta & Co. LLP
Chartered Accountants
Firm's registration number : 000756N / N500441

Jalaj Soni
Partner
Membership No. 528799
Place : Gurugram
Date : September 23, 2024

For and on behalf of the Board of Directors of
Varindera Constructions Limited

Varinder Kumar Garg
Chairman
DIN: 01563868

Vivek Garg
Managing Director & CEO
DIN: 02187343

Vikas Jain
Chief financial officer
Place : Gurugram
Date : September 23, 2024

Anurag Srivastava
Company Secretary

VARINDERA CONSTRUCTIONS LIMITED
Corporate Identity Number (CIN):U45201DL1987PLC128579
Annexure II-Restated Consolidated Statement of Profit and Loss
(All amounts in Indian Rupees in millions, unless otherwise stated)

	Particulars	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
I	**Income**				
	Revenue from operations	**29**	13,889.28	10,485.51	9,943.29
	Other income	**30**	150.53	152.62	28.21
	Total income (I)		**14,039.81**	**10,638.13**	**9,971.50**
II	**Expenses**				
	Cost of materials consumed	**31(a)**	7,003.27	5,920.89	6,227.02
	Construction expenses	**31(b)**	3,171.74	2,214.65	1,991.81
	Employee benefits expense	**32**	1,017.20	661.63	441.76
	Finance costs	**33**	325.79	168.46	122.09
	Depreciation and amortization expenses	**34**	188.36	109.69	62.95
	Other expenses	**35**	450.00	195.21	119.27
	Total expenses (II)		**12,156.36**	**9,270.53**	**8,964.90**
III	Share of net profit/(loss) of associates accounted for using the equity method, net of tax	**5**	-	(0.29)	(0.02)
IV	**Profit before tax (I - II + III)**		**1,883.45**	**1,367.31**	**1,006.58**
V	**Tax expense**				
	(a) Current tax	**37**	456.26	266.81	239.08
	(b) Deferred tax		(6.63)	10.36	6.03
	Total tax expense		**449.63**	**277.17**	**245.11**
VI	**Profit for the year (IV - V)**		**1,433.82**	**1,090.14**	**761.47**
VII	**Other comprehensive income**				
	Items that will not be reclassified to Profit or Loss :				
	-Re-measurement gains / (losses) on defined benefit plans		2.93	1.51	8.16
	-Income Tax relating to Items that will not be reclassified to Profit or Loss		(0.74)	(0.38)	(2.05)
	Items that will be reclassified to Profit or Loss :				
	-Exchange differences in translating the financial statements of foreign operations		(13.00)	4.99	(3.22)
	-Income Tax relating to Items that will be reclassified to Profit or Loss		3.27	(1.26)	0.81
	Total other comprehensive income for the year (net of tax)		(7.54)	4.86	3.70
VIII	**Total comprehensive income for the year (VI + VII)**		**1,426.28**	**1,095.00**	**765.17**
IX	**Earnings per equity share (EPS)**	**38**			
	Basic (in Rs)		9.25	7.03	4.91
	Diluted (in Rs)		9.25	7.03	4.91
	Face value per share (in Rs)*		1.00	1.00	1.00

* Face value reduced from Rs. 100 to Rs. 1 as result of subsequent event of split of shares - refer note - 54 subsequent event

The above Statement should be read with Annexure V- Material accounting policies, Annexure VI- explanatory notes to Restated Consolidated financial statements and Annexure VII- Statement of Restatement Adjustment to Audited Consolidated financial statements.

As per our report of even date attached
For S S Kothari Mehta & Co. LLP
Chartered Accountants
Firm's registration number : 000756N / N500441

For and on behalf of the Board of Directors of
Varindera Constructions Limited

Jalaj Soni
Partner
Membership No. 528799
Place : Gurugram
Date : September 23, 2024

Varinder Kumar Garg
Chairman
DIN: 01563868

Vivek Garg
Managing Director & CEO
DIN: 02187343

Vikas Jain
Chief financial officer
Place : Gurugram
Date : September 23, 2024

Anurag Srivastava
Company Secretary

VARINDERA CONSTRUCTIONS LIMITED
Corporate Identity Number (CIN):U45201DL1987PLC128579
Annexure III-Restated Consolidated Statement of Cash Flows
(All amounts in Indian Rupees in millions, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net profit before tax	**1,883.45**	**1,367.60**	**1,006.60**
Adjustments for :			
Depreciation of Property, Plant and Equipment's and Intangible Assets	188.36	109.69	62.95
Foreign exchange loss/(gain)	(25.93)	(37.09)	(0.05)
Interest Expense (including processing fees and others)	324.78	167.61	122.00
Interest Expense on lease liabilities	1.01	0.85	0.09
Interest Income	(82.56)	(50.76)	(26.17)
Interest unwinding on security deposits	(0.12)	(0.08)	(0.02)
Profit on sale of Investments in associates	-	(46.33)	-
Liabilities Written Back	(3.03)	-	-
Loss/(Profit) on Sale of investment property	(13.77)	-	-
Loss/(Profit) on Sale and discard of property, plant and equipment	49.61	(0.23)	-
Loss on lease termination	0.09	-	-
Fair value change of Mutual funds	(1.57)	0.04	-
Provision for expected credit loss	66.23	-	-
Operating profit before working capital changes	**2,386.55**	**1,511.30**	**1,165.40**
Adjustments for :			
(Increase)/Decrease in trade receivables	(660.26)	371.91	(982.85)
(Increase)/Decrease in Other financial assets	(390.21)	(173.04)	6.38
(Increase) / Decrease in Other assets	(490.63)	(408.64)	(308.19)
(Increase) / Decrease in Inventories	(608.73)	(740.52)	(102.73)
(Decrease)/increase in other liabilities	131.04	0.54	(57.93)
(Decrease)/Increase in trade payables	133.20	211.80	(80.05)
(Decrease)/Increase in Other financial liabilities	279.93	83.74	71.23
(Decrease)/increase in provisions	26.61	16.82	12.63
Cash generated from/(used in) operating activities	**807.50**	**873.91**	**(276.11)**
Income Tax Paid	(390.82)	(334.78)	(244.13)
Net cash generated from/(used in) operating activities	**416.68**	**539.13**	**(520.24)**
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	(717.50)	(680.74)	(58.81)
Purchase of intangible assets	(0.06)	(17.45)	-
Proceeds from sale of investments in associates companies	-	60.30	-
Investment in Subsidiary	-	-	-
Purchase of mutual funds	(4.00)	(2.20)	-
Proceeds from sale of investment property	53.80	-	-
Proceeds from sale of property, plant and equipment	1.64	12.65	-
Loan given to the related party	(103.95)	(124.28)	(124.25)
Repayment of Loan given by the related parties	31.50	71.00	124.25
Investment in deposits (net) with banks	(349.12)	(347.74)	(221.79)
Interest Income	81.65	39.09	22.81
Net cash generated from/(used in) investing activities	**(1,006.04)**	**(989.37)**	**(257.79)**
C. CASH FLOW FROM FINANCING ACTIVITIES			
Interest paid (including processing fees and others)	(324.11)	(164.90)	(119.97)
Interest on lease liabilities	(1.01)	(0.85)	(0.09)
Proceeds from long term borrowings	1,813.00	968.08	541.72
Repayment of long term borrowings	(1,027.94)	(385.00)	(371.02)
Proceeds / (repayment) of short term borrowings (net)	335.09	284.52	421.96
Dividend Paid	(2.21)	(2.21)	(1.10)
Principal payments against lease liabilities	(14.37)	(6.77)	(2.69)
Net cash generated from/(used in) Financing Activities	**778.45**	**692.87**	**468.81**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**189.09**	**242.63**	**(309.22)**
Cash and cash equivalents at the beginning of the year	**330.84**	**88.21**	**397.43**
Cash and cash equivalents at the closing of the year	**519.93**	**330.84**	**88.21**

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

a) Cash and Cash Equivalents included in Statement of Consolidated Cash Flow comprise of following (Refer Note 13(a)):

Particulars	As at 31-March-2024	As at 31-March-2023	As at 31-March-2022
Cash on Hand	12.27	35.76	28.54
Balance with bank			
In current accounts	507.66	295.08	59.67
Total	**519.93**	**330.84**	**88.21**

Particulars	As at 01-April-2021	Cashflows	Non Cash Change	As at 31-March-2022
Non Current Borrowings (including current maturities)	413.49	170.70	-	584.19
Current Borrowings	487.64	421.96	-	909.60
Interest Accrued (including Interest on lease liabilities)	0.42	(120.06)	122.09	2.45
Lease Liabilities	2.47	(2.69)	5.08	4.86
Total	**904.02**	**469.91**	**127.17**	**1,501.10**

Particulars	As at 01-April-2022	Cashflows	Non Cash Change	As at 31-March-2023
Non Current Borrowings (including current maturities)	584.19	583.08		1,167.27
Current Borrowings	909.60	284.52	-	1,194.12
Interest Accrued (including Interest on lease liabilities)	2.45	(165.75)	168.46	5.16
Lease Liabilities	4.86	(6.77)	18.13	16.22
Total	**1,501.10**	**695.08**	**186.59**	**2,382.77**

Particulars	As at 01-April-2023	Cashflows	Non Cash Change	As at 31-March-2024
Non Current Borrowings (including current maturities)	1,167.27	785.06	-	1,952.33
Current Borrowings	1,194.12	335.09	-	1,529.21
Interest Accrued (including Interest on lease liabilities)	5.16	(325.12)	325.79	5.83
Lease Liabilities	16.22	(14.37)	2.94	4.79
Total	**2,382.77**	**780.66**	**328.73**	**3,492.16**

The above Statement should be read with Annexure V- Material accounting policies, Annexure VI- explanatory notes to Restated Consolidated financial statements and Annexure VII-Statement of Restatement Adjustment to Audited Consolidated financial statements.

As per our report of even date attached

For S S Kothari Mehta & Co. LLP
Chartered Accountants
Firm's registration number : 000756N / N500441

For and on behalf of the Board of Directors of
Varindera Constructions Limited

Jalaj Soni
Partner
Membership No. 528799
Place : Gurugram
Date : September 23, 2024

Varinder Kumar Garg
Chairman
DIN: 01563868

Vivek Garg
Managing Director & CEO
DIN: 02187343

Vikas Jain
Chief financial officer
Place : Gurugram
Date : September 23, 2024

Anurag Srivastava
Company Secretary

Annexure IV-Restated Consolidated Statement of changes in equity
(All amounts in Indian Rupees in millions, unless otherwise stated)

a) Equity share capital

At March 31, 2022

Balance as at April 1, 2021	Changes in Equity Share Capital due to prior period errors	Restated balance as at April 1, 2021	Changes in equity share capital during the year	Balance as at March 31, 2022
6.19	-	-	-	6.19

At March 31, 2023

Balance as at April 1, 2022	Changes in Equity Share Capital due to prior period errors	Restated balance as at April 1, 2022	Changes in equity share capital during the year	Balance as at March 31, 2023
6.19	-	-	-	6.19

At March 31, 2024

Balance as at April 1, 2023	Changes in Equity Share Capital due to prior period errors	Restated balance as at April 1, 2023	Changes in equity share capital during the year	Balance as at March 31, 2024
6.19	-	-	-	6.19

b) Other equity

Particulars	Attributable to equity shareholders				Total
	Reserves and surplus			Items of Other Comprehensive Income	
	Securities premium	Retained earnings	General Reserve	Foreign currency translation reserve	
As at April 1, 2021*	**115.83**	**1,562.97**	**89.00**	**-**	**1,767.80**
Profit for the year	-	761.47	-	-	**761.47**
Other comprehensive income, net of income tax	-	6.11	-	(2.41)	**3.70**
Dividend paid	-	(1.11)	-	-	**(1.11)**
Appropriation to General Reserve	-	(80.00)	80.00	-	**-**
As at March 31, 2022	**115.83**	**2,249.44**	**169.00**	**(2.41)**	**2,531.86**
*For details of restatement of opening balances of other equity refer annexure VII					
As at April 1, 2022	**115.83**	**2,249.44**	**169.00**	**(2.41)**	**2,531.86**
Profit for the year	-	1,090.14	-	-	**1,090.14**
Other comprehensive income, net of income tax	-	1.13	-	3.73	**4.86**
Dividend paid	-	(2.21)	-	-	**(2.21)**
Appropriation to General Reserve	-	(80.00)	80.00	-	**-**
As at March 31, 2023	**115.83**	**3,258.50**	**249.00**	**1.32**	**3,624.65**
As at April 1, 2023	**115.83**	**3,258.50**	**249.00**	**1.32**	**3,624.65**
Profit for the year	-	1,433.82	-	-	**1,433.82**
Other comprehensive income, net of income tax	-	2.19	-	(9.73)	**(7.54)**
Dividend paid	-	(2.21)	-	-	**(2.21)**
Appropriation to General Reserve	-	(80.00)	80.00	-	-
As at March 31, 2024	**115.83**	**4,612.30**	**329.00**	**(8.41)**	**5,048.72**

The above Statement should be read with Annexure V- Material accounting policies, Annexure VI- explanatory notes to Restated Consolidated financial statements and Annexure VII- Statement of Restatement Adjustment to Audited Consolidated financial statements.

As per our report of even date attached
For S S Kothari Mehta & Co. LLP
Chartered Accountants
Firm's registration number : 000756N / N500441

For and on behalf of the Board of Directors of
Varindera Constructions Limited

Jalaj Soni
Partner
Membership No. 528799
Place : Gurugram
Date : September 23, 2024

Varinder Kumar Garg
Chairman
DIN: 01563868

Vivek Garg
Managing Director & CEO
DIN: 02187343

Vikas Jain
Chief financial officer
Place : Gurugram
Date : September 23, 2024

Anurag Srivastava
Company Secretary

1. Corporate Information and material accounting policies information

1.1 Corporate Information

The consolidated financial statements comprise of financial statements of Varindera Constructions Limited ('the Holding Company', 'the Parent' or 'the Company' or 'VCL') and its subsidiary (collectively refer as a 'the Group') for the year ended March 31, 2024. The company is a public company incorporated on 15 December 1987. It is classified as Non- Government Company and registered at Registrar of Companies, Delhi. The company Identification Number (CIN) is U45201DL1987PLC128579. Its register address is office No. 613, 6th Floor, Plot No. 4, Vishwadeep Tower, District Centre, Janakpuri A-3, West Delhi, India, 110058.

The group has been providing comprehensive and massive construction solutions in various segments of national importance like housing, institutional, healthcare, aviation, roads and highways. With company's rich experience, they execute innovative techniques in engineering, procurement, and construction. Company's expertise in the domain increases efficiency, reduces time and cost overruns and adequately caters to the needs of a dynamic environment.

The Consolidated financial statements for the year ended March 31, 2024 were approved by the Board of Directors and authorized for issue on September 23, 2024.

1.2 Basis of preparation and presentation of consolidated financial statements

(i) Statement of Compliance

The Restated Consolidated Financial Statements of the Company comprise of the Restated Statement of Assets and Liabilities as at 31 March 2024, 31 March 2023 and 31 March 2022, Restated Statement of Profit and Loss (including Other Comprehensive Income), Restated Statement of Cash Flow and Restated Statement of Changes in Equity for the year ended 31 March 2024, 31 March 2023 along with year ended 31 March 2022, the Summary statement of Material Accounting Policies and explanatory notes to Restated Consolidated Financial Statements (collectively, the ' Restated Financial Statements' or 'Statements').

These Restated consolidated financial information have been prepared by the Management for the purpose of inclusion in the Draft Red Herring Prospectus (DRHP) to be filed with the Securities and Exchange Board of India ("SEBI"), National Stock Exchange of India Limited and BSE Limited prepared by the Company in connection with its proposed initial public offering IPO) of equity shares comprising a fresh issue of equity shares and an offer for sale of equity shares held by the selling shareholders (collectively, the "Offering"). These Restated Consolidated Financial information have been prepared to comply in all material respects with the requirements of:

a) Section 26 of Part I of Chapter III of the Companies Act 2013 (the "Act") as amended from time to time (the "Act"); and

b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended to date (the "SEBI ICDR Regulations") issued by the Securities and Exchange Board of India (the "SEBI"); and

c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered

Accountants of India (the "ICAI") as amended from time to time (the "Guidance Note").

(ii) In pursuance to ICDR Regulations, the Company is required to provide Financial Statements (FS) prepared in accordance with Indian Accounting Standard (Ind AS) for all the three years and the stub period (if applicable) audited and certified by the statutory auditor(s) who holds a valid certificate by the Peer Review Board of the Institute of Chartered Accountants of India (ICAI).

(iii) The Restated Consolidated Financial Statements have been compiled from:

(a) The audited consolidated financial statements of the Group as at and for the year ended March 31, 2024 and March 31, 2023 prepared in accordance with Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time), other accounting principles generally accepted in India and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable, which have been approved by the Board of Directors at their meetings held on September 11, 2024. The Restated Consolidated Financial information are based on the classification provisions contained in Ind AS 1, 'Presentation of Financial Statements' and division II of Schedule III of the Companies Act 2013.

(b) The Special Purpose Consolidated Financial Statements of the company as at and for the year ended 31 March 2023 prepared in accordance with the Indian Accounting Standard (referred to as 'Ind AS') as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other recognized accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on September 11, 2024.

(c) The Special Purpose Consolidated Financial Statements of the company as at and for the year ended 31 March 2022 prepared in accordance with the Indian Accounting Standard (referred to as 'Ind AS') as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other recognized accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on September 11, 2024.

The Special Purpose Consolidated Financial Statements have been prepared solely for the purpose of preparation of Restated Consolidated Financial Information for inclusion in offer documents in relation to the proposed IPO, which requires financial statements of all the periods included. As such, these Special Purpose Consolidated Financial Statements are not suitable for any other purpose other than for the purpose of preparation of the Restated Consolidated Financial Information.

(iv) The Restated Financial Statements have been prepared to contain information/disclosures and incorporating adjustments set out below in accordance with the ICDR Regulations:-

(i) Adjustments to the profits or losses of the earlier periods for the changes in accounting policies if any to reflect what the profits or losses of those periods would have been if a uniform accounting policy was followed in each of these periods and of material errors, if any;

(ii) Adjustments for reclassification/regroupings of the corresponding items of income, expenses, assets and liabilities retrospectively in the years ended March 31, 2023 and March 31, 2022,in order to bring them in line with the groupings as per the Restated Financial statement of the Company for the year ended March 31, 2024 and the requirements of the SEBI Regulations, if any; and

(iii) The resultant impact of tax due to the aforesaid adjustments, if any.

The restated consolidated financial information were approved and authorized by the Holding Company's Board of Directors on September 23, 2024.

(v) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

(i) Certain financial assets and liabilities that are measured at fair value
(ii) Defined benefit plans-plan assets measured at fair value

(vi) The consolidated financial statements are presented in Indian Rupees ('INR') and all values are rounded to the nearest millions (INR '000,000) up to two decimal places, except when otherwise indicated.

(vii) Use of Estimates

The preparation of consolidated Financial Statements in conformity with Ind AS requires the Management to make estimates and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, the reported amount of revenue and expenditure for the period, and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying consolidated financial statements are based upon the Management's evaluation of the relevant facts and circumstances as of the date of consolidated financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a yearly basis. Revisions to accounting estimates, if any, are recognized in the period in which the estimates are revised and in any future years affected.

(viii) Operating cycle

The Group adopted an operating cycle based on the project period i.e. start of the project till completion of the project (achievement of Provisional Completion Date or Completion Date) and accordingly all project-related assets and liabilities are classified into current and non-current. Other than the above, 12 months is considered as a normal operating cycle.

2. Material accounting policy

This note provides a list of the material accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied for all years presented.

Material accounting policies adopted by the Company are as under:

2.01 Principles of consolidation and equity accounting

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

i) Subsidiary

Subsidiary are all entities (including structured entities) over which the Group has control. The Group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

Subsidiary are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date when control ceases.

The Group combines the financial statements of the parent and its subsidiary line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group Companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiary have been changed where necessary to ensure consistency with the policies adopted by the Group. Details of the Subsidiary are set out in Note 55 of Restated Consolidated Financial statement.

ii) Non-controlling interests

The Group does not have any non- controlling interests in an acquired entity

The subsidiary company considered in the consolidated financial statements is :

Name of the entity	Relationship	Country of incorporation	% of shareholding		
			As on 31-March-2024	As on 31-March-2023	As on 31-March-2022
Varindera Constructions International Limited	Subsidiary	Mauritius	100%	-	-

2.02 Principles of consolidation and equity accounting - Jointly controlled operation

The Holding Company recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the standalone financial statements of Holding Company under the appropriate headings.

2.03 Principles of consolidation and equity accounting - Accounting under Equity method for Associate Entities

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group’s share of the post-acquisition profits or losses of the investee in profit and loss, and the group’s share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associate are recognised as a reduction in the carrying amount of the investment.

When the group’s share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associate are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

2.04 Revenue from contracts with customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the group expects to be entitled in exchange for those goods or services. The group collects Goods and Service Tax on behalf of government, and therefore, these are not consideration to which the group is entitled, hence, these are excluded from revenue. The group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

a) Revenue from Construction contracts

The Group recognises revenue from engineering, procurement and construction contracts ('EPC') over the period of time, as performance obligations are satisfied over time due to continuous transfer of control to the customer. EPC contracts are generally accounted for as a single performance obligation as it involves complex integration of goods and services.

Revenue, where the performance obligation is satisfied over time since the group creates assets that the customer controls, is recognized in proportion to the stage of completion of the contract. The stage of completion is assessed by reference to surveys of work performed i.e. Revenue from construction and services activities is recognized over a period of time and the Company uses the output method to measure progress of delivery."

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

Progress billings are generally issued upon completion of certain phases of the work as stipulated in the contract. Billing terms of the over-time contracts vary but are generally based on achieving specified milestones. The difference between the timing of revenue recognised and customer billings result in changes to contract assets and contract liabilities.

The contracts generally result in revenue recognised in excess of billings which are presented as contract assets on the statement of financial position. Amounts billed and due from customers are classified as receivables on the statement of financial position. The portion of the payments retained by the customer until final contract settlement is not considered a significant financing component since it is usually intended to provide customer with a form of security for Group's remaining performance as specified under the contract, which is consistent with the industry practice. Contract liabilities represent amounts billed to customers in excess of revenue recognised till date. A liability is recognised for advance payments and it is not considered as a significant financing component because it is used to meet working capital requirements at the time of project mobilization stage. The same is presented as contract liability in the statement of financial position

The group recognizes revenue at an amount for which it has right to consideration (i.e. right to invoice) from customer that corresponds directly with the value of the performance completed to the date.

Consideration of significant financing component in a contract

The group receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.
Revenue from construction/project contracts executed under joint operations [in terms of Ind AS 111 “Joint Arrangements”], is recognized on the same basis as adopted in respect of contracts independently executed by the Group.

Contract modifications

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to the existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch-up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if additional services are priced at the standalone selling price, or as a termination of existing contract and creation of a new contract if not priced at the standalone selling price.

b) Revenue from services contracts

Service contracts (including operation and maintenance contracts and job work contracts) in which the group has the right to consideration from the customer in an amount that corresponds directly with the value to the customer of the group’s performance completed to date, revenue is recognized when services are performed and contractually billable.

2.05 Current versus non-current classification

The group presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is:
- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

For operating cycle details refer 1.2 (viii) above

2.06 Foreign currencies

(i) Functional and presentation currency

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Company’s consolidated financial statements are presented in Indian rupee (INR) which is also the Company’s functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rate prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transaction and from the translation of monetary assets and liabilities denominated in foreign currencies at the year-end exchange rate are generally recognized in the statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Exchange differences
Exchange differences arising on settlement or translation of monetary items are recognized as income or expense in the year in which they arise with the exception of exchange differences on gain or loss arising on translation of non-monetary items measured at fair value which is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

2.07 Property, plant and equipment

Property, Plant and equipment including capital work in progress are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price, taxes, duties, freight and other incidental expenses directly attributable and related to acquisition and installation of the concerned assets and are further adjusted by the amount of input tax credit availed wherever applicable. Subsequent costs are included in asset's carrying amount or recognized as separate assets, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the group and the cost of item can be measured reliably. When significant parts of plant and equipment are required to be replaced at intervals, the group depreciates them separately based on their respective useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.
Capital work- in- progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

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

Depreciation on property, plant and equipment is provided on pro-rata basis on written-down value method using the useful lives of the assets estimated by management and in the manner prescribed in Schedule II of the Companies Act 2013 along with residual value 5%. The useful life is as follows:

Class of assets	Estimated Useful Life	As per Schedule II	Method of Depreciation
Building	30-60	60	Straight Line
Plant & machinery	8-12	15	Straight Line
Computers and servers	3-6	3-6	Straight Line
Furniture and fixtures	5-10	10	Straight Line
Vehicles	8-10	8-10	Straight Line

*Based on Internal assessment the management believes that the useful life given above best represent the period over which management expects to use these assets.

The land is carried at historical cost and is not depreciated.

2.08 Investment property

Properties (including those under construction) held to earn rentals and/or capital appreciation are classified as an investment property and are measured and reported at cost, including transaction costs and borrowing costs capitalized for qualifying assets, in accordance with the Group's accounting policy. Policies with respect to depreciation, useful life, and derecognition are on the same basis as stated in PPE supra.

2.09 Intangible assets

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalized development cost, are not capitalized and the related expenditure is reflected in statement of Profit and Loss in the period in which the expenditure is incurred. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortized but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from the disposal of the intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the assets are disposed off.

Intangible assets with finite useful life are amortized on a written down value basis over the estimated useful economic life of 5 years, which represents the period over which the group expects to derive economic benefits from the use of the assets.

Intangible Assets under development includes cost of intangible assets under development as at the balance sheet date.

2.10 Financial instruments

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

Compound financial instruments

Compound financial instruments are separated into liability and equity components based on the terms of the contract. On issuance of compound financial instruments, the fair value of the liability component is determined using a market rate for an equivalent instrument. This amount is classified as a financial liability measured at amortized cost (net of transaction cost) until it is extinguished on redemption/ conversion.

(i) Financial Assets

The group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss).
- Those measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flow.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Initial recognition and measurement

All financial assets (not recorded at fair value through profit or loss) are recognized initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. Transaction cost of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into following categories:

- Debt instruments at fair value through profit and loss (FVTPL)
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments at amortized cost
- Equity instruments

Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognized in other comprehensive income (i.e. fair value through other comprehensive income). For investment in debt instruments, this will depend on the business model in which the investment is held. For investment in equity instruments, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for equity instruments at FVTOCI.

Debt instruments at amortized cost

A Debt instrument is measured at amortized cost if both the following conditions are met:

a) Business Model Test: The objective is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).

b) Cash flow characteristics test: The contractual terms of the Debt instrument give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

This category is most relevant to the group. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. The EIR amortization is included in other income in profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

Debt instruments at fair value through OCI

A Debt instrument is measured at fair value through other comprehensive income if following criteria are met:
a) Business Model Test: The objective of financial instrument is achieved by both collecting contractual cash flows and for selling financial assets.
b) Cash flow characteristics test: The contractual terms of the Debt instrument give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Debt instrument included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI), except for the recognition of interest income, impairment gains or losses and foreign exchange gains or losses which are recognized in statement of profit and loss. On derecognition of asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to statement of profit & loss. Interest earned whilst holding FVTOCI financial asset is reported as interest income using the EIR method.

Debt instruments at FVTPL

FVTPL is a residual category for financial instruments. Any financial instrument, which does not meet the criteria for amortized cost or FVTOCI, is classified as at FVTPL.A gain or loss on a Debt instrument that is subsequently measured at FVTPL and is not a part of a hedging relationship is recognized in statement of profit or loss and presented net in the statement of profit and loss within other gains or losses in the period in which it arises. Interest income from these Debt instruments is included in other income.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the group's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement and either;

a) The group has transferred the rights to receive cash flows from the financial assets or

b) The group has retained the contractual right to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

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

Impairment of financial assets

In accordance with Ind AS 109, the group applies the expected credit losses (ECL) model for measurement and recognition of impairment loss on the following financial asset and credit risk exposure

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

The group follows a "simplified approach" for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables;

Under the simplified approach, the group does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of trade receivable and is adjusted for forward-looking estimates. At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analyzed.

For recognition of impairment loss on other financial assets and risk exposure, the group determines whether there has been a significant increase in the credit risk since initial recognition. 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. If, in subsequent periods, the credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the group reverts to recognizing impairment loss allowance based on 12- months ECL.

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

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

(a) All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

(b) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other income' in the statement of profit and loss.

The balance sheet presentation for various financial instruments is described below: -

(a) **Financial assets measured as at amortized cost**: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the group does not reduce impairment allowance from the gross carrying amount.
(b) **Debt instruments measured at FVTOCI:** For debt instruments measured at FVTOCI, the expected credit losses do not reduce the carrying amount in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the asset was measured at amortized cost is recognized in other comprehensive income as the "accumulated impairment amount".

Trade Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within one year and therefore are all classified as current. Where the settlement is due after one year, they are classified as non-current. Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method.

Contract Assets

A contract asset is the entity's right to consideration in exchange for goods or services that the entity has transferred to the customer. A contract asset becomes a receivable when the entity's right to consideration is unconditional, which is the case when only the passage of time is required before payment of the consideration is due. The impairment of contract assets is measured, presented and disclosed on the same basis as trade receivables.

(ii) Financial liabilities:

Initial recognition and measurement

Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss, loans and borrowings, and payables, net of directly attributable transaction costs. The group financial liabilities include loans and borrowings including bank overdraft, trade payables, trade deposits, retention money, liabilities towards services and other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the group that are not designated as hedging instruments in a hedge relationship as defined by Ind AS 109. The separated embedded derivate are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

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

Trade Payables

These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using Effective interest rate method.

Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the group transfers goods or services to the customer, contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the group performs under the contract.

Impairment of assets

As at the end of each accounting year, the carrying amounts of PPE, investment property, intangible assets and investments in associate are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the PPE, investment property, intangible assets and investments in associate are tested for impairment so as to determine the impairment loss, if any.

An impairment is recognized to the extent that the carrying amount of receivable or asset relating to contracts with customers (a) the remaining amount of consideration that the group expects to receive in exchange for the goods or services to which such asset relates; less (b) the costs that relate directly to providing those goods or services and that have not been recognized as expenses.

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

(i) In the case of an individual asset, at the higher of fair value less costs to sell and the value-in-use; and

(ii) In the case of a cash generating unit (the smallest identifiable group of assets that generates independent cash flows), at the higher of the cash generating unit's fair values less costs to sell and the value-in-use.

Loans and borrowings

Borrowings are initially recognized at fair value, net of transaction cost incurred. After initial recognition, interest-bearing borrowings are subsequently measured at amortized cost using the Effective interest rate method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the Effective interest rate amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the Effective interest rate. The Effective interest rate amortization is included as finance costs in the statement of profit and loss.

Borrowing is classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Derecognition

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

Offsetting of financial instruments:

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

Reclassification of financial assets/ financial liabilities

The group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The group's senior management determines change in the business model as a result of external or internal changes which are significant to the group's operations. Such changes are evident to external parties. A change in the business model occurs when the group either begins or ceases to perform an activity that is significant to its operations. If the group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The group does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

2.11 Inventories

a) Basis of Valuation:

Inventories are valued at lower of cost and net realizable value after providing cost of obsolescence, if any. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item-by-item basis.

b) Method of Valuation:

(i) **Cost of raw materials and Construction materials** has been determined on moving weighted average cost method and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.

(ii) **Real estate:** Land and building held as real estate inventory is valued at cost or net realizable value whichever is lower.

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

2.12 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 tax are recognized in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognized in Other Comprehensive Income or directly in equity, respectively.

Current tax:

Current tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

The group's 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.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax:

Deferred income tax is recognized using the balance sheet approach. Deferred tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in consolidated financial statements.

Deferred income tax assets are recognized 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 utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.
Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the group intends to settle its current tax assets and liabilities on a net basis.

2.13 Other Income

Interest Income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the group and the amount of income can be measured reliably. Interest income is accrued on a time proportion basis by reference to the principal outstanding and effective interest rate (EIR).

EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. Interest income is included in other income in the statement of profit and loss.

Other Operating Revenue

Incentive and subsidies are recognized when there is reasonable assurance that the group will comply with the conditions and the incentive will be received and the amount of income can be reliably measured.

Revenue from scrap sales and other ancillary sales is recognized when the control over the goods is transferred to the customers.

2.14 Employee benefits

(i) Short-term obligations

All employee benefits falling due wholly within twelve months of rendering the service are classified as short-term employee benefits. Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

(ii) Defined Contribution Plan

The Group's Employees Provident Fund Organization (EPFO), Pension Fund and Employees State Insurance (ESI) are defined contribution plans. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees. Prepaid contribution is recognized as an assets to the extent that a cash refund or reduction in future payments is available.

(iii) Defined Benefit Plan

Retirement benefit in the form of Gratuity is considered as defined benefit plan. The liability recognized in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the balance sheet date, together with adjustments for unrecognized actuarial gains or losses and past service costs. The defined benefit obligation is determined by actuarial valuation as on the balance sheet date, using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:

(i) The date of the plan amendment or curtailment, and
(ii) The date that the group recognizes related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability.

The Group recognizes the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

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

2.15 Leases

Leases are accounted for using the principles of recognition, measurement, presentation and disclosures as set out in IndAS 116-“Leases”.

Group as a lessee

On inception of a contract, the group assesses whether it contains a lease. A contract contains a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The right to use the asset and the obligation under the lease to make payments are recognized in the Group’s consolidated financial statements as a right-of-use asset and a lease liability.

Lease contracts may contain both lease and non-lease components. The Group allocates payments in the contract to the lease and non-lease components based on their relative stand-alone prices and applies the lease accounting model only to lease components.

Right to use Assets

The right-of-use asset recognized at lease commencement includes the amount of lease liabilities on initial measurement, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated to a residual value over the rights-of-use assets estimated useful life or the lease term, whichever is lower. Right-of-use assets are also adjusted for any re-measurement of lease liabilities and are subject to impairment testing. Residual value is reassessed at each reporting date.

Lease liability

The lease liability is initially measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments (including ‘in-substance fixed’ payments) and variable lease payments that depend on an index or a rate, less any lease incentives receivable. ‘In-substance fixed’ payments are payments that may, in form, contain variability but that, in substance, are unavoidable. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease term includes periods subject to extension options which the Group is reasonably certain to exercise and excludes the effect of early termination options where the group is not reasonably certain that it will exercise the option. Minimum lease payments include the cost of a purchase option if the group is reasonably certain it will purchase the underlying asset after the lease term.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest on lease liability and reduced for lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification e.g. a change in the lease term, a change in the ‘in-substance fixed’ lease payments or as a result of a rent review or change in the relevant index or rate.

Variable lease payments that do not depend on an index or a rate are recognized as an expense in the period over which the event or condition that triggers the payment occurs. In respect of variable leases which guarantee a minimum amount of rent over the lease term, the guaranteed amount is considered to be an 'in-substance fixed' lease payment and included in the initial calculation of the lease liability. Payments which are 'in-substance fixed' are charged against the lease liability.

The Group has opted not to apply the lease accounting model to intangible assets, leases of low-value assets or leases which have a term of less than 12 months. Costs associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Lease payments are presented as follows in the Group's statement of cash flows:

i) short-term lease payments, payments for leases of low-value assets and variable lease payments that are not included in the measurement of the lease liabilities are presented within cash flows from operating activities;

ii) payments for the interest element of recognized lease liabilities are presented within cash flows from financing activities; and

iii) Payments for the principal element of recognized lease liabilities are presented within cash flows from financing activities.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset is classified as operating leases. Rental income arising is accounted in the statement of profit and loss over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

2.16 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equities shares outstanding during the year. The weighted average number of equities shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equities shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effect of all potentially dilutive equity shares.

2.17 Borrowing Costs

Borrowing cost includes interest and other costs incurred in connection with the borrowing of funds and charged to Statement of Profit & Loss on the basis of effective interest rate (EIR) method. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. Capitalization of Borrowing Cost is suspended and charged to the statement of profit and loss during extended periods when active development activity on the qualifying asset is interrupted. All other borrowing costs are recognized as expense in the year in which they occur.

2.18 Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposit held at call with financial institutions, other short - term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

2.19 Provisions and Contingent Liabilities Provisions

A provision is recognized when the group has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. 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 recognized as a finance cost.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognized because it cannot be measured reliably. The group does not recognize a contingent liability but discloses its existence in the consolidated financial statements unless the probability of outflow of resources is remote.

Contingent assets

Contingent assets are not recognized in the consolidated financial statements. Contingent assets are disclosed in the consolidated financial statements to the extent it is probable that economic benefits will flow to the Group from such assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

2.20 Fair value measurement

The group measures financial instruments at fair value at each balance sheet date.

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

(i) In the principal market for asset or liability, or
(ii) In the absence of a principal market, in the most advantageous market for the asset or liability.
The principal or the most advantageous market must be accessible by the group.

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

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

The group 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 consolidated 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

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

For the purpose of fair value disclosures, the group 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.

2.21 Exceptional items

Items which are material by virtue of their size and nature are disclosed separately as exceptional items to ensure that consolidated financial statements allow an understanding of the underlying performance of the business in the year and to facilitate comparison with prior year.

2.22 Segment Reporting

Operating segments are defined as components of an entity where discrete financial information is evaluated regularly by the chief operating decision maker (CODM) in deciding allocation of resources and in assessing performance. The CODM reviews the financial information for the purposes of making operating decisions, allocating resources and evaluating financial performance.

2.23 Statement of cash flows

Statements of cash flows is made using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferral accruals of past or future cash receipts or payments and item of income or expense associated with investing or financing of cash flows. The cash flows from operating, financing and investing activities of the group are segregated.

2.24 Significant accounting judgements, estimates and assumptions

The preparation of the Group’s consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgements

In the process of applying the Group’s accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the consolidated financial statements.

a) **Recognition of deferred taxes**

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

b) **Impairment of Financial assets**

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

c) **Recognition of revenue**

The price charged from the customer is treated as consolidated selling price of the goods transferred to the customer. At each balance sheet date, basis the past trends and management judgment, the group assesses the requirement of recognizing provision against the sales returns for its products and in case, such provision is considered necessary, the management make adjustment in the revenue. However, the actual future outcome may be different from this judgement.

d) **Impairment of non-financial assets**

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

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

e) Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The group makes an assessment on the expected lease term on a lease-by-lease basis and there by assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the group considers factors such as significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease etc. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

2.25 Group’s Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the group. Such changes are reflected in the assumptions when they occur.

a) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The group establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority

b) Gratuity benefit

The cost of defined benefit plans (i.e. Gratuity benefit) is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions 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. In determining the appropriate discount rate, management considers the interest rates of long-term government bonds with extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics (i.e. IALM 2012-14 Ultimate). These assumptions translate into an average life expectancy in years at retirement age. Future salary increases and pension increases are based on expected future inflation rates. Further details about the assumptions used, including a sensitivity analysis, are given in Note 40.

c) Fair value measurement of financial instrument

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) 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.

d) Property, plant and equipment and intangible assets

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the group's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. For managements estimates on useful life of assets refer note 2.07.

2.26 Recent Accounting Pronouncements

The Ministry of Corporate Affairs (MCA) notifies new Indian Accounting Standards or amendments to the existing Indian Accounting Standards. There is no such notification by MCA in this regard which would have been applicable on the group from 1st April 2024.

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

3(a). Property, plant and equipment

Particulars	Land*	Buildings*	Furniture and fixtures	Plant and equipment	Vehicles	Computer	Total
Gross Carrying Amount							
As at April 01, 2021 (Deemed Cost)	34.08	87.30	6.52	373.82	5.27	1.82	**508.81**
Additions	-	-	0.78	43.80	11.50	2.73	**58.81**
Disposals	-	-	-	-	-	-	**-**
Exchange fluctuation	-	-	(0.25)	(3.61)	(0.58)	(0.05)	**(4.49)**
As at March 31, 2022	**34.08**	**87.30**	**7.05**	**414.01**	**16.19**	**4.50**	**563.13**
Additions	-	63.53	4.48	575.05	30.23	7.45	**680.74**
Disposals	-	-	-	(12.70)	-	(0.04)	**(12.74)**
Exchange fluctuation	-	1.53	0.31	11.19	1.04	0.07	**14.14**
As at March 31, 2023	**34.08**	**152.36**	**11.84**	**987.55**	**47.46**	**11.98**	**1,245.27**
Additions	-	-	11.80	757.01	20.77	4.32	**793.90**
Disposals/Discards	-	-	(4.22)	(71.42)	(1.72)	(4.12)	**(81.48)**
Exchange fluctuation	-	0.75	-	3.38	0.04	-	**4.17**
As at March 31, 2024	**34.08**	**153.11**	**19.42**	**1,676.52**	**66.55**	**12.18**	**1,961.86**
Accumulated depreciation							
As at April 01, 2021	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Charge for the year	-	1.57	0.43	47.08	7.22	1.35	**57.65**
Disposals	-	-	-	-	-	-	**-**
Exchange fluctuation	-	-	(0.06)	(0.94)	(0.24)	(0.03)	**(1.27)**
As at March 31, 2022	**-**	**1.57**	**0.37**	**46.14**	**6.98**	**1.32**	**56.38**
Charge for the year	-	2.44	0.76	85.70	8.18	2.56	**99.64**
Disposals	-	-	-	(0.31)	-	(0.01)	**(0.32)**
Exchange fluctuation	-	0.77	0.09	1.74	0.39	0.04	**3.03**
As at March 31, 2023	**-**	**4.78**	**1.22**	**133.27**	**15.55**	**3.91**	**158.73**
Charge for the year	-	24.24	4.02	132.49	4.85	4.25	**169.85**
Disposals/Discards	-	-	(1.61)	(25.47)	(0.38)	(2.77)	**(30.23)**
Exchange fluctuation	-	0.39	(0.01)	0.07	(0.04)	(0.01)	**0.40**
As at March 31, 2024	**-**	**29.41**	**3.62**	**240.36**	**19.98**	**5.38**	**298.75**
Net Carrying Amount							
As at March 31, 2024	**34.08**	**123.70**	**15.80**	**1,436.16**	**46.57**	**6.80**	**1,663.11**
As at March 31, 2023	**34.08**	**147.58**	**10.62**	**854.28**	**31.91**	**8.07**	**1,086.54**
As at March 31, 2022	**34.08**	**85.73**	**6.68**	**367.87**	**9.21**	**3.18**	**506.75**

* Title deeds of immovable properties are held in the name of the Group.

3(a)(i). There are no adjustments to Property, Plant and Equipment on account of borrowing costs.
3(a)(ii) There is no revaluation of Property, Plant and Equipment during the year.
3(a)(iii) Property, plant and equipment have been pledged to secure borrowings of the Group (refer note 20 and 23)

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

3(b). Investment Property

Particulars	Building	Total
Gross carrying value		
As at April 01, 2021 (Deemed Cost)	**54.98**	**54.98**
Additions	-	-
Disposals	-	-
As at March 31, 2022	**54.98**	**54.98**
Additions	-	-
Disposals	-	-
As at March 31, 2023	**54.98**	**54.98**
Additions	-	-
Disposals	(45.42)	(45.42)
As at March 31, 2024	**9.56**	**9.56**
Accumulated Depreciation		
As at April 01, 2021	**-**	**-**
Charge for the year	2.53	2.53
Disposals	-	-
As at March 31, 2022	**2.53**	**2.53**
Charge for the year	2.53	2.53
Disposals	-	-
As at March 31, 2023	**5.06**	**5.06**
Charge for the year	1.87	1.87
Disposals	(5.39)	(5.39)
As at March 31, 2024	**1.54**	**1.54**
Net carrying value		
As at March 31, 2024	**8.02**	**8.02**
As at March 31, 2023	**49.92**	**49.92**
As at March 31, 2022	**52.45**	**52.45**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Rental Income	0.44	0.44	0.03
Profit on sale of investment property	13.77	-	-
Profit from investment property before depreciation	**14.21**	**0.44**	**0.03**
Less: Depreciation	(1.87)	(2.53)	(2.53)
Profit / (loss) from investment property	**12.34**	**(2.09)**	**(2.50)**

Restrictions on realizability and contractual obligations

The Group has no restrictions on the realizability of any of its investment properties and it is under no contractual obligations to either purchase, construct or develop investment properties or for repairs, maintenance and

Fair Value

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Building	97.20	130.88	105.42

Estimation of fair value

The valuation of the building has been carried by a registered approved valuer defined under Rule 2 of Companies (Registered valuer and valuation) Rule 2017 , conversant with and having knowledge of real estate activities in the concerned area, based on prevalent rates and other observable marked inputs (Level 2 fair value).

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

4 (a) Intangible Assets

Particulars	**Software**	**Total**
Gross carrying value		
As at April 01, 2021 (Deemed Cost)	**0.01**	**0.01**
Additions	-	-
Disposals	-	-
As at March 31, 2022	**0.01**	**0.01**
Additions	17.45	17.45
Disposals	-	-
As at March 31, 2023	**17.46**	**17.46**
Additions	0.06	0.06
Disposals	-	-
As at March 31, 2024	**17.52**	**17.52**
Accumulated Amortization		
As at April 01, 2021	**-**	**-**
Amortized during the year	-	-
Disposals	-	-
As at March 31, 2022	**-**	**-**
Amortized during the year	0.58	0.58
Disposals	-	-
As at March 31, 2023	**0.58**	**0.58**
Amortized during the year	3.63	3.63
Disposals	-	-
As at March 31, 2024	**4.21**	**4.21**
Net carrying value		
As at March 31, 2024	**13.31**	**13.31**
As at March 31, 2023	**16.88**	**16.88**
As at March 31, 2022	**0.01**	**0.01**

4(a)(i). There are no adjustments to Intangible assets on account of borrowing costs and exchange differences.

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

4 (b) Right of Use Assets

Particulars	Building	Total
Gross carrying value		
As at April 01, 2021	**8.76**	**8.76**
Additions	5.25	5.25
Deletions	-	-
As at March 31, 2022	**14.01**	**14.01**
Additions	17.70	17.70
Deletions	-	-
As at March 31, 2023	**31.71**	**31.71**
Additions	2.79	2.79
Deletions	(2.32)	(2.32)
Exchange fluctuation	0.47	0.47
As at March 31, 2024	**32.65**	**32.65**
Accumulated Depreciation		
As at April 01, 2021	**6.21**	**6.21**
Charge for the year	2.77	2.77
Deletions	-	-
As at March 31, 2022	**8.98**	**8.98**
Charge for the year	6.94	6.94
Deletions	-	-
As at March 31, 2023	**15.92**	**15.92**
Charge for the year	13.01	13.01
Deletions	(1.05)	(1.05)
As at March 31, 2024	**27.88**	**27.88**
Net carrying value		
As at March 31, 2024	**4.77**	**4.77**
As at March 31, 2023	**15.79**	**15.79**
As at March 31, 2022	**5.03**	**5.03**

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

5 Investments

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Non Current			
Investment in fully paid up equity instruments			
i. Investments in Associate#			
- Varindera Developers and Infrastructure Private Limited	-	-	14.26
Total Investments	**-**	**-**	**14.26**
(a) Aggregate amount of quoted investments and market value thereof	-	-	-
(b) Aggregate amount of unquoted investments	-	-	14.26
(c) Aggregate amount of impairment in value of investments	-	-	-

#During the Financial Year ending March 31, 2023, the company had sold its entire shareholding in its associate i.e. Varindera Developers and Infrastructure Private Limited, for a total consideration amounting to INR 60.30 million accordingly the company has recorded a profit of Rs. 46.33 million.
The Group has complied with the requirements of the number of layers prescribed under clause (87) of Section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.

Investment in Associate

Particulars	Face value of each share	As at March 31, 2023		As at March 31, 2022	
		No. of shares	Amount	No. of shares	Amount
Varindera Developers and Infrastructure Private Limited	100	-	-	1,80,000	18.00

Reconciliation of investment in associate post share of net profit / (loss)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Investment in associate post share of net profit / (loss)	14.26	14.28
Less: Share of net profit/(loss) of associate for the year	(0.29)	(0.02)
Less: Sale of associate during the year	(60.30)	-
Add: Profit on sale of associate	46.33	-
Total Investment in associate post share of net profit / (loss)	**-**	**14.26**

6 Loans

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Non Current			
Unsecured, considered good unless otherwise stated			
Carried at amortized cost			
Loans to related parties*			
- To Enterprises where key managerial personnel and their close members exercise significant influence	-	53.28	-
Total loans	**-**	**53.28**	**-**

* Includes interest on such loan (refer note 39)

7 Other financial assets

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Non Current			
Unsecured, considered good unless otherwise stated			
Carried at amortized cost			
Security deposits	27.48	18.61	15.62
Retention Money	428.73	139.91	-
Deposits with banks having remaining maturity of more than 12 months (refer note 7(i) below)	404.57	200.33	38.19
Total other financial assets	**860.78**	**358.85**	**53.81**

Note :-

7 (i) Deposits includes lien on bank deposits against bank guarantees given for the projects of Rs. 404.57 millions as at March 31, 2024 (March 31,2023 Rs. 200.33 millions) (March 31,2022 Rs. 38.19 millions).

7 (ii) Above carrying value of deposits with bank are subject to a charge to secure the group's secured borrowings. (refer note 20 and 23).

8 Deferred tax assets/(liabilities) (net)

Particulars		As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Deferred tax assets				
Post retirement benefits		20.27	14.31	10.46
Impact on account of Leases liability		1.21	4.08	1.22
Exchange differences in translating the financial statements of foreign operations		3.27	-	0.81
Other temporary difference		-	1.83	0.62
	(A)	**24.75**	**20.22**	**13.11**
Deferred tax liabilities				
Impact on account of Right of Use Assets		1.20	3.97	1.27
Exchange differences in translating the financial statements of foreign operations		-	1.26	-
Temporary difference in carrying values of property, plant & equipment & intangible assets between books of accounts and for tax purposes		17.52	2.34	3.37
Impact on account of project materials		-	16.20	-
Other temporary difference		0.43	0.02	0.03
	(B)	**19.15**	**23.79**	**4.67**
Net deferred tax assets/(liabilities)	**(A - B)**	**5.60**	**(3.57)**	**8.44**

9 Other non-current assets

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Capital advances	9.58	-	-
Total Other non-current assets	**9.58**	**-**	**-**

10 Inventories

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
(The Inventory is valued at lower of cost or net realizable value)			
Project material (including goods in transit)	1,423.68	1,027.26	286.74
Land	212.31	-	-
Total Inventories	**1,635.99**	**1,027.26**	**286.74**
Goods in transit	108.10	-	-

Note: Inventories of Project materials of the Group have been hypothecated to secure borrowings of the Group. (refer note 20 and 23)

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

11 Investments

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Current			
a) Investments-Quoted			
- Mutual funds at fair value through profit and loss (refer note 45 (c))	7.73	2.16	-
Total investments	**7.73**	**2.16**	**-**

	Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
(a)	Aggregate amount of quoted investments and market value thereof	7.73	2.16	-
(b)	Aggregate amount of quoted investments and cost thereof	6.20	2.20	-
(c)	Aggregate cost amount of unquoted investments	-	-	
(d)	Aggregate amount of impairment in value of investments	-	-	-

Details of mutual fund units held by the group:

Particulars		As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Baroda BNP Paribas Flexi Cap fund Regular Growth (FX-RG-G)	Units (Absolute)	1,09,984.50	1,09,984.50	-
	Fair Value	1.49	1.06	-
Baroda BNP Paribas Multi Asset fund Regular Growth (MA-RG-G)	Units (Absolute)	1,09,984.50	1,09,984.50	-
	Fair Value	1.41	1.10	-
Baroda BNP Paribas Small Cap Fund Regular Growth (SC-RG-G)	Units (Absolute)	2,49,977.50	-	-
	Fair Value	2.85	-	-
Baroda BNP Paribas Value Fund Regular Growth (VF-RG-G)	Units (Absolute)	1,49,982.50	-	-
	Fair Value	1.98	-	-
Total	**Fair Value**	**7.73**	**2.16**	**-**

12 Trade receivables

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Trade receivables: (Carried at Amortized Cost)			
Trade Receivables - Considered Good Secured	-	-	-
Trade Receivables - Unsecured, considered good	3,295.69	2,609.69	2,948.07
Trade Receivables which have significant increase in credit risk	-	-	-
Total trade receivables	**3,295.69**	**2,609.69**	**2,948.07**
Less: Allowance for credit losses	(66.23)	-	-
Total trade receivables (net)	**3,229.46**	**2,609.69**	**2,948.07**

Notes

a) All trade receivables of Group have been hypothecated to secure borrowings of the Group. (refer note 20 and 23).

b) The amount due from related party amounting to Rs 7.38 millions as on March 31,2024, (March 31,2023 Rs 2.47 millions , March 31,2022 Nil) (refer note 39)

Trade receivables ageing schedule

As at March 31, 2024	Outstanding for following periods from date of transaction					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed Trade receivables - considered good	2,557.31	82.95	471.70	66.03	10.76	**3,188.75**
Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	**-**
Undisputed Trade receivables - credit impaired	-	-	-	-	-	**-**
Disputed Trade receivables - considered good	-	-	-	-	106.94	**106.94**
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	**-**
Disputed Trade receivables - credit impaired	-	-	-	-	-	**-**
Total	**2,557.31**	**82.95**	**471.70**	**66.03**	**117.70**	**3,295.69**
Less: Allowance for credit losses	-	-	(23.59)	(13.21)	(29.43)	**(66.23)**
Net Trade receivables	**2,557.31**	**82.95**	**448.11**	**52.82**	**88.27**	**3,229.46**

As at March 31, 2023	Outstanding for following periods from date of transaction					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed Trade receivables - considered good	1,702.37	35.08	571.06	51.14	143.10	**2,502.75**
Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	**-**
Undisputed Trade receivables - credit impaired	-	-	-	-	-	**-**
Disputed Trade receivables - considered good	-	-	-	1.11	105.83	**106.94**
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	**-**
Disputed Trade receivables - credit impaired	-	-	-	-	-	**-**
Total	**1,702.37**	**35.08**	**571.06**	**52.25**	**248.93**	**2,609.69**
Less: Allowance for credit losses	-	-	-	-	-	**-**
Net Trade receivables	**1,702.37**	**35.08**	**571.06**	**52.25**	**248.93**	**2,609.69**

As at March 31, 2022	Outstanding for following periods from date of transaction					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed Trade receivables - considered good	2,266.26	186.72	170.09	97.41	120.65	**2,841.13**
Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	**-**
Undisputed Trade receivables - credit impaired	-	-	-	-	-	**-**
Disputed Trade receivables - considered good	-	-	1.11	82.99	22.84	**106.94**
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	**-**
Disputed Trade receivables - credit impaired	-	-	-	-	-	**-**
Total	**2,266.26**	**186.72**	**171.20**	**180.40**	**143.49**	**2,948.07**
Less: Allowance for credit losses	-	-	-	-	-	**-**
Net Trade receivables	**2,266.26**	**186.72**	**171.20**	**180.40**	**143.49**	**2,948.07**

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

13 (a) Cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Balances with banks:			
- In current accounts	507.66	295.08	59.67
Cash on hand	12.27	35.76	28.54
Total cash and cash equivalents	**519.93**	**330.84**	**88.21**

13 (b) Other bank balances

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Deposits with banks having remaining maturity less than 12 months (refer note below)	985.39	840.51	654.91
Total Other bank balances	**985.39**	**840.51**	**654.91**

13 (b)(i) Deposits includes lien on bank deposits against bank guarantees given for the projects of Rs. 985.39 millions as at March 31, 2024 (March 31,2023 Rs. 840.51 millions) (March 31,2022 Rs. 654.91 millions)

13 (b)(ii) Above carrying value of other bank balances are subject to a charge to secure the group’s secured borrowings. (refer note 20 and 23).

14 Loans

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Current			
Unsecured, considered good unless otherwise stated			
Carried at amortized cost			
Loans to related parties*			
- To Enterprises where key managerial personnel and their close members exercise significant influence	116.62	-	-
Total loans	**116.62**	**-**	**-**

* Include interest on such loan (refer note 39)

15 Other financial assets

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Current			
Unsecured, considered good unless otherwise stated			
Carried at amortized cost			
Security deposits	98.82	32.84	5.67
Interest Accrued on Bank deposits	10.96	5.56	2.40
Export benefits receivables	3.35	9.44	-
Other receivables	21.64	-	-
Total Other financial assets	**134.77**	**47.84**	**8.07**

16 Current tax Assets (Net)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Income tax receivable (net of provision)	30.39	95.83	27.86
Total current tax Assets (Net)	**30.39**	**95.83**	**27.86**

17 Other current assets

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Unsecured considered good			
Prepaid expenses	66.96	24.91	8.78
Balance with statutory / government authorities	38.11	196.45	329.00
Advance to suppliers	296.12	186.37	87.32
Unbilled Revenue	998.80	523.26	106.83
Interest Accrued on others	-	10.94	4.51
Advance to employees	8.39	-	-
Other receivables	106.80	82.62	79.47
Total Other current assets	**1,515.18**	**1,024.55**	**615.91**

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

18 Equity share capital

(a) Authorized equity share capital:

	As at 31-March-2024		As at 31-March-2023		As at 31-March-2022	
	Number of shares*	Amount	Number of shares*	Amount	Number of shares*	Amount
Equity shares of Rs 100* each	5,00,000	50.00	5,00,000	50.00	5,00,000	50.00
Total	**5,00,000**	**50.00**	**5,00,000**	**50.00**	**5,00,000**	**50.00**

(b) Issued equity share capital:

	As at 31-March-2024		As at 31-March-2023		As at 31-March-2022	
	Number of shares*	Amount	Number of shares*	Amount	Number of shares*	Amount
Equity shares of Rs 100* each	68,350	6.84	68,350	6.84	68,350	6.84
Total	**68,350**	**6.84**	**68,350**	**6.84**	**68,350**	**6.84**

(c) Subscribed equity share capital:

	As at 31-March-2024		As at 31-March-2023		As at 31-March-2022	
	Number of shares*	Amount	Number of shares*	Amount	Number of shares*	Amount
Equity shares of Rs 100* each	68,350	6.84	68,350	6.84	68,350	6.84
Total	**68,350**	**6.84**	**68,350**	**6.84**	**68,350**	**6.84**

(d) Paid up equity share capital:

	As at 31-March-2024		As at 31-March-2023		As at 31-March-2022	
	Number of shares*	Amount	Number of shares*	Amount	Number of shares*	Amount
Equity shares of Rs 100* each subscribed and fully paid	55,350	5.54	55,350	5.54	55,350	5.54
Add: 13,000 Equity shares of Rs 100 each, forfeited at paid up value of Rs 50 each	-	0.65	-	0.65	-	0.65
Total	**55,350**	**6.19**	**55,350**	**6.19**	**55,350**	**6.19**

(e) Terms/rights attached to equity shares

The company has only one class of equity shares having par value of Rs 100* per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend, if any in Indian rupees. The dividend proposed, if any by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares 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 equity shareholders.

(f) Details of shareholders holding more than 5% shares in the company

	As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
Name of Shareholder	Number of shares*	% holding in class	Number of shares*	% holding in class	Number of shares*	% holding in class
Equity shares of Rs 100 each fully paid						
Varinder Kumar Garg	37,140	67.10%	37,140	67.10%	37,140	67.10%
Sushma Garg	17,060	30.82%	17,060	30.82%	17,060	30.82%
Total	**54,200**		**54,200**		**54,200**	

(g) Details of shareholding of Promoters

	As at March 31, 2024			As at March 31, 2023			As at March 31, 2022		
Name of Shareholder	Number of shares*	% of total shares	% changes during the year	Number of shares*	% of total shares	% changes during the year	Number of shares*	% of total shares	% changes during the
Equity shares of Rs 100 each fully paid									
Varinder Kumar Garg	37,140	67.10%	-	37,140	67.10%	-	37,140	67.10%	-
Sushma Garg	17,060	30.82%	-	17,060	30.82%	-	17,060	30.82%	-
Vivek Garg	101	0.18%	-	101	0.18%	-	101	0.18%	1.00%
Total	**54,301**			**54,301**			**54,301**		

***Impact of subsequent event of split and bonus of shares not considered - refer note - 54 subsequent events**

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

19 Other equity

Securities premium	**(A)**	**Amount**
Balance as at 1 April, 2021*		**115.83**
Movement during the year		-
Balance as at March 31, 2022		**115.83**
Movement during the year		-
Balance as at March 31, 2023		**115.83**
Movement during the year		-
Balance as at March 31, 2024		**115.83**

Retained earnings	**(B)**	**Amount**
Balance as at 1 April, 2021*		**1,562.97**
Profit for the year		761.47
Add: Other comprehensive income, net of income tax		6.11
Less : Dividend paid during the year		(1.11)
Less : Appropriation to General Reserve		(80.00)
Balance as at March 31, 2022		**2,249.44**
Profit for the year		1,090.14
Add: Other comprehensive income, net of income tax		1.13
Less : Dividend paid during the year		(2.21)
Less : Appropriation to General Reserve		(80.00)
Balance as at March 31, 2023		**3,258.50**
Profit for the year		1,433.82
Add: Other comprehensive income, net of income tax		2.19
Less : Dividend paid during the year		(2.21)
Less : Appropriation to General Reserve		(80.00)
Balance as at March 31, 2024		**4,612.30**

Foreign currency translation reserve	**(C)**	**Amount**
Balance as at 1 April, 2021		**-**
Add:-Exchange differences in translating the financial statements of foreign operations, net of income tax		(2.41)
Less:-Transferred to retained earnings		**-**
Balance as at March 31, 2022		**(2.41)**
Add:-Exchange differences in translating the financial statements of foreign operations, net of income tax		3.73
Less:-Transferred to retained earnings		-
Balance as at March 31, 2023		**1.32**
Add:-Exchange differences in translating the financial statements of foreign operations, net of income tax		(9.73)
Less:-Transferred to retained earnings		-
Balance as at March 31, 2024		**(8.41)**

General Reserve	**(D)**	
Balance as at 1 April, 2021*		**89.00**
Add : Transferred from Retained Earnings		80.00
Balance as at March 31, 2022		**169.00**
Add : Transferred from Retained Earnings		80.00
Balance as at March 31, 2023		**249.00**
Add : Transferred from Retained Earnings		80.00
Balance as at March 31, 2024		**329.00**

Total other equity	**(A+B+C+D)**	**Amount**
Balance as at March 31, 2024		**5,048.72**
Balance as at March 31, 2023		**3,624.65**
Balance as at March 31, 2022		**2,531.86**

***For details of restatement of opening balances of other equity refer annexure VII**

Nature and purpose of reserves

Securities Premium :

Securities Premium is credited when shares are issued at premium. It is utilized in accordance with the provisions of Act, to issue bonus shares, to provide for premium on redemption of shares, write-off equity related expenses like underwriting cost etc

Retained Earnings :

Retained earnings represents undistributed profits of the Group which can be distributed to its equity shareholders in accordance with the provisions of the Companies Act, 2013.

General reserve :

General Reserve is created out of the profits earned by the Company by way of transfer from surplus in the statement of profit and loss. The Company can use this reserve for payment of dividend, issue of bonus shares and fully / partly paid-up equity shares

Foreign currency translation reserve :

The exchange differences arising from the translation of financial statements of foreign branches and a subsidiary with functional currency other than Indian Rupee is recognised in other comprehensive income and is presented within equity in the foreign currency translation reserve.

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

20 Borrowings

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Secured			
Term loans			
-From Banks	1,822.64	1,167.27	584.19
-From Others	129.69	-	-
Total Borrowings	**1,952.33**	**1,167.27**	**584.19**
Less: disclosed as current maturities under short term borrowings - secured (refer note 23)	(1,074.18)	(606.84)	(290.33)
Total non-current borrowings	**878.15**	**560.43**	**293.86**

Note:

(1) Nature of security and terms of repayment for borrowings:

As on March 31, 2024								
Lender's Name	**Type of Loan**	**As at 31-03-2024**	**Interest Type**	**Rate of Interest**	**Security**	**Remaining installments**	**Original Tenure**	**Personal Guarantee**
Axis Bank Limited	Term Loan	85.34	Fixed	7.30 to 9.45%	Hypothecation of respective Asset	5-16 Months	2 to 3 years	No
Bank of Baroda	Term Loan	39.90	Floating	1 Year MCLR without Spread+1%	Second Ranking charge with Existing Credit Facilities	24 Months	5 Years	No
Federal Bank Limited	Term Loan	24.69	Fixed	8.60% to 9.30%	Hypothecation of respective Asset	18 to 35 Months	2 to 3 Years	No
HDB Financials Service Limited	Term Loan	129.69	Fixed	7.40% to 8.85%	Hypothecation of respective Asset	14 to 23 Months	2 to 3 Years	No
HDFC Bank Limited	Term Loan	26.31	Fixed	7.01% to 9.25%	Hypothecation of respective Asset	8-25 Months	2 to 4 Years	No
ICICI Bank Limited	Term Loan	5.03	Fixed	7.40% to 7.80%	Hypothecation of respective Asset	12-14 Months	2 to 3 Years	No
Kotak Mahindra Bank Limited	Term Loan	48.68	Fixed	3.36% to 9.44%	Hypothecation of respective Asset	3-35 Months	2 to 4 Years	No
Yes Bank Limited	Term Loan	12.42	Fixed	8.00% to 9.32%	Hypothecation of respective Asset	14-16 Months	3 Years	No
Axis Bank Limited	Mobilization Advance	59.52	Floating	1 Year MCLR +SP	Exclusive charge on Fixed deposits and pari-passu current assets	5 to 14 Months	2 to 3 years	Mr. Varinder Garg And Mr. Vivek Garg
Axis Bank Limited	Mobilization Advance	132.71	Floating	Repo Rate+3%	Exclusive charge on Fixed deposits and pari-passu current assets	5 to 14 Months	2 to 3 years	Mr. Varinder Garg And Mr. Vivek Garg
HDFC Bank Limited	Term Loan	16.71	Floating	EBLR 2+Spread 1%	Second Ranking charge over Primary and collateral Securities including Mortgage	24 Months	5 Years	No
HDFC Bank Limited	Mobilization Advance	450.00	Floating	Linked With 3 M T-Bill	Hypothecation of company's entire stock of raw materials, WIP, finished goods, consumables stores spares etc., equitable mortgage of commercial & Residential properties and 10% cash margin by way of FDR with lien of HDFC Bank Ltd.	1 Lumpsum Payment	2 years	Mr. Varinder Kumar Garg, Mrs Sushma Garg, Mr. Vivek Garg
HDFC Bank Limited	Mobilization Advance	909.91	Floating	Linked With 3 M T-Bill		5 to 17 Months	1.5 to 2.5 years	
Bank of Baroda	Term Loan	8.53	Floating	PLR +1%	Hypothecation of respective Asset	115 Months	10 years	Mr Baljeet Sharma
Bank of Baroda	Term Loan	2.89	Floating	PLR - 1%	Hypothecation of respective Asset	75 Months	7 Years	Mr Baljeet Sharma

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

As on March 31, 2023								
Lender's Name	**Type of Loan**	**As at 31-03-2023**	**Interest Type**	**Rate**	**Security**	**Remaining installments**	**Total Tenure**	**Personal Guarantee**
Axis Bank Limited	Term Loan	143.98	Fixed	7.30% to 9.45%	Hypothecation of respective Asset	2-24 Months	2 to 3 years	No
Bank Of Baroda	Term Loan	59.85	Floating	1 Year MCLR without Spread+1%	Second Ranking charge with Existing Credit Facilities	36 Months	5 Years	No
HDFC Bank Limited	Term Loan	24.17	Floating	EBLR 2+Spread 1%	Second Ranking charge over Primary and collateral Securities including Mortgage	36 Months	5 Years	No
HDFC Bank Limited	Term Loan	41.78	Fixed	7.01% to 8.75%	Hypothecation of respective Asset	4-35 Months	2 to 4 Years	No
ICICI Bank Limited	Term Loan	10.01	Fixed	7.40% to 8.50%	Hypothecation of respective Asset	4-26 Months	2 to 3 Years	No
Indusind Bank Limited	Term Loan	0.59	Fixed	9.30%	Hypothecation of respective Asset	7 months	2 to 3 Years	No
Kotak Mahindra Bank Limited	Term Loan	83.02	Fixed	3.36% to 9.44%	Hypothecation of respective Asset	6-39 Months	2 to 4 Years	No
Yes Bank Limited	Term Loan	21.24	Fixed	8.00% to 9.32%	Hypothecation of respective Asset	27-29 Months	4 Years	No
Axis Bank Limited	Mobilization Advance	202.38	Floating	1 Year MCLR +SP	Exclusive charge on Fixed deposits and pari-passu current assets	17 Months	2.5 Years	Mr. Varinder Garg And Mr. Vivek Garg
HDFC Bank Limited	Mobilization Advance	580.25	Floating	Linked With 3 M T-Bill	Hypothecation of company's entire stock of raw materials, WIP, finished goods, consumables stores spares etc., equitable mortgage of commercial & Residential properties and 10% cash margin by way of FDR with lien of HDFC Bank Ltd.	4-33 Months	2-3 Years	Mr. Varinder Kumar Garg, Mrs Sushma Garg, Mr. Vivek Garg

As on March 31, 2022								
Lender's Name	**Type of Loan**	**As at 31-03-2022**	**Interest Type**	**Rate**	**Security**	**Installment**	**Tenure**	**Personal Guarantee**
Axis Bank Limited	Term Loan	55.38	Fixed	7.35 to 8.75%	Hypothecation of respective Asset	12-34 Months	2 to 3 years	No
Bank of Baroda	Term Loan	79.80	Floating	1 Year MCLR without Spread+1%	Second Ranking charge with Existing Credit Facilities	48 Months	5 Years	No
HDFC Bank Limited	Term Loan	31.10	Floating	EBLR 2+Spread 1%	Second Ranking charge over Primary and collateral Securities including Mortgages	48 Months	5 Years	No
HDFC Bank Limited	Term Loan	14.67	Fixed	7.5% and 8.75%	Hypothecation of respective Asset	17-36 Months	2 to 3 Years	No
ICICI Bank Limited	Term Loan	11.39	Fixed	7.40% to 8.50%	Hypothecation of respective Asset	16- 36 Months	3 Years	No
Indusind Bank Limited	Term Loan	4.16	Fixed	9.30%	Hypothecation of respective Asset	12 -19 Months	2-3 Years	No
Kotak Mahindra Bank Limited	Term Loan	16.52	Fixed	7.14% to 8.02%	Hypothecation of respective Asset	18-22 Months	3 to 4 Years	No
HDFC Bank Limited	Mobilization Advance	22.00	Floating	Linked With 3 M T-Bill	Hypothecation of company's entire stock of raw materials, WIP, finished goods, consumables stores spares etc., equitable mortgage of properties and 10% cash margin by way of FDR with lien of HDFC Bank Ltd.	1 Months	2 Years	Mr. Varinder Kumar Garg, Mrs Sushma Garg, Mr. Vivek Garg
HDFC Bank Limited	Mobilization Advance	349.17	Floating	Linked With 3 M T-Bill		16-29 Months	2 to 3 Years	

(2) The Group has satisfied all the debts covenants prescribed in the terms of respective loan agreement as at reporting date. The group has not defaulted in any loans payment during the year.

(3) The Group has utilised the borrowings obtained from banks and financial institutions for the purpose for which they were obtained.

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

21 Lease liabilities

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Non Current			
Lease liabilities	-	4.10	2.69
Total Non Current Lease liabilities	**-**	**4.10**	**2.69**

(Refer note no. 42 for details)

22 Provisions

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Non Current			
Provision for employee benefits			
Provision for gratuity (refer note 40)	55.55	41.77	29.47
Provisions for leave benefits (refer note 40)	14.84	8.96	6.25
Total Non Current Provisions	**70.39**	**50.73**	**35.72**

23 Current borrowings

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Current			
Secured			
Loans repayable on demand			
Cash credit/working capital loans from banks	1,407.90	1,194.12	899.60
Current maturities of long term borrowings (refer note no 20)	1,074.18	606.84	290.33
Unsecured			
-From related parties*	11.10	-	10.00
-From other	110.21	-	-
Total current borrowings	**2,603.39**	**1,800.96**	**1,199.93**

* (refer note 39 for details of loans from related parties)

Note:

1 Nature of security and terms of borrowings :

As on March 31, 2024						
Lender's Name	**Type of Loan**	**As at 31-03-2024**	**Interest Type**	**Rate of Interest**	**Security**	**Personal Guarantee**
Axis Bank Limited	Working Capital Demand Loan	300.00	Floating	7.30 % to 9.45%	Exclusive charge on Fixed deposits and pari-passu current assets	Mr. Varinder Garg And Mr. Vivek Garg
Bank of Baroda	Cash credits	397.29	Floating	1 Yr MCLR +0.25% SP with monthly rest at annual rest	Hypothecation of current assets & Fixed Deposits & Personal assets of director, group companies & their relatives	**Personal Guarantee:** Mr. Varinder Kumar Garg , Mrs Sushma Garg , Mr. Vivek Garg, Mrs Surbhi Agarwal **Corporate Guarantee :** M/s Surbhi Metals (India) Pvt. Ltd, M/s Surbhi Art World, M/s Varindera & Company, M/s Varindera Developers & Infrastructure Pvt. Ltd,
HDFC Bank Limited	Working Capital Demand Loan	49.78	Fixed	9.09%	Hypothecation of company's entire stock of raw materials, WIP, finished goods, consumables stores spares etc., equitable mortgage of commercial & Residential	Mr. Varinder Kumar Garg , Mrs Sushma Garg , Mr. Vivek Garg
HDFC Bank Limited	Cash credits	317.53	Floating	Linked With 3 M T-Bill		
Indusind Bank Limited	Working Capital Demand Loan	50.00	Floating	Linked with 3M MIBOR	Hypothecation on Fixed deposits and current assets	Mr. Varinder Kumar Garg and Mr. Vivek Garg
Yes Bank Limited	Working Capital Demand Loan	240.00	Floating	Linked with T-Bill	Fixed deposits, current assets & Equitable mortgage on Residential Property	Mr. Varinder Kumar Garg and Mr. Vivek Garg
Yes Bank Limited	Cash credits	53.30	Floating	3 Month T Bill + 2.01% SP	Fixed deposits, current assets & Equitable mortgage on Residential Property	Mr. Varinder Kumar Garg and Mr. Vivek Garg

As on March 31, 2024						
Lender's Name	**Type of Loan**	**As at 31-03-2024**	**Interest Type**	**Rate of Interest**	**Security**	**Tenure**
Surbhi Metal India Pvt.Ltd	Corporate Loan	11.10	Fixed	9.00%	Unsecured	Repayable On demand
Mynd Solutions Private Limited	Bill Discounting	100.32	Fixed	7.87% to 7.95%	Unsecured	Repayable On Tenure Expiry
Receivable Exchange of India (RXIL)	Bill Discounting	9.89	Fixed	7.99%	Unsecured	Repayable On Tenure Expiry

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

As on March 31, 2023						
Lender's Name	**Type of Loan**	**As at 31-03-2023**	**Interest Type**	**Rate**	**Security**	**Personal Guarantee**
Axis Bank Limited	Working Capital Demand Loan	300.00	Floating	7.30 % to 9.45%	Exclusive charge on Fixed deposits and pari-passu current assets	Varindera Garg And Vivek Garg
Bank of Baroda	Cash credits	370.06	Floating	1 Yr MCLR +0.25% SP with monthly rest at annual rest	Hypothecation of current assets & Fixed Deposits & Personal assets of director & group companies & their relatives	**Personal Guarantee:** Mr. Varinder Kumar Garg , Mrs Sushma Garg, Mr. Vivek Garg, Mrs Surbhi Agarwal, Raksha Goyal **Corporate Guarantee :** M/s Surbhi Metals (India) Pvt. Ltd, M/s Surbhi Art World, M/s Varindera & Company, M/s Varindera Developers & Infrastructure Pvt. Ltd, M/s Surbhi Metals (Proprietor. Mrs. Sushma Goyal W/o Mr. Mahesh Goyal)
HDFC Bank Limited	Working Capital Demand Loan	85.38	Fixed	8.05%	Hypothecation of company's entire stock of raw materials, WIP, finished goods, consumables stores spares etc., equitable mortgage of commercial & Residential properties and 10% cash margin by way of FDR with lien of HDFC Bank Ltd.	Mr. Varinder Kumar Garg , Mrs Sushma Garg , Mr. Vivek Garg
HDFC Bank Limited	Cash credits	248.43	Floating	Linked With 3 M T-Bill		
ICICI Bank Limited	Working Capital Demand Loan	30.00	Floating	8.00% to 8.90%	Exclusive charge on Fixed deposits and pari passu charge on current assets	Mr. Varinder Kumar Garg and Mr. Vivek Garg
ICICI Bank Limited	Cash credits	15.76	Floating	6 M MCLR+ SP		
Yes Bank Limited	Working Capital Demand Loan	100.00	Floating	Linked with T-Bill	Fixed deposits, current assets & Equitable mortgage on Residential Property	Mr. Varinder Kumar Garg and Mr. Vivek Garg & Collateral Owners of property
Yes Bank Limited	Cash credits	44.49	Floating	3 Month MCLR+ 0.20% SP	Fixed deposits, current assets & Equitable mortgage on Residential Property	Mr. Varinder Kumar Garg and Mr. Vivek Garg & Collateral Owners of property

As on March 31, 2022						
Lender's Name	**Type of Loan**	**As at 31-03-2022**	**Interest Type**	**Rate**	**Security**	**Personal Guarantee**
Axis Bank Limited	Working Capital Demand Loan	300.00	Floating	5.9% to 6.5%	Exclusive Charge On Fixed Deposits And Pari-Passu Current Assets	Mr. Varinder Garg And Mr. Vivek Garg
Bank of Baroda	Cash credits	312.29	Floating	1 Yr MCLR +0.25% SP with monthly rest at annual rest	Hypothecation of current assets & Fixed Deposits & Personal assets of director & group companies & their relatives	**Personal Guarantee:** Mr. Varinder Kumar Garg, Mrs Sushma Garg, Mr. Vivek Garg, Mrs Surbhi Agarwal, Raksha Goyal **Corporate Guarantee** : M/s Surbhi Metals (India) Pvt. Ltd, M/s Surbhi Art World, M/s Varindera & Company, M/s Varindera Developers & Infrastructure Pvt. Ltd, M/s Surbhi Metals (Proprietor. Mrs. Sushma Goyal W/o Mr. Mahesh Goyal)
HDFC Bank Limited	Cash credits	237.77	Floating	Linked With 3 M T-Bill	Hypothecation of company's entire stock of raw materials, WIP, finished goods, consumables stores spares etc., equitable mortgage of commercial & Residential properties and 10% cash margin by way of FDR with lien of HDFC Bank Ltd.	Mr. Varinder Kumar Garg, Mrs Sushma Garg, Mr. Vivek Garg
Yes Bank Limited	Cash credits	49.54	Floating	3 Month MCLR +0.40%SP	Fixed deposits, current assets & Equitable mortgage on Residential Property	Mr. Varinder Kumar Garg and Mr. Vivek Garg & Collateral Owners of property

As on March 31, 2022						
Lender's Name	**Type of Loan**	**As at 31-03-2022**	**Interest Type**	**Rate of Interest**	**Security**	**Tenure**
Surbhi Metal India Pvt.Ltd	Corporate Loan	10.00	Fixed	9.00%	Unsecured	Repayable On demand

2 There have been no variation in the quarterly returns and statement of current assets filed by the Company with bankers with regards to working capital limit and cash credit facilities availed from respective banks.

24 Lease liabilities

Particulars	**As at March 31, 2024**	**As at March 31, 2023**	**As at March 31, 2022**
Current			
Lease liabilities	4.79	12.12	2.17
Total Lease liabilities	**4.79**	**12.12**	**2.17**

(refer note no. 42 for further details)

25 Trade payables

Particulars	**As at March 31, 2024**	**As at March 31, 2023**	**As at March 31, 2022**
Carried at amortised cost			
Total outstanding dues of micro enterprises and small enterprises	701.31	456.88	399.50
Total outstanding dues of creditors other than micro enterprises and small enterprises	635.38	749.64	595.22
Total Trade payables	**1,336.69**	**1,206.52**	**994.72**

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

Notes

a Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Group.

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
-Principal amount remaining unpaid to any supplier as at the end of the accounting year.	701.31	456.88	399.50
-Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	10.09	4.71	0.56
-The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-	-
-The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006);	-	-	-
-The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-	-
-The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	15.36	5.27	0.56

25.1 Trade payable ageing schedule

As at March 31, 2024	Outstanding for following periods from date of transactions				Total
	Less than 1 year	1-2 years	2-3 years	More than3 years	
MSME	430.16	208.39	20.77	41.99	701.31
Others	590.24	45.13	0.01	-	635.38
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
Total	**1,020.40**	**253.52**	**20.78**	**41.99**	**1,336.69**

As at March 31, 2023	Outstanding for following periods from date of transactions				Total
	Less than 1 year	1-2 years	2-3 years	More than3 years	
MSME	270.80	143.43	25.09	17.56	456.88
Others	716.15	15.40	12.32	5.77	749.64
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
Total	**986.95**	**158.83**	**37.41**	**23.33**	**1,206.52**

As at March 31, 2022	Outstanding for following periods from date of transactions				Total
	Less than 1 year	1-2 years	2-3 years	More than3 years	
MSME	356.58	25.36	17.56	-	399.50
Others	567.24	21.65	6.30	0.03	595.22
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
Total	**923.82**	**47.01**	**23.86**	**0.03**	**994.72**

26 Other financial liabilities

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Current			
Interest Accrued but not due	5.83	5.16	2.45
Interest on MSME dues	15.36	5.27	0.56
Interest Accrued on loan from related parties	1.70	0.90	0.72
Liability toward staff and workers	124.58	63.71	40.63
Capital Creditors	85.98	-	-
Security Deposit	0.09	2.60	9.12
Other payable	392.89	182.21	119.92
Total other financial liabilities	**626.43**	**259.85**	**173.40**

27 Other current liabilities

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Statutory dues payable	30.37	18.08	18.07
Liability towards Corporate social responsibility (refer note 49)	5.24	5.24	4.71
Advance received from customers	120.12	1.37	1.37
Total other current liabilities	**155.73**	**24.69**	**24.15**

28 Provisions

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Current			
Provision for employee benefits			
Provision for gratuity (refer note 40)	9.45	5.69	5.53
Provisions for leave benefits (refer note 40)	0.70	0.44	0.30
Total current provisions	**10.15**	**6.13**	**5.83**

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

29 Revenue from operations

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from contracts with customers			
Sale of services			
Construction Income	13,797.21	10,442.96	9,942.40
Other operating revenue			
Scrap Sales	76.37	32.88	0.67
Export incentives	15.70	9.67	0.22
Total Revenue from operations	**13,889.28**	**10,485.51**	**9,943.29**

Notes to revenue from contracts with customers:

a) Timing of rendering of services - Performance obligation satisfied over time

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of services	13,797.21	10,442.96	9,942.40
Total	**13,797.21**	**10,442.96**	**9,942.40**

b) Revenue by location of customers

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
India	10,490.09	8,556.92	9,292.71
Outside India	3,307.12	1,886.04	649.69
Total revenue from contract with customers	**13,797.21**	**10,442.96**	**9,942.40**

c) Reconciliation of revenue recognized in Consolidated statement of profit and loss with contracted price

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue as per contracted price	13,797.21	10,442.96	9,942.40
Less: adjustment on account of price variation	-	-	-
Total	**13,797.21**	**10,442.96**	**9,942.40**

d) Contract Balances:

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Contract Assets			
Trade Receivables (refer note 12)	3,229.46	2,609.69	2,948.07
Unbilled Revenue (refer note 17)	998.80	523.26	106.83
Retention Money (refer note 7)	428.73	139.91	-
Contract Liabilities			
Advance received from customers (refer note 27)	120.12	1.37	1.37

A contract liabilities is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

30 Other income

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Rental Income	0.44	0.44	0.03
Interest income on bank deposits	76.11	48.68	26.17
Interest income from related parties (refer note 39)	6.45	2.08	-
Interest unwinding on security deposits	0.12	0.08	0.02
Profit on sale of property, plant and equipment	-	0.23	
Profit on sale of investment property	13.77	-	-
Fair value Gain on mutual funds	1.57	-	-
Net gain on foreign currency transactions and translations	25.93	-	-
Profit on sale of investment (refer note 53)	-	46.33	-
Miscellaneous Income	26.14	54.78	1.99
Total Other income	**150.53**	**152.62**	**28.21**

31(a) Cost of materials consumed

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventory of construction materials and land parcels at the beginning of the year	1,027.26	286.74	184.01
Add: Purchase of construction material and land parcels	7,612.00	6,661.41	6,329.75
	8,639.26	**6,948.15**	**6,513.76**
Less: Inventory of construction materials and land parcels at the end of the year	(1,635.99)	(1,027.26)	(286.74)
Cost of materials consumed	**7,003.27**	**5,920.89**	**6,227.02**

31(b) Construction expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Labour cess charges	109.56	60.54	44.59
Labour charges	2,496.23	1,701.55	1,650.57
Other construction expenses	565.95	452.56	296.65
Total Construction expenses	**3,171.74**	**2,214.65**	**1,991.81**

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

32 Employee benefits expense

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Salary, wages and bonus	881.36	591.54	398.45
Contribution to provident and other funds (refer note 40)	42.31	27.59	15.13
Gratuity Expenses (refer note 40)	20.75	14.04	10.74
Staff welfare expenses	72.78	28.46	17.44
Total Employee benefits expense	**1,017.20**	**661.63**	**441.76**

33 Finance costs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on borrowings	253.60	129.03	78.05
Interest on lease liabilities	1.01	0.85	0.09
Other Borrowing Costs			
- Bank Guarantee charges	43.22	14.92	19.53
- Processing Fees	15.23	17.20	14.79
- Other charges	12.73	6.46	9.63
Total Finance costs	**325.79**	**168.46**	**122.09**

34 Depreciation and amortization expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation of Property, plant and equipment (refer note 3(a))	169.85	99.64	57.65
Depreciation of investment property (refer note 3(b))	1.87	2.53	2.53
Amortization of intangible assets (refer note 4 (a))	3.63	0.58	-
Depreciation of Right-of-use assets (refer note 4(b))	13.01	6.94	2.77
Total Depreciation and amortization expenses	**188.36**	**109.69**	**62.95**

35 Other expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Rent Expenses (refer note 42)	11.12	7.27	5.92
Rates & Taxes	61.89	12.83	16.64
Travelling and Conveyance expenses	51.01	39.73	12.10
Utility Expenses	7.77	9.04	6.69
Security Charges	17.33	15.87	14.57
Office expenses	13.15	5.58	2.15
Legal and professional expenses	41.50	14.03	14.37
Payment to auditor (refer note 36)	5.24	1.10	1.00
Contribution to political parties	20.00	-	-
Loss on lease termination	0.09	-	-
Repair & Maintenance Expenses			
- others	16.49	14.95	5.19
Insurance Charges	44.40	43.08	19.54
Corporate Social Responsibility Expenditure (refer note 49)	15.89	11.12	6.35
Printing and Stationery	4.15	6.12	3.19
Loss on discard of property, plant and equipments	48.87	-	-
Fair value loss on financial assets measured at FVTPL	-	0.04	-
Vehicle Running and Maintenance	13.03	7.54	3.01
Loss on sale of property, plant and equipments	0.74	-	-
Provision for expected credit loss	66.23	-	-
Miscellaneous Expenses	11.10	6.91	8.55
Total Other expenses	**450.00**	**195.21**	**119.27**

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

36 Payment to auditor (exclusive of taxes)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
As auditor:			
Audit fee	4.98	0.94	0.85
Tax Audit fee	-	0.16	0.15
Certification services	0.26	-	-
Total	**5.24**	**1.10**	**1.00**

37 Income tax

The company is subject to income tax in India on the basis of financial statements. Business loss can be carried forward for a maximum period of eight assessment years immediately succeeding the assessment year to which the loss pertains. Unabsorbed depreciation can be carried forward for an indefinite period

Tax expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Income tax recognized in Profit & Loss Account			
Current tax	456.26	266.81	239.08
Deferred tax expense / (credit)	(6.63)	10.36	6.03
Income tax recognized in other comprehensive income			
Deferred tax expense/(credit) on items of OCI	(2.53)	1.64	1.24
Total taxes	**447.10**	**278.81**	**246.35**

Reconciliation of taxes to the amount computed by applying the statutory income tax rate to the income before taxes is summarized below:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit before taxes	1,883.45	1,367.31	1,006.58
Applicable tax rates in India	25.168%	25.168%	25.168%
Computed tax charge	474.03	344.12	253.34
Deferred tax expense / (credit)	(9.16)	12.00	7.27
Non-deductible expense	40.16	6.94	0.08
Allowable Expenses	(18.53)	(12.10)	5.22
Relief under double taxation avoidance agreements*	(64.57)	(48.32)	(25.57)
Other Adjustments	25.17	(23.83)	6.01
Total Tax expenses	447.10	278.81	246.35
Total income tax expense recognized in Profit and Loss	**447.10**	**278.81**	**246.35**

* The company is entitled to a rebate for taxes paid to the Government of Mauritius on behalf of the company's branch located in Mauritius, which is recognized as a credit under the provisions of the Income Tax Act, 1961 in India. This rebate is offset against the company's tax expenses.

38 Earnings per share (‘EPS’)

Basic EPS amounts are calculated by dividing the restated consolidated profit / loss for the year attributable to equity shareholders of the company by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period.

Diluted EPS amounts are calculated by dividing the restated consolidated profit attributable to equity shareholders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Face value of equity shares (Rs per share)*	100.00	100.00	100.00
Revised face value of equity shares post split (Rs per share)*	1.00	1.00	1.00
Restated profit attributable to equity shareholders **(A)**	1,433.82	1,090.14	761.47
Weighted average number of equity shares used for computing EPS (basic) **(B)**	55,350	55,350	55,350
Impact of share split effected after March 31, 2024 (each share of face value Rs 100 split into 100 shares of face value of Rs 1 each)*	55,35,000	55,35,000	55,35,000
Weighted Average number of Equity Shares post split	**55,35,000**	**55,35,000**	**55,35,000**
Impact of bonus issue effected after March 31, 2024 (allotment of 14,94,45,000 bonus shares at face value of Rs 1 each)*	14,94,45,000	14,94,45,000	14,94,45,000
Weighted Average number of Equity Shares post split and bonus used as denominator in calculating Basic Earnings Per Share **(C)**	**15,49,80,000**	**15,49,80,000**	**15,49,80,000**
EPS - basic (A/C) (Rs)	**9.25**	**7.03**	**4.91**
Weighted Average number of Equity Shares post split and bonus used as denominator in calculating Diluted Earnings Per Share **(D)**	15,49,80,000	15,49,80,000	15,49,80,000
EPS - diluted (A/D) (Rs)	**9.25**	**7.03**	**4.91**

* Face value reduced from Rs. 100 to Rs. 1 as result of subsequent event of split and bonus of shares - refer note - 54 subsequent events

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

39 Related party transactions

a) Names of related parties and description of relationship

Description of relationship	Name of related parties
Wholly owned subsidiary company	1) Varindera Constructions International Limited (w.e.f. July 10, 2023)
Associate	1) Varindera Developers and Infrastructure Private Limited (till August 02, 2022)
Jointly Controlled Operations ('JCO') (where transactions have taken place)*	1) ALTIS-VCL JV 2) Varindera Constructions Ltd VRC Constructions (l) Pvt Ltd (JV) 3) VRC-VCL-S&P JV
Enterprises where key managerial personnel or their close members exercise significant influence (where transactions have taken place)	1) Surbhi Metal India Pvt. Ltd. 2) Vivek Infraprojects Pvt Ltd 3) NAS Buildcon Private Limited 4) Varindera Developers and Infrastructure Private Limited (w.e.f. August 03, 2022) 5) Varindra & Co. 6) Som Projects Private Limited 7) Dove Building Solution Private Limited 8) Somansion Estates Private Limited 9) Varindera Construction (Overseas) Limited 10) Vivek RMC Plant Pvt. Ltd. (till November 27, 2021) 11) Surbhi Art World 12) Shiv Infratech
Key managerial personnel ('KMP')	1) Varinder Kumar Garg (Managing Director till July 5, 2024, Chairman w.e.f. July 6, 2024) 2) Vivek Garg (Whole Time Director till July 5, 2024, Managing Director w.e.f. July 6, 2024) 3) Sushma Garg (Whole Time Director) 4) Nitin Kaushal (Independent Director reappointed on November 30, 2022) 5) Mayank Garg (Independent Director w.e.f July 15, 2020) 6) Surbhi Agarwal (Director) (till May 4, 2024) 7) Vikas Jain (CFO) (w.e.f September 29, 2023) 8) Anurag Srivastava (Company Secretary) (w.e.f February 1, 2024)

Close members of Key managerial personnel (where transactions have taken place)

Person Name	Their Relation
Ankita Garg	Spouse of KMP
Baljeet Sharma	Father of KMP

b) Summary of transactions and outstanding balances with above related parties are as

(i) Summary of transactions with above related parties are as follows: `

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Remuneration to key managerial personnel and their close members #			
Key managerial personnel and their relatives			
Varinder Kumar Garg	46.70	44.40	26.03
Sushma Garg	41.35	39.60	7.20
Vivek Garg	45.85	39.60	21.00
Ankita Garg	18.00	18.00	4.80
Baljeet Sharma	5.94	5.94	5.40
Vikas Jain	2.74	-	-
Anurag Srivastav	0.55	-	-
	161.13	**147.54**	**64.43**
Sales of Goods and Services to:			
ALTIS-VCL JV	686.17	724.44	44.13
Varindera Constructions Ltd VRC Constructions (l) Pvt Ltd (JV)	1,048.86	1,962.21	1,671.81
VRC-VCL-S&P JV	46.58	52.39	1,264.48
NAS Buildcon Private Limited	4.86	2.37	-
	1,786.47	**2,741.41**	**2,980.42**
Purchase of Goods from:			
Surbhi Metal India Pvt. Ltd.	-	0.82	3.11
Varindera Construction (Overseas) Limited	-	-	23.96
Vivek RMC Plant Pvt. Ltd.	-	-	0.23
Shiv Infratech	-	0.84	0.32
	-	**1.66**	**27.62**
Reimbursement for expenses paid on behalf of:			
Varindera Developers & Infrastructure Pvt. Ltd.	10.05	0.10	-
Vivek Infraprojects Pvt. Ltd.	0.87	0.88	0.53
Varindra & Co.	0.05	0.00	0.01
NAS Buildcon Private Limited	-	0.70	-
ALTIS-VCL JV	55.78	65.06	20.00
Varindera Constructions Ltd VRC Constructions (l) Pvt Ltd (JV)	44.63	264.98	377.05
VRC-VCL-S&P JV	1.79	31.14	429.80
Surbhi Art World	17.09	-	-
	130.26	**362.86**	**827.39**
Sale of Shares of Varindera Developers & Infrastructure Pvt. Ltd.(Associate):			
Varinder Kumar Garg	-	15.08	-
Sushma Garg	-	15.07	-
Vivek Garg	-	15.08	-
Ankita Garg	-	15.07	-
	-	**60.30**	**-**

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of property to key managerial personnel :			
Varinder Kumar Garg	26.90	-	-
Sushma Garg	26.90	-	-
	53.80	**-**	**-**
Investment in subsidiary :			
Varindera Constructions International Limited	1.89	-	-
	1.89	**-**	**-**
Advances given to subsidiary :			
Varindera Constructions International Limited	22.49	-	-
	22.49	**-**	**-**
Security deposits received:			
Varindera Construction (Overseas) Limited	0.46	-	-
	0.46	**-**	**-**
Loan given to the related party:			
Vivek Infraprojects Pvt. Ltd.	-	18.50	-
Varindera Developers & Infrastructure Pvt. Ltd.	-	37.70	-
Varindera Constructions International Limited	217.96	-	-
NAS Buildcon Private Limited	76.24	1.00	-
Som Projects Private Limited	13.00	20.00	66.50
Somansion Estates Private Limited	-	12.50	32.50
Varinder Kumar Garg	-	-	14.00
Vivek Garg	-	32.50	11.25
	307.20	**122.20**	**124.25**
Loan taken from the related party:			
Surbhi Metal India Pvt. Ltd.	11.10	-	-
Varinder Kumar Garg	27.38	-	-
Sushma Garg	3.68	-	-
Som Projects Private Limited	50.00	17.50	22.50
Dove Building Solution Private Limited	-	3.50	-
Somansion Estates Private Limited	-	-	36.50
Vivek Garg	-	-	8.95
	92.16	**21.00**	**67.95**
Repayment by related party for loan given:			
Varindera Developers & Infrastructure Pvt. Ltd.	-	5.00	-
Vivek Infraprojects Pvt. Ltd.	18.50	-	-
Som Projects Private Limited	13.00	20.00	66.50
Somansion Estates Private Limited	-	12.50	32.50
NAS Buildcon Private Limited	-	1.00	-
Varinder Kumar Garg	-	-	14.00
Vivek Garg	-	32.50	11.25
	31.50	**71.00**	**124.25**
Repayment to related party for loan taken:			
Surbhi Metal India Pvt. Ltd.	-	10.72	-
Varinder Kumar Garg	27.38	-	-
Sushma Garg	3.68	-	-
Som Projects Private Limited	50.00	17.50	22.50
Dove Building Solution Private Limited	-	3.50	-
Somansion Estates Private Limited	-	-	36.50
Vivek Garg	-	-	8.95
	81.06	**31.72**	**67.95**
Interest income on loan given to:			
Varindera Developers & Infrastructure Pvt. Ltd.	2.94	2.08	-
NAS Buildcon Private Limited	0.98	-	-
Varindera Constructions International Limited	3.59	-	-
Vivek Infraprojects Pvt. Ltd.	1.45	-	-
Som Projects Private Limited	0.51	-	-
Somansion Estates Private Limited	0.57	-	-
	10.04	**2.08**	**-**
Interest expense on loan taken from:			
Surbhi Metal India Pvt. Ltd.	0.99	0.90	0.51
	0.99	**0.90**	**0.51**

(ii) Summary of outstanding balances with above related parties are as follows:

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
A. Outstanding Payable Balances payable to:			
Ankita Garg	7.71	-	0.31
Sushma Garg	9.39	1.42	1.64
Varinder Kumar Garg	7.75	-	0.13
Vivek Garg	0.05	0.18	0.41
Surbhi Metal India Pvt. Ltd.	12.80	0.90	10.88
Vikas Jain	0.31	-	-
Anurag Srivastava	0.22	-	-
Baljeet Sharma	3.47	2.22	1.77
Varindera Construction (Overseas) Limited	2.58	2.13	3.23
Shiv Infratech	-	-	0.32
	44.27	**6.85**	**18.69**

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

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
B. Receivable Balances from:			
NAS Buildcon Private Limited	7.23	2.37	-
Varindera Developers & Infrastructure Pvt. Ltd.	0.15	0.10	-
ALTIS-VCL JV	122.96	137.46	63.34
Varindera Constructions Ltd VRC Constructions (I) Pvt Ltd (JV)	127.59	446.38	1,006.44
VRC-VCL-S&P JV	7.76	27.18	22.39
	265.68	**613.49**	**1,092.17**
C. Salary advance:			
Ankita Garg	-	0.93	-
Varinder Kumar Garg	-	2.52	-
	-	**3.45**	**-**
D. Outstanding balance of loan given to /advances given(including accrued interest):			
Vivek Infraprojects Pvt. Ltd.	1.30	18.50	-
Varindera Developers & Infrastructure Pvt. Ltd.	37.22	34.78	-
NAS Buildcon Private Limited	77.12	-	-
Som Projects Private Limited	0.46	-	-
Somansion Estates Private Limited	0.52	-	-
Varindera Constructions International Limited	244.05	-	-
	360.67	**53.28**	**-**

Notes:

*** All the transactions with Jointly Controlled Operations and corresponding balances payable/receivable have been disclosed at gross value before elimination.**

 # The remuneration to the key managerial personnel and their close members does not include the provisions made for gratuity as the same is determined on an actuarial basis for the Company as a whole.

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

40 Gratuity and other post-employment benefits plans

a) **Defined contribution plan**

The Group's contribution to provident fund, Employees' State Insurance and other funds are considered as defined contribution plans. The contributions are charged to the Consolidated statement of profit and loss as they accrue. Contributions to provident fund, Employees' State Insurance and other funds included in employee benefits expense (refer note 32) are as under:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Contribution to			
-Provident Fund	39.32	24.63	12.08
-Employee state insurance	2.99	2.96	3.05

b) **Defined benefit plans**

The Group has a defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, every employee who has completed five years or more of service gets gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The level of benefits provided depends on the member's length of service and salary at retirement age. The Gratuity plan is unfunded.

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

i. Expenses (recognized in the Consolidated statement of profit and loss)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Current service cost	17.18	11.46	8.45
Interest cost on defined benefit obligation	3.57	2.58	2.29
Expense included in Consolidated statement of profit and loss	20.75	14.04	10.74

ii. Remeasurement (gains)/ loss recognized in other comprehensive income:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Actuarial (gain)/ loss on obligations arising from changes in experience adjustments	(5.18)	(0.60)	(5.86)
Actuarial (gain)/ loss on obligations arising from changes in demographic assumptions	-	-	-
Actuarial (gain)/ loss on obligations arising from changes in financial assumptions	2.25	(0.91)	(2.30)
Actuarial (gain)/ loss recognized in OCI	**(2.93)**	**(1.51)**	**(8.16)**

iii. Net defined benefit (asset)/ liability

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Defined benefit obligation	65.00	47.46	35.00
Fair value of plan assets	-	-	-
(Asset) / liability recognized in the balance sheet	**65.00**	**47.46**	**35.00**

iv. Changes in the present value of the defined benefit obligation are as follows:

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Opening defined benefit obligation	47.46	35.00	33.06
Current service cost	17.18	11.46	8.45
Benefits paid	(0.27)	(0.07)	(0.64)
Interest cost on the defined benefit obligation	3.57	2.58	2.29
Actuarial (gain)/ loss on obligations arising from changes in experience adjustments	(5.18)	(0.60)	(5.86)
Actuarial (gain)/ loss on obligations arising from changes in demographic adjustments	-	-	-
Actuarial (gain)/ loss on obligations arising from changes in financial assumptions	2.25	(0.91)	(2.30)
Closing defined benefit obligation	**65.01**	**47.46**	**35.00**

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

v. The following pay-outs are expected in future years:

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Within the next 12 months	9.45	5.69	5.53
Between 1 and 2 years	1.34	3.72	0.69
Between 2 and 3 years	1.16	1.35	1.60
Between 3 and 4 years	1.36	0.98	1.13
Between 4 and 5 years	2.98	1.06	0.74
Between 5 and 6 years	2.16	2.18	0.72
Beyond 6 years	46.55	32.48	24.59

vi. The principal assumptions used in determining gratuity obligations for the Group's plan are shown below

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Discount rate (in %)	7.23%	7.52%	7.36%
Salary escalation rate (in %)	8.00%	8.00%	8.00%
Employee Turnover/ Withdrawal Rate			
18 to 30 Years	5.00%	5.00%	5.00%
31 to 44 Years	3.00%	3.00%	3.00%
Above 44 Years	1.00%	1.00%	1.00%
Retirement age	60 years	60 years	60 years
Mortality Rate *	100% of IALM (2012-14)	100% of IALM (2012-14)	100% of IALM (2012-14)
Method used	Projected unit credit method (pucm)	Projected unit credit method (pucm)	Projected unit credit method (pucm)

* Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics (i.e. IALM 2012-14 Ultimate). These assumptions translate into an average life expectancy in years at retirement age

Risk Exposure

Plan Characteristics and Associated Risks:

The Gratuity scheme is a Defined Benefit Plan that provides for a lump sum payment made on exit either by way of retirement, death or disability. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The Plan design means the risks commonly affecting the liabilities and the financial results are expected to be:

a) Discount rate risk : The discount rate is generally based upon the market yields available on Government bonds at the accounting date relevant to currency of benefit payments for a term that matches the liabilities.

b) Salary Growth risk : Salary growth rate is enterprise's long term best estimate as to salary increases & takes account of inflation, seniority, promotion, business plan, HR policy and other relevant factors on long term basis.

c) Demographic risks: Attrition rates are the enterprise's best estimate of employee turnover in future determined considering factors such as nature of business & industry, retention policy, demand & supply in employment market, standing of The Enterprise, business plan, HR Policy etc.

vii. A quantitative sensitivity analysis for significant assumption is as shown below:

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Discount rate			
Decrease in Defined benefit obligation due to 0.50% increase in discount rate	(4.17)	(2.89)	(2.19)
Increase in Defined benefit obligation due to 0.50% decrease in discount rate	4.64	3.22	2.44
Salary escalation rate			
Increase in Defined benefit obligation due to 0.50% increase in Expected Salary Escalation rate	4.31	2.96	2.26
Decrease in Defined benefit obligation due to 0.50% decrease in Expected Salary Escalation rate.	(3.92)	(2.73)	(2.05)

The above sensitivity analysis are based on a change in an assumption while holding all others assumptions constant. In the event of change in more than one assumption, the impact would be different than the stated above. The methods and any types of assumptions used in preparing the sensitivity analysis did not change compared to prior period.

c) **Compensated absences**

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Group recognizes expected cost of short-term employee benefit as an expense, when an employee renders the related service.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the consolidated statement of profit and loss and are not deferred.

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

41 Segment reporting

Segments are identified in line with Ind AS-108, "Operating Segment" [specified under the section 133 of the Companies Act 2013 (the Act)] read with Companies (Indian Accounting Standards) Rule 2015 (as amended from time to time) and other relevant provision of the Act, taking into consideration the internal organization and management structure as well as differential risk and return of the segment.

A. Operating segments

India
Outside India

B. Identification of Segments

The chief operational decision maker monitors the operating results of its Business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segment have been identified on the basis of geographical area criteria specified in the Ind AS 108.

C. Segment revenue and results

The expenses and income which are not directly attributable to any business segment are shown as unallowable expenditure

D. Segment assets

Segment assets includes respective amounts identifiable to each of the segments of non-current assets other than financial assets, deferred tax assets and other non current assets. Non-current assets are assets that include amounts expected to be recovered more than twelve months after the reporting period.

E. Summary of Segmental Information

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Segment revenue			
India	10,490.09	8,556.92	9,292.71
Outside India	3,307.12	1,886.04	649.69
Segment Revenue %			
India	76.03%	81.94%	93.47%
Outside India	23.97%	18.06%	6.53%
Segment Assets			
India	1,164.33	778.14	519.17
Outside India	534.45	390.97	45.07

Information about major customers

There are two customers during financial year ended March 31, 2024 (March 31, 2023: One customer) (March 31, 2022: three customers;) which have contributed 10% or more to the Group's revenue.

Revenue from major customers	9,894.98	7,866.37	9,036.22
% of total revenue	71.72%	75.33%	90.89%

42 Leases

a) **Leases**

I. **Group as a lessee**

The Group has lease contracts for office facilities . The lease term of the facilities is generally between 1 - 3 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets.

The Group also has certain leases of office facilities and office equipment's with low value or tenure less than 1 year . The Group applies the 'lease of low-value assets'/ 'short term lease 'recognition exemptions for these leases (refer note 35).

The Group has lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

II. **Group as a lessor**

The group has rented its office premises on operating lease basis. All the arrangements are cancellable and are generally within 60 months. There are no contingent rents recognised as income in the year.

Amounts recognised in Consolidated Statement of Profit and Loss

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Rental Income (refer note 30)	0.44	0.44	0.03
Total	**0.44**	**0.44**	**0.03**

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

The carrying amounts of right-of-use assets recognized and the movements during the year is as follows

	Buildings	Total
Gross block		
As at April 01, 2021	**8.76**	**8.76**
Additions	5.25	**5.25**
Deduction	-	-
As at March 31, 2022	**14.01**	**14.01**
Additions	17.70	**17.70**
Deduction	-	-
As at March 31, 2023	**31.71**	**31.71**
Additions	2.79	**2.79**
Exchange fluctuation	0.47	**0.47**
Deduction	(2.32)	**(2.32)**
As at March 31, 2024	**32.65**	**32.65**
Accumulated depreciation		
As at April 01, 2021	6.21	**6.21**
Additions	2.77	**2.77**
Deduction	-	-
As at March 31, 2022	**8.98**	**8.98**
Additions	6.94	**6.94**
Deduction	-	-
As at March 31, 2023	**15.92**	**15.92**
Additions	13.01	**13.01**
Deduction	(1.05)	**(1.05)**
As at March 31, 2024	**27.88**	**27.88**
Net block as at March 31, 2024	**4.77**	**4.77**
Net block as at March 31, 2023	**15.79**	**15.79**
Net block as at March 31, 2022	**5.03**	**5.03**

The carrying amounts of liabilities recognized and the movements during the year is as follows:

As at April 01, 2021	**2.47**
Additions	5.14
Amounts recognized in consolidated statement of profit and loss	0.09
Exchange Fluctuation	(0.06)
Payment of lease liabilities	(2.78)
As at March 31, 2022	**4.86**
Additions	17.58
Amounts recognized in consolidated statement of profit and loss	0.85
Exchange Fluctuation	0.55
Payment of lease liabilities	(7.62)
As at March 31, 2023	**16.22**
Additions	2.79
Amounts recognized in consolidated statement of profit and loss	1.01
Exchange Fluctuation	0.15
Payment of lease liabilities	(15.38)
As at March 31, 2024	**4.79**

Particulars	**As at March 31, 2024**	**As at March 31, 2023**	**As at March 31, 2022**
Current (refer note 24)	4.79 *	12.12	2.17
Non Current (refer note 21)	-	4.10	2.69

The maturity analysis of lease liabilities are disclosed in note 46(3).
The effective interest rate for lease liabilities is 9 %.
* Increase due to foreign exchange

The following are the contractual maturities of lease liabilities on an undiscounted basis

Particulars	**As at March 31, 2024**	**As at March 31, 2023**	**As at March 31, 2022**
Less than one years	7.73	13.01	3.00
One to five years	-	4.23	2.81
More than five years	-	-	-
Total undiscounted lease liabilities	**7.73**	**17.24**	**5.81**
Impact of discounting	(2.94)	(1.02)	(0.95)
Lease Liabilities included in the balance sheet	4.79	16.22	4.86

The following are the amounts recognized in consolidated profit or loss:

Particulars	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
Depreciation expense of right-of-use assets (refer note 34)	13.01	6.94	2.77
Interest expense recognised relating to lease liabilities (refer note 33)	1.01	0.85	0.09
Loss on lease termination (refer note 35)	0.09	-	-
Expense relating to leases of low-value assets / short term leases (included in other expenses) (refer note 35)	11.12	7.27	5.92
Total amount recognized in consolidated profit or loss	**25.23**	**15.06**	**8.78**

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

- Total consolidated Cash outflow during the year:-

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
• Payments for the principal portion of the lease liability (Financing Activities)	14.37	6.77	2.69
• Payments for the interest portion of the lease liability (Financing Activities)	1.01	0.85	0.09
• Short-term lease payments, payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liability (Operating Activities)	11.12	7.27	5.92

43 Commitments and contingencies

(i) Capital commitments:

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	202.16	-	-

(ii) Contingent liabilities

In the ordinary course of business, the Group faces claims and assertions by various parties. The Group assesses such claims and assertions and monitors the legal environment on an ongoing basis with the assistance of external legal counsel, wherever necessary. The Group records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements if material. For potential losses that are considered possible, but not probable, the group provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The following is a description of claims and assertions where a potential loss is possible, but not probable. The Group believes that none of the contingencies described below would have a material adverse effect on the Group's financial condition, results of operations or cash flows.

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Claims against the group not acknowledged as debt			
Goods and service tax	6.59	-	-
Total	**6.59**	**-**	**-**

44 Capital Management

The Group's capital management is intended to maximize the return to shareholders for meeting the long-term and short-term goals of the Group through the optimization of the debt and equity balance.

The Group determines the amount of capital required on the basis of annual and long-term operating plans and strategic investment plans. The funding requirements are met through equity and long-term/short-term borrowings. The Group monitors the capital structure on the basis of Net debt to equity ratio and maturity profile of the overall debt portfolio of the group.

For the purpose of capital management, capital includes issued equity capital, securities premium and all other reserves attributable to the equity shareholders of the Group.

Net debt includes all long, short-term borrowings and lease liabilities as reduced by cash and cash equivalents.

The following table summarizes the capital of the Group:-

Particulars		As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Debt *		3,486.33	2,377.61	1,498.65
Less: Cash and cash equivalents		(519.93)	(330.84)	(88.21)
Net debt	**(A)**	**2,966.40**	**2,046.77**	**1,410.44**
Equity share capital		6.19	6.19	6.19
Other equity		5,048.72	3,624.65	2,531.86
Total Equity	**(B)**	**5,054.91**	**3,630.84**	**2,538.05**
Total capital (Net Debt and Equity)	**(A+B)**	**8,021.31**	**5,677.61**	**3,948.49**
Net debt to equity ratio	**(A/B)**	**0.59**	**0.56**	**0.56**

*Debt is defined as long-term borrowings, short-term borrowings and lease liabilities

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

45 Fair Values

(a) Financial instruments by category:-

As at March 31, 2024

Particulars	Cost	FVTPL*	FVTOCI**	Amortized cost
Financial assets				
(i) Trade receivables	-	-	-	3,229.46
(ii) Cash and cash equivalents	-	-	-	519.93
(iii) Bank balances other than cash and cash	-	-	-	985.39
(iv) Loans				116.62
(v) Other financial assets	-	-	-	995.55
(vi) Investments	-	7.73	-	-
Total	**-**	**7.73**	**-**	**5,846.95**
Financial liabilities				
(i) Borrowings	-	-	-	3,481.54
(ii) Lease Liabilities	-	-	-	4.79
(iii) Trade payables	-	-	-	1,336.69
(iv) Other financial liabilities	-	-	-	626.43
Total	-	-	-	**5,449.45**

As at March 31, 2023

Particulars	Cost	FVTPL*	FVTOCI**	Amortized cost
Financial assets				
(i) Trade receivables	-	-	-	2,609.69
(ii) Cash and cash equivalents	-	-	-	330.84
(iii) Bank balances other than cash and cash	-	-	-	840.51
(iv) Loans	-	-	-	53.28
(v) Other financial assets	-	-	-	406.69
(vi) Investments	-	2.16	-	-
Total	**-**	**2.16**	**-**	**4,241.01**
Financial liabilities				
(i) Borrowings	-	-	-	2,361.39
(ii) Lease Liabilities	-	-	-	16.22
(iii) Trade payables	-	-	-	1,206.52
(iv) Other financial liabilities	-	-	-	259.85
Total	**-**	**-**	**-**	**3,843.98**

As at March 31, 2022

Particulars	Cost	FVTPL*	FVTOCI**	Amortized cost
Financial assets				
(i) Trade receivables	-	-	-	2,948.07
(ii) Cash and cash equivalents	-	-	-	88.21
(iii) Bank balances other than cash and cash	-	-	-	654.91
(iv) Loans	-	-	-	-
(v) Other financial assets	-	-	-	61.88
(vi) Investments	18.00	-	-	-
Total	**18.00**	**-**	**-**	**3,753.07**
Financial liabilities				
(i) Borrowings	-	-	-	1,493.79
(ii) Lease Liabilities	-	-	-	4.86
(iii) Trade payables	-	-	-	994.72
(iv) Other financial liabilities	-	-	-	173.40
Total	**-**	**-**	**-**	**2,666.77**

* Fair Value Through Profit and Loss
** Fair Value Through Other Comprehensive Income

b) Fair value disclosures for financial assets and financial liabilities

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

March 31, 2024

Particulars	Cost	Fair Value
Financial assets		
Investments	6.20	7.73
Total	**6.20**	**7.73**

March 31, 2023

Particulars	Cost	Fair Value
Financial assets		
Investments	2.20	2.16
Total	**2.20**	**2.16**

March 31, 2022

Particulars	Cost	Fair Value
Financial assets		
Investments	-	-
Total	**-**	**-**

Method and assumption

1 The carrying amount of consolidated financial assets and financial liabilities measured at amortized cost in the consolidated financial statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

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

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

c) Fair value hierarchy

All financial assets and liabilities for which fair value is measured in the financial statements are categorized within the fair value hierarchy, described as follows: -

Level 1 - Quoted prices in active markets

Level 2 - Inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.

Level 3 - Inputs that are not based on observable market data

There are no transfers between level 1, level 2 and level 3 during the year

The carrying amount of consolidated financial assets and financial liabilities measured at amortized cost in the consolidated financial statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

As at March 31, 2024

Particulars	Fair value methodology	Total carrying value	Level 1	Level 2	Level 3	Total
Financial Assets						
(i) Investment	FVTPL	7.73	7.73	-	-	**7.73**
Total Financial Assets		**7.73**	**7.73**	**-**	**-**	**7.73**

As at March 31, 2023

Particulars	Fair value methodology	Total carrying value	Level 1	Level 2	Level 3	Total
Financial Assets						
(i) Investment	FVTPL	2.16	2.16	-	-	**2.16**
Total Financial Assets		**2.16**	**2.16**	**-**	**-**	**2.16**

As at March 31, 2022

Particulars	Fair value methodology	Total carrying value	Level 1	Level 2	Level 3	Total
Financial Assets						
(i) Investment	FVTPL	-	-	-	-	-
Total Financial Assets		**-**	**-**	**-**	**-**	**-**

46 Financial risk management objectives and policies

The Group's activities are exposed to a variety of financial risks from its operations. The key financial risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

The Group's senior management oversees the management of these risks. The management is responsible for formulating an appropriate financial risk governance framework for the Group and for periodically reviewing the same. The senior management ensures that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below:

Risk	Exposure arising from	Measurement	Management
Market risk-interest rate	Borrowings	Sensitivity analysis	Mix of borrowings with fixed and floating interest
Market risk-foreign exchange	Recognized financial liabilities not denominated in INR	Sensitivity analysis	Foreign currency exposure is unhedged
Credit risk	Financial assets measured at amortized	Ageing analysis	Credit limits
Liquidity risk	Borrowings and other liabilities	Cash flow forecasting	Availability of committed credit lines and

(1) Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

(a) Interest rate risk

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

Interest rate risk exposure

The exposure of the Group's borrowings to interest rate changes at the end of the reporting year are as follows:

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Fixed rate borrowings			
Long term borrowings (including current maturities)	332.16	300.62	102.12
Short term borrowings	171.09	85.38	10.00
Variable rate borrowings			
Long term borrowings (including current maturities)	1,620.17	866.65	482.07
Short term borrowings	1,358.12	1,108.74	899.60
Total borrowings	**3,481.54**	**2,361.39**	**1,493.79**

(b) Sensitivity

For floating rate borrowings, the analysis is prepared assuming that the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used, which represents management's assessment of the reasonably possible change in interest rate.

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Variable Cost Borrowings at the year end	2,978.29	1,975.39	1,381.67

In case of fluctuation in interest rates by 50 basis points and all other variables were held constant, the profit before tax for the year from continuing operations would increase or decrease as follows:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Impact on profit before tax for the year	14.89	9.88	6.91

(c) Market risk- Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

Foreign currency sensitivity

Particulars	Change in currency	Effect on profit before tax	
		Strengthening	**Weakening**
March 31, 2024			
USD	**5%**	(0.91)	0.91
March 31, 2023			
USD	**5%**	0.02	(0.02)
March 31, 2022			
USD	**5%**	-	-

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

(2) Credit risk

Credit risk is the risk that counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Financial instruments that are subject to credit risk and concentration thereof principally consist of trade receivables.

Customer credit risk is managed by Group's established policy, procedures and control relating to customer credit risk management. An impairment analysis is performed at each reporting date on an individual basis for major customers. The Group does not hold collateral as security. Further, trade receivables contribution to approximately 95% of the customers of the Group are due from government undertakings during each reporting period. The Group majorly deals with government authorities and agencies which further reduces the credit risk of the Group.

With respect to Trade receivables, the Group has constituted the terms to review the receivables on periodic basis and to take necessary mitigations, wherever required. The Group creates allowance for all unsecured receivables based on lifetime expected credit loss based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information.

The following table summarises the changes in the loss allowance measured using ECL:

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Opening balance	-	-	-
Amount provided/ (reversed) during the year	66.23	-	-
Amount utilised during the year	-	-	-
Closing provision	**66.23**	**-**	**-**

(3) Liquidity risk

Liquidity risk is the risk, where the group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The group's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due.

The table below summarizes the maturity profile of group's financial liabilities based on contractual payments:-

Particulars	0 - 1 years	1 to 5 years	> 5 years	Total
March 31, 2024				
Borrowings	2,603.39	872.53	5.62	3,481.54
Lease liabilities	4.79		-	4.79
Trade payables	1,336.69	-	-	1,336.69
Other financial liabilities	626.43	-	-	626.43
Total	**4,571.30**	**872.53**	**5.62**	**5,449.45**

Particulars	0 - 1 years	1 to 5 years	> 5 years	Total
March 31, 2023				
Borrowings	1,800.96	560.43	-	2,361.39
Lease liabilities	12.12	4.10	-	16.22
Trade payables	1,206.52	-	-	1,206.52
Other financial liabilities	259.85	-	-	259.85
Total	**3,279.45**	**564.53**	**-**	**3,843.98**

Particulars	0 - 1 years	1 to 5 years	> 5 years	Total
March 31, 2022				
Borrowings	1,199.93	293.86	-	1,493.79
Lease liabilities	2.17	2.69	-	4.86
Trade payables	994.72	-	-	994.72
Other financial liabilities	173.40	-	-	173.40
Total	**2,370.22**	**296.55**	**-**	**2,666.77**

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

47 Interest in Joint operations

a) The group has interest in following joint arrangement which was set up as Association of persons for construction of infra facilities:

S.no	Name of the Joint operations	Name of Partners	Principal place of business	Date of acquisition of interest in joint operations	As at 31-March-2024	As at 31-March-2023	As at 31-March-2022
1	VRC-VCL-S&P (JV) - DRGB-Package-1	VRC Constructions (I) Pvt. Ltd., Varindera Constructions Ltd. and S&P Infrastructure Developers Pvt. Ltd.	INDIA	18-Jan-19	39%	39%	39%
2	VRC-VCL-S&P (JV) - DRGB-Package-2	VRC Constructions (I) Pvt. Ltd., Varindera Constructions Ltd. and S&P Infrastructure Developers Pvt. Ltd.	INDIA	18-Jan-19	39%	39%	39%
3	VRC-VCL-CIL (JV)	VRC Constructions (I) Pvt. Ltd., Varindera Constructions Ltd. and Ceigall India Ltd.	INDIA	25-Jan-19	39%	39%	39%
4	VCL-VCIPL (JV)*	Varindera Constructions Ltd. and Vijai Construction (India) Pvt. Ltd.	INDIA	06-Apr-22	95%	95%	-
5	ALTIS-VCL (JV)	Altis Holding Corporation Ltd. and Varindera Constructions Ltd.	INDIA	13-Jul-21	49%	49%	49%
6	SOM-VCL (JV)	Som Projects Pvt. Ltd. and Varindera Constructions Ltd.	INDIA	04-Jan-19	33%	33%	33%
7	GIPL-VCL (JV)	Ganga Infrabuild Pvt. Ltd. and Varindera Constructions Ltd.	INDIA	18-Jul-18	5%	5%	5%
8	Varindera Constructions Ltd VRC Constructions (I) Pvt Ltd (JV)	Varindera Constructions Ltd. and VRC Constructions (I) Pvt. Ltd.	INDIA	18-Jun-20	74%	74%	74%
9	VCL-SOM (JV)*	Varindera Constructions Ltd. and Som Projects Private Limited	Mauritius	03-Jun-22	90%	90%	-

* No business operations have taken place.

b) The group's share in the income and expense of the joint operation is as under:

Particulars	As at 31-March-2024	As at 31-March-2023	As at 31-March-2022
Revenue (including other income)	1,961.56	3,242.85	7,205.90
Expenses (including income tax expense)	1,932.65	3,215.86	7,145.25
Varindera Constructions Limited- Share in revenue	1,148.81	1,935.89	3,364.15
Varindera Constructions Limited- Share in expenses	1,134.78	1,924.92	3,338.35
Varindera Constructions Limited- % share in revenue	59%	60%	47%
Varindera Constructions Limited- % share in expenses	59%	60%	47%

The joint venture agreements related to above joint operations require unanimous consent from all parties for relevant activities. The partners have direct rights to the assets of joint arrangement and are jointly and severally liable for the liabilities incurred by joint arrangement. Thus, the above entities are classified as joint operation and the company recognizes its direct right to the jointly held assets, liabilities, revenue and expenses.

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

48 Ratios

S. No.	Particulars	Numerator	Denominator	FY 2023-24	FY 2022-23	FY 2021-22
1	Current ratio	Current assets	Current liabilities	1.73	1.81	1.93
	% change from previous year			(4.42%)	(6.22%)	
	Reason for change more than 25%			-	-	
2	Debt-equity ratio	Total Debt	Shareholder's Equity	0.69	0.65	0.59
	% change from previous year			6.15%	10.17%	
	Reason for change more than 25%			-	-	
3	Debt service coverage ratio	Profit after tax plus Non-cash operating expenses plus interest	Interest & Lease Payments plus Principal Repayments	1.47	2.55	2.00
	% change from previous year			(42.35%)	27.50%	
	Reason for change more than 25%			Refer Note *1 below	Refer Note #1 below	
4	Return on equity (ROE)	Net Profits after taxes less Preference Dividend (if any)	Average Shareholder's Equity	33.02%	35.34%	35.32%
	% change from previous year			(6.56%)	0.06%	
	Reason for change more than 25%			-	-	
5	Inventory turnover ratio	Cost of goods sold	Average Inventory	5.26	9.01	26.46
	% change from previous year			(41.62%)	(65.95%)	
	Reason for change more than 25%			Refer Note *2 below	Refer Note #2 below	
6	Trade receivable turnover ratio	Revenue from operations	Average trade receivables	4.76	3.77	4.05
	% change from previous year			26.26%	(6.91%)	
	Reason for change more than 25%			Refer Note *3 below	-	
7	Trade Payable turnover ratio	Purchases of goods and services	Average trade payables	5.99	6.05	6.12
	% change from previous year			(0.99%)	(1.14%)	
	Reason for change more than 25%			-	-	
8	Net capital turnover ratio	Revenue from operations	Working capital (i.e. current assets less current liabilities)	4.04	3.93	4.46
	% change from previous year			2.80%	(11.88%)	
	Reason for change more than 25%			-	-	
9	Net profit ratio	Profit after tax	Revenue from operations	10.32%	10.40%	7.66%
	% change from previous year			(0.77%)	35.77%	
	Reason for change more than 25%			-	Refer Note #3 below	
10	Return on capital employed (ROCE)	Earnings before interest and taxes	Capital employed (i.e. Net Worth add Total Debt add Deferred Tax Liability)	25.03%	24.90%	26.87%
	% change from previous year			0.52%	(7.33%)	
	Reason for change more than 25%			-	-	
11	Return on investment (other than Investment in subsidiary) (%)	Income generated from invested funds	Average investment	6.37%	5.60%	4.49%
	% change from previous year			13.75%	24.72%	
	Reason for change more than 25%			-	-	

Notes:

*1 Decrease in the Debt service coverage ratio is on account of increase in borrowings during the current year.
*2 Decrease in Inventory turnover ratio is on account of increase in average inventory as against increase in cost of goods sold.
*3 Increase in Trade receivable turnover ratio is on account of increase in revenue for the year as against an increase in average trade receivables.
#1 Increase in the Debt service coverage ratio is on account of increase in earnings available for debt service during the year while the obligations for debt service has decreased.
#2 Decrease in Inventory turnover ratio is on account of increase in inventory and a decrease in the cost of goods sold.
#3 Increase in Net profit ratio is on account of increase in revenue along with profit after tax for the year.

49 Information related to Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a company meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are specified in Schedule VII of the Companies Act, 2013. The Details of current and brought forward CSR obligations are detailed as below:

a) Detail of CSR expenditure	**As at 31-March-2024**	**As at 31-March-2023**	**As at 31-March-2022**
(a) Gross amount required to be spent by the group	15.89	11.12	6.35
(b) Amount approved by the Board to be spent during the year	15.89	11.12	6.35
Amount contributed / spent during the year on:			
A) Other than On-going Projects:			
Educational purposes	33.40	8.00	2.15
Others	0.15	2.59	-
Total (A)	**33.55**	**10.59**	**2.15**

b) Details of CSR expenditure under Section 135(5) of the Act in respect of unspent amount other than ongoing projects for the year:

Particulars	**As at 31-March-2024**	**As at 31-March-2023**	**As at 31-March-2022**
Amount required to be spent during the year	15.89	11.12	6.35
Amount spent during the year*	(33.55)	(10.59)	(2.15)
Closing Balance	**-**	**0.53**	**4.20**

*During FY 23-24, the group has carried forward the excess amount spent of INR 17.66 Millions to be set off against CSR amount required to be spent for next year.

c) Reconciliation of Unspent Amount (related to Other than ongoing project)

Particulars	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
Balance at the beginning	5.24	4.71	0.51
Less: Amount Spent from Unspent A/c of last year	-	-	-
Amount unspent during the current year	-	0.53	4.20
Balance at the end	**5.24**	**5.24**	**4.71**

d) Unspent CSR Amount: The Company has deposited the unspent amount for previous years subsequent to end of financial year 2023-24 in funds specified in Schedule VII of the Act for the purpose of CSR contribution and has filed application for adjudication with the appropriate authorities for delay in payment of unspent amount for previous years.

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

50 Audit trail

Ministry of Corporate Affairs (MCA) vide its notification number G.S.R. 206(E) dated March 24, 2021 (amended from time to time) in reference to the proviso to Rule 3 (1) of the Companies (Accounts) Amendment Rules, 2021, introduced the requirement, where a company used an accounting software, of only using such accounting software w.e.f April 01, 2023 which has a feature of recording audit trail of each and every transaction.

The Company has assessed all of its IT applications including supporting applications considering the guidance provided in "Implementation guide on reporting on audit trail under rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (Revised 2024 edition)" issued by the Institute of Chartered Accounts of India in February 2024, and identified applications that are relevant for maintaining books of accounts.

The Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that the audit trail feature is not enabled at the database level and for certain master table fields of accounting software. Further, in case of accounting software used for branches, the audit trail feature has not operated throughout the year for all transactions recorded in that software. However, subsequent to March 31, 2024, the audit trail feature has been enabled for accounting software used for branches.

51 Unhedged foreign currency exposure

Particulars	Currency	As at 31-March-2024		As at 31-March-2023		As at 31-March-2022	
		Foreign Currency	Rs.	Foreign Currency	Rs.	Foreign Currency	Rs.
Trade Payable	USD	0.22	18.21	0.00*	0.06	-	-
Advance to suppliers	USD	-	-	0.01	0.56	-	-

* Absolute amount $ 755.97

52 Other Statutory Information

(i) The group does not have any Benami property, where any proceeding has been initiated or pending against the group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(ii) The group did not have any material transaction with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the respective reported financial year.

(iii) The group does not have any pending creation of charge or satisfaction of charge which are yet to be filed or registered with Registrar of Companies beyond the statutory period except for 41 cases where satisfaction of charges was pending to be filed with ROC-Delhi as on March 31, 2024. Out of aforesaid 41 cases, the group has filed the satisfaction of charge for 34 cases subsequent to year-end and remaining 7 cases are pending for satisfaction of charges due to technical difficulty.

(iv) The group has not traded or invested in Crypto currency or Virtual Currency.

(v) The group has not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vi) The group has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(vii) The Group does not have any unrecorded transactions which have been surrendered or disclosed as Income during the year in the tax assessment under the Income Tax Act, 1961.

(viii) The Group is not declared wilful defaulter by any bank, financial institution or lender.

(ix) During the year, no scheme of arrangements in relation to the group has been approved by the competent authority in terms of Section 232 to 237 of the Companies Act,2013. Accordingly, this clause is not applicable to the group.

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

53 Sale of investment in associates

During the Financial year ending March 31, 2023, the company sold its entire shareholding in its associate, Varindera Developers and Infrastructure Private Limited, for a total consideration amounting to INR 60.30 million. Accordingly, the company recorded a profit of Rs. 46.33 million.

54 Subsequent events

a) The Board of Directors of the Company in its meeting held on May 27, 2024 and Shareholders of the company in the Extra Ordinary General Meeting dated June 07, 2024 have approved the sub-division of the Equity Share having face value of Rs. 100/- each into Equity Share having face value of Rs. 1/- each ("Sub-division") and consequently the Clause V of the Memorandum of Association of the company was also amended.

b) The Board of Directors at its meeting held on May 27, 2024, pursuant to Section 63 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, proposed that a sum of Rs. 149.45 millions be capitalized as Bonus Equity shares out of securities premium Rs. 115.83 millions, and remaining Rs. 33.62 millions from free reserves allotted to the Equity Shareholders by issue of 14,94,45,000 (Fourteen Crores Ninety Four Lac and Forty Five Thousand) Equity shares of Rs. 1/- each to the Equity Shareholders in the proportion of 27 (Twenty seven) Equity share for every 1 (One) existing fully paid up Equity shares and the same has been also approved in the Extra Ordinary General Meeting held on June 07, 2024. Further, the Company has also increased its Authorised Share Capital to Rs. 240 millions (24,00,00,000 Equity Shares divided into Equity Share of Rs. 1/- each) by the approval of the Board as well as Shareholder of the Company vide their meetings held on May 27, 2024 and June 07, 2024 respectively.

The Board of Directors of the Company in its meeting held on July 06, 2024 allotted the Bonus Equity Shares to the shareholders of the Company . As a result of this allotment , the Paid-up share capital of the Company has been increased to Rs. 154.98 millions (15,49,80,000 Equity shares of face value of Rs 1 each i.e. Rs 154.98 Millions as on the date of signing of the Financial statements.

c) Varinder Employee Stock Option Plan 2024 (hereinafter referred as the "ESOP Plan") of the Company was approved by the Board of Directors and Nomination & Remuneration Committee in their meeting held on August 28, 2024 and a resolution passed by the shareholders of the Company on August 29, 2024.

No impact is required in March 31, 2024 financial statements. When the stock options would be vested and granted to employees requisite impact would be taken on that date.

55 Additional Information required by paragraph 2 of the general instructions for preparation of Consolidated Financial Statements pursuant toSchedule III of the Companies Act, 2013 :

Sr.No.	Name of the entity	Country of incorporation	Ownership%	As at 31-March-2024							
				Net Assets (i.e. total assets minus total liabilities)		Share in profit or (loss)		Share in Other Comprehensive income (OCI)		Share in Total Comprehensive income (TCI)	
				As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
1	**Parent company**										
	Varindera Constructions Limited	India	100%	100.26%	5,067.89	100.66%	1,443.30	53.58%	(4.04)	100.91%	1,439.26
2	**Foreign subsidiary**										
	Varindera Constructions International Limited	Mauritius	100%	(0.22%)	(11.09)	-0.66%	(9.48)	46.42%	(3.50)	(0.91%)	(12.98)
	Intra Group eliminations/consolidation adjustments			(0.04%)	(1.89)	-	-	-	-	-	-
	Total			**100.00%**	**5,054.91**	**100.00%**	**1,433.82**	**100.00%**	**(7.54)**	**100.00%**	**1,426.28**

Sr.No.	Name of the entity	Country of incorporation	Ownership%	As at 31-March-2023							
				Net Assets (i.e. total assets minus total liabilities)		Share in profit or (loss)		Share in Other Comprehensive income (OCI)		Share in Total Comprehensive income (TCI)	
				As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
1	**Parent company**										
	Varindera Constructions Limited	India	100%	100.00%	3,630.84	99.66%	1,086.40	100.00%	4.86	99.66%	1,091.26
2	**Associates**										
	Varindera Developers and Infrastructure Private Limited	India	49.63%	-	-	(0.03%)	(0.29)	-	-	(0.03%)	(0.29)
	Intra Group eliminations/consolidation adjustments			-	-	0.37%	4.03	-	-	0.37%	4.03
	Total			**100.00%**	**3,630.84**	**100.00%**	**1,090.14**	**100.00%**	**4.86**	**100.00%**	**1,095.00**

Sr.No.	Name of the entity	Country of incorporation	Ownership%	As at 31-March-2022							
				Net Assets (i.e. total assets minus total liabilities)		Share in profit or (loss)		Share in Other Comprehensive income (OCI)		Share in Total Comprehensive income (TCI)	
				As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
1	**Parent company**										
	Varindera Constructions Limited	India	100%	100.15%	2,541.79	100.00%	761.49	100.00%	3.70	100.00%	765.19
2	**Associates**										
	Varindera Developers and Infrastructure Private Limited	India	49.63%	(0.15%)	(3.74)	0.00%	(0.02)	-	-	0.00%	(0.02)
	Intra Group eliminations/consolidation adjustments			-	-	-	-	-	-	-	-
	Total			**100.00%**	**2,538.05**	**100.00%**	**761.47**	**100.00%**	**3.70**	**100.00%**	**765.17**

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

Disclosure on Restatement of Consolidated Financial Statements as per IND AS - 8

Part A Reconciliation of net profit after tax and equity as per audited consolidated financial statements and as per restated consolidated financial statements (restated).

Reconciliation net profit :

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Net profit after tax as per audited consolidated financial statements	940.90	715.89
Adjustments:-		
Adjustments on accounts of IND AS 116	(0.56)	(0.02)
Adjustments on accounts of IND AS 111	9.75	41.66
Adjustments on accounts of IND AS 21	6.32	-
Adjustments on accounts of IND AS 2	62.32	-
Others	0.23	4.31
Total	**78.06**	**45.95**
Income tax Impact adjustments on restatements	(4.16)	(30.54)
Deferred tax Impact adjustments on restatements	75.34	30.17
Total tax expenses	**71.18**	**(0.37)**
Net profit after tax as per restated consolidated financial statements (restated)	**1,090.14**	**761.47**

Reconciliation of other equity :

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
Other equity as per audited consolidated financial statements	3,419.74	2,479.67	1,760.21
Material Restatement Adjustments:-			
Adjustments on accounts of IND AS 116	(0.51)	0.05	0.07
Adjustments on accounts of IND AS 111	65.11	55.36	13.71
Adjustments on accounts of IND AS 21	6.32	-	-
Adjustments on accounts of IND AS 2	62.33	-	-
Others	2.01	(2.87)	(10.83)
Income tax Impact adjustments on restatements	(30.06)	(25.90)	4.64
Deferred tax Impact adjustments on restatements	99.71	25.55	-
Total	**204.91**	**52.19**	**7.59**
Total other equity as per restated consolidated financial statements (restated)	**3,624.65**	**2,531.86**	**1,767.80**

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

Part B Material reclassification

Appropriate regroupings have been made in the Restated consolidated Balance Sheet, Restated consolidated Statement of Profit and Loss and Restated consolidated Statement of Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cashflows, in order to bring them in line with the accounting policies and classifications as per Ind AS financial information of the group for the year ended March 31, 2024 prepared in accordance with Schedule III of the Companies Act, 2013, requirements of Ind AS 1 and other applicable Ind AS principles and the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

In order to align classifications for all periods presented with those of the latest period, the Group has classified below mentioned items. Management believes that the revised classification reflects the nature of the asset more appropriately. The aforesaid revision has no impact on the financial position and profits earned by the group for the reported periods.

Consolidated Statement of Assets and Liabilities as at March 31, 2022 (restated)

	Particulars	As per Audited Financial statements	Restatement Adjustments	Reclassification	As per Financial statements (restated)
	ASSETS				
1	**Non-current assets**				
(a)	Property, plant and equipment	551.41	7.86	(52.52)	506.75
(b)	Investment Property	-	-	52.45	52.45
(c)	Intangible Assets	-	-	0.01	0.01
(d)	Right-of-use assets	-	5.03	-	5.03
(e)	Financial assets				
	(i) Investments	45.74	(41.28)	9.80	14.26
	(ii) Other financial assets	-	23.60	30.21	53.81
(f)	Deferred tax assets (net)	(20.35)	28.79	-	8.44
	Total non-current assets (1)	**576.80**	**24.00**	**39.95**	**640.75**
2	**Current assets**				
(a)	Inventories	315.24	(28.51)	0.01	286.74
(b)	Financial assets				
	(i) Trade receivables	2,946.21	90.15	(88.29)	2,948.07
	(ii) Cash and cash equivalents	153.41	9.15	(74.36)	88.21
	(iii) Bank balances other than cash and cash equivalents	475.93	0.87	178.11	654.91
	(iv)Other financial assets	143.25	7.95	(143.12)	8.07
(c)	Income tax assets (net)	32.87	(10.02)	5.01	27.86
(d)	Other current assets	365.13	182.70	68.08	615.91
	Total current assets (2)	**4,432.04**	**252.29**	**(54.56)**	**4,629.77**
	Total assets (1+2)	**5,008.84**	**276.29**	**(14.61)**	**5,270.52**
	EQUITY AND LIABILITIES				
1	**Equity**				
	(i) Equity share capital	6.19	-	-	6.19
	(ii) Other equity	2,479.67	52.19	-	2,531.86
	Total equity (1)	**2,485.86**	**52.19**	**-**	**2,538.05**
	Liabilities				
2	**Non-current liabilities**				
(a)	Financial liabilities				
	(i) Borrowings	304.58	-	(10.72)	293.86
	(ii) Lease liabilities	-	2.69	-	2.69
(b)	Provisions	30.13	5.59	-	35.72
	Total non-current liabilities (2)	**334.71**	**8.28**	**(10.72)**	**332.27**
3	**Current liabilities**				
(a)	Financial liabilities				
	(i) Borrowings	1,189.93	-	10.00	1,199.93
	(ii) Lease liabilities	-	2.17	-	2.17
	(iii) Trade payables				
	-Total outstanding dues of micro enterprises and small enterprises	-	-	399.50	399.50
	-Total outstanding dues of creditors other than micro enterprises and small enterprises	912.91	145.58	(463.27)	595.22
	(iv) Other financial liabilities	54.23	9.92	109.25	173.40
(b)	Other current liabilities	29.32	54.20	(59.37)	24.15
(c)	Provisions	1.88	3.95	-	5.83
	Total current liabilities (3)	**2,188.27**	**215.82**	**(3.89)**	**2,400.20**
	Total equity and liabilities (1+2+3)	**5,008.84**	**276.29**	**(14.61)**	**5,270.52**

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

Consolidated Statement of Profit and Loss account For the year ended March 31, 2022 (restated)

	Particulars	As per Audited Financial statements	Restatement Adjustments	Reclassification	As per Financial statements (restated)
I	**Income**				
	Revenue from operations	8,038.13	1,904.94	0.22	9,943.29
	Other income	27.21	2.21	(1.21)	28.21
	Total income (I)	**8,065.34**	**1,907.15**	**(0.99)**	**9,971.50**
II	**Expenses**				
	Cost of materials consumed	-	-	6,227.02	6,227.02
	Construction expenses	4,509.61	1,787.37	(4,305.17)	1,991.81
	Employee benefits expense	2,123.76	57.39	(1,739.39)	441.76
	Finance costs	90.44	2.68	28.97	122.09
	Depreciation and amortization expenses	58.52	4.43	-	62.95
	Other expenses	316.04	15.65	(212.42)	119.27
	Total expenses (II)	**7,098.37**	**1,867.52**	**(0.99)**	**8,964.90**
III	Share of net profit/(loss) of associates accounted for using the equity method, net of tax	-	(0.02)	-	(0.02)
IV	**Profit before tax (I - II + III)**	**966.97**	**39.61**	**(0.00)**	**1,006.58**
V	**Tax expense**				
	(a) Current tax	214.86	24.22	-	239.08
	(b) Deferred tax	36.22	(30.19)	-	6.03
	Total tax expense	**251.08**	**(5.97)**	**-**	**245.11**
VI	**Profit for the year (IV - V)**	**715.89**	**45.58**	**(0.00)**	**761.47**
VII	**Other comprehensive income**				
	Items that will not be reclassified to Profit or Loss :				
	-Re-measurement gains / (losses) on defined benefit plans	(0.64)	8.80	-	8.16
	-Income Tax relating to Items that will not be reclassified to Profit or Loss	0.16	(2.21)	-	(2.05)
	Items that will be reclassified to Profit or Loss :				
	-Exchange differences in translating the financial statements of foreign operations	-	(3.22)	-	(3.22)
	-Income Tax relating to Items that will be reclassified to Profit or Loss	-	0.81	-	0.81
	Total other comprehensive income for the year (net of tax)	**(0.48)**	**4.18**	**-**	**3.70**
VIII	**Total comprehensive income for the year (VI + VII)**	**715.41**	**49.76**	**(0.00)**	**765.17**

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

Consolidated Statement of Assets and Liabilities as at March 31, 2023 (restated)

	Particulars	As per Audited Financial statements	Restatement Adjustments	Reclassification	As per Financial statements (restated)
	ASSETS				
1	**Non-current assets**				
(a)	Property, plant and equipment	1,121.80	14.86	(50.12)	1,086.54
(b)	Investment Property	-	-	49.92	49.92
(c)	Intangible Assets	21.06	(4.18)	-	16.88
(d)	Right-of-use assets	-	15.79	-	15.79
(e)	Financial assets				
	(i) Investments	38.07	(35.88)	(2.19)	-
	(ii) loans	-	-	53.28	53.28
	(iii) Other financial assets	-	23.60	335.25	358.85
	Total non-current assets (1)	**1,180.93**	**14.19**	**386.14**	**1,581.26**
2	**Current assets**				
(a)	Inventories	1,481.51	(454.24)	(0.01)	1,027.26
(b)	Financial assets				
	(i) Investments	-	(0.04)	2.20	2.16
	(ii) Trade receivables	2,833.30	(86.88)	(136.73)	2,609.69
	(iii) Cash and cash equivalents	293.60	60.90	(23.66)	330.84
	(iv) Bank balances other than cash and cash equivalents	963.35	-	(122.84)	840.51
	(v) loans	-	2.08	(2.08)	-
	(vi)Other financial assets	78.06	15.53	(45.75)	47.84
(c)	Income tax assets (net)	103.01	5.06	(12.24)	95.83
(d)	Other current assets	519.39	652.57	(147.42)	1,024.55
	Total current assets (2)	**6,272.22**	**194.98**	**(488.53)**	**5,978.68**
	Total assets (1+2)	**7,453.15**	**209.17**	**(102.39)**	**7,559.94**
	EQUITY AND LIABILITIES				
1	**Equity**				
	(i) Equity share capital	6.19	-	-	6.19
	(ii) Other equity	3,419.74	204.91	-	3,624.65
	Total equity (1)	**3,425.93**	**204.91**	**-**	**3,630.84**
	Liabilities				
2	**Non-current liabilities**				
(a)	Financial liabilities				-
	(i) Borrowings	563.27	-	(2.84)	560.43
	(ii) Lease liabilities	-	4.10	-	4.10
(b)	Deferred tax liabilities (net)	106.51	(102.94)	-	3.57
(c)	Provisions	40.75	9.64	0.34	50.73
	Total non-current liabilities (2)	**710.53**	**(89.20)**	**(2.50)**	**618.83**
3	**Current liabilities**				
(a)	Financial liabilities				-
	(i) Borrowings	1,798.12	-	2.84	1,800.96
	(ii) Lease liabilities	-	12.12	-	12.12
	(iii) Trade payables				
	-Total outstanding dues of micro enterprises and small enterprises	-	-	456.88	456.88
	-Total outstanding dues of creditors other than micro enterprises and small enterprises	1,298.89	64.15	(613.40)	749.64
	(iv) Other financial liabilities	72.42	16.25	171.18	259.85
(b)	Other current liabilities	145.23	(5.15)	(115.40)	24.69
(c)	Provisions	2.03	6.09	(1.99)	6.13
	Total current liabilities (3)	**3,316.69**	**93.46**	**(99.89)**	**3,310.27**
	Total equity and liabilities (1+2+3)	**7,453.15**	**209.17**	**(102.39)**	**7,559.94**

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

Consolidated Statement of Profit and Loss account For the year ended March 31, 2023 (restated)

	Particulars	As per Audited Financial statements	Restatement Adjustments	Reclassification	As per Financial statements (restated)
I	**Income**				
	Revenue from operations	9,729.55	746.30	9.66	10,485.51
	Other income	150.88	11.08	(9.34)	152.62
	Total income (I)	**9,880.43**	**757.38**	**0.32**	**10,638.13**
II	**Expenses**				
	Cost of materials consumed	-	-	5,920.89	5,920.89
	Construction expenses	5,324.70	631.46	(3,741.51)	2,214.65
	Employee benefits expense	2,456.73	(5.43)	(1,789.67)	661.63
	Finance costs	157.85	9.39	1.22	168.46
	Depreciation and amortization expenses	105.68	12.55	(8.54)	109.69
	Other expenses	561.08	16.20	(382.07)	195.21
	Total expenses (II)	**8,606.04**	**664.17**	**0.32**	**9,270.53**
III	Share of net profit/(loss) of associates accounted for using the equity method, net of tax	-	(0.29)	-	(0.29)
IV	**Profit before tax (I - II + III)**	**1,274.39**	**92.92**	**(0.00)**	**1,367.31**
V	**Tax expense**				
	(a) Current tax	255.93	10.88	-	266.81
	(b) Deferred tax	85.70	(75.34)	-	10.36
	Total tax expense	**341.63**	**(64.46)**	**-**	**277.17**
VI	**Share of profit in joint ventures**	8.14	(8.14)	-	**-**
VII	**Profit for the year (IV - V + VI)**	**940.90**	**149.24**	**(0.00)**	**1,090.14**
VIII	**Other comprehensive income**				
	Items that will not be reclassified to Profit or Loss :				
	-Re-measurement gains / (losses) on defined benefit plans	1.84	(0.33)	-	1.51
	-Income Tax relating to Items that will not be reclassified to Profit or Loss	(0.46)	0.08	-	(0.38)
	Items that will be reclassified to Profit or Loss :				
	-Exchange differences in translating the financial statements of foreign operations	-	4.99	-	4.99
	-Income Tax relating to Items that will be reclassified to Profit or Loss	-	(1.26)	-	(1.26)
	Total other comprehensive income for the year (net of tax)	**1.38**	**3.48**	**-**	**4.86**
IX	**Total comprehensive income for the year (VII + VIII)**	**942.28**	**152.72**	**(0.00)**	**1,095.00**

Notes to the reconciliation between Audited Consolidated Financial Statements and restated Consolidated Financial Statements (restated)

1 Inventories

Errors were observed in measurement and recording of inventory which were now rectified.

2 Jointly controlled operations

Under the audited Consolidated financial statements, the group had made certain errors in accounting of jointly controlled operation under IND AS 111. Under restated Consolidated financial statements, the group has adjusted the errors in respective financial years in which accounting error were identified.

3 Lease accounting

Under the audited Consolidated financial statements, the group had made certain errors in accounting for leases under IND AS 116. Under restated Consolidated financial statements, the group has adjusted the errors in respective financial years in which accounting error were identified.

4 Foreign Exchange translation

Under the audited Consolidated financial statements, the group had made certain errors in accounting for foreign exchange translations under IND AS 21. Under restated Consolidated financial statements, the group has adjusted such errors in respective financial years in which accounting error were identified.

5 Others

Under the audited Consolidated financial statements, the group had made certain errors in accounting for certain expenses. Under restated Consolidated financial statements, the group has adjusted such errors in respective financial years in which accounting error were identified.

6 Current tax

Under the audited Consolidated financial statements, the group had identified errors in accounting of earlier year tax adjustments and had accounted as prior period items in the year in which the errors were identified. Under restated Consolidated financial statements, the errors are to be adjusted in the year in which the error has been done or in the first period presented. Accordingly, the group has adjusted the errors in respective financial years in which accounting error were identified.

7 Deferred Tax

Changes to gives effect of temporary differences arising due to various error adjustments.

As per our report of even date attached

For S S Kothari Mehta & Co. LLP
Chartered Accountants
Firm's registration number : 000756N / N500441

Jalaj Soni
Partner
Membership No. 528799
Place : Gurugram
Date : September 23, 2024

For and on behalf of the Board of Directors of
Varindera Constructions Limited

Varinder Kumar Garg
Chairman
DIN: 01563868

Vivek Garg
Managing Director & CEO
DIN: 02187343

Vikas Jain
Chief financial officer
Place : Gurugram
Date : September 23, 2024

Anurag Srivastava
Company Secretary

OTHER FINANCIAL INFORMATION

Set forth below are the details of accounting ratios as of and for the Fiscal Years 2024, 2023 and 2022 calculated based on the Restated Consolidated Financial Information:

(in ₹ million)

Particulars	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2022
Basic earnings per share (in ₹)	9.25	7.03	4.91
Diluted earnings per share (in ₹)	9.25	7.03	4.91
EBITDA (in ₹ million)	2,397.60	1,645.46	1,191.62
Total net worth (in ₹ million)	5,054.91	3,630.84	2,538.05
Return on total net worth/ Return on equity (%)	33.02%	35.34%	35.32%
Net asset value per share (in ₹)	32.62	23.43	16.38

Notes:

1. EBITDA – Earnings before Interest Expense, Taxes and Depreciation & Amortization.

2. Total net worth means the aggregate valise of paid-up share capital and all reserves created out of profits and securities premium.

3. Return on net worth (RoNW) is calculated as profit for the year divided by net worth calculated on average of opening and closing net worth of the year.

4. Net asset value per equity share represents net worth as at the end of fiscal year, as restated, divided by number of equity shares outstanding at the end of the year.

In accordance with Schedule VI, Part A (11)(I)(A)(ii)(b) of the SEBI ICDR Regulations, the audited standalone financial information of our Company for the year ended March 31, 2024, March 31, 2023 and March 31, 2022 (collectively, the "**Audited Financial Information**") is available on our website at https://www.vclgroup.in/. Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Information does not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document or recommendation or solicitation to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere. The Audited Financial Information should not be considered as part of information that any investor should consider when subscribing for or purchasing any securities of our Company and should not be relied upon or used as a basis for any investment decision.

Related Party Transactions

For details of the related party transactions, as per the requirements under applicable Accounting Standards, i.e., Ind AS 24 - Related Party Disclosures read with the SEBI ICDR Regulations, for the Fiscal Year 2024, the Fiscal Year 2023, and the Fiscal Year 2022, see "*Restated Consolidated Financial Information – Note 39 - Related party Transactions*" on page 415.

Non-Generally Accepted Accounting Principles Financial Measures ("Non- GAAP Measures")

We track certain performance indicators, including non-GAAP metrics such as EBITDA, EBITDA margin, among others, with internal systems and tools and which may differ from estimates or similar metrics published by third parties due to differences in sources, methodologies, or the assumptions on which we rely. For more information on the non-GAAP financial measures used in this Draft Red Herring Prospectus, see "*Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation - Non-GAAP Financial Measures*", "*Definitions and Abbreviations*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 17, 1, 276 and 440**,** respectively.

Reconciliation of non-GAAP measures

Reconciliation for the following non-GAAP financial measures included in this Draft Red Herring Prospectus, are given below:

Debt Equity Ratio

(₹ *in million*)

Particulars		As at and for the year ended March 31, 2024	As at and for the year ended March 31, 2023	As at and for the year ended March 31, 2022
Non-current Liabilities – Borrowings (including current maturities)[1]	A	1,952.33	1,171.37	586.88
Current Liabilities – Borrowings[2]	B	1,534.00	1,206.24	911.77
Total Borrowings	**C = A + B**	3,486.33	2,377.61	1,498.65
Equity share capital	D	6.19	6.19	6.19
Other equity	E	5,048.72	3,624.65	2,531.86
Non-Controlling interest	F	-	-	-
Total Equity	**G = D+E+F**	5,054.91	3,630.84	2,538.05
Debt / Equity Ratio	**H = C / G**	0.69	0.65	0.59

[1]Non current liabilities - Borrowings including current maturities and lease liabilities.
[2]Current liabilities – Borrowings include current lease liabilities.

Return on Equity

(₹ *in million*)

Particulars		As at and for the year ended March 31, 2024	As at and for the year ended March 31, 2023	As at and for the year ended March 31, 2022
Opening Equity[2]	A	3,630.84	2,538.05	1,773.99
Closing Equity[3]	B	5,054.91	3,630.84	2,538.05
Average Equity[4]	**C = (A + B) / 2**	4,342.88	3,084.45	2,156.02
Restated Profit for the year attributable to Owners of the Company	D	1,433.82	1,090.14	761.47
Return on Equity[1]	**E = D / C**	33.02%	35.34%	35.32%

Notes:
1. Return on Equity is calculated as Profit for the year after taxes divided by average equity.
2. Opening Equity means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account as at the beginning of the year.
3. Closing Equity means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account as at the end of the year.
4. Average Equity is simple average of opening equity and closing equity of the company.

Return on Capital Employed

(₹ *in million*)

Particulars		As at and for the year ended March 31, 2024	As at and for the year ended March 31, 2023	As at and for the year ended March 31, 2022
Equity share capital	A	6.19	6.19	6.19
Other equity	B	5,048.72	3,624.65	2,531.86
Goodwill	C	-	-	-
Networth[2]	**D = A + B - C**	5,054.91	3,630.84	2,538.05
Total Borrowings[5]	E	3,481.54	2,361.39	1,493.79
Lease liabilities	F	4.79	16.22	4.86
Deferred Tax Liability	G	-	3.57	-
Capital Employed[3]	**H = D + E + F + G**	8,541.24	6,012.02	4,036.70
Restated Profit before tax	I	1,883.45	1,367.31	1,006.58
Interest Cost	J	254.61	129.88	78.14
Earnings Before Interest, Tax (EBIT)[4]	**K= I+J**	2,138.06	1,497.19	1,084.72
Return on Capital Employed[1]	**L = K / H**	25.03%	24.90%	26.87%

Notes:
1. Return on Capital Employed is calculated as earnings before interest, tax divided by capital employed.
2. Net Worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account.

3. Capital employed is sum of net worth, borrowings, lease liabilities and deferred tax liability.
4. EBIT is earning before interest on borrowings & interest on lease liabilities and taxes.
5. Total borrowings includes non-current borrowing and current borrowings.

Net Asset Value per Equity Share

(*₹ in million*)

Particulars		As at and for the year ended March 31, 2024	As at and for the year ended March 31, 2023	As at and for the year ended March 31, 2022
Equity share capital	A	6.19	6.19	6.19
Other equity	B	5,048.72	3,624.65	2,531.86
Revaluation surplus	C	-	-	-
Net Worth	**D = A + B - C**	5,054.91	3,630.84	2,538.05
Weighted average number of shares	E	154,980,000	154,980,000	154,980,000
Weighted average number of shares - millions	**F**	154.98	154.98	154.98
Net Asset Value per Equity Share	**G = D / F**	32.62	23.43	16.38

**Net asset value per equity share represents net worth as at end of the fiscal year, as re-stated, divided by the number of equity shares outstanding at the end of the year after considering the split and bonus issue subsequent to FY 2023-24.*

Return on Net Worth

(*₹ in million*)

Particulars		As at and for the year ended March 31, 2024	As at and for the year ended March 31, 2023	As at and for the year ended March 31, 2022
Equity share capital	A	6.19	6.19	6.19
Other equity	B	5,048.72	3,624.65	2,531.86
Revaluation surplus	C	-	-	-
Net Worth[2]	**D = A + B - C**	5,054.91	3,630.84	2,538.05
Average Net worth[3]	**E**	4,342.88	3,084.45	2,156.02
Restated Profit for the year attributable to Owners of the Company	F	1,433.82	1,090.14	761.47
Return on Net Worth[1]	**G = F / E**	33.02%	35.34%	35.32%

Notes:
1. Return on Net Worth is calculated as restated Profit for the year attributable to Owners of the Company divided by average net worth.
2. Net Worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account.
3. Average net worth is calculated on average of opening net worth and closing Net worth of the year

EBITDA

(*₹ in million*)

Particulars		As at and for the year ended March 31, 2024	As at and for the year ended March 31, 2023	As at and for the year ended March 31, 2022
Restated Profit before tax	A	1,883.45	1,367.31	1,006.58
Depreciation and amortisation expenses	B	188.36	109.69	62.95
Finance Cost	C	325.79	168.46	122.09
EBITDA[1]	**D = A + B + C**	2,397.60	1,645.46	1,191.62
Revenue from operations	**E**	13,889.28	10,485.51	9,943.29
EBITDA margin[2]	**F = D / E**	17.26%	15.69%	11.98%

Notes:
1. EBITDA is profit of the year before taxes, Finance cost and Depreciation.
2. EBITDA margin is EBITDA divided by Revenue from operations for the year.

Derived from the Restated Consolidated Financial Information

(*₹ in million*)

Particulars		As at and for the year ended March 31, 2024	As at and for the year ended March 31, 2023	As at and for the year ended March 31, 2022
Net tangible assets	**A**	5,036.02	3,614.39	2,529.43
operating profits (b) (EBITDA Less Other income)	**B**	2,058.71	1,383.15	1,100.46
Net worth		5,054.91	3,630.84	2,538.05
Monetary assets (c)	**C**	519.93	330.84	88.21
Monetary assets, as a % of net tangible assets (c) / (a)	**C / A**	10.32%	9.15%	3.49%

1. Net Tangible Assets means net block of Property, Plant & Equipment, Investment property, capital work in progress (including capital advances), Total current assets, Other Non-current financial assets, other Non-current assets and excludes all liabilities except lease liability.
2. Net Worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account.
3. Monetary Assets means cash in hand, balance with bank in current and deposit account (net of bank deposits not considered as cash and cash equivalent). Bank Deposits pledged are not considered as Monetary Assets

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion in conjunction with the Restated Consolidated Financial Information included herein as of and for the Financial Years 2024, 2023 and 2022, including the related notes, schedules and annexures. The Restated Consolidated Financial Information has been prepared in accordance with Ind AS and restated in accordance with section 26 of the Companies Act, 2013, the SEBI ICDR Regulations and the Guidance Note. Ind AS differs in certain material respects from IFRS and US GAAP. For more information, see "Risk Factors – External Risk Factors – We have in this Draft Red Herring Prospectus included certain non-GAAP financial measures and certain other industry measures related to our operations and financial performance that may vary from any standard methodology that is applicable across our industry. We rely on certain assumptions and estimates to calculate such measures, therefore such measures may not be comparable with financial, operational or industry related statistical information of similar nomenclature computed and presented by other similar companies." on page 63.

Our Financial Year ends on March 31 of each year. Accordingly, all references to a particular Financial Year are to the 12-month period ended March 31 of that year. Unless otherwise stated, or context otherwise requires, the financial information used in this section is derived from our "Financial Statements" beginning on page 361. The discussion also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties and reflects our current view with respect to future events and financial performance. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including but not limited to factors such as those set forth in "Forward-Looking Statements" and "Risk Factors" beginning on page 20 and 32 respectively.

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this section and elsewhere in this Draft Red Herring Prospectus. Such non-GAAP financial measures should be read together with the nearest GAAP measure. See "Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Financial Data – Non-GAAP financial measures and certain other statistical information" on page 17.

*The industry-related information contained in this section is derived from the industry report titled "Assessment of the construction industry in India" dated September, 2024 prepared by CRISIL ("**CRISIL**" and such report, the "**CRISIL Report**"). We commissioned and paid for the CRISIL Report for the purposes of confirming our understanding of the industry specifically for the purpose of the Offer, as no report is publicly available which provides a comprehensive industry analysis, particularly for our Company's services, similar to the CRISIL Report. CRISIL is an independent agency and has no relationship with our Company, our Directors or KMPs. A copy of the CRISIL Report shall be available on the website of our Company from the date of this Draft Red Herring Prospectus until the Bid/Offer Closing Date. Unless otherwise indicated, the industry-related information contained in this section is derived from the CRISIL Report (extracts of which have been appropriately incorporated as part of "Industry Overview" beginning on page 162).*

Overview

We are an integrated engineering, procurement and construction ("**EPC**") company with experience in construction of buildings projects including residential units, commercial complex, office, railway stations, hospitals, high court and library as well as undertaking infrastructure projects such as metro depot, aircraft hangar and roads. In the last 10 Fiscal Years (*ended March 31, 2024*), we have executed and delivered 31 construction projects with an aggregate Contract Value of ₹ 52,932.66 million, across 11 states in India as well as overseas, in Mauritius. We undertook our first overseas project in 2018, in Mauritius, and have currently 7 ongoing projects in Mauritius and Maldives. 23.92 % of our revenue from operations for Fiscal Year 2024, aggregating to ₹ 3,322.82 million, was from our overseas projects. As on March 31, 2024, we have 20 ongoing projects in India and overseas, with an Order Book of ₹ 38,447.93 million (out of which overseas projects constitute ₹ 6,071.23 million), all of which are either projects awarded by the agencies affiliated with the central government or are funded by multilateral/bilateral institutions and awarded by the government of the respective country. According to the CRISIL Report, we are one of the fastest growing construction company in terms of revenue from operations, compared to all major listed construction companies (i.e. companies with revenue from operations greater than ₹ 5,000 million for the Fiscal Year 2024), between Fiscal Year 2019 to Fiscal Year 2024 with growth in revenue from operations at a CAGR of 39.40% during this period. Further as a result of our integrated execution capabilities, project management efficiency and equipment ownership model, we have delivered a PAT Margin was 10.32 %, 10.40 % and 7.66 %, as of Fiscal Year ended March 31, 2024, March 31, 2023 and March 31, 2022, respectively.

Our Company was set up in 1987 by our Promoter, Mr. Varinder Garg, an experienced professional in the construction industry in India who was elected as the President of Military Engineer Services ("**MES**") Builder Association of India in 2007. Under Mr. Varinder Garg's vision and leadership, we gradually increased our execution capabilities in terms of the size of the project, from one of our first projects for provision of officers' accommodation at Abohar with a small Contract Value of ₹ 7.73 million, to one of our recent projects for redevelopment of residential accommodation colony at Sarojini Nagar, New Delhi with a large Contract Value of ₹ 9,558.18 million. During his tenure, we diversified our technical capabilities in executing the types of projects (from residential buildings to commercial, institutional and healthcare building projects) as well as the geography (such as projects in challenging mountainous topography of Pithoragarh, Uttarakhand and Ladakh, projects in the dry and arid region of Jodhpur, Rajasthan, projects in regions of Assam and West Bengal with incessant rainfall as well as projects in the coastal regions of Kochi, Goa and Mauritius). As a result of our progress in our execution capabilities, our Company also progressed to be classified by MES, under the 'super special class' contractor category within a few years of operations, in 1997, which according to the CRISIL Report, is the highest possible grading of construction contractors eligible to execute projects awarded by MES.

Our total revenue from operations and net profit for the year grew at a CAGR of 18.19% and 37.22%, respectively, between Fiscal 2022 and Fiscal 2024. The following table set forth our key financial and operational metrics for our operations for the periods indicated:

Metric	**Unit**	**As of/for the Fiscal Years**		
		2024	**2023**	**2022**
Order Book	₹ In million	38,447.93	32,238.35	19,295.18
Total revenue from operations	₹ In million	13,889.28	10,485.51	9,943.29
EBIDTA(1)	₹ In million	2,397.60	1,645.46	1,191.62
Net Profit - PAT	₹ In million	1,433.82	1,090.14	761.47
PAT Margin(2)	In %	10.32	10.40	7.66
Return on Equity(3)	In %	33.02	35.34	35.32
Return on Capital Employed(4)	In %	25.03	24.90	26.87
Adjusted net debt(5)	₹ In million	2,966.40	2,046.77	1,410.44
Debt to Equity Ratio	in times	0.69	0.65	0.59

Notes:

(1) *EBIDTA is profit for year before finance cost, depreciation and taxes.*

(2) *PAT margin is calculated as profit for the year after taxes divided by revenue from operations.*

(3) *Return on equity is calculated as profit for the year after taxes divided by average equity.*

(4) *Return on capital employed is calculated as earnings before interest and tax divided by capital employed. Capital employed is sum of net worth, borrowings, lease liabilities and deferred tax liabilities.*

(5) *Adjusted net debt includes all long, short term borrowings and lease liabilities as reduced by cash and cash equivalent and does not consider deposit which are lien marked.*

For further details regarding our business, please see "*Our Business*" on page 276.

Significant Factors Affecting Our Results of Operations

We believe that the following factors have significantly affected our results of operations and financial condition during the periods under review and may continue to affect our results of operations and financial condition in the future.

Government policies, macro-economic environment and sector performance

Our business has, historically, been focused and dependent on projects in India undertaken or awarded by the agencies affiliated with the Central Government and projects overseas, funded by multilateral/bilateral institutions which are awarded by the government of the respective country. While we have received LOA from and have entered into contracts for three projects in the private sector and will continue to undertake more projects from time to time and intend to continue to diversify our Order Book, we expect to continue to derive a significant portion of our revenue from projects which are in large part dependent on budgetary allocations by governmental authorities and participation from multilateral agency sponsored developments and public bodies. In the event of any adverse change in such budgetary allocations or delays in the award of construction projects resulting from changes in government policies and priorities, our business prospects and financial condition may be adversely affected. Further, our projects with private sector clients are subject to commercial considerations of our private customers including the quantum of funding for the project, abandonment of the project and statutory or regulatory changes which may impact the viability of the project.

Our business prospects and financial condition are also influenced by general economic conditions in India and globally. In the past, we have benefited from the growth in India's economy and favorable macroeconomic conditions globally which has had a positive impact on the construction industry. For instance, In fiscal 2023, India's GDP rose 6.99% on strong growth momentum propelled by investments and private consumption and in fiscal 2024, the real GDP has seen a growth of 8.15% while at the same time, the proportion of those in the middle- and high-income groups increased from 84.29% to 86.16%. By fiscal 2031, this share is expected to reach 94.84%, supported by growth in per capita income. (Source: CRISIL Report). During this period, urbanization in India has also seen an uptrend growing from 17.92% in 1960 to an estimated 32.78% in 2020, which is estimated to go up to 40.14% by 2030, as per CRISIL Report. This growth in increasing income levels and urbanization necessitates enhancements in facilities such as housing, transportation, educational institutions, healthcare and utilities to support the increased population density.

Further, the macroeconomic conditions may also result in fluctuations in interest rates, exchange rates and inflation rates which could have a material effect on key aspects of our operations, including the cost of our raw materials and the costs of borrowing required to fund our operations.

Growth of our Order Book and our ability to execute such contracts

Order Book is defined as the potential revenue from unexecuted and uncertified portion of the projects that have been awarded to us, which is inclusive of other applicable taxes including GST. As on March 31, 2024, our Order Book, was ₹ 38,447.93 million, and has increased at a CAGR of 41.16% compared to our Order Book of ₹ 19,295.18 million as on March 31, 2022. As on March 31, 2024, our entire Order Book comprised of projects undertaken or awarded by Central government agencies, which are awarded following competitive bidding processes and satisfaction of prescribed qualification criteria. With our experience and project identification processes, we expect to be competitive with the bids we make, but, given the nature of competitive bidding process, there can be no assurance that we will be successful. For instance, our bid-win ratio in Fiscal Year 2024 was 19.10. Our ability to successfully bid for larger government contract as well as to diversify our client base and undertake more private sector projects, will have significant impact on the growth of our Order Book going forward which may have significant impact on our results of operations. Further, the projects in our Order Book are subject to changes in the scope of undertakings as well as adjustments to the costs relating to the contracts. For the purposes of calculating the Order Book value, our Company does not take into account any escalation on unexecuted portion or change in work scope of our ongoing projects as of the relevant date which was not included in the awarded scope of work, or the work conducted by us in relation to any such escalation of change in work scope of such projects until such date. Please see risk factor titled "*Our Order Book may not be representative of our future results and our actual income may be significantly less than the estimates reflected in our Order Book, which could adversely affect our results of operations*" on page 36.

Further, the likelihood of the completion of contracts reflected in our Order Book and the period over which such contracts are likely to be executed, may vary significantly based on the nature of services to be provided and various factors that may be beyond our control. Please see the risk factor titled "*Our Order Book may not be representative of our future results and our actual income may be significantly less than the estimates reflected in our Order Book, which could adversely affect our results of operations*" on page 36. Accordingly, realization of our Order Book and the effect on our results of operations may vary significantly from reporting period to reporting period depending on the nature of the projects, actual performance of such contracts as well as stage of completion of such projects.

Key project expense drivers

Our profitability and margins are impacted by various costs incurred in financing and executing our projects, including costs of materials consumed and construction expenses.

Our cost of materials consumed relates to construction materials such as steel and cement. Our cost of construction includes, subcontracting expenses, stores and spares consumed, power and fuel costs, equipment hire charges, site installation, technical consultancy and freight and handling charges. Costs of material accounted for 50.42%, 56.47% and 62.63% of our revenue of operations from Fiscal Year 2024, Fiscal Year 2023 and Fiscal Year 2022 respectively. Our construction expenses accounted for 22.84%, 21.12% and 20.03%of our revenue of operations from Fiscal Year 2024, Fiscal Year 2023 and Fiscal Year 2022 respectively. There may unanticipated fluctuations in costs of each of these components, depending on commodity, labour and other prices in the markets in which we operate, which, in turn, depend on changes in global economic conditions, industry cycles, supply-and-demand dynamics, and market speculation, among other factors. Our ability to pass on increased costs to our customers depends on our contractual arrangements. Please see risk factor titled "*We rely on a number of third party suppliers for our key components, materials and stock-in-trade as well as customer support services including product* *repairs and returns. Any shortfall in the supply of our components and raw materials or an increase in our component or raw material costs, or other input costs, may adversely affect the pricing and supply of our products and have an adverse effect on our business, results of operations and financial condition*." on page 41. If we are unable to pass on such unanticipated price increases to our customers under our contractual arrangements, we may have to absorb such increases and our business, financial condition and results of operations may be adversely affected.

Competition

We face significant competition for the award of projects from other construction companies who also operate in the same segments and markets as us. Our competition varies depending on the size, nature and complexity of the project and on the geographical region in which the project is to be executed. Further, some of our competitors are larger than us, have stronger financial resources or have a more experienced management team, or have stronger engineering capabilities in executing technically complex projects.

Pre-qualification is key to our winning major projects. Our net worth and track record qualify us to bid for a large number of the Central Government projects. To bid for some higher value contracts or projects in newer sectors, we sometimes seek to form strategic alliances or joint ventures with other experienced and qualified companies. Given the fragmented nature of the construction business, we may not have adequate information about the projects our competitors are developing and accordingly, we may run the risk of underestimating supply in the market. Increasing competition could result in price and supply volatility, which could cause our business to suffer.

Sources of funding

As our business is capital intensive, we rely on multiple sources of funding to fulfil our capital requirements. The interest rate at which this capital is provided to us is based on various macroeconomic factors and internal factors such as credit ratings. The rate of interest at which we receive capital is also dependent on macroeconomic factors such as interest rates prescribed the RBI and other government policies among others.

Our credit ratings, which are intended to measure our ability to meet our debt obligations, are a significant factor in determining our finance costs. The interest rates of certain of our borrowings may be significantly dependent on our credit ratings. As on the date of this DRHP, we had a long term banking facilities rating of CRISIL A/Stable assigned by CRISIL Ratings and CARE BBB+ by CARE Ratings Limited. A downgrade of our credit ratings could result in us not being able to obtain loan facilities and could result in an increase our cost of borrowing.

Material Accounting Policies

Material accounting policies adopted by the Company are as under:

Principles of consolidation and equity accounting

i) Subsidiary

Subsidiary are all entities (including structured entities) over which the Group has control. The Group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

Subsidiary are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date when control ceases.

The Group combines the financial statements of the parent and its subsidiary line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group Companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiary have been changed where necessary to ensure consistency with the policies adopted by the Group. Details of the Subsidiary are set out in Note 55 of Restated Consolidated Financial statement.

ii) Non-controlling interests

The Group does not have any non- controlling interests in an acquired entity

Name of the entity	Relationship		% of shareholding

		Country of incorporation	As on 31-March-2024	As on 31-March-2023	As on 31-March-2022
Varindera Constructions International Limited	Subsidiary	Mauritius	100%	-	-

Principles of consolidation and equity accounting - Jointly controlled operation

The Holding Company recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the standalone financial statements of Holding Company under the appropriate headings.

Principles of consolidation and equity accounting - Accounting under Equity method for Associate Entities

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. dividends received or receivable from associate are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associate are eliminated to the extent of the group's interest in these entities. unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

Revenue from contracts with customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the group expects to be entitled in exchange for those goods or services. The group collects Goods and Service Tax on behalf of government, and therefore, these are not consideration to which the group is entitled, hence, these are excluded from revenue. The group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

a) Revenue from Construction contracts

The group recognises revenue from engineering, procurement and construction contracts ('epc') over the period of time, as performance obligations are satisfied over time due to continuous transfer of control to the customer. epc contracts are generally accounted for as a single performance obligation as it involves complex integration of goods and services.

Revenue, where the performance obligation is satisfied over time since the group creates assets that the customer controls, is recognized in proportion to the stage of completion of the contract. the stage of completion is assessed by reference to surveys of work performed i.e. revenue from construction and services activities is recognized over a period of time and the company uses the output method to measure progress of delivery."

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

Progress billings are generally issued upon completion of certain phases of the work as stipulated in the contract. billing terms of the over-time contracts vary but are generally based on achieving specified milestones. the difference between the timing of revenue recognised and customer billings result in changes to contract assets and contract liabilities.

The contracts generally result in revenue recognised in excess of billings which are presented as contract assets on the statement of financial position. amounts billed and due from customers are classified as receivables on the statement of financial position. the portion of the payments retained by the customer until final contract settlement is not considered a significant financing component since it is usually intended to provide customer with a form of security for group's remaining performance as specified under the contract, which is consistent with the industry practice. contract liabilities represent amounts billed to customers in excess of revenue recognised till date. a liability is recognised for advance payments and it is not considered as a significant financing component because it is used to meet working capital requirements at the time of project mobilization stage. the same is presented as contract liability in the statement of financial position

The group recognizes revenue at an amount for which it has right to consideration (i.e. right to invoice) from customer that corresponds directly with the value of the performance completed to the date.

Consideration of significant financing component in a contract

The group receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

Revenue from construction/project contracts executed under joint operations [in terms of Ind AS 111 "Joint Arrangements"], is recognized on the same basis as adopted in respect of contracts independently executed by the Group.

Contract modifications

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. the accounting for modifications of contracts involves assessing whether the services added to the existing contract are distinct and whether the pricing is at the standalone selling price. services added that are not distinct are accounted for on a cumulative catch-up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if additional services are priced at the standalone selling price, or as a termination of existing contract and creation of a new contract if not priced at the standalone selling price.

b) Revenue from services contracts

Service contracts (including operation and maintenance contracts and job work contracts) in which the group has the right to consideration from the customer in an amount that corresponds directly with the value to the customer of the group's performance completed to date, revenue is recognized when services are performed and contractually billable.

Current versus non-current classification

The group presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is:
i) Expected to be realized or intended to be sold or consumed in normal operating cycle
ii) Held primarily for the purpose of trading
iii) Expected to be realized within twelve months after the reporting period, or
iv) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

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

All other liabilities are classified as non-current.

Deferred tax assets and deferred tax liabilities are classified as non-current assets and liabilitie

2.06 Foreign currencies

(i) Functional and presentation currency

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Company's consolidated financial statements are presented in Indian rupee (INR) which is also the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rate prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transaction and from the translation of monetary assets and liabilities denominated in foreign currencies at the year-end exchange rate are generally recognized in the statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Exchange differences

Exchange differences arising on settlement or translation of monetary items are recognized as income or expense in the year in which they arise with the exception of exchange differences on gain or loss arising on translation of non-monetary items measured at fair value which is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

Property, plant and equipment

Property, Plant and equipment including capital work in progress are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price, taxes, duties, freight and other incidental expenses directly attributable and related to acquisition and installation of the concerned assets and are further adjusted by the amount of input tax credit availed wherever applicable. Subsequent costs are included in asset's carrying amount or recognized as separate assets, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the group and the cost of item can be measured reliably. When significant parts of plant and equipment are required to be replaced at intervals, the group depreciates them separately based on their respective useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.
Capital work- in- progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

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

Depreciation on property, plant and equipment is provided on pro-rata basis on written-down value method using the useful lives of the assets estimated by management and in the manner prescribed in Schedule II of the Companies Act 2013 along with residual value 5%. The useful life is as follows:

Class of assets	Estimated Useful Life	As per Schedule II	Method of Depreciation
Building	30-60	60	Straight Line
Plant & machinery	8-12	15	Straight Line
Computers and servers	3-6	3-6	Straight Line
Furniture and fixtures	5-10	10	Straight Line
Vehicles	8-10	8-10	Straight Line

*Based on Internal assessment the management believes that the useful life given above best represent the period over which management expects to use these assets.

The land is carried at historical cost and is not depreciated.

Investment property

Properties (including those under construction) held to earn rentals and/or capital appreciation are classified as an investment property and are measured and reported at cost, including transaction costs and borrowing costs capitalized for qualifying assets, in accordance with the group’s accounting policy. policies with respect to depreciation, useful life, and derecognition are on the same basis as stated in ppe supra.

Intangible assets

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalized development cost, are not capitalized and the related expenditure is reflected in statement of Profit and Loss in the period in which the expenditure is incurred. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortized but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from the disposal of the intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the assets are disposed off.

Intangible assets with finite useful life are amortized on a written down value basis over the estimated useful economic life of 5 years, which represents the period over which the group expects to derive economic benefits from the use of the assets.

Intangible Assets under development includes cost of intangible assets under development as at the balance sheet date.

Financial instruments

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

Compound financial instruments

Compound financial instruments are separated into liability and equity components based on the terms of the contract. On issuance of compound financial instruments, the fair value of the liability component is determined using a market rate for an equivalent instrument. This amount is classified as a financial liability measured at amortized cost (net of transaction cost) until it is extinguished on redemption/ conversion.

(i) Financial Assets

The group classifies its financial assets in the following measurement categories:

i) Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss).

ii) Those measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flow.

The group’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. the business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Initial recognition and measurement

All financial assets (not recorded at fair value through profit or loss) are recognized initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. Transaction cost of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into following categories:

a) Debt instruments at fair value through profit and loss (FVTPL);
b) Debt instruments at fair value through other comprehensive income (FVTOCI);
c) Debt instruments at amortized cost; and
d) Equity instruments.

Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognized in other comprehensive income (i.e. fair value through other comprehensive income). For investment in debt instruments, this will depend on the business model in which the investment is held. For investment in equity instruments, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for equity instruments at FVTOCI.

Debt instruments at amortized cost

A Debt instrument is measured at amortized cost if both the following conditions are met:

a) Business Model Test: The objective is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).

b) Cash flow characteristics test: The contractual terms of the Debt instrument give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

This category is most relevant to the group. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. The EIR amortization is included in other income in profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

Debt instruments at fair value through OCI

A Debt instrument is measured at fair value through other comprehensive income if following criteria are met:

a) Business Model Test: The objective of financial instrument is achieved by both collecting contractual cash flows and for selling financial assets.

b) Cash flow characteristics test: The contractual terms of the Debt instrument give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Debt instrument included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI), except for the recognition of interest income, impairment gains or losses and foreign exchange gains or losses which are recognized in statement of profit and loss. On derecognition of asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to statement of profit & loss. Interest earned whilst holding FVTOCI financial asset is reported as interest income using the EIR method.

Debt instruments at FVTPL

FVTPL is a residual category for financial instruments. Any financial instrument, which does not meet the criteria for amortized cost or FVTOCI, is classified as at FVTPL.A gain or loss on a Debt instrument that is subsequently measured at FVTPL and is not a part of a hedging relationship is recognized in statement of profit or loss and presented net in the statement of profit and loss within other gains or losses in the period in which it arises. Interest income from these Debt instruments is included in other income.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the group's statement of financial position) when:

i) The rights to receive cash flows from the asset have expired, or
ii) The group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement and either;
    a) The group has transferred the rights to receive cash flows from the financial assets or
    b) The group has retained the contractual right to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

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

Impairment of financial assets

In accordance with Ind AS 109, the group applies the expected credit losses (ECL) model for measurement and recognition of impairment loss on the following financial asset and credit risk exposure

i) Financial assets measured at amortized cost; and
ii) Financial assets measured at fair value through other comprehensive income (FVTOCI).

The group follows a "simplified approach" for recognition of impairment loss allowance on:

Trade receivables or contract revenue receivables

Under the simplified approach, the group does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of trade receivable and is adjusted for forward-looking estimates. At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analyzed.

For recognition of impairment loss on other financial assets and risk exposure, the group determines whether there has been a significant increase in the credit risk since initial recognition. 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. If, in subsequent periods, the credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the group reverts to recognizing impairment loss allowance based on 12- months ECL.

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

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

All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head ‘other income’ in the statement of profit and loss.

The balance sheet presentation for various financial instruments is described below: -

Financial assets measured as at amortized cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the group does not reduce impairment allowance from the gross carrying amount.

Debt instruments measured at FVTOCI: For debt instruments measured at FVTOCI, the expected credit losses do not reduce the carrying amount in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the asset was measured at amortized cost is recognized in other comprehensive income as the "accumulated impairment amount".

Trade Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within one year and therefore are all classified as current. Where the settlement is due after one year, they are classified as non-current. Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method.

Contract Assets

A contract asset is the entity's right to consideration in exchange for goods or services that the entity has transferred to the customer. A contract asset becomes a receivable when the entity's right to consideration is unconditional, which is the case when only the passage of time is required before payment of the consideration is due. The impairment of contract assets is measured, presented and disclosed on the same basis as trade receivables.

(ii) Financial liabilities:

Initial recognition and measurement

Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss, loans and borrowings, and payables, net of directly attributable transaction costs. The group financial liabilities include loans and borrowings including bank overdraft, trade payables, trade deposits, retention money, liabilities towards services and other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the group that are not designated as hedging instruments in a hedge relationship as defined by Ind AS 109. The separated embedded derivate are also classified as held for trading unless they are designated as effective hedging instruments.

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

Trade Payables

These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using Effective interest rate method.

Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the group transfers goods or services to the customer, contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the group performs under the contract.

Impairment of assets

As at the end of each accounting year, the carrying amounts of PPE, investment property, intangible assets and investments in associate are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the ppe, investment property, intangible assets and investments in associate are tested for impairment so as to determine the impairment loss, if any.

An impairment is recognized to the extent that the carrying amount of receivable or asset relating to contracts with customers (a) the remaining amount of consideration that the group expects to receive in exchange for the goods or services to which such asset relates; less (b) the costs that relate directly to providing those goods or services and that have not been recognized as expenses.

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

In the case of an individual asset, at the higher of fair value less costs to sell and the value-in-use; and

(ii) In the case of a cash generating unit (the smallest identifiable group of assets that generates independent cash flows), at the higher of the cash generating unit's fair values less costs to sell and the value-in-use.

Loans and borrowings

Borrowings are initially recognized at fair value, net of transaction cost incurred. After initial recognition, interest-bearing borrowings are subsequently measured at amortized cost using the Effective interest rate method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the Effective interest rate amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the Effective interest rate. The Effective interest rate amortization is included as finance costs in the statement of profit and loss.

Borrowing is classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Derecognition

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

Offsetting of financial instruments

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

Reclassification of financial assets/ financial liabilities

The group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The group's senior management determines change in the business model as a result of external or internal changes which are significant to the group's operations. Such changes are evident to external parties. A change in the business model occurs when the group either begins or ceases to perform an activity that is significant to its operations. If the group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the

immediately next reporting period following the change in business model. The group does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

Inventories

a) Basis of Valuation:

Inventories are valued at lower of cost and net realizable value after providing cost of obsolescence, if any. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item-by-item basis.

b) Method of Valuation:

Cost of raw materials and Construction materials has been determined on moving weighted average cost method and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.

Real estate: Land and building held as real estate inventory is valued at cost or net realizable value whichever is lower.

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

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 tax are recognized in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognized in Other Comprehensive Income or directly in equity, respectively.

Current tax:

Current tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

The group's 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.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax:

Deferred income tax is recognized using the balance sheet approach. Deferred tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in standalone financial statements.

Deferred income tax assets are recognized 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 utilized.

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

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the group intends to settle its current tax assets and liabilities on a net basis.

Other Income

Interest Income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the group and the amount of income can be measured reliably. Interest income is accrued on a time proportion basis by reference to the principal outstanding and effective interest rate (EIR).

EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. Interest income is included in other income in the statement of profit and loss.

Other Operating Revenue

Incentive and subsidies are recognized when there is reasonable assurance that the group will comply with the conditions and the incentive will be received and the amount of income can be reliably measured.

Revenue from scrap sales and other ancillary sales is recognized when the control over the goods is transferred to the customers.

Employee benefits

Short-term obligations

All employee benefits falling due wholly within twelve months of rendering the service are classified as short-term employee benefits. short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. a liability is recognized for the amount expected to be paid, if the group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Defined Contribution Plan

The Group's Employees Provident Fund Organization (EPFO), Pension Fund and Employees State Insurance (ESI) are defined contribution plans. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.
Prepaid contribution is recognized as an assets to the extent that a cash refund or reduction in future payments is available.

Defined Benefit Plan

Retirement benefit in the form of Gratuity is considered as defined benefit plan. The liability recognized in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the balance sheet date, together with adjustments for unrecognized actuarial gains or losses and past service costs. The defined benefit obligation is determined by actuarial valuation as on the balance sheet date, using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:

(i) The date of the plan amendment or curtailment, and

(ii) The date that the group recognizes related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability.

The Group recognizes the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

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

Leases

Leases are accounted for using the principles of recognition, measurement, presentation and disclosures as set out in IndAS 116- "Leases".

Group as a lessee

On inception of a contract, the group assesses whether it contains a lease. A contract contains a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The right to use the asset and the obligation under the lease to make payments are recognized in the Group's consolidated financial statements as a right-of-use asset and a lease liability.

Lease contracts may contain both lease and non-lease components. The Group allocates payments in the contract to the lease and non-lease components based on their relative stand-alone prices and applies the lease accounting model only to lease components.

Right to use Assets

The right-of-use asset recognized at lease commencement includes the amount of lease liabilities on initial measurement, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated to a residual value over the rights-of-use assets estimated useful life or the lease term, whichever is lower. Right-of-use assets are also adjusted for any re-measurement of lease liabilities and are subject to impairment testing. Residual value is reassessed at each reporting date.

Lease liability

The lease liability is initially measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments (including 'in-substance fixed' payments) and variable lease payments that depend on an index or a rate, less any lease incentives receivable. 'In-substance fixed' payments are payments that may, in form, contain variability but that, in substance, are unavoidable. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease term includes periods subject to extension options which the Group is reasonably certain to exercise and excludes the effect of early termination options where the group is not reasonably certain that it will exercise the option. Minimum lease payments include the cost of a purchase option if the group is reasonably certain it will purchase the underlying asset after the lease term.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest on lease liability and reduced for lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification e.g. a change in the lease term, a change in the 'in-substance fixed' lease payments or as a result of a rent review or change in the relevant index or rate.

Variable lease payments that do not depend on an index or a rate are recognized as an expense in the period over which the event or condition that triggers the payment occurs. In respect of variable leases which guarantee a minimum amount of rent over the lease term, the guaranteed amount is considered to be an 'in-substance fixed' lease payment and included in the initial calculation of the lease liability. Payments which are 'in-substance fixed' are charged against the lease liability.

The Group has opted not to apply the lease accounting model to intangible assets, leases of low-value assets or leases which have a term of less than 12 months. Costs associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Lease payments are presented as follows in the Group's statement of cash flows:

short-term lease payments, payments for leases of low-value assets and variable lease payments that are not included in the measurement of the lease liabilities are presented within cash flows from operating activities;

payments for the interest element of recognized lease liabilities are presented within cash flows from financing activities; and

Payments for the principal element of recognized lease liabilities are presented within cash flows from financing activities.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset is classified as operating leases. Rental income arising is accounted in the statement of profit and loss over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equities shares outstanding during the year. The weighted average number of equities shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equities shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effect of all potentially dilutive equity shares.

Borrowing Costs

Borrowing cost includes interest and other costs incurred in connection with the borrowing of funds and charged to Statement of Profit & Loss on the basis of effective interest rate (EIR) method. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. Capitalization of Borrowing Cost is suspended and charged to the statement of profit and loss during extended periods when active development activity on the qualifying asset is interrupted. All other borrowing costs are recognized as expense in the year in which they occur.

Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposit held at call with financial institutions, other short - term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

Provisions and Contingent Liabilities Provisions

A provision is recognized when the group has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. 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 recognized as a finance cost.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognized because it cannot be measured reliably. The group does not recognize a contingent liability but discloses its existence in the consolidated financial statements unless the probability of outflow of resources is remote.

Contingent assets

Contingent assets are not recognized in the consolidated financial statements. Contingent assets are disclosed in the consolidated financial statements to the extent it is probable that economic benefits will flow to the Group from such assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

Fair value measurement

The group measures financial instruments at fair value at each balance sheet date.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
In the principal market for asset or liability, or
In the absence of a principal market, in the most advantageous market for the asset or liability.

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

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

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

The group 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 consolidated 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

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

For the purpose of fair value disclosures, the group 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.

Exceptional items

Items which are material by virtue of their size and nature are disclosed separately as exceptional items to ensure that consolidated financial statements allow an understanding of the underlying performance of the business in the year and to facilitate comparison with prior year.

Segment Reporting

Operating segments are defined as components of an entity where discrete financial information is evaluated regularly by the chief operating decision maker (CODM) in deciding allocation of resources and in assessing performance.

Statement of cash flows

Statements of cash flows is made using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferral accruals of past or future cash receipts or payments and item of income or expense associated with investing or financing of cash flows. The cash flows from operating, financing and investing activities of the group are segregated.

Government grants

Government grants/subsidies are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. If the grants/subsidies relate to an expense item, they are recognised as income on a systematic basis over the periods that the related costs, for which they are intended to compensate, are expensed. The grants, whose primary condition requires the Company to purchase, construct or otherwise acquire long-term assets, are recognised as deferred income and they are recognised as income in equal amounts over the expected useful lives of the related assets. If the grants/subsidies are related to subvention a particular expense, deducted from that expense in the year of recognition of government grants/ subsidies."

Significant accounting judgements, estimates and assumptions

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

Judgements

In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the consolidated financial statements.

Recognition of deferred taxes

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

Impairment of Financial assets

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

Recognition of revenue

The price charged from the customer is treated as consolidated selling price of the goods transferred to the customer. At each balance sheet date, basis the past trends and management judgment, the group assesses the requirement of recognizing provision against the sales returns for its products and in case, such provision is considered necessary, the management make adjustment in the revenue. However, the actual future outcome may be different from this judgement.

Impairment of non-financial assets

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

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

Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The group makes an assessment on the expected lease term on a lease-by-lease basis and there by assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the group considers factors such as significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease etc. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

Group's Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the group. Such changes are reflected in the assumptions when they occur.

Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The group establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority

Gratuity benefit

The cost of defined benefit plans (i.e. Gratuity benefit) is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions 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. In determining the appropriate discount rate, management considers the interest rates of long-term government bonds with extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics (i.e. IALM 2012-14 Ultimate). These assumptions translate into an average life expectancy in years at retirement age. Future salary increases and pension increases are based on expected future inflation rates. Further details about the assumptions used, including a sensitivity analysis, are given in Note 40.

Fair value measurement of financial instrument

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) 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.

Property, plant and equipment and intangible assets

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the group's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. For managements estimates on useful life of assets para no 2.07 of the accounting policy.

Recent Accounting Pronouncements

The Ministry of Corporate Affairs (MCA) notifies new Indian Accounting Standards or amendments to the existing Indian Accounting Standards. There is no such notification by MCA in this regard which would have been applicable on the group from 1st April 2024.

Key Components of Our Statement of Profit and Loss

The following descriptions set forth information with respect to the key components of our profit and loss statements.

Total Income

Total income consists of revenue from revenue from operations and other income.

Revenue from operations. Revenue from operations consists of (a) the revenue we generated from construction services provided to customers and (b) other operating revenue which comprises of scrap sales and duty drawback.

Other income. Other income primarily consists of:

(a) Interest income on bank deposits
(b) Profit on sale of assets,
(c) Fair value gain on mutual funds,
(d) Rental income,
(e) Net gain on foreign currency transactions and translations, and
(f) Miscellaneous income

Expenses

Expenses include construction expenses, employee benefit expenses, finance costs, depreciation and amortization expenses and other expenses.

Cost of material consumed. Cost of construction material consumed basis changes in inventory of construction material.

Construction expenses. Labour charges, labour cess and other construction expenses.

Employee benefits expenses. Employee benefits expenses consists of salaries and wages, contribution to provident fund and other funds, gratuity expenses and staff welfare expenses.

Finance costs. Finance costs consist of interest on borrowings, interest on lease liabilities, other borrowing costs comprising of bank guarantee charges, processing fees and other charges.

Depreciation and amortization expense. Depreciation and amortization expense consists of depreciation of tangible assets, depreciation of right-of-use-assets, depreciation of investment property and amortization of intangible assets.

Other expenses. Other expenses primarily consist of rates and taxes primarily in the nature of license fee, RoC charges, property tax, tender fees, legal and professional fees, travelling and conveyance, insurance charges, utility expenses, vehicle running and maintenance, repair and maintenance expenses for buildings and other repairs, CSR expenditure, contribution to political parties, security charges, office expenses, rent expenses and miscellaneous expenses.

Tax expense

Tax expense consists of current tax, deferred tax charges and adjustment of short/excess provision of tax related to earlier years.

Our Results of Operations

The following table sets forth the selected financial data from our restated consolidated statement of profit and loss for the Financial Years 2024, 2023 and 2022, the components of which are also expressed as a percentage of total income for such period and years:

Particulars	**For the Financial Years**					
	2024		**2023**		**2022**	
	₹ (in millions)	**% of Total Income**	**₹ (in millions)**	**% of Total Income**	**₹ (in millions)**	**% of Total Income**
Income						
Revenue from operations	13,889.28	98.93%	10,485.51	98.57%	9,943.29	99.72%
Other income	150.53	1.07%	152.62	1.43%	28.21	0.28%
Total income	**14,039.81**	**100.00%**	**10,638.13**	**100.00%**	**9,971.50**	**100.00%**
Expenses						
Cost of materials consumed	7,003.27	49.88%	5,920.89	55.66%	6,227.02	62.45%
Construction expenses	3,171.74	22.59%	2,214.65	20.82%	1,991.81	19.98%
Employee benefits expenses	1,017.20	7.25%	661.63	6.22%	441.76	4.43%
Finance costs	325.79	2.32%	168.46	1.58%	122.09	1.22%
Depreciation and amortization expenses	188.36	1.34%	109.69	1.03%	62.95	0.63%
Other expenses	450.00	3.21%	195.21	1.84%	119.27	1.20%
Total expenses	**12,156.36**	**86.58%**	**9,270.53**	**87.14%**	**8,964.90**	**89.91%**
Share of net profit/(loss) of associates accounted for using the equity method, net of tax	-	0.00%	(0.29)	0.00%	(0.02)	0.00%
Profit before tax	**1,883.45**	**13.42%**	**1,367.31**	**12.86%**	**1,006.58**	**10.09%**
Tax expenses						
Current tax	456.26	3.25%	266.81	2.51%	239.08	2.40%
Deferred tax	(6.63)	(0.05%)	10.36	0.10%	6.03	0.06%
Total tax expenses	449.63	3.20%	277.17	2.61%	245.11	2.46%

Profit for the year	1,433.82	10.21%	1,090.14	10.25%	761.47	7.64%

Financial Year 2024 compared to Financial Year 2023

Income

Total income. Total income increased by 31.98% to ₹14,039.81 million in Financial Year 2024 from ₹10,638.13 million in Financial Year 2023, primarily due to an increase in revenue from contract with customers.

Revenue from contracts with customers. Revenue from construction income increased by 32.12% to ₹13,797.21 million in Financial Year 2024 from ₹10,442.96 million in Financial Year 2023, primarily driven by two new significant projects (Sarojini Nagar type IV quarters and type V quarters) and higher execution of work in Mohali, Bangalore and Maldives projects. Further, the scrap sales increased by 132.27% to ₹76.37 million in Financial Year 2024 from ₹32.88 million in Financial Year 2023 on account of scrap generated and sold from projects which have been closed in year i.e. Amrapali projects or projects having significant completion during the year (Sarojni Nagar-III, Chennai and Allahabad).

Other income. Other income decreased by 1.37% to ₹150.53 million in Financial Year 2024 from ₹152.62 million in Financial Year 2023, primarily on account of (a) decrease in the one-time income from sale of associate amounting to ₹46.33 million in Financial Year 2023 and (b) decrease in miscellaneous income to ₹ 26.14 million in Financial Year 2024 from ₹ 54.78 million in Financial Year 2023 on account of liabilities written back during the Financial Year 2023 which was Nil in Financial Year 2024 . This decrease was partially offset by increase in profit on sale of one of its real estate property to ₹ 13.77 million in Financial Year 2024 from Nil in Financial Year 2023 and increase in interest income on fixed deposits in Financial Year 2024 to ₹ 76.11 million from ₹ 48.68 million in Financial Year 2023.

Expenses

Cost of materials consumed. Cost of materials consumed increased by 18.28% to ₹ 7,003.27 million in Financial Year 2024 from ₹ 5,920.89 million in Financial Year 2023, due to purchase of raw materials for the purpose of construction of our ongoing projects, largely consistent with overall increase in our business.

Construction expenses. Construction expenses increased by 43.22% to ₹ 3,171.74 million in Financial Year 2024 from ₹2,214.65 million in Financial Year 2023, primarily due to (a) increase in labour charges to ₹ 2,496.23million in Financial Year 2024 from ₹ 1,701.55 million in Financial Year 2023 (b) increase in labour cess charges to ₹ 109.56million in Financial Year 2024 from ₹ 60.54 million in Financial Year 2023 and (c) increase in other construction expenses, which includes design charges, charges for plant & machinery, water and electricity charges and utility charges for sites to ₹ 565.95 million in Financial Year 2024 from ₹ 452.56 million in Financial Year 2023. These changes were largely consistent with overall increase in our business.

Employee benefits expense. Employee benefits expense increased by 53.74% to ₹ 1,017.20 million in Financial Year 2024 from ₹ 661.63 million in Financial Year 2023, primarily due to annual increment as well as an increase in employee strength which resulted in our Company having 1,810 full-time employees as at March 31, 2024 compared to 1,341 as at March 31, 2023. Our Company also invested in capability building by hiring of senior level employees during the year which also contributed to increase in employee benefits expense.

Finance Costs. Finance costs increased by 93.39% to ₹325.79 million in Financial Year 2024 from ₹168.46 million in Financial Year 2023, primarily due to (a) increases in interest on borrowings to ₹253.60 million in Financial Year 2024 from ₹129.03 million in Financial Year 2023 and (b) an increase in bank guarantee charges to ₹43.22 million in Financial Year 2024 from ₹14.92 million in Financial Year 2023. This was mainly on account of increased funding requirements for the projects which has been met through fund based facilities, vehicle loans and secured loans against mobilization advances and also on account of increase in interest rate in Financial Year 2024.

Depreciation and amortization expense. Depreciation and amortization expense increased by 71.72% to ₹188.36 million in Financial Year 2024 from ₹109.69 million in Financial Year 2023, primarily due to (a) an increase in depreciation of property, plant and equipment to ₹169.85 million in Financial Year 2024 from ₹99.64 million in Financial Year 2023 and (b) an increase in amortization of right-of-use-assets to ₹13.01 million in Financial Year 2024 from ₹6.94 million in Financial Year 2023. This was on account of purchase of plant and equipment amounting to ₹ 757.01 million in Financial Year 2024.

Other expenses. Other expenses increased by 130.52% to ₹450.00 million in Financial Year 2024 from ₹195.21 million in Financial Year 2023, primarily due to:

(i) an increase in rates and taxes to ₹61.89 million in Financial Year 2024 from ₹12.83 million for the Financial Year 2023, mainly on account of increase in taxes which was not eligible for credit and penalties against short payment for CSR;

(ii) an increase in legal and professional fees to ₹41.50 million in Financial Year 2024 from ₹14.03 million in Financial Year 2023, mainly on account of various consultancy services availed during the year (preparation of financial statements under new accounting standards as well as consultancy in relation to procuring NOC for sewage treatment plants and water treatment plants for Golf Homes and Kingswood projects and expenses in relation to the arbitration for claims with customers;

(iii) an increase in provision for expected credit loss to ₹66.23 million in Financial Year 2024 from NIL in Financial Year 2023 on account of provision for doubtful recoverable from customers;

(iv) an increase in loss on discard of plant, property and equipment to ₹48.87 million in Financial Year 2024 from NIL in Financial Year 2023, mainly on account of old assets discarded during the year;

(v) an increase in charity and donation to ₹20.00 million in Financial Year 2024 from NIL in Financial Year 2023;

(vi) an increase in travelling and conveyance expenses to ₹51.01 million in Financial Year 2024 from ₹39.73 million in Financial Year 2023 on account of increase in the activities related to business;

(vii) an increase in vehicle running and maintenance expenses to ₹13.03 million in Financial Year 2024 from ₹7.54 million in Financial Year 2023 on account of increase in the activities related to business; and

(viii) an increase in corporate social responsibility expenses to ₹15.89 million in Financial Year 2024 from ₹11.12 million in Financial Year 2023 consistent with increase in average profits.

Total Tax expenses. Our total tax expenses increased by 62.22% to ₹449.63 million for the Financial Year 2024 from ₹277.17 million for the Financial Year 2023, primarily due to (a) higher current tax of ₹ 456.26 million in Financial Year 2024 compared to ₹ 266.81 million in Financial Year 2023 and (b) increase in deferred tax charges during the financial year. Our current tax expenses increased due to increase profit in line with increase in business and increase in non-deductible expenses.

Profit for the year. As a result of the foregoing, we reported a profit of ₹1,433.82 million in Financial Year 2024 as compared to a profit of ₹1,090.14million in Financial Year 2023.

Financial Year 2023 compared to Financial Year 2022

Income

Total income. Total income increased by 6.69% to ₹10,638.13 million in Financial Year 2023 from ₹9,971.50 million in Financial Year 2022, primarily due to an increase in revenue from contract with customers.

Revenue from contracts with customers. Revenue from construction income increased by 5.03% to ₹10,442.96 million in Financial Year 2023 from ₹9,942.40 million in Financial Year 2022, primarily due to new projects (Maldives and Sport University Imphal). Further, the scrap sales increased by 4807.46% from ₹32.88 million in Financial Year 2023 from ₹0.67 million in Financial Year 2022 on account of substantial completion of Golf Homes, Kingswood and Leisure Park projects wherein the material such as metal scrap and wood scrap which was not usable, was disposed off.

Other income. Other income increased by 441.01% to ₹152.62 million in Financial Year 2023 from ₹28.21 million in Financial Year 2022, primarily due to (a) an increase in interest income on bank deposits to ₹48.68 million in Financial Year 2023 from ₹26.17 million in Financial Year 2022, (b) increase in profit on sale of associate, Varindera Developers and Infrastructure Private Limitedamounting to ₹46.33 million and (c) increase in miscellaneous income to ₹54.78 million in Financial Year 2023 from ₹1.99 million in Financial Year 2022 primarily due to forex fluctuation.

Expenses

Cost of materials consumed. Cost of materials consumed decreased by 4.92% to ₹5,920.89 million in Financial Year 2023 from ₹6,227.02 million in Financial Year 2022, due to higher number of projects in Financial Year 2023 at later stage of execution where the materials requirement for construction typically decreases.

Construction expenses. Construction expenses increased by 11.19% to ₹2,214.65 million in Financial Year 2023 from ₹1,991.81 million in Financial Year 2022, primarily due to increased labour charges for execution of projects.

Employee benefits expense. Employee benefits expense increased by 49.77% to ₹661.63 million in Financial Year 2023 from ₹441.76 million in Financial Year 2022, primarily due to an increase in salaries and wages to ₹591.54 million in Financial Year 2023 from ₹398.45 million in Financial Year 2022 primarily due to annual increment as well as increase in employee strength.

Finance Costs. Finance costs increased by 37.98% to ₹168.46 million in Financial Year 2023 from ₹122.09 million in Financial Year 2022, primarily due to increases in interest on borrowings to ₹129.03 million in Financial Year 2023 from ₹78.05 million in Financial Year 2022. This was mainly on account of increased funding requirements for projects which was financed through fund based facilities, vehicle loans and secured loans against mobilization advances and increase in interest rate in Financial Year 2023.

Depreciation and amortization expense. Depreciation and amortization expense increased by 74.25% to ₹109.69 million in Financial Year 2023 from ₹62.95 million in Financial Year 2022, primarily due to (a) an increase in depreciation of property, plant and equipment to ₹99.64 million in Financial Year 2023 from ₹57.65 million in Financial Year 2022 and (b) an increase in amortization of right-of-use-assets to ₹6.94 million in Financial Year 2023 from ₹2.77 million in Financial Year 2022. This was on account of purchase of plant and equipment amounting to ₹ 575.05 million in Financial Year 2023.

Other expenses. Other expenses increased by 63.67% to ₹195.21 million in Financial Year 2023 from ₹119.27 million in Financial Year 2022, primarily due to:

(i) an increase in travelling and conveyance expenses to ₹39.73 million in Financial Year 2023 from ₹12.10 million for the Financial Year 2022, mainly on account of increase in overseas visit (Maldives project) and frequent visits for monitoring the new projects;

(ii) an increase in insurance charges to ₹43.08 million in Financial Year 2023 from ₹19.54 million for the Financial Year 2022, mainly on account of increase in projects for which we had to procure insurance (Mauritius (Eye hospital), Maldives Package-II & III, Sport University Imphal) and increase in health policy coverage for employees;

(iii) an increase in repair and maintenance expenses to ₹14.95 million in Financial Year 2023 from ₹5.19 million for the Financial Year 2022, mainly on account of licence fee paid for SAP, and

(iv) an increase in corporate social responsibility expenses to ₹11.12 million in Financial Year 2023 from ₹6.35 million in Financial Year 2022 consistent with increase in average profits.

Total Tax expenses. Our total tax expenses increased by 13.08% to ₹277.17 million for the Financial Year 2023 from ₹245.11 million for the Financial Year 2022, primarily due to higher current tax charges during the financial year on account of an increase in business and result in profit.

Profit for the year. As a result of the foregoing, we reported a profit of ₹1,090.14million in Financial Year 2023 as compared to a profit of ₹761.47million in Financial Year 2022.

Liquidity and capital resources

Cash and cash equivalent consists of cash in hand and cash balances in current accounts. As of March 31, 2024, we had cash and cash equivalents of ₹519.93 million, as compared to ₹330.84 million as of March 31, 2023 and ₹88.21 million as of March 31, 2022.

We operate in a capital-intensive industry and our principal liquidity requirements have been to finance our working capital needs and our capital expenditures. Our primary source of liquidity is cash generated from operations and borrowings. We expect that cash generated from operations and borrowings will continue to be our principal source of funds in the long-term. We evaluate our funding requirements periodically in light of our net cash flow from operating activities, the requirements of our construction of projects under development, bid opportunities and business operations.

Cash Flows

The following table summarizes our cash flows data for the Financial Years 2024, 2023 and 2022:

Particulars	For the Financial Year		
	2024	2023	2022
	In Rs. million		
Net cash flow from/(used in) operating activities	416.68	539.13	(520.24)
Net cash flow (used in) investing activities	(1,006.04)	(989.37)	(257.79)
Net cash flows from/(used in) financing activities	778.45	692.87	468.81
Net increase/(decrease) in cash and cash equivalents	189.09	242.63	(309.22)
Cash and cash equivalents at the beginning of the year	330.84	88.21	397.43
Cash and cash equivalents at the end of the year	519.93	330.84	88.21

Net cash flow from / (used in) operating activities

Net cash generated from operating activities was ₹416.68 million in Financial Year 2024. While we had a restated profit before tax of ₹ 1,883.45 million for the Financial Year 2024, we had an operating cash flow (before working capital changes) of ₹2,386.55 million, primarily as a result of adjustments for (a) interest expense of ₹ 324.78 million and (b) depreciation expense of ₹188.36 million and (c) provision of doubtful debt ₹66.23 million. Our working capital changes primarily consisted of decrease in the current assets amounting to ₹2,149.83 million and increase in current liabilities amounting to ₹570.78. We paid income tax of ₹390.82 million.

Net cash generated from operating activities was ₹539.13 million in Financial Year 2023. While we had a restated profit before tax of ₹1,367.31 million for the Financial Year 2023, we had an operating cash flow (before working capital changes) of ₹1,511.30 million, primarily as a result of adjustments for (a) interest expense of ₹167.61 million, and (b) depreciation expense of ₹109.69 million. Our working capital changes primarily consisted of increase in the current assets amounting to ₹950.29 million and increase in liabilities amounting to ₹312.90 million. We paid income tax of ₹334.78 million.

Net cash used in operating activities was ₹ 520.24 million in Financial Year 2022. While we had a restated profit before tax of ₹1,006.58 million for the Financial Year 2022, we had an operating cash flow (before working capital) changes of ₹1,165.40 million, primarily as a result of adjustments for (a) interest expense of ₹122.00 million, and (b) depreciation expense of ₹62.95 million. Our working capital changes primarily consisted of increase in the current assets amounting to ₹1,387.39 million and decrease in liabilities amounting to ₹54.12 million. We paid income tax of ₹244.13 million.

Net cash from/ (used) in investing activities

Net cash used in investing activities was ₹1,006.04 million in Financial Year 2024, primarily consisting of purchase of property, plant and equipment amounting to ₹717.50 million, and investment in bank deposits aggregating to ₹349.12 million.

Net cash used in investing activities was ₹989.37 million in Financial Year 2023, primarily consisting of purchase of property, plant and equipment amounting to ₹680.74 million and investment in bank deposits aggregating to ₹347.74 million.

Net cash used in investing activities was ₹257.79 million in Financial Year 2022, primarily consisting of purchase of property, plant and equipment amounting to ₹58.81 million, which was partially offset by investment in bank deposits aggregating to ₹221.79 million.

Net cash flow from/(used in) financing activities

Net cash generated from financing activities was ₹778.45million in Financial Year 2024, primarily consisting of proceeds from long term borrowings amounting to ₹1,813.00 million, which was partially offset by repayment of long term borrowings aggregating to ₹1,027.94 million and interest payment aggregating to ₹324.11 million.

Net cash generated from financing activities was ₹692.87 million in Financial Year 2023, primarily consisting of proceeds from long term borrowings amounting to ₹968.08 million, which was partially offset by repayment of long term borrowings aggregating to ₹385.00 million and interest payment aggregating to ₹164.90 million.

Net cash generated from financing activities was ₹468.81 million in the Financial Year 2022, primarily consisting of proceeds from long term borrowings amounting to ₹541.72 million, which was partially offset by repayment of long term borrowings aggregating to ₹371.02 million and interest payment aggregating to ₹119.97 million.

Indebtedness

As of March 31, 2024, we had total borrowings amounting to ₹ 3,481.54 million, which consisted of secured term loan and unsecured facilities from banks. For further details related to our indebtedness, see "*Financial Indebtedness*" beginning on page 471.

Capital and other commitments

As of March 31, 2024, our estimated amount of contracts remaining to be executed on capital account and not provided for in respect of tangible assets (net of advances) was ₹202.16 million.

The following table sets forth a summary of the maturity profile of our contractual obligations as of March 31, 2024:

Particulars	Payment due by period			
	Less than one year	One to two years	Two to five years	Total
	(₹ in millions)			
Purchase of property, plant and equipment	202.16	-	-	202.16

Capital Expenditure

Our historical capital expenditures have primarily related to the purchase of construction equipment and machinery. For the Financial Year 2024, our capital expenditure amounted to ₹793.90 million, for the Financial Year 2023, our capital expenditure amounted to ₹680.74 million and for the Financial Year 2022, our capital expenditure was ₹58.81 million.

Contingent liabilities

The following table sets forth our contingent liabilities as of March 31, 2024:

Particulars	As of March 31, 2024
	(*₹ in millions*)
Goods and service tax	6.59

Off-balance sheet commitments and arrangements

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

Related party transactions

We have engaged in the past, and may engage in the future, in transactions with related parties. For details of our related party transactions, see "*Other Financial Information — Related Party Transactions*" on page 436.

Quantitative and qualitative analysis of market risks

Our activities expose us to market 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 four types of risk: interest rate risk, currency risk, price risk and inflation. Financial instruments affected by market risk include investments, loans and borrowings, trade receivables, trade payables and lease liabilities.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. While most of our term loans from banks as well as short term borrowings are on a fixed rate of interest, we have availed cash credit facilities on a floating interest rate basis. Increases in interest rates would increase interest expenses relating to our outstanding floating rate borrowings and increase the cost of new debt.

Foreign currency exchange rate risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Our exchange risk arises from our foreign currency assets and liabilities. Our exposure to the risk of changes in foreign exchange rates arises on account of receipt of construction income from foreign countries. We have not taken any derivative instrument during the Financial Years 2022, 2023 and 2024, and there is no derivative instrument outstanding as at March 31, 2024.

Inflation

In recent years, India has experienced relatively high rates of inflation. While we believe inflation has not had any material impact on our business and results of operations, inflation generally impacts the overall economy and business environment and hence could affect us.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instruments or customer contract, leading to a financial loss. We are exposed to credit risk from our operating activities (primarily trade receivables) and from our investing activities (primarily deposits with banks and investment in mutual funds).

Further, other of our significant assets include security deposits for leased assets. We monitor the exposure to credit risk on an ongoing basis through ageing analysis and historical collection experience. Outstanding customer receivables are regularly monitored by our senior management. Further, since most of our clients are affiliated which have the backing of the Central Government. Accordingly, we consider the credit risk low.

Unusual or infrequent events or transactions

Except as disclosed in this Draft Red Herring Prospectus, to our knowledge, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

Known trends or uncertainties

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in "— *Significant Factors Affecting Our Results of Operations*" and the uncertainties described in "*Risk Factors*", beginning on pages 441 and 32, respectively. Except as disclosed in this Draft Red Herring Prospectus, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

Seasonality

Our business is not subject to seasonal variations.

Competitive conditions

The EPC industry in India is very competitive. We operate in a competitive atmosphere where we face competition from other construction companies operating in the same geographies as ours. Our competition depends on various factors, such as the type of project, total Contract Value, potential margins, complexity, location of the project and risks relating to revenue generation. While service quality, technical ability, performance record, experience, health and safety records and the availability of skilled personnel are key factors in client decisions among competitors, price often is the deciding factor in most tender awards.

While we believe our main competitors are Alhuwalia Contracts India Limited, Capacite Infraprojects Limited, NCC Limited, and PSP Projects Limited. (*Source: CRISIL Report*). However, we may also face competition from other market players as well. For further details, see "*Industry Overview* " on page 162.

Future relationship between cost and income

Other than as described in "*Risk Factors*", "*Our Business*" and above in " — *Significant Factors Affecting our Results of Operations*" beginning on pages 32, 276 and 441, respectively, to our knowledge, there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

Significant developments occurring after March 31, 2024 or significant economic changes that materially affected or are likely to affect income from continuing operations

Except as disclosed below and in this Draft Red Herring Prospectus, there are no circumstances that have arisen since March 31, 2024, the date of the last financial statements included in this Draft Red Herring Prospectus, which materially and adversely affect or is likely to affect our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next twelve months.

- Our Company sub-divided 55,350 equity shares of face value of ₹100 each into 5,535,000 Equity Shares of face value of ₹1 each pursuant to its shareholders resolution dated June 7, 2024; and
- We had allotted shares pursuant to a bonus issue in the ratio of 27 Equity Shares for every 1 Equity Share held in our Company on July 6, 2024.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalisation as at March 31, 2024, on the basis of our Restated Consolidated Financial Information, and as adjusted for the Offer. This table should be read in conjunction with the sections titled "*Risk Factors*", "*Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", beginning on pages 32, 361 and 440, respectively.

(₹ in million, except ratios)

Particulars	Pre- Offer as at March 31, 2024	As adjusted for the proposed Offer (2)
Total Borrowings		
Current borrowings# (A) (excluding current maturities of long-term borrowings) and current lease liabilities	1,534.00	[●]
Non-current borrowings (including current maturities of long-term borrowings)# and non current lease liabilities (B)	1,952.33	[●]
Total Borrowings (C)	**3,486.33**	[●]
Total Equity		
Equity share capital	6.19	[●]
Other Equity#	5,048.72	[●]
Non-controlling interest	Nil	[●]
Total Equity (D)	**5,054.91**	[●]
Ratio: Non-Current Borrowings (including current maturities of long-term borrowings and lease liabilities)**/Total Equity (B)/(D)**	0.39	[●]
Ratio: Total Borrowings/ Total Equity (C)/ (D)	0.69	[●]

Certified by S S Kothari Mehta & Co. LLP, Chartered Accountants, by its certificate dated September 30, 2024.

 # These terms carry the same meaning as per Schedule III of the Companies Act.

1. The above table has been computed on the basis of the Restated Financial Statements.

2. The corresponding post Offer capitalization data is not determinable at this stage pending the completion of the book building process and hence have not been furnished. To be updated upon finalization of the Offer Price.

3. Current borrowing is considered as borrowing due within 12 months from the balance sheet date.

4. Non-current borrowing is considered as borrowing other than current borrowing, as defined above and also includes the current maturities of long term borrowing.

5. The above statement includes lease liability as per Ind AS 116 disclosed under the Restated Financial Statements.

6. Total borrowing excludes interest accrued and due on borrowings.

7. The Board pursuant to the resolution at its meeting held on May 27, 2024 and Shareholders pursuant to the special resolution at their meeting held on June 07, 2024, sub-divided the face value of equity shares from ₹100 to ₹1 each.

8. The Board of Directors of the Company in the Board meeting dated May 27, 2024 and Shareholders pursuant to the special resolution at their meeting held on June 7, 2024, allotted the 149,445,000 Bonus Equity Shares having a nominal value of ₹1 per share to the existing shareholders of the Company. The Board of Directors of the Company in its meeting held on July 06, 2024 allotted the Bonus Equity Shares to the shareholders of the Company.

9. The impact of events mentioned in 7 and 8 above has not been taken into account for the above disclosure of information.

FINANCIAL INDEBTEDNESS

Our Company avails fund based and non-fund-based facilities from various banks in the ordinary course of business for purposes such as, *inter alia,* meeting our working capital requirements or business requirements, bidding the tenders and procurement of materials for execution of the project awarded to the company. We have obtained the necessary consents for undertaking activities in relation to the Offer, including, *inter alia,* for effecting a change in our shareholding pattern, for effecting a change in the composition of the Board of Directors, and for amending our constitutional documents. Also see, "*Risk Factors - We are required to comply with certain restrictive covenants under our financing agreements. Any non-compliance may lead to, amongst others, suspension of further drawdowns, which may adversely affect our business, results of operations, financial condition and cash flows*" on page 49.

Additionally, our Company has also availed certain unsecured borrowings from our promoter and director, Vivek Garg. See, "*Summary of the Offer Document - Summary of related party transactions*" on page 26. As on July 31, 2024, we had outstanding financial indebtedness of ₹ 4,423.37 million on a consolidated basis, see "*Financial Information - Restated Consolidated Financial Information - Notes to Restated Consolidated Financial Information – Note 20*" on page 407. This is excluding the facilities extended by the Company to its Subsidiary.

The details of such borrowings are set forth below:

(in ₹ million, unless otherwise specified)

Category of borrowing	**Sanctioned Amount as on July 31, 2024***	**Outstanding amount as on July 31, 2024**
Cash Credit / Working Capital Demand Loan	2,440.00	2,316.72
Term Loan	1,097.85	577.01
Term Mobilization loan	2,456.00	1,308.50
Bill Discounting	-	205.54
Corporate Loan	20.00	15.60
Total	**6,013.85**	**4,423.37**

**Certain sanction letters are under the process of renewal as of July 31, 2024.*
Certified by S S Kothari Mehta & Co. LLP, Chartered Accountants, by its certificate dated September 30, 2024.

Principal terms of borrowings availed by our Company

The details provided below are indicative and there may be additional terms, conditions and requirements under the various borrowing arrangements entered into by our Company.

(a) ***Tenor and Interest rate:*** The tenor of the facilities availed by our Company ranges from 4 months to 5 years. In terms of the facilities availed by our Company, the interest rate typically comprises a base rate plus applicable margin of the specified lender, ranging from 7.50% to 10.40% p.a.

(b) ***Security:*** In terms of their borrowings where security needs to be created, our Company has provided securities including (i) create a first *pari passu* charge including by way of hypothecation on all current assets, both present and future; (ii) procure and deliver to the lender, personal guarantees of promoters and/ or bank guarantees; and (iii) creation of mortgage on our movable and immovable property;

(c) ***Repayment:*** Most of our facilities are typically repayable in accordance with the repayment schedules in the facility documents or are repayable on demand.

(d) ***Prepayment:*** Our Company has the option to pre-pay our lenders, in part or in full, subject in some cases to a notice of pre-payment to the lender. Such prepayment may also be subject to the payment of a pre-payment fee.

(e) ***Restrictive covenants*:** Our Company, under the borrowing arrangements entered into by them respectively, require the relevant lender's prior written consent and/or are required to intimate the relevant lender, as applicable, for carrying out certain actions, including:

  (i) undertaking or permitting any merger, de-merger, reorganization, scheme of arrangement or compromise with its creditors or shareholders or any class of them or effecting any scheme of amalgamation or reconstruction;

(ii) effecting any change in the capital structure in any manner whatsoever;

(iii) undertaking any new business or operations or project or diversification, modernization or substantial expansion of existing businesses or operations or of any project during the currency of the facilities;

(iv) any change in the directors, beneficial owners, management or managerial remuneration of the borrower;

(v) making any investment (excluding fixed deposits, mutual funds or similar nature investments) beyond a stipulated limit in a particular financial year;

(vi) entering into any management contract or similar arrangement whereby its business or operations are managed by any other person;

(vii) amending provisions of major constitutive documents or change in constitution;

(viii) any acquisition or investment in a company by our Company, except where such acquisition or investment is made in the ordinary course of trading;

(ix) dilution in the shareholding of promoters in our Company;

(x) availing any further loan or facility and/ or undertaking any guarantee obligations on behalf of any third party.

The abovementioned list is indicative and there may be additional restrictive covenants and conditions where our Company may be required to take prior written consent or intimate the respective lender under the various borrowing arrangements entered into by them.

(f) ***Events of Default*:** Borrowing arrangements entered into by our Company contains standard events of default, including but not limited to:

(i) failure and inability to pay amounts on the due date;

(ii) violation of any covenant of the relevant agreement or any other borrowing agreement;

(iii) any material adverse effect which would have an effect on our ability to repay the facilities availed;

(iv) any representation or warranty found to be untrue or misleading when made or deemed to be repeated;

(v) revocation, non-renewal of operating licenses and authorizations applicable to the borrower;

(vi) insolvency, reorganization, liquidation, suspension of payment of debts, winding up, illegality, unlawfulness, repudiation or cessation of business of the borrower;

(vii) if in the opinion of the lender, the security provided by the borrower is in jeopardy or ceases to have effect or is inadequate or insufficient or any document pertaining to it executed or furnished by the borrower becomes illegal, invalid or unenforceable;

(viii) any change in control of the borrower, either directly or indirectly.

The abovementioned list is indicative and there may be additional terms that may amount to an event of default under the various borrowing arrangements entered into by our Company.

(g) ***Consequences of Events of Default*:** Upon the occurrence of an event of default under our borrowing arrangements, our lenders are entitled to, among other things:

(i) declare outstanding amounts immediately due and payable

(ii) withdraw or cancel the sanctioned facilities;

(iii) enforce their security created if any, to be enforceable;

(iv) appointment of a nominee director on the board of the borrower; and

(v) exercise of any other rights of the lender, under applicable law.

The abovementioned list is indicative and there may be additional consequences on the occurrence of an event of default under the various borrowing arrangements entered into by our Subsidiary.

Also see, "*Risk Factors - We are required to comply with certain restrictive covenants under our financing agreements. Any non-compliance may lead to, amongst others, suspension of further drawdowns, which may adversely affect our business, results of operations, financial condition and cash flows.*" on page 49. For details regarding the borrowing powers of Board of Directors, see "*Our Management – Borrowing powers of our Board of Directors*" on page 335.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no outstanding (i) criminal proceedings involving our Company, Subsidiary, Promoters and Directors; (ii) actions taken by regulatory or statutory authorities involving our Company, Subsidiary, Promoters and Directors; (iii) disciplinary action including penalty imposed by the SEBI or stock exchanges against our Promoters in the last five Fiscals, including outstanding action involving our Company, Subsidiary, Promoters and Directors; (iv) outstanding claims related to direct and indirect taxes involving our Company, Subsidiary, Promoters and Directors (disclosed in a consolidated manner); and (v) other legal proceedings which are determined to be material as per the Materiality Policy adopted by our Board, in each case which may have a material impact on our Company.

*For the purpose of (v) above, our Board in its meeting held on September 23, 2024 has considered and adopted a materiality policy for identification of material litigation involving our Company, Subsidiary, Promoter, Directors and such pending litigation involving its group companies which has a material impact on the Company, in accordance with the SEBI ICDR Regulations ("**Materiality Policy**").*

In terms of the Materiality Policy, all pending litigation involving our Company, Subsidiary, Promoters and Directors, other than criminal proceedings (including matters which are at FIR stage whether cognizance has been taken or not by any court or judicial authority), actions by regulatory authorities or statutory authorities (including all penalties and show cause notices), disciplinary action including penalty imposed by SEBI or stock exchanges against our Promoters in the last five Fiscals including outstanding action, tax matters involving an amount exceeding the Materiality Amount, in relation to our Company, its Subsidiary, Directors and Promoters, will be considered 'material' for disclosure in this Draft Red Herring Prospectus if:

a) if the aggregate monetary amount of claim by or against our Company, Subsidiary, Promoters and Directors in any such pending proceeding is individually in excess of 1% of the consolidated profit after tax of our Company as per the latest fiscal year in the Restated Consolidated Financial Information.

*As per our Restated Consolidated Financial Information, 1% of the consolidated profit after tax of our Company for the year ended March 31, 2024, was ₹ 14.34 million (the "**Materiality Amount**"); or*

b) pending litigations where the decision in one case is likely to effect the decision in similar cases such that the cumulative amount involved in such cases exceeds the Materiality Threshold, even though the amount involved in an individual litigation may not exceed the Materiality Threshold;

c) such pending litigation the outcome of which is material from the perspective of the Company's business, operations, financial results, prospects or reputation, irrespective that the amount involved in such litigation may not meet the Materiality Amount or that the monetary liability of such litigation is not quantifiable.

In terms of the Materiality Policy, pre-litigation notices (other than those issued by governmental, statutory, tax or regulatory authorities) received by our Company, Subsidiary, Promoters and Directors shall not be considered as litigation until such time that any of them, as the case may be, is made a party to proceedings initiated before any court, tribunal or governmental authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced.

*Further, except as stated in this section, there are no outstanding material dues to creditors of our Company. For this purpose, our Board in its meeting held on September 23, 2024, has considered and adopted a policy of materiality for identification of material outstanding dues to creditors. In terms of this materiality policy, outstanding dues to any creditor of our Company having monetary value equal to or exceeding 5% of the total consolidated outstanding dues (i.e., trade payables) of our Company as on the last date of the latest period covered in the Restated Consolidated Financial Information included in this Draft Red Herring Prospectus, shall be considered as 'material'. Accordingly, for the purpose of this disclosure, any outstanding dues exceeding ₹ 66.83 million as on March 31, 2024 have been considered as material outstanding dues for the purposes of disclosure in this section. Further, for outstanding dues to any party which is a micro, small or a medium enterprise ("**MSME**"), the disclosure will be based on information available with our Company regarding status of the creditor under section 2 of the Micro, Small and Medium Enterprises Development Act, 2006.*

Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus. All terms defined in a particular litigation disclosure pertain to such specific disclosure only.

I. Litigation involving our Company

A. Outstanding criminal proceedings involving our Company

Criminal proceedings initiated against our Company

As on the date of this Draft Red Herring Prospectus, there are no criminal proceedings initiated against our Company.

Criminal proceedings initiated by our Company

1. Our Company has filed a criminal complaint dated March 11, 2023 against Sandeep Bhandari before Chief Metropolitian Magistrate, South-West District, Dwarka District Court, New Delhi for dishonor of cheques drawn in favor of our Company, under the provisions of Section 138 of the Negotiable Instruments Act, 1881 for an aggregate amount of ₹1.00 million.

B. Action by statutory or regulatory authorities against our Company

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions initiated by statutory or regulatory authorities against our Company. However, our Company has filed two adjudication applications, details of which are given below:

Adjudication applications filed by our Company

1. Our Company along with our Promoters, member of Promoter Group and Directors i.e. Varinder Kumar Garg, Sushma Garg and Vivek Garg have filed an adjudication application dated July 5, 2024 with the Registrar of Companies, New Delhi ("**ROC**") under Section 454 of the Companies Act, 2013, for compounding of offences related to: a) non-disclosure of details regarding the corporate social responsibility ("**CSR**") policy developed by our Company, CSR initiatives taken and reasons for under spending the requisite CSR amount in the Board's Report dated August 5, 2021, July 07, 2022 and August 31, 2023 for the fiscal year ended on March 31, 2021, March 31, 2022 and March 31, 2023 ("**Board Reports**"), respectively ; b) not attaching the annual report on the CSR activities in the Board's Reports; c) not transferring the requisite CSR amount in a fund specified in Schedule VII of the Companies Act, 2013 within six months from the expiry of the fiscal years ended on March 31, 2021, March 31, 2022 and March 31, 2023; and d) incorrect filing of Form CSR-2/addendum to AOC-4 XBRL for the fiscal year ended on March 31, 2021, March 31, 2022 and March 31, 2023. The application is currently pending.

2. On March 28, 2022, our shareholders undertook two secondary transfers i.e. transfer of one equity share each from Ashok Kumar Gupta to Vivek Garg and Varindra Kumar Garg (HUF) to Prateek Agarwal. However, these share transfers were conducted in physical form in violation of Section 29(1A) of the Companies Act and Rule 9A of Companies (Prospectus and Allotment of Securities) Rules, 2014 which requires an unlisted public company to get the equity shares dematerialised before a transfer is undertaken. Accordingly, to rectify this procedural lapse, our Company along with our Promoters and Directors i.e. Varinder Kumar Garg, Sushma Garg and Vivek Garg has filed a suo moto adjudication application dated September 30, 2024 with the Adjudicating Officer, Registrar of Companies, NCT of Delhi & Haryana praying for the non-compliance to be condoned. This adjudication application is currently pending.

C. Other material pending litigation involving our Company

Other material pending litigation initiated against our Company

As on the date of this Draft Red Herring Prospectus, there are no other material pending litigation initiated against our Company.

Other material pending litigation initiated by our Company

1. Our Company and the Delhi Development Authority ("**Respondent"**) entered into an agreement dated July 4, 2011 ("**Agreement**") for construction work at C/O 483 multi-storeyed houses in Pocket 1, Sector A-9, Narela. After completion of the project, certain disputes arose with respect the final bill and the arbitration clause under the Agreement was invoked. A sole arbitrator ("**Arbitrator**") was appointed thereafter. The Arbitrator allowed certain claims and passed an award dated November 2, 2019, in favour of our Company, directing the Respondent to pay to the claimant a sum of ₹151.71 million in full and final settlement of all the claims plus future interest. Thereafter, the Respondent being aggrieved by the award filed a petition dated January 28, 2020, challenging the award before the High Court of Delhi, New Delhi. Parallelly, our Company has filed an execution petition dated September 17, 2020 before the High Court of Delhi, New Delhi for execution of the award. The matter is still pending before the court.

2. Our Company and Chief Engineer Bareilly Zone and another ("**Respondent"**) entered into an agreement, dated April 12, 2013 ("**Agreement**") for construction of married accommodation for officers in Pithoragarh. After competition of the project, our Company raised issues with respect to non- payment of certain dues relating to the in the final bill raised by the Respondent and invoked the arbitration clause under the Agreement and a sole arbitrator was appointed ("**Arbitrator"**). After hearing both parties, the Arbitrator passed an award dated November 11, 2021 and a corrigendum to the award dated January 2, 2022 ("**Awards**") in favour of our Company and directed the Respondent to pay compensation with interest at the rate 10% plus cost of arbitration i.e. ₹241.93 million. Thereafter, a petition dated April 30, 2022 under section 34 of the Arbitration and Conciliation Act, 1996 was filed by the Respondent challenging the Awards which was rejected by the court via order dated September 5, 2024. Thereafter, our Company filed for an execution petition dated September 20, 2024 for execution of award for an amount of ₹241.93 million. The matter is currently pending.

3. Our Company and the Union of India ("**Respondent"**) entered into an agreement for construction of security wall and other schedules like road work, watch towers, external electrification at Dipatoli. After completion of the project, our Company raised issues with respect to non- payment of certain dues by the Respondent and invoked the arbitration clause and a sole arbitrator was appointed ("**Arbitrator"**). After hearing both the parties, the Arbitrator passed an interim award dated May 28, 2022 ("**Interim Award**"), corrigendum to interim award dated June 20, 2022 ("**Corrigendum**") for an amount of ₹ 10.92 million and final award dated December 31, 2022 ("**Final Award**"), for an amount of ₹12.81 million in favour our Company. The Respondent filed an appeal dated March 23, 2023 against the Final Award, before the District and Sessions Court, Ranchi. Parallelly, our Company has filed an execution petition dated November 21, 2023, for execution of the award. The matter is currently pending.

4. The Army Welfare Housing Organisation ("**Petitioner**") and our Company entered into an agreement dated February 5, 2010, for construction of residential accommodation for AWHO at Yelahanka, Part A-2, Bangalore. After the competition of the project, our Company raised certain issues with respect to non-payment of dues by the Petitioner and invoked the arbitration clause and a sole arbitrator was appointed ("**Arbitrator"**). After hearing both parties, the Arbitrator passed an award dated June 30, 2018 ("**Award**"), for an amount of ₹ 38.53 million in favour of our Company. Thereafter, the Petitioner filed an appeal dated October 5, 2018, before High Court of Delhi, New Delhi, challenging the Award. Parallelly, our Company has filed an execution petition dated December 11, 2023 before High Court of Delhi, New Delhi. The matter is currently pending.

5. Army Welfare Housing Organisation ("**Petitioner**") and our Company entered into an agreement dated October 22, 2008 for construction of residential accommodation for Petitioner at Sector-23, Dwarka, New Delhi. After competition of the project, our Company raised issues with respect to non- payment of certain dues by the Petitioner and invoked the arbitration clause and a sole arbitrator was appointed ("**Arbitrator"**). After hearing both parties, the Arbitrator passed an award dated August 19, 2019 ("**Award**"), for an amount of ₹ 34.69 million in favour of our Company. Thereafter, the Petitioner filed an appeal dated December 20, 2019, before High Court of Delhi, New Delhi, challenging the Award. The matter is currently pending.

6. Our Company and the Delhi Development Authority ("**Respondent"**) entered into an agreement dated April 24, 2015 ("**Agreement**") for the work of C/o 352 multi-storied two-bedroom apartments including internal electrification adjoining pocket 3, Sector 19-B, Dwarka, Ph-ll. During the pendency of the project, our Company, raised certain issues with respect to schedule of completion of the project and consequently, the arbitration clause in the Agreement was invoked. A sole arbitrator ("**Arbitrator**") was appointed vide letter dated July 27, 2023. Our Company has filed a statement of claim, claiming an amount of ₹683.36 million. The final award in this matter is awaited.

7. Our Company and Rajasthan State Road Development & Construction Corporation Limited ("**Respondent"**) entered into an agreement dated April 4, 2011, for construction of new high court building at Jhalamand, Jodhpur. After completion of the project, the Respondent failed to fulfil some reciprocal obligations, which resulted in delay in completion of work due to which our Company suffered a loss amounting to ₹ 113.43 million and consequently referred the matter to the Standing Empowered Committee ("**Committee**"). The Committee passed an award dated December 22, 2016, accepting one claim and rejecting all others claims by our Company. Thereafter, our Company has filed an appeal and a stay petition both dated June 12, 2017 against the award before High Court of Judicature for Rajasthan at Jodhpur ("**High Court**"). The matter is before the High Court.

8. Our Company accepted the tender from the Military Engineer Services ("**Respondent"**) on November 24, 2017 for construction of provision of integrated bridge-man-ship simulator complex at ND school, Naval Base Kochi. After completion of the project, there was a time overrun of almost thirty four months, which our Company alleged to be solely attributed to the inaction on the part of the Respondent which caused a loss amounting to ₹342.98 million. Consequently, our Company filed a request for arbitration before the High Court of Kerela at Ernakulam ("**High Court**"). The High Court vide order dated March 13, 2024 appointed an arbitrator to adjudicate the dispute between the parties. Our Company is yet to file statement of claim. The matter remains pending before the arbitrator.

9. The Union of India ("**Claimant**") and our Company entered into an agreement dated August 29, 2014 for completion of balance work for construction of dwelling units including allied services at Meerut. After completion of the project, certain disputes arose with respect to delay in payment of final bill for an amount of ₹ 914.15 million pursuant to which the Claimant invoked arbitration on July 13, 2022. Thereafter, a sole arbitrator was appointed ("**Arbitrator"**) for adjudication of disputes through a letter dated December 30, 2022. Post satisfaction of both the parties that all the claims and counterclaims have been adequately averred, discussed and explained, and that the parties have been given full opportunity to present their respective cases, the Arbitrator passed a procedural order dated December 19, 2023 directing our Company to file written submission in respect of recoveries effected from the claimant in the audited final bill by January 5, 2024. Thereafter, the Arbitrator has passed final award dated May 2, 2024 and corrigendum dated June 12, 2024 in favour of our Company for an amount of ₹ 416.77 million.

10. The Union of India ("**Claimant**") and our Company entered into an agreement dated November 3, 2014, for completion of balance work for construction of dwelling units including allied services at Jodhpur. After completion of the project, certain disputes arose with respect delay in payment of the final bill and release of bank guarantees amongst other things and an arbitrator was appointed to adjudicate the dispute between the parties vide order dated September 15, 2020, by the High Court of Delhi ("**High Court**"). The arbitrator passed an impugned award dated August 27, 2023 and corrigendum dated October 17, 2023, ("**Award**") in favour of our Company for an amount of ₹ 68.82 million. Thereafter, Claimant filed two applications challenging the award and seeking interim stay on the Award, both dated January 16, 2024. The matter is pending before the High Court.

II. Litigation involving our Directors

A. Outstanding criminal proceedings involving our Directors

Criminal proceedings initiated against our Directors

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against our Directors.

Criminal proceedings initiated by our Directors

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by our Directors.

B. Pending action by statutory or regulatory authorities against our Directors

For information in relation to adjudication applications filed by our Directors, please see *"Litigation involving our Company - Action by statutory or regulatory authorities against our Company-Adjudication applications filed by our Company"* on page 476.

C. Other material pending litigation involving our Directors

Other material pending litigation initiated against our Directors

1. Varinder Kumar Garg, Promoter and Director of our Company ("**Respondent**") received a notice dated June 30, 2021 under Section 148 of the Income Tax Act, 1961 ("**Act**") from the Income Tax Department ("**ITD**") for reassessing the income tax return ("**ITR**") filed by him for fiscal year 2014. ITD conducted a survey under Section 133A of the Income Tax Act, 1961, on a penny stock company in which Respondent had bought and sold some shares. During the survey, the authorities found evidence suggesting that the penny stock company's stock price had been manipulated. Based on these findings, ITD issued a notice to reassess the income of Respondent, suspecting unaccounted income. Thereafter, Respondent's reply to the notice was rejected by way of notice dated June 25, 2022, and an order was passed dated June 28, 2022 imposing a penalty for an amount of ₹27.63 million. Subsequently, aggrieved by the notice and order of the assessing officer, Respondent filed a writ petition to quash and set aside the order and a stay petition, both dated December 19, 2022 before the High Court of Delhi ("**High Court**"). The matter is currently pending.

2. Sushma Garg, Promoter and Director of our Company ("**Respondent**") received a notice dated July 29, 2022 under Section 148 of the Income Tax Act, 1961 ("**Act**") from Income Tax Department ("**ITD**"). Respondent has made transaction for sale of shares of a penny stock company, wherein ITD has alleged that the Respondent has claimed bogus long term capital gain and exemption under section 10(38) of the Act. Thereafter, Respondent's reply to the notice was rejected and penalty proceedings under section 271(1)(c) were initiated by way of notice dated March 30, 2023. Subsequently, aggrieved by the notice, Respondent filed an appeal disputing an amount of ₹ 16.36 million by way of Form-35 dated June 13, 2023 to quash and set aside the notice before Joint Commissioner Appeals. The matter is pending before Joint Commissioner Appeals.

3. Vivek Garg, Promoter and Director of our Company ("**Respondent**") received a notice dated March 30, 2021 under Section 148 of the Income Tax Act, 1961 ("**Act**") from Income Tax Department ("**ITD**") for reassessing the income tax return ("**ITR**") filed by him for fiscal year 2015. ITD conducted a survey under Section 133A of the Income Tax Act, 1961, on a penny stock company in which Respondent had bought and sold some shares. During the survey, the authorities found evidence suggesting that the penny stock company's stock price had been manipulated. Based on these findings, ITD issued a notice to reassess the income of Respondent, suspecting unaccounted income. Thereafter, Respondent's reply to the notice was rejected by way of notice dated March 9, 2022, and an order was passed dated March 30, 2022 imposing a penalty. Subsequently, aggrieved by the notice and order of the assessing officer, Respondent filed an appeal disputing an amount of ₹ 17.53 million by way of Form-35 dated April 28, 2022 to quash and set aside the order before Joint Commissioner Appeals. The matter is pending before Joint Commissioner Appeals.

4. Vivek Garg, Promoter and Director of our Company ("**Respondent**") received a notice dated March 28, 2021 under Section 148 of the Income Tax Act, 1961 ("**Act**") from Income Tax Department ("**ITD**") for reassessing the income tax return ("**ITR**") filed by him for fiscal year 2016-17. ITD conducted a survey under Section 133A of the Income Tax Act, 1961, on a penny stock company in which Respondent had bought and sold some shares. During the survey, the authorities found evidence suggesting that the penny stock company's stock price had been manipulated. Based on these findings, ITD issued notice to reassess the income of Respondent, suspecting that the trades were fabricated with predetermined profits. Thereafter, Respondent's reply to the notice was rejected and subsequently, aggrieved by the order of the assessing officer, Respondent filed an appeal disputing an amount of ₹ 30.91 million by way of Form 35 dated April 29, 2022 before Joint Commissioner Appeals. The matter is still pending before the before Joint Commissioner Appeals. The matter is currently pending.

Other material pending litigation initiated by our Directors

As on the date of this Draft Red Herring Prospectus, there are no other material pending litigations initiated by our Directors.

III. Litigation involving our Promoters

A. Outstanding criminal proceedings involving our Promoters

Criminal proceedings against our Promoters

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against our Promoters.

Criminal proceedings initiated by our Promoters

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by our Promoters.

B. Pending action by statutory or regulatory authorities against our Promoters

For information in relation to adjudication applications filed by our Promoters, please see *"Litigation involving our Company - Action by statutory or regulatory authorities against our Company- Adjudication applications filed by our Company"* on page 476.

C. Material outstanding litigation involving our Promoters

Other material pending litigation against our Promoters

Other than as disclosed under *'Other material pending litigation initiated against our Directors'* on page 479, there are no other material pending litigations initiated against our Promoters.

Other material pending litigation initiated by our Promoters

As on the date of this Draft Red Herring Prospectus, there are no other material pending litigations initiated by our Promoters.

D. Disciplinary action including penalty imposed by SEBI or stock exchanges against our Promoters in the last five Financial Years immediately preceding the date of filing of this Draft Red Herring Prospectus

There has been no disciplinary action including penalty imposed by SEBI or stock exchanges against the Promoters in the last five Fiscals immediately preceding the date of filing of this Draft Red Herring Prospectus.

IV. Litigation involving our Subsidiary

A. Outstanding criminal proceedings involving our Subsidiary

Criminal proceedings initiated against our Subsidiary

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against our Subsidiary.

Criminal proceedings initiated by our Subsidiary

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by our Subsidiary.

B. Outstanding material civil proceedings involving our Subsidiary

Other material pending litigation initiated against our Subsidiary

There are no other material pending litigations against our Subsidiary.

Other material pending litigation initiated by our Subsidiary

There are no other material pending litigations initiated by our Subsidiary.

C. ***Pending action by statutory or regulatory authorities against our Subsidiary***

As on the date of this Draft Red Herring Prospectus, there are no pending actions by statutory or regulatory authorities against our Subsidiary.

V. Litigation involving our Group Companies which may have a material impact on our Company

None of our Group Companies are currently party to any pending litigations which would have a material impact on our Company.

VI. Tax claims against our Company, Subsidiary, Promoters and Directors

Except as disclosed below, there are no claims related to direct and indirect taxes, involving our Company, Subsidiary, Directors and Promoters:

Nature of case	Number of cases	Amount involved (in INR million)
Company		
Direct tax	NIL	NIL
Indirect tax	4	5.18#**
Subsidiary		
Direct tax	NIL	NIL
Indirect tax	NIL	NIL
Directors		
Direct tax	9	132.64*
Indirect tax	NIL	NIL
Promoters		
Direct tax	9^	132.64^*
Indirect tax	NIL	NIL

As certified by Mukesh Raj & Co., Chartered Accountants, by way of their certificate dated September 30, 2024.
^This includes the number of cases and amount involved for cases against the promoters who are also the directors of our Company.
#To the extent quantified and is inclusive of interest and penalty (if any)
*** This amount attributable to show cause notices received by the Company from GST authorities.*

VII. Outstanding dues to creditors

As at March 31, 2024 we had 1,489 creditors to whom an aggregate outstanding amount of ₹ 1,336.69 million was due. Further, based on available information regarding the status of the creditor as a micro, small or a medium scale enterprise as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended, as of March 31, 2024, our Company owes an amount of ₹ 484.96 million to micro, small and medium enterprises to 533 such creditors.

As per the Materiality Policy, outstanding dues to any creditor of our Company having monetary value which exceeds ₹66.83 million, which is 5% of the total outstanding dues (i.e., trade payables) of our Company as per the date of the last Restated Consolidated Financial Information included in this Draft Red Herring Prospectus, i.e., March 31, 2024, shall be considered as 'material'. As at March 31, 2024, there is one material creditor to whom our Company owes an amount of ₹ 216.35 million. The details pertaining to outstanding dues towards our material creditors and their names are available on the website of our Company at https://www.vclgroup.in/investors/material-creditors. It is clarified that such details available on our website do not form a part of this Draft Red Herring Prospectus.

Details of outstanding dues owed to micro, small and medium enterprises and other creditors as at March 31, 2024 are set out below:

Type of Creditor	Number of cases	Amount outstanding (in ₹ million)
Micro, Small and Medium Enterprises	534	701.31
Other creditors	955	635.38
Total	**1,489**	**1,336.69**

VIII. Material developments since the last balance sheet date

Except as stated in "*Management's Discussion and Analysis of Financial Condition and Results of Operation – Significant Developments after March 31, 2024 that may affect our Future Results of*

Operations" on page 470 , there have been no developments subsequent to March 31, 2024, that we believe are expected to have a material or adverse impact on our business, revenue, trading, our profitability, the value of our assets or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

Our business requires various approvals, consents, licenses, registrations and permits issued by relevant governmental, statutory, and regulatory authorities of the respective jurisdictions under various rules and regulations. Set out below is an indicative list of licenses, approvals, registrations, and permits obtained by our Company which are considered material and necessary for the purpose of undertaking our business activities, and except as mentioned below, no further material approvals from any statutory or regulatory authority are required to undertake or continue such business activities.

Certain material approvals may have expired or may expire in the ordinary course of business from time to time, and our Company has either already made applications to the appropriate authorities for renewal of such material approvals or is in the process of making such renewal applications. Unless otherwise stated, these approvals are valid as on the date of this Draft Red Herring Prospectus. Further, for details of risk associated with not obtaining or delay in obtaining the requisite approvals, see "Risk Factors - We require various statutory and regulatory permits and approvals in the ordinary course of our business, and our failure to obtain, renew or maintain them in a timely manner may adversely affect our operations. Further, we are also registered as a contractor in 'Class-I (Super)' in composite category with CPWD, as the 'Super Special' class contractor with MES and BRO, and as a civil contractor with MPPWD and any downgrade in our category and/or termination of our registration may adversely affect our business, financial condition, results of operations and cash flows." on page 51. For Offer related approvals, see "Other Regulatory and Statutory Disclosures" on page 489 and for incorporation details of our Company, see "History and Certain Corporate Matters" on page 324.

We have also set forth below (i) approvals or renewals applied for but not received for our Company and ongoing projects (ii) approvals expired and renewal yet to be applied for our Company and ongoing projects; and (iii) approvals required however yet to be obtained or applied for our Company and ongoing projects. For details in connection with the applicable regulatory and legal framework within which our Company operates, see "Key Regulations and Policies" on page 316.

In view of the key approvals listed below, our Company can undertake this Offer, current business activities and operations.

I. Material Approvals in relation to the Offer

For details regarding the approvals and authorisations obtained by our Company in relation to the Offer, see "*Other Regulatory and Statutory Disclosures - Authority for this Offer*" on page 489.

II. Incorporation details of our Company

1. Certificate of incorporation dated December 15, 1987 issued by the Registrar of Companies, Punjab, H.P. and Chandigarh to our Company, in its former name, being "Varindera Constructions Private Limited".

2. Certificate of registration of the order of Company Law Board bench confirming transfer of the registered office from one state to another dated August 25, 2004 issued by Assistant Registrar of Companies, NCT of Delhi and Haryana pursuant to change in state of registered office of our Company from Punjab to NCT of Delhi.

3. Fresh certificate of incorporation consequent upon change of name on conversion to public limited company dated June 16, 2007 issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana, upon conversion of our Company to a public limited company.

4. The CIN of our Company is U45201DL1987PLC128579.

For further details of the incorporation regarding our Company, see "*History and Certain Corporate Matters*" on page 324 and "*General Information*" on page 89, respectively.

III. Labour related approvals of our Company

1. Registration under Employees State Insurance Act, 1948 issued by Employees State Insurance Corporation

2. Registration under Employees' Provident Funds and Miscellaneous Provisions Act, 1952 issued by Employees' Provident Funds.

IV. Tax related approvals of our Company

1. Permanent Account Number AABCV3315P issued by the Income Tax Department, Government of India, under the Income tax Act, 1961.

2. Tax deduction account number DELV05179G issued by the Income Tax Department, Government of India, under the Income tax Act, 1961.

3. We have obtained goods and services tax identification numbers under the applicable provisions of the goods and services tax legislations applicable to our Company in the states and union territories where we operate.

V. Other material approvals of our Company

1. Certificate of Importer Exporter Code (IEC) in relation to foreign trade; and

2. Certificate of registration of establishment for our registered and corporate offices, issued under the relevant shops and establishment legislations of the respective states.

VI. Material Approvals in Relation to our Business and Operations

In furtherance of our business operations, our Company is required to obtain various approvals, licenses and registrations, as applicable. The material registrations and approvals required and obtained, by our Company, as applicable, are:

1. Consent to operate under the Air (Prevention and Control of Pollution) Act, 1981 (the "**Air Act**") and Water Prevention and Control of Pollution) Act, 1974 (the "**Water Act**").

2. Consent to establish under the Air Act and the Water Act.

3. License for undertaking mining operations for our projects under the Mines and Minerals (Development and Regulation) Act, 1957.

4. Non-objection certificate and/or environmental clearance issued under Environment Protection Act, 1986.

5. No objection certificate with respect to fire safety equipment installation in building as per National Building Code.

6. NOC for land issued by land and development office, Ministry of Urban Development, Government of India.

7. Environmental Impact Assessment (EIA) issued by the Minister of Environment, Solid Waste Management, and Climate Change, Mauritius.

8. NOC for electricity supply connection issued by Central Electricity Board, Ministry of Health and Wellness, Mauritius.

9. NOC for water supply connection issued by Central Water Authority, Ministry of Health and Wellness, Mauritius.

10. Project license issued by Ministry of National Planning, Housing and Infrastructure, Maldives.

VII. Material approvals applied for by our Company but not received:

Except as stated below, as on the date of this Draft Red Herring Prospectus, there are no material approvals for which we have applied for renewal but not yet received:

S. No.	Description	Authority	Date of Application
1.	Application for obtaining Fire NOC for Bangalore project	Office of Directorate General of Police, Karnataka State Fire & Emergency Services	February 2, 2024
2.	Application for obtaining NOC under Air (Prevention and Control of Pollution) Act, 1981 and Water Prevention and Control of Pollution) Act, 1974 and Hazaradous Waste Management Rules,2008	Harayana State Pollution Control Board	September 4, 2024

VIII. Material approvals expired and not applied for renewal

As on the date of this Draft Red Herring Prospectus, there are no material approvals which our Company is required to obtain but are not obtained or applied for.

IX. Material approvals required but not obtained or applied for

As on the date of this Draft Red Herring Prospectus, there are no material approvals which our Company is required to obtain but are not obtained or applied for.

X. Intellectual property related approvals

Trademarks

As on the date of this Draft Red Herring Prospectus, our Company has filed nine trademark registration applications. Following are the details of the trademark registration applications filed by our Company:

S. No.	Trademark Image/Word	Application Number	Class of trademark	Applied on
1.	VCL GROUP VARINDERA CONSTRUCTIONS	6374462	36	April 5, 2024
2.	VARINDERA CONSTRUCTIONS LIMITED	6374456	36	April 5, 2024
3.	VCL GROUP VARINDERA CONSTRUCTIONS	6374464	42	April 5, 2024
4.	VARINDERA CONSTRUCTIONS LIMITED	6374458	42	April 5, 2024
5.	Varindera Constructions	6374459	36	April 5, 2024
6.	Varindera Constructions	6374461	42	April 5, 2024
7.	VARINDERA CONSTRUCTIONS LIMITED	6374457	37	April 5, 2024

8.	VCL GROUP VARINDERA CONSTRUCTIONS	6374463	37	April 5, 2024
9.	Varindera Constructions	6374460	37	April 5, 2024

Copyright

As on the date of this Draft Red Herring Prospectus, our Company has filed two applications for registration of copyright, as mentioned below:

S. No.	Description	Authority	Date of Application
1.	Application for registration of copyright bearing application number 132123	Registrar of Trademarks	April 3, 2024
2.	Application for registration of copyright bearing application number 132124	Registrar of Trademarks	April 3, 2024

OUR GROUP COMPANIES

In accordance with the SEBI ICDR Regulations and the applicable accounting standards, for the purpose of identification of "group companies", our Company has considered (i) such companies (other than Promoters and Subsidiary) with which there were related party transactions during the period for which Restated Consolidated Financial Information have been disclosed in this Draft Red Herring Prospectus, as covered under the applicable accounting standards; and (ii) any other companies which are considered material by our Board.

In respect of item (ii) above, our Board in its meeting held on September 23, 2024 has considered and adopted the Materiality Policy, *inter alia,* for identification of companies that shall be considered material and shall be disclosed as a group company in the Draft Red Herring Prospectus. In terms of the Materiality Policy, if a company (a) is a member of our Promoter Group; and (b) has entered into one or more transactions with our Company (on a consolidated basis) during the period for which the Restated Consolidated Financial Information has been disclosed in this Draft Red Herring Prospectus, that cumulatively exceeds 5.00% of the total revenue of our Company derived from the Restated Consolidated Financial Information, it shall be considered material and identified as a group company in this Draft Red Herring Prospectus.

Based on the parameters outlined above, our Board has identified NAS Buildcon Private Limited, Surbhi Metals (India) Private Limited, Varindera Developers & Infrastructure Private Limited, Som Projects Private Limited, Somansion Estates Private Limited, Dove Building Solution Private Limited, Vivek Infraprojects Private Limited and Vivek RMC Plant Private Limited as the group companies of our Company ("**Group Companies**") as on the date of this Draft Red Herring Prospectus.

Further, in accordance with the SEBI ICDR Regulations, information with respect to: (i) reserves (excluding revaluation reserve); (ii) sales; (iii) profit after tax; (iv) earnings per share; (v) diluted earnings per share; and (vi) net asset value, of the top five Group Companies determined on the basis of their annual turnover based on their respective audited financial statements for the preceding three years i.e. Som Projects Private Limited, Vivek RMC Plant Private Limited, Surbhi Metals (India) Private Limited, NAS Buildcon Private Limited and Dove Building Solution Private Limited shall be hosted on their respective websites or the website of our Company as indicated below:

Details of our Group Companies

1. **Som Projects Private Limited**

   The registered office of Som Projects Private Limited is situated at 1201-1202, 12th Floor, Tower B, Millennium Plaza, Sector 27, Village Sukhrali, Gurgaon, Gurugram, Haryana, India, 122001.

   The details of the reserves (excluding revaluation reserves), sales, profit/(loss) after tax, basic earnings per share, diluted earnings per share and net asset value per share derived from the audited financial statements of Som Projects Private Limited for fiscal years ended March 31, 2024, March 31, 2023, and March 31, 2022 in terms of the SEBI ICDR Regulations are available on our Company's website at https://www.vclgroup.in/investors/financials-for-top-5-group-companies.

2. **Vivek RMC Plant Private Limited**

   The registered office of Vivek RMC Plant Private Limited is situated at Bhantinda House, Shikargarh Chowk Army Area, Jodhpur, Rajasthan, India, 342001.

   The details of the reserves (excluding revaluation reserves), sales, profit/(loss) after tax, basic earnings per share, diluted earnings per share and net asset value per share derived from the audited financial statements of Vivek RMC Plant Private Limited for financial years ended March 31, 2024, March 31, 2023, and March 31, 2022 in terms of the SEBI ICDR Regulations are available on our Company's website at https://www.vclgroup.in/investors/financials-for-top-5-group-companies.

3. **Surbhi Metals (India) Private Limited**

   The registered office of Surbhi Metals (India) Private Limited is situated At C-173, Riico Industrial Area Mandore, Jodhpur, Rajasthan, India, 342001.

The details of the reserves (excluding revaluation reserves), sales, profit/(loss) after tax, basic earnings per share, diluted earnings per share and net asset value per share derived from the audited financial statements of Surbhi Metals (India) Private Limited for fiscal years ended March 31, 2024, March 31, 2023, and March 31, 2022 in terms of the SEBI ICDR Regulations are available on our Company's website at https://www.vclgroup.in/investors/financials-for-top-5-group-companies.

4. **NAS Buildcon Private Limited**

The registered office of NAS Buildcon Private Limited is situated at Office No 613, 6th Floor, Plot No. 4, Vishwadeep Tower, District Centre, Janakpuri A-3, West Delhi, New Delhi, Delhi, India, 110058.

The details of the reserves (excluding revaluation reserves), sales, profit/(loss) after tax, basic earnings per share, diluted earnings per share and net asset value per share derived from the audited financial statements of NAS Buildcon Private Limited for fiscal years ended March 31, 2024, March 31, 2023, and March 31, 2022 in terms of the SEBI ICDR Regulations are available on our Company's website at https://www.vclgroup.in/investors/financials-for-top-5-group-companies.

5. **Dove Building Solution Private Limited**

The registered office of Dove Building Solution Private Limited is situated at G-10, Ground Floor, Suneja Tower-1, District Centre, Janakpuri, Janakpuri B-1, West Delhi, New Delhi, Delhi, India, 110058.

The details of the reserves (excluding revaluation reserves), sales, profit/(loss) after tax, basic earnings per share, diluted earnings per share and net asset value per share derived from the audited financial statements of Dove Building Solution Private Limited for fiscal years ended March 31, 2024, March 31, 2023, and March 31, 2022 in terms of the SEBI ICDR Regulations are available on our Company's website at https://www.vclgroup.in/investors/financials-for-top-5-group-companies.

6. **Varindera Developers & Infrastructure Private Limited**

The registered office of Varindera Developers & Infrastructure Private Limited is situated at Office No 613, 6th Floor, Plot No. 4, Vishwadeep Tower, District Centre, Janakpuri A-3, West Delhi, New Delhi, Delhi, India.

7. **Somansion Estates Private Limited**

The registered office of Somansion Estates Private Limited is situated at 12th Floor, 1201-1202, Tower B, Millennium Plaza, Sector-27, Gurgaon, Gurugram, Haryana, India, 122002.

8. **Vivek Infraprojects Private Limited**

The registered office of Vivek Infraprojects Private Limited is situated at Bhantinda House, Shikargarh Chowk Army Area, Jodhpur, Rajasthan, India, 342001.

Nature and extent of interest of Group Companies in our Company

(a) ***In the promotion of our Company or business interests in our Company***

None of our Group Companies has any interest in the promotion of our Company. Additionally, none of our Group Companies has any business interest in our Company except as given under '*Related Party Transactions'* on page 415.

(b) ***In the properties acquired by our Company in the past three years preceding the filing of this Draft Red Herring Prospectus or proposed to be acquired***

Our Group Companies are not interested in the properties acquired by us in the three years preceding the filing of this Draft Red Herring Prospectus or proposed to be acquired by us as on the date of this Draft Red Herring Prospectus.

(c) ***In transactions for acquisition of land, construction of building and supply of machinery***

None of our Group Companies has any interest in any transactions for the acquisition of land, construction of building or supply of machinery.

Common Pursuits amongst the Group Companies with our Company

There are common pursuits between the Group Companies and our Company. Our Company will continue to adopt the necessary procedures and practices as permitted by law to address any conflict-of-interest situation, if and when such situation arises.

Related Business Transactions with our Group Companies and significance on the financial performance of our Company

Other than the transactions disclosed in "*Summary of the Offer Document - Summary of Related Party Transactions*" and "*Restated Consolidated Financial Information – Notes to Restated Consolidated Financial Information – Related party transactions*" on pages 26 and 415, respectively, there are no other related business transactions between our Group Companies and our Company.

Litigation

None of our Group Companies are currently party to any pending litigations which would have a material impact on our Company.

None of the securities of our Group Companies are listed on any stock exchange.

Other Confirmations

Except as disclosed in "*Restated Consolidated Financial Information - Note 39- Related Party Transactions*" on page 415, there are no conflicts of interest between the suppliers of raw materials and third-party service providers (crucial for operations of our Company) and our Group Companies and their directors.

There are no conflicts of interest between the lessors of immovable properties (crucial for operations of our Company) and our Group Companies and their directors.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for this Offer

The Board of Directors of our Company has authorised the Offer, pursuant to a resolution dated September 11, 2024. Our Shareholders have authorised the Fresh Issue pursuant to a special resolution passed at their annual general meeting dated September 16, 2024. This Draft Red Herring Prospectus has been approved by the Board of Directors pursuant to its resolution dated September 30, 2024. Further, the Board of Directors has taken on record the consent for the Offer for Sale by the Promoter Selling Shareholders pursuant to its resolution dated September 30, 2024.

Our Company has received in-principle approvals from the BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

Each of the Promoter Selling Shareholder has, severally and not jointly, confirmed and authorised their respective participation in the Offer for Sale, as set out below:

Sr. No.	Name of the Promoter Selling Shareholders	Maximum number/amount of Equity Shares offered in the Offer for Sale	Date of Consent Letter
1.	Varinder Kumar Garg	Up to [●] Equity Shares of face value of ₹ 1 each aggregating up to ₹ 2,010.00 million	September 30, 2024
2.	Sushma Garg	Up to [●] Equity Shares of face value of ₹ 1 each aggregating up to ₹ 990.00 million	September 30, 2024

Prohibition by SEBI or other authorities

Our Company, Promoters, members of the Promoter Group, Directors and each of the Promoter Selling Shareholders are not prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Compliance with the Companies (Significant Beneficial Owners) Rules, 2018

Our Company, our Promoters, members of our Promoter Group and each of the Promoter Selling Shareholders are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended, to the extent applicable, as on the date of this Draft Red Herring Prospectus.

Directors associated with securities market

None of our Directors are associated with the securities market related business. There are no outstanding actions initiated by SEBI in the last five years preceding the date of this Draft Red Herring Prospectus against our Directors.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with Regulation 6(1) of the SEBI ICDR Regulations, as disclosed below.

- Our Company has net tangible assets of at least ₹30 million, calculated on a restated consolidated basis, in each of the preceding three full years (of 12 months each), of which not more than 50% of the net tangible assets are held as monetary assets.
- Our Company has an average operating profit of at least ₹150 million, calculated on a restated consolidated basis, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years.
- Our Company has a net worth of at least ₹10 million in each of the preceding three full years (of 12 months

each), calculated on a restated consolidated basis.

- Our Company has not changed its name in the last one year.

Our Company's net tangible assets, monetary assets, monetary assets as a percentage of the net tangible assets, operating profit and net worth derived from the Restated Consolidated Financial Information included in this Draft Red Herring Prospectus as at, and for the three immediately preceding Fiscal Years are disclosed below:

Derived from the Restated Consolidated Financial Information

(*₹ in million*)

Particulars	As at		
	March 31, 2024	March 31, 2023	March 31, 2022
Restated Net tangible assets	5,036.02	3,614.39	2,529.43
Restated operating profit	2,058.71	1,383.15	1,100.46
Net worth	5,054.91	3,630.84	2,538.05
Restated Monetary Assets	519.93	330.84	88.21
% of monetary assets to net tangible assets	10.32	9.15	3.49

"net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account.

For further details, see "*Other Financial Information*" on page 436.

We are currently eligible to undertake the Offer as per Rule 19(2)(b) of the SCRR read with Regulations 6(1) of the SEBI ICDR Regulations. Accordingly, in terms of Regulation 32(1) of the SEBI ICDR Regulations we are required to allocate: (i) not more than 50% of the Offer to QIBs, 5% of which shall be allocated to Mutual Funds exclusively; (ii) not less than 15% of the Offer to Non-Institutional Bidders of which one-third of the Non-Institutional Portion shall be available for allocation to Bidders with an application size of more than ₹ 200,000 and up to ₹ 1,000,000 and two-thirds of the Non-Institutional Portion shall be available for allocation to Bidders with an application size of more than ₹ 1,000,000 and under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other sub-category of Non-Institutional Portion; and (iii) not less than 35% of the Offer to RIBs, subject to valid Bids being received at or above the Offer Price. In the event we fail to do so, the full application money shall be refunded to the Bidders.

The Promoter Selling Shareholders have confirmed that they have held the Offered Shares for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus and that it is in compliance with Regulation 8 of the SEBI ICDR Regulations and are eligible for being offered in the Offer for Sale.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000, failing which the entire application monies shall be refunded forthwith in accordance with SEBI ICDR Regulations and other applicable laws. In case of delay, if any, in refund within such timeline as prescribed under applicable laws, our Company shall be liable to pay interest on the application money in accordance with applicable laws.

Our Company confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to undertake the Offer, in terms of Regulations 5 and 7(1) of the SEBI ICDR Regulations, to the extent applicable.

The details of compliance with Regulations 5 and 7(1) of the SEBI ICDR Regulations are as follows:

(a) None of our Company, our Promoters, members of our Promoter Group or our Directors, and each of the Promoter Selling Shareholders are debarred from accessing the capital markets by the SEBI.

(b) None of our Promoters or Directors are promoters or directors of companies which are debarred from accessing the capital markets by the SEBI.

(c) None of our Company, our Promoters or Directors is a Wilful Defaulter or a Fraudulent Borrower (as defined in the SEBI ICDR Regulations).

(d) None of our Promoters or Directors has been declared a fugitive economic offender (in accordance with Section 12 of the Fugitive Economic Offenders Act, 2018).

(e) Our Company, along with the Registrar to the Company, has entered into tripartite agreements dated July 22, 2024 and July 31, 2024 with NSDL and CDSL, respectively, for dematerialization of the Equity Shares.

(f) The Equity Shares of our Company held by our Promoters are in dematerialised form.

(g) The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing of this Draft Red Herring Prospectus.

(h) There are no convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into, or which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus, except for the options that may be granted under the ESOP Scheme.

There is no requirement for us to make firm arrangements of finance under Regulation 7(1)(e) of the SEBI ICDR Regulations through verifiable means towards 75% of the stated means of finance.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, BEING ICICI SECURITIES LIMITED, EQUIRUS CAPITAL PRIVATE LIMITED AND IIFL SECURITIES LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, EACH OF THE PROMOTER SELLING SHAREHOLDERS, SEVERALLY AND NOT JOINTLY, WILL BE RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY THEM IN THIS DRAFT RED HERRING PROSPECTUS IN RELATION TO THEMSELVES FOR ITS RESPECTIVE PORTION OF OFFERED SHARES, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE PROMOTER SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 30, 2024, IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013, AS AMENDED OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGERS ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

All applicable legal requirements pertaining to the Offer will be complied with at the time of filing the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act. All applicable legal requirements pertaining to the Offer will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26, 30, 32, 33(1) and 33(2) of the Companies Act.

Disclaimer from our Company, our Promoters, the Promoter Selling Shareholders, our Directors and the BRLMs

Our Company, our Promoters, our Directors and the BRLMs accept no responsibility for statements made otherwise than those confirmed in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance. Anyone placing reliance on any other source of information, including our Company's website at https://www.vclgroup.in/ would be doing so at his or her or their own risk.

Unless required by law, the Promoter Selling Shareholders accept no responsibility for any statements and undertakings, except such statements and undertakings made or confirmed by them in relation to itself and/or its Offered Shares in this Draft Red Herring Prospectus.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement to be entered into between the Underwriters, the Promoter Selling Shareholders and our Company.

All information shall be made available by our Company, the Promoter Selling Shareholders and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding Centres or elsewhere. Investors who Bid in the Offer will be required to confirm and will be deemed to have represented to our Company, the Underwriters, the BRLMs and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Promoter Selling Shareholders, the BRLMs, the Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company, Promoters, members of the Promoter Group and their directors and officers, respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, Promoters, members of the Promoter Group and their directors and officers and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation. As used herein, the term 'affiliate' means any person or entity that controls or is controlled by or is under common control with another person or entity.

Disclaimer in respect of Jurisdiction

This Offer is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, as amended, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares, domestic Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to permission from RBI), systemically important NBFCs registered with RBI or trusts under applicable law and who are authorised under their respective constitutions to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds (registered with the Pension Fund Regulatory and Development Authority established under Section 3(1) of the Pension Fund Regulatory and Development Authority Act, 2013, subject to applicable laws, with minimum corpus of ₹ 250 million),National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, and permitted Non-Residents including FPIs and Eligible NRIs, AIFs, FVCIs, and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) at Mumbai, India only.

This Draft Red Herring Prospectus does not constitute an invitation to subscribe to or purchase the Equity Shares in the Offer in any jurisdiction, including India. Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India except the United States of America. Any person into whose possession the Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any offer or sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date. Bidders are advised to ensure that any Bid from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law.

No person outside India is eligible to bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.

Eligibility and Transfer Restrictions

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold outside of the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Until the expiry of 40 days after the commencement of this Offer, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in this Offer) may violate the registration requirements of the U.S. Securities Act unless made pursuant to available exemptions from or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with applicable state securities laws in the United States.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, will be included in the Red Herring Prospectus prior to its filing with the RoC.

Disclaimer Clause of NSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, will be included in the Red Herring Prospectus prior to its filing with the RoC.

Listing

The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on the BSE and NSE. Applications will be made to the Stock Exchanges for obtaining permission to deal in and for an official quotation of the Equity Shares to be issued and sold in the Offer. The [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company will forthwith repay, all monies received from the applicants in pursuance of the Red Herring Prospectus, together with any interest on such monies in accordance with applicable law and the Promoter Selling Shareholders will be liable to reimburse our Company for any such repayment of monies, on its behalf, with respect to their Offered Shares. If such money is not repaid within the prescribed time, then our Company, the Promoter Selling Shareholders and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law. Any expense incurred by our Company on behalf of any of the Promoter Selling Shareholders with regard to interest on such refunds will be reimbursed by such Promoter Selling Shareholder in proportion to its respective portion of the Offered Shares. For the avoidance of doubt, subject to applicable law, a Promoter Selling Shareholder shall not be responsible to pay and/or reimburse any expenses towards refund or any interest thereon for any delay, unless such delay is caused solely by, and is directly attributable to, an act or omission of such Promoter Selling Shareholder and in any other case the Company shall take on the responsibility to pay interest. It is clarified that such liability of a Promoter Selling Shareholder shall be limited in proportion to its respective portion of the Offered Shares.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges are taken within six Working Days from the Bid/ Offer Closing Date or within such other period as may be prescribed. If our Company does not Allot the Equity Shares within six Working Days from the Bid/ Offer Closing Date or within such timeline as prescribed by SEBI, all amounts received in the Public Offer Accounts will be transferred to the Refund Account and it shall be utilized to repay, without interest, all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period, subject to applicable law.

Consents

Consents in writing of (a) Promoter Selling Shareholders, our Directors, Company Secretary and Compliance Officer, Statutory Auditor, the BRLMs, legal counsel, bankers to our Company, the Registrar to the Offer, in their respective capacities have been obtained; and consents in writing of (b) the Syndicate Members, and the Banker(s) to the Offer to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under Sections 26 and 32 of the Companies Act, 2013. Further, consents received prior to filing of this Draft Red Herring Prospectus have not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus with SEBI.

Experts to the Offer

Except as stated below, our Company has not obtained any expert opinions:

(i) Our Company has received written consent dated September 30, 2024 from the Statutory Auditor namely, S. S. Kothari Mehta & Co. LLP, Chartered Accountants to include their name as required under section 26 (5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this DRHP, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditor, and in respect of their: (i) examination report, dated September 23,2024 on our Restated Consolidated Financial Information; and (ii) the Statement of Tax Benefits available to the Company and its Shareholders dated September 30, 2024;

(ii) Further, our Company has received written consent dated September 30, 2024 from Mukesh Raj & Co, Chartered Accountants, to include their name as required under section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this DRHP, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 in respect of their certificates in connection with the Offer;

(iii) Our Company has received written consent dated September 30, 2024, from M/s. CL and Associates, Company Secretaries, to include their name as an Independent Practicing Company Secretary and as an "expert" as defined under Section 2(38) of the Companies Act, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Such consents have not been withdrawn as on the date of this DRHP. However, the term "expert" and the consent thereof shall not be construed to mean an "expert" or consent within the meaning as defined under the U.S. Securities Act.

Public or rights issues by our Company during the last five years and performance vis-à-vis objects – our Company

Our Company has not made any public or rights issue during the five years immediately preceding the date of this Draft Red Herring Prospectus.

Commission and brokerage paid on previous issues

Since this is an initial public offer of Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company's incorporation.

Capital issue by our Company, listed group companies, Subsidiary and associates during the previous three years

Our Company does not have any listed group companies and listed Subsidiary. Our Company does not have any associates. For details in relation to the capital issuances by our Company in the three years preceding the date of filing the Draft Red Herring Prospectus, see "*Capital Structure – Notes to the Capital Structure*" on page 100.

Performance vis-à-vis objects – Last issue of Listed Subsidiary

Our Subsidiary is not listed on any stock exchange.

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Price information of past issues handled by the BRLMs (during the current financial year and the two financial years preceding the current financial year)

- **ICICI Securities Limited**

1. Price information of past issues handled by ICICI Securities Limited:

Sr. No.	Issue Name	Issue Size (Rs. Mn.)	Issue Price (Rs.)	Listing Date	Opening Price on Listing Date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Aadhar Housing Finance Limited^^	30,000.00	315.00(1)	15-May-24	315.00	+25.56% [+5.40%]	+33.89% [+9.67%]	NA*
2	Go Digit General Insurance Limited^^	26,146.46	272.00	23-May-24	286.00	+22.83% [+2.32%]	+30.79% [+7.54%]	NA*
3	Awfis Space Solutions Limited^^	5,989.25	383.00(2)	30-May-24	435.00	+34.36% [+6.77%]	+100.18% [+11.25%]	NA*
4	Stanley Lifestyles Limited^	5,370.24	369.00	28-Jun-24	499.00	+55.96% [+2.91%]	+31.29% [+7.77%]	NA*
5	Allied Blenders and Distillers Limited^^	15,000.00	281.00(3)	02-Jul-24	320.00	+9.68% [+3.43%]	+21.28% [+8.52%]	NA*
6	Akums Drugs and Pharmaceuticals Limited^^	18,567.37	679.00(4)	06-Aug-24	725.00	+32.10% [+5.03%]	NA*	NA*
7	Ceigall India Limited^^	12,526.63	401.00(5)	08-Aug-24	419.00	-4.89% [+3.05%]	NA*	NA*
8	Ola Electric Mobility Limited^^	61,455.59	76.00(6)	09-Aug-24	76.00	+44.17% [+1.99%]	NA*	NA*
9	Premier Energies Limited^	28,304.00	450.00(7)	03-Sept-24	991.00	NA*	NA*	NA*
10	Northern Arc Capital Limited^^	7,770.00	263.00(8)	24-Sept-24	350.00	NA*	NA*	NA*

**Data not available*
^BSE as designated stock exchange
^^NSE as designated stock exchange
(1) Discount of Rs. 23 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 315.00 per equity share
(2) Discount of Rs. 36 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 383.00 per equity share
(3) Discount of Rs. 26 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 281.00 per equity share
(4) Discount of Rs. 64 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 679.00 per equity share
(5) Discount of Rs. 38 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 401.00 per equity share
(6) Discount of Rs. 7 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 76.00 per equity share
(7) Discount of Rs. 22 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 450.00 per equity share
(8) Discount of Rs. 24 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 263.00 per equity share

2. Summary statement of price information of past issues handled by ICICI Securities Limited:

Financial Year	Total no. of IPOs	Total amount of funds raised (Rs. Mn.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%

2024-25*	12	2,60,374.28	-	-	1	3	4	2	-	-	-	-	-	-
2023-24	28	2,70,174.98	-	-	8	5	8	7	-	1	4	10	5	8
2022-23	9	2,95,341.82	-	1	3	-	3	2	-	1	1	-	5	2

* This data covers issues up to YTD

Notes:

1. *Data is sourced either from www.nseindia.com or www.bseindia.com, as per the designated stock exchange disclosed by the respective Issuer Company.*
2. *Similarly, benchmark index considered is "NIFTY 50" where NSE is the designated stock exchange and "S&P BSE SENSEX" where BSE is the designated stock exchange, as disclosed by the respective Issuer Company.*
3. *30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the previous trading day*

- **Equirus Capital Private Limited**

Price information of past issues handled by Equirus Capital Private Limited (during the current Fiscal and two Fiscals preceding the current financial year):

Sr. No.	Issue Name	Issue Size (₹ million)	Issue Price (₹)	Listing Date	Opening Price on listing date (₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	TVS Supply Chain Solutions Limited$	8,800.00	197.00	August 23, 2023	207.05	+8.71% [+1.53%]	+6.57% [+1.29%].	-7.46% [+13.35%]
2.	Zaggle Prepaid Ocean Services Limited$	5,633.77	164.00	September 22, 2023	164.00	+30.95% [-0.67%]	+34.39% [+7.50%].	+87.71% [+10.89%].
3.	Protean eGov Technologies Limited#	4,899.51	792.00[1]	November 13, 2023	792.00	+45.21% [+7.11%]	+73.18% [+10.26%]	+45.85% [+11.91%]
4.	Fedbank Financial Services Limited$	10,922.64	140.00[2]	November 30, 2023	138.00	-2.75% [+7.94%]	-12.39% [+10.26%]	-13.43% [+13.90%]
5.	Happy Forgings Limited$	10,085.93	850.00	December 27, 2023	1,000.00	+14.06% [-1.40%]	+4.44% [+2.04%]	+42.78% [+8.53%]
6.	Jyoti CNC Automation Limited$	10,000.00	331.00[3]	January 16, 2024	370.00	+78.07% [-0.87%]	+135.94% [+2.21%]	+265.79% [+11.21%]
7.	Capital Small Finance Bank Limited#	5,230.70	468.00	February 14, 2024	435.00	-25.25% [+1.77%]	-26.09% [+1.33%]	-31.44% [+10.98%]
8.	Dee Development Engineers Limited$	4,180.15	203.00[4]	June 26, 2024	339.00	+81.16% [+2.25%]	+47.44% [+8.67%]	N.A.

Sr. No.	Issue Name	Issue Size (₹ million)	Issue Price (₹)	Listing Date	Opening Price on listing date (₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
9.	Ecos (India) Mobility & Hospitality Limited$	6,012.00	334.00	September 04, 2024	390.00	N.A.	N.A.	N.A.
10.	Kross Limited$	5,000.00	240.00	September 16, 2024	240.00	N.A.	N.A.	N.A.

Source: *www.bseindia.com and www.nseindia.com for price information and prospectus/basis of allotment for issue details.*
Notes:
1. *A discount of ₹75 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion of Protean eGov Technologies Limited IPO*
2. *A discount of ₹10 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion of Fedbank Financial Services Limited IPO*
3. *A discount of ₹15 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion of Jyoti CNC Automation Limited IPO*
4. *A discount of ₹19 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion of Dee Development Engineers Limited IPO*
5. *Price on Designated Stock Exchange of the respective Issuer is considered for all of the above calculations.*
6. *In the event any day falls on a holiday, the price/index of the immediately preceding trading day has been considered.*
7. *N.A. (Not Applicable) – Period not completed.*

 # The S&P BSE SENSEX is considered as the Benchmark Index
$ The S&P CNX NIFTY is considered as the Benchmark Index

Summary statement of price information of past public issues handled by Equirus Capital Private Limited:

Financial Year	Total no. of IPOs	Total funds raised (₹ million)	Nos. of IPOs trading at discount as on 30th calendar day from listing date			Nos. of IPOs trading at premium as on 30th calendar day from listing date			Nos. of IPOs trading at discount as on 180th calendar day from listing date			Nos. of IPOs trading at premium as on 180th calendar day from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2024-2025*	3	15,192.15	-	-	-	1	-	-	-	-	-	-	-	-
2023-2024	8	61,882.55	-	1	1	2	2	2	-	1	2	3	2	-
2022-2023	5	28,975.05	-	1	1	-	1	2	-	1	1	1	2	-

** The information is as on the date of this Offer Document.*
The information for each of the financial years is based on issues listed during such financial year.

- **IIFL Securities Limited**

1. Price information of past issues handled by IIFL Securities Limited:

Sr. No.	Issue Name	Issue Size (in Rs. Mn)	Issue Price (Rs.)	Designated Stock Exchange as disclosed in the red herring prospectus filed	Listing Date	Opening Price on Listing Date	+/- % change in closing price*, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price*, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price*, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Medi Assist Healthcare Services Limited	11,715.77	418.00	BSE	January 23, 2024	465.00	+22.32%,[+3.20%]	+15.66%,[+3.86%]	+33.86%,[+14.54%]
2	R K Swamy Limited	4,235.60	288.00	BSE	March 12, 2024	252.00	-1.30%,[+1.86%]	-6.70%,[+4.11%]	-17.57%[+10.20%]
3	Bharti Hexacom Limited	42,750.00	570.00	BSE	April 12, 2024	755.20	+58.25%,[-2.13%]	+85.03%,[+7.65%]	N.A.
4	JNK India Limited	6,494.74	415.00	NSE	April 30, 2024	621.00	+54.47%,[+0.44%]	+81.75%,[+9.87%]	N.A.
5	Go Digit General Insurance Limited	26,146.46	272.00	NSE	May 23, 2024	286.00	+22.83%,[+2.32%]	+30.79%,[+7.54%]	N.A.
6	Awfis Space Solutions Limited	5,989.25	383.00(1)	NSE	May 30, 2024	435.00	+34.36%,[+6.77%]	+100.18%,[+11.25%]	N.A.
7	Ceigall India Limited	12,526.63	401.00(2)	NSE	August 8, 2024	419.00	-4.89%[+3.05%]	N.A.	N.A.
8	Unicommerce eSolutions Limited	2,765.72	108.00	NSE	August 13, 2024	235.00	+109.98% [+3.23%]	N.A.	N.A.
9	Ecos (India) Mobility & Hospitality Limited	6012.00	334.00	NSE	September 4, 2024	390.00	N.A.	N.A.	N.A.
10	Bajaj Housing Finance Limited	65,600.00	70.00	NSE	September 16, 2024	150.00	N.A.	N.A.	N.A.

Source: www.nseindia.com; www.bseindia.com, as applicable

(1) A discount of Rs. 36 per equity share was offered to eligible employees bidding in the employee reservation portion.

(2) A discount of Rs. 38 per equity share was offered to eligible employees bidding in the employee reservation portion.

Note: Benchmark Index taken as NIFTY 50 or S&P BSE SENSEX, as applicable. Price of the designated stock exchange as disclosed by the respective issuer at the time of the issue has been considered for all of the above calculations. The 30th, 90th and 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th /90th /

180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered. % change taken against the Issue Price in case of the Issuer. NA means Not Applicable. The above past price information is only restricted to past 10 initial public offers.

2. Price information of past issues handled by IIFL Securities Limited:

Financial Year	**Total No. of IPO's**	**Total Funds Raised (in Rs. Mn)**	**No. of IPOs trading at discount – 30th calendar days from listing**			**No. of IPOs trading at premium – 30th calendar days from listing**			**No. of IPOs trading at discount – 180th calendar days from listing**			**No. of IPOs trading at premium – 180th calendar days from listing**		
			Over 50%	**Between 25-50%**	**Less than 25%**	**Over 50%**	**Between 25-50%**	**Less than 25%**	**Over 50%**	**Between 25-50%**	**Less than 25%**	**Over 50%**	**Between 25-50%**	**Less than 25%**
2022-23	12	1,06,650.92	-	-	4	-	4	4	-	-	3	1	4	4
2023-24	15	1,54,777.80	-	-	4	3	4	4	-	-	1	5	4	5
2024-25	8	1,68,284.80	-	-	1	3	1	1	-	-	-	-	-	-

Source: www.nseindia.com; www.bseindia.com, as applicable
Note: Data for number of IPOs trading at premium/discount taken at closing price of the designated stock exchange as disclosed by the respective issuer at the time of the issue has been considered on the respective date. In case any of the days falls on a non-trading day, the closing price on the previous trading day has been considered.
NA means Not Applicable.

Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified in circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see the websites of the BRLMs, as set forth in the table below:

Sr. No	Name of the BRLM	Website
1.	ICICI Securities Limited	https://www.icicisecurities.com
2.	Equirus Capital Private Limited	https://www.equirus.com
3.	IIFL Securities Limited	https://www.iiflcap.com

Stock Market Data of Equity Shares

This being an initial public offer of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

Mechanism for Redressal of Investor Grievances

The agreement between the Registrar to the Offer, our Company and the Promoter Selling Shareholders provides for retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, subject to agreement with our Company for storage of such records for longer period as may be required under applicable law.

Bidders can contact the Company Secretary and Compliance Officer and/or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Offer related queries and for redressal of complaints, Bidders may also write to the BRLMs or the Registrar to the Offer, in the manner provided below.

All grievances other than of Anchor Investors in relation to the Bidding process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, UPI ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder. All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or First Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the BRLMs where the Bid cum Application Form was submitted by the Anchor Investor. Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

All Offer related grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or first Bidder, Anchor Investor Application Form number, Bidders' DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the BRLMs where the Anchor Investor Application Form was submitted by the Anchor Investor.

For offer related grievance investors may contact Book Running Lead Managers, details of which are given in "*General Information*" on page 89.

The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

Our Company, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with their obligations under applicable SEBI ICDR Regulations. In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to the SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no:. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI ICDR Master Circular, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs in accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 in the events of delayed unblock for cancelled/withdrawn/deleted applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially-allotted applications, for the stipulated period.

SEBI, by way of its circular dated March 16, 2021 as amended by its circular dated April 20, 2022 ("**March 2021 Circular**"), has identified the need to put in place measures, in order to manage and handle investor issues arising out of the UPI Mechanism inter alia in relation to delay in receipt of mandates by Bidders for blocking of funds due to systemic issues faced by Designated Intermediaries/SCSBs and failure to unblock funds in cases of partial allotment/non allotment within prescribed timelines and procedures. Per the March 2021 Circular, SEBI has prescribed certain mechanisms to ensure proper management of investor issues arising out of the UPI Mechanism, including: (i) identification of a nodal officer by SCSBs for the UPI Mechanism; (ii) delivery of SMS alerts by SCSBs for blocking and unblocking of UPI Mandate Requests; (iii) hosting of a web portal by the Sponsor Bank(s) containing statistical details of mandate blocks/unblocks; (iv) limiting the facility of reinitiating UPI Bids to Syndicate Members to once per Bid; and (v) mandating SCSBs to ensure that the unblock process for nonallotted/partially allotted applications is completed by the closing hours of one Working Day subsequent to the finalisation of the Basis of Allotment. The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022. Separately, pursuant to the March 2021 Circular, the following compensation mechanism shall be applicable for investor grievances in relation to Bids made through the UPI Mechanism, for which the relevant SCSBs shall be liable to compensate the investor:

Scenario	Compensation amount	Compensation period
Delayed unblock for cancelled / withdrawn / deleted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	1. Instantly revoke the blocked funds other than the original application amount and 2. ₹100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher	From the date on which multiple amounts were blocked till the date of actual unblock
Blocking more amount than the Bid Amount	1. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount and 2. ₹100 per day or 15% per annum of the difference amount, whichever is higher	From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock
Delayed unblock for non – Allotted/ partially Allotted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the Working Day subsequent to the finalisation of the Basis of Allotment till the date of actual unblock

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the post-Offer BRLM shall be liable to compensate the investor ₹100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock. Further, in terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the Book

Running Lead Managers, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 5 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has constituted a Stakeholders' Relationship Committee which is responsible for redressal of grievances of security holders of our Company. For details, see "*Our Management*" on page 332.

Our Company has appointed Anurag Srivastava as our Company Secretary and Compliance Officer for the Company who may be contacted in case of any pre-Offer or post-Offer related grievances. His contact details are as follows:

Anurag Srivastava
Company Secretary and Compliance Officer
Plot no. 65, Sector -18, Urban Estate,
Gurgaon, Haryana, 122001
E-mail: cs@vclgroup.in
Tel: 0124-4046363

Our Company has not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus. Further, no investor complaint in relation to our Company is pending as on the date of this Draft Red Herring Prospectus.

Our Company shall, after filing of this Draft Red Herring Prospectus, obtain authentication on the SCORES in terms of the SEBI circular bearing number CIR/OIAE/1/2013 dated April 17, 2013 read with SEBI circular bearing number SEBI/HO/OIAE/IGRD/CIR/P/2021/642 dated October 14, 2021 and shall comply with SEBI circular bearing number CIR/OIAE/1/2014 dated December 18, 2014 in relation to redressal of investor grievances through SCORES.

Exemption from complying with any provisions of securities laws, if any, granted by SEBI

As on the date of this Draft Red Herring Prospectus, our Company has not applied for nor has been granted by SEBI, any exemption from complying with any provisions of securities laws.

SECTION VII – OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being issued, offered and Allotted and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, the MoA, AoA, SEBI Listing Regulations, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, the abridged prospectus, Bid cum Application Form, the Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Offer.

The Offer

The Offer consists of a Fresh Issue by our Company and an Offer for Sale by the Promoter Selling Shareholders. Expenses for the Offer shall be shared amongst our Company and the Promoter Selling Shareholders in the manner specified in "*Objects of the Offer*" on page 120.

Ranking of the Equity Shares

The Equity Shares being offered/Allotted and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SEBI Listing Regulations, SCRA, SCRR, our Memorandum of Association and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares including in respect of the right to receive dividend, if any, declared by our Company after the date of Allotment in accordance with applicable law voting and other corporate benefits. For further details, see "*Main Provisions of Articles of Association*" on page 540.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the Memorandum and Articles of Association and provisions of the SEBI Listing Regulations and any other guidelines or directions which may be issued by the Government in this regard. Dividends, if any, declared by our Company after the date of Allotment, will be payable to the Bidders who have been Allotted Equity Shares in the Offer, for the entire year, in accordance with applicable laws. For further details, in relation to dividends, see "*Dividend Policy*" and "*Main Provisions of Articles of Association*" on pages 360 and 540, respectively.

Face Value, Offer Price, Floor Price and Price Band

The face value of each Equity Share is ₹1 each and the Offer Price at the lower end of the Price Band is ₹ [●] per Equity Share and at the higher end of the Price Band is ₹ [●] per Equity Share. The Anchor Investor Offer Price is ₹ [●] per Equity Share. The Offer Price, Price Band and the minimum Bid Lot size for the Offer and Employee Discount, if any, will be decided by our Company in consultation with the BRLMs, and advertised in [●] editions of [●], an English national daily newspaper, and [●] editions of [●] a Hindi national daily newspaper (Hindi also being the regional language of Haryana wherein our Registered Office is located), at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the respective websites of the Stock Exchanges. The Cap Price shall be at least 105% of the Floor Price. The Offer Price shall be determined by our Company, in consultation with the Book Running Lead Managers, after the Bid/Offer Closing Date, on the basis of assessment of market demand for the Equity Shares by way of the Book Building Process.

At any given point of time, there shall be only one denomination for the Equity Shares. There are no outstanding equity shares of the Company having superior voting rights compared to the Equity Shares

Compliance with disclosure and accounting norms

Our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our equity Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy, in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws including any RBI rules and regulations and other applicable laws; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI Listing Regulations and the Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see "*Main Provisions of Articles of Association*" starting on page 540.

Allotment only in dematerialised form

Pursuant to Section 29 of the Companies Act, 2013 and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI ICDR Regulations and the SEBI Listing Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges. In this context, our Company has entered into the following agreements with the respective Depositories and Registrar to the Offer:

- Tripartite agreement dated July 22, 2024, amongst our Company, NSDL and Registrar to the Offer.
- Tripartite agreement dated July 31, 2024, amongst our Company, CDSL and Registrar to the Offer.

Employee Discount

Employee discount, if any, will be offered to Eligible Employees bidding in the Employee Reservation Portion respectively. Eligible Employees bidding in the Employee Reservation Portion respectively at a price within the Price Band can make payment based on, Bid Amount net of Employee Discount, at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion at the Cut-Off Price have to ensure payment at the Cap Price, less Employee Discount, at the time of making a Bid.

Period of operation of subscription list

See "*Bid/ Offer Programme*" on page 507.

Market Lot and Trading Lot

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Offer will be in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares. For further details, see "*Offer Procedure*" on page 516.

Joint Holders

Subject to the provisions of the Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

Jurisdiction

The courts in Mumbai, Maharashtra, India will have exclusive jurisdiction in relation to this Offer.

Period of operation of subscription list

See "*Terms of the Offer – Bid/Offer Programme*" on page 506.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company. Further, a nomination may be cancelled or varied by nominating any other person in place of the present nominee, by the holder of the Equity Shares who has made the nomination, by giving a notice of such cancellation or variation to our Company in the prescribed form.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

a) to register himself or herself as the holder of the Equity Shares; or

b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialized mode, there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Bidder would prevail. If the Bidder wants to change the nomination, they are requested to inform their respective Depository Participant.

Bid/Offer Programme

BID/ OFFER OPENS ON*	**[●]**
BID/ OFFER CLOSES ON**	**[●]**(1)

**Our Company in consultation with the BRLMs, may consider participation by Anchor Investors. The Anchor Investor Bid/ Offer Period shall be one Working Day prior to the Bid/ Offer Opening Date in accordance with the SEBI ICDR Regulations.*

*** Our Company and each Promoter Selling Shareholder in consultation with the BRLMs may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.*

(1)UPI mandate end time and date shall be at 5.00 pm on Bid/Offer Closing Date.

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Bid/Offer Closing Date	On or about [●]
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any, for Anchor Investors) / unblocking of funds from ASBA Account*	On or about [●]
Credit of the Equity Shares to depository accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

** In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Offer Closing Date for cancelled / withdrawn / deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a* *uniform rate ₹100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the SCSB responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The Bidder shall be compensated in the manner specified in the SEBI circular no. dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, and SEBI ICDR Master Circular which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs, to the extent applicable.*

The processing fees for applications made by UPI Bidders may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

The above timetable, other than the Bid/Offer Closing Date, is indicative and does not constitute any obligation or liability on our Company or the BRLMs or the Promoter Selling Shareholders.

In terms of the UPI Circulars, in relation to the Offer, the BRLMs will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within six Working Days from the Bid/ Offer Closing Date, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within the time prescribed under applicable law, the timetable may be extended due to various factors, such as extension of the Bid/Offer Period by our Company in consultation with the BRLMs, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. Each of the Promoter Selling Shareholders confirm that they shall provide all required information, support and cooperation as may be required by our Company and the BRLMs for completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within the time period as may be prescribed by SEBI. In terms of the SEBI ICDR Master Circular, our Company shall within four days from the closure of the Offer, refund the subscription amount received in case of non – receipt of minimum subscription or in case our Company fails to obtain listing or trading permission from the Stock Exchanges for the Equity Shares. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws.

SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any circulars or notifications from SEBI after the date of this Draft Red Herring Prospectus may result in changes to the above-mentioned timelines. Further, the offer procedure is subject to change basis any revised SEBI circulars to this effect.

Submission of Bids (other than Bids from Anchor Investors):

Bid/Offer Period (except the Bid/Offer Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time ("**IST**")
Bid/Offer Closing Date*	
Submission of Electronic Applications (Online ASBA through 3-in-1 accounts) – For Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion	Only between 10.00 a.m. and up to 5.00 p.m. IST
Submission of Electronic Applications (Bank ASBA through Online channels like Internet Banking, Mobile Banking and Syndicate UPI ASBA applications where Bid Amount is up to ₹500,000)	Only between 10.00 a.m. and up to 4.00 p.m. IST
Submission of Electronic Applications (Syndicate Non-Retail, Non-Individual Applications)	Only between 10.00 a.m. and up to 3.00 p.m. IST
Submission of Physical Applications (Bank ASBA)	Only between 10.00 a.m. and up to 1.00 p.m. IST
Submission of Physical Applications (Syndicate Non-Retail, Non-Individual Applications of QIBs and NIIs where Bid Amount is more than ₹500,000	Only between 10.00 a.m. and up to 12.00 p.m. IST

Bid/Offer Period (except the Bid/Offer Closing Date)	
Modification/ Revision/cancellation of Bids	
Modification of Bids by QIBs and Non-Institutional Bidders categories and modification/cancellation of Bids by Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion #	Only between 10.00 a.m. and up to 5.00 p.m. IST

**UPI mandate end time and date shall be at 5:00 p.m. on the Bid/Offer Closing Date.*
 # QIBs and Non-Institutional Bidders can neither revise their Bids downwards nor cancel/withdraw their Bids.

On the Bid/ Offer Closing Date:

(i) In case of Bids by QIBs and Non-Institutional Bidders, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m.(IST) and uploaded by 4.00 p.m. IST, and

(ii) In case of Bids by Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and uploaded until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by RIBs.

On the Bid/ Offer Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received by Retail Individual Bidders, after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges. For the avoidance of doubt, it is clarified that Bids not uploaded on the electronic bidding system or in respect of which full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, will be rejected.

The Registrar to the Offer shall submit the details of cancelled/withdrawn/deleted applications to the SCSB's on daily basis within 60 minutes of the Bid closure time from the Bid/Offer Opening Date until the Bid/ Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSB's shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLMs and the RTA on a daily basis. To avoid duplication, the facility of re-initiation provided to Syndicate Members shall preferably be allowed only once per bid/batch and as deemed fit by the Stock Exchanges, after closure of the time for uploading Bids.

It is clarified that Bids shall be processed only after the application monies are blocked in the ASBA Account and Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs, or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under this Offer. Bids will be accepted only during Working Days.

Bidders may please note that as per letter no. List/SMD/SM/2006 dated July 3, 2006 and letter no. NSE/IPO/25101-6 dated July 6, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges. None among our Company, Promoter Selling Shareholders or any member of the Syndicate is liable for any failure in (i) uploading the Bids due to faults in any software/ hardware system or otherwise; and (ii) the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank(s) on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Our Company in consultation with the BRLMs reserve the right to revise the Price Band during the Bid/Offer Period. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly, but the Floor Price shall not be less than the face value of the Equity Shares. In all circumstances, the Cap Price shall be at least 105% of the Floor Price and less than or equal to 120% of the Floor Price. The Floor Price shall not be less than the face value of the Equity Shares.

In case of revision in the Price Band, the Bid/Offer Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases

of force majeure, banking strike or similar circumstances, our Company in consultation with the BRLMs, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a public notice and also by indicating the change on the terminals of the Syndicate Members and by intimation to the Designated Intermediaries and the Sponsor Bank(s), as applicable.

In case of discrepancy in data entered in the electronic book vis-vis data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Minimum Subscription

If our Company does not receive the minimum subscription in the Offer as specified under Rule 19(2)(b) of the SCRR), including through devolvement of Underwriters, as applicable, within 60 days from the date of Bid/ Offer Closing Date on the date of closure of the Offer or; the minimum subscription of 90% of the Fresh Issue on the date of closure of the Offer; or withdrawal of applications; or after technical rejections; or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares so offered under the offer document, our Company, to the extent applicable, shall forthwith refund the entire subscription amount received in accordance with applicable law including the SEBI ICDR Master Circular. If there is a delay beyond four days after our Company becomes liable to pay the amount, our Company and our Directors, who are officers in default, shall pay interest at the rate of 15% per annum. In the event of under-subscription in the Offer, subject to receiving minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the SCRR, the Allotment for the valid Bids will be made in the first instance towards subscription for 90% of the Fresh Issue. If there remain any balance valid Bids in the Offer, the Allotment for the balance valid Bids will be made towards Equity Shares offered by the Selling Shareholders in proportion to the Offered Shares being offered by the Promoter Selling Shareholders and then, towards the balance Fresh Issue.

The Promoter Selling Shareholders shall, severally and not jointly, reimburse, in proportion to the respective portion of its Offered Shares, any expenses and interest incurred by our Company on behalf of it for any delays in making refunds as required under the Companies Act and any other applicable law, provided that any Promoter Selling Shareholder shall not be responsible or liable for payment and/ or reimbursement of such expenses towards refund or interest thereon for any delay, unless such delay has been caused by any act or omission solely and directly attributable to such Selling Shareholder and in any other case the Company shall take on the responsibility to pay interest. It is clarified that such liability of a Promoter Selling Shareholder shall be limited to the extent of its respective portion of the Offered Shares.

Under-subscription, if any, in any category except the QIB Portion, would be met with spill-over from the other categories at the discretion of our Company in consultation with the Book Running Lead Managers, and the Designated Stock Exchange.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000 failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, our Company shall be liable to pay interest on the application money in accordance with applicable laws.

Arrangements for Disposal of Odd Lots

There are no arrangements for disposal of odd lots since our Equity Shares will be traded in dematerialised form only and market lot for our Equity Shares will be one Equity Share.

New Financial Instruments

Our Company is not issuing any new financial instruments through this Offer.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for lock-in of the pre-Offer capital of our Company, lock-in of the Promoter's minimum contribution under the SEBI ICDR Regulations and the Anchor Investor lock-in as provided in "*Capital Structure*" on page 99 and except as provided under the Articles of Association, there are no restrictions on transfer of the Equity Shares.

Further, there are no restrictions on transmission of any shares of our Company and on their consolidation or splitting, except as provided in the Articles of Association. For details, see "*Main Provisions of Articles of Association*" on page 540.

Withdrawal of the Offer

The Offer shall be withdrawn in the event that 90% of the Offer is not subscribed.

Our Company in consultation with the BRLMs, reserves the right not to proceed with the Offer after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank, to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared and the Stock Exchanges will also be informed promptly.

If our Company in consultation with the BRLMs, withdraws the Offer at any stage and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, this Offer is also subject to obtaining (i) the filing of the Prospectus with the RoC; and (ii) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment. If Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law.

OFFER STRUCTURE

The Offer comprises a Net Offer of up to [●] Equity Shares of face value of ₹ 1 each aggregating up to ₹ 12,000.00 million and may comprise of Employee Reservation Portion of up to [●] Equity Shares of face value of ₹ 1 each aggregating up to ₹ [●] million. The Employee Reservation Portion shall not exceed 5% of our post-Offer paid-up Equity Share capital. The Offer and the Net Offer shall constitute [●] % and [●] %, respectively of the post-Offer paid-up Equity Share capital of our Company. The face value of each Equity Share is ₹ 1 each.

Our Company, in consultation with the BRLMs, may consider issue of specified securities, as may be permitted under the applicable law, aggregating up to ₹1,800.00 million prior to filing of the Red Herring Prospectus with the RoC ("Pre-IPO Placement"). The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.

The Offer is being made through the Book Building Process.

The face value of the Equity Shares is ₹1 each.

Particulars	Eligible Employee(1)#	QIBs (2)	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment/ allocation*(3)	Up to [●] Equity Shares of face value of ₹ 1 each	Not more than [●] Equity Shares	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Retail Individual Bidders	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Non-Institutional Bidders.
Percentage of Offer Size available for Allotment/ allocation	The Employee Reservation Portion shall constitute up to [●] % of the post-Offer paid-up Equity share capital of our Company.	Not more than 50% of the Offer size shall be allocated to QIB Bidders. However, up to 5% of the Net QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance Net QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion.	Not less than 15% of the Offer. The allotment to each Non-Institutional Bidder shall not be less than the minimum application size, subject to availability of Equity Shares in the Non-Institutional Portion and the remaining available Equity Shares, if any, shall be available for allocation out of which: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 0.2 million and up to ₹ 1.0 million; and (ii) two-third of the portion available to Non-Institutional Bidders shall be	Not less than 35% of the Offer

Particulars	Eligible Employee[(1)#]	QIBs [(2)]	Non-Institutional Bidders	Retail Individual Bidders
			reserved for applicants with application size of more than ₹ 1.0 million. provided that the unsubscribed portion in either of the sub-categories specified above may be allocated to applicants in the other sub-category of Non-Institutional Bidders.	
Basis of Allotment/ allocation if respective category is oversubscribed*	Proportionate; unless the Employee Reservation Portion is undersubscribed, the value of allocation to an Eligible Employee shall not exceed ₹200,000(net of the Employee Discount, if any). In the event of undersubscription in the Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees for a value exceeding ₹200,000, subject to total Allotment to an Eligible Employee not exceeding ₹500,000.	Proportionate[#]; unless the Employee Reservation Portion is undersubscribed, the value of allocation to an Eligible Employee shall not exceed ₹ 200,000 (net of Employee Discount). In the event of undersubscription in the Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees bidding in the Employee Reservation Portion for a value exceeding ₹ 200,000 (net of Employee Discount), subject to total Allotment to an Eligible Employee not exceeding ₹ 500,000 (net of Employee Discount)	The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following: One-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹ 200,000 and up to ₹ 1,000,000 and two-thirds of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹ 1,000,000, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Investors in accordance with SEBI ICDR Regulations. The Allotment to each Non-Institutional Investor shall not be less than the minimum application size, subject to availability in the Non-Institutional Portion, and the remainder, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in Schedule XIII of the SEBI ICDR Regulations, subject to valid Bids being	The allotment to each Retail Individual Bidders shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. For details, see "*Offer Procedure*" beginning on page 516.

Particulars	Eligible Employee(1)#	QIBs (2)	Non-Institutional Bidders	Retail Individual Bidders
			received at or above the Offer Price. For details, see "*Offer Procedure*" beginning on page 516.	
Minimum Bid	[●] Equity Shares of face value of ₹1 each and in multiples of [●] Equity Shares of face value of ₹ 1 each thereafter.	Such number of Equity Shares in multiples of [●] Equity Shares, that the Bid Amount exceeds ₹200,000 and in multiples of [●] Equity Shares thereafter	Such number of Equity Shares that the Bid Amount exceeds ₹200,000 and in multiples of [●] Equity Shares thereafter	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares, so that the maximum Bid Amount by each Eligible Employee in Eligible Employee Portion does not exceed ₹ 500,000.	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Offer (excluding the Anchor Investor Portion), subject to applicable limits under applicable law.	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Offer (excluding the QIB Portion), subject to limits prescribed under applicable law.	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹200,000.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter			
Mode of allotment	Compulsorily in dematerialised form			
Allotment Lot	minimum of [●] Equity Shares and in multiples of one Equity Share thereafter			
Trading Lot	One Equity Share			
Who can apply(4)	Eligible Employees	Public financial institutions (as specified in Section 2(72) of the Companies Act), scheduled commercial banks, Mutual Funds, Eligible FPIs, VCFs, AIFs, multilateral and bilateral development financial institutions, state industrial development corporation, insurance companies registered with IRDAI, provident funds (subject to applicable law) with minimum corpus of ₹250 million, pension funds with minimum corpus of ₹250 million, National Investment Fund set up by the Government of India, the insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically	Resident Indian individuals, Eligible NRIs, HUFs (in the name of the karta), companies, corporate bodies, scientific institutions societies and trusts and any individuals, corporate bodies and family offices which are re-categorised as category II FPIs and registered with SEBI	Resident Indian individuals, Eligible NRIs and HUFs (in the name of the karta)

Particulars	Eligible Employee[(1)#]	QIBs [(2)]	Non-Institutional Bidders	Retail Individual Bidders
		Important Non-Banking Financial Companies.		
Terms of Payment		**In case of Anchor Investors**: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids[(5)] **In case of all other Bidders**: Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank(s) through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form.		
Mode of Bidding^		Only through the ASBA process, including the UPI mechanism as applicable (except for Anchor Investors). SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹ 500,000 shall use UPI. Individual investors bidding under the Non-Institutional Portion bidding for more than ₹ 200,000 and up to ₹ 500,000 shall be required to use the UPI Mechanism.		

^ SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, has mandated that ASBA applications in public issues shall be processed only after the application monies are blocked in the bank accounts of the investors. Accordingly, Stock Exchanges shall, for all categories of investors viz. QIBs, NIBs and RIBs and also for all modes through which the applications are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked

Assuming full subscription in the Offer.

[#]Eligible Employees Bidding in the Employee Reservation Portion can Bid up to a Bid Amount of ₹500,000 (net of Employee Discount). However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹ 200,000 (net of Employee Discount). In the event of under-subscription in the Employee Reservation Portion the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000 (net of Employee Discount), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000 (net of Employee Discount). Further, an Eligible Employee Bidding in the Employee Reservation Portion can also Bid in the Net Offer and such Bids will not be treated as multiple Bids subject to applicable limits. Furthermore, an Eligible Employee Bidding in the Employee Reservation Portion shall be added back to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of such under-subscription shall be permitted from the Employee Reservation Portion.

(1) *Eligible Employees Bidding in the Employee Reservation Portion can Bid up to a Bid Amount of ₹ 500,000. However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹ 200,000. In the event of under-subscription in the Employee Reservation Portion the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000. Further, an Eligible Employee Bidding in the Employee Reservation Portion can also Bid in the Net Offer and such Bids will not be treated as multiple Bids subject to applicable limits. The undersubscribed portion, if any, in the Employee Reservation Portion shall be added back to the Net Offer. In case of undersubscription in the Net Offer, spill-over to the extent of such under-subscription shall be permitted from the Employee Reservation Portion.*

(2) *Our Company in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being made to other Anchor Investors. For details, see "Offer Procedure" on page 516.*

(3) *Subject to valid Bids being received at or above the Offer Price. This Offer is being made in accordance with Rule 19(2)(b) of the SCRR and under Regulation 6(1) of the SEBI ICDR Regulations. Under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹ 200,000 (net of Employee Discount, if any). In the event of undersubscription in the Employee Reservation Portion, the unsubscribed will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000 (net of Employee Discount, if any), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000 (net of Employee Discount, if any). Further, an Eligible Employee Bidding in the Employee Reservation Portion can also Bid in the Net Offer and such Bids will not be treated as multiple Bids subject to applicable limits.*

(4) *If the Bid is submitted in joint names, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the depository account held in joint names. The signature of only the First Bidder would be required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders. Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares. Further, an Eligbile Employee Bidding in the Employee Reservation Portion may also Bid under the Net Offer and such Bids shall not be treated as multiple Bids. To clarify, an Eligible Employee Bidding in the Employee Reservation Portion above ₹500,000 shall not be allowed to Bid in the Net Offer as such Bids shall be treated as multiple Bids.*

(5) *Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Form, provided that any difference between the price at which Equity Shares are allocated to the Anchor Investors and the Anchor Investor Offer Price, shall be payable by the Anchor Investor pay-in date as mentioned in the CAN.*

[(6)] *In case the Offer Price is lower than the Anchor Investor Allocation Price, the amount in excess of the Offer Price paid by the Anchor Investors shall not be refunded to them.*
[(7)] *Anchor Investors are not permitted to use the ASBA process.*

The Bids by FPIs with certain structures as described under "*Offer Procedure - Bids by FPIs*" on page 524 and having the same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed.

Eligible Employees Bidding in the Employee Reservation Portion at a price within the Price Band can make payment based on Bid Amount less Employee Discount, at the time of making a Bid. Eligible Employees Bidding in the Employee Reservation Portion at the Cut-Off Price have to ensure payment at the Cap Price less Employee Discount, at the time of making a Bid.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, see "*Terms of the Offer*" on page 504.

In case of any revision in the Price Band, the Bid/ Offer Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a public announcement and also by indicating the change on the websites of the Book Running Lead Managers and at the terminals of the members of the Syndicate.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.

OFFER PROCEDURE

*All Bidders should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (the "**General Information Document**") which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer especially in relation to the process for Bids by UPI Bidders through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this section.*

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) Category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) Payment Instructions for ASBA Bidders/Applicants; (v) Issuance of CAN and allotment in the Offer; (vi) General instructions (limited to instructions for completing the Bid cum Application Form); (vii) Submission of Bid cum Application Form; (viii) Other Instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (ix) disposal of application (x) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (xi) mode of making refunds; (xii) Designated Date and (xiii) interest in case of delay in allotment or refund.

*SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIIs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. ("**UPI Phase I**"). The UPI Phase I was effective till June 30, 2019.*

*With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**"). Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. The final reduced timeline was made effective using the UPI Mechanism for applications by RIBs ("**UPI Phase III**") pursuant to SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, and accordingly the revised timeline of T+3 days has been made applicable in two phases i.e. (i) voluntary for all public issues opening on or after September 1, 2023; and (ii) mandatory for all public issues opening on or after December 1, 2023. The Offer shall be undertaken pursuant to the processes and procedures under UPI Phase III or any other circular or clarification or notification which may be issued by SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, read with circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. Subsequently, vide the SEBI RTA Master Circular, consolidated the circulars no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to the SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 to the extent relevant for RTAs, and rescinded these circulars. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings whose application sizes are up to ₹0.50 million shall use the UPI Mechanism. Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings shall be processed only after application monies are blocked in the bank accounts of investors (all categories). These circulars are effective for initial public offers opening on/or after May 1, 2021, and the provisions of these circulars, as amended, are deemed to form part of this Draft Red Herring Prospectus.*

In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI RTA Master Circular, shall continue to form part of the agreements being signed between the *intermediaries involved in the public issuance process and lead managers shall continue to coordinate with intermediaries involved in the said process.*

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, has reduced the timelines for refund of Application money to four days.

The BRLMs shall be the nodal entity for any issues arising out of the public issuance process. Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed only after application monies are blocked in the bank accounts of investors (all categories).

Our Company, the Promoter Selling Shareholders and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus or as will be specified in the Red Herring Prospectus and the Prospectus.

Further, our Company, the Promoter Selling Shareholders and the Members of the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Offer.

Book Building Procedure

The Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the SEBI ICDR Regulations and in compliance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer shall be allocated on a proportionate basis to QIBs, provided that our Company in consultation with and the Book Running Lead Managers, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders, of which one-third shall be available for allocation to Bidders with an application size more than ₹ 0.2 million to ₹ 1 million and two-thirds shall be available for allocation to Bidders with an application size of more than ₹ 1 million in accordance with the SEBI ICDR Regulations, and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Furthermore, up to [●] Equity Shares, aggregating up to ₹ [●] million shall be made available for allocation on a proportionate basis only to Eligible Employees Bidding in the Employee Reservation Portion, subject to valid Bids being received at or above the Offer Price net of Employee Discount, if any. The Employee Reservation Portion shall not exceed 5% of our post -Offer paid-up equity share capital subject to valid Bids being received at or above the Offer Price, net of Employee Discount.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category including Employee Reservation Portion except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories, at the discretion of our Company, in consultation with the Book Running Lead Managers, and the Designated Stock Exchange and subject to applicable laws. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories. Further, in the event of an under-subscription in the Employee Reservation Portion, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the

Employee Reservation Portion, for a value in excess of ₹ 200,000 (net of Employee Discount) subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000 (net of Employee Discount). The unsubscribed portion, if any, in the Employee Reservation Portion shall be added to the Net Offer.

All potential Bidders (except Anchor Investors) are required to mandatorily utilise the ASBA process providing details of their respective ASBA accounts, and UPI ID (in case of UPI Bidders) if applicable, in which the corresponding Bid Amounts will be blocked by the SCSBs or under the UPI Mechanism, as applicable. Our Company, in consultation with the BRLMs, may consider issue of specified securities, as may be permitted under the applicable law, aggregating up to ₹1,800.00 million prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Offer Price. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialized mode on the platform of the Stock Exchanges.

Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID and PAN, and UPI ID in case of UPI Bidders and Eligible Employees Bidding in the Employee Reservation portion using the UPI Mechanism) and PAN, shall be treated as incomplete and will be rejected. However, they may get the Equity Shares rematerialised subsequent to Allotment of the Equity Shares in the Offer, subject to compliance with applicable laws.

Bidders must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020, press release dated June 25, 2021, September 17, 2021, March 30, 2022 and March 28, 2023.

Phased implementation of UPI

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of inter alia, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by UPI Bidders through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, a RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase has become applicable from July 1, 2019. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 had decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Subsequently, SEBI vide its circular no.

SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase.

Phase III: This phase has become applicable on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023, vide SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 ("**T+3 Notification**"). In this phase, the time duration from public issue closure to listing has been reduced to three Working Days. The Offer shall be undertaken pursuant to the processes and procedures as notified in the T+3 Notification as applicable, subject to any circulars, clarification or notification issued by SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

This Offer is mandatorily being made under Phase III of the UPI Mechanism.

Pursuant to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 issued by SEBI, as amended by the SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated April 20, 2022 (the "UPI Streamlining Circular"), SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Streamlining Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalized. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post–Offer BRLM will be required to compensate the concerned investor.

The Offer shall be undertaken pursuant to the processes and procedures under UPI Phase III. All SCSBs offering the facility of making application in public issues shall also provide facility to make application using UPI. Our Company will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and/or payment instructions of the UPI Bidders. The same will be advertised in all editions of [●], an English national daily newspaper, all editions of [●] , a Hindi national daily newspaper, (Hindi being the regional language of Delhi, where our Registered Office is located), each with wide circulation on or prior to the Bid/Offer Opening Date and such advertisement shall also be made available to the Stock Exchanges for the purpose of uploading on their websites. Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹500,000 shall use the UPI Mechanism. This circular has come into force for initial public offers opening on or after May 1, 2022 and the provisions of these circular are deemed to form part of this Draft Red Herring Prospectus

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid/Offer Opening Date. The Bid cum Application Form for Eligible Employees Bidding in the Employee Reservation Portion will be available only at our offices in India.

Copies of the Anchor Investor Application Form will be available with the BRLMs.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process. UPI Bidders can additionally Bid through the UPI Mechanism.

UPI Bidders must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected. UPI Bidders bidding using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of the SEBI. ASBA Bidders must provide either (i) the bank account details and authorisation to block funds in the ASBA Form, or (ii) the UPI ID (in case of UPI Bidders) as applicable, in the relevant space provided in the ASBA Form. The ASBA Forms that do not contain such details will be rejected. Applications made by the UPI Bidders using third party bank account or using third party linked bank account UPI ID are liable for rejection. Anchor Investors are not permitted to participate in the Offer through the ASBA process. ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the relevant Designated Intermediary, submitted at the relevant Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. Since the Offer is made under Phase III of the UPI Circulars, ASBA Bidders may submit the ASBA Form in the manner below:

(i) UPI Bidders may submit their ASBA Forms with the Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

(ii) QIBs and Non-Institutional Bidders (other than Non-Institutional Bidders using UPI Mechanism) may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.

ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable at the time of submitting the Bid as the application made by a Bidder shall only be processed after the Bid amount is blocked in the ASBA account of the Bidder pursuant to SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, which shall be effective from September 1, 2022.

Anchor Investors are not permitted to participate in the Offer through the ASBA process. For Anchor Investors, the Anchor Investor Application Form will be available with the Book Running Lead Managers.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians, including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis	[●]
Eligible NRIs, FPIs and registered bilateral and multilateral institutions applying on a repatriation basis	[●]
Anchor Investors	[●]
Eligible Employees Bidding in the Employee Reservation Portion	[●]

* *Excluding electronic Bid cum Application Forms*

Notes:

(1) *Electronic Bid cum Application forms and the abridged prospectus will also be available for download on the website of NSE (www.nseindia.com) and BSE (www.bseindia.com)*

(2) *Bid cum Application Forms for Anchor Investors shall be available at the offices of the BRLMs*

In case of ASBA forms, the relevant Designated Intermediaries shall upload the relevant bid details in the electronic bidding system of the Stock Exchanges and the Stock Exchanges shall accept the ASBA applications in their electronic bidding system only with a mandatory confirmation on the application monies blocked. For ASBA Forms (other than UPI Bidders) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank. Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded. The Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank(s) on a continuous basis to enable the Sponsor Bank(s) to initiate UPI Mandate Request to UPI Bidders for blocking of funds. For ASBA Forms (other than UPI Bidders) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

For UPI Bidders, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank(s) on a continuous basis through API integration to enable the Sponsor Bank(s) to initiate a UPI Mandate Request to such UPI Bidders for blocking of funds. The Sponsor Bank(s) shall initiate request for blocking of funds through NPCI to UPI Bidders, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Bank and the issuer bank. The Sponsor Bank(s) and the Bankers to the Offer shall provide the audit trail to the BRLMs for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated April 20, 2022. In accordance with BSE Circular No: 20220803-40 and NSE Circular No: 25/2022, each dated August 3, 2022, for all pending UPI Mandate Requests, the Sponsor Bank(s) shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on the Bid/ Offer Closing Date ("**Cut-Off Time**"). Further, pursuant to NSE circular dated July 22, 2022 with reference no. 23/2022 and BSE circular dated July 22, 2022 with reference no. 20220722-30, has mandated that Trading Members, Syndicate Members, RTA and Depository Participants shall submit Syndicate ASBA bids above ₹500,000 and NII & QIB bids above ₹200,000, through SCSBs only Accordingly, UPI Bidders should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse. Further, modification of Bids shall be allowed in parallel during the Bid/Offer Period until the Cut-Off Time.

The Sponsor Bank(s) will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank(s) will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the BRLMs in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank(s) and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Bank(s) on a continuous basis. The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the SCSBs only after such banks provide a written confirmation in compliance with the SEBI RTA Master Circular in a format as prescribed by SEBI, from time to time, and such payment of processing fees to the SCSBs shall be made in compliance with circulars prescribed by SEBI and applicable law. The Offer will be made under UPI Phase III of the UPI Circular.

The Sponsor Bank(s) shall host a web portal for intermediaries (closed user group) from the date of Bid/Offer Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Offer Bidding process.

Pursuant to NSE circular dated August 3, 2022, the following is applicable to all initial public offers opening on or after September 1, 2022:

a. Cut-off time for acceptance of UPI Mandate shall be up to 5:00 pm on the initial public offer closure date and existing process of UPI bid entry by syndicate members, registrars to the offer and depository participants shall continue till further notice.

b. There shall be no T+1 mismatch modification session for PAN-DP mismatch and bank/ location code on T+1 day for already uploaded bids. The dedicated window provided for mismatch modification on T+1 day shall be discontinued.

c. Bid entry and modification/ cancellation (if any) shall be allowed in parallel to the regular bidding period up to 5:00 pm on the initial public offer closure day.

Exchanges shall display bid details of only successful ASBA blocked applications i.e. Application with latest status as RC 100 – Block Request Accepted by Investor/ Client.

ELECTRONIC REGISTRATION OF BIDS

a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.

b) On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.

c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 5:00 pm on the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

d) QIBs and Non-Institutional Investors can neither revise their bids downwards nor cancel/withdraw their bids.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Participation by our Promoters and members of the Promoter Group of the Company, the BRLMs and the Syndicate Members

The BRLMs and the Syndicate Members shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members may Bid for Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither (i) the BRLMs or any associates of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associates of the BRLMs or FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associates of the BRLMs) nor (ii) any "person related to the Promoter/ Promoter Group" shall apply in the Offer under the Anchor Investor Portion.

For the purposes of this section, a QIB who has any of the following rights shall be deemed to be a "person related to the Promoter/ Promoter Group": (a) rights under a shareholders' agreement or voting agreement entered into with the Promoter or Promoter Group; (b) veto rights; or (c) right to appoint any nominee director on Board of Directors. Further, an Anchor Investor shall be deemed to be an associate of the BRLMs, if: (a) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (c) there is a common director, excluding a nominee director, amongst the Anchor Investor and the BRLMs.

The Promoters and members of the Promoter Group will not participate in the Offer.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its NAV in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their respective SCSB to block their Non-Resident External ("**NRE**") accounts, or Foreign Currency Non-Resident ("**FCNR**") Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their respective SCSB to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (White in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (Blue in colour).

Participation by Eligible NRIs in the Offer shall be subject to the FEMA Rules. Only Bids accompanied by payment in Indian rupees or fully converted foreign exchange will be considered for Allotment.

In accordance with the FEMA Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

Participation of Eligible NRIs in the Offer shall be subject to the FEMA NDI Rules. Only Bids accompanied by payment in Indian rupees or fully converted foreign exchange will be considered for Allotment. By way of Press Note 1 (2021 Series) dated March 19, 2021, issued by the DPIIT, it has been clarified that an investment made by an Indian entity which is owned and controlled by NRIs on a non-repatriation basis, shall not be considered for calculation of indirect foreign investment.

For details of investment by NRIs, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 539. Participation of Eligible NRIs shall be subject to the FEMA Non-debt Instruments Rules.

Bids by HUFs

Bids by Hindu Undivided Families or HUFs should be made in the individual name of the Karta. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids/Applications by HUFs will be considered at par with Bids/Applications from individuals.

Bids by FPIs

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Non-debt Instruments Rules, the total holding by each FPI, of an investor group, shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis and the aggregate limit for FPI investments shall be the sectoral caps applicable to our Company, which is 100% of the total paid-up Equity Share capital of our Company on a fully diluted basis.

In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. Further, the total holdings of all FPIs put together, with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%). In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. Bids by FPIs which utilise the multi investment manager structure, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs may not be treated as multiple Bids.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI issuing offshore derivate instruments is also required to ensure that any transfer of offshore derivative instruments issued by, or on behalf of it subject to, inter alia, the following conditions:

(a) such offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and

(b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred are pre-approved by the FPI.

Participation of FPIs in the Offer shall be subject to the FEMA NDI Rules.

The FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for non-residents. Bids received from FPIs bearing the same PAN shall be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the operational guidelines for FPIs and designated Depository Participants issued to facilitate implementation of SEBI FPI Regulations and in accordance with SEBI master circular bearing reference number SEBI/HO/AFD-2/CIR/P/2022/175 dated December 19, 2022 (such structure referred to as "**MIM Structure**"), provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs.

Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation in the Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure. In the absence of such confirmation from the relevant FPIs, such multiple Bids shall be rejected.

Further, in the following cases, Bids by FPIs shall not be treated as multiple Bids:

- FPIs which utilise the MIM structure, indicating the name of their respective investment managers in such confirmation;

- Offshore derivative instruments which have obtained separate FPI registration for ODI and proprietary derivative investments;

- Sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration;
- FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager;
- Multiple branches in different jurisdictions of foreign bank registered as FPIs;
- Government and Government related investors registered as Category 1 FPIs;
- Entities registered as collective investment scheme having multiple share classes; and
- Multiple branches in different jurisdictions of foreign bank registered as FPIs.

The Bids belonging to any of the above mentioned seven structures and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares allotted in the Bid may be proportionately distributed to the applicant FPIs (with same PAN). In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize any of the above-mentioned structures and indicate the name of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids shall be rejected.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents (Blue in colour).

Bids by SEBI registered VCFs, AIFs and FVCIs

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 ("**SEBI VCF Regulations**") as amended, inter alia prescribe the investment restrictions on VCFs, registered with SEBI. The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 ("**SEBI AIF Regulations**") prescribe, amongst others, the investment restrictions on AIFs. The Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 as amended ("**SEBI FVCI Regulations**") prescribe the investment restrictions on FVCIs.

Accordingly, the holding in any company by any individual VCF or FVCIs registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offering.

Category I and II AIFs cannot invest more than 25% of the investible funds in one investee company. A Category III AIF cannot invest more than 10% of the investible funds in one investee company. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking whose shares are proposed to be listed. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations. Participation of VCFs, AIFs or FVCIs in the Offer shall be subject to the FEMA NDI Rules.

There is no reservation for Eligible NRI Bidders, AIFs, FPIs and FVCIs. All Bidders will be treated on the same basis with other categories for the purpose of allocation.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company, Promoter Selling Shareholders or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserves the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason, subject to applicable law.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 (the "**Banking Regulation Act**"), and Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016 is 10% of the paid-up share capital of the investee company or 10% of the bank's own paid-up share capital and reserves, whichever is less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI, provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act or the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on loans/investments made to a company. The bank is required to submit a time-bound action plan for disposal of such shares within a specified period to the RBI. A banking company would require a prior approval of the RBI to make investment in excess of 30% of the paid-up share capital of the investee company, investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended. Bids by banking companies s should not exceed the investment limits prescribed for them under the applicable laws.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars (Nos. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013) dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers are prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2016, as amended ("**IRDAI Investment Regulations**"), based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Bidders are advised to refer to the IRDAI Investment Regulations for specific investment limits applicable to them.

Insurance companies participating in the Offer are advised to refer to the IRDAI Investment Regulations for specific investment limits applicable to them and shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserves the right to reject any Bid, without assigning any reason thereof.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million (subject to applicable law) and pension funds with a minimum corpus of ₹250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company in consultation with the BRLMs in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form subject to the terms and conditions that our Company in consultation with the BRLMs may deem fit.

Bids by Anchor Investors

(a) In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section the key terms for participation by Anchor Investors are provided below. Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLMs.

(b) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹ 100.00 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹ 100.00 million.

(c) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.

(d) Bidding for Anchor Investors will open one Working Day before the Bid/Offer Opening Date, and will be completed on the same day.

(e) Our Company in consultation with the BRLMs may finalise allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than: maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹ 100.00 million; minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100.00 million but up to ₹ 2,500.00 million, subject to a minimum Allotment of ₹ 50.00 million per Anchor Investor; and in case of allocation above ₹ 2,500.00 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500.00 million, and an additional 10 Anchor Investors for every additional ₹ 2,500.00 million, subject to minimum Allotment of ₹ 50.00 million per Anchor Investor.

(f) Allocation to Anchor Investors will be completed on the Anchor Investor Bid/Offer Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made, will be made available in the public domain by the BRLMs before the Bid/Offer Opening Date, through intimation to the Stock Exchanges.

(g) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

(h) If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Offer Price will be payable by the Anchor Investors on the Anchor Investor Pay-In Date specified in the CAN. If the Offer Price is lower than the Anchor Investor Offer Price, Allotment to successful Anchor Investors will be at the higher price.

(i) There shall be a lock-in of 90 days on 50% of the Equity Shares Allotted to the Anchor Investors from the date of Allotment, and a lock-in of 30 days on the remaining 50% of the Equity Shares Allotted to the Anchor Investors from the date of Allotment

(j) Neither the BRLMs nor any associate of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs, other than individuals, corporate bodies and family offices sponsored by the entities which are associates of the BRLMs), nor any "person related to Promoter or Promoter Group" shall apply in the Offer under the Anchor Investor Portion.

(k) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids. The above information is given for the benefit of the Bidders. Our Company and the Promoter Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

The above information is given for the benefit of the Bidders. Our Company and the Promoter Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor, and (iii) such other approval as may be required by the Systemically Important NBFCs, are required to be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof. Systemically Important NBFCs participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

Bids by Eligible Employees

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹ 500,000 (net of Employee Discount) on a net basis. However, the initial allocation to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 200,000. Allotment in the Employee Reservation Portion will be as detailed in the section titled "*Offer Structure*" on page 511.

However, Allotments to Eligible Employees in excess of ₹ 200,000 (net of Employee Discount) shall be considered on a proportionate basis, in the event of undersubscription in the Employee Reservation Portion, subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000 (which will be less than Employee Discount). Subsequent undersubscription, if any, in the Employee Reservation Portion shall be added back to the Net Offer. Eligible Employees Bidding in the Employee Reservation Portion may Bid at the Cut-off Price.

Bids under the Employee Reservation Portion by Eligible Employees shall be:

1. Made only in the prescribed Bid cum Application Form or Revision Form (i.e. [●] form).

2. Only Eligible Employees (excluding such other persons not eligible under applicable laws, rules, regulations and guidelines) would be eligible to apply in this Offer under the Employee Reservation Portion.

3. In case of joint bids, the sole/ First Bidder shall be the Eligible Employee.

4. Bids by Eligible Employees may be made at Cut-off Price.

5. Only those Bids, which are received at or above the Offer Price, net of Employee Discount, would be considered for allocation under this portion.

6. The Bids must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee subject to a maximum Bid Amount of ₹ 500,000 (net of Employee Discount) on a net basis.

7. If the aggregate demand in this portion is less than or equal to [●] Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand.

8. Eligible Employee Bidding in the Employee Reservation Portion can also Bid under the Net Offer and such Bids will not be treated as multiple Bids subject to applicable limits. Eligible Employee can also apply under Retail Portion. However, Bids by Eligible Employees in the Employee Reservation Portion and in the Non-Institutional Portion shall be treated as multiple Bids, only if Eligible Employee has made an application of more than ₹2,00,000 (net of Employee Discount) in the Employee reservation portion.

9. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.

10. As per the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, Eligible Employees bidding in the Employee Reservation Portion can also Bid through the UPI mechanism.

11. Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Offer.

In case of under-subscription in the Employee Reservation Portion , the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000 (net of Employee Discount), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000 (net of Employee Discount). If the aggregate demand in this category is greater than [●] Equity Shares at or above the Offer Price, the allocation shall be made on a proportionate basis.

Please note that any individuals who are directors, employees or promoters of (a) the Lead Manager, Registrar to the Offer, or the Syndicate Members, or of the (b) 'associate companies' (as defined in the Companies Act, 2013, as amended) and 'group companies' of such Lead Manager, Registrar to the Offer or Syndicate Members are not eligible to bid in the Employee Reservation Portion.

In accordance with existing regulations issued by the RBI, OCBs cannot participate in this Offer.

The above information is given for the benefit of the Bidders. Our Company and the Promoter Selling Shareholders, and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in the Red Herring Prospectus.

General Instructions

Please note that QIBs and Non-Institutional Bidders are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. RIBs can revise their Bid(s) during the Bid/Offer Period and withdraw or lower the size of their Bid(s) until Bid/Offer Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bid/Offer Period.

Do's:

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

2. Ensure that you have Bid within the Price Band;

3. Read all the instructions carefully and complete the Bid cum Application Form, as the case may be, in the prescribed form;

4. Ensure that you have mentioned the correct ASBA Account number if you are not a UPI Bidder using the UPI Mechanism in the Bid cum Application Form and if you are a UPI Bidder using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;

5. UPI Bidders using UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. UPI Bidders shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019;

6. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time;

7. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB, before submitting the ASBA Form to any of the Designated Intermediaries;

8. If the first applicant is not the bank account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;

9. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

10. Ensure that you request for and receive a stamped acknowledgement counterfoil of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

11. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms;

12. UPI Bidders Bidding in the Offer to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID (only for UPI Bidders using the UPI Mechanism) to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;

13. The ASBA Bidders shall ensure that bids above ₹5,00,000, are uploaded only by the SCSBs;

14. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

15. Do not Bid for a Bid Amount exceeding ₹200,000 for Bids by Retail Individual Bidders; and ₹ 500,000 for Bids by Eligible Employees Bidding in the Employee Reservation Portion;

16. Ensure that you have correctly signed the authorisation/ undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or Sponsor Bank(s), as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of UPI Bidders submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank(s) for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

17. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular no. MRD/DoP/Cir-20/2008 dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities

market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

18. Ensure that the Demographic Details are updated, true and correct in all respects;

19. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

20. Ensure that the category and the investor status is indicated in the Bid cum Application Form;

21. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;

22. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;

23. Since the Allotment will be in demat form only, ensure that the Bidder's depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the Depository database;

24. RIBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank(s) to authorise blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA Account;

25. Anchor Investors should submit the Anchor Investor Application Forms to the BRLMs;

26. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank(s) prior to 5:00 p.m. of the Bid/ Offer Closing Date;

27. Ensure that the PAN is linked with Aadhaar and are in compliance with notification dated February 13, 2020 and press release dated June 25, 2021 issued by Central Board of Direct Taxes;

28. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;

29. UPI Bidders shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, a UPI Bidder may be deemed to have verified the attachment containing the application details of the RIB in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank(s) to block the Bid Amount mentioned in the Bid Cum Application Form; and

30. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and UPI Bidders) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has

named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at www.sebi.gov.in).

31. Bids by Eligible NRIs for a Bid Amount of less than ₹ 200,000 would be considered under the Retail category for the purposes of allocation and Bids for a Bid Amount exceeding ₹ 200,000 would be considered under the Non-Institutional category for allocation in the Offer.

32. In case of ASBA Bidders (other than 3-in-1 Bids) Syndicate Members shall ensure that they do not upload any bids above ₹ 500,000;

33. Ensure that your PAN is linked with your Aadhaar card, and that you are in compliance with notification dated Feb 13, 2020 and press release dated June 25, 2021, each issued by the Central Board of Direct Taxes.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;

2. Do not Bid for a Bid Amount exceeding ₹200,000 for Bids by Retail Individual Bidders;

3. Do not Bid for a Bid Amount exceeding ₹200,000 for Bids by Retail Individual Bidders and ₹ 500,000 for Bids by Eligible Employees Bidding in the Employee Reservation Portion (net of Employee Discount);

4. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;

5. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;

6. Do not Bid at Cut-off Price for Bids by QIBs and Non-Institutional Bidders;

7. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

8. Do not submit the Bid for an amount more than funds available in your ASBA account.

9. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of a Bidder;

10. In case of ASBA Bidders, do not submit more than one ASBA Form per ASBA Account;

11. If you are a UPI Bidder, do not submit more than one ASBA Form for each UPI ID;

12. Anchor Investors should not Bid through the ASBA process;

13. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;

14. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;

15. Do not submit the General Index Register ("**GIR**") number instead of the PAN;

16. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;

17. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;

18. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);

19. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;

20. Do not submit a Bid using UPI ID, if you are not a UPI Bidder;

21. Do not submit your Bid after 3 p.m. on the Bid/ Offer Closing Date;

22. If you are a QIB, do not submit your Bid after 3 p.m. on the Bid/ Offer Closing Date for the QIBs;

23. Do not Bid on another ASBA Form or the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;

24. Do not Bid for Equity Shares in excess of what is specified for each category;

25. In case of ASBA Bidders (other than 3-in-1 Bids), Syndicate Members shall ensure that they do not upload any bids above ₹500,000.

26. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for, exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus;

27. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion (subject to the Bid Amount being up to ₹ 200,000), can revise or withdraw their Bids on or before the Bid/Offer Closing Date;

28. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. Retail Individual Bidders can revise or withdraw their Bids on or before the Bid/Offer Closing Date;

29. Do not submit Bids to a Designated Intermediary at a location other than the Bidding Centres;

30. If you are a UPI Bidder which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third party bank account or third party linked bank account UPI ID;

31. Do not Bid if you are an OCB;

32. UPI Bidders using the incorrect UPI handle or using a bank account of an SCSB and/ or mobile applications which is not mentioned in the list provided on the SEBI website is liable to be rejected;

33. Do not submit the Bid cum Application Forms to any non-SCSB bank;

34. Do not submit a Bid cum Application Form with third party ASBA Bank Account or UPI ID (in case of Bids submitted by UPI Bidder);

35. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by Retail Individual Bidders) and ₹500,000 for Bids by Eligible Employees Bidding in the Employee Reservation Portion (net of Employee Discount, if any);

36. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Bidders;

37. In case of ASBA Bidders (other than 3 in 1 Bids) Syndicate Members shall ensure that they do not upload any bids above ₹500,000.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Further, in case of any pre-Offer or post Offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to the Company Secretary and Compliance Officer. For details of our Company Secretary and Compliance Officer, see "*General Information*" on page 89.

Further, for helpline details of the BRLMs pursuant to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see "*General Information – Book Running Lead Managers*" on page 92.

Grounds for Technical Rejections

In addition to the grounds for rejection of Bids on technical grounds as provided in the General Information Document, Bidders are requested to note that Bids may be rejected on the following additional technical grounds:

1. Bid submitted without instruction to the SCSB to block the entire Bid Amount;

2. Bids which do not contain details of the Bid Amount and the bank account or UPI ID (for UPI Bidders) details in the ASBA Form;

3. Bids submitted on a plain paper;

4. Bids submitted by UPI Bidders through an SCSB and/or using a Mobile App or UPI handle, not listed on the website of SEBI;

5. Bids under the UPI Mechanism submitted by UPI Bidders using third party bank accounts or using a third party linked bank account UPI ID, subject to availability of information from the Sponsor Bank(s);

6. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;

7. Bids submitted without the signature of the First Bidder or sole Bidder;

8. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;

9. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are "suspended for credit" in terms of SEBI circular (reference number: CIR/MRD/DP/ 22 /2010) dated July 29, 2010;

10. Bids by Retail Individual Bidders with Bid Amount for a value of more than ₹ 200,000;

11. GIR number furnished instead of PAN;

12. Bids uploaded by QIBs and by Non-Institutional Bidders after 4.00 pm on the Bid/Offer Closing Date and Bids by RIBs and Eligible Employees uploaded after 5.00 p.m. on the Bid/Offer Closing Date, unless extended by the Stock Exchanges. On Bid/Offer Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received RIBs and Eligible Employees under the Employee Reservation Portion, after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

13. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals; and

14. Bids accompanied by cheque(s), demand draft(s), stock invest, money order, postal order or cash.

Further, in case of any pre-Offer or post Offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to the Company Secretary and Compliance Officer. For details of our Company Secretary and Compliance Officer, see "*General Information*" on page 89.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/ Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding two Working Days from the Bid/ Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The Book Running Lead Managers shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, Bidders shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Designated Stock Exchange, along with the BRLMs and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in the SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any allotment in excess of the Equity Shares offered through the Red Herring Prospectus and the Prospectus except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than one per cent of the Offer may be made for the purpose of making allotment in minimum lots.

Allocation to Bidders in all categories, except the Retail Portion, Non-Institutional and Anchor Investor Portion, if any, shall be made on a proportionate basis, subject to valid Bids received at or above the Offer Price. The Allocation to each Retail Individual Bidder shall not be less than the minimum Bid lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be Allocated on a proportionate basis. Allocation to Anchor Investors shall be on a discretionary basis.

The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following, and in accordance with the SEBI ICDR Regulations: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for Non-Institutional Bidders with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million, and (ii) two-third of the portion available to Non- Institutional Bidders shall be reserved for Non-Institutional Bidders with application size of more than ₹ 1.00 million, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders. The allotment to each Non-Institutional Bidder shall not be less than the minimum application size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in this regard mentioned in SEBI ICDR Regulations.

Payment into Escrow Account(s) for Anchor Investors

Our Company in consultation with the BRLMs, in their absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account(s) should be drawn in favour of:

(a) In case of resident Anchor Investors: "[●]"

(b) In case of Non-Resident Anchor Investors: "[●]"

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, and the Promoter Selling Shareholders the members of Syndicate, the

Escrow Collection Bank and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre- Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in: (i) all editions of [●], an English national daily newspaper, and (ii) all editions of [●], a Hindi national daily newspaper (Hindi also being the regional language of Delhi wherein our Registered Office is located) each with wide circulation.

In the pre-Offer advertisement, we shall state the Bid/Offer Opening Date and the Bid/ Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

The information set out above is given for the benefit of the Bidders/applicants. Our Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

Signing of the Underwriting Agreement and the Filing with the RoC

(a) Our Company, the Promoter Selling Shareholders and the Underwriters intend to enter into an Underwriting Agreement on or immediately after the finalisation of the Offer Price but prior to the filing of Prospectus.

(b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, Offer size, and underwriting arrangements and will be complete in all material respects.

Depository Arrangements

The Allotment of the Equity Shares in the Offer shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). For more information, see "*Terms of the Offer*" on page 504.

Undertakings by our Company

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and Anchor Investor Application Forms from Anchor Investors;

- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;

- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed shall be taken within six Working Days of the Bid/Offer Closing Date or such other period as may be prescribed by the SEBI;

- if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and applicable law for the delayed period;

- the funds required for making refunds to unsuccessful Bidders as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;

- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- that adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and Anchor Investor Application Forms from Anchor Investors;

- Our Company in consultation with the BRLMs, reserve the right not to proceed with the Offer, in whole or in part thereof, to the extent of the Offered Shares, after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed;

- If our Company in consultation with the BRLMs withdraw the Offer after the Bid/ Offer Closing Date and thereafter determine that it will proceed with an issue of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI; and

- that, except issuance of the Equity Shares pursuant to the Offer and the Pre-IPO Placement, and any exercise of options vested pursuant to the ESOP Scheme, no further issue of the Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded/unblocked in the relevant ASBA Accounts on account of non-listing, under-subscription, etc.

Undertakings by the Promoter Selling Shareholders

Each Promoter Selling Shareholder undertakes, severally and not jointly, in respect of itself as a selling shareholder and its respective portion of its Offered Shares that:

- the Offered Shares are eligible for being offered in the Offer for Sale in terms of the SEBI ICDR Regulations;

- they are the legal and beneficial owner of the Offered Shares and the Offered Shares are free and clear of any pre-emptive rights, liens, mortgages, charges, pledges or any other encumbrances and shall be in dematerialized form at the time of transfer;

- they shall deposit its respective portion of the Offered Shares in an escrow demat in accordance with the share escrow agreement to be executed between the parties to such share escrow agreement;

- they shall provide such reasonable assistance to our Company and the BRLMs in redressal of such investor grievances that pertain to its respective portion of the Offered Shares;

- they shall provide such reasonable cooperation to our Company in relation to its respective portion of the Offered Shares for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges; and

- they shall not have recourse to the proceeds of the Offer which shall be held in escrow in favour of the selling shareholder, until final approval for trading of the Equity Shares from the Stock Exchanges has been received.

The decisions with respect to the Price Band, the minimum Bid lot, revision of Price Band, Offer Price, will be taken by our Company in consultation with the BRLMs.

Only the statements and undertakings in relation to each of the Promoter Selling Shareholders and its portion of the Equity Shares offered in the Offer for Sale which are specifically “confirmed” or “undertaken” by it in this Draft Red Herring Prospectus, shall be deemed to be “statements and undertakings specifically confirmed or undertaken” by such Promoter Selling Shareholders. All other statements and/ or undertakings in this Draft Red Herring Prospectus shall be statements and undertakings made by our Company even if the same relates to the Promoter Selling Shareholders.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

"*Any person who—*

(a) ***makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or***

(b) ***makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or***

(c) ***otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name***

***shall be liable for action under Section 447.*"**

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least ₹ 1 million or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹ 1 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 5 million or with both.

Utilisation of Offer Proceeds

Our Company and the Promoter Selling Shareholders, severally and not jointly, specifically confirm that all monies received out of the Offer shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act.

Our Board of Directors certifies and declares that:

- all monies received out of the Fresh Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;

- details of all monies utilised out of the Offer shall be disclosed, and continue to be disclosed till the time any part of the Fresh Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and

- details of all unutilised monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Foreign investment is permitted (except in the prohibited sectors) in Indian companies, either through the automatic route or the approval route, depending upon the sector in which foreign investment is sought to be made. The Government of India makes policy announcements on FDI through press notes and press releases. The regulatory framework, over a period of time, thus, consists of acts, regulations, press notes, press releases, and clarifications among other amendments. The consolidated FDI policy circular of 2020 dated October 15, 2020 issued by the DPIIT (formerly Department of Industrial Policy & Promotion) ("**FDI Circular**") consolidates the policy framework which was in force as on October 15, 2020. Further, the FDI Circular consolidates and subsumes all the press notes, press releases, and clarifications on FDI issued by DPIIT. The FDI Circular will be valid until the DPIIT issues an updated circular and shall be subject to FEMA Non-debt Instruments Rules.

As per the FDI Circular read with Press Note, 100% foreign direct investment is permitted under the automatic route for human resources and management of human resources functions. In terms of Press Note 3 of 2020, dated April 17, 2020 ("**Press Note**"), issued by the DPIIT, the FDI Circular has been amended to state that all investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the Government of India. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made similar amendment to the FEMA Non-debt Instruments Rules.

Transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI Circular and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Circular; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

For details of the aggregate limit for investments by NRIs and FPIs in our Company, see "*Offer Procedure – Bids by Eligible NRIs*" and "*Offer Procedure – Bids by FPIs*" on page 523.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII - MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Capitalized terms used in this section have the meanings that have been given to such terms in the Articles of Association of our Company.

*All Articles are subject to Companies Act, 2013 ("**the Act**") and the rules made therein. Further, no material clause of the Articles of Association has been left out from disclosure, which may have any bearing on the Offer or disclosure. Pursuant to the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below:*

PRELIMINARY

TABLE 'F' EXCLUDED

The regulations contained in the Table marked 'F' in Schedule I to the Companies Act, 2013, shall not apply to the Company, except in so far as the same are repeated, contained, or expressly made applicable in these Articles or by the said Act.

The regulations for the management of our Company and for the observance by the members thereto and their representatives, shall, subject to any exercise of the statutory powers of our Company with reference to the deletion or alteration of or addition to its regulations by resolution as prescribed or permitted by the Companies Act, 2013, as amended from time to time, be such as are contained in the Articles.

DEFINITIONS AND INTERPRETATION

In these Articles, the following words and expressions, unless repugnant to the subject, shall mean the following:

"***Act***" means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable.

"***Annual General Meeting***" means the annual general meeting of the Company convened and held in accordance with the Act.

"***Articles of Association***" **or** "***Articles***" mean these articles of association of the Company, as may be altered from time to time in accordance with the Act.

"***Board***" or "***Board of Directors***" means the board of directors of the Company in office at applicable times.

"***Depository***" means a depository, as defined in clause (e) of sub-section (1) of Section 2 of the Depositories Act, 1996 and a company formed and registered under the Companies Act, 2013 and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992.

"***Director***" shall mean any director of the Company, including alternate directors, Independent Directors and nominee directors appointed in accordance with and the provisions of these Articles.

"***Equity Shares or Shares***" shall mean the issued, subscribed and fully paid-up equity shares of the Company of Rs. 1/- (Rupees One only) each;

"***Exchange***" shall mean BSE Limited and the National Stock Exchange of India Limited.

"***Extraordinary General Meeting***" means an extraordinary general meeting of the Company convened and held in accordance with the Act;

"***General Meeting***" means any duly convened meeting of the shareholders of the Company and any adjournments thereof;

"***IPO***" means the initial public offering of the Equity Shares of the Company;

"***Member***" means the duly registered holder from time to time, of the shares of the Company and includes the subscribers to the Memorandum of Association and in case of shares held by a Depository, the beneficial owners whose names are recorded as such with the Depository;

"***Memorandum***" or "***Memorandum of Association***" means the memorandum of association of the Company, as may be altered from time to time;

"***Office***" means the registered office, for the time being, of the Company;

"***Officer***" shall have the meaning assigned thereto by the Act;

"***Ordinary Resolution***" shall have the meaning assigned thereto by the Act;

"***Register of Members***" means the register of members to be maintained pursuant to the provisions of the Act and the register of beneficial owners pursuant to Section 11 of the Depositories Act, 1996, in case of shares held in a Depository; and

"***Special Resolution***" shall have the meaning assigned thereto by the Act.

AUTHORISED SHARE CAPITAL

The authorised share capital of the Company shall be such amount, divided into such class(es), denomination(s) and number of shares in the Company as stated in Clause V of the Memorandum of Association, with power to increase or reduce such capital from time to time and power to divide the shares in the capital for the time being into other classes and to attach thereto respectively such preferential, convertible, deferred, qualified, or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate the same in such manner as may be determined by or in accordance with the Articles of the Company, subject to the provisions of applicable law for the time being in force.

NEW CAPITAL PART OF THE EXISTING CAPITAL

Except so far as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of new shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

KINDS OF SHARE CAPITAL

The Company may issue the following kinds of shares in accordance with these Articles, the Act and other applicable laws:

a) Equity Share capital:

  (i) with voting rights; and/or

  (ii) with differential rights as to dividend, voting or otherwise in accordance with the Act; and

b) Preference share capital.

SHARES AT THE DISPOSAL OF THE DIRECTORS

Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Board of Directors who may issue, allot or otherwise dispose of all or any of such shares to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit and with the sanction of the Company in General Meeting give to any person the option or right to call for any shares either at par or at a premium during such time and for such consideration as the Board of Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.

CONSIDERATION FOR ALLOTMENT

The Board of Directors may issue and allot shares of the Company as payment in full or in part, for consideration other than cash including for any property purchased by the Company or in respect of goods sold or transferred or machinery or appliances supplied or for services rendered to the Company in the acquisition and/or in the conduct of its business; and any shares which may be so allotted may be issued as fully paid up shares and if so issued shall be deemed as fully paid up shares.

SUB-DIVISION, CONSOLIDATION AND CANCELLATION OF SHARE CAPITAL

Subject to the provisions of the Act, the Company in its General Meetings may, by an Ordinary Resolution, from time to time:

a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;

b) sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is sub-divided, may determine that as between the holders of the shares resulting from such sub-division one or more of such shares have some preference or special advantage in relation to dividend, capital or otherwise as compared with the others;

c) cancel shares which at the date of such General Meeting have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled;

d) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; provided that any consolidation and division which results in changes in the voting percentage of Members shall require applicable approvals under the Act; and

e) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination.

FURTHER ISSUE OF SHARES

Where at any time the Board or the Company, as the case may be, propose to increase the subscribed capital by the issue of further shares then such shares shall be offered, subject to the provisions of section 62 of the Act, and the rules made thereunder:

(i) to the persons who at the date of the offer are holders of the Equity Shares of the Company, in proportion as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the conditions mentioned in (ii) to (iv) below;

(ii) The offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days (or such lesser number of days as may be prescribed under applicable law) and not exceeding thirty days from the date of the offer, within which the offer if not accepted, shall be deemed to have been declined

Provided that the notice shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing shareholders at least three days before the opening of the issue;

(iii) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause (ii) shall contain a statement of this right;

(iv) After the expiry of time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that the person declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the Members and the Company;

(A) to employees under any scheme of employees' stock option subject to Special Resolution passed by the shareholders of the Company and subject to the rules and such other conditions, as may be prescribed under applicable law; or

(B) to any person(s), if it is authorised by a Special Resolution, whether or not those persons include the persons referred to in clause (A) or clause (B) above either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed under the Act and the rules made thereunder; provided that in respect of issue of shares as aforesaid, subsequent to listing of the equity shares of the Company on the Exchange(s) pursuant to the IPO, the price of the shares shall be determined in accordance with applicable provisions of regulations made by Securities and Exchange Board of India and/or other applicable laws and the requirement for determination of price through valuation report of a registered valuer under the Act and the rules made thereunder shall not be applicable.

(1) Nothing in sub-clause (iii) of Clause (1)(A) shall be deemed:

(i) To extend the time within which the offer should be accepted; or
(ii) To authorize any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

(2) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the debentures issued or loans raised by the Company to convert such debentures or loans into shares in the Company or to subscribe for shares of the Company:

Provided that the terms of issue of such debentures or loans containing such an option have been approved before the issue of such debentures or the raising of such loans by a Special Resolution passed by the Company in a General Meeting.

(3) Notwithstanding anything contained in Article 12(3) hereof, where any debentures have been issued, or loan has been obtained from any government by the Company, and if that government considers it necessary in the public interest so to do, it may, by order, direct that such debentures or loans or any part thereof shall be converted into shares in the Company on such terms and conditions as appear to the Government to be reasonable in the circumstances of the case even if terms of the issue of such debentures or the raising of such loans do not include a term for providing for an option for such conversion:

Provided that where the terms and conditions of such conversion are not acceptable to the Company, it may, within sixty days from the date of communication of such order, appeal to National Company Law Tribunal which shall after hearing the Company and the Government pass such order as it deems fit.

A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the rules made thereunder.

RIGHT TO CONVERT LOANS INTO CAPITAL

Notwithstanding anything contained in sub-clauses(s) of Article 11 above, but subject, however, to the provisions of the Act, the Company may increase its subscribed capital on exercise of an option attached to the debentures or loans raised by the Company to convert such debentures or loans into shares or to subscribe for shares in the Company.

Provided that the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

(a) Either has been approved by the central Government before the issue of debentures or the raising of the loans or is in conformity with Rules, if any, made by that Government in this behalf ; and

(b) In the case of debentures or loans or other than debentures issued to, or loans obtained from the Government or any institution specified by the Central Government in this behalf, has also been approved by the special resolution passed by the company in General Meeting before the issue of the loans.

ALLOTMENT ON APPLICATION TO BE ACCEPTANCE OF SHARES

Any application signed by or on behalf of an applicant for shares in the Company followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register of Members, shall, for the purpose of these Articles, be a Member.

RETURN ON ALLOTMENTS TO BE MADE OR RESTRICTIONS ON ALLOTMENT

The Board shall observe the restrictions as regards allotment of shares to the public contained in the Act, and as regards return on allotments, the Directors shall comply with applicable provisions of the Act.

MONEY DUE ON SHARES TO BE A DEBT TO THE COMPANY

The money (if any) which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise in respect of any shares allotted by them, shall immediately on the inscription of the name of allottee in the Register of Members as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

INSTALLMENTS ON SHARES

If, by the conditions of allotment of any shares, whole or part of the amount or issue price thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the person who, for the time being and from time to time, shall be the registered holder of the share or his legal representative.

MEMBERS OR HEIRS TO PAY UNPAID AMOUNTS

Every Member or his heirs, executors or administrators shall pay to the Company the portion of the capital represented by his share or shares which may, for the time being remain unpaid thereon, in such amounts, at such time or times and in such manner, as the Board shall from time to time, in accordance with these Articles require or fix for the payment thereof.

VARIATION OF SHAREHOLDERS' RIGHTS

(a) If at any time the share capital of the Company is divided into different classes of shares, the rights attached to the shares of any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to provisions of the Act and whether or not the Company is being wound up, be varied with the consent in writing of the holders of not less than three-fourth of the issued shares of that class or with the sanction of a Special Resolution passed at a separate meeting of the holders of the issued shares of that class, as prescribed by the Act.

(b) Subject to the provisions of the Act, to every such separate meeting, the provisions of these Articles relating to meeting shall *mutatis mutandis* apply.

PREFERENCE SHARES

The Company, subject to the applicable provisions of the Act and the consent of the Board, shall have the power to issue on cumulative or non-cumulative basis, preference shares liable to be redeemed in any manner permissible under the Act and the Directors may, subject to the applicable provisions of the Act, exercise such power in any manner as they deem fit and provide for redemption of such shares on such terms including the right to redeem at a premium or otherwise as they deem fit fully / compulsorily convertible preference shares liable to be converted into equity shares on maturity in such manner as may be permissible under the Act and the Directors may, subject to the applicable provisions of the Act, exercise such power as they deem fit and provide for conversion of such shares into such equity shares/ securities on such terms as they may deem fit.

COMPROMISE, ARRANGEMENTS AND AMALGAMATIONS

Subject to the applicable provisions of the Act, the Company is empowered to enter into any Schemes of Arrangement or compromises with its creditors and/or members of the Company and/or any class of such creditors or members, including but not limited to hive-off or demerger of any of its business or units and also to amalgamate or cause itself to be amalgamated with any other person, firm or body corporate.

ISSUE OF SHARE CERTIFICATE

Every Member shall be entitled, without payment, to one share certificate for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors so determine) to several share certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such share certificates, unless prohibited by any provision of law or any order of court, tribunal or other authority having jurisdiction, within two (2) months from the date of allotment, or within one (1) month of the receipt of application of registration of transfer, transmission, sub division, consolidation or renewal of any of its shares as the case maybe or within a period of six (6) months from the date of allotment in the case of any allotment of debenture. In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one share certificate, and delivery of a share certificate for a share to one of several joint holders shall be sufficient delivery to all such joint holders.

New share certificates shall also be issued in the event of consolidation or sub-division of shares of the Company. Every such share certificate shall be issued in the manner prescribed under Section 46 of the Act and the rules framed thereunder.

Particulars of every share certificate issued shall be entered in the register of members against the name of the person, to whom it has been issued, indicating the date of issue. Every share certificate shall specify the shares to which it relates and the amount paid-up thereon and shall be signed by two Directors or by a Director and the company secretary, wherever the Company has appointed a company secretary.

RULES TO ISSUE SHARE CERTIFICATES

The Act shall be complied with in respect of the issue, reissue, renewal of share certificates and the format and signing of the share certificates and records of the share certificates issued shall be maintained in accordance with the said Act.

COMPANY’S LIEN ON SHARES / DEBENTURES

The Company shall subject to applicable law have a first and paramount lien:

(a) on every share / debenture (not being a fully paid share / debenture) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called, or payable at a fixed time, in respect of that share / debenture and no equitable interest in any share shall be created upon the footing and condition that this Article will have full effect; and

(b) on all shares/debentures (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company. Unless otherwise agreed, the registration of transfer of shares / debentures shall operate as a waiver of the Company’s lien, if any, on such shares / debentures.

Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this Article.

The Company’s lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.

The fully paid up shares shall be free from all lien and in the case of partly paid up shares the Company’s lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.

LIEN TO EXTEND TO DIVIDENDS, ETC.

The Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares / debentures.

ENFORCING LIEN BY SALE

The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:

Provided that no sale shall be made—

(a) unless a sum in respect of which the lien exists is presently payable; or

(b) until the expiration of fourteen (14) days' after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or to the person entitled thereto by reason of his death or insolvency or otherwise.

No Member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.

VALIDITY OF SALE

To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale.

BOARD TO HAVE RIGHT TO MAKE CALLS ON SHARES

The Board may subject to the provisions of the Act and any other applicable law, from time to time, make such call as it thinks fit upon the Members in respect of all moneys unpaid on the shares (whether on account of the nominal value of the shares or by premium) and not by the conditions of allotment thereof made payable at fixed times. Provided that no call shall be payable at less than one month from the date fixed for the payment of the last preceding call. A call may be revoked or postponed at the discretion of the Board. The power to call on shares shall not be delegated to any other person except with the approval of the shareholders' in a General Meeting.

NOTICE FOR CALL

Each Member shall, subject to receiving at least fourteen (14) days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.

The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more Members as the Board may deem appropriate in any circumstances.

CALL WHEN MADE

The Board of Directors may, when making a call by resolution, determine the date on which such call shall be deemed to have been made, not being earlier than the date of resolution making such call, and thereupon the call shall be deemed to have been made on the date so determined and if no such date is so determined a call shall be deemed to have been made at the date when the resolution authorizing such call was passed at the meeting of the Board and may be required to be paid in installments.

LIABILITY OF JOINT HOLDERS FOR A CALL

The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

CALLS TO CARRY INTEREST

If a Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at the rate of ten percent or such other lower rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Member. The Board shall be at liberty to waive payment of any such interest wholly or in part.

DUES DEEMED TO BE CALLS

Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

EFFECT OF NON-PAYMENT OF SUMS

In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

PAYMENT IN ANTICIPATION OF CALL MAY CARRY INTEREST

The Board –

(a) may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate as may be agreed upon between the Board and the Member paying the sum in advance. Nothing contained in this Article shall confer on the Member (i) any right to participate in profits or dividends; or (ii) any voting rights in respect of the moneys so paid by him, until the same would, but for such payment, become presently payable by him.

PROVISIONS AS TO CALLS TO APPLY MUTATIS MUTANDIS TO DEBENTURES, ETC.

The provisions of these Articles relating to calls shall *mutatis mutandis* apply to any other securities, including debentures, of the Company.

FORFEITURE OF SHARES

BOARD TO HAVE A RIGHT TO FORFEIT SHARES

If a Member fails to pay any call, or installment of a call or any money due in respect of any share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or installment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.

NOTICE FOR FORFEITURE OF SHARES

The notice aforesaid shall:

(a) name a further day (not being earlier than the expiry of fourteen days from the date of services of the notice) on or before which the payment required by the notice is to be made; and

(b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

RECEIPT OF PART AMOUNT OR GRANT OF INDULGENCE NOT TO AFFECT FORFEITURE

Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided. There shall be no forfeiture of unclaimed dividends before the claim becomes barred by law.

FORFEITED SHARE TO BE THE PROPERTY OF THE COMPANY

Any share forfeited in accordance with these Articles, shall be deemed to be the property of the Company and may be sold, re-allocated or otherwise disposed of either to the original holder thereof or to any other person upon such terms and in such manner as the Board thinks fit.

ENTRY OF FORFEITURE IN REGISTER OF MEMBERS

When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting Member and any entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.

MEMBER TO BE LIABLE EVEN AFTER FORFEITURE

A person whose share has been forfeited shall cease to be a member in respect of the share forfeited but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture were payable by him to the Company in respect of such shares.The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.

EFFECT OF FORFEITURE

The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles expressly saved.

CERTIFICATE OF FORFEITURE

A duly verified declaration in writing that the declarant is a Director, the manager or the secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.

TITLE OF PURCHASER AND TRANSFEREE OF FORFEITED SHARES

The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of. The transferee shall thereupon be registered as the holder of the share and the transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.

VALIDITY OF SALES

Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the shares sold and after his name has been entered in the Register of Members in respect of such shares the validity of the sale shall not be impeached by any person.

CANCELLATION OF SHARE CERTIFICATE IN RESPECT OF FORFEITED SHARES

Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the share certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting Member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue duplicate share certificate(s) in respect of the said shares to the person(s) entitled thereto.

BOARD ENTITLED TO CANCEL FORFEITURE

The Board may at any time before any share so forfeited shall have been sold, reallotted or otherwise disposed of, cancel the forfeiture thereof upon such conditions at it thinks fit.

SURRENDER OF SHARE CERTIFICATES

The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering them on such terms as they think fit.

SUMS DEEMED TO BE CALLS

The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

PROVISIONS AS TO FORFEITURE OF SHARES TO APPLY MUTATIS MUTANDIS TO DEBENTURES, ETC.

The provisions of these Articles relating to forfeiture of shares shall *mutatis mutandis* apply to any other securities, including debentures, of the Company.

REGISTER OF TRANSFERS

The Company shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any shares. The Company shall also use a common form of transfer, as prescribed under the Act and rules notified thereunder and as per applicable requirements specified by the Exchanges.

INSTRUMENT OF TRANSFER

(a) The instrument of transfer of any share shall be in writing and all the provisions of the Act, and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof. The Company shall use the form of transfer, as prescribed under the Act, in all cases. In case of transfer of shares, where the Company has not issued any share certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act, 1996 shall apply.

(b) The Board may decline to recognize any instrument of transfer unless-

   (i) the instrument of transfer is in the form prescribed under the Act;

   (ii) the instrument of transfer is accompanied by the certificate of shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

   (iii) the instrument of transfer is in respect of only one class of shares.

(c) No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.

EXECUTION OF TRANSFER INSTRUMENT

Every such instrument of transfer shall be executed, both by or on behalf of both the transferor and the transferee and the transferor shall be deemed to remain holder of the shares until the name of the transferee is entered in the Register of Members in respect thereof.

CLOSING REGISTER OF TRANSFERS AND OF MEMBERS

Subject to compliance with the Act and other applicable law, the Board shall be empowered, on giving not less than seven (7) days' notice or such period as may be prescribed, to close the transfer books, Register of Members, the register of debenture holders at such time or times, and for such period or periods, not exceeding thirty (30) days at a time and not exceeding an aggregate forty five (45) days in each year as it may seem expedient.

DIRECTORS MAY REFUSE TO REGISTER TRANSFER

Subject to the provisions of these Articles and other applicable provisions of the Act or any other applicable law for the time being in force, the Board may (at its own absolute and uncontrolled discretion) decline or refuse by giving reasons, whether in pursuance of any power of the Company under these Articles or otherwise, to register or acknowledge any transfer of, or the transmission by operation of law of the right to, any securities or interest of a Member in the Company, after providing sufficient cause, within a period of thirty days from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company. Provided that the registration of transfer of any securities shall not be refused on the ground of the transferor being alone or jointly with any other person or persons, indebted to the Company on any account whatsoever. Transfer of shares/debentures in whatever lot shall not be refused.

TRANSFER OF PARTLY PAID SHARES

Where in the case of partly paid shares, an application for registration is made by the transferor alone, the transfer shall not be registered, unless the Company gives the notice of the application to the transferee in accordance with the provisions of the Act and the transferee gives no objection to the transfer within the time period prescribed under the Act.

TITLE TO SHARES OF DECEASED MEMBERS

The executors or administrators or the holders of a succession certificate issued in respect of the shares of a deceased Member and not being one of several joint holders shall be the only person whom the Company shall recognize as having any title to the shares registered in the name of such Members and in case of the death of one or more of the joint holders of any registered share, the survivor or survivors shall be entitled to the title or interest in such shares but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person. Provided nevertheless that in case the Directors, in their absolute discretion think fit, it shall be lawful for the Directors to dispense with the production of a probate or letters of administration or a succession certificate or such other legal representation upon such terms (if any) (as to indemnify or otherwise) as the Directors may consider necessary or desirable.

TRANSFERS NOT PERMITTED

No share shall in any circumstances be transferred to any minor, insolvent or a person of unsound mind, except fully paid shares through a legal guardian.

TRANSMISSION OF SHARES

Subject to the provisions of the Act and these Articles, any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any Members, or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence as the Board thinks sufficient, that he sustains the character in respect of which he proposes to act under this Article, or of his title, elect to either be registered himself as holder of the shares or elect to have some person nominated by him and approved by the Board, registered as such holder or to make such transfer of the share as the deceased or insolvent Member could have made. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. Provided, nevertheless, if such person shall elect to have his nominee registered, he shall testify that election by executing in favour of his nominee an instrument of transfer in accordance with the provision herein contained and until he does so he shall not be freed from any liability in respect of the shares. Further, all limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfer of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the Member had not occurred and the notice or transfer were a transfer signed by that Member.

REDUCTION OF CAPITAL

The Company may, by a Special Resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act-

(a) its share capital; and/or

(b) any capital redemption reserve account; and/or

(c) any share premium account

and in particular without prejudice to the generality of the foregoing power may be: (i) extinguishing or reducing the liability on any of its shares in respect of share capital not paid up; (ii) either with or without extinguishing or reducing liability on any of its shares, cancel paid up share capital which is lost or is unrepresented by available assets; or (ii) either with or without extinguishing or reducing liability on any of its shares, pay off any paid up share capital which is in excess of the wants of the Company; and may, if and so far as is necessary, alter its Memorandum, by reducing the amount of its share capital and of its shares accordingly.

DEMATERIALISATION OF SECURITIES

(a) The Company shall recognise interest in dematerialised securities under the Depositories Act, 1996.

Subject to the provisions of the Act, either the Company or the investor may exercise an option to issue (in case of the Company only), deal in, hold the securities (including shares) with a Depository in electronic form and the share certificates in respect thereof shall be dematerialized, in which event, the rights and obligations of the parties concerned and matters connected therewith or incidental thereof shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time or any statutory modification(s) thereto or re-enactment thereof, the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and other Applicable Law.

(b) Dematerialisation/Re-materialisation of securities

Notwithstanding anything to the contrary or inconsistent contained in these Articles, the Company shall be entitled to dematerialise its existing securities, re materialise its securities held in Depositories and/or offer its fresh securities in the dematerialised form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any.

(c) Option to receive security certificate or hold securities with the Depository

Every person subscribing to or holding securities of the Company shall have the option to receive the security certificate or hold securities with a Depository. Where a person opts to hold a security with the Depository, the Company shall intimate such Depository of the details of allotment of the security and on receipt of such information, the Depository shall enter in its Record, the name of the allottees as the beneficial owner of that Security.

(d) Securities in electronic form

All securities held by a Depository shall be dematerialized and held in electronic form. No certificate shall be issued for the securities held by the Depository.

(e) Beneficial owner deemed as absolute owner

Except as ordered by a court of competent jurisdiction or by applicable law required and subject to the provisions of the Act, the Company shall be entitled to treat the person whose name appears on the applicable register as the holder of any security or whose name appears as the beneficial owner of any security in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equity, equitable contingent, future, partial interest, other claim to or interest in respect of such securities or (except only as by these Articles otherwise expressly provided) any right in respect of a security other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any security in the joint names of any two or more persons or the survivor or survivors of them.

(f) Register and index of beneficial owners

The Company shall cause to be kept a register and index of Members with details of securities held in materialised and dematerialised forms in any media as may be permitted by law including any form of electronic media. The register and index of beneficial owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be a register and index of Members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India, a Register of Members, resident in that state or country.

BUY BACK OF SHARES

Notwithstanding anything contained in these Articles, but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.

ANNUAL GENERAL MEETINGS

(a) The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meeting in that year.

(b) An Annual General Meeting of the Company shall be held in accordance with the provisions of the Act.

EXTRAORDINARY GENERAL MEETINGS

All General Meetings other than the Annual General Meeting shall be called "Extraordinary General Meeting". Provided that, the Board may, whenever it thinks fit, call an Extraordinary General Meeting.

EXTRAORDINARY MEETINGS ON REQUISITION

The Board shall, on the requisition of Members, convene an Extraordinary General Meeting of the Company in the circumstances and in the manner provided under the Act.

NOTICE FOR GENERAL MEETINGS

All General Meetings shall be convened by giving not less than clear twenty one (21) days' notice, in such manner as is prescribed under the Act, specifying the place, date and hour of the meeting and a statement of the business proposed to be transacted at such a meeting, in the manner mentioned in the Act. Notice shall be given to all the Members and to such persons as are under the Act and/or these Articles entitled to receive such notice from the Company but any accidental omission to give notice to or non-receipt of the notice by any Member or other person to whom it should be given shall not invalidate the proceedings of any General Meetings.

The Members may participate in General Meetings through such modes as permitted by applicable laws.

SHORTER NOTICE ADMISSIBLE

Upon compliance with the relevant provisions of the Act, an Annual General Meeting or any General Meeting may be convened by giving a shorter notice than twenty one (21) days.

CIRCULATION OF MEMBERS' RESOLUTION

The Company shall comply with provisions of Section 111 of the Act, as to giving notice of resolutions and circulating statements on the requisition of Members.

SPECIAL AND ORDINARY BUSINESS

(a) Subject to the provisions of the Act, all business shall be deemed special that is transacted at the Annual General Meeting with the exception of declaration of any dividend, the consideration of financial statements and reports of the Directors and auditors, the appointment of Directors in place of those retiring and the appointment of and fixing of the remuneration of the auditors. In case of any other meeting, all business shall be deemed to be special.

(b) In case of special business as aforesaid, an explanatory statement as required under the applicable provisions of the Act shall be annexed to the notice of the meeting.

QUORUM FOR GENERAL MEETING

Five (5) Members or such other number of Members as required under the Act or the applicable law for the time being in force prescribes, personally present shall be quorum for a General Meeting and no business shall be transacted at any General Meeting unless the requisite quorum is present at the commencement of the meeting.

CHAIRMAN OF GENERAL MEETING

The chairman, if any, of the Board of Directors shall preside as chairman at every General Meeting of the Company.

VOTING AT MEETING

At any General Meeting, a demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than that on which a poll has been demanded. The demand for a poll may be withdrawn at any time by the person or persons who made the demand. Further, no objection shall be raised to the qualification of any voter except at the General Meeting or adjourned General Meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairperson of the General Meeting, whose decision shall be final and conclusive.

DECISION BY POLL

If a poll is duly demanded in accordance with the provisions of the Act, it shall be taken in such manner as the chairman directs and the results of the poll shall be deemed to be the decision of the meeting on the resolution in respect of which the poll was demanded.

CASTING VOTE OF CHAIRMAN

In case of equal votes, whether on a show of hands or on a poll, the chairman of the General Meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote in addition to the vote or votes to which he may be entitled to as a Member.

PASSING RESOLUTIONS BY POSTAL BALLOT

(a) Notwithstanding any of the provisions of these Articles, the Company may, and in the case of resolutions relating to such business as notified under the Act, to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the General Meeting of the Company.

(b) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under the Act.

(c) If a resolution is assented to by the requisite majority of the shareholders by means of postal ballot, it shall be deemed to have been duly passed at a General Meeting convened in that behalf.

VOTING RIGHTS OF MEMBERS

Subject to any rights or restrictions for the time being attached to any class or classes of shares:

(a) On a show of hands every Member holding Equity Shares and present in person shall have one vote.

(b) On a poll, every Member holding Equity Shares therein shall have voting rights in proportion to his share in the paid up Equity Share capital.

(c) A Member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.

VOTING BY JOINT-HOLDERS

In case of joint holders the vote of first named of such joint holders in the Register of Members who tender a vote whether in person or by proxy shall be accepted, to the exclusion of the votes of other joint holders.

VOTING BY MEMBER OF UNSOUND MIND

A Member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or legal guardian may, on a poll, vote by proxy.

NO RIGHT TO VOTE UNLESS CALLS ARE PAID

No Member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by him have been paid, or in regard to which the Company has lien and has exercised any right of lien.

PROXY

Any Member entitled to attend and vote at a General Meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.

VALIDITY OF PROXY

A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of shares in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its Office before the commencement of the meeting or adjourned meeting at which the proxy is used.

CORPORATE MEMBERS

Any corporation which is a Member of the Company may, by resolution of its Board of Directors or other governing body, authorize such person as it thinks fit to act as its representative at any meeting of the Company and the said person so authorized shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could have exercised if it were an individual Member of the Company (including the right to vote by proxy).

NUMBER OF DIRECTORS

Unless otherwise determined by General Meeting, the number of Directors shall not be less than three (3) and not more than fifteen (15), and at least one (1) Director shall be resident of India in the previous year.

Provided that the Company may appoint more than fifteen (15) Directors after passing a Special Resolution.

The following are the first Directors of the Company

(a) Varinder Kumar Garg;

(b) Sushma Garg;

(c) Vinod Kumar

The Board of the Company shall include such number of independent Directors as prescribed under Applicable Law ("**Independent Directors**").

SHARE QUALIFICATION NOT NECESSARY

Any person whether a Member of the Company or not may be appointed as Director and no qualification by way of holding shares shall be required of any Director.

ADDITIONAL DIRECTORS

Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles. Any such additional director shall hold office only up to the date of the upcoming Annual General Meeting, unless his/her appointment is regularized by the shareholders in such Annual General Meeting.

ALTERNATE DIRECTORS

c) The Board may, appoint a person, not being a person holding any alternate directorship for any other Director in the Company, to act as an alternate director for a Director during his absence for a period of not less than 3 (three) months from India (hereinafter in this Article called the "**Original Director**").

d) An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India. If the term of office of the Original Director is determined before he returns to India the automatic re-appointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.

APPOINTMENT OF DIRECTOR TO FILL A CASUAL VACANCY

If the office of any Director appointed by the Company in General Meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board which shall be subsequently approved by Members in the immediate next General Meeting. The Director so appointed shall hold office only up to the date which the Director in whose place he is appointed would have held office if it had not been vacated.

REMUNERATION OF DIRECTORS

(a) A Director (other than a managing Director or whole-time Director) may receive a sitting fee not exceeding such sum as may be prescribed by the Act or the Central Government from time to time for each meeting of the Board of Directors or any committee thereof attended by him. The remuneration of Directors including managing Director and/or whole-time Director may be paid in accordance with the applicable provisions of the Act.

(b) The Board of Directors may allow and pay or reimburse any Director who is not a bona fide resident of the place where a meeting of the Board or of any committee is held and who shall come to such place for the purpose of attending such meeting or for attending its business at the request of the Company, such sum as the Board may consider fair compensation for travelling, and out-of-pocket expenses and if any Director be called upon to go or reside out of the ordinary place of his residence on the Company's business he shall be entitled to be reimbursed any travelling or other expenses incurred in connection with the business of the Company.

(c) The managing Directors/ whole-time Directors shall be entitled to charge and be paid for all actual expenses, if any, which they may incur for or in connection with the business of the Company. They shall be entitled to appoint part time employees in connection with the management of the affairs of the Company and shall be entitled to be paid by the Company any remuneration that they may pay to such part time employees.

MEETINGS OF THE BOARD

(a) The Board of Directors shall meet at least once in every three (3) months with a maximum gap of four (4) months between two (2) meetings of the Board for the dispatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit in accordance with the Act, provided that at least four (4) such meetings shall be held in every year. Place of meetings of the Board shall be at a location determined by the Board at its previous meeting, or if no such determination is made, then as determined by the chairman of the Board.

(b) The chairman may, at any time, and the secretary or such other Officer of the Company as may be authorised in this behalf on the requisition of Director shall at any time summon a meeting of the Board. Notice of at least seven (7) days in writing of every meeting of the Board shall be given to every Director and every alternate Director at his usual address whether in India or abroad, provided always that a meeting may be convened by a shorter notice to transact urgent business subject to the condition that at least one independent director, if any, shall be present at the meeting and in case of absence of independent directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the Directors and shall be final only on ratification thereof by at least one independent director, if any.

(c) The notice of each meeting of the Board shall include (i) the time for the proposed meeting; (ii) the venue for the proposed meeting; and (iii) an agenda setting out the business proposed to be transacted at the meeting.

(d) To the extent permissible by applicable law, the Directors may participate in a meeting of the Board or any committee thereof, through electronic mode, that is, by way of video conferencing i.e., audio visual electronic communication facility. The notice of the meeting must inform the Directors regarding the availability of participation through video conferencing. Any Director participating in a meeting through the use of video conferencing shall be counted for the purpose of quorum.

QUESTIONS AT BOARD MEETING HOW DECIDED

Questions arising at any time at a meeting of the Board shall be decided by majority of votes and in case of equality of votes, the Chairman, in his absence the Vice Chairman or the Director presiding shall have a second or casting vote.

QUORUM

Subject to the provisions of the Act, the quorum for a meeting of the Board shall be one third of its total strength (any fraction contained in that one-third being rounded off as one) or two Directors whichever is higher and the participation of the Directors by video conferencing or by other audio visual means shall also be counted for the purposes of quorum.

At any time the number of interested Directors is equal to or exceeds two-thirds of total strength, the number of remaining Directors, that is to say the number of Directors who are not interested, present at the meeting being not less than two, shall be the quorum during such time. The total strength of the Board shall mean the number of Directors actually holding office as Directors on the date of the resolution or meeting, that is to say, the total strength of Board after deducting there from the number of Directors, if any, whose places are vacant at the time. The term 'interested director' means any Director whose presence cannot, by reason of applicable provisions of the Act be counted for the purpose of forming a quorum at meeting of the Board, at the time of the discussion or vote on the concerned matter or resolution.

ADJOURNED MEETING

Subject to the provisions of the Act, if within half an hour from the time appointed for a meeting of the Board, a quorum is not present, the meeting, shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Directors may determine.

ELECTION OF CHAIRMAN OF BOARD

(a) The Board may elect a chairman of its meeting and determine the period for which he is to hold office.

(b) If no such chairman is elected or at any meeting the chairman is not present within five minutes after the time appointed for holding the meeting the Directors present may choose one among themselves to be the chairman of the meeting.

POWERS OF DIRECTORS

(a) The Board may exercise all such powers of the Company and do all such acts and things as are not, by the Act or any other applicable law, or by the Memorandum or by the Articles required to be exercised by the Company in a General Meeting, subject nevertheless to these Articles, to the provisions of the Act or any other applicable law and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in a General Meeting; but no regulation made by the Company in a General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

(b) All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case maybe, by such person and in such manner as the Board shall from time to time by resolution determine.

DELEGATION OF POWERS

(a) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such members of its body as it thinks fit.

(b) Any committee so formed shall, in the exercise of the power so delegated conform to any regulations that may be imposed on it by the Board.

(c) The Board shall from time to time form committees of the Board and the Board shall determine the composition of such committees based on the statutory requirements and the skill sets of the Directors seeking representation of the committees and may also nominate Chairperson of such committees.

NOMINEE DIRECTORS

(a) Subject to the provisions of the Act, so long as any moneys remain owing by the Company to Financial Institutions regulated by the Reserve Bank of India, State Financial Corporation or any financial institution owned or controlled by the Central Government or State Government or any Non-Banking Financial Company regulated by the Reserve Bank of India or any such company from whom the Company has borrowed for the purpose of carrying on its objects or each of the above has granted any loans / or subscribes to the debentures of the Company or so long as any of the aforementioned companies of financial institutions holds or continues to hold debentures /shares in the Company as a result of underwriting or by direct subscription or private placement or so long as any liability of the Company arising out of any guarantee furnished on behalf of the Company remains outstanding, and if the loan or other agreement with such institution/ corporation/ company (hereinafter referred to as the "**Corporation**") so provides, the Corporation may, in pursuance of the provisions of any law for the time being in force or of any agreement, have a right to appoint from time to time any person or persons as a Director or Directors whole-time or non whole-time (which Director or Director/s is/are hereinafter referred to as "**Nominee Directors/s**") on the Board of the Company and to remove from such office any person or person so appointed and to appoint any person or persons in his /their place(s).

(b) The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board meetings and of the meetings of the committee of which Nominee Director/s is/are member/s as also the minutes of such Meetings. The Corporation shall also be entitled to receive all such notices and minutes.

(c) The Company may pay the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees commission, monies or remuneration in any form is payable to the Directors of the Company the fees, commission, monies and remuneration in relation to such Nominee Director/s may accrue to the nominee appointer and same shall accordingly be paid by the Company directly to the Corporation.

(d) Provided that the sitting fees, in relation to such Nominee Director/s shall also accrue to the appointer and same shall accordingly be paid by the Company directly to the appointer.

REGISTER OF CHARGES

The Directors shall cause a proper register to be kept, in accordance with the Act, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the Act in regard to the registration of mortgages and charges therein specified.

POWERS AND DUTIES OF MANAGING DIRECTOR OR WHOLE-TIME DIRECTOR

The managing director/whole time director shall subject to the supervision, control and direction of the Board and subject to the provisions of the Act, exercise such powers as are exercisable under these Articles by the Board of Directors, as they may think fit and confer such power for such time and to be exercised as they may think expedient and they may confer such power either collaterally with or to the exclusion of any such substitution for all or any of the powers of the Board of Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any such powers. The managing Directors/ whole time Directors may exercise all the powers entrusted to them by the Board of Directors in accordance with the Board's direction.

REIMBURSEMENT OF EXPENSES

The managing Directors/whole-time Directors shall be entitled to charge and be paid for all actual expenses, if any, which they may incur for or in connection with the business of the Company. They shall be entitled to appoint part time employees in connection with the management of the affairs of the Company and shall be entitled to be paid by the Company any remuneration that they may pay to such part time employees.

CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER

Subject to the provisions of the Act —

(a) A chief executive officer, manager, company secretary and chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary and chief financial officer so appointed may be removed by means of a resolution of the Board.

(b) A Director may be appointed as chief executive officer, manager, company secretary or chief financial officer. Further, an individual may be appointed or reappointed as the chairperson of the Company as well as the managing Director or chief executive officer of the Company at the same time.

(c) A provision of the Act or the Articles requiring or authorising a thing to be done by or to a Director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as a Director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

DIVIDEND

COMPANY IN GENERAL MEETING MAY DECLARE DIVIDENDS

The Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

INTERIM DIVIDENDS

Subject to the provisions of the Act, the Board may from time to time pay to the Members such interim dividends of such amount on such class of shares and at such times as it may think fit and as appear to it to be justified by the profits of the company.

RIGHT TO DIVIDEND AND UNPAID OR UNCLAIMED DIVIDEND

(a) Where capital is paid in advance of calls, such capital, whilst carrying interest, shall not confer a right to dividend or to participate in the profits.

(b) Where the Company has declared a dividend but which has not been paid or claimed within thirty (30) days from the date of declaration, the Company shall within seven (7) days from the date of expiry of the said period of thirty (30) days, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of thirty (30) days, to a special account to be opened by the Company in that behalf in any scheduled bank to be called "Unpaid Dividend Account of Varindera Constructions Limited".

(c) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven (7) years from the date of such transfer, shall be transferred by the Company to the fund known as Investor Education and Protection Fund established under the Act.

(d) No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by law.

(e) All other provisions under the Act will be complied with in relation to the unpaid or unclaimed dividend.

DIVISION OF PROFITS

Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.

DIVIDENDS TO BE APPORTIONED

All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

RESERVE FUNDS

(a) The Board may, before recommending any dividends, set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends and pending such application, may, at the like discretion either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time think fit.

(b) The Board may also carry forward any profits when it may consider necessary not to divide, without setting them aside as a reserve.

DEDUCTION OF ARREARS

Subject to the Act, no Member shall be entitled to receive payment of any interest or dividend in respect of his share or shares whilst any money may be due or owing from him to the Company in respect of such share or shares of or otherwise howsoever whether alone or jointly with any other person or persons and the Board may deduct from any dividend payable to any Members all sums of money, if any, presently payable by him to the Company on account of the calls or otherwise in relation to the shares of the Company.

RETENTION OF DIVIDENDS

The Board may retain dividends payable upon shares in respect of which any person is, under Articles 59 to 72 hereinbefore contained, entitled to become a Member, until such person shall become a Member in respect of such shares.

RECEIPT OF JOINT HOLDER

Any one of two or more joint holders of a share may give effective receipt for any dividends, bonuses or other moneys payable in respect of such shares.

DIVIDEND HOW REMITTED

Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the Register of Members, or to such person and to such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

CAPITALISATION OF PROFITS

(a) The Company in General Meeting, may, on recommendation of the Board resolve:

    (i) that it is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution; and

(ii) that such sum be accordingly set free for distribution in the manner specified in the sub-clause (b) amongst the Members who would have been entitled thereto if distributed by way of dividend and in the same proportion.

(b) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in sub-clause (c) below, either in or towards:

(i) paying up any amounts for the time being unpaid on shares held by such Members respectively;

(ii) paying up in full, unissued share of the Company to be allotted and distributed, credited as fully paid up, to and amongst such Members in the proportions aforesaid; or

(iii) partly in the way specified in sub-clause (i) and partly that specified in sub -clause (ii).

(iv) A securities premium account and a capital redemption reserve account or any other permissible reserve account may be applied as permitted under the Act in the paying up of unissued shares to be issued to Members of the Company as fully paid bonus shares.

(v) The Board shall give effect to the resolution passed by the Company in pursuance of these Articles.

POWER OF DIRECTORS FOR DECLARATION OF BONUS ISSUE

(a) Whenever such a resolution as aforesaid shall have been passed, the Board shall:

(i) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares or other securities, if any; and

(ii) generally do all acts and things required to give effect thereto.

(b) The Board shall have full power:

(i) to make such provisions, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit, in the case of shares or debentures becoming distributable in fractions; and

(ii) to authorize any person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares or other securities to which they may be entitled upon such capitalization or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalized, of the amount or any parts of the amounts remaining unpaid on their existing shares.

(c) Any agreement made under such authority shall be effective and binding on such Members.

ACCOUNTS

WHERE BOOKS OF ACCOUNTS TO BE KEPT

The Books of Account shall be kept at the Office or at such other place in India as the Directors think fit in accordance with the applicable provisions of the Act.

INSPECTION BY DIRECTORS

The books of account and books and papers of the Company, or any of them, shall be open to the inspection of Directors in accordance with the applicable provisions of the Act.

INSPECTION BY MEMBERS

No Member (not being a Director) shall have any right of inspecting any account or books or documents of the Company except as conferred by law or authorised by the Board.

Subject to the applicable provisions of the Act–

(a) If the Company shall be wound up, the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Act, divide amongst the Members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

(b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members.

(c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no Member shall be compelled to accept any shares or other securities whereon there is any liability.

(d) Any person who is or has been a Director or manager, whose liability is unlimited under the Act, shall, in addition to his liability, if any, to contribute as an ordinary Member, be liable to make a further contribution as if he were at the commencement of winding up, a Member of an unlimited company, in accordance with the provisions of the Act.

INDEMNITY

DIRECTOR'S AND OTHERS' RIGHT TO INDEMNITY

Subject to the provisions of the Act, every Director and Officer of the Company shall be indemnified by the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the tribunal. Provided, however, that such indemnification shall not apply in respect of any cost or loss or expenses to the extent it is finally judicially determined to have resulted from the negligence, willful misconduct or bad faith acts or omissions of such Director.

INSURANCE

The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former Directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

GENERAL POWER

Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its Articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

At any point of time from the date of adoption of these Articles, if the Articles are or become contrary to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "**Listing Regulations**") or of the Act or of the Secretarial Standard issued by the Institute of Company Secretaries of India ("**Secretarial Standards**"), the provisions of the Listing Regulations or the Act or the Secretarial Standards shall prevail over the Articles to such extent and the Company shall discharge all of its obligations as prescribed under the Listing Regulations or the Act or the Secretarial Standards, from time to time.

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and subsisting contracts, which have been entered or are to be entered into by our Company which are, or may be, deemed material, will be attached to the copy of the Red Herring Prospectus and the Prospectus, as applicable, which will be delivered to the RoC for filing. Copies of the contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office between 10 a.m. and 5 p.m. on all Working Days and will also be available on the website of our Company at https://www.vclgroup.in/ from date of the Red Herring Prospectus until the Bid/ Offer Closing Date (except for the CRISIL Report which is available from the date of this Draft Red Herring Prospectus). Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

Material Contracts to the Offer

1. Offer Agreement among our Company, the Promoter Selling Shareholders and the BRLMs dated September 30, 2024.

2. Registrar Agreement among our Company, the Promoter Selling Shareholders and Registrar to the Offer dated September 30, 2024.

3. Cash Escrow and Sponsor Bank Agreement dated [●] among our Company, the Promoter Selling Shareholders the BRLMs, the Syndicate Members, the Banker(s) to the Offer and the Registrar to the Offer.

4. Share Escrow Agreement dated [●] among our Company, the Promoter Selling Shareholders and the Share Escrow Agent.

5. Syndicate Agreement dated [●] among our Company, the Promoter Selling Shareholders the BRLMs the Syndicate Members and the Registrar to the Offer.

6. Underwriting Agreement dated [●] among our Company, the Promoter Selling Shareholders and the Underwriters.

7. Monitoring Agency Agreement dated [●] between our Company and the Monitoring Agency.

Material Documents

1. Certified copies of the Memorandum of Association and Articles of Association of our Company as amended from time to time.

2. Original certificate of incorporation dated December 15, 1987.

3. Fresh certificate of incorporation dated June 16, 2007 upon upon conversion into a public company.

4. Certificate of Registration of the Order of the Company Law Board, Delhi confirming the transfer of the registered office from one state to another issued by the Assistant Registrar of Companies, NCT of Delhi and Haryana on August 25, 2004.

5. Resolution of the Board of Directors dated September 11, 2024, authorising the Offer.

6. Resolution of the Shareholders dated September 16, 2024, under section 62(1)(c) of the Companies Act, 2013 authorising the Offer.

7. Resolution of the Board dated September 30, 2024 approving this Draft Red Herring Prospectus.

8. Resolution of the Board dated September 30, 2024 taking on record the approval for the Offer for Sale by the Promoter Selling Shareholders.

9. Resolution dated September 30, 2024 passed by the Audit Committee for approval of KPIs.

10. Consent letters from the Promoter Selling Shareholders for participating in the Offer for Sale.

11. Share purchase agreement dated August 2, 2022 entered into between Varinder Kumar Garg, Sushma Garg, Vivek Garg, Surbhi Garg, and our Company.

12. Consent letter dated September 18, 2024 issued by Expert Global Consultants Private Limited.

13. Valuation report dated July 11, 2022 issued by Expert Global Consultants Private Limited in relation to the share purchase agreement dated August 2, 2022.

14. Board resolutions each dated July 16, 2024 approving the terms of appointment and remuneration of Varinder Kumar Garg and Vivek Garg.

15. Tripartite Agreement dated July 22, 2024 among NSDL, our Company and the Registrar to the Offer.

16. Tripartite Agreement dated July 31, 2024 among CDSL, our Company and the Registrar to the Offer.

17. The examination report of our Statutory Auditor dated September 23, 2024, on our Restated Consolidated Financial Information

18. Copies of annual reports of our Company for Fiscal Years 2024, 2023 and 2022.

19. Statement of Tax Benefits dated September 30, 2024 issued by the Statutory Auditor, S S Kothari Mehta & Co. LLP, Chartered Accountants.

20. Engagement letter dated March 18, 2024 entered into between our Company and CRISIL, and consent letter dated September 30, 2024 from CRISIL.

21. Industry report titled "*Assessment of the Construction Industry in India*" dated September, 2024 prepared and issued by CRISIL and commissioned by our Company for an agreed fees.

22. Written consent dated September 30, 2024, from the Statutory Auditor, S S Kothari Mehta & Co. LLP, Chartered Accountants, to include their name as required under section 26 (5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this DRHP, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditor, and in respect of their (i) examination report, dated September 23, 2024, on our Restated Consolidated Financial Information; and (ii) the Statement of Tax Benefits available to the Company and its Shareholders in India, included in this DRHP, dated September 30, 2024. Such consents have not been withdrawn as on the date of this DRHP. However, the term "expert" and the consent thereof shall not be construed to mean an "expert" or consent within the meaning as defined under the U.S. Securities Act;

23. Written consents of the Bankers to our Company, the BRLMs, Syndicate Members, Registrar to the Offer, Directors of our Company, Company Secretary and Compliance Officer, Chief Financial Officer, Indian legal counsel to the Company, Monitoring Agency, and Bankers to the Offer as referred to, in their respective capacities.

24. Written consent dated September 30, 2024 from Mukesh Raj & Co ,Chartered Accountants to include their name as required under section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this DRHP, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 in respect of their certificates in connection with the Offer.

25. Written consent dated September 30, 2024, from M/s. CL and Associates, Company Secretaries, to include their name as an Independent Practicing Company Secretary and as an "expert" as defined under Section 2(38) of the Companies Act.

26. Certificate dated September 30, 2024, on key performance indicators certified by Mukesh Raj & Co , Chartered Accountants, transactions in specified securities and Basis for Offer Price.

27. Due diligence certificate dated September 30, 2024 to SEBI from the BRLMs.

28. In-principle listing approvals dated [●] and [●], received from NSE and the BSE, respectively.

29. SEBI observation letter bearing reference number [●] and dated [●].

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or the guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR COMPANY

Varinder Kumar Garg

(*Chairman and Whole-time Director*)

Place: Gurgaon

Date: 30.09.2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or the guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR COMPANY

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Sushma Garg

(*Whole-time Director*)

Place: Gurgaon

Date: 30.09.2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or the guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR COMPANY

Vivek Garg

(Managing Director and CEO)

Place: Gurgaon

Date: 30.09.2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or the guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR COMPANY

Neeru Abrol

Neeru Abrol

(*Independent Director*)

Place: Delhi

Date: 30.09.2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or the guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR COMPANY

Kuljit Singh Popli

(*Independent Director*)

Place: Delhi

Date: 30.09.2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or the guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR COMPANY

Vinod Kumar

(Independent Director)

Place: Gurgaon

Date: 30.09.2024

DECLARATION BY VARINDER KUMAR GARG, AS A PROMOTER SELLING SHAREHOLDER

I, Varinder Kumar Garg, acting as Promoter Selling Shareholder, hereby confirm and declare that all statements, disclosures and undertakings made or confirmed by me in this Draft Red Herring Prospectus in relation to myself, as one of the Promoter Selling Shareholders and my respective portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder, or any other person(s) in this Draft Red Herring Prospectus.

Varinder Kumar Garg

Place: Gurgaon

Date: 30.09.2024

DECLARATION BY SUSHMA GARG, AS A PROMOTER SELLING SHAREHOLDER

I, Sushma Garg, acting as Promoter Selling Shareholder, hereby confirm and declare that all statements, disclosures and undertakings made or confirmed by me in this Draft Red Herring Prospectus in relation to myself, as one of the Promoter Selling Shareholders and my respective portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder, or any other person(s) in this Draft Red Herring Prospectus.

Sushma Garg

Place: Gurgaon

Date: 30.09.2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or the guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

Vikas Jain

(Chief Financial Officer)

Place: Gurgaon

Date: 30.09.2024