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**DRAFT RED HERRING PROSPECTUS**
Dated September 23, 2022
*(This Draft Red Herring Prospectus will be updated upon filing with the RoC)*
*Please read section 32 of the Companies Act, 2013*
*Book Built Offer*

# WAPCOS LIMITED

**CORPORATE IDENTITY NUMBER: U74899DL1969GOI005070**

| REGISTERED AND CORPORATE OFFICE | CONTACT PERSON |
|---|---|
| **Registered Office:** 5th Floor, Kailash, 26 Kasturba Gandhi Marg, New Delhi, Delhi - 110001, India<br>**Corporate Office:** 76-C, Institutional Area, Sector-18, Gurugram, Haryana – 122015 | Kavita Parmar, Company Secretary and Compliance Officer |

| EMAIL | TELEPHONE | WEBSITE |
|---|---|---|
| kpv@wapcos.co.in | +91-11-23354532 | http://www.wapcos.co.in/ |

**OUR PROMOTER: THE PRESIDENT OF INDIA, ACTING THROUGH THE MINISTRY OF JAL SHAKTI, GOVERNMENT OF INDIA**

| TYPE | OFFER FOR SALE SIZE | OFFER SIZE | ELIGIBILITY AND SHARE RESERVATION AMONG QIBs, NIIs AND RIIs |
|---|---|---|---|
| Offer for Sale | Up to 32,500,000 Equity Shares aggregating up to ₹ [●] million. | ₹ [●] 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 in relation to share reservation among Qualified Institutional Buyers, Non-Institutional Bidders, Retail Individual Investors and Eligible Employees, see “*Offer Structure*” on page 375. |

**OFFER FOR SALE**

| NAME OF SELLING SHAREHOLDER | TYPE | NUMBER OF EQUITY SHARES OFFERED / AMOUNT (IN ₹ MILLION) | WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE (IN ₹) ^ |
|---|---|---|---|
| President of India, acting through the Ministry of Jal Shakti, Government of India | Promoter | 32,500,000 | 0.023 |

*^As certified by Serva Associates, Chartered Accountants, our Statutory Auditor to the Offer, pursuant to the certificate dated September 23, 2022*

**RISKS IN RELATION TO THE FIRST OFFER**

This being the first public offer of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 10. The Floor Price, the Offer Price and the Price Band (determined by our Company and the Selling Shareholder 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 92), should not be taken 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 or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISK**

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer 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 28.

| COMPANY'S AND 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 the Offer, which is material in the context of the 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 Selling Shareholder accepts responsibility for, and confirm, that the statements made or confirmed by it in this Draft Red Herring Prospectus to the extent that the statements and information specifically pertain to itself and the Equity Shares offered by it under the Offer for Sale, are true and correct in all material respects and 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 the National Stock Exchange of India Limited ("**NSE**", and together with BSE, the "**Stock Exchanges**"). For the purposes of the Offer, the Designated Stock Exchange shall be [●]. |

**BOOK RUNNING LEAD MANAGERS**

| **Name and Logo of Book Running Lead Manager** | **Contact Person** | **Telephone and E-mail** |
|---|---|---|
| **IDBI Capital Markets & Securities Limited** | Indrajit Bhagat/ Vimal Maniyar | Tel.: +91 22 2217 1953<br>Email: wapcos.ipo@idbicapital.com |
| **SMC Capitals Limited** | Sri Krishna Tapariya | Tel: + 91 11 30111000<br>E-mail: ipo.wapcos@smccapitals.com |

**REGISTRAR TO THE OFFER**

| **Name of the Registrar** | **Contact Person** | **Telephone and E-mail** |
|---|---|---|
| **KFin Technologies Limited** | M Murali Krishna | Telephone: +91-40-67162222<br>Email: fincare.ipo@kfintech.com |

**BID/OFFER PERIOD**

| **Anchor Investor Bid/Offer Period*** | [●]* | **Bid/Offer opens on** | [●] | **Bid/Offer closes on**** | [●]** |
|---|---|---|---|---|---|

**Our Company and the Selling Shareholder in consultation with the BRLMs may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one (1) Working Day prior to the Bid/Offer Opening Date.*

***Our Company and the Selling Shareholder in consultation with the BRLMs may consider closing the Bid/Offer Period for QIBs one (1) Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.*

**WAPCOS LIMITED**

Our Company was incorporated as *"Water and Power Development Consultancy Services (India) Private Limited"* under the provisions of the Companies Act, 1956 on June 26, 1969 as a private limited company and the certificate of incorporation bearing registration no. 5070 of 1969-70 was issued by the Registrar of Companies, Delhi and Haryana. The word 'private' was deleted and the name of our Company was changed to *"Water and Power Development Consultancy Services (India) Limited"* with effect from November 21, 1969 and the same was recorded in the certificate of incorporation issued by the Registrar of Companies, Delhi. Pursuant to the passing of a necessary resolution in terms of Section 21 of the Companies Act, 1956 and the approval of the Ministry of Law, Justice & Company Affairs (Company Law Board), the name of our Company was changed to *"Water and Power Consultancy Services (India) Limited"* and a fresh certificate of incorporation dated February 12, 1980, consequent to the change of name, was issued by the Assistant Registrar of Companies, Delhi and Haryana. Thereafter, pursuant to the passing of necessary resolution in terms of Section 21 of the Companies Act, 1956 and the approval of Central Government, the name of our Company was again changed to *"WAPCOS Limited"* as the word *"WAPCOS"* was abbreviated form of the existing name of the Company, and a fresh certificate of incorporation dated November 3, 2007, was issued by the RoC. The shareholders of our Company passed the resolution to convert the Company to a public company on February 25, 2021 and RoC granted fresh certificate of incorporation dated April 27, 2021. For details of change in the name and Registered Office of our Company, please refer *"History and Certain Corporate Matters"* on page 167 of this Draft Red Herring Prospectus.

**Registered Office**: 5th Floor, Kailash, 26 Kasturba Gandhi Marg, New Delhi, Delhi - 110001, India; **Corporate Office:** 76-C, Institutional Area, Sector-18, Gurugram, Haryana – 122015;
**Contact Person:** Kavita Parmar, Company Secretary and Compliance Officer; **Tel**: +91-11-23354532; **Email:** kpv@wapcos.co.in; **Website**: www.wapcos.co.in; **Corporate Identity Number**: U74899DL1969GOI005070.

**OUR PROMOTER: THE PRESIDENT OF INDIA ACTING THROUGH THE MINISTRY OF JAL SHAKTI, GOVERNMENT OF INDIA**

**INITIAL PUBLIC OFFER OF UPTO 32,500,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF WAPCOS LIMITED ("OUR COMPANY") THROUGH AN OFFER FOR SALE BY THE PRESIDENT OF INDIA, ACTING THROUGH THE MINISTRY OF JAL SHAKTI, GOVERNMENT OF INDIA (THE "SELLING SHAREHOLDER") FOR CASH AT A PRICE* OF ₹ [●] PER EQUITY SHARE (INCLUIDNG A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) (THE "OFFER PRICE"), AGGREGATING TO ₹ [●] MILLION (THE "OFFER").**

**SUBJECT TO RECEIPT OF NECESSARY APPROVALS FROM THE GOVERNMENT OF INDIA ("GOI"), UP TO [●] EQUITY SHARES MAY BE RESERVED FOR ELIGIBLE EMPLOYEES (DEFINED HEREINAFTER) (THE "EMPLOYEE RESERVATION PORTION"). THE OFFER LESS EMPLOYEE RESERVATION PORTION (IF ANY) IS REFERRED TO AS THE NET OFFER. THE OFFER WILL COMPRISE A NET OFFER OF UP TO [●] EQUITY SHARES AND THE EMPLOYEE RESERVATION PORTION OF UP TO [●] EQUITY SHARES. THE EMPLOYEE RESERVATION PORTION, IF ANY, SHALL NOT EXCEED 5.00% OF THE POST OFFER PAID UP EQUITY SHARE CAPITAL OF THE COMPANY. 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 EQUITY SHARES IS ₹ 10 EACH. THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND, THE RETAIL DISCOUNT, EMPLOYEE DISCOUNT, AS APPLICABLE, AND THE MINIMUM BID LOT SIZE WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDER IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS ("BRLMS") AND WILL BE ADVERTISED IN ALL EDITIONS OF THE ENGLISH NATIONAL DAILY NEWSPAPER [●] AND ALL EDITIONS OF THE HINDI NATIONAL DAILY NEWSPAPER [●] (HINDI BEING THE REGIONAL LANGUAGE OF NEW DELHI WHEREIN THE REGISTERED OFFICE OF OUR COMPANY IS LOCATED), EACH WITH WIDE CIRCULATION, AT LEAST TWO (2) WORKING DAYS PRIOR TO THE BID/ OFFER OPENING DATE AND THE ADVERTISEMNT SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH THE SEBI ICDR REGULATIONS.**

**Retail discount of up to ₹ [●] per Equity Share to the Offer Price may be offered to the Retail Individual Bidders and Employee Discount of up to ₹ [●] per Equity Share to the Offer Price may be offered to the Eligible Employees bidding in the Employee Reservation Portion.*

In case of any revision in the Price Band, the Bid/ Offer Period will be extended by at least three (3) additional Working Days after revision of the Price Band, subject to the Bid/ Offer Period not exceeding ten (10) Working Days. In cases of force majeure, banking strike or similar circumstances, our Company and Selling Shareholder may, in consultation with the BRLMs, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three (3) Working Days, subject to the Bid/ Offer Period not exceeding ten (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 respective websites of the BRLMs and at the terminals of the members of the Syndicate Member(s) and by an intimation to the Designated Intermediaries and the Sponsor Bank(s), as applicable.

The 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 and in compliance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Net 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 and the Selling Shareholder in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors, on a discretionary basis (the "**Anchor Investor Portion**"), of which one-third shall be reserved for the domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the price at which allocation is made to Anchor Investors ("**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 Net 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 application size of more than ₹ 2,00,000 and up to ₹ 10,00,000; and (b) two-third of such portion shall be reserved for applicants with application size of more than ₹ 10,00,000 in accordance with SEBI ICDR Regulations and not less than 35% of the Net 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 (net of Retail Discount, if any). Subject to receipt of necessary approvals from GoI, up to [●] Equity Shares may be offered for allocation and Allotment on a proportionate basis to the Eligible Employees Bidding in the Employee Reservation Portion, subject to valid Bids being received from them at or above the Offer Price (net of Employee Discount, if any). All Bidders (other than Anchor Investors) shall only participate in the Offer through the Application Supported by Blocked Amount ("**ASBA**") process by providing details of their respective bank account and UPI ID in case UPI Bidders using the UPI Mechanism, as applicable, pursuant to which their corresponding Bid Amounts will be blocked by the Self Certified Syndicate Banks ("**SCSBs**") or by the Sponsor Banks under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For details, please refer *"Offer Procedure"* on page 378.

**RISKS IN RELATION TO THE FIRST OFFER**

This being the first public offer of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 10 each. The Offer Price/Floor Price/Cap Price (as determined and justified by our Company and the Selling Shareholder, in consultation with the BRLMs), on the assessment of the market demand for the Equity Shares by way of the book building process, as stated in 'Basis of Offer Price' on page 92) should not be taken 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 or sustained trading in the Equity Shares, nor regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISK**

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 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 the Offer, including the risks involved. The Offered 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 the section titled "*Risk Factors*" on page 28.

**OUR COMPANY'S AND THE 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 the 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. The Selling Shareholder accepts responsibility for and confirms the statements made by it in this Draft Red Herring Prospectus to the extent of information specifically pertaining to itself and the Equity Shares being sold by it in the Offer for Sale and assume responsibility that such statements are true and correct in all material respects and not misleading in any material respect.

**LISTING**

The Equity Shares when offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received the 'in-principle' approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively. For the purposes of this Offer, the Designated Stock Exchange shall be [●]. A copy of the Red Herring Prospectus and the Prospectus shall be delivered for filing with the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents that shall be available for inspection from the date of the Red Herring Prospectus, up to the Bid/ Offer Closing Date, please refer *"Material Contracts and Documents for Inspection"* on page 423.

| BOOK RUNNING LEAD MANAGERS | | REGISTRAR TO THE OFFER |
|---|---|---|
| **IDBI CAPITAL MARKETS & SECURITIES LIMITED**<br>6th Floor, IDBI Towers,<br>WTC Complex,<br>Cuffe Parade, Mumbai -400005,<br>Maharashtra, India.<br>**Tel.:** +91 22 2217 1953<br>**Email:** wapcos.ipo@idbicapital.com<br>**Investor grievance E-mail:** redressal@idbicapital.com<br>**Website:** www.idbicapital.com<br>**Contact Person:** Indrajit Bhagat/ Vimal Maniyar<br>**SEBI Registration No.:** INM000010866 | **SMC Capitals Limited**<br>11/6B, 1st Floor,<br>Shanti Chambers, Pusa Road,<br>New Delhi–- 110005, India<br>**Tel:** + 91 11 30111000<br>**E-mail:** ipo.wapcos@smccapitals.com<br>**Investor Grievance E-mail:** investor.grievance@smccapitals.com<br>**Website:** www.smccapitals.com<br>**Contact Person:** Sri Krishna Tapariya<br>**SEBI Registration No.:** INM000011427 | **KFIN TECHNOLOGIES LIMITED**<br>***(Formerly KFin Technologies Private Limited)***<br>Selenium, Tower B, Plot No- 31 & 32,<br>Financial District, Nanakramguda, Serilingampally,<br>Hyderabad Rangareddi, Telangana- 500032, India<br>**Tel:** +91 40 6716 2222<br>**Toll free number–** 18003094001<br>**E-mail**: fincare.ipo@kfintech.com<br>**Investor Grievance E-mail:** einward.ris@kfintech.com<br>**Website:** www.kfintech.com<br>**Contact Person:** M Murali Krishna<br>**SEBI Registration No.:** INR000000221 |

**BID/ OFFER SCHEDULE**

| | |
|---|---|
| **BID/OFFER OPENS ON*** | [●] |
| **BID/ OFFER CLOSES ON**** | [●] |

* *Our Company and the Selling Shareholder, in consultation with the BRLMs, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one (1) Working Day prior to the Bid/Offer Opening Date.*

** *Our Company and the Selling Shareholder, in consultation with the BRLMs, may consider closing the Bid/Offer Period for QIBs one (1) 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, shall have the meaning as provided below. References to any legislation, act, regulation, rule, guideline, circular, notification or clarification or policy shall be to such legislation, act, regulation, rule, guideline, circular, notification or clarification or policy, as amended, supplemented or re-enacted from time to time, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.*

*The words and expressions used in this Draft Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made there under.*

*Notwithstanding the foregoing, terms in the chapters/sections titled "Statement of Possible Special Tax Benefits", "Industry Overview", "Key Regulations and Policies", "Basis for Offer Price", "History and Certain Corporate Matters", "Financial Information", "Outstanding Litigation and Other Material Developments", "Offer Procedure", and "Main Provisions of Articles of Association" beginning on pages 95, 98,161, 92, 167,197, 327, 378 and 402 will have the meaning ascribed to such terms in these respective chapters/sections.*

### General Terms

| Term | Description |
|---|---|
| "the Company", "our Company", "the Issuer" or "WAPCOS" | WAPCOS Limited, a public limited company incorporated under the Companies Act, 1956, having its registered office at 5th Floor, Kailash, 26 Kasturba Gandhi Marg, New Delhi, Delhi–- 110001, India |
| "we", "us" or "our" | Unless the context otherwise indicates or implies, our Company together with its Subsidiary, on a consolidated basis |

**Company Related Terms**

| Term | Description |
|---|---|
| "Articles" or "Articles of Association" or "AoA" | The articles of association of our Company, as amended from time to time |
| Audit Committee | The committee of the Board of Directors constituted as our Company's audit committee in accordance with Regulation 18 of the SEBI LODR Regulations and Section 177 of the Companies Act, 2013. For details, please refer *"Our Management"* on page 175 |
| "Auditors" or "Statutory Auditors" | The current statutory auditors of our Company, namely, Serva Associates, Chartered Accountants |
| "Board" or "Board of Directors" | The board of directors of our Company or a duly constituted committee thereof |
| "Chairman cum Managing Director" or "CMD" | The chairman cum managing director of our Company, being Rajni Kant Agrawal |
| Chief Financial Officer" or "CFO" | The chief financial officer of our Company, being Pankaj Kapoor |
| Company Secretary and Compliance Officer | The company secretary and compliance officer of our Company, being Kavita Parmar |
| Corporate Office | Corporate office of our Company located at 76-C, Institutional Area, Sector-18, Gurugram, Haryana–- 122 015 |
| CSR | Corporate Social Responsibility |
| CSR Committee | The corporate social responsibility committee constituted by our Board in accordance with the Companies Act, 2013. For details, please refer *"Our Management"* on page 175 |
| Director(s) | The director(s) of the Board of our Company, unless otherwise specified |
| DIPAM | Department of Investment and Public Asset Management, Ministry of Finance, GOI |
| Equity Shares | The equity shares of our Company of the face value of ₹ 10 each |
| Executive Director(s) | The executive director(s) on our Board as disclosed in, *"Our Management"* on page 175 |
| Fitch Solutions | Fitch Solutions India Advisory Private Limited *(erstwhile IRR Advisory Services Private Limited)* |
| Government Nominee Director | Nominee Director(s) on our Board as appointed by the GOI acting through MoJS |
| Independent Director(s) | The independent director(s) on our Board as appointed from time to time, as described in *"Our Management"* on page 175 |
| Industry Report | Report titled *"Industry Research Report on the Consultancy Service Business in India and Global Countries"* dated September 23, 2022 by Fitch Solutions |
| IPO Committee | The committee constituted by our Board for the Offer |

| Term | Description |
|---|---|
| "KMP" or "Key Managerial Personnel" | Key managerial personnel of our Company in accordance with Section 2(51) of the Companies Act and Regulation 2(1)(bb) of the SEBI ICDR Regulations. For details, please refer *"Our Management"* on page 175 |
| Materiality Policy | A policy adopted by our Company, in its Board meeting held on September 23, 2022, for identification of material creditors and material litigations |
| "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 the Board of Directors, constituted in accordance with Regulation 19 of SEBI LODR Regulations and Section 178 of the Companies Act. For details, please refer *"Our Management"* on page 175 |
| "Promoter" or "Selling Shareholder" | The President of India, acting through the Ministry of Jal Shakti, Government of India |
| Registered Office | The registered office of our Company located at 5th Floor, Kailash, 26 Kasturba Gandhi Marg, Delhi–- 110001, India |
| "Registrar of Companies" or "RoC" | The Registrar of Companies, NCT of Delhi and Haryana located at 4th Floor, IFCI Tower, 61, Nehru Place, New Delhi-110019 |
| Restated Financial Statements | The restated consolidated financial information of our Company and its Subsidiary, which comprise the restated consolidated statement of assets and liabilities, the restated consolidated statement of profit and loss (including other comprehensive income), restated consolidated statement of cash flows and restated consolidated statement of changes in equity, for the Fiscals 2022, 2021 and 2020 together with the summary statement of significant accounting policies, read with annexures and notes thereto prepared in accordance with the Ind AS, read with the Companies (Indian Accounting Standards) Rules, 2015, and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by ICAI |
| Senior Management Personnel | Senior management of the Company but does not include Key Managerial Personnel and as disclosed in *"Our Management- Key Managerial Personnel and Senior Management Personnel"* on page 192 |
| Shareholders | Holders of the Equity Shares of our Company from time to time |
| Stakeholders Relationship Committee | The stakeholders relationship committee of the Board of Directors constituted in accordance with Regulation 20 of the SEBI LODR Regulations and Section 178 of the Companies Act. For details, please refer *"Our Management"* on page 175 |
| Subsidiary | The subsidiary of our Company namely, National Projects Construction Corporation Limited. For details, please refer *"Our Subsidiary"* on page 173 |

**Offer Related Terms**

| Term | Description |
|---|---|
| Abridged Prospectus | Abridged prospectus means 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 Designated Intermediary(ies) to a 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 transfer of Offered Shares to successful Bidders pursuant to the Offer by the Selling Shareholder |
| Allotment Advice | Note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Offered Shares after the Basis of Allotment has been approved by the Designated Stock Exchange |
| Allottee | A successful Bidder to whom the Equity Shares are Alloted |
| Anchor Investor | A QIB, who applies under the Anchor Investor Portion in accordance with the requirements specified in the 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 the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company and the Selling Shareholder, in consultation with the BRLMs |
| Anchor Investor Application Form | Application 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 Prospectus |
| Anchor Investor Bid/Offer Period | One (1) 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 Bidding Date | The day, being one (1) Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which BRLMs will not accept any Bids from Anchor Investors and allocation to the Anchor Investors shall be completed |
| Anchor Investor Offer Price | The final price at which Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be a price equal to or higher than the Offer Price but not higher than the Cap Price |

| Term | Description |
|---|---|
| | The Anchor Investor Offer Price will be decided by our Company and the Selling Shareholder in consultation with the BRLMs |
| Anchor Investor Portion | Up to 60% of the QIB Category which may be allocated by our Company and the Selling Shareholder in consultation with the BRLMs, to Anchor Investors, on a discretionary basis in accordance with the SEBI ICDR Regulations<br><br>One third of the Anchor Investor Portion is 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 |
| “Application Supported by Blocked Amount” or “ASBA” | Application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorizing an SCSB to block the Bid Amount in the ASBA Account and will include applications made by UPI Bidders using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of a UPI Mandate Request made by the UPI Bidders using the UPI Mechanism |
| ASBA Account | Bank account maintained with an SCSB by an ASBA Bidder, as specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the relevant ASBA Form and includes the account of UPI Bidder which is blocked upon acceptance of a UPI Mandate Request made by the UPI Bidders using the UPI Mechanism |
| ASBA Bid | A Bid made by an ASBA Bidder including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations |
| ASBA Bidder | Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the ASBA Form (except Anchor Investors) |
| ASBA Form | Application form, whether physical or electronic, used by ASBA Bidders to submit Bids, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus |
| Banker(s) to the Offer | Collectively, Escrow Account Bank(s), Public Offer Account Bank(s), Sponsor Bank(s) and the Refund Bank(s) |
| Basis of Allotment | The basis on which the Offered Shares will be Allotted to successful Bidders under the Offer as described in the section titled *“Offer Procedure”* on page 378 |
| “Bid(s)” or “Bidding” | An indication by a Bidder 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 submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto, as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the Bid cum Application Form<br><br>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 RIB 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 in the Offer<br><br>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 (post the initial Allocation of up to ₹ 200,000 per Eligible Employee), 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 an Eligible Employee not exceeding ₹ 500,000. |
| Bid cum Application Form | The Anchor Investor Application Form or the ASBA Form, as the context requires |
| Bid Lot | [●] Equity Shares and in multiples of [●] Equity Shares thereafter |
| “Bid” or “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 being the regional language of New Delhi, where Registered Office is located), each with wide circulation and in case of any revision, the extended Bid/ Offer Closing Date 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 Syndicate Members, and communicated to the Designated Intermediaries and the Sponsor Bank, as required under the SEBI ICDR Regulations<br><br>Our Company and the Selling Shareholder, in consultation with the BRLMs, may consider closing the Bid/ Offer Period for QIBs one (1) Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended Bid/ Offer Closing Date shall also be notified on the websites of the BRLMs and at the terminals of the Syndicate Members and communicated to the Designated Intermediaries |

| Term | Description |
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| | and the Sponsor Banks, 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 |
| "Bid" or "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 being the regional language of New Delhi wherein our Company's Registered Office is located), each with wide circulation |
| "Bid" or "Offer Period" | Except in relation to any Bids received from the Anchor Investors, the period between the Bid/ Offer Opening Date and the Bid/ Offer Closing Date, inclusive of both days, during which prospective Bidders (excluding Anchor Investors) can submit their Bids, including any revisions thereof in accordance with the SEBI ICDR Regulations, provided that such period shall be kept open for a minimum of three (3) Working Days<br><br>Our Company and the Selling Shareholder in consultation with the BRLMs, may consider closing the Bid/ Offer Period for QIBs one (1) Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations |
| "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 Branch 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 |
| Book Building Process | Book building process, as provided in Schedule XIII of the SEBI ICDR Regulations, in terms of which this Offer is being made |
| "Book Running Lead Managers" or "BRLMs" | The book running lead manager to this Offer, being IDBI Capital Markets & Securities Limited and SMC Capitals Limited |
| Broker Centres | The broker centres notified by the Stock Exchanges where Bidders (other than Anchor Investors) can submit the ASBA Forms to a Registered Broker.<br><br>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 (www.bseindia.com and www.nseindia.com, respectively), as updated from time to time |
| "CAN" or "Confirmation of Allocation Note" | Notice or intimation of allocation of Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, on or 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, including any revisions thereof. The Cap Price shall be at least 105% of the Floor Price |
| Cash Escrow and Sponsor Bank Agreement | The cash escrow and sponsor banks agreement to be entered into between our Company, the Selling Shareholder, the Book Running Lead Managers, the Registrar to the Offer, the Banker(s) to the Offer and the Syndicate Members for, inter alia, collection of the Bid Amounts from the Anchor Investors, transfer of funds to the Public Offer Account and where applicable, refunds of the amounts collected from the Anchor Investors, on the terms and conditions thereof, in accordance with the UPI Circulars |
| Client ID | Client identification number maintained with one of the Depositories in relation to the demat account |
| "Collecting Depository Participant" or "CDP" | 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 as per the list available on the respective websites of the Stock Exchanges, as updated from time to time |
| Cut-off Price | The Offer Price finalised by our Company and the Selling Shareholder, in consultation with the BRLMs which shall be any price within the Price Band<br><br>Only RIBs Bidding in the Retail Portion and the Eligible Employees bidding in the Employee Reservation Portion, respectively are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) 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 |

| Term | Description |
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| | 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 transfer funds from the Escrow Account to the Public Offer Account or the Refund Account, as the case may be, and/or the instructions are issued to the SCSBs (in case of UPI Bidders using UPI Mechanism, instruction issued through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Offer Account or the Refund Account, as the case may be, in terms of the Red Herring Prospectus and the Prospectus following which Equity Shares will be Allotted in the Offer |
| Designated Intermediary(ies) | In relation to ASBA Forms submitted by RIBs authorizing an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs<br><br>In relation to ASBA Forms submitted by UPI Bidders where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by UPI Bidders using the UPI Mechanism, Designated Intermediaries shall mean syndicate members, sub-syndicate members, Registered Brokers, CDPs and RTAs<br><br>In relation to ASBA Forms submitted by QIBs and NIBs, Designated Intermediaries shall mean SCSBs, syndicate members, sub-syndicate members, Registered Brokers, CDPs and RTAs |
| 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) |
| Designated Stock Exchange | [●] |
| "Draft Red Herring Prospectus" or "DRHP" | This draft red herring prospectus dated September 23, 2022 filed with SEBI and Stock Exchanges, issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Offered Shares will be Allotted and the size of this Offer, including any addenda or corrigenda thereto |
| Eligible Employee(s) | A permanent employee of our Company or a Director of our Company, working in India or outside India, whether whole-time or not as of the date of registration/filing of the Red Herring Prospectus with the RoC and who is the employee at the time of submission of the Bid, but not including 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<br><br>Directors, Key Managerial Personnel and other employees of our Company involved in the Offer Price fixation process cannot participate in this Offer (as per Model Conduct, Discipline and Appeal Rules of CPSEs and office memorandum of DPE dated June 16, 2009 and July 28, 2009) and will not constitute Eligible Employees for the purposes of this Offer<br><br>An employee of our Company who is recruited against a regular vacancy but is on probation as on the date of submission of the ASBA Form will also be deemed a "permanent employee" of our Company |
| Eligible FPI(s) | FPIs from such jurisdictions outside India where it is not unlawful to make an offer / invitation under the Offer and in relation to whom the ASBA Form and the Red Herring Prospectus constituted an invitation to subscribe to the Equity Shares |
| Eligible NRI(s) | 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 ASBA Form and the Red Herring Prospectus will constitute an invitation to purchase the Offered Shares |
| Employee Discount | Our Company and the Selling Shareholder, in consultation with the BRLMs, may offer a discount of up to [●]% to the Offer Price (equivalent of ₹ [●] per Equity Share) to Eligible Employee(s), subject to necessary approvals as may be required, and which shall be announced at least two (2) Working Days prior to the Bid / Offer Opening Date |
| Employee Reservation Portion | The portion of the Offer being up to [●] Equity Shares aggregating up to ₹ [●] million, available for allocation to Eligible Employee(s), on a proportionate basis.<br><br>The Eligible Employee(s) applying in the Employee Reservation Portion can apply at the Cut-off Price and the Bid Amount shall be Cap Price, multiplied by the number of Equity Shares Bid for such Eligible Employee and mentioned in the Bid cum Application Form. 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 (post the initial Allocation of up to ₹ 200,000 per Eligible Employee), the unsubscribed portion will |

| Term | Description |
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| | 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 an Eligible Employee not exceeding ₹ 500,000 |
| Escrow Account(s) | Account(s) opened with the Escrow Collection Bank for the Offer and in whose favour the Anchor Investors will transfer money through direct credit or NEFT or RTGS or NACH in respect of the Bid Amount when submitting a Bid |
| Escrow Collection Bank | Bank(s) which are clearing members and registered with SEBI as banker(s) to an issue under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and with whom the Escrow Account will be opened, in this case being [●] |
| "First Bidder" or "Sole Bidder" | The Bidder whose name shall be mentioned in the ASBA 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 Anchor Investor Offer Price will be finalized and below which no Bids will be accepted |
| General Information Document | The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular no. 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, as amended from time to time<br><br>The General Information Document shall be available on the websites of the Stock Exchanges and the BRLMs |
| Mutual Fund Portion | 5% of the Net QIB Portion, or up to [●] 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 Offer | The Offer, less the Employee Reservation Portion, if any i.e. up to [●] |
| Net QIB Portion | The QIB Portion less the number of Equity Shares Allotted to the Anchor Investors |
| "Non-Institutional Bidders" or "NIB" | All Bidders that are not QIBs (including Anchor Investors) or Retail Individual Bidders or Eligible Employees and who have Bid for Offered Shares for an amount more than ₹ 200,000 (but not including NRIs other than Eligible NRIs) |
| Non-Institutional Portion | The portion of this Offer being not less than 15% of the Net Offer comprising of not less than [●] Equity Shares which shall be available for allocation to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price<br><br>One-third of the portion available to Non-Institutional Bidders shall be reserved for Bidders with Bid size of more than ₹ 200,000 and up to ₹ 1,000,000; (b) two third of the portion available to Non-Institutional Bidders shall be reserved for Bidders with Bid size of more than ₹ 1,000,000<br><br>Provided that the unsubscribed portion in either of the sub-categories specified in clauses (a) or (b) above, may be allocated to Bidders in the other sub-category of Non-Institutional Bidders, in accordance with the SEBI ICDR Regulations |
| "Non-Resident" or "NR" | A person resident outside India, as defined under FEMA and includes FIIs, FPIs, FVCIs and Eligible NRIs |
| "Offer" or "Offer for Sale" | The initial public offering of our Company through the offer for sale of up to 32,500,000 Equity Shares by the Selling Shareholder at the Offer Price of ₹ [●] each, aggregating to ₹ [●] million, in terms of the Red Herring Prospectus.<br><br>Subject to receipt of necessary approvals from the GOI, up to [●]Equity Shares may be reserved for allocation and Allotment on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion |
| Offer Agreement | The agreement dated September 23, 2022 entered among our Company, the Selling Shareholder and the BRLMs pursuant to which certain arrangements are agreed to in relation to this Offer |
| Offer Price | The final price (net of Retail Discount and/or Employee Discount, as applicable) within the Price Band at which the Offered Shares will be Allotted to successful Bidders (except Anchor Investors) in terms of the Red Herring Prospectus and Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of the Red Herring Prospectus<br><br>The Offer Price will be decided by our Company and the Selling Shareholder in consultation with the Book Running Lead Managers on the Pricing Date in accordance with the Book Building Process and the Red Herring Prospectus |

| Term | Description |
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| | A discount of up to ₹ [●] per Equity Share (up to [●] % on the Offer Price) may be offered to Retail Individual Bidder and Eligible Employees bidding in the Retail Portion and Employee Reservation Portion. This Retail Discount and Employee Discount, if any, will be decided by our Company and the Selling Shareholder in consultation with the BRLMs |
| Offer Proceeds | The proceeds of this Offer that are available to the Selling Shareholder For further information about use of the Offer Proceeds, see *"Objects of the Offer"* beginning on page 89 |
| Offered Shares | Up to 32,500,000 Equity Shares Being offered for sale by the Selling Shareholder in the Offer for Sale |
| Order Book | Means the aggregate contract value of ongoing projects of our Company and Subsidiary as on March 31, 2022 reduced by the value of work executed by us (including change in the scope of work of our ongoing projects) until such date and new contracts entered by us, however, the Order Book do not include any escalation as on the relevant date |
| Pre-Offer Advertisement | The pre-Offer advertisement to be published by our Company under Regulation 43 of the SEBI ICDR Regulations and Section 30 of the Companies Act, after filing of the Red Herring Prospectus with the RoC, in all editions of the English national daily newspaper [●] and all editions of the Hindi national daily newspaper [●] (Hindi being the regional language of New Delhi, wherein the Registered Office is located), each with wide circulation, respectively |
| Price Band | Price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price), including any revisions thereof<br><br>The Price Band, the Retail Discount, the Employee Discount and the minimum Bid Lot for the Offer will be decided by our Company and the Selling Shareholder, in consultation with the BRLMs and will be advertised at least two (2) Working Days prior to the Bid / Offer Opening Date, 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 the Registered Office is located), each with wide circulation, respectively |
| Pricing Date | The date on which the Selling Shareholder and our Company, in consultation with the BRLMs, will finalize the Offer Price |
| Prospectus | The prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, and the provisions of 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 | A bank account to be opened with the Bankers to the Offer by our Company under Section 40(3) of the Companies Act to receive monies from the Escrow Account(s) and ASBA Accounts on the Designated Date |
| Public Offer Account Bank | A bank which is a clearing member and registered with SEBI as a banker to an issue and with which the Public Offer Account, in this case being [●] |
| "QIBs" or "QIB Bidders" "Qualified Institutional Buyers" | Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations who Bid on this Offer |
| "QIB Category" or "QIB Portion" | The portion of the Net Offer being not more than 50% of the Net Offer or up to [●] Equity Shares, which shall be available for allocation to QIBs on a proportionate basis, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company and the Selling Shareholder in consultation with the BRLMs) subject to valid Bids being received at or above the Offer Price or Anchor Investor Offer Price (for Anchor Investors) |
| "Red Herring Prospectus" or "RHP" | The red herring prospectus to be issued in accordance with Section 32 of the Companies Act and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the Offer Price at which the Equity Shares will be offered and the size of this Offer, including any addenda or corrigenda thereto.<br><br>The Red Herring Prospectus will be filed with the RoC at least three (3) Working Days before Bid/ Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date |
| Refund Account | The account to be opened with the Refund Bank from which the refunds, if any, of the whole or part of the Bid Amount to the Bidders shall be made |
| Refund Bank | The Banker(s) to the Offer with whom the Refund Account will be opened, in this case being [●] |
| Registered Brokers | Stock brokers registered under the Securities and Exchange Board of India (Stock brokers) Regulations, 1992, as amended with the stock exchanges having nationwide terminals, other than the Book Running Lead Manager and Members of the Syndicate, and eligible to procure Bids in terms of circular no. CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI |
| Registrar Agreement | The agreement dated September 23, 2022 entered into between our Company, the Selling Shareholder and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to this Offer |

| Term | Description |
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| "Registrar and Share Transfer Agents" or "RTAs" | The registrar and the share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations as per the list available on the websites of BSE and NSE and the UPI Circulars |
| "Registrar to the Offer" or "Registrar" | KFin Technologies Limited *(formerly, KFin Technologies Private Limited)* |
| Resident Indian | A person resident in India, as defined under FEMA |
| Retail Discount | Discount of ₹ [●] on the Offer Price, which may be given to Retail Individual Bidders in the Retail Portion |
| "Retail Individual Bidder(s)" or "RIB(s)" or "RII(s)" | Individual Bidders, who have Bid for the Offered Shares for an amount not more than ₹ 200,000 net of Retail Discount, in any of the Bidding options in the Offer (including HUFs applying through their Karta and Eligible NRIs) and does not include NRIs (other than Eligible NRIs) |
| Retail Portion | The portion of Net Offer being not less than 35% of the Net Offer consisting of up to [●] Equity Shares, available for allocation to Retail Individual Bidder(s) in accordance with the SEBI ICDR Regulations 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 Offered Shares Bid for, or the Bid Amount in any of their ASBA Forms or any previous Revision form(s), as applicable<br><br>QIB Bidders and NIBs are not allowed to withdraw or lower their Bids (in terms of quantity and of Equity Shares or the Bid Amount) at any stage. RIBs and Eligible Employees bidding in the Employee Reservation Portion can revise their Bids during the Bid/ Offer Period or 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 RIBs and Eligible Employee(s) 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<br><br>Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43). 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 |
| Share Escrow Agent | The share escrow agent to be appointed pursuant to the Share Escrow Agreement, namely, [●] |
| Share Escrow Agreement | The agreement to be entered into amongst the Selling Shareholder, our Company and the Share Escrow Agent in connection with the transfer of Offered Shares and credit of such Offered Shares to the demat account of the Allottees |
| Specified Locations | Bidding Centres where the Syndicate shall accept ASBA Forms from Bidders |
| Sponsor Bank | The Banker to the Offer registered with SEBI and appointed by our Company and the Selling Shareholder to act as a conduit between the Stock Exchanges and the NPCI in order to push the mandate collect requests and / or payment instructions of the UPI Bidders using the UPI and carry out other responsibilities, in terms of the UPI Circulars, in this case being [●] |
| Stock Exchanges | BSE Limited and National Stock Exchange of India Limited |
| Sub-Syndicate Members | The sub-syndicate members, if any, appointed by the BRLMs and the Syndicate Members, to collect the ASBA Forms and Revision Forms |
| Syndicate Agreement | The agreement to be entered into between our Company, the Selling Shareholder, the BRLMs and the Syndicate Members in relation to the collection of the ASBA Forms by the Syndicate Members |
| Syndicate Members | Intermediaries registered with SEBI, who are permitted to accept Bids (other than by Anchor Investors), Bid cum Application Form (other than Anchor Investor Application Form) and place orders with respect to the Offer in accordance with the Red Herring Prospectus and the Syndicate Agreement and who are permitted to carry out activities as an underwriter, namely, [●] |
| "Syndicate" or "Members of the Syndicate" | Together, the BRLMs and the Syndicate Members |
| Systemically Important Non-Banking Financial Company | Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations |

| Term | Description |
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| Underwriters | [●] |
| Underwriting Agreement | The agreement to be entered into among our Company, the Selling Shareholder and the Underwriters on or after the Pricing Date but prior to the registration of the Prospectus with the RoC |
| UPI | Unified payments interface, which is an instant payment mechanism, developed by NPCI |
| UPI Bidder(s) | Collectively, individual investors applying as (i) RIBs in the Retail Portion, (ii) Non-Institutional Bidders with an application size of up to ₹ 500,000 in the Non-Institutional Portion, and (iii) Eligible Employees Bidding under the Employee Reservation Portion, in each case Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and RTAs<br><br>Pursuant to circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹ 500,000 shall use the UPI Mechanism 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 | The 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/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/DIL1/CIR/P/2021/47 dated March 31, 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/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and any subsequent circulars or notifications issued by SEBI in this regard |
| UPI ID | ID created on UPI for single-window mobile payment system developed by the NPCI |
| UPI Mandate Request | A request (intimating the UPI Bidders by way of a notification on the UPI linked mobile application and by way of an SMS on directing the UPI Bidders to such UPI linked mobile application) to the UPI Bidders initiated by the Sponsor Banks 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 UPI Circulars |
| UPI Mechanism | The bidding mechanism that may be used by a UPI Bidders in accordance with UPI Circulars to make an ASBA Bid in the Offer |
| UPI PIN | Password to authenticate UPI transaction |
| Wilful Defaulter or Fraudulent Borrower | Wilful defaulter or a fraudulent borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations |
| Working Day | Any day, other than the second and fourth Saturdays of each calendar month, Sundays and public holidays, on which commercial banks in Mumbai and Delhi are open for business; provided however, with reference to (i) announcement of Price Band; and (ii) Bid / Offer Period, "Working Day" shall mean any day, excluding all Saturdays, Sundays and public holidays, on which commercial banks in Mumbai and Delhi are open for business; and with reference to the time period between the Bid/ Offer Closing Date and the receipt of trading permission for the Offered Shares on the Stock Exchanges, "Working Day" shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays in terms of the circulars issued by SEBI, including UPI Circulars |

### Technical/ Industry Related Terms/ Abbreviations

| Term | Description |
|---|---|
| ADB | Asian Development Bank |
| AMRUT | Atal Mission for Rejuvenation and Urban Transformation |
| BIS | Bureau of Indian Standards |
| BPO | Business process outsourcing |
| BRICS | Brazil, Russia, India, China, and South Africa |
| CBIP | Central Board of Irrigation and Power |
| CEAI | Consulting Engineers Association of India. |
| CII | Confederation of Indian Industry |

| Term | Description |
|---|---|
| CPPP | Central Public Procurement Portal of Government |
| CRPF | Central Reserve Police Force |
| CWPRS | Central Water and Power Research Station |
| DGPS | Differential Geo Positioning System |
| DMRC | Delhi Metro Rail Corporation |
| DPR | Detailed Project Report |
| DSIDC | Delhi State Industrial and Infrastructure Development Corporation Limited |
| EPZ | Export Processing Zones |
| EIA | Environmental Impact Assessment |
| EPC | Engineering, Procurement and Construction |
| EWS | Economically Weaker Section |
| FICCI | Federation of Indian Chambers of Commerce & Industry |
| GeM | Government-e-Marketplace |
| GIS | Geographic information system |
| GWIS | Ground Water Information System |
| GWP | Global water partnership |
| Ha | Hectare |
| HEP | Hydro Electric Project |
| HIG | High Income group |
| HVAC | Heating, ventilation, and air conditioning |
| HVDC | high-voltage, direct current |
| IARI | Indian Agricultural Research Institute |
| ICID | International Commission on Irrigation and Drainage |
| IGNP | Indira Gandhi Nahar Pariyojana |
| IICPT | Indian Institute of Crop Processing Technology |
| IMarEST | Institute of Marine Engineering, Science & Technology |
| INCOLD | International Commission on Large Dams- India |
| IPDS | Integrated Power Development Scheme |
| ISO | International Organization for Standardization |
| ISRMTT | Indian society for rock mechanics and tunneling technology |
| IWP | Indian Water partnership |
| IWRS | Interactive Web Response Systems |
| JJM | Jal Jeevan Mission |
| Lao PDR | Lao People's Democratic Republic |
| LIG | Low Income Group |
| MB | Measurement Book |
| MIG | Metal Inert Gas |
| MIS | Management Information Systems |
| NIRM | National Institute for Rock Mechanics |
| NIUM | National Institute of Unani Medicine |
| NMCG | National Mission for Clean Ganga |
| NPCC | National Projects Construction Corporation Limited |
| NTPC | NTPC Limited, formerly known as National Thermal Power Corporation Limited |
| NVDA | Narmada Valley Development Authority |
| PMAY | Pradhan Mantri Awas Yojana |
| PMC | Project Management Consultant |
| PMGSY | Pradhan Mantri Gram Sadak Yojana |
| PMKSY | Pradhan Mantri Krishi Sinchayee Yojana |
| PSP | Pumped Storage Projects |
| SAM | System Advisory Modelling |
| SCM | Smart City Mission |
| SCOPE | Standing Conference of Public Enterprises |
| SEZ | Special Economic Zone |
| SPMG | State Programme Management Group |
| STPP | Singareni Thermal Power Plant |

**Conventional and General Terms or Abbreviations**

| Term | Description |
|---|---|
| "₹" or "Rs." or "Rupee(s)" or "INR" | Indian Rupees, the official currency of the Republic of India |
| AGM | Annual General Meeting |
| AIF | Alternative Investment Fund as defined in and registered with SEBI under the SEBI AIF |

| Term | Description |
|---|---|
| | Regulations |
| AS/ Accounting Standards | Accounting Standards issued by the Institute of Chartered Accountants of India |
| ASCE | American Society of Civil Engineers |
| AY | Assessment Year |
| BITS, Pilani | Birla Institute of Technology and Science, Pilani |
| BSE | BSE Limited |
| Bn | Billion |
| CAG | Comptroller and Auditor General of India |
| CAGR | Compounded Annual Growth Rate |
| Category I AIF | AIFs who are registered as "Category I Alternative Investment Funds" under the SEBI AIF Regulations |
| Category II AIF | AIFs who are registered as "Category II Alternative Investment Funds" under the SEBI AIF Regulations |
| Category III AIF | AIFs who are registered as "Category III Alternative Investment Funds" under the SEBI AIF Regulations |
| Category I FPI | FPIs registered as "Category I foreign portfolio investors" under the SEBI FPI Regulations |
| Category II FPI | FPIs registered as "Category II foreign portfolio investors" under the SEBI FPI Regulations. |
| CDSL | Central Depository Services (India) Limited |
| CIN | Corporate Identity Number |
| Companies Act, 1956 | The erstwhile Companies Act, 1956, along with the relevant rules thereunder |
| Companies Act/Companies Act, 2013 | The Companies Act, 2013 as amended from time to time, along with the relevant rules made thereunder |
| Consolidated FDI Policy | Consolidated Foreign Direct Investment Policy notified by the DPIIT through notification dated October 15, 2020 effective from October 15, 2020 |
| CPC | Code of Civil Procedure Code, 1908 |
| CPSE | Central Public Sector Enterprise |
| CPSE Capital Restructuring Guidelines | Memorandum F. No. PP/14(0005)/2016 dated June 20, 2016, of the Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, GOI read with the memorandum F. No. 5/2/2016-Policy dated May 27, 2016, of DIPAM |
| CY | Calendar Year |
| CZO | Certified Zoning Official |
| CrPC | Code of Criminal Procedure, 1973 |
| D/E | Debt to Equity |
| Depositories | Together, NSDL and CDSL |
| Depositories Act | The Depositories Act, 1996 |
| DIN | Director Identification Number |
| DPIIT | Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) |
| DP ID | Depository Participant's Identification Number |
| "DP" or "Depository Participant" | A depository participant as defined under the Depositories Act |
| DPE | Department of Public Enterprises, Ministry of Finance, GOI |
| EBITDA | Earnings before interest, taxes, depreciation, and amortization |
| EGM | Extraordinary General Meeting |
| EPS | Earnings Per Share |
| FCNR | Foreign Currency Non-Resident |
| FDI | Foreign Direct Investment |
| FEMA | Foreign Exchange Management Act, 1999, read with rules and regulations thereunder |
| FEMA Non-debt Instruments Rules | Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended from time to time |
| FEMA Regulations | The Foreign Exchange Management (Non Debt Instruments) Rules, 2019, as amended, the Foreign Exchange Management (Mode of Payment and Reporting of Non Debt Instruments) Regulations, 2019, as amended, and the Foreign Exchange Management (Debt Instruments) Regulations, 2019, as amended, as applicable |
| "Financial Year" or "FY" or "Fiscal" or "Fiscal Year" | Unless stated otherwise, the period of twelve (12) months ending March 31 of that particular year |
| FII(s) | Foreign Institutional Investors as defined under the SEBI FPI Regulations |
| FPI(s) | A foreign portfolio investor as defined under the SEBI FPI Regulations |
| FVCI | Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations |
| GDP | Gross Domestic Product |
| GIR | General Index Register |
| "GOI" or "Government" | Government of India including central government and State Government |

| Term | Description |
|---|---|
| GST | Goods and Services Tax |
| HV | High Voltage |
| HUF | Hindu Undivided Family |
| IBC | Insolvency and Bankruptcy Code, 2016 |
| ICAI | The Institute of Chartered Accountants of India |
| IDA | Industrial Dearness Allowance |
| IFRS | International Financial Reporting Standards |
| IIT | Indian Institute of Technology |
| IMEI | International Mobile Equipment Identity |
| 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 |
| Ind-AS Rules | Companies (Indian Accounting Standards) Rules, 2015 |
| India | Republic of India |
| IPA | Indian Ports Association |
| IPC | Indian Penal Code, 1860 |
| IPO | Initial Public Offering |
| IRDAI | Insurance Regulatory and Development Authority of India |
| IST | Indian Standard Time |
| IT | Information Technology |
| IT Act | Information Technology Act, 2000 |
| KM | Kilometre |
| KV HVDC | Kilovolt high-voltage, direct current |
| Mn | Million |
| MNC | A Multinational Corporation |
| MCA | The Ministry of Corporate Affairs, GOI |
| MoJS | Ministry of Jal Shakti, GOI |
| MoU | Memorandum of Understanding |
| MPLADS | Members in the Parliament Committee for Local Area Development Scheme |
| MW | Megawatt |
| "N.A." or "NA" | Not Applicable |
| NACH | National Automated Clearing House |
| NAV | Net Asset Value |
| NEFT | National Electronic Fund Transfer |
| Negotiable Instruments Act | The Negotiable Instruments Act, 1881 |
| NEZ | North East Zone |
| NPCI | National Payments Corporation of India |
| NRI | A person resident outside India, who is a citizen of India or a person of Indian origin and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016 and in force from time to time |
| NRO | Non-Resident Ordinary |
| NSDL | National Securities Depository Limited |
| NSE | The National Stock Exchange of India Limited |
| NWZ | North West Zone |
| NZO | Northern Zonal Offices |
| OCB | 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 permissions granted to OCBs under FEMA. OCBs are not allowed to invest in this Offer |
| OM | Office Memorandum |
| p.a. | Per annum |
| P/E Ratio | Price/Earnings Ratio |
| PAN | Permanent Account Number |
| PAT | Profit After Tax (Profit after tax excluding other comprehensive income) |
| PSU | Public Sector Undertaking |
| Public Liability Act | Public Liability Insurance Act, 1991 |
| PZO | Purvanchal Zonal Office |
| RBI | The Reserve Bank of India |
| Regulation S | Regulation S of the U.S. Securities Act |
| ROA | Return on Assets |
| RoCE | Return on Capital Employed |

| Term | Description |
|---|---|
| RoNW | Return on Net Worth |
| RTGS | Real Time Gross Settlement |
| SCORES | SEBI Complaints Redress System |
| SCRA | Securities Contracts (Regulation) Act, 1956 |
| SCRR | Securities Contracts (Regulation) Rules, 1957 |
| SEBI | The Securities and Exchange Board of India constituted under the SEBI Act |
| SEBI Act | Securities and Exchange Board of India Act, 1992 |
| SEBI AIF Regulations | Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012, as amended |
| SEBI BTI Regulations | Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 |
| SEBI FPI Regulations | Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended |
| SEBI FVCI Regulations | Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended |
| SEBI ICDR Regulations | Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended |
| SEBI LODR Regulations | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended |
| SEBI Takeover Regulations | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 |
| Securities Act | United States Securities Act of 1933 |
| State Government | The government of a state in India |
| STT | Securities Transaction Tax |
| SZO | Southern Zonal Office |
| ToR | Terms of Reference |
| "U.K." or "UK" | United Kingdom |
| UPI | Unified payments interface, which is an instant payment mechanism, developed by NPCI, to be used with ASBA for applications in public issues by UPI Bidders |
| UPZ | U. P. Zone |
| "U.S." or "U.S.A." or "United "States" | United States of America, its territories and possessions, any State of the United States, and the District of Columbia |
| U.S. GAAP | Generally Accepted Accounting Principles in the United States of America |
| "USD" or "US$" | United States Dollars |
| U. S. Securities Act | U. S. Securities Act of 1933, as amended |
| VAT | Value Added Tax |
| WZO | Western Zonal Office |
| Year/ Calendar Year | The twelve (12) months period ending December 31 |

## CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION

### Certain Conventions

All references in this Draft Red Herring Prospectus to "India" are to the Republic of India and its territories and possessions and all references to the "U.S.", "U.S.A." or "United States" are to the United States of America, all references to "Uganda" are to the Republic of Uganda, all references to "Bangladesh" are to the People's Republic of Bangladesh, all references to "Nepal" are to the Federal Democratic Republic of Nepal, all references to "Zimbabwe" are to the Great Zimbabwe, all references to "Central African Republic" are to the République Centrafricaine, all references to "Liberia" are to the Republic of Liberia, all references to "Burundi" are to the Republic of Burundi, all references to "Suriname" are to the Republic of Suriname, all references to "D.R. Congo" are to the Democratic Republic of Congo, all references to "Mozambique" are to the Republic of Mozambique, all references to "Togo" are to the Togolese Republic, all references to "Nicaragua" are to the Republic of Nicaragua, all references to "Gambia" are to the Republic of The Gambia, all references to "Eswatini" are to the Kingdom of Eswatini, all references to "Niger" are to the Republic of Niger, all references to "Cuba" are to the Republic of Cuba, all references to "Botswana" are to the Republic of Botswana, all references to "Ethiopia" are to the Federal Democratic Republic of Ethiopia, all references to "Ghana" are to the Republic of Ghana, all references to "Indonesia" are to the Republic of Indonesia, all references to "LAO PDR" are to the Lao People's Democratic Republic, all references to "Rawanda" are to the Republic of Rwanda, all references to "Myanmar" are to the Republic of the Union of Myanmar, all references to "Mongolia" are to Mongolia, all references to "Tanzania" are to the United Republic of Tanzania, all references to "Cambodia" are to the Kingdom of Cambodia, all references to "Fiji" are to the Republic of the Fiji Islands, all references to "Senegal" are to the Republic of Senegal.

Unless otherwise specified, any time mentioned in this Draft Red Herring Prospectus is in Indian Standard Time. Unless indicated otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year.

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

### Financial Data

Unless the context requires otherwise, the financial information in this Draft Red Herring Prospectus is derived from the Restated Financial Statements of our Company. The Restated Financial Statement included in this Draft Red Herring Prospectus comprise the restated consolidated balance sheet as at March 31, 2022, March 31, 2021 and March 31, 2020, the restated consolidated statement of profit and loss (including other comprehensive income), the restated consolidated statement of changes in equity, the restated consolidated cash flows for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 read together with summary statement of significant accounting policies, annexures and the notes thereto, prepared and presented in accordance with the Ind AS, as prescribed under Section 26 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by ICAI and other applicable provisions, if any. For further information, see *"Financial Information"* beginning on page 197.

Our Company's Financial Year commences on April 1 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the twelve (12) months period ending on March 31 of such year. Unless stated otherwise, or the context requires otherwise, all references to a "year" in this Draft Red Herring Prospectus are to a calendar year.

There are significant differences between Ind AS, US GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or US 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 Company's financial data. For details in connection with risks involving differences between Ind AS, U.S. GAAP and IFRS, please refer *"Risk Factors – Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, IFRS and U.S. GAAP, which may be material to investors' assessment of our financial condition"* on page 57. 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 and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies, Ind AS, the Companies Act, the SEBI ICDR Regulations and practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

Certain figures contained in this DRHP, including financial information, have been subject to rounding adjustments. In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places including percentage figures in the sections titled *"Risk Factors", "Industry Overview"* and *"Our Business"* on pages 28, 98 and 136, of this Draft Red Herring Prospectus, respectively. 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 numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

**Non-GAAP Financial Measures**

In evaluating our business, we consider and use non-GAAP financial measures such as EBITDA and EBITDA Margin, RoCE, RoE, return on net worth and debt equity ratio to review and assess our operating performance. These non-GAAP financial measures are not defined under Ind AS and are not presented in accordance with Ind AS. They may not be comparable to similarly titled measures reported by other companies due to potential inconsistencies in the method of calculation. We have included these non-GAAP financial measures because we believe they are indicative measures of our operating performance and are used by investors and analysts to evaluate companies in the same industry. These non-GAAP financial measures should be considered in addition to, and not as a substitute for, other measures of financial performance and liquidity reported in accordance with Ind AS. These measures 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, profitability, or results of operations. The presentation of these non-GAAP financial measures is not intended to be considered in isolation or as a substitute for the Restated Financial Statements.

**Currency and Units of Presentation**

All references to:

"Rupees" or "₹" or "INR" or "Rs." are to Indian Rupee, the official currency of the Republic of India;

"USD" or "US$" or "$" are to United States Dollar, the official currency of the United States;

"UGX" are to the Ugandan shilling, the official currency of Uganda;

"BDT" or "৳" are to the Bangladeshi taka, the official currency of People's Republic of Bangladesh;

"NPR" or "Re." are to the Nepalese rupee, the official currency of Federal Democratic Republic of Nepal;

"EUR" or "€" are to Euro, the official currency of the European Union;

"IDR" are to Indonesian Rupiah, the official currency of the Republic of Indonesia; and

"ETB" or "BIRR" or "ብር" are to the Ethiopian birr, the official currency of Ethiopia.

Except otherwise specified, our Company has presented certain numerical information in this Draft Red Herring Prospectus in "million" units. One million represents 1,000,000 and one billion represents 1,000,000,000.

However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than millions, such figures appear in this Draft Red Herring Prospectus in such denominations as provided in the respective sources.

**Exchange Rates**

This Draft Red Herring Prospectus may contain conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee and other currencies:

*(in ₹)*

| Currency | As on March 31, 2022 | As on March 31, 2021 | As on March 31, 2020 |
|---|---|---|---|
| 1 USD | 75.81 | 73.50 | 75.39 |
| 1 UGX | 0.02 | 0.02 | 0.02 |
| 1 BDT | 0.86 | 0.85 | 0.87 |
| 1 NPR | 0.61 | 0.62 | 0.62 |
| 1 EUR | 84.66 | 86.10 | 83.05 |
| 1 ETB | 1.47 | 1.80 | 2.27 |
| 1 IDR | 0.0053 | 0.00504 | 0.00459 |

*Source: www.rbi.org.in, www.fbil.org.in and www1.oanda.com*

**Industry and Market Data**

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from the report titled *"Industry Research Report on the Consultancy Service Business in India and Global Countries"* dated September 23, 2022 prepared by Fitch Solutions India Advisory Private Limited *(erstwhile IRR Advisory Services Private Limited)* ("**Industry Report**") and commissioned in connection with the Offer. Fitch Solutions is an independent agency and has no relationship with our Company or its Directors, Promoter or the Book Running Lead Managers as on the date of this Draft Red Herring Prospectus. For further details in relation to risks involving in this regard, see "*Risk Factors –Industry information included in this Draft Red Herring Prospectus has been derived from an industry report commissioned for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate*" on page 51.

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. The data used in these sources may also have been reclassified by us for the purposes of presentation and may also not be comparable. The extent to which the industry and market data presented in this Draft Red Herring Prospectus is meaningful depends upon the reader's familiarity with, and understanding of, the methodologies used in compiling such information. There are no standard data gathering methodologies in the industry in which our Company conducts business and methodologies and assumptions may vary widely among different market and 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 discussed in the section titled *"Risk Factors"* on page 28. Accordingly, investment decisions should not be based solely on such information.

*Disclaimer:*

*"This report is prepared by Fitch Solutions India Advisory Private Limited (FSIAPL) (erstwhile IRR Advisory Services Private Limited) FSIAPL has taken utmost care to ensure accuracy and objectivity while developing this report. This report is for the information of the intended recipients only and no part of this report may be published or reproduced in any form or manner without prior written permission of FSIAPL."*

Our Company and the Selling Shareholder reserve the right to make changes to any operational terms as may be necessary to deal with unforeseen circumstances or to remove any operational difficulties including but not limited to amending the operational terms of the Offer, the Offer Procedure and the Offer Structure, and determine the method and manner in which such changes shall be disseminated to the public, including post the Bid/ Offer Opening Date. Such changes may be communicated by notice to the Stock Exchanges.

## FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward-looking statements". All statements contained in this Draft Red Herring Prospectus that are not statements of historical fact constitute "forward-looking statements". All statements regarding our expected financial condition and results of operations, business, plans and prospects are "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "are likely", "believe", "expect", "estimate", "intend", "may", "objective", "plan", "project", "will", "will continue", "will pursue", "will likely" or other words or phrases of similar import. Similarly, statements that describe our expected financial condition, our strategies, objectives, plans, prospects or goals are also forward-looking statements.

These forward-looking statements are based on our current 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.

These forward looking statements, whether made by us or a third party, are based on current plans estimates, presumptions and expectations and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those suggested by the forward-looking statements including, but not limited to, regulatory changes pertaining to the industries in India in which our Company operates 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 domestic laws, regulations and taxes and changes in competition in the industries in which we operate.

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

- our dependence and relationship with on GOI, State Government and government-controlled entities;
- projects development in water, power and other infrastructure sectors to generate engineering consultancy services business;
- effectively implement our strategies and achieve future growth;
- retain services of existing members of our management team;
- effectively implement our strategies and achieve future growth;
- complete our projects in a timely manner and maintain quality standards;
- our ability to compete effectively;
- our ability to successfully manage our geographically diverse operations and enter into new geographies.

For further discussion of factors that could cause the actual results to differ from the expectations, see "*Risk Factors*", "*Our Business"* and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 28, 136 and 294, respectively. By their nature, certain market risk disclosures are only 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.

There can be no assurance to Bidders that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, Bidders are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

Our Forward-looking statements reflect current 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 currently available information. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance. Although we believe 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. Neither our Company, our Promoter, our Directors, the Selling Shareholder, the BRLMs nor any of 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 the SEBI ICDR Regulations, our Company shall ensure that investors in India are informed of material developments from the date of the Red Herring Prospectus in relation to the statements and undertakings made by it in this Draft Red Herring Prospectus until the time of the grant of listing and trading permission for the Equity Shares sold in the Offer by the Stock Exchanges. Further, the Selling Shareholder, (through our Company and the BRLMs) shall ensure that investors in India are informed of material developments from the date of the Red Herring Prospectus in relation to the statements and undertakings specifically made or confirmed by the Selling Shareholder in this Draft Red Herring Prospectus until the time of the grant of listing and trading permission for the Equity Shares sold in the Offer by the Stock Exchanges.

## SECTION II: OFFER DOCUMENT SUMMARY

This section is a general summary of certain disclosures included in this Draft Red Herring Prospectus and is neither exhaustive, nor does it purports to contain a summary of all the disclosures in this Draft Red Herring Prospectus or all details relevant to prospective investors. This section should be read in conjunction with the *"Risk Factors", "Industry Overview", "Our Business", "Capital Structure", "The Offer", "Objects of the Offer", "Outstanding Litigation and Other Material Developments", "Offer Procedure", "Main provisions of Articles of Association"* and *"Management's Discussion and Analysis of Financial Condition and Results of Operations"* beginning on pages 28, 98, 136, 79, 62, 89, 327, 378, 402 and 294, respectively, as well as the Restated Financial Statements included in "*Restated Financial Statements*" beginning on page 197.

***A. Summary of the primary business of the Company***

We are engaged in engineering consultancy services and construction in the fields of water, power and infrastructure sectors for businesses and communities in India and overseas. Over the last five (5) decades, our Company has been providing engineering consultancy services for projects in water, power and infrastructure sectors which have made significant contribution within India and overseas. We along with our Subsidiary are also actively involved in construction business and have undertaken various projects in key sectors in India.

For further details, please refer *"Our Business"* on page 136.

***B. Summary of the Industry in which our Company operates (Source: "Industry Research Report on the Consultancy Service Business in India and Global Countries" dated September 23, 2022 prepared by Fitch Solutions)***

Engineering consultancy services professionals provide services from concept to commissioning and even thereafter for operation and maintenance of the asset that is built. The global engineering consultancy market is about 2.5%-3% of the global engineering services market which is expected to increase from USD 24.9 billion in CY18 to USD 45.5 billion in CY22 growth rate. The engineering consultancy services industry size is around ~1.2% of the total infrastructure market in India. The engineering consultancy services in India is expected to grow with the CAGR of 9.4% from USD 3.9 billion in 2021 to USD 5.8 billion in 2031.

For further details, please refer *"Industry Overview"* on page 98.

***C. Promoter of our Company***

As on the date of this Draft Red Herring Prospectus, our Promoter is the President of India, acting through the MoJS, Government of India. For further details, see *"Our Promoter and Promoter Group"* on page 195.

***D. Size of the Offer***

The Offer is an initial public offering of up to 32,500,000 Equity Shares through an Offer for Sale by the Selling Shareholder for cash at an Offer Price of ₹ [●] per Equity Share, aggregating up to ₹ [●] million.

Subject to receipt of the necessary approval from the GOI, up to [●] Equity Shares may be reserved for allocation and allotment on a proportionate basis to the Eligible Employees. The Offer less Employee Reservation Portion, if any, is referred to as the Net Offer. The Offer will comprise Net Offer of up to [●] Equity Shares, aggregating up to ₹ [●] million and the Employee Reservation Portion of up to [●] Equity Shares, aggregating up to ₹ [●] million. The Offer and Net Offer shall constitute [●]% and [●]% of the post-Offer paid-up Equity Share capital of our Company, respectively.

For further details, please refer *"The Offer"* on page 62.

***E. Objects of the Offer***

The objects of the Offer are to (i) achieve the benefits of listing the Equity Shares on the Stock Exchanges; and (ii) carry out the Offer for Sale of up to 32,500,000 Equity Shares by the Selling Shareholder. The Selling Shareholder (President of India acting through the Ministry of Jal Shakti, Government of India) will be entitled to the entire proceeds of the Offer after deducting the Offer expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer.

For further details, please refer *"Objects of the Offer"* on page 89.

***F. Aggregate pre-Offer shareholding of the Promoter and promoter group, Selling Shareholder as a percentage of the paid-up share capital of our Company***

The President of India, acting through the MoJS, is our Promoter as well as the Selling Shareholder in the Offer. Accordingly, please see below the Pre-Offer shareholding of our Promoter/Selling Shareholder:

| Name of the Promoters | Number of Equity Shares | % of pre-Offer Share Capital |
|---|---|---|
| President of India, acting through the Ministry of Jal Shakti, Government of India | 130,000,000* | 100.00 |
| **Total** | **130,000,000*** | **100.00** |

**Includes 2600 equity shares each held by Rajni Kant Agrawal, Pankaj Kapoor, Anupam Mishra, Abhay Thakur, Subodh Yadav, Anand Mohan and Richa Misra on behalf of and as a nominees of our Promoter.*

For further details, please refer *"Capital Structure"* on page 79.

***G. Summary of Restated Financial Statements for the Fiscals 2022, 2021 and 2020.***

*(₹ in million except share data)*

| S No. | Particulars | Fiscals | | |
|---|---|---|---|---|
| | | 2022 | 2021 | 2020 |
| 1. | Issued and Paid up equity share capital | 1,300.00 | 1,300.00 | 1,000.00 |
| 2. | Net worth (excluding NCI) | 6,882.93 | 6,428.69 | 6,075.66 |
| 3. | Revenue from operations | 27,979.93 | 25,128.73 | 28,422.21 |
| 4. | Net Profit/ (Loss) after tax (excluding NCI & OCI) | 687.67 | 601.47 | 1,470.97 |
| 5. | Earnings per share (in ₹)<br>• Basic EPS<br>• Diluted EPS (in ₹) | 5.32 | 4.65 | 11.33 |
| 6. | Net Asset Value per Equity Share | 6.01 | 5.66 | 5.37* |
| 7. | Total Borrowings | 808.53 | 482.00 | 40.52 |

**During the financial year 2020-21, Pursuant to the shareholders resolution passed at the EGM dated February 25, 2021, 10,000,000 Equity Shares of face value of ₹ 100 each were split into 1,00,000,000 Equity Shares of the face value of ₹ 10 each. Further, our Company has issued 30,000,000 bonus shares in financial year 2021. The Net Assets Value per share have been calculated on outstanding number of equity shares treating if the share split and bonus issue had occurred before the beginning of 2019, i.e., the earliest period presented in current year financial statements.*

For further details, please refer "*Restated Financial Statements"* on page 197.

***H. Qualifications by the Statutory Auditor to the Offer which have not been given effect to in the Restated Financial Statements***

The following qualification by the Statutory Auditor to the Offer have not been given effect to in the Restated Financial Statements:

*"That the management of the group has voluntarily changes it's yearly ECL Provisioning Matrix citing harmonization of the outliers in the year 3-4 and 4-5 out of 10-year provision policy. The above change has resulted in increase in the profit of the company during the year to the tune of INR 6243.39 Crores (Refer to Note 54). In our opinion, a scientific basis after assessment of the Probability of Default and Present Value loss on account of deferred cash realizations etc. may be considered as a correct basis for the ECL Provisioning in terms of Ind AS 109. However, neither a scientific basis used at the time of original matrix, nor the revised matrix has been provided to us during the course of audit. In our opinion the revision of the ECL matrix by the management has material implication on the profits of the earlier financial years as well as current year under audit which has been subsumed with in the current year provision expense rather than disclosing the same as an exceptional item or restatement as a material error in estimation to the respective financial year(s). In the absence of relevant information being shared with us, the year wise impact could not be ascertained. Further in the opinion Trade Receivables against projects executed in the Country of Afghanistan, Sri Lanka etc. carry a significant level of realization risk considering the present economic and political situation in the countries. However, the company has made provision only as per standard ECL Matrix against such receivables. Total outstanding receivables from the above 2 countries in INR 2084.76 Lacs (Net of amount received in Apr 22). Similarly balance held in the bank accounts in these countries may also be subject to repatriation restrictions. (Refer to Note No. 67 & 68)."*

***I. Summary of Outstanding Litigations and Material Developments***

| Nature of Litigation against our Company | Number of Cases Outstanding | Amount Involved* (in ₹ million) |
|---|---|---|
| Criminal Matters | 1 | Nil |
| Direct Tax Matters | 10 | 736.96 |
| Indirect Tax Matters | 12 | 1,819.89 |
| Action by regulatory/statutory authorities | Nil | Nil |
| Material civil litigations | 9 | 614.11 |
| **Nature of Litigation by our Company** | **Number of Cases Outstanding** | **Amount Involved* (in ₹ million)** |
| Criminal Matters | 1 | Nil |
| Direct Tax Matters | 10 | 736.96 |
| Indirect Tax Matters | 12 | 1,819.89 |
| Action by regulatory/ statutory authorities | Nil | Nil |
| Material civil litigation | 4 | 437.497 |
| **Nature of Litigation against our Directors** | **Number of Cases Outstanding** | **Amount Involved (in ₹ million)** |
| Nil | Nil | Nil |
| **Nature of Litigation by our Directors** | **Number of Cases Outstanding** | **Amount Involved (in ₹ million)** |
| Nil | Nil | Nil |
| **Nature of Litigation against NPCC** | **Number of Cases Outstanding** | **Amount Involved* (in ₹ million)** |
| Criminal Matters | 6 | NIL |
| Direct Tax Matters | 10 | 2,616.27 |
| Indirect Tax Matters | 14 | 188.11 |
| Action by regulatory/statutory authorities | NIL | NIL |
| Material civil litigations | 19 | 1,091.68 |
| **Nature of Litigation by NPCC** | **Number of Cases Outstanding** | **Amount Involved* (in ₹ million)** |
| Criminal Matters | 4 | NIL |
| Direct Tax Matters | 10 | 2,616.27 |
| Indirect Tax Matters | 14 | 188.11 |
| Action by regulatory/ statutory authorities | NIL | NIL |
| Material civil litigation | 7 | 524.64 |

**The amounts claimed in these proceedings have been disclosed to the extent quantifiable.*

For further details on the outstanding litigation against our Company, the Subsidiary, Promoter and Directors, please see "*Outstanding Litigation and Other Material Developments*" on page 327. Please also refer to the risk factor *"Risk Factors- There are outstanding litigations involving our Company and our Subsidiary which, if determined adversely, may adversely affect our business and financial condition"* beginning on page 33**.**

***J. Risk Factors***

For details in relation to the risks involving our Company, including our business, the industry we operate in and our Equity Shares, please refer "*Risk Factors*" on page 28.

***K. Summary of our contingent liabilities as indicated in the Restated Financial Statements:***

The following is a summary table of our contingent liabilities as per Ind AS 37 (claims/ demands not acknowledged as debt) of our Company as of March 31, 2022 as indicated in our Restated Financial Statements

*(₹ in million)*

| Particulars | 31st March 2022 |
|---|---|
| **i. Contingent Liabilities-Our Company** | |
| 1. Claims against the Group not acknowledged as debt.<br>By employees: 3.53<br>By Others: 2732.11<br>(Counter claims of our Company against above claims amounts to ₹ Nil for March 31, 2022.) | 2735.65 |

| Particulars | 31st March 2022 |
|---|---|
| 2. Demand cum Show-Cause notice issued by Service Tax Department (The above show-cause notice issued by the Service tax Department in the year 2014. The Group had contested the said show cause notice and submitted its replies to the department. Several hearings have been conducted by the department and no further demand notice has been issued after the initial show cause notice.) | 1666.80 |
| 3. Others – Liquidated Damages- Our Company is executing a large number of projects which have long gestation period & require clearances/ approval from various Government agencies, which is a time-consuming process. The amount depicted in the note relates to the probable amount of liquidated damages that may be levied on our Company if the project is not completed in time schedule. | 1031.69 |
| | - |
| **i. Contingent Liabilities-Our Subsidiary** | |
| Outstanding claims of contractor pending in arbitration and Courts | 1785.02 |
| Service tax and Income tax demands and interest on income tax demand disputed in appeals / rectification | 2804.39 |
| **ii. Commitments** | |
| 1. Bank Guarantees for Performance, Earnest Money Deposits and Security Deposits | 8381.74 |
| 2. Estimated amount of contracts remaining to be executed on Capital account and not provided for | 64.44 |
| **Total** | **18469.73** |

For further details on the contingent liabilities, please refer "*Restated Financial Statements"* on page 197.

***L. Summary of related party transactions of the Company for the last three (3) Fiscal Years as indicated in the Restated Financial Statements:***

*(₹ in million)*

| Nature of the Related party transaction | March 31, 2022 | March 31, 2021 | March 31, 2020 |
|---|---|---|---|
| **Transactions with Government Related Entities** | 596.50 | 928.77 | 1,108.55 |
| - Revenue | 512.35 | 837.60 | 1,096.13 |
| - Procurements | 84.16 | 91.17 | 12.42 |
| - Training Expenses | - | - | - |
| **Remuneration/sitting fees paid to Directors and Key managerial personal** | | | |
| Rajni Kant Agrawal | 5.11 | - | - |
| R. K. Gupta | - | 6.96 | 9.81 |
| Pankaj Kapoor | 5.75 | 5.81 | 6.39 |
| Anupam Mishra | 5.29 | 5.21 | 4.99 |
| K.K. Kandwal | - | 4.50 | 3.64 |
| Kavita Parmar | 1.18 | 0.25 | - |
| Anil Kumar Trigunayat | 0.05 | - | - |
| Lakhan Lal Sahu | 0.05 | - | - |
| Partha Sarathi Ghosh | 0.05 | - | - |
| Jasbir Singh Thakur | 0.02 | - | - |
| Dr Kiran Pandya | - | - | 0.38 |
| Dr S.K Singh | - | - | 0.38 |
| Dr Preeti Madan | 0.27 | 0.35 | 0.15 |

For further details on the related party transactions, please refer "*Restated Financial Statements – Note Related Party Disclosures*" on page 271.

***M. Financing Arrangements***

Neither our Promoter/ Selling Shareholder nor our Directors or their relatives (as defined in the Companies Act) have entered into any financing arrangements to finance or have financed the purchase by any other person of the Equity Shares of our Company other than in the normal course of business of the financing entity during the six (6) months immediately preceding the date of this Draft Red Herring Prospectus.

***N. Details of acquisition of specified securities by our Promoter/Selling Shareholders in the last three (3) years preceding the date of this DRHP***

The cost of acquisition of Equity Shares by our Promoter (who is also a Selling Shareholder) in the last three (3) years preceding as the date of this Draft Red Herring Prospectus is set forth below:

| S. No. | Name of Promoter | Date of Acquisition | No. of Equity Shares acquired | Acquisition price per share* |
|---|---|---|---|---|
| 1. | President of India acting through the MoJS, GOI | March 31, 2021 | 30,000,000 | Nil |

*****_The above details have been certified by M/s. Serva Associates, Chartered Accountants, our Statutory Auditor to the Offer, pursuant to the certificate dated September 23, 2022._

***O. Weighted average price at which the Equity Shares were acquired by our Promoter/Selling Shareholder in the one (1)/ three (3) year preceding the date of this Draft Red Herring Prospectus***

The weighted average price of such Equity Shares acquired by the Promoter in one (1)/ three (3) years preceding the date of this Draft Red Herring Prospectus is Nil.

***P. Average cost of acquisition of the Equity Shares by the Promoter/Selling Shareholder***

The average cost of acquisition per Equity Share by the Promoter/Selling Shareholder as on the date of this Draft Red Herring Prospectus is as follows:

| Name of the Promoter | Number of Equity Shares held* | Average cost of acquisition (in ₹ per Equity Share)** |
|---|---|---|
| President of India acting through the MoJS, GOI | 1,30,000,000 | 0.023 |

**Including Equity Shares held by the nominees of the Promoter*
***As certified by M/s. Serva Associates, Chartered Accountants, our Statutory Auditor to the Offer, pursuant to the certificate dated September 23, 2022.*

***Q. Details of Pre-Offer Placement***

Our Company has not entered into any arrangement for pre-Offer placement with any investor or party.

***R. Issue of Equity Shares made in last one (1) year for consideration other than cash***

Our Company has not issued any Equity Shares for consideration other than cash in the one (1) year preceding from the date of this Draft Red Herring Prospectus.

***S. Split or consolidation of Equity Shares in the last one (1) year***

Our Company has not undertaken a split or consolidation of the Equity Shares in the one (1) year preceding the date of this Draft Red Herring Prospectus.

***T. Exemption from complying with any provisions of securities laws, if any, granted by SEBI***

Our Company vide its letter dated September 23, 2022 has sought an exemption under Regulation 300 (1) from strict application of certain requirements under the SEBI ICDR Regulations and Regulation 102 of SEBI LODR Regulations for the following matters:

(a) Compliance with Regulation 17(1)(a) of the SEBI LODR Regulations in respect of appointment of at least one (1) independent woman director on the board of directors of our Company;
(b) Compliance with Regulation 24(1) of the SEBI LODR Regulations, wherein at least one independent director on the Board of Directors of the Company shall be a director on the board of directors of an unlisted material subsidiary, incorporated in India;
(c) Compliance with the terms of reference of the Audit Committee (as specified in Regulation 18(3) of the SEBI LODR Regulations;
(d) Compliance with the terms of reference of the Nomination and Remuneration Committee (as specified in Regulation 19(4) of the SEBI LODR Regulations; and
(e) Requirement of security deposit of 1% of the Offer size as required under Regulation 38 of the SEBI ICDR Regulations.

# SECTION III: RISK FACTORS

*An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks described in this section are those that we consider to be the most significant to our business, results of our operations and financial condition, the Equity Shares, the industry in which we currently operate or propose to operate, as on the date of this Draft Red Herring Prospectus. In addition, the risks set out in this section may not be exhaustive and additional risks and uncertainties which are not presently known to us or that we currently deem immaterial, may arise or may become material in the future. If any or a combination of the following risks or other risks that are not currently known or are currently deemed immaterial, actually occur, our businesses, results of operations, financial condition and cash flows could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment.*

*This Draft Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially 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 details, see "Forward-Looking Statements" on page 21.*

*In making an investment decision, as prospective investors, you must rely on your own examination of us and the terms of the Offer, including the merits and the risks involved. To obtain a complete understanding of our business, you should read this section in conjunction with the sections titled, "Our Business", "Industry Overview", "Restated Financial Statements", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Key Regulations and Policies" beginning on pages 136, 98, 197, 294 and 161, respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus. 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 impacts of any of the risks described in this section. As a potential investor in the Equity Shares, you should pay particular attention to the fact that we are subject to a regulatory environment in India which may differ significantly from that in other jurisdictions.*

*Unless otherwise indicated or the context otherwise requires, in this section, references to "the Company" or "our Company" are to WAPCOS Limited on a standalone basis, and references to "the Group", "we", "us", "our", are to WAPCOS Limited and our Subsidiary on a consolidated basis.*

*Unless otherwise indicated, industry and market data used in this section has been derived from the report "Industry Research Report on the Consultancy Service Business in India and Global Countries" dated September 23, 2022 (the "**Industry Report**") prepared by Fitch Solutions and commissioned in connection with the Offer. Neither we, nor the BRLMs, nor any other person connected with the Offer has independently verified this information. Unless otherwise indicated, all financial, operational, industry and other related information derived from the Industry Report and included herein with respect to any particular year refers to such information for the relevant fiscal year. For further information, see "Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation" on page 18.*

**Internal Risk Factors**

1. ***Our Statutory Auditor has issued qualified opinion in respect of its audit report on consolidated financial statements for Fiscal 2022.***

   The Statutory Auditor has issued qualified opinion in respect of its audit report on consolidated financial statements for Fiscal 2022 which are reproduced herein below:

   *"a. That the holding company is maintaining the books of accounts in decentralized manner where the physical records pertaining to contract measurements, inspection logs, progress review documents etc. are kept at the branch or site offices whereas the financial records and accounts are centralized at the corporate office on a technologically obsolete software application namely, "Foxpro 2.60" which lacks access controls, posting controls, account classification controls, nomenclature controls and reporting requirements. That the said system is deprived of requisite IT Controls and reliance is represented to have been made on Manual Controls by the management. That despite having large number of projects geographically spread all over India and abroad, the financial data pertaining to the Project Management is controlled manually and the project reports shared during the course of audit underwent several corrections and revisions. We performed the analytical procedures for our sample selection and testing purpose under the current system and expanded the sample size accordingly and placed reliance on management reports and representations for the purpose of our*

*audit.*

b. *That in our opinion owing to inadequate internal financial controls and lack of appropriate financial accounting system, there have been continuous trend of material restatement to the reported Profitability during the previous financial years on account of errors and omissions identified in the succeeding years. That whereas the Net Impact on Profit and Loss Account may reduce on account of netting of prior period income and expenses, the quantum of Prior Period Items identified in subsequent years have a significant increasing trend.*

c. *That during the Financial Year under consideration, the holding company has got disbursed a sum of INR 40 Crores against Credit Facility of INR 200 Crores from State Bank of India as Working Capital Loan out of which sum of INR 16 Crores has been utilized for payment of Dividend to the Shareholders.*

d. *That the management of the group has voluntarily changed it's yearly ECL Provisioning Matrix citing harmonization of the outliers in the year 3-4 and 4-5 out of 10-year provisioning policy. The above change has resulted in increase in the profit of the company during the year to the tune of INR 6243.39 Crores (Refer to Note 54). In our opinion, a scientific basis after assessment of the Probability of Default and Present Value loss on account of deferred cash realizations etc. may be considered as a correct basis for the ECL Provisioning in terms of Ind AS 109. However, neither a scientific basis used at the time of original matrix, nor the revised matrix has been provided to us during the course of our audit. In our opinion the revision of the ECL matrix by the management has material implication on the profits of the earlier financial years as well as current year under audit which has been subsumed within the current year provision expense rather than disclosing the same as an exceptional item or restatement as a material error in estimation to the respective financial year(s). In the absence of relevant information being shared with us, the year wise impact could not be ascertained. Further in our opinion Trade Receivables against projects executed in the Country of Afghanistan, Sri Lanka etc. carry a significant level of realization risk considering the present economic and political situation in the countries. However, the company has made provision only as per standard ECL Matrix against such receivables. Total outstanding receivables from the above 2 countries is INR 2084.76 Lacs (Net of amount received in Apr 22). Similarly balance held in the bank accounts in these countries may also be subject to repatriation restrictions. (Refer to Note No. 67 & 68).*

e. *That the direct confirmations could not be received for a substantial number of trade payables, trade receivables, fixed deposits with the Indian Banks and some foreign banks including all banks in Afghanistan. Further, as represented by the management owing to government clientele aggressive or legal measures are not resorted to for the purpose of realization of the dues. In our opinion, there have been substantial increase in the outstanding receivables and accordingly direct confirmations from the respective parties is must for assurance on the amount of receivables. That the late delivery charges or contract deductions (if any) made by such customers or consequential impact of stalled projects for which no separate record is maintained by the company could not be identified in the absence of the such external confirmations. Similarly, there are instances of unrealized advances paid/ security deposits & employee payable/advances for which no confirmations could be obtained from the respective parties. Furthermore, the confirmations wherever received were in denial to the book balances and claims which have been represented to be under reconciliation and the balance as per books duly authenticated by the management is stated to be fully recoverable and likewise all liabilities are claimed to be duly accounted for. The financial implications (if any) is subject to final reconciliations with the respective parties.*

f. *That the identification of the Trade Payables as Micro and Small has been prepared by the management and relied upon by us. However, no provision for interest has been made by the company on the overdue balances outstanding for payment to these MSME vendors since in view of the management, the payment to such vendors have been made as per terms agreed and duly accepted by them. In our opinion, the company shall be liable for payment of interest on delayed payments in terms of the MSME Act, 2006. There are in fact even claims made by the vendors with the Micro and Small Enterprise Facilitation Council which have been included in the contingent liabilities disclosed in the financial statements & hence adequate measures be taken for seeking legal immunity (if any) against consequences of delay in payment to such vendors or the provision for interest on such delay may be duly provided in the financial statement. (Refer Note 38)."*

There is no assurance that our Auditor's will not issue qualified opinion for any future fiscal periods and /or will not require any adjustment in our financial statements for such future periods or otherwise which may have an effect on our results of operations and financial condition in such fiscal periods.

2. ***We are dependent on and derive a substantial portion of our revenue from the GOI, State Government and government controlled entities and our relationship with GOI entities and State Government***

***exposes us to risks inherent in doing business with them, which may adversely affect our business, results of operations and financial condition.***

We enter into contracts primarily with both GOI, State Government and government-controlled entities for providing engineering consultancy services and construction. During the Fiscals 2022, 2021 and 2020, we generated revenue of ₹ 25,668.34 million, ₹ 22,472.79 million and ₹ 25,025.42 million from GOI, State Government and government controlled entities constituting 91.74 %, 89.43 % and 88.05 % respectively of total consolidated revenue from the GOI, State Government and government-controlled entities. Since our business and revenues are substantially dependent on projects awarded by GOI, State Government and government controlled entities including central, state and local authorities, agencies and the public sector undertakings such as those described in the chapter titled *"Our Business"*, any adverse changes in government policies and budgetary allocation resulting from a change in government policies or priorities, could materially and adversely affect our financing, capital expenditure, revenues, or operations relating to our existing and proposed projects. Although we believe that we maintain strong relationships with these entities/groups, any such relationship could be affected by reasons beyond our control.

Given that we derive a significant portion of our revenue from such GOI, State Government and government controlled entities, we are exposed to additional risks 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 stricter regulatory requirements which may increase our compliance costs;
- execution of the detailed definitive documentation and agreements with GOI, State Government and government-controlled entities may take a significant amount of time and may cause delays;
- delays in project implementation and key initiatives where we have invested significant costs;
- delays in payment due to the time taken to complete internal processes of such entities and agencies;
- levy of liquidated damages due to our execution delays, which may adversely affect our profit margins;
- contracts with government agencies are awarded to the lowest bidder that meets the 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 profit margins;
- the tender process is long and may be subjected to significant delays and/or renegotiation of the terms of the bid or lowering the price for 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 in tax policies and reduced tax revenues can affect the number and terms of new government contracts signed;
- any disinvestment by the GOI 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 customers, we may be unable to make payments to our third-party contractors who may initiate proceedings against our Company, which may result in an adverse impact on our business, results of operation and financial conditions.

Also, our contracts with GOI, State Government and government controlled entities agencies usually contain terms that favour to them, who may terminate the contracts prematurely under various circumstances beyond our control and as such, we have limited ability to negotiate terms of these contracts and may have to accept restrictive or onerous provisions. Our inability to negotiate terms that are favourable to us may have a material impact on our business, results of operations and financial condition.

3. ***We procure significant revenue from our engineering consultancy services and construction business through a bidding process and there can be no assurance that projects for which we bid will be awarded to us and recorded in our Order Book or that we will actually realize revenues from such projects as a result of which our financial condition would be materially and adversely affected.***

Our business depends significantly on our ability to bid for and be awarded projects in engineering consultancy and construction projects. We have been, and continue to be, involved in bidding for various tenders with GOI, State Government and government controlled entities in the future. In accordance with the terms of these tenders, the bidder who is selected as the lowest bidder (L-1) may sometime be called for final negotiations on the project. While we have commenced these negotiations, there can be no assurance that projects for which we are the lowest bidder (L-1) will be awarded to us and recorded in our

Order Book or that we will actually realize revenue from such awarded projects or, if realized, they will result in profits. As per standard industry practice, lowest bidders (L-1) must conclude contracts from the customer, however we cannot assure that the same will be the case every time. Most of the contracts are subject to cancellation, termination, or suspension at the discretion of the customer at any stage of the contract. In addition, these contracts may be subject to changes in the scope of services to be provided as well as adjustments to the costs relating to the contracts. In case of cancellation, termination, suspension or changes in terms of such contracts, it may have a material adverse impact on our business, results of operations and financial condition.

Further, in India the projects by GOI, State Government or government controlled entities are typically awarded after following a competitive bidding process and satisfaction of prescribed qualification criteria. The criteria generally include experience, technical expertise, reputation and sufficiency of financial resources. While we have been satisfying pre-qualification criteria to bid for such projects in the past, there can be no assurance that we will be able to meet such criteria in the future. We spend considerable time and resources in the preparation and submission of bids, and there can be no assurance that we will be awarded such contracts. In addition, we cannot assure you that we would bid where we have been qualified to submit a bid or that our bids, when submitted or if already submitted, would be accepted.

In addition, we also bid for projects overseas via a competitive bidding basis, where we compete with larger competitors from different countries, having greater industry experience, substantial financial, technical and other resources to undertake projects. Further, they can also be local players who might have an established local presence or may be larger than us and have greater financial resources than us, which may enable them to compete more effectively for projects.

In the event, that new projects which have been announced and which we intend to bid for are not put up for bidding 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. There can be no assurance that we will be awarded such projects at the end of the tender process. Further, in situations where our bids have been successful, there may be delays in awarding of the projects, which may result in us having to retain resources which remain unallocated, thereby adversely affecting our financial condition and results of operations.

4. ***We derive majority of our revenue from our construction business, where margins are lower compared to the engineering consultancy services.***

Our majority of revenues are generated from construction business. For the Fiscals 2022, 2021 and 2020, the revenues from our construction business was ₹ 21,022.95 million, ₹ 18,317.57 million and ₹ 19,571.97 million, respectively, which contributed to 75.24%, 72.89% and 68.86% respectively, of our revenue from operations. As of March 31, 2022, our Order Book from construction business stood at ₹ 184,978.33 million representing 87.95% of the total Order Book. Although, we have higher revenues from construction business, it has low margins compared to our engineering consultancy business. In case we are unable to grow in engineering consultancy services, our profitability and cash flow may be adversely impacted.

5. ***A portion of our revenue and earnings are dependent on the award of large-scale projects which are not in our control. In the event we are not awarded any large – scale projects in future, our business, results of operation and financial conditions may get impacted.***

A portion of our revenue is generated from large-scale projects awarded to us from time to time. The timing of when such projects will be awarded to us is unpredictable and outside our control. We operate in competitive markets where it is difficult to predict whether we will receive projects since these projects often involve bidding processes and lengthy negotiations. These processes can be impacted by a variety of factors including but not limited to governmental approvals, financing contingencies, environmental conditions and overall market and economic conditions. In addition, during an economic downturn, many of our competitors may have greater resources than us and may be placed better than us to take greater, unusual risks or terms and conditions in a contract that we might not deem conducive to us and as a standard market practice. As a result, we are subject to the risk of losing new projects to competitors. Since a portion of our revenue is generated from large-scale projects, our results of operations can fluctuate on yearly basis depending on whether and when a project is awarded and the commencement and progress of work under awarded contracts. Hence, there is a risk that revenue may not be derived from awarded large – scale projects as quickly as anticipated which could lead to an adverse impact on our business, results of operation and financial conditions.

6. ***We may not be able to effectively implement our strategies and achieve future growth.***

We intend to increase our clients (both government and private sectors) in India and overseas, by focusing providing wide range and quality of services, and strengthening systems, control and technology capabilities. The success of our business in the future will depend largely on our ability to identify, evaluate, source business opportunities and effectively implement our strategies. For more details, see *"Our Business — Our Business Strategies"* on page 145.

Some of the factors that may have an effect on our business strategies include, among others:

- inability to control and reduce operating costs and to maintain effective quality controls;
- failure to source and develop new services as per the changing market preferences and trends;
- failure to execute agreements with our clients;
- failure to sufficiently upgrade our infrastructure and technology as required to cater to the requirement of changing demand and market preferences;
- failure to adopt state of the art modern technology and systems to build in quality, reliability and accuracy;
- inability to maintain highest quality and consistency in our operations;
- failure to diversify into new areas to expand the business in India and overseas;
- changes in the GOI policy or regulation; and
- inability to respond to regular competition.

Further, we expect our future growth to put significant pressure on both our management and resources. This will require us to continuously evolve and improve our operational, financial and internal controls across our organization. Any failure on our part to implement our strategies due to any reason as attributed above could be detrimental to our long-term business outlook and our growth prospects. As a result, there can be no assurance that we will be successful in implementing our current and future strategic plans and any failure to do so may have a material adverse effect on our prospects and future financial condition and results of operations.

7. ***The contracts in our Order Book may be adjusted or postponed or cancelled by our clients and, therefore our Order Book is not necessarily indicative of our future revenues or profit. Additionally, even if fully performed, our Order Book may not be a reliable indicator of our future gross margins.***

Our Order Book position as of March 31, 2022 stood at ₹ 25,339.39 million and ₹ 1,84,978.33 million for the engineering consultancy services and construction contracts, respectively, which comprise the estimated revenues from unexecuted portions of all the existing contracts. Further, the Order Book is calculated on the basis of the aggregate contract value of our ongoing projects as of such date reduced by the value of work executed by us (including change in the scope of work of our ongoing projects) until such date and new contracts entered by us. For the purpose of calculating the Order Book, we do not take into account any escalation as on the relevant date. Further, the manner in which we calculate and present our Order Book information may vary from the manner in which such information is calculated and presented by 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. We may not be able to achieve our expected margins or may even suffer losses in one or more of these projects or we may not be able to realise the revenues which we anticipated in such projects. While our Order Book indicates legally binding contracts entered into between us and our customers, the contracts require us to comply with certain terms of the contract including those with respect to delivery schedules, quality of workmanship and any other conditions as may be specified in the contract. Any actual or perceived non-compliance may lead to our current orders being modified, cancelled or delayed or certain monetary or other penalties may be imposed on us. We may encounter problems executing the projects as ordered or executing it on a timely basis. Moreover, factors beyond our control may postpone a project or cause delays due to failure to obtain necessary permits, authorizations, permissions, right-of-way and other types of difficulties or obstructions. For further details, see *"Our Business"* on page 136.

Due to the possibility of changes in the scope of work and schedule of projects, or problems we may encounter in project execution or reasons outside our control, we cannot predict with certainty when, if or to what extent, a project forming part of the Order Book will be performed and this could reduce the income and profits we ultimately earn from the contracts. Delays in the completion of a project can lead to clients delaying or refusing to pay the amount, in part or in full, that we expect to be paid in respect of such project. These payments often represent an important portion of the profit margin we expect to earn on a project. Any delay, reduction in scope, execution difficulty, payment postponement or payment default in regard to the Order Book projects or any other uncompleted projects, or disputes with clients in respect of any of the foregoing project, could materially impact our cash flow position, revenues and earnings.

There have been instances in the last three financial years where the scope of work has been modified for contracts forming part of the Order Book. Accordingly, the realization of the Order Book and the effect on our results of operations may vary significantly from reporting periods depending on the nature of such contracts, actual performance of such contracts, as well as the stage of completion of such contracts as of the relevant reporting date as it is impacted by applicable accounting principles affecting revenue and cost recognition.

8. ***A portion of our revenue is derived from overseas clients and any decrease in revenue or loss of business from the overseas market may adversely affect our results of operation, financial condition and profitability.***

Since incorporation, our Company has provided engineering consultancy services to various clients in over fifty (50) countries. Our Company has developed global presence, particularly in South Asia and across Africa, in areas of water, power and infrastructure sectors by undertaking engineering consultancy services for various development projects. Presently, our Company has ongoing projects in thirty (30) countries i.e., Bangladesh, Bhutan, Burundi, Botswana, Cambodia, Cuba, Central African Republic, DR Congo, Eswatini, Ethiopia, Fiji Islands, Ghana, Gambia, Indonesia, Liberia, Lao PDR, Mozambique, Myanmar, Mongolia, Nicaragua, Niger, Nepal, Rwanda, Suriname, Senegal, Tanzania, Togo, Uganda and Zimbabwe including India.

As part of our growth strategy, we intend to continue to expand our footprint in overseas markets. Our revenue from operations outside India was ₹ 1,961.80 million, ₹ 2,213 million and ₹ 2,734.95 million for Fiscals 2022, 2021 and 2020, respectively, amounting to 28.20 %, 32.49 %, and 30.90 % of our total consolidated revenue from engineering consultancy services. Further, as of March 31, 2022, our Order Book position from engineering consultancy services from the overseas market stood at ₹ 4,621.80 million which constituted 18.23 % of the Order Book from engineering consultancy services.

In case of any volatility in the overseas market, we may have to dedicate a portion of our resources to ensure that our management has a cogent understanding of the economic and regulatory climate overseas. Fluctuations in the overseas economies nevertheless will have an impact on the demand of our engineering consulting services from the overseas market. This in turn may adversely affect our financial position if our overseas clients decide to disengage our services in an effort to respond economically to a downturn.

There can be no assurance that we will be able to consistently maintain our overseas client base, nor can we assure that we will broaden our client base to additional national markets. If one or a combination of the foregoing factors arises, our business, financial condition and profitability may be adversely affected.

9. ***There are outstanding litigations involving our Company and our Subsidiary which, if determined adversely, may adversely affect our business and financial condition.***

As on the date of this Draft Red Herring Prospectus, our Company and our Subsidiary are involved in certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and/or severally from us and/or other parties, as the case may be. Any unfavorable decision in connection with such proceedings, individually or in the aggregate, could adversely affect our reputation, business, financial condition and results of operations. As on the date of this Draft Red Herring Prospectus, our Directors are not involved in any legal proceedings.

A summary of the outstanding legal proceedings against our Company and our Subsidiary as disclosed in this Draft Red Herring Prospectus, have been set out below:

***Litigation involving our Company***

| Sr. No. | Nature of Case | Number of outstanding cases | Amount involved (in ₹ million) |
|---|---|---|---|
| ***Litigation against our Company*** | | | |
| 1. | Criminal matters | 1 | Nil |
| 2. | Actions by regulatory/statutory authorities | Nil | Nil |
| 3. | Civil matters above the materiality threshold of ₹ 13 million | 9 | 614.11 |

| | | | |
|---|---|---|---|
| 4. | Civil matters below the materiality threshold of ₹ 13 million but otherwise deemed material | 3 | 20 |
| 5. | Civil matters that are non-quantifiable but otherwise deemed material | 4 | Nil |
| ***Litigation by our Company*** | | | |
| 1. | Criminal matters | 1 | Nil |
| 2. | Actions by regulatory/statutory authorities | Nil | Nil |
| | Civil matters above the materiality threshold of ₹ 13 million | 4 | 437.49 |
| 3. | Civil matters that are non-quantifiable but otherwise deemed material | 2 | Nil |
| ***Tax proceedings involving our Company*** | | | |
| 1. | Direct tax | 10 | 736.96 |
| 2. | Indirect tax | 12 | 1,819.89 |

*Note: The amounts indicated above are approximate amounts and have been disclosed to the extent ascertainable.*

***Litigation involving our Subsidiary***

| Sr. No. | Nature of Case | Number of outstanding cases | Amount involved (in ₹ million) |
|---|---|---|---|
| ***Litigation against our Subsidiary*** | | | |
| 1. | Criminal matters | 6 | NIL |
| 2. | Actions by regulatory/statutory authorities | NIL | NIL |
| 3. | Civil matters above the materiality threshold of ₹ 13 million | 19 | 1,091.68 |
| 4. | Civil matters below the materiality threshold of ₹ 13 million but otherwise deemed material | 10 | 113.47 |
| 5. | Civil matters that are non-quantifiable but otherwise deemed material | 133 | 7.00 |
| ***Litigation by our Subsidiary*** | | | |
| 1. | Criminal matters | 4 | NIL |
| 2. | Civil matters that are non-quantifiable but otherwise deemed material | 6 | 131.76 |
| 3. | Action by regulatory/ statutory authorities | 10 | 2616.27 |
| ***Tax proceedings involving our Subsidiary*** | | | |
| 1. | Direct tax | 10 | 2,616.27 |
| 2. | Indirect Tax | 14 | 188.11 |

*Note: The amounts indicated above are approximate amounts and have been disclosed to the extent ascertainable.*

We cannot assure you that these legal proceedings will be decided in favor of our Company and our Subsidiary or that no further liability will arise out of these proceedings. There can be no assurance that our Company or our Subsidiary will be able to accurately quantify the potential impact of such proceedings. Further, an adverse outcome in any of these proceedings may affect our reputation, standing and future business, and could have an adverse effect on our business, prospects, financial condition and results of operations. During the last Fiscal 2022, penalties were levied on the then existing functional directors and KMP of our Company and Subsidiary due to delay in conducting the AGM on account of Covid-19. In the future, there may be legal proceedings that may arise involving Directors of our Company. For further details, see "*Outstanding Litigation and Other Material Developments*" on page 327.

10. ***Projects where we provide our services are exposed to various implementations and other risks and uncertainties which may adversely affect our business, profits, results of operations and financial condition.***

Over the years, our Company has been providing engineering consultancy services from "concept-to-commissioning" and beyond in water, power and infrastructure sectors in various projects. Such projects involve various implementation risks including construction delays, unanticipated cost increases, force majeure events, cost overruns or disputes with our clients.

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 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, results of operations and financial condition may be materially and adversely affected.

11. ***Our Company has utilised the loan facilities sanctioned for net working capital towards payment of dividend to its shareholder which could lead to imposition of penal interest or withdrawal of loan facilities by the lender.***

Our Company has been sanctioned corporate term loan facility by the State Bank of India to an extent of ₹ 2,000.00 million vide loan agreement dated December 22, 2021 ("**Agreement**") towards shoring net working capital of our Company. As per the qualification made by the Statutory Auditor on consolidated and standalone financial statements of the Company for Fiscal 2022, out of the sanctioned facilities, our Company has utilised an amount of ₹ 160.00 million towards payment of dividend to its shareholder. In the event the bank does not find the payment of dividend in accordance with the purpose of the financial facilities, the bank may impose additional interest or recall the said financial facilities or take any other action which may affect our reputation, operations and financial results.

12. ***Our Company may be exposed to foreign exchange control regulations and currency fluctuations. Fluctuation in the exchange rate between the Indian rupee and foreign currencies may have adverse effects on our business.***

Our business involves dealing with international clients and operations. As such, we are obligated to conduct such international businesses in accordance with the rules and regulations prescribed under the FEMA. Further, our Company is required to receive payments from foreign clients within the timeline stipulated under the applicable law. There have been instances during the last three (3) years where our Company has incurred foreign exchange losses. For further details, see *"Restated Financial Statements"* on page 197. Also, there have been instances, in the past where our Company was involved in various litigations with foreign parties. In case we are unable to adhere to the timelines prescribed under the applicable laws, there can be adverse effects on our business, results of operations, financial conditions and cash flows.

Our revenues and operating expenses are influenced by the currencies of those countries where we provide engineering consultancy services. The exchange rate between the Indian Rupee and these currencies, primarily the US Dollar, UGX, BDT, NPR, Euro, ETB and IDR which has fluctuated in the past and our results of which, our operations have been impacted in the past and may be impacted by such fluctuations in the future. Although we follow established risk management policies, we are nevertheless exposed to risks from foreign exchange rate fluctuations since we enter into contracts, with clients which are outside India, that subjects our Company to currency risk exposure entailing foreign exchange transactions.

13. ***We may face challenges to successfully diversify and develop our engineering consultancy services and to enter into new geographical areas in response to evolving trends and demands which may adversely affect our growth and impact our profitability.***

We provide engineering consultancy services in India and overseas, mainly in the water, power and infrastructure sectors. Currently, we have ongoing projects in over 25 countries overseas. For further details, see *"Our Business"* on page 136. Changes in customer preferences, regulatory or industry trends or requirements or in competitive technologies may render some of our services less attractive. Our failure to anticipate changes in technology and/or regulatory changes and/or to successfully develop and introduce new and enhanced services in a timely basis is a significant factor in our ability to remain competitive.

We intend to increase our geographical coverage and expand into new areas within India and overseas to provide engineering consultancy services. Diversifying into new geographies may be challenging on account of our lack of familiarity with social, political, economic and cultural conditions of these regions, language barriers, difficulties in staffing and managing operations and our reputation in such regions. We may also require methods of operations, marketing and financial strategies different from those currently employed in our Company. Further, the implementation of such strategy is subject to a number of risks, including, but not limited to the risks of:

- failing to assimilate new technology and techniques for undertaking studies for projects;
- experiencing difficulties in obtaining regulatory approvals;
- being adversely affected by changes in market conditions and demands;
- experiencing the diversion of our management's time and attention; and
- experiencing difficulties in retaining the key employees who are essential to successfully managing those businesses.

Therefore, we cannot assure that we will be able to fully and successfully enter into new foreign countries.

Further, there can be no certainty that we will be able to secure the necessary technological knowledge through research and development or through technical assistance agreements or otherwise that will allow us to develop our platform in this manner. If we are unable to obtain such knowledge in a timely manner, we may be unable to effectively implement our strategies due to which our business and results of operations may be adversely affected. Moreover, we may be unable to achieve certain engineering developments that may be necessary for us to remain competitive or that some of our services and/or solutions will remain accessible.

There cannot be certainty, that we will be able to install and commission the infrastructure required to provide our services. In case we do not successfully and timely develop a new platform and services in order to cater to the requirements of our customers and industry trends, there could be a material adverse effect on our business, financial condition, results of operations and future prospects.

In case we are unable to implement our strategies in an effective manner, we may not be successful in developing our businesses to the extent of and in accordance with our expectations and business strategies and there can be no assurance relating to any revenues from or profitability of such strategies we intend to pursue.

14. ***Our expected credit loss (ECL) allowance could be insufficient to cover for impairment losses, which would have a material adverse effect on our business, financial condition and results of operations.***

Risks arising due to non-recoverability of amounts due from the counterparties are inherent in many aspects of our business. We expect the amount of non-recoverable trade receivables to increase in the future due to expected growth in our business operations.

In accordance with Ind AS, our Company is required to apply expected credit loss model for measurement and recognition of impairment loss for financial assets which comprise of cash & cash equivalent, bank balances, investments, trade receivables, security deposit, retention money etc. Our Company has adopted simplified approach using the provision matrix method for recognition of expected credit loss on trade receivables and retention money as there is no risk of default in respect of cash & cash equivalent, bank balances, investments etc. This adopted provision matrix is based on historical default rates observed over the expected life of the trade receivables and is adjusted for forward looking estimates. Our Company updates the historical defaults and changes the forward-looking statements on relevant report date and thereafter the changes in the forward- looking estimates are analysed.

While working out the ECL provision, the quantum of advance available against a particular project are set off against the current years outstanding debtors of the respective projects. Further, the quantum of trade payables in respect of back-to-back contracts shall be set off against the respective project's trade receivables of respective years. No provision is made in respect of deferred debts (debtors which have not become due for payment as at 31 March of respective financial year). Our Company modified the ECL matrix grade percentages for the Fiscal 2022 on the basis of forward-looking estimates and the modified ECL grade matrix has been applied in respect of trade receivables / retention money for the Fiscal 2022 which has impacted our financials. Our Auditor has provided modified opinion in respect of change in ECL matrix for trade receivables. We have not considered the same for restatement as the change is in the nature of a change in the accounting estimates. For details of the same, please refer to *"Restated Financial Statements"* on page 197.

15. ***Any failure to comply with the provisions of the contracts entered with our customers, especially the GOI, State Government and government controlled entities, could have an adverse effect on our business, financial conditions and results of our operations. Additionally, imposition of liquidated damages and invocation of performance bank guarantees / indemnity bonds by our customers could impact our results of operations and we may face potential liabilities from lawsuits and claims by customers in the future.***

The contracts entered with our customers, especially GOI, State Government and government-controlled entities, contain onerous obligations and are subject to laws which give them certain rights and remedies including without limitation the following:

- to terminate existing contracts for any default, delay or force majeure conditions;
- to invoke performance guarantee, invoke indemnity clauses etc.;
- to pay compensation to where the contracts are assigned due to third parties due to unsatisfactory performance of our Company; and
- to levy liquidated damages.

In the event that our customers enforce any of the above provisions, it could have an adverse effect on our business operations, financial conditions and results of our operations.

We are also executing significant construction projects on deposit works basis. Under the said arrangement, our clients provide deposit amount for executing the construction projects in the terms of agreed schedule. In case our Company fails to meet the timelines, our Company may be required to refund the deposits along with interest. Further in some of the projects, we are obliged to pay interest on the amount of advances from clients. As on March 31, 2022, March 31, 2021 and March 31, 2020, the deposits from clients stood at ₹ 14,830.43 million, ₹ 10,819.63 million and ₹ 10,318.10 million, respectively. While we make provision for interest payable to the clients in our books to the extent the idle funds have been utilized by us, we cannot assure you that such provisions will be sufficient to take care of such loans. If we are required to pay interest which is not provided for, our financials results may have an impact. During Fiscal 2022, 2021 and 2020, the total interest cost provided for are ₹ 40.70 million, ₹ 28.06 million and ₹ 2.09 million respectively.

We cannot assure you that, in the future, such contracts will be completed profitably or on terms that are commercially acceptable to us. Any time and/or cost overruns on our contract could have a material adverse effect on our business, results of operations and financial condition. The incurring of such liabilities pursuant to the imposition of liquidated damages or the invocation of such performance bank guarantees and indemnity bonds in relation to our contracts could have an adverse effect on our business, results of operation, and financial condition.

16. ***If we are unable to collect our dues and receivables from our customers in accordance with the terms and conditions of the contracts and payment schedules, our business, results of operations, cash flows and financial condition could be materially and adversely affected.***

Our business depends on our ability to successfully obtain payment from our customers of the amounts they owe us for work performed in accordance with the terms and conditions of the contract and the agreed payment schedule. For Fiscals 2022, 2021 and 2020, our debtor cycle based on closing balances was approximately two hundred and eighty one (281) days, three hundred (300) days and two hundred and seventy eight (278) days (annualized), respectively, and any increase in our receivable turnover days will negatively affect our business. In Fiscals 2022, 2021 and 2020, our trade receivables were ₹ 21,525.80 million, ₹ 20,653.05 million and ₹ 21,626.01 million, respectively, representing 76.93 %, 82.19 % and 76.09 %, respectively, of our revenue from operations in such periods. Further, 63.48 %, 58.35 % and 45.20 % of our trade receivables were pending beyond a period of one hundred eighty (180) days in Fiscals 2022, 2021 and 2020, respectively. We cannot assure you that we will be able to accurately assess the creditworthiness of our customers and will be able to collect the dues in time. If we are unable to collect receivables or if the provisions for doubtful receivables are inadequate, it could have a material adverse effect on our business, financial condition and results of operations. For further details, see "*Restated Financial Statements*" on page 197.

Payments from GOI, State Government and government-controlled entities clients are often delayed for various reasons beyond our reasonable control and these irregular payment cycles may affect our working capital requirements and projections and in turn may adversely affect our business, results of operations and financial condition. As on March 31, 2022, ₹ 20,342.80 million were receivables from GOI, State Government and government-controlled entities and an amount of ₹ 2,653.85 million were receivables from foreign governments.

Further, earnest money deposits and security deposits given to the customers are generally repayable after the completion of work orders. There could be circumstances that we may not be able to realize the earnest money deposits and security deposits provided to the customers. Economic conditions could also result in financial difficulties for our customers, including limited access to the credit markets, insolvency or bankruptcy. Such conditions could cause customers to delay payments, request modifications of their payment terms, or default on their payment obligations to us, causing us to enter into litigation for non-payment, all of which could decrease our receivables. If we are unable to meet our contractual obligations including project implementation, resulting in delay in billing, we might experience delays in the collection of, or be unable to collect, our customer balances, and if this occurs, our business, results of operations and financial condition could be adversely affected.

If we cannot scale our business or manage our businesses effectively or are unable to successfully implement our strategies, the quality of our services and our results of operations could be adversely affected.

We may face challenges in managing the growth in scale of our operations or consulting trends which may adversely affect our business operations and financial condition. We have in recent periods experienced growth in our construction business and will continue to place, significant demands on our managerial, operational, and financial infrastructure. Our revenue from construction contracts increased from ₹ 19,571.97 million in FY 2020 to ₹ 21,022.95 million in FY 2022 growing at CAGR of 3.64 %. Further, our integrated engineering consultancy services business model includes a wide range of services from concept to commissioning services and beyond in the areas of water, power and infrastructure sectors. We also continue to grow our renewable energy business operations, targeting customers in India as well as overseas. As our operations grow in scale and complexity, whether through offering of new services or expansion into new markets in India and overseas, we must continuously improve, upgrade and adapt our technology systems and expand our infrastructure to offer our customers enhanced services, features and functionality ahead of rapidly evolving community demands, while maintaining the reliability and integrity of our systems and infrastructure in a cost-efficient and competitive manner.

In addition, to effectively managing our growth, we will also need to continue to improve our operational, financial and management controls, as well as our reporting systems and procedures. In particular, continued growth brings with it the challenges involved in continuous training and development of skilled and competent personnel and employees and developing and improving of internal administrative infrastructure.

If we do not effectively manage our growth or appropriately expand and upgrade our systems and platforms in a timely manner or at a reasonable cost, or both, we may lose market opportunities or damage our attractiveness and reputation with our merchants and customers, which may adversely affect our business, financial condition and results of operations.

17. ***Our revenue from engineering consultancy services depends upon development in water, power and infrastructure sectors. Any adverse changes in the demand for engineering consultancy services for these sectors may impact our revenue, profitability and cash flows.***

We are engaged in engineering consultancy services in the field of water, power and infrastructure sectors in India and overseas. For Fiscals 2022, 2021 and 2020, our revenue from the engineering consultancy services was ₹ 6,956.99 million, ₹ 6,811.16 million and ₹ 8,850.24 million, respectively, which constitute approximately 24.86%, 27.11% and 31.14% of our revenue from operations, respectively. As per the Industry Report, past and current trends of the potential projects under the Government budget in the infrastructure sector, investments in these sectors have always been a priority and will create enormous opportunities for EPC consultants likely to remain as the focus in the future as well. As part of our strategy, we continue to focus on strengthening our position in providing engineering consultancy services in the water, power and infrastructure sectors, however, any change or decline in the demand for engineering consultancy services in these sectors may have an adverse impact on our revenue. There can be no assurance that we will be able to continue to expand our client base and increase our services in the future under these sectors. Therefore, we may not be able to maintain profitability and may incur losses in the future. Accordingly, our future results of operations, financial conditions, including growth in profitability, may not be comparable to the Restated Financial Statements included in this DRHP and any reliance placed on the same should be accordingly limited.

18. ***Our ability to complete our projects in a timely manner and maintain quality standards is subject to the performance of our sub-contractors.***

Although our contractors are qualified, we do not have control over their day-to-day performance. We cannot ensure that there will be no delay in performance of duties by our sub-contractors, which may cause a delay in completion of our projects. We may also be exposed to risks relating to the quality of their services, equipment and supplies.

In case, our sub-contractors do not deliver their services as per required standards it may impact our operations. While we incorporate necessary protective clauses in our sub-contract including performance guarantee, indemnity, etc. however, same may not be sufficient to protect our interest. Further, there have been disputes with sub-contractors in respect of, quality and timely execution of work performed by our sub-contractors, payments to be made to sub-contractors under our arrangement with them amongst other things. We cannot assure you that such dispute will not occur in future or such disputes will be amicably resolved or will not culminate into arbitration, litigation or other dispute resolution proceedings.

From time to time, we sub-contract certain activities to be undertaken for our construction projects to other parties depending on various factors, including, services required and complexity required for execution of projects. We rely on our contractors to perform our construction contracts. Although our contractors are qualified, we may not have control over their day-to-day performance. We cannot ensure that there will be no delay in performance of duties by our contractors, which may cause a delay in completion of our construction projects. We may also be exposed to risks relating to the ability of the contractors to obtain requisite approvals for the operation of the contract. In addition, we can make no assurance that such contractors will continue to hold or renew valid registrations under the relevant labour laws in India or overseas or be able to obtain the requisite approvals for undertaking such construction and operations. Our construction contracts typically require us to enter into certain commercial and performance obligations with our clients, the performance of which in turn may be dependent on contractors and sub-contractors engaged for execution of the projects. If our contractors are unable to perform in accordance with their commitments on time or meet the quality standards required, our ability to complete projects on time or at all could be impaired. Any such misrepresentation by a subcontractor as to its qualification or eligibility may also affect our ability to successfully complete a project and thereby harm our reputation. The risk of failure by subcontractor to execute the contracts may be intensified during an economic downturn if our subcontractors experience financial difficulties or find it difficult to obtain sufficient financing to fund their operations and are not able to provide the services or supplies necessary for our business. Finally, a failure by a third-party subcontractor to comply with applicable laws, rules or regulations or to obtain the necessary approvals or provide services as per our contract could negatively impact our business and may result in fines, penalties, suspension or even debarment.

In our engineering consultancy services, although to a limited extent, we may similarly need to rely on third party contractors. If we are unable to hire qualified contractors, our ability to successfully complete a project could be impaired. If the amount we are required to pay for such third parties exceeds what we have estimated, especially in an item based bill of quantities type contract, we may suffer losses on these contracts. If such a third party fails to provide services as required under a negotiated contract for any reason, we may be required to source these services on a delayed basis or at a higher price than anticipated, which could impact contract profitability.

19. ***We could incur additional costs or loss in revenue in connection with our failure to comply with all our commitments in our engineering consultancy and project management contracts.***

Our engineering consultancy and project management consultancy contracts typically require us to assume several obligations, which includes but are not limited to the maintenance of registrations, licenses and permits required for performance of the work in the name of our clients or that of our employees, agents or subcontractors; failing which, penalties may be deducted from payments due; insurance liability in respect of workman’s compensation insurance covering all our employees, group personnel accident insurance, insurance against fire, theft, damage and loss of property owned by us at the construction site, among others; provision of bank guarantees and performance bonds; provisions for liquidated damages. We may, from time to time, not be able to comply with all of these provisions, which may result in the payment of damages and assessment of penalties, the incurrence of additional costs and loss in revenue, may adversely affect our business, financial condition and results of operations.

Additionally, we are responsible for completing a project by the scheduled completion date as agreed in the relevant contract. We may also be responsible for the performance standards of such project. We may also assume a project’s technical risk, which means that we may have to satisfy certain technical requirements of the project despite the fact that at the time of project award, we may not have previously developed or applied the system or technology in question. If we subsequently fail to complete the project as scheduled, or if the project subsequently fails to meet the requisite performance standards, we may be held responsible for cost impacts to the client resulting from any delay or the cost to cause the project to achieve the performance standards, generally in the form contractually agreed upon liquidated damages. To the extent that these events occur, we may be required to forego part of our contract revenue or provide a discount to the client which would have a material effect on our business, financial condition and results of operations.

20. ***We have working capital requirements. If we experience insufficient cash flows to enable us to make required payments on our debt or fund working capital requirements, there may be an adverse effect on our results of operations.***

Our business requires working capital, part of which may be met through additional borrowings in the future. We require working capital for the performance of engineering consultancy services for some of the projects before payments are received from clients. In certain cases, we are contractually obligated to our clients to fund the working capital requirements of our projects. Our working capital requirements may increase if, under certain contracts, 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 burdens. Our working capital requirements have increased in recent years due to the general growth of our business which have resulted, in increase in our working capital needs. It is customary in the industry in which we operate to provide bank guarantees for performance, earnest money deposit and security deposit bonds in favor of clients to secure obligations under contracts. If we are unable to provide sufficient collateral to secure the bank guarantees or performance bonds, our ability to enter into new contracts could be limited. Providing security to obtain bank guarantees and performance bonds increases our working capital needs. We may not be able to continue to obtain new bank guarantees, and performance bonds in sufficient quantities to match our business requirements. If we are not able to finance our working capital needs or secure other financing when needed, on acceptable commercial terms, or at all, the same could have material adverse effects on our business, financial condition, growth prospects and results of operation.

21. ***We are required to furnish performance bank guarantees, security deposit and earnest money as part of our business.***

Our inability to arrange guarantee or the invocation of guarantees may result in forfeiture of bid security or earnest money deposit and termination of the relevant contract thereby affecting results of our operations, financial condition and other prospects. As per the terms of the contracts executed by us, we are required to provide performance bank guarantees, security deposit and earnest money in favor of the clients to secure our performance obligations under the respective contracts for our projects and are also required to ensure that the performance bank guarantees are valid and enforceable until the expiry of the contract or until such other period as is stipulated under the relevant contract. As on March 31, 2022, we have provided bank guarantees for amounting to ₹ 8,381.74 million towards securing our performance, earning money deposit and security deposit stands. While there have not been any instances in the past three financial years for invocation of bank guarantees, however, we cannot assure that we will be able to fulfil the obligations under our ongoing projects. 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. If any or all the bank guarantees are invoked, it may result in a material adverse effect on our business and financial condition. Further, if we are not able to provide/extend the performance bank guarantee within the stipulated period with respect to the project, then the relevant contract may be terminated and the bid security or the earnest money deposit provided can be encashed, which could have a material adverse effect on our prospects. We may not be able to continue obtaining new performance bank guarantees in sufficient quantities to match our business requirements. If we are unable to provide sufficient collateral to secure the performance bank guarantees, our ability to enter into new contracts or obtain adequate supplies could be limited. Providing security to obtain performance bank guarantees also increases our working capital requirements.

22. ***Contract claims and other customer claims could adversely affect our business, results of operation and financial condition.***

We are subject to contract liability and other claims from clients or third parties in connection with (i) the non-compliance of our services with the customer's specifications, due to faults in design or construction, (ii) the delay or failed supply of the services indicated in the contract, or (iii) defaults and/or delays in the construction and consulting deliverables pursuant to a project. These liabilities might arise from causes that are directly attributable to us or causes that are attributable to third parties. Furthermore, material breaches by us in the performance of our obligations may lead to contract termination or cause payment obligations to arise or may result in invocation of our performance guarantees under applicable indemnity bonds and bank guarantees and would adversely affect our business, results of operations and financial condition. These claims may also be subject to lengthy arbitration or litigation proceedings, which may involve associated costs. Such claims may continue to arise in the future. Failure to resolve these claims amicably, favourably, or within a reasonable time or at all, may have an adverse effect on our profitability.

For details of other such instances where our Company and Subsidiary is subject to claims and counter claims, see "*Outstanding Litigation and Other Material Developments*" on page 327

23. **Political instability in the countries where we are operating may adversely affect our operations and financials.**

Our Company is operating in various countries including certain countries which are highly susceptible to political instability, war and terrorism. We may not be able receive all our dues for services provided in such countries due to changes in political setup in such countries. For instance, our Company was executing five projects in Afghanistan during August 2021, when the political situation changed in the region. Owing to change of government in Afghanistan, all project operations were suspended. Our Company had trade receivables amounting to ₹ 403.39 million during as on August 15, 2021. We could receive only ₹ 202.98 million out of said receivables. Similarly, an amount aggregating to ₹ 9.25 million are pending from the project in Sri Lanka.

We can not assure you that we will be able to receive all our dues. Additionally, we can not assure you that such incidents will not happen in future. If such instances happen in future, in countries where we are operating, same may adversely impact our financials and profitability.

24. ***Our business is subject to cyber risks and risks related to information technology systems and technology failures or advancements could disrupt our operations.***

Our business operations depend heavily on the ability of our information technology systems to process and record a large number of projects across India and overseas. As our business is technology driven, we have developed in-house softwares such as management information systems, GIS enabled web-based software targeted towards project monitoring etc., that we utilize. Also, we rely heavily on technology and related infrastructure. Our Company uses softwares such as civil design 3D- CAD design, Autocad, MS project, primavera, FLAC-2D2D & 3D, PLAXIS, Rocscience package, Midas GTX, Mike 11, Mike Flood, WaterGEMS, SewerGEMS, structure: abaqus, STAAD Pro, data analysis, MATLAB, and also HEC-RAS, Arc-GIS, remote sensing softwares and mathematical models *etc.*As a result, our business operations, the quality of our services depend significantly on the efficient, uninterrupted operation and reliability of our information technology systems. For further details, see *"Our Business- System Studies and Information Technology"* on page 152.

In spite of regular checks and tests, our systems may be vulnerable to interruption and damage as a result of natural disasters, power loss, technical glitches, undetected errors or viruses in our software or loss of electronically stored data, hardware damage, disruption in communications access or infrastructure, electronic intrusion attempts, break-ins, sabotage, hacking, vandalism and other similar events which may result in delays in carrying out our services, particularly those relating to consulting in the form of remote sensing, surveying and modelling. There can be no certainty that we will be able to eliminate or alleviate the risks arising from such contingencies. In addition, our systems and software, including our website, secure sockets layer encryption, firewall and IPS may contain undetected errors, defects or bugs, which we may not be able to detect and repair in time or in a cost-effective manner, or at all. Any damage to or failure of our systems could lead to loss of data or interruptions or delays, thereby impairing our ability to effectively provide our services.

Any of these developments, alone or in combination, could have a material adverse effects on our business, financial condition and results of operations.

25. ***The GOI has significant influence over our actions which may restrict our ability to manage our business. Any change in GOI policy could have a material adverse effect on our financial condition and results of operations.***

We are currently wholly owned and controlled by the GOI acting through the MoJS. Upon completion of the Offer, the GOI will control approximately [●]% of our paid-up Equity Share capital. Accordingly, the GOI will continue to exercise significant influence over our business policies and affairs and all matters requiring shareholder approval, including the composition of our Board, the adoption of amendments to our Articles of Association, the approval of formation of subsidiary companies or joint ventures and the sale of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures.

In addition, the GOI influences our operations through various departments and policies. For instance, the GOI will have the power to elect and remove the Directors and therefore determine the outcome of most proposals for corporate action requiring approval of the Board or the shareholders, including with respect to the payment of dividends. For further information on the Articles of Association, see *"Main Provisions of Articles of Association"* on page 402.

26. ***Our failure to successfully manage our geographically diverse operations could adversely affect our business and results of operations***

We have operations in various international geographies such as the Asia, Africa, Oceania and South America, and we continue to focus on further expansion of our international business. These operations are conducted either by us directly or by our foreign project offices, as well as through agreements with foreign joint venture partners. These operations are subject to risks that could adversely affect our business and results of operations, including risks associated with uncertain political and economic environments, government instability and legal systems, laws and regulations that are different from the legal systems, laws and regulations that we are familiar with in India, and which may be less established or predictable than those in more developed countries. In addition, we could be subject to expropriation or deprivation of assets or contract rights, foreign currency restrictions, exchange rate fluctuations and unanticipated taxes, and non-availability of suitable personnel and equipment.

In order to manage our day-to-day operations, we must overcome cultural and language barriers and assimilate different business practices. Our failure to successfully manage our geographically diverse operations could impair our ability to react quickly to changing business and market conditions and to comply with industry standards and procedures.

Our ability to operate and compete may be adversely affected by governmental regulations in the countries in which we transact our business. In particular, price controls, taxes and other laws relating to the water, power and infrastructure industry and the environment and changes in laws and regulations relating to such matters may affect our operations. These regulations frequently encourage or mandate the hiring of local contractors and require foreign contractors to employ citizens of, or purchase supplies from within, the relevant country.

For further details relating to the expansion of our international operations, please see section *"Our Business – Our Strategy – To continue expansion of domestic and overseas business and to increase capacity building to clients"* on page 145.

27. ***We face pricing pressure from our competitors which could require us to reduce prices to remain competitive. Further, if we are unable to compete effectively, we could lose business and our business and results of operations could be negatively impacted.***

Our services, both in India and overseas, are subject to competitive pressures in all of our service lines. A majority of our projects are awarded and services provided are via a competitive bidding basis. We compete directly and indirectly with all the companies which are venturing into water, power and infrastructure sectors and may also engage themselves in engineering consultancy services. Increased competition may force us to improve our process, technical, service capabilities and / or lower our prices or result in loss of clients, which may adversely affect our profitability, in turn, affecting our business, financial condition, results of operations and prospects.

Generally, for EPC services, we may bid for projects up to a certain value. Although the value of projects for which we are able to compete has increased in recent years, we may be unable to compete with international engineering and construction conglomerates for high value contracts. The level of competition varies, depending on the industry or business vertical, as well as the size, nature and complexity of the project and the geographical region in which the project is to be implemented. For example, with respect to EPC services, clients generally award larger projects to large contractors, which may give these competitors an advantage when bidding for these projects. Conversely, with respect to our engineering, design and consultancy services, low barriers of entry can result in competition with smaller, newer competitors. Intense competition is expected to continue in these markets, presenting us with various challenges in our ability to maintain growth rates and profit margins. If we are unable to meet these competitive challenges, we could lose business to our competitors and experience an overall reduction in our profits.

We strive to leverage our financial resources as well as industry expertise, to increase our competitive edge. The principal factors affecting competition include customer relationships; technical excellence or differentiation; price; service delivery (which includes the ability to deliver personnel, processes, systems and technology, as may be required consisting of both local content and presence); service quality; health, safety and environmental standards and practices; financial strength; breadth of technology and technical sophistication; risk management awareness and processes.

However, some of our competitors in the water, power and infrastructure sectors may have extensive experience, deployment of large manpower capability with advanced technology systems and infrastructure, greater financial capabilities and better relationships with clients. Also, some of our competitors have greater financial and other resources and better access to capital than we do, which may enable them to compete more effectively for large-scale project awards.

Our customers evaluate us, among other things on customization, speed, quality, flexibility, costs, and results. Also, being a PSU, our Company has to follow the guidelines issued by the GOI. If we are unable to offset reductions in price through improved operating efficiencies and reduced expenditures, then the pricing could negatively impact our profit margins and cash flows. If we fail to compete with the price and/or scope of concept-to-commissioning services offered by our competitors, in such cases our customers may opt to transact with our competitors instead of our Company. Even though, our Company may have the requisite technology and skills, we may be unable to competitively develop the higher-value-added consulting and engineering services and construction services necessary to retain business or attract new customers in the future. Owing to this, we may be unable to retain a compelling advantage over our competitors which could adversely affect our business, results of operations, financial conditions and cash flows.

28. ***We are dependent on a number of qualified personnel and the loss of such persons, or our inability to attract and retain such persons in the future, could adversely affect our business, growth prospects, results of operations and cash flows.***

Our operations are dependent on our ability to attract and retain qualified personnel, including experienced engineers and other specialized individuals. As on August 31, 2022, we have a qualified, multi disciplinary and professional employee base with 1009 regular cadre employees. As on August 31, 2022, our Subsidiary has 495 employees including regular and contractual. While we believe that we currently have adequate qualified personnel, we may not be able to continuously attract or retain such personnel, or retain them on acceptable terms, given the demand for such personnel. The loss of the services of our qualified personnel may adversely affect our business, results of operations and financial condition. We may require a long period of time to hire and train replacement personnel when qualified personnel cease to be an employee of our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting the qualified employees that our business requires.

Further, our senior management team is integral to the success of our business. We believe that the experience of our senior management team has enabled us to experience consistent growth and profitability. However, we cannot assure you that we will be able to retain any or all of our management team. Any loss of our senior management or key personnel or our inability to recruit further senior managers or other key personnel could impede our growth and our ability to develop, maintain and expand customer relationships. For further details, see "*Our Business*" on page 136.

Further, as per the provisions of our Articles of Association, the President of India has the right to appoint Directors and other GOI representatives to our Board and for such period as may be determined by the GOI. We may be unable to attract and retain appropriate managerial personnel of our choice. We may also face attrition of our existing workforce. If we cannot hire additional qualified personnel or retain them, our ability to expand our business will be impaired and our revenue could decline. In the last three financial years there has not been any labor disruptions, but there can be no assurance if we will not have instance of labor disruptions in the future which may affect our operations, thereby adversely affecting our business, financial condition and results of operations. However, based on our past experience the attrition rate of our experienced employees is very low as compared with our competitors in private sectors owning to job security associated with our public sector undertaking identity.

29. ***Our business, financial condition and results of operations may be materially adversely affected by global health epidemics, pandemics which could materially and adversely affect our business.***

In late 2019, COVID-19, commonly known as the "novel coronavirus", emerged in Wuhan, China, and by March 11, 2020 was declared a global pandemic by the World Health Organization. Governments and municipalities around the world instituted measures in an effort to control the spread of COVID-19, including quarantines, shelter-in-place orders, school closings, travel restrictions, and closure of non-essential businesses. By the end of March, the macroeconomic impacts became significant, exhibited by, among other things, a rise in unemployment and market volatility.

In order to contain the spread of COVID-19 virus, the Government of India initially announced a 21-day lockdown on March 24, 2020, which, was subject to successive extensions. In compliance with the lockdown orders announced by the Indian Government, we temporarily closed certain of our offices and substantially, all of our employees were compelled to work remotely. The rapid shift to a remote working environment created inherent productivity, connectivity, and oversight challenges. The extent and/ or duration of ongoing workforce restrictions and limitations impacted our ability to successfully provide our services, comply with various reporting requirements to the regulators in a timely manner, among others.

In addition, the changed environment under which we were operating had an impact on our internal controls over financial reporting as well as our ability to meet a number of our compliance requirements in a timely or quality manner.

If the COVID-19 outbreak and as a result of the detection of new mutated strains and subsequent waves of COVID-19 infections progresses in ways that continue to disrupt our operations including through lockdowns and limited access to business resources, such disruption materially negatively affected our operating results for Fiscal 2022 and possible subsequent periods.

With the outbreak of COVID-19, international stock markets reflect the uncertainty associated with the slow-down in the global economy. In addition, the widespread lockdowns implemented by various countries since March 2020 has further slowed-down the global economy and disrupted daily operations of most companies. The spread of the COVID-19 and as a result of the detection of new mutated strains and subsequent waves of COVID-19 infections continues to limit the level of economic activity globally, and in particular in India, this likely would negatively affect, and may materially negatively affect, our operating results, cash flow and business. Since a number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of diseases such as influenza in birds and swine flu and more recently, the SARS – CoV - 2 virus and human monkeypox (MPX). A worsening of the current outbreak of the COVID - 19 pandemic or future outbreaks of SARS – CoV - 2 virus or a similar contagious disease could adversely affect the global economy and economic activity in the region. As a result, any present or future outbreak of a contagious disease could have a material adverse effect on our business

Further, our ability to ensure the safety of our workforce and continuity of operations while confirming with measures implemented by the central and state governments in relation to the health and safety of our employees may result in increased costs. In the event a member or members of our management team contract(s) COVID-19, our operations may be potentially affected. Further, in the event any of our employees' contract COVID-19, we may be required to quarantine our employees and shut down our registered and corporate offices, regional offices and/or project offices, as necessary. Risks arising on account of COVID-19 can also threaten the safe operation of our offices and impact the well-being of our employees.

While COVID-19 pandemic has affected our business and operations and our operations had slowed down during Fiscal 2021 and 2022,We have almost resumed to full normalcy however, there is uncertainty regarding the duration and impact of the COVID-19 pandemic, as well as possible future responses, which makes it impossible for us to predict with certainty the impact that COVID-19 will have on us and our consumers at this time. Any intensification of the COVID-19 pandemic, outbreak of new COVID-19 variants or otherwise or any future outbreak of another highly infectious or contagious disease such as MPX may adversely affect our business, results of operations and financial condition. Furthermore, as COVID-19 adversely affects our business and results of operations, it may also have the effect of exacerbating many of the other risks described in this *"Risk Factors"* section. For details, see *"Management's Discussions and Analysis of Financial Condition and Results of Operations – Significant Factors affecting our results of operations and financial condition"* on page 295.

30. ***Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business and results of operations.***

As of August 31, 2022, we have fund-based limits of ₹ 2,500.00 million and non-fund based of ₹ 13,650.00 million and total outstanding borrowings of ₹ 7,221.01 million. Our ability to meet our debt service obligations and repay our outstanding borrowings will depend primarily on the revenue generated by our business. Our financing agreements contain certain restrictive covenants that limit our ability to undertake certain types of transactions, including any change in general nature of business, accessing capital markets or change in ownership, which could adversely affect our business and financial condition. For details, see "*Financial Indebtedness*" on page 291.

In addition, certain of our borrowings require us to maintain certain financial ratios and certain other information covenants, which are tested at times typically on a quarterly, half yearly or annual basis. In the event we breach any financial or other covenants contained in any of our financing arrangements or in the event we had breached any terms in the past which is noticed in the future, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs.

Some of our financing arrangements may become due for renewal and we cannot guarantee that the facilities availed under such arrangements will be renewed on the previously agreed terms and conditions, or conditions which are not more onerous on us. Further, under certain of our existing financing arrangements, we are required to obtain prior consent from our lenders for, inter alia, change in constitutional documents, change in the ownership, change in the capital structure of the Company, permit any transfer of the controlling interest or make any drastic change in the management set up. Any failure to service our indebtedness, perform any condition or covenant or comply with the restrictive covenants could lead to a termination of one or more of our credit facilities, default, acceleration of amounts due under such facilities and cross-defaults under our other financing agreements, any of which may adversely affect our ability to conduct our business and have a material adverse effect on our financial condition and results of operations.

31. ***Some of the projects are executed on joint arrangement basis. In the event the partners under joint arrangement not co-operate with our directives may adversely impact our operation of business*.**

As on the date of this Draft Red Herring Prospectus, some of the projects are being executed under joint arrangement basis having joint and several responsibility. To the extent there are disagreements between us and our various partners regarding the business and operations under joint arrangement, we cannot assure you that we will be able to resolve them in a manner that will be in our best interests. In addition, our partners may be unable or unwilling to fulfil their obligations, whether of a financial nature or otherwise; have economic or business interests or goals that are inconsistent with ours; take actions contrary to our instructions or requests or contrary to our policies and objectives; take actions that are not acceptable to regulatory authorities; have financial difficulties; and/or have disputes with us. Any of the foregoing could have a material adverse effect on our business, prospects, financial condition and results of operations.

32. ***Our business is subject to seasonal fluctuations that may affect the functioning of the construction projects thereby adversely affecting our cash flows and business operations.***

Our business operations may be affected by seasonal factors which may restrict our ability to carry on activities related to our construction projects and fully utilize our resources. Heavy or sustained rainfalls or other extreme weather conditions such as cyclones could result in delays or disruptions to our operations during the critical periods of our construction projects. In particular, the monsoon season may restrict our ability to carry on activities related to execution of our construction projects and fully utilize our resources, which may affect our revenues and consequently, profit recognition to subsequent quarters. During periods of curtailed activity due to adverse weather conditions, we may continue to incur operating expenses and our project related activities that may be delayed or reduced. Adverse seasonal developments may also require evacuation of personnel, suspension or curtailment of operations, resulting in damage to sites or delays in the delivery of materials. Such fluctuations may adversely affect our revenues, cash flows, results of operations and financial conditions.

33. ***Some of the projects undertaken by our Company have been stalled, we cannot assure you that these projects would be resumed in near future.***

Some of our projects have been stalled due to various reasons including environmental clearances, land acquisition issues, change in scope of work, change in priority of project by the client, opposition by local population, local constraints and delayed payments by clients. As on March 31, 2022, dues amounting to ₹ 6,606.78 million (approximately 30.69 % of the total receivables from the projects) were pending from such stalled projects. While our Company believes that suspension of these projects is temporary in nature and suspension will go away once the stalling conditions are removed and our Company would realize its money from the said projects. However, we may not assure you that we will realise monies from these projects in near future or at tall. In case, we fail to realise monies from these projects within a reasonable period of time, it will impact financials and profitability of our Company.

34. ***We and our Subsidiary do not have access to records and data pertaining to certain historical legal and secretarial information. Further, there are certain discrepancies in the records available with us and our Subsidiary.***

Our Company and Subsidiary are unable to locate some of the regulatory filings made with the RoC and/or secretarial records. Despite having conducted search of our and Subsidiary records and a search in the records of the RoC for the untraceable documents, which was conducted by a practicing company secretary engaged by us, we have not been able to trace the aforementioned documents. While we and our Subsidiary believe that the forms had been filed with the RoC in a timely manner, we and our Subsidiary have not been able to obtain copies of these forms. Accordingly, we and our Subsidiary have relied on other documents, including corresponding board and/or shareholder resolutions, where available, statutory registers of members, allotment and share transfer, and audited financial statements for such matters. In case of our Company, we have also been unable to trace the form filings made in relation to the change of our registered office and there may be inconsistencies between the date of filing of the relevant forms filed with the RoC for allotment of shares to the President of India and the register maintained noting the allotment made to the President of India. Though our Company and our Subsidiary has made efforts to retrieve such records however, there is no certainty that these forms or records will be available in the future. Since copies of these regulatory filings are unavailable with us and our Subsidiary, we cannot assure you that these regulatory filings were duly filed on a timely basis, or at all. Although no regulatory action/litigation is pending against us and our Subsidiary in relation to the missing documents, we cannot assure you that we will not be subject to penalties imposed by regulatory authorities in this respect. We have relied on the independent search report by practising company secretary engaged by us and our Subsidiary and we cannot assure you of the accuracy and completeness of the report.

35. ***Our Company may not be in compliance with certain of the provisions of the SEBI LODR Regulations and Companies Act, as may be applicable in relation to terms of reference of the Audit Committee and the Nomination and Remuneration Committee as we are controlled by the GOI.***

The second provision to Section 149 of the Companies Act read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014 requires every public company having a paid-up share capital of ₹ 1,000 million or more or turnover of ₹ 3,000 million or more to have a woman director. Further, Regulation 17(1)(a) of the SEBI LODR Regulations states that a listed entity shall have an optimum combination of executive and non-executive directors with at least one-woman director and not less than fifty per cent of the board of directors shall comprise of non-executive directors.

Being a government company, the appointment of directors is governed by the Corporate Governance Guidelines issued by DPE and is subject to the discretion of GOI. In accordance with the Corporate Governance Guidelines issued by DPE and as specifically provided under the AoA of the Company, all the Directors are appointed by the President of India and is subject to an inter-ministerial process. Further, the terms of appointment of all Directors (including their remuneration) are also approved by the President of India. Hence, the appointment of Directors is neither under the purview of our board of directors nor our Company is empowered to appoint any Directors. Our erstwhile woman director, Preeti Madan's tenure as an independent director of our Company ended on July 27, 2022. Thereafter, we do not have a woman director on our Board in accordance with the said provisions of the Companies Act and SEBI LODR Regulations. We have referred the matter to MoJS for filing up of the vacant post of the independent women director. We cannot assure you whether the RoC or any other government authority will impose penalties on us on account of such non-compliance.

Further, Section 177 of the Companies Act, 2013 and Regulation 18(3) read with point (2) of Paragraph A of Part C of Schedule II of SEBI LODR Regulations, require the role of the audit committee of a listed company to include, *inter alia* the recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity. In accordance with Section 139(5) of the Companies Act, 2013, CAG is required to appoint a duly qualified auditor as our Statutory Auditors. Accordingly, since our Company is a CPSE and a government company, provisions relating to appointment of our Statutory Auditors are not included in the terms of reference of our Audit Committee, as required under the SEBI LODR Regulations and Companies Act, 2013. Under Section 178 of the Companies Act, 2013 and Regulation 19(4) read with Schedule II of SEBI LODR Regulations, provisions relating to (i) formulation of 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; (ii) formulation of criteria for evaluation of performance of the directors; (iii) devising a policy on diversity of board of the directors; (iv) identification of persons who are qualified to become directors and recommend the appointment and removal of directors; (v) the extension, if any, of the term of the independent director; and (vi) recommend to the board, all remuneration, in whatever form, payable to senior management. Further, Regulation l7(6)(a) of the SEBI LODR Regulations, *inter alia,* requires that the Board shall recommend all fees or compensation, if any, paid to non-executive directors, including independent directors and shall require approval of shareholders in general meeting. As appointment of all directors and terms of their appointment (which includes fees or compensation to be paid to the functional (executive) directors) of a CPSE are approved by the President of India and/or by the Appointment Committee of the Cabinet, our Company is not and going forward will not be able to fulfil the criteria under Regulation l7(6)(a) of SEBI LODR Regulations and Companies Act, 2013. Accordingly, the aforementioned matters are not included in the terms of reference of our Audit Committee and Nomination and Remuneration Committee, respectively. To this extent, we are not compliant with the certain provision of SEBI LODR Regulations and Companies Act, 2013.

Regulation 24 (1) of the SEBI LODR Regulations, requires at least one independent director on the Board of Directors of the Company shall be a director on the board of directors of an unlisted material subsidiary, incorporated in India. However, in accordance with the Corporate Governance Guidelines issued by DPE, an independent director is yet to be appointed by our Subsidiary company for which the GOI directions is awaited. We are not in compliance with regard to appointment of at least one independent director on the Board of Directors of our Company on the board of our Subsidiary.

Accordingly, in relation to the above matters, our Company has filed an exemption letter with SEBI on September 23, 2022, under Regulation 300(1) of the SEBI ICDR Regulations seeking certain exemptions from the relevant provisions of the SEBI LODR Regulations.

36. ***There have been certain instances of non-compliances, including with respect to certain secretarial/ regulatory filings for corporate actions taken by our Company and Subsidiary in the past. Consequently, we may be subject to regulatory actions and penalties for any such non-compliance and our business, financial condition and reputation may be adversely affected.***

We manage regulatory compliance by monitoring and evaluating our internal controls and ensuring that we are in compliance with all relevant statutory and regulatory requirements. There can be no assurance that deficiencies in our filings will not arise in future, or that we will be able to implement, or continue to maintain, adequate measures to rectify or mitigate any deficiencies in our internal control. Any inability on our part to adequately detect, rectify any deficiencies in our internal controls may adversely impact our ability to accurately report, or successfully manage, our financial risks and to avoid frauds. As we continue to grow, there can be no assurance that there will be no other instances of such inadvertent non-compliances with statutory requirements, which may subject us to regulatory action, including monetary penalties, which may adversely affect our business and reputation.

In the past, our Company failed to hold its annual general meeting within the stipulated time in financial year ended March 31, 2020, as per the requirements specified under section 96 of the Companies Act due to COVID-19. In this regard our Company had filed compounding application before the Regional Director, Northern Region ("**RD**") to compound the default committed under section 96 of the Companies Act. The RD vide email dated October 26, 2021, levied a penalty of ₹ 0.1 million on the Company and ₹ 0.01 million per Director/Managing Director/Whole-time Director /Company Secretary ("**Officers**"). Our Company and the Officers have paid their respective penalty imposed and the RD has vide its order dated November 25, 2021 compounded the offence.

Similarly, our Subsidiary also failed to hold its annual general meeting within the stipulated time in financial year ended March 31, 2020, as per the requirements specified under section 96 of the Companies Act due to COVID-19. In this regard our Subsidiary had filed compounding application before the RD to compound the default committed under section 96 of the Companies Act. The RD vide email dated October 27, 2021**,** levied a penalty of ₹ 0.1 million on our Company and ₹ 0.01 million per on the Officers of the Subsidiary. Our Subsidiary and its Officers have paid their respective penalties imposed and the RD has vide its order dated November 23, 2021 compounded the offence.

While our Company and our Subsidiary have paid their respective penalty, accordingly, we cannot assure you that we will not be subject to any legal proceedings or regulatory actions, including monetary penalties by statutory authorities on account of any inadvertent discrepancies in our secretarial filings and/or corporate records in the future, which may adversely affect our business, financial condition and reputation.

37. ***Our financial statements are subject to audit by the Comptroller and Auditor General of India and any adverse findings pursuant to such audit may adversely affect our compliance costs.***

Our financial statements are required to be audited by CAG. The scope of the audit involves carrying out supplementary audit of our financial statements and a review of major claims, among other items. While our statutory auditors are appointed by the CAG, the CAG's view may vary from that of our statutory auditors. During the last ten (10) years our Company has received the adverse remarks only in Fiscal 2021. Our audit of accounts for Fiscal 2022 is not completed by the CAG as on the date of the filing of this Draft Red Herring Prospectus, therefore, there is no assurance that the CAG audit for Fiscal 2022 will not contain comments or any qualifications or any adverse remark for such fiscal period. Any such qualifications in the auditors' report on our financial statements in the future may also adversely affect our business. Investors should consider these remarks in evaluating our financial position, cash flows and results of operations. Any such qualifications in the auditors' report on our financial statements in the future may also adversely affect the trading price of the Equity Shares.

38. ***We have certain contingent liabilities, which have not been provided for, and certain commitments as of March 31, 2022, and as stated in our Restated Financial Statements, which if materialize, could adversely affect our financial condition.***

As of March 31, 2022, our Restated Financial Statements disclosed and reflected the following contingent liabilities not provided for and commitments:

*(₹ in million)*

<table>
<tr><th>Particulars</th><th>31st March 2022</th></tr>
<tr><td>i. Contingent Liabilities-Our Company</td><td></td></tr>
<tr><td>2. Claims against the Group not acknowledged as debt.<br><table><tr><td>By employees</td><td>3.53</td></tr><tr><td>By Others</td><td>2732.11</td></tr></table><br>(Counter claims of our Company against above claims amounts to Rs Nil for 31st March 2022.)</td><td>2,735.65</td></tr>
<tr><td>2. Demand cum Show-Cause notice issued by Service Tax Department (The above show-cause notice issued by the Service tax Department in the year 2014. The Group had contested the said show cause notice and submitted its replies to the department. Several hearings have been conducted by the department and no further demand notice has been issued after the initial show cause notice.)</td><td>1666.80</td></tr>
<tr><td>3. Others – Liquidated Damages- Our Company is executing a large number of projects which have long gestation period & require clearances/ approval from various Government agencies, which is a time-consuming process. The amount depicted in the note relates to the probable amount of liquidated damages that may be levied on our Company if the project is not completed in time schedule.</td><td>1031.69</td></tr>
<tr><td></td><td>-</td></tr>
<tr><td>i. Contingent Liabilities-Our Subsidiary</td><td></td></tr>
<tr><td>Outstanding claims of contractor pending in arbitration and Courts</td><td>1785.02</td></tr>
<tr><td>Service tax and Income tax demands and interest on income tax demand disputed in appeals / rectification</td><td>2804.39</td></tr>
<tr><td>ii. Commitments</td><td></td></tr>
<tr><td>1. Bank Guarantees for Performance, Earnest Money Deposits and Security Deposits</td><td>8381.74</td></tr>
<tr><td>2. Estimated amount of contracts remaining to be executed on Capital account and not provided for</td><td>64.44</td></tr>
<tr><td>Total</td><td>18469.73</td></tr>
</table>

For further details, see '*Contingent Liabilities*' of the section titled "*Restated Financial Statements*" on page 284 of this Draft Red Herring Prospectus.

If a significant portion of these liabilities materialize, it could have an adverse effect on our results of operations and financial condition. Further, we cannot assure you that we will not incur similar or increased levels of contingent liabilities in the future. Any increase in our contingent liabilities or occurrence of these liabilities may materially and adversely affect our financial position, results of operations and cash flows.

39. ***We have experienced related party transactions in the past and may continue to do so in the future.***

In the ordinary course of our business, we have entered into transactions with related parties including our Subsidiary, key managerial persons and may continue to do so in the future. For further details, please refer to section titled *"Related Party Transactions"* on page 271of this Draft Red Herring Prospectus. President of India along with its nominees holds 100% equity shareholding in our Company. Our Company has various transactions with MoJS, being controlled or having significant influence of the MoJS. While we believe that all related party transactions that we have entered into are legitimate business transactions conducted on an arms' length basis, there can be no assurance that we could not have achieved more favourable terms if such transactions had not been entered into with related parties. There can be no assurance to you that these or any future related party transactions that we may enter into individually or in the aggregate, will not have an adverse effect on our business, financial condition, results of operations and prospects. Further, the transactions we have entered into and any future transactions with our related parties have involved or could potentially involve conflicts of interest which may be detrimental to our Company.

40. ***The proceeds from this Offer will not be available to us.***

As this is an Offer for Sale of Equity Shares by the Selling Shareholder, the proceeds from this Offer will be remitted to the Selling Shareholder and we will not be benefitted from such proceeds. For further details, see "*Objects of the Offer*" beginning on page 89.

41. ***The average cost of acquisition of Equity Shares by our Promoter is lower than the Offer Price.***

Our Promoter's average cost of acquisition of Equity Shares in our Company is lower than the Offer Price as may be decided by our Company and the Selling Shareholder in consultation with the BRLMs. For further details regarding average cost of acquisition of Equity Shares by our Promoter in our Company and build-up of Equity Shares by the Promoter in our Company, please refer to the section titled "*Capital Structure*" on page 79 of this Draft Red Herring Prospectus.

42. ***Our registered office and project office premises are not owned by us. If we are unable to renew existing leases and licenses or relocate our operations on commercially reasonable terms, there may be an adverse effect on our business, financial condition and operations.***

Our corporate office is owned by us, while our registered office and project office premises are on leasehold basis. Most of our project offices are on lease for short-term lengths for correspondence with the nearby project at hand. Certain other offices are granted by the customer of a project over the course of our work on such project, as set out in detail in the contract with such customer. Upon expiry of their term, if we are unable to renew certain or all these leases on commercially reasonable terms, we may suffer a disruption in our operations or be unable to continue to operate and complete our projects. Also, if any issue arises with the offices we are permitted to use by our customers, we may face delays or other negative consequences that would affect our business operations. In the event any of the lessors or licensors terminate or do not renew the lease or license on commercially acceptable terms, or at all, we will be required to vacate such premises. Any failure to renew our leases or to find alternative properties may have an adverse impact on our operations and profitability.

43. ***Our insurance policies do not cover all losses or risks and our insurance coverage may not adequately protect us against possible risk of loss.***

Our operations are subject to inherent risks in the consulting, engineering and construction sectors, including work accidents, fire, earthquake and other force majeure events including hazards that may cause injury and loss of life, severe damage to and the destruction of property and equipment damage. Our Company maintains a comprehensive list of insurance policies for its employees including burgalory standard policy, group medishield policy and group personal accident insurance policy, which are renewed from time to time. As of March 31, 2022, we have maintained total insurance coverage of ₹ 532.48 million against the total fixed assets and investment property (book value) amounting to ₹ 556.99 million. We believe that we maintain insurance coverage in amounts consistent with the industry norms. However, our insurance may not be adequate to completely cover any or all our liabilities, specifically risks related to natural disasters, malicious acts by third-parties or human error by our contractors or employees. Further, there is no assurance that the insurance premiums payable by us will be commercially justifiable, and that our insurance policies will be adequate to cover the losses in respect of which the insurance had been availed. While we maintain insurance against these risks, we cannot assure you that such insurance will be adequate. If we suffer a significant uninsured loss or if an insurance claim in respect of the subject matter of insurance is not accepted or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations could be materially and adversely affected.

44. ***Our failure to keep our technical knowledge confidential could erode our competitive advantage.***

We possess extensive technical knowledge about our consulting and engineering knowhow with respect to the water, power and infrastructure sectors. Our technical knowledge is a significant independent asset, which may not be protected by intellectual property rights. As a result, we cannot be certain that our technical knowledge will remain confidential in the long run.

Certain proprietary knowledge may be leaked, either inadvertently or wilfully, at various stages of the consulting and engineering process. A significant number of our employees have access to confidential operational information and there can be no assurance that this information will remain confidential. Moreover, certain of our employees may leave us and join our various competitors. In the event the confidential technical information in respect of our services or business becomes available to third parties or to the general public, any competitive advantage we may have over other companies in the water, power and infrastructure sectors could be harmed. If a competitor is able to reproduce or otherwise capitalize on our knowhow, it may be difficult, expensive or impossible for us to obtain necessary legal protection. Consequently, any leakage of confidential technical information could have an adverse effect on our business, results of operations, financial condition and future prospects.

45. ***Our ability to access capital at attractive costs depends on our credit ratings. Non-availability of credit ratings or a poor rating may restrict our access to capital and thereby adversely affect our business and results of operations.***

The cost and availability of capital, among other factors, depend on our credit rating. In the past, we have been assigned a long term rating of "A+" with an outlook of "Stable" issued by India Ratings and Research for our long term bank loan facilities aggregating to ₹ 2,000 million. Our credit rating reflects, amongst other things, the rating agency's opinion of our financial strength, operating performance, strategic position, and ability to meet our obligations. Our inability to obtain such credit rating in a timely manner or any non-availability of credit ratings, or poor ratings, or any downgrade in our ratings may increase borrowing costs and constrain our access to capital and lending markets and, as a result, could adversely affect our business and results of operations. In addition, non-availability of credit ratings could increase the possibility of additional terms and conditions being added to any new or replacement financing arrangements.

46. ***If we fail to maintain an effective system of internal controls, we may not be able to successfully manage, or accurately report, our financial risks.***

Effective internal controls and reporting process helps to ensure that all assets are safeguarded against loss from unauthorized use or disposition, and that transactions are authorized, recorded and reported correctly. These are necessary for us to prepare reliable financial reports and effectively avoid fraud. Moreover, any internal controls that we may implement, or our level of compliance with such controls, may deteriorate over time, due to evolving business conditions. There can be no assurance that deficiencies in our internal controls will not arise in the future, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls. Any inability on our part to adequately detect, rectify or mitigate any such deficiencies in our internal controls may adversely impact our ability to accurately report, or successfully manage, our financial risks, and to avoid fraud. For further details, see *"Our Business"* on page 136.

47. ***We have not obtained registration for our corporate logo, and failure to protect our logo would adversely affect our business, financial condition and results of operations.***

As on the date of this Draft Red Herring Prospectus, we have not obtained registration for our corporate logo " " and hence we do not enjoy the statutory protection accorded to a registered trademark. We may still continue to use the corporate logo but remain vulnerable to infringement and passing-off by third parties and will not be able to enforce any rights against them. We may also need to change our corporate logo which may adversely affect our reputation and business and could require us to incur additional costs for replacing the logo associated with our Company and business. Our efforts to protect our corporate logo may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. This may lead to litigations and any such litigations could be time consuming and costly and their outcome cannot be guaranteed. Our Company may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect its corporate logo, which may adversely affect our business, financial condition and results of operations.

48. ***Our Statutory Auditors have included certain matters of emphasis on our financial statements.***

Our Statutory Auditors have included certain matters of emphasis and key audit matters in relation in our financial statements. For further information, see *"Management's Discussion and Analysis on the Financial Conditions and Results of Operations - Auditor Observations/ Remarks"* from pages 318 to 322a and Restated Financial Statements on page 197. There can be no assurance that any similar remarks or matters of emphasis/key audit matters will not form part of our financial statements for the future fiscal periods, which could subject us to additional liabilities due to which our reputation and financial condition may be adversely affected.

49. ***The GOI could enforce the increase of wages and salaries for our workmen and officers, which could increase our expenses and may adversely affect our business prospects, financial condition and operating results in the years of implementation.***

The DPE from time to time may issue circulars/OM relating to the upward pay revision of both executives and non-unionized officers of CPSEs. This encompasses, *inter alia*, fitment benefits, increments, dearness allowance, house rent allowance, perks, performance related pay, superannuation benefits, among others, along with prescribing the methodology for pay fixation including pay revisions with retrospective effect.

Additionally, trade unions representing our workmen may negotiate the wage structure of workmen from time to time due to which there will be an increase in our labor costs and consequently the costs and prices of our services, which in turn could result in a reduction in margins. Such increased employee costs may adversely affect our financial condition in the years following implementation and in case we are unable to increase productivity or to get such costs increase recovered from our customers or a combination of both, it will have adverse impact on our margins, operating results and financial condition. In addition, the price increase may make our services less competitive and adversely affect our business prospects and revenues.

50. ***There may be significant independent press coverage about our Company and this Offer, and we strongly caution you not to place reliance on any information contained in press articles, including, in particular, any financial projections, valuations or other forward-looking information, and any statements that are inconsistent with the information contained in this Draft Red Herring Prospectus.***

There may be significant press coverage about our Company and this Offer, that may include financial projections, valuations and other forward-looking information, as well as statements that are inconsistent or conflict with the information contained in this Draft Red Herring Prospectus. We do not accept any responsibility for the accuracy or completeness of such press articles, and we make no representation or warranty as to the appropriateness, accuracy, completeness or reliability of any of the projections, valuations, forward-looking information, or of any assumptions underlying such projections, valuations, forward-looking information or any statements are inconsistent or conflict with the information contained in this Draft Red Herring Prospectus, included in or referred to by the media.

51. ***Industry information included in this Draft Red Herring Prospectus has been derived from an industry report commissioned for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.***

The services of an independent third-party research agency, Fitch Solutions has been availed to prepare the Industry Report, for purposes of inclusion of such information in this Draft Red Herring Prospectus. This report is subject to various limitations and based upon certain assumptions that are subjective in nature. We have not independently verified data from this industry report. Although we believe that the data may be considered to be reliable, the accuracy, completeness and underlying assumptions are not guaranteed and dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us, or the BRLMs or any of our or their respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. 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. Further, 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.

The industry measures and other relevant information identified and included in the Industry Report takes into account such information for either all or certain of the companies only to the extent available to Fitch Solutions (as indicated in the Industry Report and reflected in the "*Industry Research Report on the Consultancy Service Business in India and Global Countries*" on page 98. For example, we have derived certain industry information in this Draft Red Herring Prospectus from the Industry Report, and the Industry Report highlights certain industry and market data relating to us and our competitors, which is not based on any standard methodology and subject to various assumptions. We cannot assure you that Fitch Solutions assumptions are correct or will not change and accordingly our position in the market may differ from that presented in this Draft Red Herring Prospectus.

52. ***Our ability to pay dividends in the future will depend on our future cash flows, working capital requirements, capital expenditures and financial condition.***

We have declared and paid dividend consistently since the last ten (10) years. For details of dividend paid by our Company in the past, see *"Dividend Policy"* on page 196 of this Draft Red Herring Prospectus. Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. In accordance with the CPSE Capital Restructuring Guidelines, with effect from Fiscal year 2016, our Company is required to pay a minimum annual dividend of 30% of its profit after tax or 5% of its net worth, whichever is higher, unless an exemption is provided in accordance with this guideline. Any future determination as to the declaration and payment of dividends will be based on our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. As a result, we may not declare dividends in the foreseeable future. We cannot assure you that we will be able to pay dividends at any point in the future. There is no guarantee that our Equity Shares will appreciate in value.

Further, our Subsidiary has paid dividends in the last two (2) years, however, there is no guarantee that we will pay dividends in the future. Consequently, our Company may not receive any return on investments in its Subsidiary.

**External Risk Factors**

**Risks Relating to India**

53. ***The occurrence of natural or man-made disasters, acts of war, political unrest, epidemics, pandemics, and other public health emergencies, terrorist attacks, hostilities or other events which are beyond our control, may cause damage, loss or disruption to our business and could adversely affect our results of operations, cash flows and financial condition.***

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions could have material adverse effects on the Indian economy and our business. Such acts could negatively impact business sentiment, market condition as well as trade between countries, which in turn could materially and adversely impact our profitability, the price of our ordinary shares and operation.

The potential for war or terrorist attacks may also cause uncertainty and cause our business to suffer in ways that we cannot predict. India has, from time to time, experienced social and civil unrest within the country, localized terror attacks and political instability and hostilities with neighbouring countries. For example, in June 2020 a confrontation occurred between Indian and Chinese military forces. Any degradation in India-China political relations or any future military confrontations could lead to political or economic instability in India which may adversely affect markets and economic growth both globally and in India, in particular. In addition, India, the United States and other countries may also enter into armed conflict with other countries or continue pre-existing hostilities. South East Asia has, from time to time, experienced instances of civil unrest and hostilities among neighbouring countries, including military confrontations between India and China/ Pakistan have occurred along the India/China and India/Pakistan border. Military activity or terrorist attacks could, for example, disrupt communication and travel. These events could also lead to a perception that investments in India carries a higher risk, which, can in turn negatively impact potential investors' confidence in India and have a material adverse effect on the market for securities of Indian companies, including the Equity Shares. If India were to become engaged in armed hostilities, we might not be able to continue our operations and, while we maintain insurance for losses arising from terrorist activities, our insurance policies may not sufficiently cover business interruptions from terrorist attacks or for other reasons.

Further, a number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of diseases such as the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and more recently, the COVID-19. The World Health Organization and other agencies have recently issued warnings on the COVID-19 and on a potential avian or swine influenza pandemic if there is sustained human-to-human transmission. If any of our employees are identified as a possible source of spreading COVID-19, swine flu, avian flu or any other similar epidemic or pandemic, we may be required to quarantine employees that are suspected of being infected, as well as others that have come into contact with those employees and we may have to shut down our registered and corporate offices, regional offices and/or project offices for certain period, which could have an adverse effect on our business operations. Further, the process of obtaining and/ or renewing necessary registrations, approvals, licenses and permits from statutory/ regulatory authorities is also likely to be impacted by the governmental restrictions and lockdowns. The worsening of the current outbreak of COVID- 19 or 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 which may adversely affect our business, financial condition and results of operations. In the event any loss exceeds our insurance coverage or is not covered by our insurance policies, we will bear the shortfall. As a result, any present or future outbreak of avian or swine influenza or other contagious disease could have material adverse effects on the trading price of the Equity Shares.

54. ***Political, economic or other factors that are beyond our control may have an adverse effect on our business and results of operations.***

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. For example, the ongoing Russia - Ukraine conflict has caused a significant increase and volatility in the price of crude oil and impacted fuel prices in India. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any downturn in the macroeconomic environment in India could also adversely affect our business, results of operations, financial condition, cash flows and the trading price of the Equity Shares.

We depend on domestic, regional and global economic and market conditions. Our performance and growth and the market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our services may be adversely affected by an economic downturn in domestic, regional and global economies. Economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production. Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, which would result in further decrease in our operating margins.

55. ***Our business and results of operations could be adversely affected by disruptions in global economic conditions and the Indian economy in particular.***

As substantially all of our operations are located within India, our financial performance and growth are necessarily dependent on economic conditions prevalent in India. The Indian economy may be materially and adversely affected by political instability or regional conflicts; a general rise in interest rates; inflation; exchange rate fluctuations; changes in tax, trade, and monetary policies; occurrence of natural or man-made disasters; downgrade in India's debt rating; and adverse economic conditions occurring elsewhere in the world, such as a slowdown in economic growth in China, the repercussions of the United Kingdom exit from the European Union and other matters. While the Indian economy has grown significantly in recent years, it has experienced economic slowdowns in the past. The Indian economy could be adversely impacted by inflationary pressures, currency depreciation, the poor performance of its large agricultural and manufacturing sectors, trade deficits, recent initiatives by the Indian government towards demonetization of certain Indian currency and other factors. Unfavourable changes in the above factors or in other business and economic conditions affecting our customers could result in a corresponding decline in our business.

56. ***Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, prospects and results of operations.***

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For example, the Government of India implemented a comprehensive national goods and services tax ("**GST**") regime with effect from July 1, 2017, that combined multiple taxes and levies by the Central and State Governments into a unified tax structure. Our business and financial performance could be adversely affected by any unexpected or onerous requirements or regulations resulting from the introduction of GST or any changes in laws or interpretation of existing laws, or the promulgation of new laws, rules and regulations relating to GST, as it is implemented. The Government has enacted the GAAR which have come into effect from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us.

For instance, as per the amended IT Act to provide an option to the domestic companies to pay a reduced statutory corporate income tax of 22%, plus applicable surcharge and cess (as compared to a normal corporate tax of 25% or 30%), provided such companies do not claim certain specified deduction or exemptions. Further, where a company has opted to pay the reduced corporate tax rate of 22%, the minimum alternate tax provisions would not be applicable. Any such future amendments may affect our other benefits.

Earlier, distribution of dividends by a domestic company was subject to Dividend Distribution Tax ("**DDT**"), in the hands of the company at an effective rate of 20.56% (inclusive of applicable surcharge and health and education cess). Such dividends were generally exempted from tax in the hands of the shareholders. However, GOI has amended the IT Act to abolish the DDT regime. Accordingly, any dividend distributed by a domestic company is subject to tax in the hands of the investor at the applicable rate. Additionally, the company is required to withhold tax on such dividends distributed at the applicable rate.

The Finance Act, 2019 has also 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.

Further, the Finance Act, 2020 ("**Finance Act 2020**"), passed by the Parliament of India stipulates that the sale, transfer and issue of certain securities through exchanges, depositories, or otherwise shall be charged with stamp duty. The Finance Act 2020 has also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of certain 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 certain securities, other than debentures, on a delivery basis is currently specified under the Finance Act 2020 at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. These amendments have come into effect from July 1, 2020. Under the Finance Act 2020, any dividends paid by an Indian company will be subject to tax in the hands of the shareholders at applicable rates. Such taxes will be withheld by the Indian company paying dividends. Further, the Finance Act, 2022, which received the asset of the President of India on March 30, 2022, has, among other things, provided a number of amendments to the direct and indirect tax regime. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares. There is no certainty on the impact of Finance Act 2022 on tax laws or other regulations, which may adversely affect the Company's business, financial condition, results of operations or on the industry in which we operate. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning Equity Shares.

Additionally, the GOI has recently introduced (a) the Code on Wages, 2019; (b) the Code on Social Security, 2020; (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. While the rules for implementation under these codes have not been notified, we are yet to determine the impact of all or some such laws on our business and operations which may restrict our ability to grow our business in the future.

As such, there is no certainty on the impact that the aforementioned provisions may have on our Company's business and operations. 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 the Company's business, results of operations and financial condition.

57. ***If there is any change in tax laws or regulations, or their interpretation, such changes may significantly affect our financial statements for the current and future years, which may have a material adverse effect on our financial position, business, and results of operations.***

Any change in Indian tax laws could have an effect on our operations. For instance, the Taxation Laws (Amendment) Ordinance, 2019 ("**Taxation Amendment Ordinance**"), a new tax ordinance issued by India's Ministry of Finance on September 20, 2019, prescribed certain changes to the income tax rate applicable to companies in India. According to the Taxation Amendment Ordinance, companies were permitted to voluntarily opt in favor of a concessional tax regime (subject to no other special benefits/exemptions being claimed), which would ultimately reduce the effective tax rate for Indian companies from 34.94% to approximately 25.17%. The Taxation Amendment Ordinance also stipulated that once a company opts for lower tax rates, it forgoes its option to claim specified exemptions/deductions. Subsequently, in line with the Taxation Amendment Ordinance, the Taxation Laws (Amendment) Act, 2019 (**Taxation Amendment Act)** was notified on December 12, 2019. The Taxation Amendment Act repealed the Taxation Amendment Ordinance. However, anything done or any action taken under the Taxation Amendment Ordinance is deemed to have been done or taken under the corresponding provisions of the Taxation Amendment Act.

In addition, we are subject to tax related inquiries and claims. We may be particularly affected by claims from tax authorities on account of income tax assessment and GST that combines taxes and levies by the central and state governments into one unified rate of interest with effect from July 1, 2017. 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.

The Government of India has announced the union budget for Fiscal 2021, pursuant to which the Finance Act, 2022 has introduced various amendments. As such, there is no certainty on the impact that the Finance Act, 2022 may have on our business and operations or on the industry in which we operate. 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. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in governing law, regulation or policy, including by reason of 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.

58. ***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 certain 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. 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.

In addition, pursuant to the Press Note No. 3 (2020 Series), 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 dated October 15, 2020 and the FEMA Rules. 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. 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 Rules. While the term "beneficial owner" is defined under the Prevention of Money - Laundering (Maintenance of Records) Rules, 2005 and the General Financial Rules, 2017, neither the foreign direct investment policy nor the FEMA Rules provide a definition of the term "beneficial owner". The interpretation of "beneficial owner" and enforcement of this regulatory change involves certain uncertainties, which may have an adverse effect on our ability to raise foreign capital.

We cannot assure investors that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all. For further information, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 400.

59. ***A downgrade in our credit ratings and the credit ratings of India, may affect the trading price of the Equity Shares.***

Our borrowing costs and our access to the debt capital markets depend significantly on our credit ratings and the credit ratings of India. We have a long-term rating of "CARE A+" and a short-term rating of "CARE A1+" from CARE Ratings. India's sovereign rating is Baa3 with a "stable" outlook by Moody's and BBB- with a "stable" outlook (Fitch) in June 2022; and BBB (low) "stable" by DBRS in May 2021. India's sovereign ratings from S&P is BBB- with a "stable" outlook in 2021. India's sovereign rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our Company's control. 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. A downgrading of India's credit ratings may occur, for reasons beyond our control such as, upon a change of government tax or fiscal policy. This could have an adverse effect on our ability to fund our growth on favorable terms or at all, and consequently adversely affect our business and financial performance and the price of the Equity Shares.

60. ***Financial instability in both Indian and international financial markets could adversely affect our results of operations and financial condition.***

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 Asia, 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 remains significant uncertainty as to 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. Recent developments in the ongoing conflict between Russia and Ukraine has resulted in and may continue to result in a period of sustained instability across global financial markets, induce volatility in commodity prices, increase borrowing costs, cause outflow of capital from emerging markets and may lead to overall slowdown in economic activity in India. 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.

61. ***If inflation rises in India, increased costs may result in a decline in profits.***

Inflation rates in India have been volatile in recent years, and such volatility may continue. India has experienced high inflation in the recent past. Increasing inflation in India could cause a rise in the costs of rent, wages, raw materials and other expenses. 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. If we are unable to increase our revenues sufficiently to offset our increased costs due to inflation, it could have an adverse effect on our business, prospects, financial condition, results of operations and cash flows. Further, the GOI 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

62. ***Investors in the Equity Shares may not be able to enforce a judgement of a foreign court against us.***

We are a public company incorporated under the laws of India. All our directors and key managerial personnel named in this Draft Red Herring Prospectus are residents of India. Further, a significant portion of our assets and properties are located in India. As a result, it may be difficult for investors to effect service of process upon us or such persons, or to enforce judgments obtained against us or such persons in jurisdictions outside India.

Recognition and enforcement of foreign judgments is provided for under Section 13 of Civil Code on a statutory basis. Section 13 of the Civil Code 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 a 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 (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the Civil Code, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record. However, under the Civil Code, such presumption may be displaced by proving that the court did not have jurisdiction.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court, within the meaning of that Section, in any country or territory outside of India which the Central Government has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees not being of the same nature as amounts payable in respect of taxes, other charges of a like nature or of a fine or other penalties.

We have been advised by our Indian counsel that the United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in the United States on civil liability, whether or not predicated solely upon the federal securities laws of the United States, would not be enforceable in India. However, the party in whose favour such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action was brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy or Indian practice. It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. However, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI under the Indian Foreign Exchange Management Act, 1999, to execute such a judgment or to repatriate any amount recovered.

63. ***Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, IFRS and U.S. GAAP, which may be material to investors' assessment of our financial condition.***

The financial statements included in this Draft Red Herring Prospectus have been prepared in accordance with Ind AS, restated in accordance with the requirements of Section 26 of part I of the Companies Act, 2013, the SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectus (Revised 2019)" issued by the ICAI. Ind AS differs from accounting principles with which prospective investors may be familiar, such as Indian GAAP, IFRS and U.S. GAAP. We have not attempted to quantify the impact of US GAAP or IFRS on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of US GAAP or IFRS. US GAAP and IFRS differ in significant respects from Ind AS. Accordingly, the degree to which the Ind AS financial statements, which are restated in accordance with the SEBI ICDR Regulations included in this Draft Red Herring Prospectus, will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should be limited accordingly.

64. ***Statistical, industry and external financial data in this Draft Red Herring Prospectus may be incomplete or unreliable.***

We have not independently verified data obtained from industry publications and other external industry sources referred to in this Draft Red Herring Prospectus and, therefore, while we believe them to be true, we cannot assure you that they are complete or reliable. Such data may also be produced on different bases from those used in the industry publications we have referenced. Discussions of matters, therefore, relating to India, its economy and the industries in which we currently operate, are subject to the caveat that the statistical and other data upon which such discussions are based may be incomplete or unreliable.

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

Indian legal principles related to corporate procedures, directors' fiduciary duties 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 as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

***Risks Relating to the Equity Shares and this Offer***

66. ***We cannot be certain that an active trading market for the Equity Shares will develop or be sustained after this offering, and, following the offering, the price of the Equity Shares may fluctuate significantly, which could cause you to suffer substantial losses.***

We cannot guarantee that an active trading market will develop or be sustained after the offering. Nor can we predict the prices at which the Equity Shares may be traded at after the offering.

The Offer Price of our Equity Shares may not be indicative of the market price for the Equity Shares after the Offer. If you purchase the Equity Shares in our initial public offering, you may not be able to resell them at or above the initial public offering price. We cannot assure you that the initial public offering price of the Equity Shares, or the market price following our initial public offering, will be equal to or exceed prices in privately negotiated transactions of our shares that may have occurred from time to time prior to our initial public offering. The market price of the Equity Shares may decline or fluctuate significantly due to a number of factors, some of which may be beyond our control, including:

- developments with respect to the spread or worsening of the COVID-19 pandemic;
- the impact of COVID-19 on our business operations and our ability to be able to service customers and the consequential impact on our operating results;
- actual or anticipated fluctuations in our operating results;
- announcements about our earnings that are not in line with analyst expectations;
- the public's reaction to our press releases, other public announcements and filings with the regulator;
- significant liability claims, complaints from our customers;
- changes in senior management or key personnel;
- macroeconomic conditions in India;
- fluctuations of exchange rates;
- the operating and stock price performance of comparable companies;
- changes in our shareholder base;
- changes in our dividend policy;
- issuances, exchanges or sales, or expected issuances, exchanges or sales;
- changes in accounting standards, policies, guidance, interpretations or principles; and
- changes in the regulatory and legal environment in which we operate; or
- market conditions in the construction and development industry and the domestic and worldwide economies as a whole, including in relation to the COVID-19 crisis.

Any of these factors may result in large and sudden changes in the volume and trading price of the Equity Shares. In the past, following periods of volatility in the market price of a company's securities, shareholders have often instituted securities class action litigation against that company. If we were involved in a class action suit, it could divert the attention of management, and, if adversely determined, have a material adverse effect on our business, results of operations and financial condition.

67. ***Additional issuances of equity may dilute your holdings.***

Any future equity issuances by us, including in a primary offering or pursuant to a preferential allotment or issuances of stock options under employee stock option plans, or any perception by investors that such issuances or sales might occur may lead to the dilution of investor shareholding in our Company or affect the trading price of the Equity Shares and could affect our ability to raise capital through an offering of our securities. In addition, any perception by investors that such issuances or sales that might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by our Promoter, or the perception that such sales may occur, may significantly affect the trading price of the Equity Shares. Except as disclosed in *"Capital Structure"* on page 79 of this Draft Red Herring Prospectus, we cannot assure you that our Promoter will not dispose of, pledge or encumber their Equity Shares in the future.

68. ***Any future issuance of Equity Shares may dilute your shareholding and sales of our Equity Shares by the GOI may adversely affect the trading price of the Equity Shares.***

We may be required to finance our growth through future equity offerings. Any future equity issuances by us may lead to the dilution of investors' shareholding in our Company. Any future equity issuances by us or sales of our Equity Shares by the GOI 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. In addition, any perception by investors that such issuances or sales might occur, may also affect the market price of our Equity Shares. There can be no assurance that we will not issue Equity Shares or that our Shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

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

Under the Companies Act, a company incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares voting on such resolution.

However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such 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 your benefit. The value such custodian receives on the sale of any such securities and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional interests in our Company may be reduced.

70. ***The Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer.***

The Offer Price of the Equity Shares will be determined by our Company and the Selling Shareholder in consultation with the BRLMs through the Book Building Process. This price will be based on numerous factors, as described under *"Basis for Offer Price"* on page 92 of this Draft Red Herring Prospectus and may not be indicative of the market price for the Equity Shares after the Offer. The market price of the Equity Shares could be subject to significant fluctuations after the Offer and may decline below the Offer Price. We cannot assure you that the investor will be able to sell their Equity Shares at or above the Offer Price.

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

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for the 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 book-building process and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in the Stock Exchanges, securities markets in other jurisdictions, 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 among other factors,.

72. ***QIBs and non-institutional investors 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.***

Pursuant to the SEBI ICDR Regulations, QIBs and non-institutional investors 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. Retail Individual Investors can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date. Therefore, QIBs and non-institutional investors 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 at any stage after the submission of their Bids.

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 six (6) 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 national or international monetary policies, 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.

73. ***You will not be able to immediately sell any of the Equity Shares you purchase in this Offer on the Stock Exchanges.***

The Equity Shares will be listed on the BSE and the NSE. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. Upon receipt of final approval from the Stock Exchanges, trading in the Equity Shares is to commence within six (6) working days of the date of closure of the Offer or such other time as may be prescribed by SEBI. We cannot assure that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time period prescribed by law. Further there can be no assurance that the Equity Shares to be Allotted pursuant to this Offer will be listed on the Stock Exchanges in a timely manner or at all, and any trading closures at the stock exchange may adversely affect the trading price of the equity shares. 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.

74. ***Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***

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. Under the IT Act long-term capital gains (i.e. gain realized on the sale of shares held for more than twelve (12) months) exceeding ₹ 100,000 arising from sale of equity shares listed on a recognized stock exchange, are taxed at the rate of 10% (plus applicable surcharge and cess). This beneficial rate is subject to payment of Securities Transaction Tax ("**STT**"). Further, any gain realized on the sale of Equity Shares held for more than twelve (12) months, which are sold other than on a recognized stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India at the rate of 10% (plus applicable surcharge and cess), without indexation benefits or 20% (plus applicable surcharge and cess) with indexation benefits.

There is no certainty on the impact that the Finance Act may have on our business and operations or on the industry in which we operate. We cannot predict whether any amendments made pursuant to the Finance Act would have an adverse effect on our business, financial condition and results of operations. 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 the results of our operations. 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 businesses or restrict our ability to grow our businesses in the future.

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.

## SECTION IV: INTRODUCTION

## THE OFFER

The following table summarises the Offer details:

| Equity Shares Offered | Number of Equity Shares |
|---|---|
| **Offer of Equity Shares**(1)(2) | Up to 32,500,000 Equity Shares aggregating up to ₹ [●] million* |
| *Of which:* | |
| Employee Reservation Portion(2)(3)(4) | Up to [●] Equity Shares aggregating up to ₹ [●] million* |
| Net Offer | Up to [●] Equity Shares aggregating up to ₹ [●] million* |
| *of which:* | |
| **A. QIB Portion**(4) | Not more than **[●]** Equity Shares |
| *of which*: | |
| Anchor Investor Portion(5) | Up to **[●]** Equity Shares |
| Net QIB Portion (assuming Anchor Investor Portion is fully subscribed) | **[●]** Equity Shares |
| *of which:* | |
| Mutual Fund Portion | **[●]** Equity Shares |
| Balance for all QIBs including Mutual Funds | **[●]** Equity Shares |
| | |
| **B. Non-Institutional Portion**(6) | Not less than **[●]** Equity Shares |
| *of which*: | |
| One-third of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹200,000 and up to ₹1,000,000 | **[●]** Equity Shares |
| Two-third of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹1,000,000 | **[●]** Equity Shares |
| | |
| **C. Retail Portion**(3)(4) | Not less than **[●]** Equity Shares |
| | |
| **Pre and post-Offer Equity Shares** | |
| Equity Shares outstanding prior to the Offer | 130,000,000 Equity Shares |
| Equity Shares outstanding after the Offer | 130,000,000 Equity Shares |
| **Use of proceeds of this Offer** | As this is an Offer for Sale, our Company will not receive any proceeds from this Offer. Please refer to "*Objects of the Offer*" on page 89. |

** To be updated upon finalization of the Offer Price.*

(1) *Our Board of Directors has approved the Offer pursuant to a resolution passed at their meeting held on August 28, 2022. The Selling Shareholder, through its letter dated September 23, 2022 conveyed the consent for inclusion of up to 32,500,000 Equity Shares. The Equity Shares offered by the Selling Shareholder in the Offer are eligible for being offered in the Offer for Sale as required under Regulation 8 of the SEBI ICDR Regulations. For further details, please refer "Capital Structure" on page 79.*

(2) *Subject to the receipt of the necessary approval from the GOI, up to [●] Equity Shares may be reserved for allocation and allotment on a proportionate basis to Eligible Employees Bidding in the Employees Reservation Portion. Since the retention of the Employee Reservation Portion is subject to receipt of necessary approvals from the GOI, the allocation and Allotment of Equity Shares under various portions mentioned in the table above (i.e., under the QIB Portion, Non-Institutional Portion and the Retail Portion) are in respect of the Net Offer size of up to [●] Equity Shares.*

*Eligible Employees Bidding in the Employee Reservation Portion (if any) 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 an Eligible Employee not exceeding ₹500,000 (net of Employee Discount). The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation over ₹200,000), shall be added to the Net Offer.*

(3) *Our Company and the Selling Shareholder, in consultation with the BRLMs, may offer a discount of up to ₹ [●] per Equity Share on the Offer Price to the Retail Individual Bidders Bidding under the Retail Portion (if any), and a discount of up to [●] per Equity Share on the Offer Price to the Eligible Employees Bidding under the Employee Reservation Portion (if any), respectively. The amount of Retail Discount and Employee Discount, as applicable, will be advertised in all newspapers wherein the Pre-Offer Advertisement will be published. For further details, please refer "Offer Procedure" on page 378.*

(4) *Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except the QIB Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company and the Selling Shareholder, in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis and in accordance with the applicable laws, rules, regulations and guidelines. 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. Under-subscription in the Employee Reservation Portion shall be added to the Net Offer. For further details, please refer "Offer Structure" on page 375.*

(5) *Our Company and the Selling Shareholder, in consultation with the BRLMs, may allocate up to 60% of the QIB Category 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 Anchor Investor Offer Price. In the event of under subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added back to the QIB Portion. 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 (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 QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For further details, please refer "Offer Procedure" on page 378.*

(6) *One-third of the portion available to non-institutional bidders shall be reserved for applicants with application size of more than two lakh rupees and up to ten lakh rupees and two third of the portion available to non-institutional bidders shall be reserved for applicants with application size of more than ten lakh rupees. Unsubscribed portion in either of the aforementioned sub-categories, may be allocated to applicants in the other sub-category of non-institutional investors. The allotment to each Non-Institutional Bidder shall not be less than the Minimum NIB 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 further details, please refer "Offer Procedure" on page 378.*

Allocation to Bidders in all categories, except the Retail Portion 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 allocation to each Non-Institutional Investor shall not be less than ₹ 2,00,000, 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. For further details, please refer *"Offer Procedure"* on page 378.

## SUMMARY OF FINANCIAL INFORMATION

*The following tables set forth the summary financial information derived from the Restated Financial Statements for the financial years ended March 31, 2022, 2021 and 2020. The Restated Financial Statements referred to below are presented under "Restated Financial Statements" beginning on page 197. The summary financial information presented below should be read in conjunction with these financial statements, the notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 294.*

*[The remainder of this page has been intentionally left blank]*

## RESTATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

*(₹ in million)*

| Particulars | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| **Assets** | | | |
| **Non-Current Assets** | | | |
| Property, plant and equipment | 542.71 | 561.90 | 606.97 |
| Right of use assets | 126.06 | 210.56 | 245.64 |
| Capital Work in progress | - | - | - |
| Investment Property | 14.28 | - | - |
| Goodwill | - | - | - |
| Other Intangible Assets | 29.20 | 6.71 | 12.18 |
| Intangible Assets Under Development | - | - | - |
| Biological Assets other than Bearer Plants | - | - | - |
| Financial Assets | | | |
| (i) Investments | 3.95 | 3.72 | 3.50 |
| (ii) Trade Receivables | 1,413.00 | 1,461.87 | 1,258.32 |
| (iii) Loans | - | - | - |
| (iv) Other financial assets | 4,015.47 | 5,982.80 | 3,351.30 |
| Deferred Tax Assets (Net) | 1,234.65 | 1,180.98 | 1,036.99 |
| Other non-current assets | 138.70 | 150.36 | 218.16 |
| Total non-current assets | **7,518.02** | **9,558.90** | **6,733.07** |
| Current Assets | | | |
| Inventories | **0.71** | **0.61** | **0.69** |
| Financial Assets | | | |
| (i) Trade Receivables | 20,112.80 | 19,191.18 | 20,367.69 |
| (ii) Cash and cash equivalents | 5,572.37 | 6,292.63 | 3,590.42 |
| (iii) Bank Balance other than (ii) above | 13,171.03 | 7,306.98 | 9,098.61 |
| (iv) Other financial assets | 348.82 | 300.83 | 310.98 |
| Current tax assets (net) | 1,620.16 | 1,057.33 | 976.86 |
| Other current assets | 3,292.19 | 3,503.41 | 2,731.75 |
| **Total current assets** | **44,118.07** | **37,652.96** | **37,076.99** |
| **Total Assets** | **51,636.09** | **47,211.87** | **43,810.06** |
| | | | |
| **Equity and Liabilities** | | | |
| **Equity** | | | |
| Equity share capital | 1,300.00 | 1,300.00 | 1,000.00 |
| Other equity | 6,484.57 | 6,030.33 | 5,965.76 |
| Equity attributable to Owners of the Parent | 7,784.57 | 7,330.33 | 6,965.76 |
| Non-Controlling Interest | 26.72 | 23.96 | 21.16 |
| **Total Equity** | **7,811.29** | **7,354.29** | **6,986.92** |
| Liabilities | | | |
| Non-current Liabilities | | | |
| Financial Liabilities | | | |
| (i) Borrowing | 378.54 | - | - |
| (ii) Lease Liabilities | 93.67 | 166.52 | 189.67 |
| (iii) Trade Payable | | | |
| a. Total outstanding dues of micro and small enterprises | 4.14 | 26.24 | 96.02 |
| b. Total outstanding dues of creditors other than micro and small enterprises | 2,231.67 | 1,485.96 | 1,260.70 |
| (iv) Other Financial Liabilities | 4,158.48 | 4,055.23 | 2,227.92 |
| Provisions | 823.65 | 802.82 | 778.96 |
| Deferred Tax Liabilities (net) | - | - | - |
| Other Non-Current Liabilities | 2,579.70 | 1,314.61 | 1,911.65 |
| **Total non-current liabilities** | **10,269.83** | **7,851.39** | **6,464.91** |
| Current Liabilities | | | |
| Financial Liabilities | | | |
| (i) Borrowings | 429.99 | 482.00 | 40.52 |
| (ii) Lease liabilities | 52.24 | 66.74 | 70.03 |
| (iii) Trade payable | | | |
| a. Total outstanding dues of micro and small enterprises | 3,656.02 | 3,888.37 | 2,779.55 |
| b. Total outstanding dues of creditors other than micro and small enterprises | 12,182.66 | 12,972.55 | 13,201.67 |

| | | | |
|---|---|---|---|
| (iv) Other financial liabilities | 2,777.39 | 2,500.54 | 3,328.94 |
| Provisions | 372.51 | 379.68 | 321.21 |
| Current Tax Liabilities (Net) | - | - | - |
| Other current liabilities | 14,084.14 | 1,17,16.32 | 10,616.30 |
| **Total current liabilities** | **33,554.95** | **32,006.20** | **30,358.22** |
| **Total liabilities** | **43,824.78** | **39,857.60** | **36,823.12** |
| **Total Equity and Liabilities** | **51,636.09** | **47,211.87** | **43,810.06** |

## RESTATED SUMMARY STATEMENT OF PROFIT AND LOSS

*(₹ in million)*

| Particulars | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| **Revenue** | | | |
| Revenue from operations | 27,979.93 | 25,128.73 | 28,422.21 |
| Other income | 683.80 | 676.26 | 1,014.14 |
| **Total income** | **28,663.73** | **25,804.99** | **29,436.35** |
| Expenses | | | |
| Construction Expenses | 19,986.28 | 17,259.53 | 18,452.72 |
| Employee Benefit Expenses | 3,657.42 | 3,322.35 | 3,782.95 |
| Finance Cost | 195.48 | 189.95 | 176.39 |
| Services Obtained | 1,771.22 | 1,862.94 | 1,879.35 |
| Depreciation and Amortization Expenses | 123.76 | 150.36 | 152.56 |
| Corporate Social Responsibility Expenses (Recommendatory as per Guideline Note on Schedule III) | 36.47 | 31.49 | 41.28 |
| Other Expenses | 1,888.15 | 2,064.50 | 2,704.07 |
| **Total Expenses** | **27,658.78** | **24,881.12** | **27,189.33** |
| **Profit/ (Loss) before Share of Profit/ (Loss) of an Associate/ a Joint Venture and Exceptional Items and Tax** | **1,004.95** | **923.87** | **2,247.02** |
| **Exceptional Items** | **13.61** | **(2.53)** | **205.32** |
| **Profit before tax** | **1,018.56** | **921.34** | **2,452.34** |
| Tax Expense | | | |
| 1. Current Tax | 386.19 | 465.64 | 829.37 |
| 2. Deferred Tax | (59.23) | (148.45) | 149.85 |
| **Profit after tax** | **691.60** | **604.15** | **1,473.12** |
| Other Comprehensive Income | | | |
| Items | | | |
| Remeasurement of Defined Benefit Plans Gain/ (Loss) – PRMS | 11.79 | (11.43) | (41.58) |
| Deferred tax Impact | (2.97) | 2.88 | 10.47 |
| Remeasurement of Defined Benefit Plans Gain/ (Loss) – Leave Encashment | (3.77) | 12.87 | 1.92 |
| Deferred tax impact | 0.95 | (3.24) | (0.48) |
| Remeasurement of Defined Benefit Plans Gain/ (Loss) – Gratuity | 13.82 | 16.01 | (88.39) |
| Deferred tax impact | (3.48) | (4.03) | 22.25 |
| Gain/ (Loss) from investing in equity instruments designated at fair value | 0.23 | 0.22 | 0.26 |
| Deferred tax impact | (0.06) | (0.06) | (0.07) |
| **Total Other Comprehensive income** | **16.51** | **13.22** | **(95.63)** |
| **Total comprehensive income for the period** | **708.11** | **617.38** | **1,377.48** |
| Earning per equity share | | | |
| Basic | 5.32 | 4.65 | 11.33 |
| Diluted | 5.32 | 4.65 | 11.33 |

## RESTATED SUMMARY STATEMENT OF CASH FLOWS

*(₹ in million)*

| Particulars | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Profit before tax | **1,018.56** | **924.61** | **2,452.34** |
| Adjustments for:- | | | |
| Interest Income Recognized in Statement of Profit/ (Loss) | (418.28) | (443.65) | (518.86) |
| Dividend Income | (0.06) | (0.05) | (0.05) |
| Concessional Rent/ Lease Termination | (7.45) | (1.95) | - |
| (Profit)/ Loss on account of Exchange variation | (121.14) | 104.96 | (191.10) |
| (Profit)/ Loss on sale of fixed asset (net) | 0.80 | 0.07 | 2.93 |
| Fixed Assets written off | 0.35 | 0.17 | 1.32 |
| Provision For Trade Receivable And Retention Money | 505.97 | 780.64 | 702.65 |
| Provision For Advance rent | 2.50 | - | - |
| Provision For Advance to supplier | 0.58 | - | - |
| Depreciation And Amortization | 54.73 | 64.82 | 69.85 |
| Depreciation And Amortization On Right to Use | 69.02 | 85.54 | 82.71 |
| Provision Written Back | (12.57) | - | (257.77) |
| Finance Cost Rou Assets | 16.26 | 22.10 | 23.78 |
| Finance Cost Term Loan | 6.36 | - | - |
| Finance Cost CASH CREDIT | 34.33 | 28.06 | 2.09 |
| EIR Adjustment in Long term Borrowings | 0.06 | - | - |
| Unadjusted credit balances written back | (1.84) | - | (714.74) |
| Provision for Impairment losses | - | (13.93) | 16.12 |
| Provision for employee benefits | 37.12 | 47.72 | 49.11 |
| Trade receivables written off | - | - | 735.94 |
| Adjustment of reduction in revenue and expenses | (0.01) | - | 25.44 |
| Loss on CPF Trust | - | - | 5.06 |
| Adjustment Of Change In Accounting Policies (Due To Ind As) | - | - | 11.54 |
| **Operating profit before working capital changes** | **1,185.29** | **1,599.11** | **2,498.36** |
| Adjustments for:- | | | |
| (Increase) /decrease in Inventories | (0.09) | 0.07 | 0.20 |
| (Increase) /decrease in Trade Receivables | (1,367.15) | 1,68.91 | (8,433.53) |
| (Increase) /decrease in other financial assets (non-current assets) | 11.67 | 81.72 | 239.72 |
| (Increase) /decrease in other current assets | 50.40 | (834.67) | 234.03 |
| (Increase) /decrease in other current financial assets | (47.98) | 1.23 | 1,969.99 |
| (Increase) /decrease in other non – current financial assets | 1,961.13 | (2,624.14) | (927.87) |
| Increase /(decrease) in current provisions | (22.45) | 28.20 | (81.06) |
| Increase /(decrease) in non-current provisions | 20.82 | 23.86 | 148.44 |
| Increase /(decrease) in Trade Payables | (291.73) | 1,057.23 | 4,178.49 |
| Increase /(decrease) in Other Current Liabilities | 2,367.82 | 1,100.01 | 1,237.74 |
| Increase /(decrease) in Non-Current Liabilities | 1,265.09 | (597.04) | 160.08 |
| Increase /(decrease) in Other Current Financial Liabilities | 279.04 | (828.74) | 749.87 |
| Increase /(decrease) in Non-Current Financial Liabilities | 103.26 | 1,827.32 | 235.00 |
| **Cash generated from Operating Activities Before Taxes** | **5,515.12** | **1,003.07** | **2,209.46** |
| Tax Expense paid | (791.29) | (483.13) | (880.26) |
| **Net Cash Generated from Operating Activities (A)** | **4,723.83** | **519.94** | **1,329.20** |
| | | | |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Dividend Income | 0.06 | 0.05 | 0.05 |
| Sale of Property, plant & equipment | 2.09 | 1.52 | 2.92 |
| Purchase of Property, plant & equipment | (47.39) | (13.70) | (84.94) |
| Purchase of Intangible Assets | (28.17) | (2.32) | (2.88) |
| Investment in NPCC | - | - | (798.00) |
| Deposit Not Considered As Cash & Cash Equivalent | (5,864.05) | 1,791.63 | (2,525.10) |
| Interest Income Recognised In Statement Of Profit/ (Loss) | 418.28 | 443.65 | 518.86 |
| **Net Cash Used in Investing Activities (B)** | **(5,519.18)** | **2,220.83** | **(2,889.09)** |
| | | | |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Principal elements of lease payments | (64.43) | (74.93) | (69.08) |
| Interest element of lease payments | (16.26) | (22.10) | (23.78) |
| Proceeds from long term borrowings | 398.23 | - | - |
| (Repayment) of long term borrowings | (19.75) | - | - |
| Proceeds from short term borrowings | - | 441.49 | 40.52 |
| Repayments from short term borrowings (net) | (52.02) | - | - |

| | | | |
|---|---|---|---|
| Dividend paid to Company's shareholders (Including Tax) | (251.11) | (250.00) | (518.40) |
| Finance Cost paid | (40.70) | (28.06) | (2.09) |
| Net Cash Used in Financing Activities © | **(46.04)** | **66.40** | **(572.83)** |
| Effect Of Exchange Difference On Translation Of Foreign Currency Cash & Cash Equivalents | 121.14 | (104.96) | 191.10 |
| **Net (Decrease) Increase in Cash & Cash Equivalents (A+B+C)** | **(720.26)** | **2,702.21** | **(1,941.62)** |
| | | | |
| Cash and Cash Equivalents at the beginning of the year | 6,292.63 | 3,590.42 | 5,532.04 |
| Cash and Cash Equivalents at the end of the year | 5,572.37 | 6,292.63 | 3,590.42 |
| | | | |
| A. Cash & Cash Equivalents: | | | |
| a. Balance With Banks In Current A/C'S | 5,397.81 | 5,787.91 | 3,261.02 |
| b. Remittance In Transit | - | 218.00 | 7.62 |
| c. Bank Deposits Having Original Maturity Less Than 3 Months | 173.56 | 285.72 | 320.78 |
| d. Cash on Hand | 1.00 | 1.00 | 1.00 |
| e. Postage Stamps | - | - | - |
| Note: Reconciliation of liabilities arising from Financing activities under Ind AS 7 | | | |
| Balance at the beginning of the year | 482.00 | 40.52 | - |
| Cash flow – Proceeds / (Repayments) | 326.47 | 441.48 | 40.52 |
| Non-cash changes | 0.06 | - | - |
| **Balance at the end of year** | **808.53** | **482.00** | **40.52** |

## GENERAL INFORMATION

Our Company was incorporated as *"Water and Power Development Consultancy Services (India) Private Limited"* under the provisions of the Companies Act, 1956 on June 26, 1969 as a private limited company and the certificate of incorporation bearing registration no. 5070 of 1969-70 was issued by the Registrar of Companies, Delhi and Haryana. The word 'private' was deleted and the name of our Company was changed to *"Water and Power Development Consultancy Services (India) Limited"* with effect from November 21, 1969 and the same was recorded in the certificate of incorporation issued by the Registrar of Companies, Delhi. Pursuant to the passing of a necessary resolution in terms of Section 21 of the Companies Act, 1956 and the approval of the Ministry of Law, Justice & company Affairs (company Law Board), the name of our Company was changed to *"Water and Power Consultancy Services (India) Limited"* as the name of the Company was cumbersome and the word 'development' was appearing to be superfluous and a fresh certificate of incorporation dated February 12, 1980, consequent to the change of name, was issued by the Assistant Registrar of Companies, Delhi and Haryana. Thereafter, pursuant to the passing of necessary resolution in terms of Section 21 of the Companies Act, 1956 and the approval of Central Government, the name of our Company was again changed to *"WAPCOS Limited"* as the word *"WAPCOS"* was abbreviated form of the existing name of the Company, and a fresh certificate of incorporation dated November 3, 2007, was issued by the RoC. The shareholders of our Company passed the resolution to convert the Company to a public company on February 25, 2021 and RoC granted fresh certificate of incorporation dated April 27, 2021.

**Registration Number:** 005070

**Corporate Identity Number:** U74899DL1969GOI005070

**Registered Office:**

5th Floor, Kailash,
26 Kasturba Gandhi Marg,
New Delhi, Delhi – 110001,
India **Telephone**: +91-11-23313131-2 / 23313881
**Website**: www.wapcos.co.in

For details of change in the Registered Office of our Company, please refer "*History and Certain Corporate Matters"* on page 167.

**Corporate Office:**

76-C, Institutional Area,
Sector-18, Gurugram,
Haryana – 122015.
**Telephone**: +91-124-2399421-6 / 2399881-7 / 2399443
**Website**: www.wapcos.co.in

**Address of the Registrar of Companies**

Our Company is registered with the Registrar of Companies located at the following address:

**N.C.T of Delhi and Haryana**
4th Floor, IFCI Tower,
61, Nehru Place,
New Delhi-110019,
India

**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 |
|---|---|---|---|
| Rajni Kant Agrawal | Chairman-cum-Managing Director | 09344894 | B-101, Gani Nath Nikunj, Plot-1, Sector-5, Dwarka, South West Delhi, Delhi- 110075, India. |
| Pankaj Kapoor | Director (Finance)/ Whole Time Director and Chief Financial Officer | 07290569 | BE-373-A, Second Floor, Lane-0, Hari Nagar, South West Delhi, Delhi – 110064 India. |

| Name | Designation | DIN | Address |
|---|---|---|---|
| Anupam Mishra | Director (Commercial & HRD)/ Whole Time Director | 08271048 | B/J-13, Poorvi near Shalimar Bagh Club, Shalimar Bagh, Delhi – 110088, India |
| Anand Mohan | Government Nominee (Part – time) Director | 07590405 | Kislay Kunj, House/Plot no. D-145, Shiv Officers Colony, Ramnagariya Road, Jagatpura, Jaipur-302017, Rajasthan, India |
| Partha Sarathi Ghosh | Non-Official Part-time (Independent) Director | 09517108 | Maheshmati, English Bazar, Malda, West Bengal- 732101, India. |
| Jasbir Singh Thakur | Non-Official Part-time (Independent) Director | 09469477 | P.O. Bijhari, Tehsil Barsar, Tikkar, Hamirpur, Himachal Pradesh- 176040, India. |
| Anil Kumar Trigunayat | Non-Official Part-time (Independent) Director | 07900294 | B-701, Ridgeview IFS Apartments, Plot No GH-87, Opposite Ansal University, Sector-54, Gurgaon Sector 56, Gurgaon, Haryana- 122011, India. |
| Lakhan Lal Sahu | Non-Official Part-time (Independent) Director | 09488818 | 52, 16, Gembopara, Kabir Ward, Mungeli, Chattisgarh-495334, India. |

For further details regarding our Board of Directors, please refer *"Our Management"* on page 175.

**COMPANY SECRETARY AND COMPLIANCE OFFICER**

Kavita Parmar is the Company Secretary and the Compliance Officer of our Company. Her contact details are as follows:

**Kavita Parmar**
**WAPCOS Limited**
5th Floor, Kailash,
26 Kasturba Gandhi Marg,
New Delhi, Delhi – 110001,
India **Telephone**: +91-11-23354532
**Email**: kpv@wapcos.co.in

**Book Running Lead Managers**

**IDBI Capital Markets & Securities Limited**
6th Floor, IDBI Towers,
WTC Complex, Cuffe Parade,
Mumbai -400005,
Maharashtra, India
**Telephone**: +91-22-22171953
**Email**: wapcos.ipo@idbicapital.com
**Investor grievance email:** redressal@idbicapital.com
**Website**: www.idbicapital.com
**Contact Person**: Indrajit Bhagat/ Vimal Maniyar
**SEBI Registration No.**: INM000010866

**SMC Capitals Limited**
11/6B, 1st Floor,
Shanti Chambers, Pusa Road,
New Delhi – 110005, India
**Telephone**: 011 – 30111000
**E-mail**: ipo.wapcos@smccapitals.com
**Investor Grievance E-mail**: investor.grievance@smccapitals.com
**Website**: www.smccapitals.com
**Contact Person**: Sri Krishna Tapariya
**SEBI Registration No.**: INM000011427

**Statement of the inter-se allocation of responsibilities among the BRLMs**

The following table sets forth the responsibilities for the Book Running Lead Managers in relation to the Offer:

| Sr. No. | Activity | Responsibility | Co-ordinator |
|---|---|---|---|
| 1. | Capital structuring with relative components and formalities. | BRLMs | IDBI Capital Markets & Securities Limited |

| Sr. No. | Activity | Responsibility | Co-ordinator |
|---|---|---|---|
| 2. | Due diligence of our Company including its operations/management/business/plans/legal, etc. Drafting and design of the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus and of statutory advertisements including a memorandum containing salient features of the Prospectus.<br>The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, the RoC and SEBI including finalisation of the Prospectus and RoC filing. | BRLMs | IDBI Capital Markets & Securities Limited |
| 3. | Drafting and approval of all statutory advertisements. | BRLMs | IDBI Capital Markets & Securities Limited |
| 4. | 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. | BRLMs | IDBI Capital Markets & Securities Limited |
| 5. | Coordination with Auditors on restated financial statements and all Auditors deliverables. | BRLMs | IDBI Capital Markets & Securities Limited |
| 6. | Appointment of Bankers to the Offer and Registrar to the Offer (including coordinating all agreements, if any to be entered with such parties). | BRLMs | SMC Capitals Limited |
| 7. | Appointment of other intermediaries including printers, advertising agency (including coordinating all agreements, if any to be entered with such parties). | BRLMs | SMC Capitals Limited |
| 8. | Finalization of pricing presentation in consultation with the Selling Shareholder and the Company. | BRLMs | SMC Capitals Limited |
| 9. | Preparation of roadshow presentation, FAQs and International Institutional marketing of the Offer, which will cover, *inter alia*:<br>• Institutional marketing strategy;<br>• Finalizing the list and division of international investors for one-to-one meetings;<br>• Finalizing international road show and investor meeting schedule. | BRLMs | SMC Capitals Limited |
| 10. | Domestic Institutional marketing of the Offer, which will cover, *inter alia*:<br>• Institutional marketing strategy;<br>• Finalizing the list and division of domestic investors for one-to-one meetings; and<br>• Finalizing domestic road show and investor meeting schedule. | BRLMs | IDBI Capital Markets & Securities Limited |
| 11. | Non-institutional and retail marketing of the Offer, which will cover, *inter alia*:<br>• Finalising media, marketing and public relations strategy;<br>• Finalising centers for holding conferences for brokers, etc.;<br>• Follow-up on distribution of publicity and Offer material including forms, the Prospectus and deciding on the quantum of Offer material; and<br>• Finalising collection centers. | BRLMs | SMC Capitals Limited |
| 12. | Managing the book and finalisation of Offer Price, in consultation with the Selling Shareholder and the Company. | BRLMs | SMC Capitals Limited |
| 13. | Co-ordination with Stock Exchanges for book building software, anchor investor portion (if any), bidding terminals, mock trading and payment of 1% security deposit. | BRLMs | IDBI Capital Markets & Securities Limited |
| 14. | Post Offer activities, which shall involve:<br>• essential follow-up steps, advising the Company about the closure of the Offer based on the Bid file, finalisation of the Basis of Allotment or weeding out of multiple applications, listing of Equity Shares, demat credit etc., including co-ordination with various agencies connected with the intermediaries such as registrar to the Offer;<br>• coordinating with Stock Exchanges and SEBI for release of 1% security deposit post-closure of the Offer.<br>Payment of applicable securities transaction tax on the sale of unlisted Equity Shares by the Selling Shareholder under the Offer for Sale included in the Offer to the GOI and filing of the securities transaction tax return by the prescribed due date as per Chapter VII of the Finance (no. 2) Act, 2004. | BRLMs | SMC Capitals Limited |

**Legal Counsel to our Company and the Selling Shareholder as to Indian Law**

**SNG & Partners**
Advocates & Solicitors
One Bazar Lane, Bengali Market
New Delhi – 110 001, India
**Telephone**: +91-11-4358-2000
**Email**: project_jalvidyutsamanvay@sngpartners.in

**International Legal Counsel to our Company and the Selling Shareholder**

**Reed Smith LLP**
2850 N. Harwood Street
Suite 1500, Dallas,
Texas – 75201, USA
**Telephone**: +1-469-680-4200
**Email**: projectjalvidyutsamanvay@reedsmith.com

**Legal Counsel to the Book Running Lead Managers as to Indian Law**

**Link Legal**
Aiwan-e-Ghalib Complex,
Mata Sundri Lane,
New Delhi 110 002, India
**Telephone**: +91- 46511000
**Email**: ipoteam@linklegal.in

**Registrar to this Offer**

**KFIN Technologies Limited**
***(Formerly Kfin Technologies Private Limited)***
Selenium, Tower B, Plot No- 31 & 32,
Financial District, Nanakramguda,
Serilingampally, Hyderabad,
Rangareddi, Telangana- 500032, India
**Telephone**: +91-40-67162222
**Toll free number** – 18003094001
**Email**: wapcos.ipo@kfintech.com
**Investor grievance email**: einward.ris@kfintech.com
**Website**: www.kfintech.com
**Contact Person**: M Murali Krishna
**SEBI Registration No.**: INR000000221

**STATUTORY AUDITORS OF OUR COMPANY**

**Serva Associates**
**Chartered Accountants**
1011-1014, $10^{th}$ Floor,
RG Trade Tower,
Netaji Subhash Place,
Pitampura, Delhi-110034
**Telephone**: +91-11-42502244
**Email**: info@servamail.in
**Contact Person:** Nitin Jain
Firm Registration No.: 000272N
**Peer Review No**.: 012154

**CHANGES IN AUDITORS**

Except as stated below, there has been no change in our auditors in the last three (3) years:

| S No. | Name, Address, E-mail, Peer Review Number and Firm Registration Number of the Auditors | Date of Change | Reasons of change |
|---|---|---|---|
| 1. | R. Vender Gupta & Associates<br>205, 206 Hemkunt House,<br>6 Rajendra Place, New Delhi,<br>Delhi – 110008, India.<br>**Telephone**:+91-11-25715282, 25814160;<br>**Email**: rvguptaassociates@yahoo.co.in<br>**Firm Registration No**.: 002614N<br>**Peer Review No**.: 010732 | March 31, 2020 | Completion of term |
| 2. | Serva Associates, Chartered Accountants<br>1011-1014, 10th Floor,<br>RG Trade Tower,<br>Netaji Subhash Place,<br>Pitampura, New Delhi,<br>Delhi – 110034, India<br>**Telephone**: +91-11-42502244<br>**Email**: info@servamail.in<br>**Firm Registration No**.: 000272N<br>**Peer Review No**.: 012154 | August 14, 2020 | Appointment as Statutory Auditor |

**Bankers to our Company**

| | |
|---|---|
| **IDFC First Bank Limited**<br>**Address**: IDFC First Bank Limited, 2nd floor, Express Building, Bahadur Shah Zafar Marg, New Delhi-110002.<br>**Telephone**: +91-8802174482<br>**E mail**: piyush.goel@idfcfirstbank.com<br>**Website**: www.idfcfirstbank.com<br>**Contact Person**: Piyush Goel | **Punjab National Bank**<br>**Address**: 8th Floor, DCM Building, 16, Barakhamba Road, New Delhi-110001<br>**Telephone**: +91-11-23719094<br>**E mail**: icb8143@pnb.co.in<br>**Website**: www.pnbindia.in<br>**Contact Person**: Kalika Prasad |
| **Indian Overseas Bank**<br>**Address**: National Horticulture Board Branch, Plot No. 85 Sector -18, Institutional Area, Gurgaon-122015<br>**Telephone**: +91-124-2342323<br>**E mail**: iob1935@iob.in<br>**Website**: www.iob.in<br>**Contact Person**: Harfool Meena | **State Bank of India**<br>**Address**: SBI Overseas Branch, New Delhi<br>**Telephone**: +91-11-23374916<br>**E mail**: rm2.04803@sbi.co.in<br>**Website**: www.bank.sbi<br>**Contact Person**: Kunal Deo |
| **HDFC Bank**<br>**Address**: HDFC Bank, B-6/3, Safdarjung Enclave, DDA Commercial Complex, Opp. Deer Park, New Delhi – 110029<br>**Telephone**: +91-11-4132146<br>**E mail**: sameer.chowdhry@hdfcbank.com<br>**Website**: www.hdfcbank.com<br>**Contact Person**: Sameer Chowdhry | |

**Syndicate Members**

The Syndicate Members will be appointed prior to filing the Red Herring Prospectus with the RoC.

**Banker(s) to the Offer**

[●]

**Escrow Collection Bank(s)**

**[●]**

**Sponsor Bank**

**[●]**

**Public Offer Account Bank (s)**

**[●]**

**Refund Bank**

**[●]**

**Designated Intermediaries**

***Self-Certified Syndicate Banks***

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 (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://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) or such other website as updated from time to time.

***SCSBs and mobile applications enabled for UPI Mechanism***

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. The said list shall be updated on SEBI website at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43, as updated from time to time and at such other websites as may be prescribed by SEBI from time to time.

***Syndicate SCSB Branches***

In relation to Bids (other than Bids by Anchor Investors) submitted 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 (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) as updated from time to time and any such 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 http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes as updated from time to time.

***Registered Brokers***

Bidders may submit ASBA Forms in the Offer using the stock broker network of the Stock Exchanges, 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, or any such websites of the Stock Exchanges, 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, is provided on the websites of Stock Exchanges at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and www.nseindia.com, respectively, 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, is provided on the websites of BSE at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and on the website of NSE at www.nseindia.com, as updated from time to time.

**Experts**

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

Our Company has received written consent from our Statutory Auditor, namely, Serva Associates, Chartered Accountants to include their name as an "expert" as defined under Section 2(38) of the Companies Act, 2013 read with Section 26(5) of the Companies Act, 2013, in respect of their (a) examination report dated September 23, 2022 on the Restated Financial Statements; (b) report dated September 23, 2022 on the Statement of Possible Special Tax Benefits available to our Company and the Shareholders and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an expert as defined under the U.S. Securities Act.

Our Company has received written consent dated September 23, 2022 from Parasuraman & Associates, Chartered Accountants to include their name in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act to the extent and in their capacity as independent chartered accountant and such consent has not been withdrawn as on the date of this Prospectus.

**IPO Grading**

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

**Credit Rating**

As this is an offer of Equity Shares, credit rating is not required.

**Trustees**

As this is an Offer of Equity Shares, the appointment of trustees is not required.

**Green Shoe Option**

No green shoe option is contemplated under the Offer.

**Monitoring Agency**

This being an Offer for Sale of Equity Shares, our Company will not receive any of the proceeds from the Offer. Accordingly, no monitoring agency is appointed for the Offer.

**Appraising Entity**

As the offer is an Offer for Sale of Equity Shares by the Selling Shareholder, our Company will not receive any proceeds from the Offer. Accordingly, no appraising entity is required to be appointed.

**Filing**

A copy of this Draft Red Herring Prospectus has been filed with SEBI at NBCC Complex, Office Tower-1, 8th. Floor, Plate-B, East Kidwai Nagar, New Delhi-110023 and simultaneously through the SEBI Intermediary Portal at https://siportal.sebi.gov.in, in accordance with SEBI circular bearing reference SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018 and email 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".

A copy of the Red Herring Prospectus, along with the material contracts and documents will be required to be filed under Section 32 of the Companies Act, 2013 and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 with the RoC at its office and through the electronic portal at http://www.mca.gov.in/mcafoportal/loginvalidateuser.do.

**Book Building Process**

The Book building process, in the context of the Offer, refers to the process of collection of Bids from Bidders on the basis of the Red Herring Prospectus, the ASBA Forms and the Revision Forms within the Price Band. The Price Band, Bid Lot, Retail Discount and Employee Discount, as applicable shall be decided by our Company and the Selling Shareholder, in consultation with the BRLMs, and advertised in all newspapers wherein the Pre-Offer advertisement will be published, at least two (2) 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 respective website. The Offer Price shall be determined by the Selling Shareholder and our Company in consultation with the BRLMs after the

Bid/Offer Closing Date. For details, see *"Offer Procedure"* beginning on page 378.

**All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Offer by providing details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by SCSBs. In addition to this, the UPI Bidders 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. 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 permitted to withdraw or lower the size of their Bids (in terms of the quantity of the 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. Anchor Investors are not allowed to revise or withdraw their Bids after the Anchor Investor Bidding Date. Except for Allocation to Retail Individual Investors and the Anchor Investors, allocation in the Offer will be on a proportionate basis. Allocation to the Anchor Investors will be on a discretionary basis. For further details, see *"Terms of the Offer"* and *"Offer Procedure"* beginning on pages 369 and 378 respectively.**

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

**Bidders should note the Offer is also subject to obtaining final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment within six (6) Working Days of the Bid/Offer Closing Date or such other time period as prescribed under applicable law.**

**Illustration of Book Building Process and the Price Discovery Process**

For an illustration of the Book Building Process and the price discovery process, please refer "*Offer Procedure*" beginning on page 378.

**Underwriting Agreement**

After the determination of the Offer Price and allocation of the Offered Shares, but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholder intend on entering into an Underwriting Agreement with the Underwriters for the Offered Shares. Pursuant to the terms of the Underwriting Agreement, the obligations of each of the Underwriters will be several and will be subject to certain conditions specified therein.

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

| Name, Address, Telephone Number and Email Address of the Underwriters | Indicative Number of Offered Shares to be Underwritten | Amount Underwritten *(₹ in million)* |
|---|---|---|
| [●] | [●] | [●] |
| [●] | [●] | [●] |
| **Total** | [●] | [●] |

*The aforesaid portion has been intentionally left blank and will be filed in before filing of the Prospectus with the RoC.*

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

In the opinion of our Board of Directors and the Selling Shareholder, 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 registered as brokers with the Stock Exchange(s). Our 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 proportion to their underwriting commitments set forth in the table above.

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors respectively procured by them in accordance with the

Underwriting Agreement. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscribers for or subscribe the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement. The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus and will be executed after determination of the Offer Price and allocation of Equity Shares, but prior to the 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.

## CAPITAL STRUCTURE

The equity share capital of our Company, as on the date of this Draft Red Herring Prospectus is set forth below:

*(in ₹, except share data)*

| | Particulars | Aggregate nominal value at the face value | Aggregate value at Offer Price# |
|---|---|---|---|
| **A.** | **AUTHORISED SHARE CAPITAL(1)** | | |
| | 200,000,000 Equity Shares of ₹ 10 each | 2,000,000,000 | - |
| | | | |
| **B.** | **ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL BEFORE THE OFFER** | | |
| | 130,000,000 Equity Shares of ₹ 10 each | 1,300,000,000 | - |
| | | | |
| **C.** | **PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS** | | |
| | Offer for Sale of up to 32,500,000 Equity Shares by the Selling Shareholder* | [●] | [●] |
| | *Which includes*: | | |
| | Employee Reservation Portion of up to [●] Equity Shares (2)/3) | [●] | [●] |
| | Net Offer consisting of up to [●] Equity Shares* | [●] | [●] |
| | | | |
| **D.** | **ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER** | | |
| | 130,000,000 Equity Shares of ₹ 10 each | 1,300,000,000 | [●] |
| | | | |
| **E.** | **SECURITIES PREMIUM ACCOUNT** | | |
| | Before the Offer (₹ in million) | | Nil |
| | After the Offer (₹ in million) | | [●] |

*# To be included upon finalization of the Offer Price.*

** Our Board of Directors has approved the Offer pursuant to a resolution passed at their meeting held on August 28, 2022. The Selling Shareholder, through its letter dated September 23, 2022 conveyed its approval for the Offer of up to 32,500,000 Equity Shares. The Equity Shares offered by the Selling Shareholder in the Offer are eligible for being offered in the Offer for Sale as required by Regulation 8 of SEBI ICDR Regulations. For details of authorizations for the Offer for Sale, see "Other Regulatory and Statutory Disclosures" on page 355.*

*(1) For details in relation to the changes in authorized share capital in the last ten (10) years of our Company, please refer "History and Certain Corporate Matters– Amendments to our Memorandum of Association" on page 168.*

*(2) Subject to the receipt of the necessary approval from the GOI, up to [●] Equity Shares may be reserved for allocation and allotment on a proportionate basis to Eligible Employees Bidding in the Employees Reservation Portion. The Employees Reservation Portion shall not exceed 5% of the post-Offer capital of our Company or increase the size of this Offer by more than 50%. Since the retention of the Employee Reservation Portion is subject to receipt of necessary approvals from the GOI, the allocation and Allotment of Equity Shares under various portions mentioned in the table above (i.e., under the QIB Portion, Non-Institutional Portion and the Retail Portion) are in respect of the Net Offer size of up to [●] Equity Shares.*

*(3) Our Company and the Selling Shareholder, in consultation with the BRLMs, may offer a discount of up to ₹ [●] per Equity Share on the Offer Price to the Retail Individual Bidders and a discount of up to ₹ [●] per Equity Share on the Offer Price to the Eligible Employees Bidding under the Employee Reservation Portion (if any), respectively. The amount of Retail Discount and Employee Discount, as applicable, will be advertised in all newspapers wherein the Pre-Offer Advertisement will be published. For further details, please refer "Offer Procedure" on page 378.*

**Notes to the Capital Structure:**

1. **Equity Share Capital History of our Company**

The history of the Equity Share capital of our Company is set forth in the table below:

| Date of Allotment * | Number of Equity Shares allotted | Face Value per Equity Share (in ₹) | Issue price per Equity Share (in ₹) | Form of Consideration | Details of allottees and number of Equity Shares allotted to the allottees | Reason/ Nature of allotment | Cumulative Number of Equity Shares |
|---|---|---|---|---|---|---|---|
| August 29, 1969^ | 4 | 100 | 100 | Cash | Initial allotment of 1 Equity Share was made to President of India and allotment of 1 Equity Share each was made to G.A. Narasimha Rao, | Initial subscription to the MoA | 4 |

| Date of Allotment * | Number of Equity Shares allotted | Face Value per Equity Share (in ₹) | Issue price per Equity Share (in ₹) | Form of Consideration | Details of allottees and number of Equity Shares allotted to the allottees | Reason/ Nature of allotment | Cumulative Number of Equity Shares |
|---|---|---|---|---|---|---|---|
| | | | | | A.K. Ghose, K.G.R. Iyer, as nominees of the President of India. | | |
| August 29, 1969 | 66 | 100 | 100 | Cash | Allotment of 66 Equity Shares to President of India. | Further Allotment | 70 |
| February 26, 1970 | 9,930 | 100 | 100 | Cash | Allotment of 9,930 Equity Shares to President of India. | Further Allotment | 10,000 |
| March 30, 1971 | 10,000 | 100 | 100 | Cash | Allotment of 10,000 Equity Shares to President of India. | Further Allotment | 20,000 |
| March 22, 1972 | 10,000 | 100 | 100 | Cash | Allotment of 10,000 Equity Shares to President of India. | Further Allotment | 30,000 |
| October 16, 1992 | 20,000 | 100 | NA | NA | Allotment of 20,000 Equity Shares to President of India. | Bonus issue in the ratio of 2:3 | 50,000 |
| February 24, 1995 | 50,000 | 100 | NA | NA | Allotment of 49,997 Equity Shares to President of India and allotment of 1 Equity Share each was made to R. Rajappa, M.S. Reddy and K.C. Aggarwal as nominees of the President of India. | Bonus issue in the ratio of 1:1 | 100,000 |
| December 11, 1997 | 100,000 | 100 | NA | NA | Allotment of 99,994 Equity Shares to President of India and allotment of 2 Equity Shares each was made to Arun Kumar, N. Parthasarthy and R.K. Parashar as nominees of the President of India. | Bonus issue in the ratio of 1:1 | 200,000 |
| August 9, 2011 | 100,000 | 100 | NA | NA | Allotment of 99,994 Equity Shares to President of India and allotment of 2 Equity Shares each was made to Rajeev Kumar, R.K. Gupta and Sudhir Garg as nominees of the President of India. | Bonus issue in the ratio of 1:2 | 300,000 |
| August 6, 2012 | 500,000 | 100 | NA | NA | Allotment of 499,970 Equity Shares to President of India and allotment of 10 Equity Shares each was made to Anoop Seth, R.K. Gupta and Sudhir Garg as nominees of the President of India. | Bonus issue in the ratio of 5:3 | 800,000 |
| July 5, 2013 | 800,000 | 100 | NA | NA | Allotment of 799,952 Equity Shares to President of India and allotment of 16 Equity Shares each was made to R.K. Gupta, Dr. R.K. Gupta and N.S. Samant as nominees of the President of India. | Bonus issue in the ratio of 1:1 | 1,600,000 |
| August 26, 2014 | 900,000 | 100 | NA | NA | Allotment of 899,946 Equity Shares to President of India and allotment of 18 Equity Shares each was made to R.K. Gupta, Dr. R.K. Gupta and S.K. Kohli as nominees of the President of India. | Bonus issue in the ratio of 9:16 | 2,500,000 |
| March 21, 2016 | 1,000,000 | 100 | NA | NA | Allotment of 999,940 Equity Shares to President of India and allotment of 20 Equity Shares each was made to Jagmohan Gupta, R.K. Gupta and Dr. B Rajender as nominees of the President of India. | Bonus issue in the ratio of 10:25 | 3,500,000 |
| March 27, 2017 | 3,000,000 | 100 | NA | NA | Allotment of 2,999,820 Equity Shares to President of India and allotment of 60 Equity Shares each was made to Jagmohan Gupta, R.K. Gupta and Akhil Kumar as nominees of the President of India. | Bonus issue in the ratio of 30:35 | 6,500,000 |

| Date of Allotment * | Number of Equity Shares allotted | Face Value per Equity Share (in ₹) | Issue price per Equity Share (in ₹) | Form of Consideration | Details of allottees and number of Equity Shares allotted to the allottees | Reason/ Nature of allotment | Cumulative Number of Equity Shares |
|---|---|---|---|---|---|---|---|
| March 23, 2018 | 3,500,000 | 100 | NA | NA | Allotment of 3,499,790 Equity Shares to President of India and allotment of 70 Equity Shares each was made to Jagmohan Gupta, R.K. Gupta and Akhil Kumar as nominees of the President of India. | Bonus issue in the ratio of 35:65 | 10,000,000 |
| February 25, 2021 | Pursuant to the shareholders resolution passed at the EGM dated February 25, 2021, 10,000,000 Equity Shares of face value of ₹ 100 each were split into 1,00,000,000 Equity Shares of the face value of ₹ 10 each. | | | | | | |
| March 31, 2021 | 30,000,000 | 10 | NA | NA | Allotment of 29,995,800 Equity Shares to President of India and allotment of 600 Equity Shares each was made to Debashree Mukherjee, Pankaj Kapoor, Anupam Mishra, Jagmohan Gupta, Subodh Yadav, Sanjay Awasthi and P. Harish as nominees of the President of India. | Bonus issue in the ratio of 3:10 | 130,000,000 |

*^The Equity Shares were subscribed by first subscriber to the MoA of the Company on June 26, 1969. However, the same were allotted on August 29, 1969.*

**There are certain cases where certain forms filed for the allotment of Equity Shares and incorporation of Company which are not traceable. For further information, see risk factor "We and our Subsidiary do not have access to records and data pertaining to certain historical legal and secretarial information. Further, there are certain discrepancies in the records available with us and our Subsidiary" under section titled 'Risk Factors' on page 45.*

2. **Issue of Equity Shares for consideration other than cash or by way of bonus issue or out of revaluation reserves**

Except as disclosed below, our Company has not issued any Equity Shares for consideration other than cash:

| Date of Allotment | Number of equity shares allotted | Name of allottees | Face value of equity share (₹) | Issue price per equity shares (₹) | Reasons for allotment | Benefits accrued to our Company |
|---|---|---|---|---|---|---|
| October 16, 1992 | 20,000 | Allotment of 20,000 Equity Shares to President of India. | 100 | NA | Bonus issue in the ratio of 2:3 | - |
| February 24, 1995 | 50,000 | Allotment of 49,997 Equity Shares to President of India and allotment of 1 Equity Share each was made to R. Rajappa, M.S. Reddy and K.C. Aggarwal as nominees of the President of India. | 100 | NA | Bonus issue in the ratio of 1:1 | - |
| December 11, 1997 | 100,000 | Allotment of 99,994 Equity Shares to President of India and allotment of 2 Equity Shares each was made to Arun Kumar, N. Parthasarthy and R.K. Parashar as nominees of the President of India. | 100 | NA | Bonus issue in the ratio of 1:1 | - |
| August 9, 2011 | 100,000 | Allotment of 99,994 Equity Shares to President of India and allotment of 2 Equity Shares each was made to Rajeev Kumar, R.K. Gupta and Sudhir Garg as nominees of the President of India. | 100 | NA | Bonus issue in the ratio of 1:2 | - |
| August 6, 2012 | 500,000 | Allotment of 499,970 Equity Shares to President of India and allotment of 10 Equity Shares each was made to Anoop Seth, R.K. Gupta and Sudhir Garg as nominees of the President of India. | 100 | NA | Bonus issue in the ratio of 5:3 | - |
| July 5, 2013 | 800,000 | Allotment of 799,952 Equity Shares to President of India and allotment of 16 Equity Shares each was made to R.K. Gupta, R.K. Gupta and N.S. Samant as nominees of the President of India. | 100 | NA | Bonus issue in the ratio of 1:1 | - |
| August | 900,000 | Allotment of 899,946 Equity Shares to President | 100 | NA | Bonus | - |

| | | | | | | |
|---|---|---|---|---|---|---|
| 26, 2014 | | of India and allotment of 18 Equity Shares each was made to R.K. Gupta, R.K. Gupta and S.K. Kohli as nominees of the President of India. | | | issue in the ratio of 9:16 | |
| March 21, 2016 | 1,000,000 | Allotment of 999,940 Equity Shares to President of India and allotment of 20 Equity Shares each was made to Jagmohan Gupta, R.K. Gupta and Dr. B Rajender as nominees of the President of India. | 100 | NA | Bonus issue in the ratio of 10:25 | - |
| March 27, 2017 | 3,000,000 | Allotment of 2,999,820 Equity Shares to President of India and allotment of 60 Equity Shares each was made to Jagmohan Gupta, R.K. Gupta and Akhil Kumar as nominees of the President of India. | 100 | NA | Bonus issue in the ratio of 30:35 | - |
| March 23, 2018 | 3,500,000 | Allotment of 3,499,790 Equity Shares to President of India and allotment of 70 Equity Shares each was made to Jagmohan Gupta, R.K. Gupta and Akhil Kumar as nominees of the President of India. | 100 | NA | Bonus issue in the ratio of 35:65 | - |
| March 31, 2021 | 30,000,000 | Allotment of 29,995,800 Equity Shares to President of India and allotment of 600 Equity Shares each was made to Debashree Mukherjee, Pankaj Kapoor, Anupam Mishra, Jagmohan Gupta, Subodh Yadav, Sanjay Awasthi and P. Harish as nominees of the President of India. | 10 | NA | Bonus issue in the ratio of 3:10 | - |

Further, our Company has not issued any Equity Shares out of revaluation of reserves since its incorporation.

3. **Issue of Equity Shares under Sections 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act, 2013.**

Our Company has not issued or allotted any Equity Shares pursuant to any scheme or arrangement approved under Sections 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act, 2013.

4. **Issue of Equity Shares at a price lower than the Offer Price in the last year.**

Our Company has not issued any equity shares at a price which may be lower than the Offer Price during a period of one (1) year preceding the date of this Draft Red Herring Prospectus.

5. As on date of this Draft Red Herring Prospectus, there are no outstanding warrants, options to be issued, or rights to convert debentures, loans or other convertible securities or any other right which would entitle any person any option to receive Equity Shares.

6. **Details of shareholding of our Promoter in our Company:**

***(a)*** *Shareholding of our Promoter*

As on date of this Draft Red Herring Prospectus, our Promoter, the President of India, together with its nominees, hold 130,000,000 Equity Shares, constituting 100.00% of the issued, subscribed and paid-up Equity Share capital of our Company.

***(b)*** *Build-up of our Promoter's shareholding in our Company:*

The following table sets forth details of the build-up of the shareholding of our Promoter since incorporation of our Company:

| Date of Allotment | Number of Equity Shares allotted | Face Value per Equity Share (in ₹) | Issue Price per Equity Share (in ₹) | Form of Consideration | Nature of Transaction | Percentage of pre-Offer paid up Equity Share capital | Percentage of post-Offer paid up Equity Share capital |
|---|---|---|---|---|---|---|---|
| August 29, 1969^ | 4 | 100 | 100 | Cash | Initial subscription to the MoA | Negligible | [●] |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| August 29, 1969 | 66 | 100 | 100 | Cash | Further Allotment | Negligible | [●] |
| February 26, 1970 | 9,930 | 100 | 100 | Cash | Further Allotment | 0.08 | [●] |
| March 30, 1971 | 10,000 | 100 | 100 | Cash | Further Allotment | 0.08 | [●] |
| March 22, 1972 | 10,000 | 100 | 100 | Cash | Further Allotment | 0.08 | [●] |
| October 16, 1992 | 20,000 | 100 | NA | NA | Bonus issue in the ratio of 2:3 | 0.15 | [●] |
| February 24, 1995 | 50,000 | 100 | NA | NA | Bonus issue in the ratio of 1:1 | 0.38 | [●] |
| December 11, 1997 | 100,000 | 100 | NA | NA | Bonus issue in the ratio of 1:1 | 0.77 | [●] |
| August 9, 2011 | 100,000 | 100 | NA | NA | Bonus issue in the ratio of 1:2 | 0.77 | [●] |
| August 6, 2012 | 500,000 | 100 | NA | NA | Bonus issue in the ratio of 5:3 | 3.85 | [●] |
| July 5, 2013 | 800,000 | 100 | NA | NA | Bonus issue in the ratio of 1:1 | 6.15 | [●] |
| August 26, 2014 | 900,000 | 100 | NA | NA | Bonus issue in the ratio of 9:16 | 6.92 | [●] |
| March 21, 2016 | 1,000,000 | 100 | NA | NA | Bonus issue in the ratio of 10:25 | 7.69 | [●] |
| March 27, 2017 | 3,000,000 | 100 | NA | NA | Bonus issue in the ratio of 30:35 | 23.08 | [●] |
| March 23, 2018 | 3,500,000 | 100 | NA | NA | Bonus issue in the ratio of 35:65 | 26.92 | [●] |
| Pursuant to the shareholders resolution passed at the EGM dated February 25, 2021, 10,000,000 Equity Shares of face value of ₹100 each were split into 100,000,000 Equity Shares of face value of ₹10 each. | | | | | | | |
| February 25, 2021 | 100,000,000 | 10 | - | - | Sub division of shares | - | [●] |
| March 31, 2021 | 30,000,000 | 10 | NA | NA | Bonus issue in the ratio of 3:10 | 23.08 | [●] |
| **TOTAL** | **130,000,000**(1)(2) | | | | | 100.00 | [●] |

*^ The Equity Shares were subscribed by first subscriber to the MoA of the Company on June 26, 1969. However, the same were allotted on August 29, 1969.*

*(1) Out of the total holding 18,200 equity shares are holds by the nominees of the President of India.*

*(2) Out of his total shareholding, our Promoter is offering up to 32,500,000 Equity Shares as a part of the Offer for Sale.*

All the above Equity Shares were fully paid-up at the time of allotment or transfer, as the case may be. As of the date of this Draft Red Herring Prospectus, none of the Equity Shares held by our Promoter are pledged.

7. **Details *of Minimum Promoter's contribution and lock-in*:**

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

(b) Details of the Equity Shares to be locked-in by our Promoters for eighteen (18) months from the date of Allotment as Minimum Promoter's Contribution are set forth in the table below:

| Date of allotment of Equity Shares | No. of Equity Shares locked-in* | Face Value (₹) | Issue/ acquisition price per Equity Share (₹) | Nature of Transaction | % of pre-Offer Capital | % of post-Offer Capital | Date up to which Equity Shares are subject to lock-in |
|---|---|---|---|---|---|---|---|
| [●] | [●] | [●] | [●] | [●] | [●] | [●] | [●] |

**To be completed prior to filing of the Prospectus with the RoC.*

*For details on the build-up of the Equity Share capital held by our Promoter, see "- Build-up of the Promoter's shareholding in our Company" above.*

The President of India, through MoJS, pursuant to its letter dated September 23, 2022, granted its consent to include up to 26,000,000 Equity Shares held by the President of India, as Minimum Promoter's Contribution and has agreed not to sell, dispose, transfer, charge or pledge or otherwise encumber in any manner, the Minimum Promoter's Contribution from the date of filing of this Draft Red Herring Prospectus until the commencement of lock-in period specified above, or for such other time as may be required under the provisions of SEBI ICDR Regulations.

(c) The Equity Shares that are being locked-in are not and will not be, ineligible for computation of Minimum Promoter's Contribution under Regulation 15 of the SEBI ICDR Regulations. In this connection, our Company confirms that:

(i) Equity Shares acquired in the last three (3) years from the date of this Draft Red Herring Prospectus: (a) for consideration other than cash involving revaluation of assets or capitalization of intangible assets; or (b) resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of our Company or from a bonus issue against Equity Shares which are otherwise ineligible for computation of Minimum Promoter's contribution;

(ii) Equity Shares acquired during the preceding one (1) year at a price lower than the price at which Equity Shares are being offered to the public in this Offer;

(iii) Our Company has not been formed by the conversion of a partnership firm or a limited liability partnership firm into a company and hence, the Equity Shares offered for Minimum Promoter's Contribution have not been issued on account of the conversion of a partnership firm into a company; and

(iv) The Equity Shares offered for Minimum Promoter's Contribution are not subject to any pledge or any other form of encumbrance.

8. **Details of other equity share capital locked-in for six (6) months:**

In terms of Regulation 17 of the SEBI ICDR Regulations, in addition to the 20% of the post-Offer shareholding of our Company held by our Promoter and locked in for eighteen (18) months as specified above, in terms of the SEBI ICDR Regulations, the entire pre-Offer equity share capital of our Company will be locked-in for a period of six (6) months from the date of Allotment except for the Equity Shares sold pursuant to the Offer for Sale.

The President of India, through the MoJS has, pursuant to letter dated September 23, 2022, granted approval for the lock-in of the entire post-Offer shareholding held by the President of India (less the Promoter's Contribution of 26,000,000 Equity Shares), for a period of six (6) months from the date of Allotment or for such other time as may be required under the SEBI ICDR Regulations. Any Equity Shares remaining unsold in the Offer shall be locked-in for a period of six (6) months.

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.

9. **Other *requirements in respect of lock-in:***

Pursuant to Regulation 21 of the SEBI ICDR Regulations, Equity Shares held by our Promoter and locked-in, as mentioned above, may be pledged as collateral security for a loan granted by a scheduled commercial bank, a public financial institution, Systemically Important Non-Banking Financial Company or a deposit accepting housing finance company, subject to the following:

(i) With respect to the Equity Shares locked-in for six (6) months from the date of Allotment, such pledge of the Equity Shares must be one of the terms of the sanction of the loan.

(ii) With respect to the Equity Shares locked-in as Promoter's Contribution for eighteen (18) months from the date of Allotment, the loan must have been granted to our Company or the Subsidiary for the purpose of financing one or more of the objects of the Offer and pledge of Equity Shares must be one of the terms of the sanction of the loan, which is not applicable in the context of this Offer.

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 Promoter and locked-in, may be transferred to a new promoter, subject to continuation of lock-in applicable with the transferee for the remaining period and compliance with provisions of the SEBI Takeover Regulations, as amended.

Further, in terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by persons other than our Promoter, if any, prior to the Offer and locked-in for a period of six (6) months, may be transferred to any other person holding Equity Shares which are locked-in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock-in with the transferee and compliance with the provisions of the SEBI Takeover Regulations.

10. **Lock-in of Equity Shares allotted to Anchor Investors**

50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of ninety (90) days from the date of Allotment and the remaining Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of thirty (30) days from the date of Allotment

11. **Our Shareholding Pattern**

The table below represents the equity shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus:

| Category (I) | Category of shareholder (II) | Nos. of shareholders (III) | No. of fully paid-up Equity Shares held (IV) | No. of Partly paid-up Equity Shares held (V) | No. of shares underlying Depository Receipts (VI) | Total no. of shares held (VII) = (IV)+(V)+(VI) | Shareholding as a % of total no. of shares (dematerialized) as per SCRR, 1957) (VIII) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities (IX) | | | No. of 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 shares (XII) | | Number of Shares pledged or otherwise encumbered (XIII) | | Number of Equity Shares held in dematerialized form (XIV) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | No of Voting Rights Class – Equity Shares | No of Voting Rights Class – Others | Total as a % of (A+B+C) | | | No. (a) | As a % of total Shares held (b) | No. (a) | As a % of total Shares held (b) | |
| **(A)** | **Promoter and Promoter Group*** | 1 | 130,000,000 | - | - | 130,000,000 | 100.00% | 13,00,00,000 | - | 100.00 % | - | 100.00% | - | | - | | 129,992,200 ** |
| **(B)** | **Public** | - | - | - | - | - | - | - | | - | - | - | - | | - | | - |
| **©** | **Non-Promoter-Non-Public** | - | - | - | - | - | - | - | | - | - | - | - | | - | | - |
| **(C1)** | **Shares underlying depository receipts** | - | - | - | - | - | - | - | | - | - | - | - | | - | | - |
| **(C2)** | **Shares held by Employee Trusts** | - | - | - | - | - | - | - | | - | - | - | - | | - | | - |
| **(C3)** | **Shares underlying ESOP's** | - | - | - | - | - | - | - | | - | - | - | - | | - | | - |
| | **Total** | 1 | **130,000,000** | **-** | **-** | **130,000,000** | **100.00%** | **130,000,000** | | **100.00 %** | **-** | **100.00%** | **-** | | **-** | | 129,992,200 ** |

**The President of India holds 100% of the Equity Shares of our Company, out of which 129,981,800 Equity Shares held by President of India and 2,600 equity shares each held by Richa Misra, Rajni Kant Agrawal, Abhay Thakur, Subodh Yadav, Anand Mohan, Pankaj Kapoor and Anupam Mishra as nominees of the President of India.*

***7800 Equity Shares held by Abhay Thakur, Anand Mohan and Subodh Yadav as the nominees of the President of India are in physical form and shall be in dematerialized prior to the filing of the Red Herring Prospectus with the RoC.*

Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the SEBI LODR Regulations, one day prior to the listing of the Equity Shares. The shareholding pattern will be provided to the Stock Exchanges for uploading on their respective website before the commencement of trading of the Equity Shares.

12. **Details of equity shareholding of the major equity shareholders of our Company**

a) *Set forth below is a list of Shareholders holding 1% or more of the paid-up Equity Share capital of our Company, as on the date and as of ten (10) days prior to the date of this Draft Red Herring Prospectus:*

| Name of the Shareholder | As on the date of this Draft Red Herring Prospectus (Pre-Offer) | | As of ten (10) days prior to the date of this Draft Red Herring Prospectus (Pre-Offer) | |
|---|---|---|---|---|
| | Number of Equity Shares* | Percentage of the Equity Share capital (%) | Number of Equity Shares* | Percentage of the Equity Share capital (%) |
| The President of India acting through the MoJS. | 130,000,000 | 100.00 | 130,000,000 | 100.00 |

**Inclusive of 18,200 Equity Shares held by nominees of the President of India.*

b) *Set forth below is a list of Shareholders holding 1% or more of the paid-up Equity Share capital of our Company as of one (1) year prior to the date of this Draft Red Herring Prospectus:*

| Name of the Shareholders | Number of Equity Shares* | % of pre-Offer Share Capital |
|---|---|---|
| The President of India acting through the MoJS. | 130,000,000 | 100.00 |

** Inclusive of 18,200 Equity Shares held by nominees of the President of India.*

c) *Set forth below is a list of Shareholders holding 1% or more of the paid-up Equity Share capital of our Company as of two (2) years prior to the date of this Draft Red Herring Prospectus:*

| Name of the Shareholders | Number of Equity Shares*^ | % of pre-Offer Share Capital |
|---|---|---|
| The President of India acting through the MoJS. | 10,000,000 | 100.00 |

** Inclusive of 1400 Equity Shares held by nominees of the President of India.*
*^ Pursuant to the shareholders resolution passed at the EGM dated February 25, 2021, 10,000,000 Equity Shares of face value of ₹100 each were split into 100,000,000 Equity Shares of face value of ₹10 each.*

13. Except as set forth below, none of our Directors and/ or the KMPs holds any Equity Shares in our Company as on the date of this Draft Red Herring Prospectus:

| Name of the Shareholders | Designation | Number of Equity Shares | Percentage of the pre-Offer Equity Share Capital (%) | Percentage of the post- Offer of Equity Share Capital (%) |
|---|---|---|---|---|
| Rajni Kant Agrawal* | Chairman-cum-Managing Director | 2600 | 0.002 | [●] |
| Pankaj Kapoor* | Director (Finance) and CFO Whole time Director | 2600 | 0.002 | [●] |
| Anupam Mishra* | Director (Commercial & HRD) Whole time Director | 2600 | 0.002 | [●] |
| Anand Mohan* | Government Nominee (Part – time) Director | 2600 | 0.002 | [●] |

**As nominees of the President of India*

14. The total number of holders of the Equity Shares as on the date of this Draft Red Herring Prospectus is eight (8) shareholders including seven (7) nominee shareholders.

15. As on the date of this Draft Red Herring Prospectus, our Company does not have any employee stock option plan or employee stock purchase scheme for our employees.

16. Neither our Company, nor any of our Directors or the Selling Shareholder or the BRLMs have not made any or entered into any buy-back arrangements for purchase of the Equity Shares from any person.

17. No person connected with the Offer, including, but not limited to the Members of the Syndicate, our Company, the Selling Shareholder and our Directors, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid.

18. As on the date of this Draft Red Herring Prospectus, the BRLMs and their respective associates, as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 do not hold any Equity Shares of our Company.

19. The BRLM 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

20. Except for the transfer of shares amongst nominees of the President of India, acting through the MoJS, neither our Promoter nor our Directors and their relatives have purchased or sold any securities of our Company, during the period of six (6) months immediately preceding the date of this Draft Red Herring Prospectus.

21. There has been no financing arrangement whereby our Promoter, our Directors or their relatives have financed the purchase by any other person of securities of our Company during the six (6) months immediately preceding the date of filing of this Draft Red Herring Prospectus.

22. As on the date of this Draft Red Herring Prospectus, 129,992,200 Equity Shares held by our Promoter and Richa Misra, Rajni Kant Agrawal, Pankaj Kapoor and Anupam Mishra as nominees of the President of India are in demat form. 7,800 Equity Shares held by Abhay Thakur, Anand Mohan and Subodh Yadav as the nominees of the President of India are in physical form and shall be in dematerialized prior to the filing of the Red Herring Prospectus with the RoC.

23. The Offered Shares are fully paid-up at the time of Allotment and there are no partly paid Equity Shares as of the date of this Draft Red Herring Prospectus.

24. Our Company does not intend or propose to, nor is under negotiation to alter its capital structure for a period of six months from the Bid/Offer Opening Date, by way of split/ consolidation of the denomination of the Equity Shares or 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 the Bid/ Offer Opening Date until the Equity Shares have been listed on the Stock Exchanges.

25. There shall be only one (1) denomination of the Equity Shares, unless otherwise permitted by law.

26. Our Company shall ensure that any transactions in the Equity Shares by our Promoter, if any (other than transfers between nominees of our Promoter) during the period between the date of filing this Draft Red Herring Prospectus and the date of closure of the Offer shall be reported to the Stock Exchanges within twenty-four (24) hours of such transactions.

27. Except to the extent of sale of the Offered Shares in the Offer for Sale by the Selling Shareholder, our Promoter will not participate in this Offer.

28. Our Company shall comply with such disclosures and accounting norms as may be specified by SEBI from time to time.

## OBJECTS OF THE OFFER

The objects of the Offer are: (i) to carry out the disinvestment of up to 32,500,000 Equity Shares by the Selling Shareholder (the President of India, acting through the Ministry of Jal Shakti, Government of India) constituting 25% of our Company's paid up Equity Share capital our Company; and (ii) to achieve the benefits of listing the Equity Shares on the Stock Exchanges. Our Company will not receive any proceeds from the Offer and all proceeds shall go to the Selling Shareholder after deducting the Offer related expenses and relevant taxes thereon.

Further, our Company expects that listing of the Equity Shares will enhance our visibility and brand image and will also provide a public market for the Equity Shares in India.

Our Company will not directly receive any proceeds from the Offer (the "**Offer Proceeds**") and all the Offer Proceeds will be received by the Selling Shareholder. For details of Offered Shares by Selling Shareholder, please refer *"Other Regulatory and Statutory Disclosures"* beginning on page 355.

**Offer related expenses:**

The total expenses of this Offer are estimated to be approximate ₹ [●] million. The expenses of this Offer include fees payable to the BRLMs and legal counsel, filing fees to SEBI, fees payable to the Statutory Auditor, brokerage and selling commission, underwriting commission, commission payable to Registered Brokers, SCSBs' fees, Registrar's fees, printing and distribution expenses, legal expenses, statutory advertisement and marketing expenses, depository fees, listing fees and all other expenses for listing the Equity Shares on the Stock Exchanges.

All Offer related expenses shall be borne by the Selling Shareholder through the DIPAM. However, expenses in relation to:

(i) the filing fees to SEBI;

(ii) NSE/BSE charges for use of software for the book building;

(iii) payments required to be made to Depositories or the Depository Participants; and

(iv) payments required to be made to Stock Exchanges for initial processing, filing and listing of the Equity Shares .

shall be payable by the Book Running Lead Managers but on a reimbursable basis from DIPAM; and printing and stationery expenses, shall be borne by the Book Running Lead Managers.

Payments, if any, made by our Company in relation to the Offer shall be on behalf of the Selling Shareholder and such payments will be reimbursed to our Company.

The break-up of estimated Offer expenses are as under:

| S. No. | Activity | Estimated amount (₹ in million) (1) | As a % of total estimated Offer expenses (1) | As a % of Offer size (1) |
|---|---|---|---|---|
| 1. | Fees payable to BRLMs (including underwriting fee, brokerage and selling commission). | [●] | [●] | [●] |
| 2. | Commission/ processing fee for SCSBs. Selling commission for Members of the Syndicate, Registered Brokers, RTAs and CDPs, fees payable to the Sponsor Banks for Bids made by Retail Individual Bidders using the UPI Mechanism. (2)(3)(4) | [●] | [●] | [●] |
| 3. | Fees payable to the Registrar to the Offer | [●] | [●] | [●] |
| 4. | Advertising and marketing expenses | [●] | [●] | [●] |
| 5. | Others:<br>(i) Filing fees<br>(ii) Listing fees<br>(iii) SEBI and Stock Exchanges processing fee and book building software fees other regulatory expenses<br>(iv) Fees payable to Legal Counsel<br>(v) Printing and distribution of stationery<br>(vi) Miscellaneous | [●] | [●] | [●] |
| | **Total estimated Offer expenses** | [●] | [●] | [●] |

*Offer expenses include applicable taxes, where applicable. Offer expenses will be incorporated at the time of filing of the Prospectus. Offer expenses are estimates and are subject to change.*

*Selling commission payable to the SCSBs on the portion for RIBs, Non-Institutional Bidders and Eligible Employee(s) which are directly procured and uploaded by the SCSBs, would be as follows:*

| | |
|---|---|
| *Portion for RIBs* | *[●]% of the Amount Allotted* (plus applicable taxes)* |
| *Portion for Non-Institutional Bidders* | *[●]% of the Amount Allotted* (plus applicable taxes)* |
| *Portion for Eligible Employee(s)* | *[●]% 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 processing fees shall be payable by our Company and the Selling Shareholder to the SCSBs on the applications directly procured by them.*

*Processing fees payable to the SCSBs on the portion for RIB, Non-Institutional Bidder and Eligible Employee(s) which are procured by the members of the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSB for blocking, would be as follows:*

| | |
|---|---|
| *Portion for RIB* | *₹ [●] per valid application (plus applicable taxes)* |
| *Portion for Non-Institutional Bidders* | *₹ [●] per valid application (plus applicable taxes)* |
| *Portion for Eligible Employee(s)* | *₹ [●] per valid application (plus applicable taxes)* |

*Selling commission on the portion for RIBs and Eligible Employee(s) using the UPI Mechanism, Non-Institutional Bidders and Eligible Employee(s) which are procured by members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs or for using 3-in-1 type accounts- linked online trading, demat & bank account provided by some of the brokers which are members of Syndicate (including their Sub-Syndicate Members) would be as follows:*

| | |
|---|---|
| *Portion for RIBs* | *[●]% of the Amount Allotted* (plus applicable taxes)* |
| *Portion for Non-Institutional Bidders* | *[●]% of the Amount Allotted* (plus applicable taxes)* |
| *Portion for Employee Reservation Portion* | *[●]% of the Amount Allotted* (plus applicable taxes)* |

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

*The Selling Commission payable to the Syndicate / Sub-Syndicate Members will be determined on the basis of the application form number / series, provided that the application is also bid by the respective Syndicate / Sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / Sub-Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the SCSB and not the Syndicate / Sub-Syndicate Member.*

*Uploading charges payable to members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs on the applications made by RIBs using 3-in-1 accounts, Eligible Employee(s) and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking or using 3-in-1 accounts, would be as follows: ₹ [●] plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), RTAs and CDPs.*

*The selling commission and bidding charges payable to Registered Brokers the RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE.*

*Selling commission/ uploading charges payable to the Registered Brokers on the portion for RIBs and Eligible Employee(s) procured through UPI Mechanism, Non-Institutional Bidders and Eligible Employee(s) which are directly procured by the Registered Broker and submitted to SCSB for processing, would be as follows:*

| | |
|---|---|
| *Portion for RIBs** | *₹ [●] per valid application (plus applicable taxes)* |
| *Portion for Non-Institutional Bidders** | *₹ [●] per valid application (plus applicable taxes)* |
| *Portion for Employee Reservation Portion** | *₹ [●] per valid application (plus applicable taxes)* |

** Based on valid applications*

| | |
|---|---|
| *Uploading charges/ Processing fees for applications made by RIBs and Eligible Employee(s) using the UPI Mechanism would be as under: Members of the Syndicate / RTAs / CDPs (uploading charges)* | *₹ [●] per valid application (plus applicable taxes)* |
| *Sponsor Banks (Processing fee)* | *₹[●] per valid application (plus applicable taxes)*<br>*The Sponsor Banks shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under applicable SEBI circulars, agreements and other Applicable Laws* |

*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 Banks Agreement.*

The processing fees for applications made by RIBs and Eligible Employee(s) 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 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.

**Monitoring Utilization of Funds**

Since the Offer is an Offer for Sale and our Company will not receive any proceeds from the Offer, our Company is not required to appoint a monitoring agency for the Offer.

**Other Confirmations**

Except to the extent of any proceeds received pursuant to the sale of Equity Shares proposed to be sold by the Selling Shareholder, none of our Directors and KMPs will receive any portion of the Offer Proceeds.

## BASIS FOR OFFER PRICE

The Price Band, Floor Price and Offer Price will be determined by our Company and the Selling Shareholder in consultation with the BRLMs on the basis of an assessment of market demand for the Offered Shares through the Book Building Process and on the basis of the following qualitative and quantitative factors. The face value of the Equity Shares of our Company is ₹ 10 each and the Offer Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Investors should also see *"Risk Factors", "Our Business", "Restated Financial Statements"* and *"Management's Discussion and Analysis of Financial Condition and Results of Operations"* on pages 28, 136, 197 and 294, respectively, to have an informed view before making an investment decision.

**Qualitative Factors**

***Competitive Strengths***

Some of the qualitative factors and our strengths which form the basis the Offer Price are:

- Pan India Presence;
- Global experience and reach;
- Established track record in core areas;
- Operational efficiency and quality control through well-established systems and controls;
- Strong image as a "Technical Consultancy" organization;
- Strategic role in Government of India initiatives;
- Strong Order book and Credit Profile;
- Qualified, multi-disciplinary and experienced employee base and proven management team.

For further details, please refer "*Risk Factors and Our Business – Our Competitive Strengths"* on pages 28 and 138, respectively.

**Quantitative Factors**

Some of the information presented below relating to our Company is derived from the Restated Financial Statements. For details, please refer "*Restated Financial Statements*" on page 197.

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"), as adjusted for changes in capital:**

As per our Restated Financial Statement:

| Financial Year ended / Period ended | Basic EPS (in ₹) | Diluted EPS (in ₹) | Weight |
|---|---|---|---|
| March 31, 2022 | 5.32 | 5.32 | 3 |
| March 31, 2021 | 4.65 | 4.65 | 2 |
| March 31, 2020 | 11.33 | 11.33 | 1 |
| **Weighted Average** | **6.10** | **6.10** | |

*Note:*

*(i) The face value of each Equity Share is ₹ 10.*

*(ii) Basic EPS = Restated profit/loss for the year attributable to equity shareholders divided by weighted average number of equity shares outstanding during the year.*

*(iii) Diluted EPS = Restated profit for the year attributable to equity shareholders divided by weighted average number of diluted equity shares outstanding during the year.*

*(iv) Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year/Total of weights.*

*(v) The EPS has been calculated in accordance with Ind AS 33 'Earnings per share' prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Companies Act.*

**B. Price/ Earning (P/E) ratio in relation to the Price Band of ₹ [●] to ₹ [●] per Equity Share:**

| Sr. No. | Particulars | P/E at the Floor Price (no. of times) | P/E at the Cap Price (no. of times) |
|---|---|---|---|
| 1. | Based on basic EPS as per the Restated Financial Statements for Fiscal 2022 | [●]* | [●]* |
| 2. | Based on diluted EPS as per the Restated Financial Statements for Fiscal 2022 | [●]* | [●]* |

**To be disclosed upon determination of the Price Band.*

**Industry Peer Group P/E ratio**

| Particulars | Industry P/E |
|---|---|
| ▪ Highest | 26.81 |
| ▪ Lowest | 13.77 |
| ▪ Average | **20.29** |

*Notes: The industry high and low has been considered from the industry peer set in EPC industry, provided later in this chapter. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section. For further details, please see the paragraph entitled "Comparison listed industry peers" on next page.*

**C. Average Return on Net Worth ("RoNW"):**

**As per the Restated Financial Statements:**

| Financial Year ended/ Period ended | RoNW (%) | Weight |
|---|---|---|
| March 31, 2022 | 9.99 | 3 |
| March 31, 2021 | 9.36 | 2 |
| March 31, 2020 | 24.21 | 1 |
| **Weighted Average** | **12.15** | |

*Notes:*

*(i) Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year/Total of weights.*

*(ii) Return on Net Worth (%) = Net Profit after tax attributable to owners of our Company, as restated / Restated net worth at the end of the year/period.*

*(iii) 'Net worth': Net worth has been defined as the 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, as per the Restated Financial Statements, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as on March 31, 2022, March 31, 2021 and March 31, 2020 in accordance with Regulation 2(1)(hh) of the SEBI ICDR Regulations.*

**D. Net Asset Value ("NAV") per Equity Share, as adjusted for changes in capital:**

| Financial Year ended/Period ended | NAV per Equity Share (₹) |
|---|---|
| As on March 31, 2022 | 52.95 |
| After the completion of the Offer | At the Floor Price: [●]<br>At the Cap Price: [●] |
| Offer Price | [●] |

There will be no change in NAV post this Offer as this Offer is by way of Offer for Sale by the Selling Shareholder.

***Note:***

*(i) NAV per Equity Share = Net worth as per the Restated Financial Statements / Number of equity shares outstanding during the year.*

*(ii) Net worth has been defined as the 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, as per the Restated Financial Statements, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation in accordance with Regulation 2(1)(hh) of the SEBI ICDR*

*Regulations.*

*(iii) The Floor Price and Cap Price will be included in the Prospectus.*

*(iv) Offer Price per Equity Share will be determined on conclusion of the Book Building Process.*

## E. Comparison of accounting ratios with Listed Industry Peers

| Name of the Company | Total Income (₹ in million) | Face value per equity share (₹) | P/E Ratio(2) | EPS (Basic) (3) (₹) | EPS (Diluted) (3) (₹) | RoNW (5) (%) | NAV per equity share(4) (₹) |
|---|---|---|---|---|---|---|---|
| WAPCOS Limited* | 8,663.73 | 10 | - | 5.32 | 5.32 | 9.99 | 52.95 |
| **Listed Peers** | | | | | | | |
| Engineers India Limited | 0,427.19 | 5 | 26.81 | 2.48 | 2.48 | 7.92 | 31.34 |
| RITES Limited | 7,452.80 | 10 | 13.77 | 21.49 | 21.49 | 20.79 | 103.35 |
| Va Tech Wabag Limited | 30,116.90 | 2 | 13.87 | 21.21 | 21.21 | 9.37 | 222.02 |
| NBCC (India) Limited | 8,845.65 | 1 | 26.72 | 1.25 | 1.25 | 13.47 | 9.25 |

**Our financial information is derived from our Restated Financial Information for the year ended March 31, 2022.*

*Notes:*

*(1) Source: All the financial information for listed industry peers mentioned above is sourced from the regulatory filings made by aforesaid companies to stock exchanges for the year ended March 31, 2022 to compute the corresponding financial ratios. All the financial information is on a consolidated basis.*

*(2) P/E figures for the peers are based on closing market prices of equity shares on BSE on September 19, 2022 divided by the Basic EPS as at March 31, 2022.*

*(3) Basic and Diluted Earnings per share of the listed industry peers have been sourced from the financial statements of the respective companies for the year ended March 31, 2022.*

*(4) NAV per share for listed industry peers is computed as the total equity (excluding capital reserve and revaluation reserve) as on March 31, 2022 divided by the outstanding number of equity shares as on March 31, 2022.*

*(5) Return on Net Worth (%) for listed industry peers has been computed based on the Profit for the year ended March 31, 2022 divided by total equity (excluding capital reserve and revaluation reserve) as on March 31, 2022.*

## F. The Offer price is [●] times of the face value of the Equity Shares.

The Offer Price of ₹ [●] has been determined by our Company and the Selling Shareholder in consultation with the BRLMs on the basis of demand from the investors for Equity Shares through the Book-Building Process and is justified in view of the above qualitative and quantitative parameters.

Bidders should read the above-mentioned information along with "*Risk Factors*", "*Our Business*", "*Restated Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 28, 136, 197 and 294, 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"* on page 28 and you may lose all or part of your investments.

# STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

Date: September 23, 2022

**The Board of Directors**
WAPCOS Limited
A Government of India Undertaking – Ministry of Jal Shakti,
5th Floor, Kailash Building,
26, Kasturba Gandhi Marg,
New Delhi - 110 001, India

**IDBI Capital Markets & Securities Limited**
6th Floor, IDBI Tower, WTC Complex
Cuffe Parade,
Mumbai- 400005, India

**SMC Capitals Limited**
11/6B, 1st Floor,
Shanti Chambers, Pusa Road,
New Delhi-110005, India

(IDBI Capital Markets & Securities Limited and SMC Capitals Limited are hereinafter collectively referred to as the "**Book Running Lead Managers**" or "**BRLMs**")

**Re: Proposed initial public offering of equity shares of Rs. 10 each (the "Equity Shares") of WAPCOS Limited (the "Company" and such offering, the "Offer") through an offer for sale by the President of India, acting through the Ministry of Jal Shakti, Government of India.**

Dear Sirs,

We, Serva Associates, Chartered Accountants, the statutory auditors of the Company, hereby report the possible special tax benefits under direct and indirect tax laws, including under the Income Tax Act, 1962, as amended, Income Tax Rules, 1962, amendments made by Finance Act, 2022 (hereinafter referred to as 'Income Tax Laws'), the Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975, as amended by the Finance Act 2021 including, relevant rules and regulations, notifications and circulars there under, Foreign Trade Policy presently in force in India, available to the Company, its shareholders, and it's subsidiary identified as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 As Amended being National Projects Construction Corporation Limited (such entity referred to as "Material Subsidiary") in the enclosed statement at the **Annexure 1.**

Several of these stated tax benefits/consequences are dependent on the Company or its shareholders and Material Subsidiary, as the case may be, fulfilling the conditions prescribed under the relevant tax laws. Therefore, the ability of the Company or its shareholders to derive the stated tax benefits is dependent on fulfilling such conditions, which based on business imperatives the Company, its shareholders and faces in the future, the Company, and its shareholders may or may not choose to fulfill.

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 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.

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 discussed in the enclosed annexure are not exhaustive. The Annexure is for your information and for inclusion in the draft red herring prospectus (the "**DRHP**"), updated draft red herring prospectus (the "**UDRHP**"), red herring prospectus (the "**RHP**"), the prospectus (the "**Prospectus**") and any other offering material in connection with Offer ("**Offer Documents**"), as amended or supplemented thereto or any other written material in connection with the proposed Offer and 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. Neither are we suggesting nor advising the investor to invest money based on this statement.

We do not express any opinion or provide any assurance as to whether:

i) the Company has availed of any of these benefits in the past;

ii) the Company has fulfilled the requisite conditions in the past to obtain these benefits;

iii) the Company and/or its shareholders and/or its Material Subsidiary will continue to obtain these benefits in future; or

iv) 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 and on the basis of our understanding of the business activities and operations of the Company.

We also consent to the references to us as "Experts" as defined under Section 2(38) and Section 26 of the Companies Act, 2013 to the extent of the certification provided hereunder and included in the Offer Documents of the Company or in any other documents in connection with the Offer.

We hereby consent to extracts of, or reference to, this certificate being used in the Offer Documents and other offering materials, as required, in connection with the Offer. We also consent to the submission of this certificate as may be necessary, to any regulatory authority 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.

This certificate has been issued at the request of the Company for use in connection with the Offer and may accordingly be furnished as required to the stock exchanges or any other regulatory authorities as required.

We conducted our examination in accordance with the "Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)" (the "Guidance Note") issued by the Institute of Chartered Accountants of India and in accordance with 'Guidance Note on Reports in Company Prospectuses' (Revised 2019). The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Charted Accountants of India.

We hereby confirm that while providing this certificate we have complied with the Code of Ethics issued by the Institute of Chartered Accountants of India.

This certificate may be relied upon by the Company, Book Running Lead Managers and the legal counsels appointed in relation to the Offer.

We undertake to immediately update you of any changes in the above mentioned information until the Equity Shares of the Company 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 of the Company commence trading on the Stock Exchanges, pursuant to the Offer.

Sincerely,

**For: Serva Associates**
**Chartered Accountants**
**Statutory Auditors**
**Firm Registration No: 000272N**

**C.A. Nitin Jain**
**Partner**
**Membership No. 506898**
**UDIN: 22506898AUJKVK9517**
**Place: Delhi**
**Date: September 26, 2022**

Encl: Statement of Special Tax Benefits available to the Company or its shareholders or its material subsidiary

**ANNEXURE 1: STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA UNDER THE INCOME TAX ACT, 1961 ("THE ACT")**

1. The Company had opted for New Regime as per Section 115BAA of the Income Tax Act, 1956 and opted for Corporate Income Tax Rate @ 25.168% for which the Form 10IC was filed with the Income Tax Department during the Assessment Year 2021-22.

2. Also, there are no special tax benefits available to its shareholders for investing in the shares of the Company.

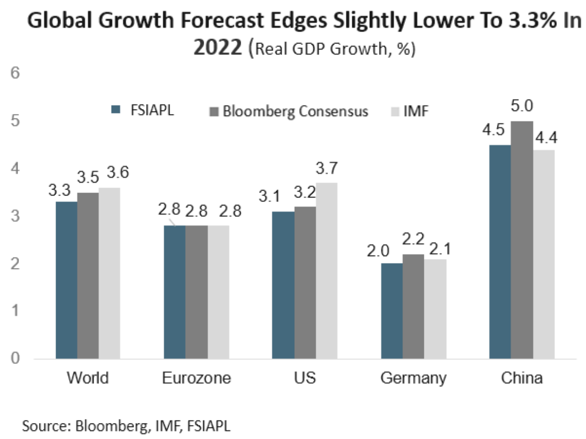
## SECTION V: ABOUT OUR COMPANY

## INDUSTRY OVERVIEW

*Unless noted otherwise, the information in this section has been obtained or derived from the "Industry Research Report on the Engineering Consultancy Service Business in India and Global Countries dated September 23,, 2022, by Fitch Solutions India Advisory Private Limited (erstwhile IRR Advisory Services Private Limited) (the "Industry Report"), as well as other industry sources and government publications. All information contained in the Industry Report has been obtained by Fitch Solutions from sources believed by it to be accurate and reliable. Although reasonable care has been taken by Fitch Solutions to ensure that the information in the Industry Report is true, such information is provided 'as is' without any warranty of any kind, and Fitch Solutions in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. All information and estimates contained herein must be construed solely as statements of opinion, and Fitch Solutions shall not be liable for any losses incurred by users from any use of this publication or its contents. Neither our Company, nor the BRLMs or any other person connected with the Offer has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on, or base their investment decision on this information.*

### MACROECONOMIC OVERVIEW

Fitch Solutions India Advisory Pvt. Ltd. (FSIAPL) (erstwhile IRR Advisory Services Pvt. Ltd.) expects the global economy to grow by 3.3% in 2022. At 3.3%, our forecast for global growth remains below the Bloomberg consensus estimate of 3.5% as well as the IMF's April 2022 forecast of 3.6%. FSIAPL's growth forecasts was driven primarily by Russia, Germany and China. Central banks continue to tighten policy and developed markets (DMs) are slowly catching up with emerging markets (EMs) tightening cycles. FSIAPL expects DM Central banks will start to move more quickly over the coming months and particularly in the US and the eurozone. FSIAPL now forecasts the US Federal Reserve will raise interest rates to 2.0% in 2022. In the eurozone, FSIAPL expects the European Central Bank will start to normalise monetary policy and hike interest rates in Q42022.




An overview of the global macro economic projections is given in the table below:

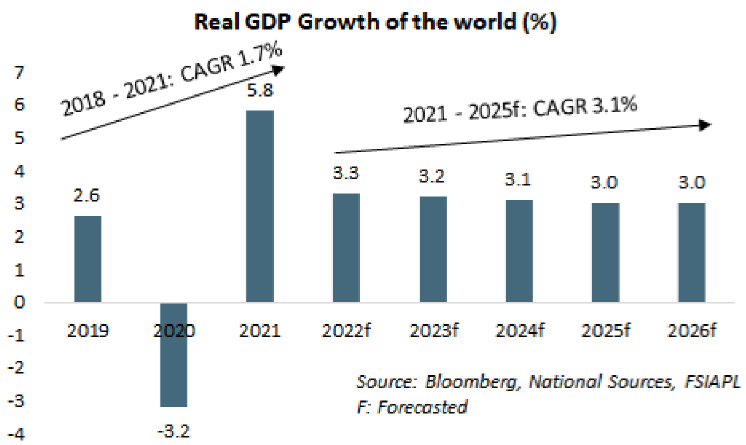
**Global Macro Economic Forecasts (2019-2026)**

| Name of the Country/ Economy | 2019 | 2020 | 2021 | 2022f | 2023f | 2024f | 2025f | 2026f |
|---|---|---|---|---|---|---|---|---|
| **Real GDP Growth (%)** | | | | | | | | |
| United States | 2.3 | -3.4 | 5.7 | 3.1 | 2.0 | 2.0 | 2.0 | 2.0 |
| Eurozone | 1.6 | -6.3 | 5.4 | 2.8 | 2.4 | 2.0 | 1.7 | 1.7 |
| Japan | -0.2 | -4.5 | 1.7 | 2.3 | 1.3 | 1.0 | 1.0 | 0.9 |
| China | 6.0 | 2.3 | 8.1 | 4.5 | 5.5 | 5.4 | 5.3 | 5.2 |
| India | 6.5 | 4 | -6.6 | 8.9 | 7.2 | 6.4 | 6.5 | 6.9 |
| World | 2.6 | -3.2 | 5.8 | 3.3 | 3.2 | 3.1 | 3 | 3.0 |
| **Regionwise Real GDP Growth (%)** | | | | | | | | |
| Developed Markets | 1.8 | -4.4 | 5.2 | 3.1 | 2.1 | 2.0 | 1.9 | 1.9 |
| Emerging Markets | 3.7 | -1.3 | 6.7 | 3.7 | 4.7 | 4.7 | 4.4 | 4.4 |
| Asia Ex-Japan | 5.4 | 0.3 | 7.5 | 5 | 5.6 | 5.5 | 5.4 | 5.4 |
| Latin America | 0.8 | -6.6 | 6.6 | 1.9 | 2.2 | 2.4 | 2.4 | 2.5 |
| Emerging Europe | 2.9 | -2.1 | 6.2 | -3.9 | 3.5 | 3.8 | 2.7 | 2.3 |
| Sub-Saharan Africa | 2.8 | -1.9 | 4.2 | 3 | 3.6 | 3.5 | 3.6 | 3.9 |
| Middle East & North Africa | 0.3 | -3.0 | 4.2 | 5.6 | 4.0 | 3.7 | 3.6 | 3.6 |
| **Consumer Inflation (avg)** | | | | | | | | |
| United States | 1.8 | 1.2 | 4.7 | 6.5 | 2.5 | 2.2 | 2.1 | 2.2 |
| Eurozone | 1.2 | 0.3 | 2.6 | 6.5 | 2.3 | 2.0 | 2.0 | 2.0 |
| Japan | 0.5 | 0.0 | -0.3 | 0.4 | 0.8 | 1.0 | 1.0 | 1.0 |
| China | 2.9 | 2.5 | 0.9 | 2.7 | 3.1 | 2.3 | 2.3 | 2.3 |
| India | 3.4 | 4.8 | 6.2 | 6.7 | 5.7 | 4.8 | 4.0 | 4.0 |
| World | 2.9 | 2.8 | 4.4 | 6.6 | 3.9 | 2.9 | 2.8 | 2.8 |
| **Interest rates (%)** | | | | | | | | |
| Fed Funds Rate | 1.75 | 0.25 | 0.25 | 2.00 | 2.50 | 2.50 | 2.50 | 2.50 |
| ECB Refinancing Rate | 0.00 | 0.00 | 0.00 | 0.00 | 0.75 | 0.75 | 1.25 | 1.25 |
| Japan Overnight Call Rate | -0.10 | -0.10 | -0.10 | -0.10 | -0.10 | 0.00 | 0.00 | 0.00 |
| **Exchange Rates (avg)** | | | | | | | | |
| Eurozone - USD/EUR | 1.12 | 1.14 | 1.18 | 1.13 | 1.16 | 1.20 | 1.23 | 1.24 |
| Japan - JPY/USD | 109 | 106 | 104 | 116 | 117 | 117 | 114 | 114 |
| China - CNY/USD | 6.91 | 6.90 | 6.45 | 6.40 | 6.55 | 6.68 | 6.72 | 6.74 |
| India - INR/USD | 70.4 | 74.10 | 73.9 | 78.0 | 80.0 | 82.0 | 84.0 | 84.0 |
| **Oil Prices (avg)** | | | | | | | | |
| OPEC Basket (USD/bbl) | 64.04 | 41.47 | 69.89 | 113.00 | 105.00 | 93.00 | 87.00 | 87.00 |
| Brent Crude (USD/bbl) | 64.16 | 43.21 | 70.95 | 115.00 | 110.00 | 95.00 | 88.00 | 88.00 |

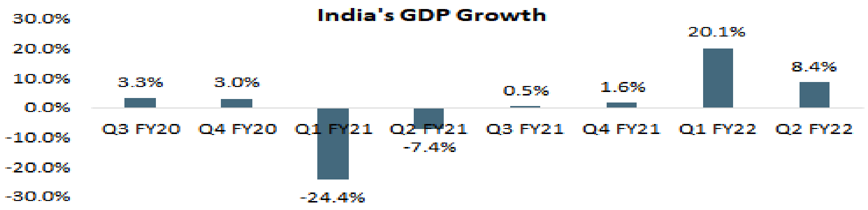
**f=forecasted*
*Source – Bloomberg, National Sources, FSIAPL*

**CAGR of the World GDP growth rate in the past and projected CAGR for the next 5 years**

The CAGR growth for the period 2018 – 2021 was low at 1.7% due to degrowth of economies around the world because of global pandemic. Though there are current challenges faced by the global economies like geopolitical issues, high inflation, high oil prices, supply chain factors impacting the growth, the CAGR growth forecasted for the period 2021 – 2026f is 3.1%.




India's quarterly GDP grew by 8.4% in the second quarter of FY22 compared to the same quarter in the previous fiscal year. While continuing to be a positive change, it was a significant reduction from the performance during the first quarter of FY22 when GDP growth peaked by 20.0%.




*Source: Statista, FSIAPL*

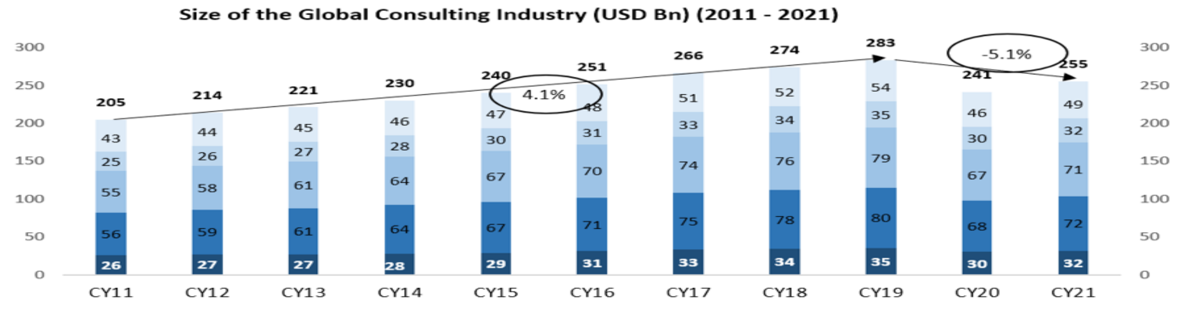
**Overview of Consultancy Business**

The global consulting sector is one of the professional services industry. Typically, the entire gamut of business consulting services, is referred to as management consulting.

A brief overview of the key consulting service areas is provided below:

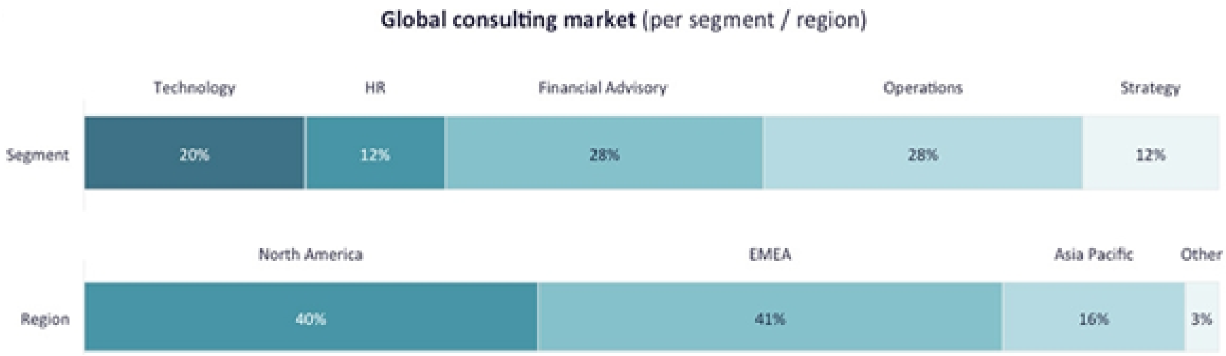
- Strategy consulting is the one of the prestigious segment within the professional services industry - The market for strategy consulting services encompasses corporate strategy, business model transformation, economic policy, mergers & acquisitions, organisational strategy, functional strategy, and operations & digital Strategy.
- Service areas in operations consulting include organisational operations, sales & marketing, supply chain, sourcing & procurement, finance, business process management, research and development, and outsourcing.
- Engineering consultancy & EPC services market consists of sale of engineering services. Engineering services include technical application of engineering in product designing, innovations and others in industries such as building construction, mining, power and energy, transportation, manufacturing and others.
- Financial advisory helps organisations deliver and implement strong financial fundament, systems and frameworks. Financial advisory includes transaction services, corporate finance, risk management, accounting advisory, tax advisory, real estate advisory, and forensics & litigation.
- Human resource (HR) consulting spans advisory and implementation activities related to the management of an organisation's human capital and the HR functions.
- Internet technology (IT) consulting relates to services aimed at helping clients on utilising IT and digital to optimally achieve their business goals. Broad domains in IT consulting services include IT strategy, IT architecture, ERP services, data analytics and IT security.

Over the past decades, the global consulting market has expanded to become a multi-billion-dollar industry, ranging from just over USD 205.0 billion in current year (CY) 11 up to USD 283.0 billion in CY19. Based on the service areas included, FSIAPL estimates the global consultancy market at USD 241.0 billion in CY20, shrinking ~15% from USD 283.0 billion in CY19 due to the global pandemic and reduction in discretionary spending by the organisations. However, during the period CY11 to CY19, the global consulting market expanded at a CAGR of 4.1%.



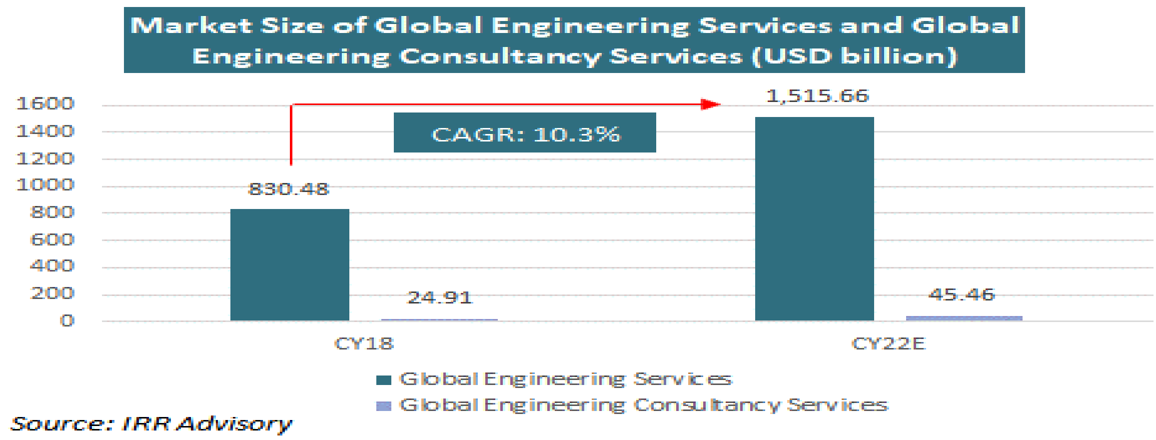

*Source: Consultancy.org, FSIAPL*

The North American consulting market is regarded as the most mature region globally, although the EMEA region – Europe, the Middle East and Africa – lead in terms of market size, holding a 41% share of the overall consultancy economy. North America and EMEA constitute over 80% of the global consulting market but have been growing at a decadal annual CAGR of 3.6% while the Asia Pacific and Oceania regions have grown at a 6.0% CAGR during the corresponding period. Asia Pacific is expected to continue growing at similar levels, though it is expected that Latin America and Africa – at double digit growth – will be the fastest growing markets over the medium term.

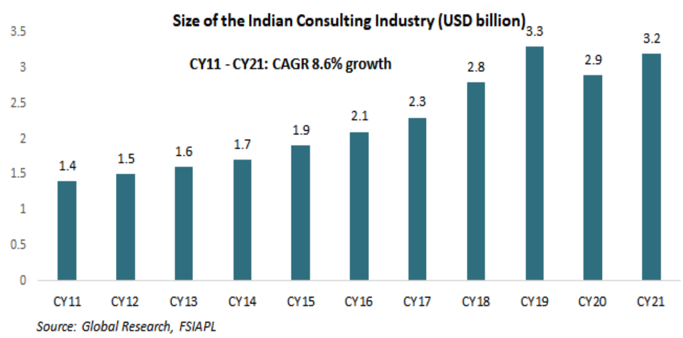



Rising competition across business sectors, leading to need for consulting and gaining a competitive advantage, has been driving the global consultancy industry. The growth of the consultancy industry is closely tied to the developments in the global economy. More recently, digital and business model disruptions have emerged as the driving factor, particularly in the more mature markets.

The global engineering services market is expected to grow from USD 830.5 billion in CY18 to USD 1,515.7 billion in CY22 at a CAGR of 10.3%. The engineering services market is expected to benefit from steady economic growth in developed and developing countries. The International Monetary Fund (IMF) predicts that the global real GDP growth will be mainly driven by regions of Asia and Africa. As per FSIAPL estimates, the global engineering consultancy market is about 2.5%-3% of the global engineering services market which is expected to increase from USD 24.9 billion in CY18 to USD 45.5 billion in CY22 growth rate being in-line with global engineering services market. Global engineering services market and global engineering consultancy market growth from CY18 to CY22 are provided below:




The Indian management consulting industry has also grown, fueled by the advancement in technology and rapid adoption of mobile devices. This fast growth of this sector in India has been driven by India's favourable investment climate and entry of multi-national corporation (MNCs) in India, and strong capabilities in areas like IT, finance, engineering and telecommunications. As per FSIAPL, the Indian consulting industry grew at a CAGR of 11.3% during CY11 to CY19 to reach USD 2.9 billion in CY19.




The Indian consultancy industry benefits from professional competence, low-cost manpower, knowledge of English, programming & domain skills, strong project management, interpersonal skills, and global acceptance. However, inadequate marketing budget, low brand equity, lack of strategic tie-ups, insufficient international experience, and low levels of R&D, have been impediments for the Indian consultancy industry to expand overseas. To improve their global presence, there is a need for Indian consultancy firms to define their specializations and differentiate themselves from their competitors.

**Engineering consultancy services**

Engineering consultancy services professionals provide services from concept to commissioning and even thereafter for operation and maintenance of the asset that is built. It is a service which can be availed for the complete life cycle of the built asset. The professional services thus inter alia involve pre-feasibility studies, feasibility studies, basic studies, detailed engineering, project management, procurement assistance, construction monitoring/ supervision, inspection & expediting, testing and commissioning and where called for, operation and maintenance for all types of project to diverse nature of clients – governments, lenders, private companies/ owners, industries, developers or contracting companies.

Some of the consultants have been engaged directly by bilateral and multi-lateral banks (MBDs) are an international financial institution chartered by two or more countries for the purpose of encouraging economic development in poorer nations) such as the World Bank (WB), Asian Development Bank (ADB), Kreditanstalt für Wiederaufbau (KfW), Japan International Cooperation Agency (JICA), Japan Bank for International Cooperation (JBIC), United Kingdom – Department for International Development, UK (DFID), United States Agency for International Development (USAID), Indian financial institutions, nationalised and private banks. Indian consultants are being engaged by the MBDs and others in competition with consultants from developed countries.

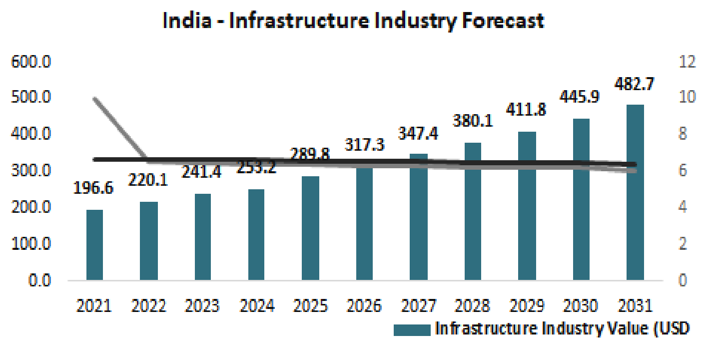
The requirement of engineering consultancy services for projects within India has grown multi-fold due to large investments in all sectors. Government's funding is of course the maximum in the infrastructure sector. Generally, the services provided under engineering consultancy may be broadly grouped as shown in the table.

| Sr. No. | Pre-project stage | Detailed project reports | Project stage | Post-project stage |
|---|---|---|---|---|
| 1 | Survey & Geotechnical Investigation Studies | Concept & Basic Studies | Detailed Design & Engineering | Operation & Maintenance Consultancy |
| 2 | Feasibility Studies | Techno-Economic Feasibility | Tender Specifications & Tender Documents | Asset Management |
| 3 | Master Plans | System Studies | Procurement Assistance | |
| 4 | Technical Evaluation Studies | Project Costing | Inspection & Expediting | |
| 5 | Due Diligence Studies | Advisory Services | Construction Monitoring/ Supervision | |
| 6 | | Business Plans | Testing & Commissioning | |
| 7 | | Training/ Knowledge Transfer | Project Management | |
| 8 | | Management Services | Quality Management | |
| 9 | | Technical Assistance | Safety, Health & Environment | |
| 10 | | Renovation & Modernisation (R&M) Studies | | |
| 11 | | Operation & Maintenance (O&M) Studies | | |
| 12 | | Due Diligence Studies | | |

*Source: Consulting Engineers Association of India*

**Total engineering consultancy services size in India**

India's infrastructure sector will see robust growth over the coming decade, underpinned by strong macroeconomic and demographic fundamentals, supportive regulatory policies, and rising levels of public and private investment, which have already expanded the project pipeline significantly. We expect growth to be driven largely by the transport and non-residential building sector, although most other key sectors will also see growth opportunities. In the near term, the sector may face some downside risks stemming from continued disruptions across supply chains and elevated construction input prices, although we believe the growth




*Source: FSIAPL*
*Note: Values for the period 2022 - 2031 is forecasted*
*1 USD = 79.46 Indian Rupees*

outlook will remain largely positive.

The engineering consultancy services industry size is around ~1.2% of the total infrastructure market in India. The industry is proportional to the growth of the infrastructure development in the country. The infrastructure consultancy sector in India with total share includes energy (24.2%), roads (18.3%), railways (12.3%), ports (1.1%), airports (1.3%), urban (17.3%), irrigation (8.0%) and others (17.6%). The engineering consultancy services in India is expected to grow with the CAGR of 9.4% from USD 3.9 billion in 2021 to USD 5.8 billion in 2031.

**Energy and utilities infrastructure data**

| Energy and utilities infrastructure | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Energy and utilities infrastructure industry growth (%) | 8.0 | 6.9 | 6.7 | 6.5 | 6.4 | 6.2 | 6.2 | 6.2 | 6.2 | 6.2 | 6.2 |
| Power plants and transmission grids infrastructure growth (%) | 8.2 | 7.4 | 7.4 | 7.3 | 7.3 | 7.3 | 7.2 | 7.2 | 7.2 | 7.1 | 7.1 |
| Oil and gas pipelines infrastructure industry growth (%) | 5.8 | 4.7 | 3.6 | 2.7 | 1.9 | 0.3 | 0.2 | 0.2 | 0.2 | 0.2 | 0.1 |
| Water infrastructure industry growth (%) | 8.2 | 5.8 | 5.3 | 4.8 | 4.2 | 4.0 | 3.7 | 3.7 | 3.6 | 3.5 | 3.4 |

*Source: FSIAPL*

*Note: Values for the period 2022 - 2031 is forecasted*

Strong growth in India's water infrastructure industry, which we forecast will average 4.1% in real terms between 2021 and 2031, is underpinned by the need to provide services to a growing urban population. Power plants and transmission grids will also witness average growth of 6.3%.

**Government Contracts**

The potential projects under Government Budget in the infrastructure sector will create enormous opportunities for EPC consultants. The huge infrastructure gaps in the country will increase the demand for construction sector. Further, rapid population growth would lead to increased pace for urbanization. The Government of India has taken a plethora of initiatives to push the infrastructure sector. Specific notable developments have been initiated such as Bharatmala project, electrification of railway tracks, dedicated freight corridors (DFCs), focus on the metro and high-speed trains, Sagarmala project, construction of roads and highways, amongst others.

**Railways sector**

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In Union Budget 2021, the government has given a massive push to the infrastructure sector by allocating INR 2.3 trillion to enhance the transport infrastructure. The government expanded the 'National Infrastructure Pipeline (NIP)' to 7,400 projects.

**Semi high-speed train projects, high speed train projects and bullet trains**

In the next five years, Indian railway market will be the third largest, accounting for 10.0% of the global market. Indian Railway is targeting to increase its freight traffic to 3.3 billion tonnes by 2030 from 1.1 billion tonnes in 2017. Indian Railways plans to achieve 2,024 MT (metric tonne) loading in 2024 from the current 1,200-1,300 MT. It is projected that freight traffic via the Dedicated Freight Corridors will increase at a CAGR of 5.4% to 182 MT in FY2021-22 from 140 MT in 2016-17. As part of the National Rail Plan for 2030, Indian Railways is expected to create a future-ready railway system by 2030 to bring down logistics cost and ensure 100.0% electrification of broad rail routes by December 2023.

**Road Sector**

Ministry of Road Transport & Highway (MoRTH) has made a record by constructing almost 37 km (36.4 km a day) of highways every day during FY2021, in the challenging year of COVID-19, while the highway construction was 28 km a day in FY20 and peaked at 30 km per day in FY2019. The Government of India has allocated INR 111.0 trillion under the National Infrastructure Pipeline for FY2019-25. The roads sector is likely to account for 18.0% capital expenditure over FY2019-25. In the road's sector, the Government's policy to increase private sector participation has proved to be a boon for the infrastructure industry as many private players are entering the business through the public private partnership (PPP) model. India is expected to become the third largest construction market globally by 2022.

**Government Initiatives as to facilitate implementation of Road Projects:**

A 32.0% increase in the capital outlay for MoRTH in FY22 in the budget estimates over FY21 budget estimates is expected to provide a significant boost to construction of highways, already on an upward trajectory over the past few years. The total allocation, including revenue expenditure, for FY22 stands at INR 1.2 trillion, up from INR 1.0 trillion in FY21. The capital allocation for MoRTH for FY22 stood at INR 1,082.3 trillion which is the highest-ever for the ministry against INR 819.8 trillion of FY21, and in FY20, it was INR 683.7 billion (actual).

The Government has permitted 100% Foreign Direct Investment (FDI) in the road sector. Several foreign companies have formed partnerships with Indian players to capitalize on the sector's growth. The Government also aims to boost public-private investments in the road sector through various schemes like Bharatmala scheme, National Highway Development Project (NHDP), and Pradhan Mantri Gram Sadak Yojna (PMGSY), amongst others. The Government, through a series of initiatives, is working on policies to attract significant investor interest.

**Defence Infrastructure**

India's defence manufacturing sector has been witnessing a CAGR of 3.9% between 2016 and 2021. The Indian government has set the defence production target at USD 25.0 billion by 2025 (including USD 5.0 billion from exports by 2025). Defence exports in India were estimated to be at USD 1.3 billion in 2019-20. India's defence import value is around USD 469.5 million in FY21. Defence exports in the country witnessed strong growth in the last two years. India targets to export military hardware worth USD 5.0 billion in the next 5 years. As of 2021, India ranked 19$^{th}$ in the list of top defence exporters in the world by exporting defence products to 42 countries.

**Oil and water pipes**

As per Capital mind India has emerged as one of the major producers of steel pipes after Europe and Japan, India has emerged as one of the major producers of steel pipes. India's advantage lies in being able to produce steel products at a lower cost as well as the abundance of raw materials. The global market for the same is valued at USD 90.0 billion, and it is projected to grow over the next three years at a CAGR of 4.0%. The Indian steel pipe industry is valued around INR 550.0 billion.

Government investment in water supply and sanitation, and also wastewater treatment, will increase the demand for ductile iron pipes.

**Port Harbour and Inland waterways**

According to the Ministry of Shipping, around 95.0% of India's trading by volume and 70.0% by value is done through maritime transport. India has 12 major and 205 notified minor and intermediate ports. Under the National Perspective Plan for Sagarmala, six new mega ports will be developed in the country. The Indian Government plays an important role in supporting the ports sector. It has allowed Foreign Direct Investment (FDI) of up to 100.0% under the automatic route for port and harbour construction and maintenance projects. It has also facilitated a 10-year tax holiday to enterprises that develop, maintain and operate ports, inland waterways and inland ports.

India has plans to invest USD 82.0 billion in port projects by 2035 while Indian ports received cumulative FDI inflow worth USD 1.6 billion between April 2000 and June 2021. Providers of services such as operation and maintenance (O&M), pilotage and harbouring and marine assets such as barges and dredgers are benefiting from these investments. The capacity addition at ports is expected to grow at a CAGR of 5-6.0% till 2022, thereby adding 275-325 MT of capacity.

As part of the Sagarmala project, more than 574 projects worth USD 82.0 billion have been planned for implementation between 2015 and 2035.

**Water supply and sanitation**

More than 900 million of India's population is exposed to dangers such as the presence of arsenic in water. India is believed to be losing 40.0% of its water owing to leakages in water supply. It also has a poor record in water harvesting and stocks only 6.0% of the 1,170 mm of average rainfall it receives annually. The treatment of wastewater is another crucial facet that needs tackling. At present, the country is capable of treating close to 22,963 million liters of wastewater per day, which constitutes 37.0% of the entire wastewater generated. The country's water and sanitation segment is growing at an annual growth rate of 18.0% and is currently valued at USD 420.0 million.

**Government's Initiative**

In May 2019, the Government of India established the Ministry of Jal Shakti by consolidating the Ministry of Water Resources, River Development & Ganga Rejuvenation and Ministry of Drinking Water and Sanitation. The ministry is responsible for laying down policy guidelines and programmes for the development and regulation of the country's water resources.

The government has implemented the Jal Jeevan Mission, which aims to provide safe and drinking water through individual connections by 2024 to all households in rural India. This would entail the development of piped water supply infrastructure for villages and tap water connection to every rural household in the country. Of the targeted 19,19,63,738 households, 4,19,71,055 houses (21.9%) have been provided with a tap water connection as of May 2021. This government initiative has had a major impact on the production of water pipes, giving a major boost to the pipe industry. Similar initiatives by state governments have also resulted in an increased demand for pipes.

| Sr. No. | States/ UT | Budget (INR billion) | % share |
|---|---|---|---|
| 1 | Andaman & Nicobar Islands | 1.4 | 0.0% |
| 2 | Andhra Pradesh | 149.7 | 4.2% |
| 3 | Arunachal Pradesh | 5.0 | 0.1% |
| 4 | Assam | 139.7 | 3.9% |
| 5 | Bihar | 431.7 | 12.0% |
| 6 | Chattisgarh | 96.9 | 2.7% |
| 7 | Goa | 4.0 | 0.1% |
| 8 | Gujarat | 34.4 | 1.0% |
| 9 | Haryana | 37.7 | 1.0% |
| 10 | Himachal Pradesh | 14.5 | 0.4% |
| 11 | Jammu & Kashmir | 28.2 | 0.8% |
| 12 | Jharkhand | 116.9 | 3.2% |
| 13 | Karnataka | 111.8 | 3.1% |
| 14 | Kerala | 188.3 | 5.2% |
| 15 | Madhya Pradesh | 235.8 | 6.6% |
| 16 | Maharashtra | 200.4 | 5.6% |
| 17 | Manipur | 10.2 | 0.3% |
| 18 | Meghalaya | 11.3 | 0.3% |
| 19 | Mizoram | 2.2 | 0.1% |
| 20 | Nagaland | 7.5 | 0.2% |
| 21 | Odisha | 192.5 | 5.3% |
| 22 | Puducherry | 1.0 | 0.0% |
| 23 | Punjab | 38.0 | 1.1% |
| 24 | Rajasthan | 200.6 | 5.6% |
| 25 | Sikkim | 0.0 | 0.0% |
| 26 | Tamil Nadu | 170.9 | 4.7% |
| 27 | Telangana | 88.7 | 2.5% |
| 28 | Tripura | 20.5 | 0.6% |
| 29 | Uttar Pradesh | 629.6 | 17.5% |
| 30 | Uttarakhand | 31.9 | 0.9% |
| 31 | West Bengal | 397.5 | 11.0% |
| | **India** | **3,598.8** | **100.0%** |

*Source: Jindal Saw Limited's annual report*

Other initiatives taken by the government over the years to deal with challenges in water supply and sanitation include the Atal Mission for Rejuvenation and Urban Transformation (AMRUT), Jal Shakti Abhiyan, Jeevan mission, Har Ghar Jal and the National Water Quality Sub Mission (for treatment of arsenic and fluoride). As per estimates provided by NITI Aayog, almost 50% of the country's requirement of water will remain unfulfilled by 2030, leaving headroom for growth for initiatives in water supply, and thereby the pipe industry.

**Soil and water conservation in India**

Watershed Development Project in Shifting Cultivation Areas, Accelerated Irrigation Benefits Programme, NABARD Loan- Soil & Water Conservation Scheme under RIDF, Soil and Water Conservation in the Catchment of River Kopili, Rashtriya Krishi Vigyan Yojana, Cherrapunjee Ecological Project- Restoration of Degraded Lands under Sohra Plateau are some of the government schemes for soil and water conservation in India.

**Solid Waste Management in India**

By 2025, the waste management market size in India is projected to be worth ~USD 15 billion with annual growth around 7.0%. A growing economy, soaring urban population, rising living standards and increasing consumption levels are common trends in emerging economies across the globe. Similarly, in India, an increase in the purchasing power parity has led to more affordability, accessibility to resource use and a rapid surge in the waste volumes as well. Considering the current trend toward urbanization in India, the MSW quantum is expected to double the existing volumes within ten years. At approximately 80-85 MTs by 2030, presenting a business opportunity estimated at USD 20.0 billion.

**OVERVIEW OF EPC BUSINESS**

**Introduction**

Engineering, procurement and construction (EPC) business deals with the procedure and process related to managing projects from the inception stage to the completion stage. This is more of a legal contractual arrangement where an individual or a company known as an EPC contractor would streamline the process related to a particular project or construction from its inception phase to the completion phase.

The EPC contractor would be responsible for carrying out all the activities from the initial design, production, processing and completion of the project. Once the project is completed, it would be handed over to the end user. The end user or owner would take the project only when it is completed.

**Past trends in Indian EPC Business**

- **Roads Sector**

India has the second-largest road network in the world, spanning 6.5 million km. Road transportation, the most frequently used mode of transportation in India, accounts for about 86% of passenger traffic and close to 67% of freight traffic.

| Break-down of road length across different regions (in KMs) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Road Network** | **FY15** | **FY16** | **FY17** | **FY18** | **FY19** | **FY20** | **FY21** | **FY22** |
| National Highways | 97,991.0 | 1,01,011.0 | 1,14,158.0 | 1,26,350.0 | 1,32,500.0 | 1,32,995.0 | 1,36,440.0 | 1,40,995.0 |
| State Highways | 1,67,109.0 | 1,76,166.0 | 1,75,036.0 | 1,86,908.0 | 1,86,528.0 | 1,94,900.0 | 1,74,334.0 | 1,71,039.0 |
| Other Roads | 52,07,044.0 | 53,26,116.0 | 56,08,477.0 | 59,02,539.0 | 60,67,269.0 | 61,65,660.0 | 61,76,554.7 | 60,59,813.0 |
| **Total** | **54,72,144.0** | **56,03,293.0** | **58,97,671.0** | **62,15,797.0** | **63,86,297.0** | **64,93,555.0** | **64,94,600.0** | **63,71,847.0** |

*Source: MoRTH*

**Investment Trends**

| Road Transport & Allied Services Industry | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Year | New Projects Announced | | Projects Completed | | Projects Under Implementation | | Projects Outstanding | |
| | Cost (INR mn) | Number of Projects | Cost (INR mn) | Number of Projects | Cost (INR mn) | Number of Projects | Cost (INR mn) | Number of Projects |
| FY16 | 2820633.0 | 325 | 308915.3 | 165 | 8543691.6 | 1203 | 15953978.2 | 2161 |
| FY17 | 3936739.7 | 583 | 521013.0 | 136 | 10769076.4 | 1311 | 19948234.9 | 2538 |
| FY18 | 2385795.3 | 502 | 414383.1 | 156 | 13740135.6 | 1565 | 22066384.2 | 2797 |
| FY19 | 1489390.7 | 324 | 838095.6 | 203 | 15617495.4 | 1715 | 23249138.0 | 2831 |
| FY20 | 578144.2 | 161 | 478236.9 | 122 | 12583440.3 | 1469 | 23008506.1 | 2717 |
| FY21 | 312701.3 | 56 | 983664.4 | 203 | 15410904.4 | 1539 | 21814262.1 | 2398 |

*Source: CMIE*

- **Power Sector**

**Investment Trends**

| Electricity Transmission & Distribution Industry | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Year | New Projects Announced | | Projects Completed | | Projects Under Implementation | | Projects Outstanding | |
| | Cost (INR mn) | Number of Projects | Cost (INR mn) | Number of Projects | Cost (INR mn) | Number of Projects | Cost (INR mn) | Number of Projects |
| FY16 | 353415.9 | 85 | 304663.5 | 58 | 1933530.4 | 245 | 3042328.7 | 426 |
| FY17 | 208717.0 | 99 | 194096.4 | 48 | 2334024.1 | 312 | 2791073.6 | 456 |
| FY18 | 150501.6 | 42 | 579300.6 | 68 | 1901087.2 | 299 | 2304427.4 | 414 |
| FY19 | 262010.4 | 68 | 503441.6 | 77 | 1354668.6 | 271 | 2021034.5 | 389 |
| FY20 | 93798.3 | 23 | 300149.7 | 46 | 1549783.7 | 237 | 1826285.4 | 357 |
| FY21 | - | - | 67709.3 | 19 | 1404999.2 | 178 | 1750506.1 | 297 |

*Source: CMIE*

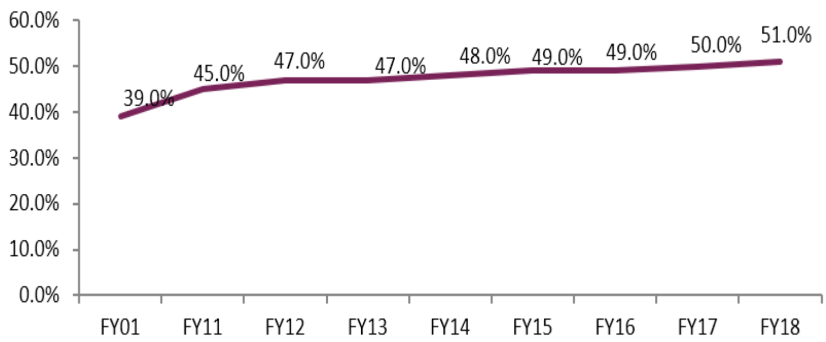
| Year | Renewable Electricity Industry | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | New Projects Announced | | Projects Completed | | Projects Under Implementation | | Projects Outstanding | |
| | Cost (INR mn) | Number of Projects | Cost (INR mn) | Number of Projects | Cost (INR mn) | Number of Projects | Cost (INR mn) | Number of Projects |
| FY16 | 1491258.4 | 380 | 253843.9 | 179 | 1802919.3 | 453 | 6254511.0 | 989 |
| FY17 | 1171911.2 | 293 | 434744.2 | 236 | 1785666.9 | 467 | 6365258.7 | 992 |
| FY18 | 2273599.5 | 313 | 569479.6 | 245 | 1693120.4 | 403 | 7091850.3 | 975 |
| FY19 | 2266638.7 | 258 | 325743.3 | 137 | 1722950.9 | 368 | 8264075.4 | 974 |
| FY20 | 2573880.7 | 171 | 417927.1 | 122 | 2092222.6 | 280 | 9341427.8 | 939 |
| FY21 | 1237407.9 | 63 | 46713.2 | 39 | 2036578.6 | 213 | 9264919.8 | 787 |

*Source: CMIE*

### ➢ Irrigation Sector

Penetration of irrigation in India is low, but efforts are on to improve it. 51% of the net sown area had been irrigated, as of FY18. With 49% of the net sown area still rain-fed, Indian farmers are forced to keep an eye on the sky for a good crop. The government has been making significant investments in developing irrigation infrastructure, having spent ~INR 6,844.0 billion during the past 10 years. With only 51% land irrigated, the country has huge potential for irrigation. The government's focus on sophisticated technology such as pressurised irrigation, pipelines, drip and sprinkler irrigation, is expected to deepen irrigation penetration.

Irrigation penetration levels in India

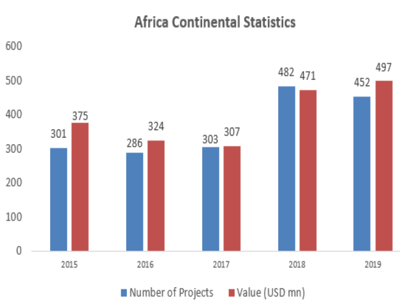


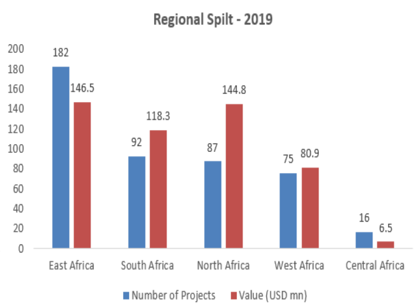

*Source: Ministry of Agriculture*

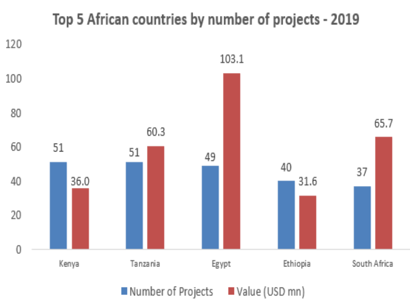
**Global Trends – Africa**

The East Africa region has the largest number of recorded projects across the continent with 40.3% of projects (182 projects), as well as the largest share of projects in terms of value at 29.5% (USD 146 billion). The projects included are spread over 38 of Africa's 54 countries. Kenya and Tanzania have the most number of projects with 51 projects (11.3%) each. Egypt has the most projects in US dollar terms, valued at USD 103 billion (20.7% of the continental value), followed by South Africa and Tanzania respectively.

The majority of projects in this year's report lie in the lower value range of USD 50.0 million - USD 500.0 million. A total of 89 projects have a value greater than USD 1.1 billion, of which 20 have a value greater than USD 5.0 billion. Difficulties in structuring, financing, and delivering mega projects on the continent are the reasons behind the low number of multi-billion-dollar projects. The top three projects in Africa are made up of one project in the Oil & Gas sector, as well as two projects in the Energy & Power sector. These three projects alone account for a total value of USD 66.0 billion, representing 13.3% of the continent's combined project value.

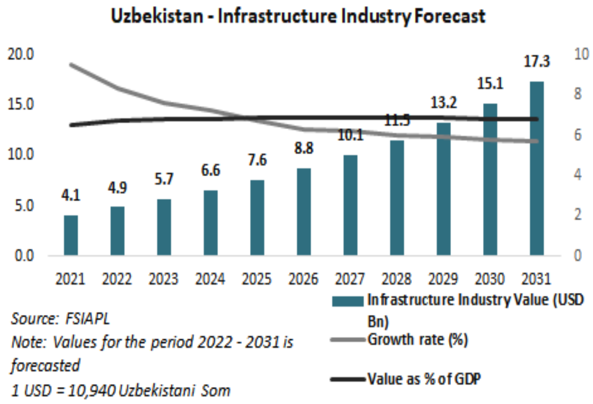



*Source: Media Reports*

The East Africa region witnessed the largest change in the number of projects, with an increase of 43 projects, representing a 40.3% increase from the previous year's count of 139 projects. At the same time, the total US dollar value of projects in the East Africa region increased by 68%. This now, for the first time since Deloitte Africa started to publish the annual Africa Construction Trends Report, makes East Africa the region with the largest share of projects by value.




The Central Africa region witnessed the largest decrease in the number of projects marked by a 38.5% decrease from last year (from 26 to 16 projects). This decrease resulted in the total value of projects in Central Africa dropping by 75.8%. This is due to the number of projects in the region being placed on hold, until further notice.

**Opportunities for Global EPC Business – Africa**

- **Roads Sector**

The sub-Saharan African road network is still underdeveloped. Medium and long-distance national and international corridors need to be developed or improved, so as to allow connectivity between capitals and other major urban and industrial centres. International corridors will benefit landlocked countries in particular, providing them with much-needed road access to deep-sea ports. There is also a need to facilitate all-season road connections between major cities and provincial regions, in particular "higher value agricultural regions" and mining areas, and to decongest high-density cities by building new, wider and safer paved roads facilitating access to, and circulation within, such cities.

- **Power Sector**

Endowed with substantial renewable energy resources, Africa is in a position to adopt innovative, sustainable technologies and to play a leading role in global action to shape a sustainable energy future. Supply unreliability is a concern holding back economic development, with most countries facing frequent blackouts and often relying on expensive and polluting solutions. Clean, indigenous and affordable renewable energy solutions offer the continent the chance to achieve its economic, social, environmental and climate objectives. Sustainable development and use of the continent's massive biomass, geothermal, hydropower, solar and wind power have the potential to rapidly change Africa's current realities.

Africa could meet nearly a quarter of its energy needs from indigenous and clean renewable energy by 2030. Modern renewables amounting to 310 GW could provide half the continent's total electricity generation capacity. This corresponds to a sevenfold increase from the capacity available in 2017, which amounted to 42GW. A transformation of this scale in Africa's energy sector would require average annual investment of USD 70.0 billion to 2030, resulting in carbon-dioxide emissions reductions of up to 310 megatonnes per annum.

- **Irrigation Sector**

Agriculture in Africa has a massive social and economic footprint. More than 60% of the population of sub-Saharan Africa is smallholder farmers, and about 23% of sub-Saharan Africa's GDP comes from agriculture. Yet, Africa's full agricultural potential remains untapped.

Realizing Africa's full agricultural potential will require significant investment. Sub-Saharan Africa will need eight times more fertilizer, six times more improved seed, at least USD 8.0 billion of investment in basic storage (not including cold-chain investments for horticulture or animal products), and as much as USD 65.0 billion in irrigation to fulfill its agricultural promise. Much investment will also be needed in basic infrastructure, such as roads, ports, and electricity, plus improvements in policies and regional trade flows.

**CIS Region**

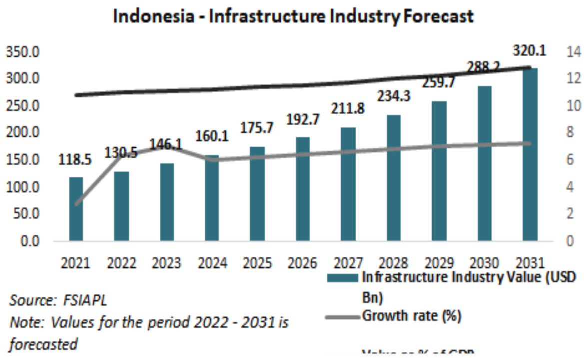
**Uzbekistan**

Uzbekistan's infrastructure sector is expected to grow by a strong annual growth rate of 8.3% in 2022, after a strong rebound in growth over 2021. Over the longer term, the sector is expected to perform well, at an impressive annual 6.6% average over the 2022-2031 period. This will be driven by the modernisation of Soviet-era infrastructure, notably transport and power sector infrastructure, as well as projects related to Mainland China's Belt and Road Initiative. Industrial infrastructure is also taking up an increasingly large role, and upside risk comes from the nascent renewables energy infrastructure sector. As per FSIAPL, the engineering consultancy services industry size in the country is expected to be USD 82.4 million in 2021.

**South East Region**

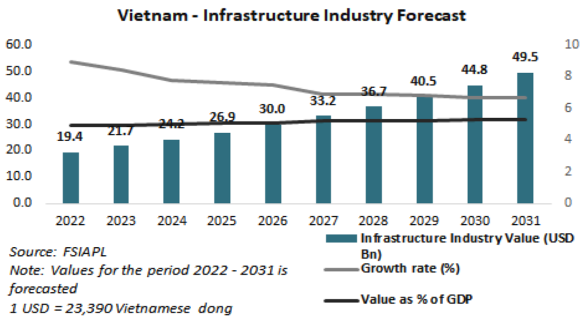
**Indonesia**

Indonesia market has largely recovered from the Covid-19 pandemic in 2021, and we expect to see a stronger recovery over the near term in 2022-2023. Over the long term, growth in the Indonesian construction sector will remain robust and expand by an average of 6.8% annually in real terms through to 2031, underpinned by strong demand fundamentals, favourable regulatory environment, and a robust project pipeline which will drive growth in the sector. As per FSIAPL, the engineering consultancy services industry size in the country is USD 2.4 billion in 2021.



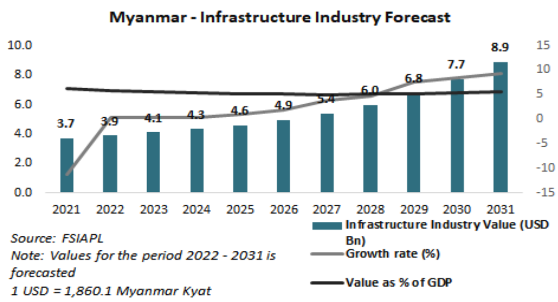

**Vietnam**

Over the longer term, Vietnam will remain one of the fastest-growing construction markets in Asia, underpinned by strong demand fundamentals and rising investor interests, amid an ongoing government commitment for the sector across several development plans and reforms. As per FSIAPL, the engineering consultancy services industry size in the country is USD 387.3 million in 2021.



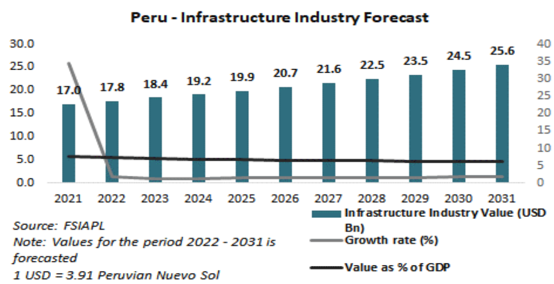

**Myanmar**

The outlook for Myanmar's infrastructure market continues to deteriorate as foreign investors reassess projects in the country. The economy will contract for a second successive year in 2022, which suggests that economic conditions will remain challenging until 2023. As per FSIAPL, the engineering consultancy services industry size in the country is USD 74.6 million in 2021.



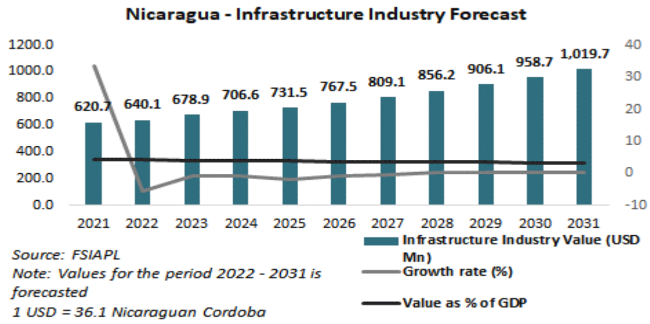

**Latin America**

Latin America will see more modest growth compared to other developing regions as limited public spending and a muted economic growth outlook more broadly will weigh on investment, with the region's infrastructure market to grow by 3.9% y-o-y in 2022 and 3.6% in 2023 and by an annual average of 2.8% between 2024-2031. This will mark a particularly weak rebound for the region's market considering the region's infrastructure industry still remains significantly below pre-pandemic levels following a contraction by 15.7% in 2020, the deepest seen by any region globally, and estimated growth of 11.1% in 2021.

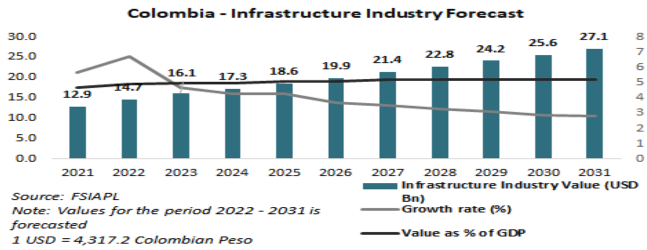



**Peru** - Peru's infrastructure market offers substantial growth potential; however, short-term challenges facing the industry are rising. Political instability is a growing concern and social unrest is mounting as widespread strikes and protests take place across the country, against a backdrop of mounting inflation, which will weaken consumption and investment rates. Global supply chain disruption could also impact active developments, particularly in sectors such as renewable energy or technologically advanced transport infrastructure projects. Despite these headwinds, we highlight a substantial project pipeline that indicates growth potential across all sectors over the medium-to-long term, supported by wider population growth and anticipated improvements to domestic economic growth and foreign investment inflows. As per FSIAPL, the engineering consultancy services industry size in the country is USD 340.7 million in 2021.

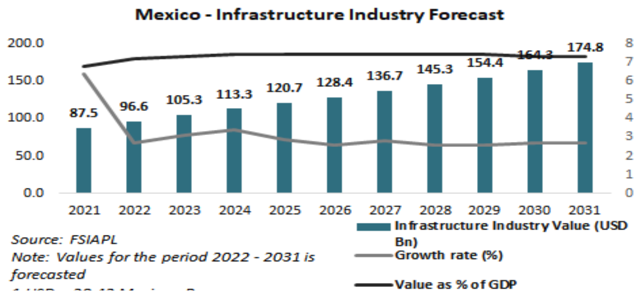
**Nicaragua** - The growth outlook for Nicaragua's infrastructure industry remains subdued. Economic momentum has weakened amid lower export demand and slower remittance inflows from the US. Some upside risk does stem from Nicaragua's pivot to Mainland China, as the two governments signed a memorandum of understanding for Nicaragua to join the Belt and Road Initiative, which could drive significant investment in transport infrastructure, in particular. As per FSIAPL, the engineering consultancy services industry size in the country is USD 12.4 million in 2021.



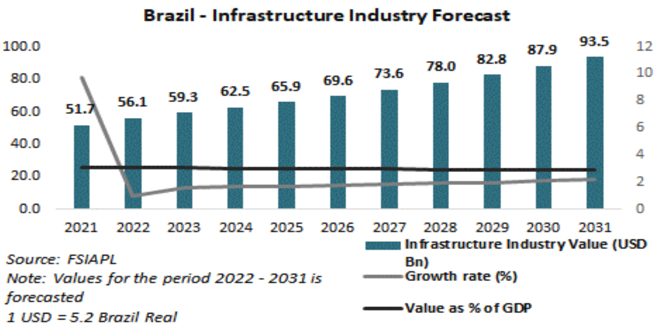

**Colombia** - Colombia's infrastructure industry will see the continuation of a gradual recovery in 2022, following a sharp slowdown in 2020 amid the Covid-19 pandemic and a partial rebound in 2021. This will be supported by a strong rebound in residential building investment as well as a gradual recovery of non-residential building and infrastructure construction. As per FSIAPL, the engineering consultancy services industry size in the country is USD 257.6 million in 2021.



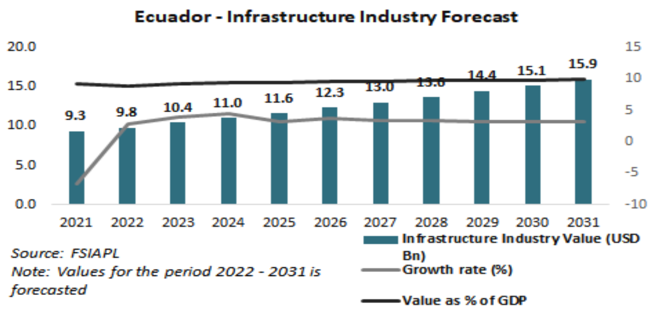

**Mexico** - We expect the recovery of Mexico's infrastructure industry will continue from 2022, supported by improving macroeconomic conditions and public investment in several priority large-scale infrastructure projects, including the Mayan Train and Dos Bocas Refinery. As per FSIAPL, the engineering consultancy services industry size in the country is USD 1.7 billion in 2021.



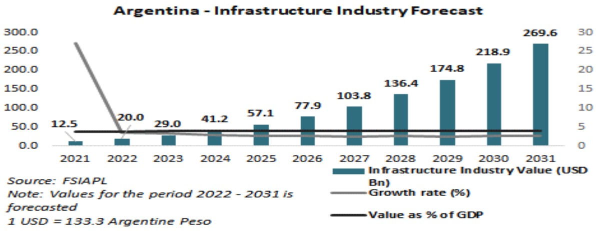

**Brazil** - The country boasts the largest regional project pipeline in value terms, by a considerable margin. Nonetheless, Brazil's focus on expanding private investment through a series of transport infrastructure concessions and well-subscribed energy auctions means we expect continued infrastructure growth, while supportive demographic trends, urbanisation and economic diversification spur investment in the residential and non-residential sectors. As per FSIAPL, the engineering consultancy services industry size in the country is USD 1.0 billion in 2021.



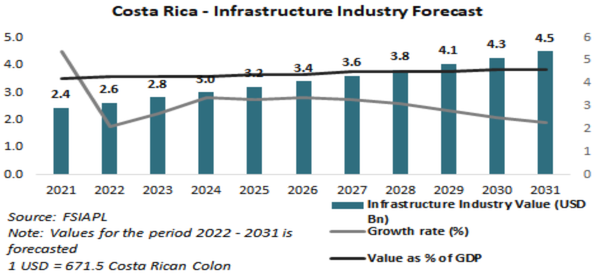

**Ecuador** - Ecuador's infrastructure industry is expected to return to growth in 2022 after several challenging years when the Covid-19 pandemic caused widespread disruption to active projects and delayed planned investment. Short-term risks remain weighted to the downside due to the potential negative impact of global supply chain disruptions, as well as rising construction and energy costs. As per FSIAPL, the engineering consultancy services industry size in the country is USD 186.0 billion in 2021.



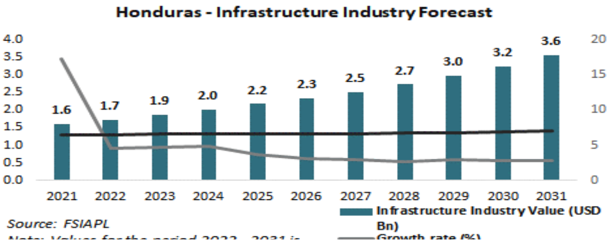
**Argentina** –Public investment will play a central role in driving the industry's infrastructure performance over the next several years, but the rapidly growing renewables, mining, and shale gas sectors will attract foreign investment. Chinese financing appears set to be a key source of funding for infrastructure projects, following Argentina's joining Mainland China's Belt and Road Initiative in February 2022. As per FSIAPL, the engineering consultancy services industry size in the country is USD 249.4 billion in 2021.



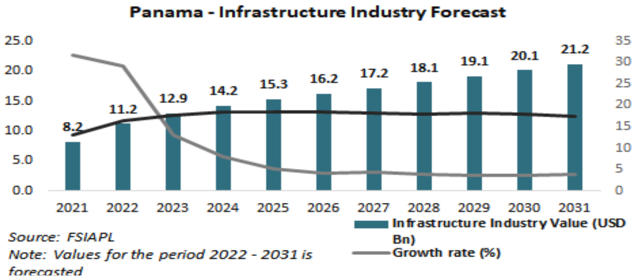

**Costa Rica** - Costa Rica's infrastructure industry is expected to maintain positive growth momentum in the short term, driven by several significant transport infrastructure projects, as well as strong investment in tourism-related developments. As per FSIAPL, the engineering consultancy services industry size in the country is USD 49.0 billion in 2021.



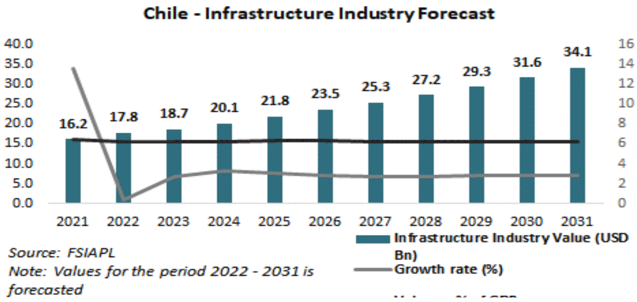

**Honduras** - There is a considerable deficit across all infrastructure sectors in Honduras, which indicates ongoing growth potential, though we highlight that this remains one of the more challenging investment destinations in the region due to limited local capacity, high bureaucratic hurdles and persistent security challenges. As per FSIAPL, the engineering consultancy services industry size in the country is USD 32.1 billion in 2021.



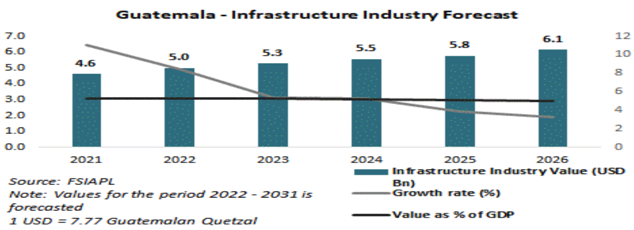

**Panama** - Panama's infrastructure industry is the largest in Central America in value terms and is expected to outperform regional growth due to the strength of the project pipeline and high levels of investor interest, particularly in the transport infrastructure sector. As per FSIAPL, the engineering consultancy services industry size in the country is USD 164.7 billion in 2021.



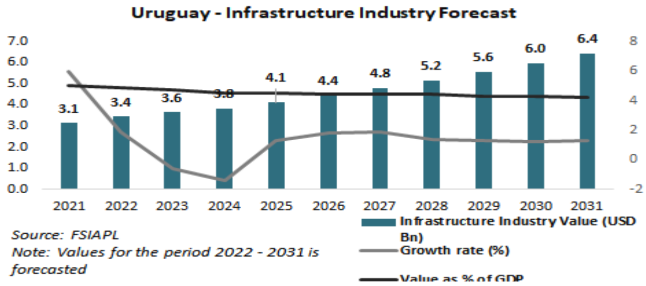

**Chile** - The rebound of Chile's infrastructure industry seen in 2021 will lose momentum in 2022, with the industry to see muted growth amid a number of adverse factors currently impacting the market including policy uncertainty, elevated construction input prices, rising interest rates and slowing economic growth. As per FSIAPL, the engineering consultancy services industry size in the country is USD 324.3 billion in 2021.



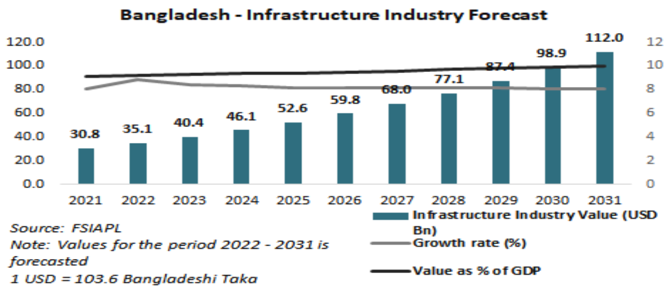

**Gautemala** - The infrastructure industry in Guatemala is expected to expand in 2022 as a number of large-scale infrastructure projects in the energy and transport sector continue through active stages of planning and development. As per FSIAPL, the engineering consultancy services industry size in the country is USD 92.4 billion in 2021.



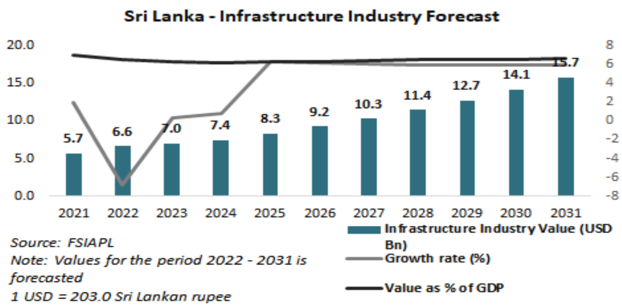
**Uruguay** - Growth momentum in Uruguay's infrastructure market is expect to wane in the short-term, as two key developments, the UPM paper mill and the Ferrocarril Central rail project, progress through the final stages of development. As per FSIAPL, the engineering consultancy services industry size in the country is USD 62.7 billion in 2021.




**Bangladesh -** Bangladesh's numerous and varied infrastructure needs stem from developmental pressures caused by the country's large and rapidly urbanizing population. These needs will be exacerbated by Bangladesh's natural and geographical environment, notably its low reserves of fresh water and vulnerability to flooding. Despite short-term downside risks to construction industry growth due to surging inflation, higher interest rates and a general slowing world economic backdrop, the sector is expected to perform strongly throughout the forecast period, pushed on by the country's demographic profile and the scale of new infrastructure required. Bangladesh's construction industry to grow by an impressive annual average of 8.3% in real terms between 2022 and 2031, nearly tripling industry value over the period. This makes Bangladesh one of the fastest-growing construction markets in Asia over the next decade. However, Bangladesh's poor financing, logistics and bureaucratic environment will pose risks to project implementation. As per FSIAPL, engineering consultancy services and construction industry size in the country is USD 616.6 million in 2021.




**Sri Lanka –** The infrastructure industry growth outlook for Sri Lanka in 2022 and 2023 is significantly revised as a result of the unfolding political and economic crisis. We now forecast the sector will contract by 6.8% in 2022, from our previous forecasts of 6.3%, followed by very weak growth in 2023 and 2024. An economic and political crisis has taken hold in the country, creating a difficult backdrop for the construction industry, as the government struggles to fund projects and as large international companies required for many projects could withdraw or wait before providing funds in an unstable environment. In the long term, we maintain a positive outlook for Sri Lanka, supported by strong investment from Mainland China, Japan and India in the transport infrastructure and non-residential building sectors. We forecast annual average industry expansion of 6.0% between 2026 and 2031. As per FSIAPL, engineering consultancy services and construction industry size in the country is USD 113.1 million in 2021.



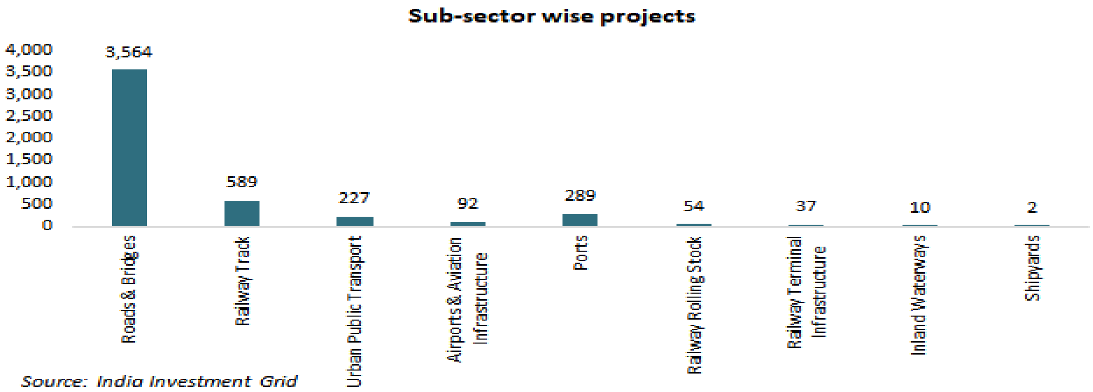

**Opportunities for Indian EPC Business**

**National Infrastructure pipeline -** The government of India introduced National Infrastructure Pipeline, expected to deepen infrastructure investments that could catalyse India towards achieving USD 5.0 trillion in economic size during this decade. The National Infrastructure Pipeline (NIP) for FY 2019-25 is a first-of-its-kind, whole-of-government exercise to provide world-class infrastructure to citizens and improving their quality of life. It aims to improve project preparation and attract investments into infrastructure.

The government allocated USD 1.5 trillion to National Infrastructure Pipeline to complete projects by 2025. The National Infrastructure Pipeline comprises a revised number of 7,400 projects, expected to widen and deepen the country's network of roads, railways, social and economic infrastructure, water, sanitation and power supported by the creation of Development Finance Institution. This is expected to create outsized road building opportunities in India across then foreseeable future.

**Transport**

The transport sector in India is expected to grow at a CAGR of 5.9% thereby becoming the fastest growing area of India's infrastructure sector. Transport includes well-developed roads and highways, a widespread railway network, fast-growing aviation and developing ports, shipping and inland waterways infrastructure. The 9 sub sectors given below has 4,664 projects worth USD 754.3 billion.



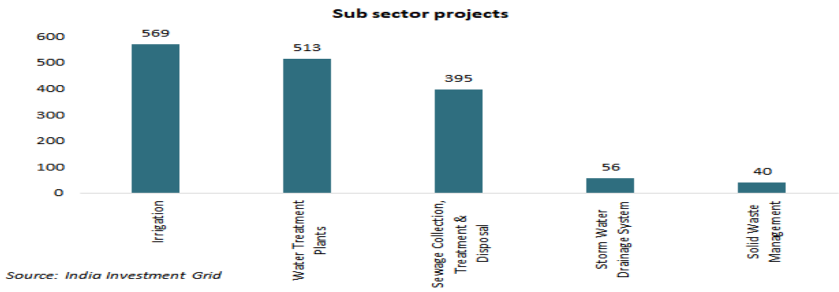

### Logistics

The Indian logistics sector valued at USD 160.0 billion in 2019, is expected to become worth USD 300.0 billion in 2024. India’s rank has gone up from 54 in 2014 to 44 in 2018 in the World Bank’s Logistics Performance Index (LPI), in terms of overall logistics performance. There are around 155 projects worth USD 46.2 billion in 2 sub sectors namely bulk material transportation pipelines (131) and logistics infrastructure (24).

**Energy -** The energy sector in India includes conventional power, renewable energy (RE), petroleum and natural gas. The total Energy capacity in India stands at around 399 GW with major contributors being Thermal (52.6%), Gas (6.2%), Renewable (27.42%), Hydro (11.7%) and Nuclear (1.8%). The 5 sub sectors given below has 719 projects worth USD 377.2 billion.


### Water & Sanitation

Water & Sanitation sector in India includes ensuring adequate supply of water and treatment of liquid & solid waste. India through the launch of Swachh Bharat Mission (SBM) and National Rural Drinking Water Program (NRDWP) has made substantial investment and efforts in ensuring safe drinking water and sanitation. The 5 sub sectors given below has 1,483 projects worth USD 275.4 billion.

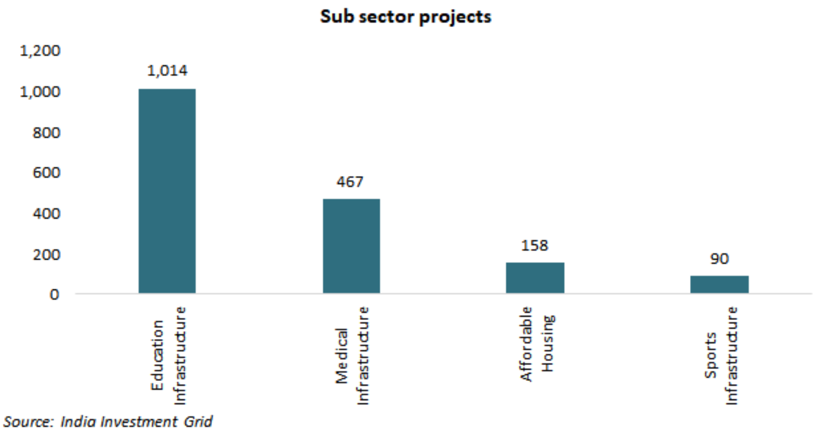



### Communication

India is currently the world’s second-largest telecommunications market with a subscriber base of more than 1.20 billion. Major sectors of the Indian telecommunication industry are telephone, internet and television broadcast industry. There are around 30 projects worth USD 14.0 billion in 3 sub sectors namely telecommunication fixed network (18), telecommunication and telecom services (7), telecommunication towers (5).

**Social Infrastructure**

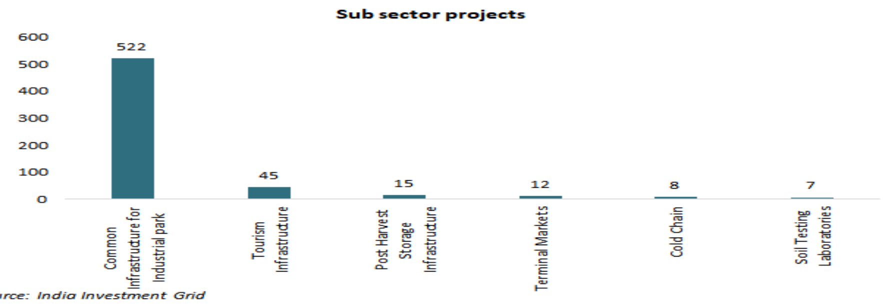
The social infrastructure sector in India includes health and education infrastructure. Expenditure of approximately USD 28.0 billion and USD 20.0 billion for education and healthcare was planned respectively over 2020-25. The 4 sub sectors given below has 1,729 projects worth USD 253.2 billion.




*Source: India Investment Grid*

**Commercial Infrastructure**

Commercial infrastructure in India facilitates the necessary support required by various industries such as testing labs, terminal markets, common infrastructure for industries and storage facilities. Testament to the quality, India is ranked second in the 2019 Agility Emerging Markets Logistics Index. The 6 sub sectors given below has 609 projects worth USD 77.1 billion.




*Source: India Investment Grid*

➢ **Roads Sector**

**Increase in competition for EPC projects:** With HAM being pursued by only a few players, the share of EPC projects in overall road contracts is the highest. EPC projects being bid out are smaller in terms of both size and cost compared with HAM projects. The average length of EPC projects awarded in fiscal 2019 was 22 km compared with HAM projects, which have an average length of 46 km. Similarly, average size of EPC projects in terms of cost is INR 3,750.0 million compared with HAM, which is more than INR 7,000.0 million.

For EPC projects, a developer is eligible to bid if its bid capacity is more than the bid value. Bid capacity is calculated based on the highest annual revenue earned through EPC projects in any of the last five years. Thus, a lower bid value ensures more eligible bidders, thereby increasing project competitive intensity. These factors make EPC attractive for low-ticket projects, and therefore, increase competition. The recent policy changes included relaxing the threshold capacity to 0.75 times the estimated project cost for projects of up to INR1.0 billion and to 1 time of the estimated project cost for projects greater than the INR1bn. Changes made would promote the entry of smaller players in taking up EPC projects.

Status of Expressways & Economic Corridors:

| Expressways | Length (kms) | Completion Schedule |
|---|---|---|
| Delhi-Mumbai | 1,350.0 | March 2023 |
| Ahmedabad-Dholera | 110.0 | March 2023 |
| Delhi-Amritsar-Katra | 600.0 | March 2024 |
| Bengaluru-Chennai | 272.0 | March 2024 |
| Kanpur-Lucknow | 63.0 | March 2024 |
| Ambala-Kotputli | 310.0 | March 2023 |
| Amritsar-Jamnagar | 762.0 | March 2023 |
| UER II in Delhi | 75.0 | March 2024 |
| Raipur-Vizag | 464.0 | March 2024 |
| Delhi-Saharanpur-Dehradun | 169.0 | March 2024 |
| Bengaluru Stellite Town Ring Road | 281.0 | March 2024 |
| Surat-Solapur | 464.0 | March 2025 |
| Chennai-Salem | 277.0 | March 2025 |
| Durg-Raipur-Arang | 92.0 | March 2024 |
| Chitoor-Thatchur | 125.0 | March 2024 |
| Kharagpur-Siliguri | 235.0 | March 2025 |
| Solapur-Kurnool | 318.0 | March 2025 |
| Indore-Hyderabad | 713.0 | March 2025 |
| Hyderabad-Vishakhapatnam | 221.0 | March 2025 |
| Kota-Indore | 136.0 | March 2024 |
| Hyderabad-Raipur | 330.0 | March 2025 |
| Nagpur-Vijaywada | 457.0 | March 2025 |

*Source: NHAI*

- **Irrigation Sector**

**Increasing penetration of micro-irrigation:** The potential for micro-irrigation in India is very high – in FY19 an area of 0.8 million hectares has been brought under micro irrigation till 26.02.2019 and the total area covered under PMKSY-PDMC since inception period is 3.2 million ha, even as water scarcity issues loom large. The Government of India task force 2004 report estimates a potential of 27.0 million hectares for drip irrigation and 42.5 million hectares for sprinkler irrigation. Rajasthan, Punjab, Haryana, Gujarat, Maharashtra, Madhya Pradesh, and Uttar Pradesh account for over 80% of this irrigation potential.

- **Railways**

**Dedicated Freight Corridor Corporation of India Ltd (DFCCIL):** DFCCIL is a special purpose vehicle (SPV) promoted by the GoI, through the Ministry of Railways (MoR), to build, operate and maintain dedicated freight railway lines along the rail routes on the Golden Quadrilateral and diagonals. The dedicated freight network would ease the congestion on the existing rail network, allowing the IR to run additional passenger trains. Further, the proposed design features of the project would allow the IR to run high-speed and high-axle load trains, improving its operating efficiency.

In the first phase, DFCCIL plans to construct two DFCs – the Eastern DFC (Ludhiana to Dankuni) and the Western DFC (Dadri to Mumbai) – covering a length of 3,360 km and is expected to consume 17 metric tonnes of steel in next five years. Both the corridors are scheduled to be fully operational by 31st December, 2021. The completion cost for these two corridors is estimated at INR 814,590.0 million (including land cost of INR 80,670.0 million to be borne by the MoR. The cost, excluding the land cost, is expected at INR 733,920.0 million and is to be borne by DFCCIL). The cost is proposed to be funded by the MoR via equity of around INR 237,960.0 million (including land), external debt (JICA and World Bank) of INR 523,470.0 million and the balance through internal accruals. A part of the freight corridor (not included in the project cost of INR 814,590.0 million) is proposed to be funded in the PPP mode. The current funding plan does not foresees any commercial borrowings.

**Bullet Train Projects:** National High Speed Rail Corporation had launched the first bullet train in India running between Mumbai to Ahmedabad (508kms). In January 2021, Larsen & Toubro (L&T) was awarded the contract up to INR 25,000.0 million for the upcoming project along with contract for procurement and fabrication of 28 steel bridges (Superstructure) for crossing over railway lines, rivers, highways, roads, and other structures (P-4

Package) for the Mumbai-Ahmedabad High-Speed Rail Corridor. It is estimated that about 70,000 MT of steel will be used for the fabrication of these steel bridges and Indian steel industries and their allied supply chains will get a big boost.

Other than Mumbai – Ahmedabad Bullet Train project, feasibility studies have been sanctioned by the national transporter for seven more high-speed rail corridors including Delhi – Ahmedabad, Delhi – Amritsar, Varanasi – Howrah, Delhi – Varanasi, Mumbai – Hyderabad, Mumbai – Nagpur, Chennai – Mysore rail corridors.

- **Urban Infrastructure**

- Raising the share of public transport in urban areas by expansion of metro rail network and augmentation of city bus service INR 180,000.0 million for a new scheme, to augment public bus transport:
- Innovative PPP models to run more than 20,000 buses.
- A total of 702 km of conventional metro is operational and another 1,016 km of metro and RRTS is under construction in 27 cities.
- 'MetroLite' and 'MetroNeo' technologies to provide metro rail systems at much lesser cost with similar experience in Tier-2 cities and peripheral areas of Tier-1 cities.
- Central counterpart funding to Kochi Metro Railway Phase-II of 11.5 km at a cost of INR 19570.5 million, Chennai Metro Railway Phase –II of 118.9 km at a cost of INR 632,460.0 million, Bengaluru Metro Railway Project Phase 2A and 2B of 58.19 km at a cost of INR 147,880.0 million, Nagpur Metro Rail Project Phase-II and Nashik Metro at a cost of INR 597.6 billion and INR 20,920.0 million respectively.

- **Power Sector**

**Power for All:** To achieve sustainable development of power sector, the GoI has set a long-term target of 24x7 power for the entire population.

**National offshore wind policy**: Preliminary assessments suggest interesting prospects of development of offshore wind energy in India. To tap this potential, the MNRE is currently working on a policy for deployment of offshore wind energy projects in the Exclusive Economic Zone of the country. The policy proposes to address issues such as resource assessment and surveys, seabed allocation and lease arrangement, facilitation in clearances and approvals and evacuation of power generated from offshore wind power projects.

**Transmission infrastructure**: This involves development of a network specifically for wheeling of renewable energy power. The proposed evacuation infrastructure will be capable of evacuating power from proposed capacity additions. It proposes a high capacity transmission system (Green energy corridor) that will evacuate renewable power from renewable energy rich states to load centres and make pockets of renewable energy generation grid interactive. It will be integrated with the existing grid and foster reliable forecasting of renewable energy-based generation and reduce evacuation losses.

**Green Energy Transmission Corridor**: Power Grid Corporation of India is establishing a Green Energy transmission corridor for evacuation of renewable power from renewable energy rich states to load centres. The eight renewable rich states (including Tamil Nadu, Karnataka, Andhra Pradesh, Maharashtra, Gujarat, Rajasthan, Himachal Pradesh and Jammu and Kashmir). With the implementation of the Green corridor, the pockets of the renewable energy generation would become grid interactive and thereby the restrictions on renewable energy evacuation, losses would reduce.

**Renewable Energy resource assessment databases**: India has developed data bases for renewable energy resource assessment. This has been done in a bid to promote development of utilization of renewable energy in the country. The National Institute of wind energy has developed the wind atlas of India. NIWE also collects data from Solar Radiation Resource Assessment stations to assess and quantify solar radiation availability, quality of data assessment, processing, modelling and to make solar atlas of India.

**Payment security mechanism fund**: The MNRE has issued scheme guidelines for setting up of over 5,000 MW grid connected solar PV power projects with viability gap funding (VGF) including the creation of Payment Security Mechanism (PSM) fund of INR 5,000.0 million to cover delays in payments by the buying entities (including DISCOMs, State utilities and bulk consumers) under three VGF schemes (750 MW, 2,000 MW and 5,000 MW). The PSM fund of INR 5,000.0 million has been released to the SECI in tranches. From August 1, 2019, Ministry of Power has made it mandatory for power distribution licensees to open and maintain adequate LoC as a payment security mechanism under Power Purchase Agreements (PPAs).

**Scheme for Development of Solar Parks and Ultra Mega Solar Power Projects**: This scheme aims to set up 25 solar parks and ultra mega solar power projects targeting 20,000 MW of solar power installed capacity by FY20.

**Central Public Sector Undertaking (CPSU) Scheme Phase-II**: The Cabinet Committee on Economic Affairs (CCEA) has approved the MNRE's proposal for implementation of the CPSU Scheme Phase-II for setting up 12,000 MW grid-connected solar photovoltaic (PV) power projects with VGF support of INR 858.0 million for self-use or use by Government or Government entities, of both Central and State Governments. The Scheme mandates the use of both solar photovoltaic (SPV) cells and modules manufactured domestically as per specifications and testing requirements fixed by MNRE.

**Phase-II of Grid Connected Rooftop Solar Programme**: The GoI has approved Phase-II of the Grid Connected Rooftop Solar Programme for achieving cumulative capacity of 40,000 MW from rooftop solar projects by the 2022. The programme will be implemented with total central financial support of INR 1,181.4 million.

**Floating Solar PV (FSPV) Power Plants**: In order to address the issue of land availability, floating solar plants on dams and reservoirs are being encouraged. Solar Energy Corporation of India has invited expressions of interest to install 10 GW of floating solar power plants capacity in a phased manner over the next three years.

**Off-shore wind**: The GoI has solicited expressions of interest to develop 1000 MW offshore wind energy in the Gulf of Khambat, Gujarat. There is a potential of 75 GW of offshore wind power in Gujarat and potential of 60 GW of offshore wind power in in Tamil Nadu.

**Energy storage for grid integration of renewables**: MNRE has constituted an expert committee with a mandate of proposing an energy storage mission. Energy storage could provide capacity across the entire energy value chain - generation, transmission and distribution.

**Kisan Urja Suraksha evam Utthaan Mahabhiyan (KUSUM)**: The GoI approved the launch of KUSUM with a central aid of INR 34,42.2 million to provide financial and water security to farmers through harnessing solar energy capacities of 25.75 gigawatt (GW) by 2022. Further on July 22, 2019, the GoI provided guidelines for implementation of the scheme. The proposed scheme consists of three components:

- 10,000 MW of decentralized ground mounted grid connected renewable power plants;
- Installation of standalone solar powered agriculture pumps; and
- Solarization of grid-connected solar powered agriculture pumps.

**Key growth drivers for Indian EPC Business**

- **Roads Sector**

**Policy impetus to drive private participation:** In order to promote competition among investors and increase participation of private players in road construction, the Ministry of Road Transport and Highways (MoRTH) and National Highways Authority of India (NHAI) had introduced some policy changes under PPP models. The major changes are as follows:

- To promote the entry of small players, the government revised the eligibility criteria under EPC and HAM projects.
- Major changes were made in the HAM concession agreement to ease cash flow for developers and protect their returns.
- To bring the interest of private players, changes were made to the build-operate-transfer (BOT) concession agreement.

Apart from this, the Government has taken various steps under the Aatmanirbhar package to mitigate the impact of Covid-19 on the sector:

- Extension of time (EOT) up to 3-6 months for all projects and relaxation of milestone achievement.
- Release of performance security, Covid-19 emergency loan facilities and moratorium on loan repayment up to August 2020.
- Extension of concession period for BOT-toll operators due to toll suspension and restriction in movement during lockdowns.

**New region-specific initiatives to increase road network:** New initiatives have been taken by the government to build state roads. Road Requirement Plan for left wing extremism-affected areas and Special Accelerated Road Development Programme for North-Eastern Region are two ongoing projects covering state roads. MoRTH has set up National Highways and Infrastructure Development Corporation Ltd, an organisation that will award national highway projects specifically in border areas and north-east states. Apart from these projects, the Bharat Mala programme has been proposed to build new roads along the border.

## ➢ Irrigation Sector

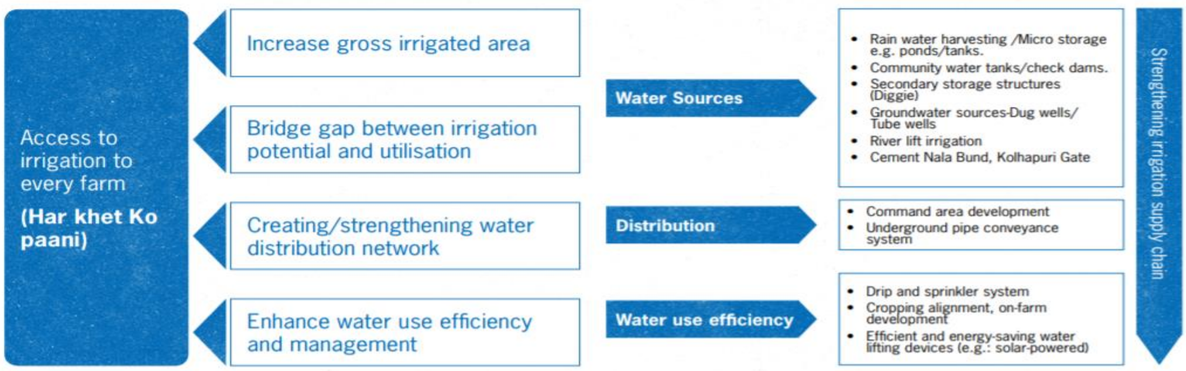
**Clubbing of all centrally-sponsored schemes under one umbrella:** The PMKSY has four major components: Accelerated Irrigation Benefit Programme, Integrated Watershed Management Programme, On Farm Water Management (OFWM or Har Khet Ko Pani) and Per Drop More Crop. This scheme plans to increase area under cultivation by 8 million ha from fiscal 2017 to 2021.

**Improved monitoring from central government:** The government has started to take a bottom-up approach, with each district asked to prepare a district irrigation plan. All states have to prepare a state irrigation plan on the basis of their district irrigation plans. The National Executive Committee, chaired by the vice-chairman of NITI Aayog, will oversee programme implementation, thus bringing in swiftness in execution.

**Secure access to land and water, driven by policy reforms:** Land is a critical input for irrigation projects. Projects have been delayed due to issues in land acquisition and clearances. The sector also faces delays due to water disputes with neighbouring states. For example, major projects in the states of Andhra Pradesh and Telangana (Pranahita Chevella and Indirasagar Polavaram Project) have been delayed for more than a decade due to disputes with Maharashtra. Providing a framework for fast- tracking dispute resolution, in effect reducing delays, will make the industry more attractive for private players.

**Pradhan Mantri Krishi Sinchai Yojana (PMKSY)**

PMKSY was launched in July, 2015. The objective of the scheme is "to achieve convergence of investment in irrigation at the field level, expand cultivable area under assured irrigation". The scheme ensures access to the means of irrigation to all agricultural farms in the country to produce 'per drop more crop (PDMC)'. As per Union Budget 2019-20, INR 39,499.3 mn was allocated towards implementing Pradhan Mantri Krishi Sinchayee Yojana (PMKSY-PDMC). Also, a dedicated micro irrigation fund will be set up in NABARD to achieve the goal. Government allocated INR 50,000.0 million for the year 2020-21. In union budget 2021-22 the government increased the aforementioned amount from INR 50,000.0 million to INR 100,000.0 million.




## ➢ Power Sector

India is the third-largest producer and second-largest consumer of electricity in the world, with an installed power capacity of 382.73 GW, as of April 2021. India was ranked fifth in wind power, fifth in solar power and fourth in renewable power installed capacity, as of 2019. Solar energy is estimated to contribute 114 GW, followed by 67 GW from wind power and 15 GW from biomass and hydropower by 2022. The target for renewable energy has increased to 227 GW by 2022. India is the only country among the G20 nations that is on track to achieve the targets under the Paris Agreement. Further, India has been on a path to achieve 100% household electrification as envisaged under the Saubhagya scheme. As of March 2019, more than 26.2mn households were electrified under the Saubhagya scheme. According to the Union Budget 2021-22, 139 GW of installed capacity and 0.14 million circuit km of transmission lines were added and 2.8 crore households were connected in the past 6 years. Also 100% FDI is allowed under the automatic route in the power segment and renewable energy. While under the Union Budget 2021-22, the government proposed to launch a National Hydrogen Mission for generating hydrogen from green power sources.

## ➢ Road Infrastructure

Length of national highways construction has increased at a CAGR of 14% during FY16-20 (from 6,061 kms in FY16 to 10,237 kms in FY20) while pace of construction per day too has increased from it being 16.6 km/day during FY16 to 28km/day during FY20. NHAI's initiative to declare appointed date only after handover of 80% land and higher awarding in FY17 and FY18 has resulted in steady increase in pace of construction.

Under the Union Budget 2021-22, the GoI has allocated INR1,082,300.0mn to the Ministry of Road Transport and Highways. The National Highway Authority of India (NHAI) awarded 1,330 km of highways in the first half of FY21, which was 1.6x of the total awards in FY20 and 3.5x of the FY19-levels. NHAI, the nodal authority for building highways across the country, has set a target of awarding 4,500km of projects in FY21. In December 2020, the MoRTH proposed to develop additional 60,000 kms of national highways (in the next five years), of which 2,500 kms are expressways/access controlled highways, 9,000 kms are economic corridors, 2,000 kms are coastal and port connectivity highways and 2,000 kms are border road/strategic highways. The ministry also intends to improve connectivity for 100 tourist destinations and construct bypasses for 45 towns/cities.

**Pradhan Mantri Gram Sadak Yojana (PMGSY)**

The government launched PMGSY on 25th December, 2000; to provide all-weather access to unconnected villages in the country. The Ministry of Rural Development along with state governments is responsible for the implementation of PMGSY. As per the Economic Survey tabled in the Parliament on 29th January 2021, two phases of the rural roads scheme have been completed and the third phase was launched in 2019 with the target of 0.13 million km all-weather road connectivity.

In Budget 2021, the finance ministry has allocated INR 150,000.0 million for the development of roads in rural and backward areas as compared to INR 195,000.0 million in Budget 2020. Details regarding road length sanctioned from FY16 to FY21 is provided below:

| Year | Road Length Sanctioned (kms) |
|---|---|
| FY16 | 5,46,772.2 |
| FY17 | 5,97,226.9 |
| FY18 | 6,49,429.4 |
| FY19 | 6,88,460.9 |
| FY20 | 7,16,195.8 |
| FY21 | 7,60,389.9 |

*Source: PMGSY Website*

**Bharatmala Pariyojana**

Bharatmala Pariyojana is the flagship program introduced by the government of India during FY18, which involved the development of 65,000 km of national highways. It has now been subsumed under the array of projects under the National Infrastructure Pipeline (NIP).

Under Phase-I of Bharatmala Pariyojana, the Ministry has approved implementation of 34,800 km of national highways in 5 years with an outlay of INR 5.4 trillion for development of about 9,000 km length of Economic corridors, about 6,000 km length of Inter-corridor and feeder roads, about 5,000 km length of National Corridors Efficiency improvements, about 2,000 km length of Border and International connectivity roads, about 2,000 km length of Coastal and port connectivity roads, and about 800 km length of Expressways. NHAI has been mandated development of about 27,500 km of national highways under Bharatmal Pariyojna Phase-I.

A total of 246 road projects with an aggregate length of about 10,100 km (which is approximately 29.0% of the project contracts under Phase-I) have been awarded till February, 2020 under Bharatmala Pariyojana with total project cost of INR 2,384,130.0 million approximately, which also include projects on Greenfield Corridors. Further, 1,255 Km has been constructed under Bharatmala Project in FY20.

Phase I was to be implemented by FY22 but it seems it likely to get delayed given only 29% of the project contracts have been awarded and now projects under the Bharatmala will be implemented on the basis of its financial viability that means projects which attract stretches with high traffic density will be prioritised will be taken up on a priority basis, so that they can yield more revenue thus delaying the overall execution.

Phase-I of Bharatmala Pariyojana includes development of:

| Scheme | Length (kms) | Cost (INR mn) |
|---|---|---|
| Economic Corridors | 9,000.0 | 12,00,000.0 |
| Inter-Corridors & feeder roads | 6,000.0 | 8,00,000.0 |
| National Corridor Efficiency improvement | 5,000.0 | 10,00,000.0 |
| Border & International connectivity roads | 2,000.0 | 2,50,000.0 |
| Coastal & port connectivity roads | 2,000.0 | 2,00,000.0 |
| Expressways | 800.0 | 4,00,000.0 |
| **Sub Totals** | **24,800.0** | **38,50,000.0** |
| Ongoing Projects, including NHDP* | 10,000.0 | 15,00,000.0 |
| **Total** | **34,800.0** | **53,50,000.0** |

*Source: Ministry of Road Transport and Highways*

**Balance works under various phases of National Highways Development Project (NHDP) shall be fully subsumed under the proposed Bharatmala Pariyojana, to remove overlap and undertake comprehensive development.*

The Bharatmala Pariyojana Phase-I is to be funded from cess collected from petrol and diesel, budgetary support collected from toll apart from external assistance, expected monetisation of NHs through TOT (Toll-Operate-Transfer), Internal & Extra Budgetary Resources (IEBR) and private sector investment as per the laid-out Financing Plan up to FY22.

- **Regional connection initiative UDAN (RCS – UDAN)**

Ude Desh ka Aam Naagrik (UDAN) is a regional airport development program of the Government of India and part of the Regional Connectivity Scheme of upgrading under-serviced air routes. Its goal is to make air travel affordable and improve economic development in India. In CY2021, 168 routes were awarded under UDAN. As part of the objective to improve connectivity across India, 100 routes have been launched. Additionally, three heliports and 9 (regional/ Tier 2/ Tier 3 cities) airports were made operational.

- **Sagarmala**

The Sagarmala programme is an initiative by the government of India to enhance the performance of the country's logistics sector. The programme envisages unlocking the potential of waterways and the coastline to minimize infrastructural investments required to meet these targets.

The concept of Sagarmala was approved by the Union Cabinet on 25th March 2015. As part of the programme, a National Perspective Plan (NPP) for the comprehensive development of India’s 7,500 km coastline, 14,500 km of potentially navigable waterways and maritime sector has been prepared.

Approximately 95.0% of India’s merchandise trade (by volume) passes through sea ports. Many ports in India are evolving into specialized centres of economic activities and services and are vital to sustain future economic growth of the country such as Jawaharlal Nehtru Port, Mundra Port, Sikka Port, Hazira Port etc.

- **Atal Mission for Rejuvenation and Urban Transformation (AMRUT)**

AMRUT was launched in June 2015 by PM Narendra Modi under the Government of India. The AMRUT scheme is an initiative to provide basic civic amenities to the urban areas to improve the quality of life with major focus to the poor and the disadvantaged. The scheme focuses on establishing an infrastructure for ensuring adequate sewage networks and water supply in the urban areas through the implementation of the urban revival projects. The first state to submit State Annual Action Plan under the AMRUT scheme was Rajasthan. Various other schemes like Swachh Bharat Mission, Housing for All 2022 and the local state schemes related to water supply, sewerage and infrastructure can also be linked to the AMRUT scheme.

The scheme consists of the following major components:
- Capacity building
- Reform implementation
- Water supply and management of sewerage and septage
- Drainage of stormwater
- Improvement in urban transport facilities
- Development of green spaces and parks.

The scheme aims in covering around 500 cities that are having a population of over 100,000. To be selected under the AMRUT Scheme, the cities/towns fall under the following categories:

- All the cities and towns that are having a population of 1,00,000 or above as per the census of 2011 with notified municipalities and also including the civilian areas.
- All the capital cities or towns of States/ UTs that are not falling under the above criteria.
- The cities or towns that are classified as Heritage Cities by the Ministry of Housing and Urban Affairs under the HRIDAY Scheme.
- Thirteen cities and towns that fall on the stem of the main rivers and having a population of more than 75,000 but less than 1,00,000.
- Ten Cities belonging from the hill states, islands and tourist destinations. Only one city from each of these states can be selected under the AMRUT scheme.

- **Jal Jeevan Mission (JJM)**

The JJM was launched in August 15, 2019 by our Prime Minister Modi to provide safe and adequate drinking water through individual household tap connections by 2024 to all households in rural India. The programme will also implement source sustainability measures as mandatory elements, such as recharge and reuse through grey water management, water conservation, rain water harvesting. The JJM will be based on a community approach to water and will include extensive information, education and communication as a key component of the mission. The broad objectives of the mission are as given below:

- To provide functional tap connection (FHTC) to every rural household.
- To prioritize provision of FHTCs in quality affected areas, villages in drought prone and desert areas, Sansad Adarsh Gram Yojana (SAGY) villages, etc.
- To provide functional tap connection to schools, anganwadi centres, gram panchayats buildings, health centres, wellness centres and community buildings.
- To monitor functionality of tap connections.
- To promote and ensure voluntary ownership among local community by way of contribution in cash, kind and/ or labour and voluntary labour (Shramdaan).
- To assist in ensuring sustainability of water supply system, i.e., water source, water supply infrastructure, and funds for regular O&M.
- To empower and develop human resource in the sector such that the demands of construction, plumbing, electrical, water quality management, water treatment, catchment protection, O&M, etc. are taken care of in short and long term.
- To bring awareness on various aspects and significance of safe drinking water and involvement of stakeholders in manner that make water everyone's business.

Key Components under JJM

- Development of in-village piped water supply infrastructure to provide tap water connection to every rural household.
- Development of reliable drinking water sources and/ or augmentation of existing sources to provide long-term sustainability of water supply system.
- Wherever necessary, bulk water transfer, treatment plants and distribution network to cater to every rural household.
- Technological interventions for removal of contaminants where water quality is an issue.
- Retrofitting of completed and ongoing schemes to provide FHTCs at minimum service level of 55 lpcd.
- Greywater management.
- Support activities, i.e. training, development of utilities, water quality laboratories, water quality testing & surveillance, R&D, knowledge centre, capacity building of communities, etc.
- Any other unforeseen challenges/ issues emerging due to natural disasters/ calamities which affect the goal of FHTC to every household by 2024, as per guidelines of Ministry of Finance on Flexi Funds.

The government has allocated almost INR 500,000.0 million in this year's budget for providing functional FHTC in rural India. The target for the financial year 2021-22 is to achieve an additional 30mn FHTCs. In the financial year 2020-21, a total of 21.4 million additional FHTCs were provided and 26 districts of the country had achieved 100% FHTC. In this year's budget the government has announced JJL (urban) to attain the universal water supply in all 4,378 Urban Local Bodies (ULBs) with 28.6 million household tap connections. Also, there is a plan to do liquid waste management in 500 AMRUT cities. These will be implemented over 5 years, with an outlay of INR 2,87,000 million. No exclusive financial provision is made under this for the current financial year. All the activities will be carried out under the AMRUT scheme.

The government also announced Urban Swachh Bharat Mission 2.0 which will be implemented with a total financial allocation of INR 1,41,678 million over 5 years from 2021-2026. The focus will be on complete faecal sludge management, wastewater treatment and source segregation of garbage. Under the scheme of Swachh Bharat Mission – Urban an allocation of INR 23,000 million is made, which is equal to last year's allocation.

- **Namami Gange**

Namami Gange Programme is an integrated conservation mission, approved as 'Flagship Programme' by the Union Government in June 2014 with budget outlay of INR 200.0 billion to accomplish the twin objectives of effective abatement of pollution, conservation and rejuvenation of river Ganga. Its implementation has been divided into entry-level activities (for immediate visible impact), Medium-Term Activities (to be implemented within 5 years of time frame) and Long-Term Activities (to be implemented within 10 years).

Under the Namami Gange Programme, all the drains falling into the river Saryu in the religious and historical city of Ayodhya are being tapped and contaminated water is being transported to the sewerage treatment plant.
Namami Gange gave opportunity to engineering consultancy companies in providing services under the flagship program in Bihar, Madhya Pradesh, Uttarakhand & Uttar Pradesh.

- **Integrated Power Development Scheme (IPDS)**

The IPDS aims at fulfilling objectives like strengthening of sub-transmission and distribution networks in the urban areas, metering of distribution transformers/ feeders/ consumers in the urban areas, IT enablement of the distribution sector, and strengthening of distribution network. The components have an estimated outlay of INR 326.1 billion including a budgetary support of INR 253.5 billion from Government of India during the entire implementation period.

The scheme created opportunities for the companies in 13 states / UT i.e. Andhra Pradesh, Chhattisgarh, Delhi, Goa, Himachal Pradesh, Jammu & Kashmir, Maharashtra, Nagaland, Odisha, Sikkim, Tamil Nadu, Telangana & Uttar Pradesh.

- **Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY)**

This scheme was announced in December 2014 with an aim to electrify every household in the country. The scheme came as a replacement to Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY). Though the project focuses on sub-transmission and distribution infrastructure in rural areas, it is also extended to conventional or renewable or non-conventional sources such as bio fuel, geothermal, solar etc., for power generation where grid connectivity is not feasible. DDUGJY facilitates towards achievement of '24x7 Power For All' in the rural areas of India, through the following project components:

- Strengthening of agricultural and non-agricultural feeders facilitating continuous quality power supply to non-agricultural consumers and adequate power supply to agricultural consumers
- Strengthening and augmentation of sub-transmission & distribution infrastructure;
- Micro-grid and Off-grid distribution network;
- Metering of Distribution Transformers/Feeders/Consumers; and
- Rural Electrification component (including the erstwhile rural electrification projects).

Under the scheme, 60% of the project cost (85% for special States) is provided as grant by GoI and additional grant up to 15% (5% for Special Category States) is provided by GoI on achievement of prescribed milestones (Special Category States -All North Eastern States including Sikkim, J&K, Himachal Pradesh, Uttarakhand). The funds required for the completion of project was initially estimated around INR 700,000 million. The projects under this scheme made substantial progress and 28th April 2018 was a landmark day for the power sector in India by achieving electrification of all un-electrified census inhabited villages in the country totaling to 18,374 villages excluding the 1,305 uninhabited villages with 1,515 villages electrified in FY 2018-19. Leisang of Manipur state was the last village electrified. Under erstwhile rural electrification subsumed under DDUGJY an amount of INR 66,3536 mn (Max. Grant involved INR 59,7182.4 mn) has been sanctioned against which INR 58,1820 million (incl. grant of INR 52,5046.6 million has been released till June 30, 2021. The DDUGJY scheme has been allocated INR 36,000 million for the current financial year.

- **Urban Infrastructure**

Government thrust on urban infrastructure development is expected to drive investment in the sector over the next five years. CRISIL Research expects construction spend in urban infrastructure to be ~Rs 3.3 trillion between fiscals 2019 and 2023, about twice the spend in the previous five years. Urban infrastructure includes construction-intensive mass rapid transit system, bus rapid transit system, water supply and sanitation projects, smart cities, and related infrastructure development. WSS projects are expected to account for ~48% of total urban infrastructure investments over the next five years, driven primarily by state governments and through centrally sponsored programmes. Rajasthan, Gujarat, Telangana, and Uttar Pradesh will lead state investments in WSS projects.

**Eklavya Model Residential Schools (EMRS)**

EMRS started in the year 1997-98 to impart quality education to ST children in remote areas in order to enable them to avail of opportunities in high and professional educational courses and get employment in various sectors. Each school has a capacity of 480 students, catering to students from Class VI to XII. Hitherto, grants were given for construction of schools and recurring expenses to the State Governments under Grants under Article 275 (1) of the Constitution.

In order to give further impetus to EMRS, it has been decided that by the year 2022, every block with more than 50.0% ST population and at least 20,000 tribal persons, will have an EMRS. Eklavya schools will be on par with navodaya vidyalayas and will have special facilities for preserving local art and culture besides providing training in sports and skill development. Across the country, as per census 2011 figures, there are 564 such sub-districts out of which there is an EMRS in 102 sub-districts. Thus, 462 new schools have to be opened by the year 2022.

**Smart Cities Mission**

The purpose of the Smart Cities Mission is to drive economic growth and improve the quality of life of people by enabling local area development and harnessing technology, especially technology that leads to smart outcomes. Till now, under Smart Cities Mission, tender is issued for 7,831 projects amounting to INR 1.9 trillion. The work order is issued for 7,652 projects (INR 1.8 trillion) while the work is completed for 4,161 projects (INR 681.6 billion) till date.

Smart Cities Mission envisions developing an area within the cities in the country as model areas based on an area development plan, which is expected to have a rub-off effect on other parts of the city, and nearby cities and towns. Each city creates a Special Purpose Vehicle (SPV), headed by a full-time CEO, to implement the Smart Cities Mission. Centre and state government provides USD 130.0 million funding to the company, as equal contribution of USD 63.0 million each. The company has to raise additional funds from the financial markets.

➢ **PM Awas Yojana**

The scheme provides financial assistance to rural poor for constructing their houses themselves. For urban people, it is enabling better living and driving economic growth. It envisages a 'Slum Free India' in which every citizen has access to basic civic infrastructure and social amenities. Pradhan Mantri Aawas Yojana – Urban (PMAYU), Housing for All by 2022 has received a record-high allotment of INR 280.0 billion in BE for FY23.

**Special Economic Zone**

India was one of the first in Asia to recognize the effectiveness of the Export Processing Zone (EPZ) model in promoting exports, with Asia's first EPZ set up in Kandla in 1965. With a view to overcome the shortcomings experienced on account of the multiplicity of controls and clearances; absence of world-class infrastructure, and an unstable fiscal regime and with a view to attract larger foreign investments in India, the Special Economic Zones (SEZs) Policy was announced in April 2000.

This policy intended to make SEZs an engine for economic growth supported by quality infrastructure complemented by an attractive fiscal package, both at the Centre and the State level, with the minimum possible regulations.

The main objectives of the SEZ Act are:

- generation of additional economic activity
- promotion of exports of goods and services
- promotion of investment from domestic and foreign sources
- creation of employment opportunities
- development of infrastructure facilities

It is expected that this will trigger a large flow of foreign and domestic investment in SEZs, in infrastructure and productive capacity, leading to generation of additional economic activity and creation of employment opportunities.

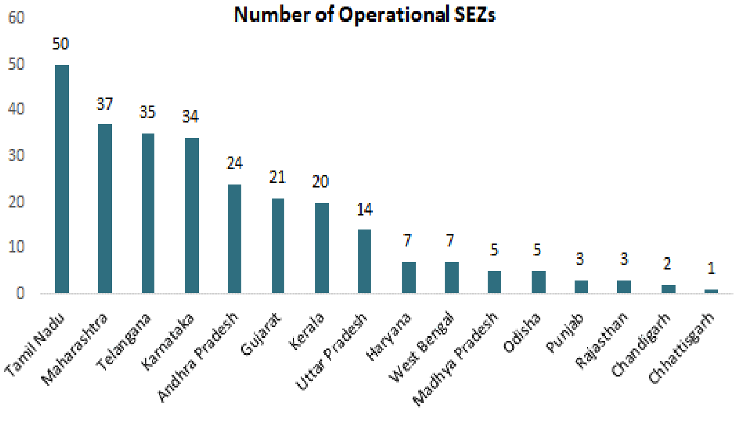
The incentives and facilities offered to the units in SEZs for attracting investments into the SEZs, including foreign investment include:

- Duty free import/ domestic procurement of goods for development, operation and maintenance of SEZ units
- 100.0% Income Tax exemption on export income for SEZ units under Section 10AA of the Income Tax Act for first 5 years, 50.0% for next 5 years thereafter and 50.0% of the ploughed back export profit for next 5 years. The Sunset Clause for units will become effective from 1st April 2020.
- Exemption from Central Sales Tax, Exemption from Service Tax and Exemption from State sales tax. These have now subsumed into GST and supplies to SEZs are zero rated under IGST Act, 2017.
- Other levies as imposed by the respective State Governments.
- Single window clearance for Central and State level approvals.

The major incentives and facilities available to SEZ developers includes:

- Exemption from customs/ excise duties for development of SEZs for authorized operations.
- Income Tax exemption on income derived from the business of development of the SEZ in a block of 10 years in 15 years under Section 80-IAB of the Income Tax Act. The Sunset Clause for Developers has become effective from 1st April 2017
- Exemption from Central Sales Tax (CST).
- Exemption from Service Tax (Section 7, 26 and Second Schedule of the SEZ Act).

**Operational SEZs in India**
Tamil Nadu (50) has highest number of operational SEZs followed by Maharashtra (37), Telangana (35), Karnataka (34), Andhra Pradesh (24), Gujarat (21) and Kerala (20). These states contribute towards major part of country's GDP.



*Source: Ministry of Commerce & Industry, Department of Commerce*

**Economic Impact of SEZ in India**
According to the Ministry of Commerce and Industry, SEZ exports increased with the CAGR of 26.3% between 2005-06 and 2020-21, from INR 228.4 billion in 2005-06 to INR 7,595.2 billion in 2020-21. Further, investment in SEZs increased with the CAGR of 39.8% between 2005-06 and 2020-21, from INR 40.4 billion in 2005-06 to INR 6,175.0 billion by 2020-21.

Basis the sector-wise distribution of approved SEZs, the highest number of operational SEZs relates to IT, ITes electronic hardware, semiconductor and telecom equipment sectors, comprising ~60.0% of SEZs in India.

**Key Challenges faced by EPC Industry**

- **Time contingency**: Cost saving and time performance is usually essential to all parties - owner, contractor, and subcontractor – involved in a construction project. The project may get stalled on account of numerous reasons such as unavailability of land, lack of funds, and proper clearances not in place. Depending on the risk allotment, the burden of increased costs could fall on either the owner or the contractor.

- **Price risk:** Capital investments, especially in the industrial segment, depend on the successful offtake of the planned product in the increased capacity. However, that depends largely on the owner's product-pricing ability.

- **Risks involved in dealing with governmental agencies**: Many of the segments in construction, especially in the infrastructure side, have various government authorities as the counter-party. These could be central or state government authorities or special purpose vehicles floated by the governments to cater to some particular needs. Thus, for sectors such as irrigation, where most of the payments come from the state governments, the players have to face elongated working capital cycles on account of delays in payments. Or a difference of opinion between the central and state governments may hold up required clearances, thus stalling the project.

- **Political risk:** This risk relates to matters such as increased taxes and royalties, revocations or changes to the concession, exchange controls on proceeds, forced government participation in shares, and refusal of import licenses for essential equipment.

**Potential for India player in Global EPC Business**
India has seen EPC industry translating from a relatively mediocre industry to a behemoth. This turnaround was basis the fast paced growth which the Indian economy witnessed in last decade to fifteen years of time. Today, the EPC industry of the country has become synonymous to multi million dollars complex projects which are being executed by both the private and Government market participants. However, a decade ago Indian EPC industry was categorized by small projects which were not that complex in nature and plagued by multitude small packages and subcontracts. But, in the current scenario it has squared with huge and unique opportunity due to galloping Indian economy and the planned investments in public and industrial infrastructure. This scenario has fueled India to have recognition on global front. The EPC sector has witnessed consistent changes over past decade and has

seen a smooth transition in terms of increasing project size, scale and market maturity.

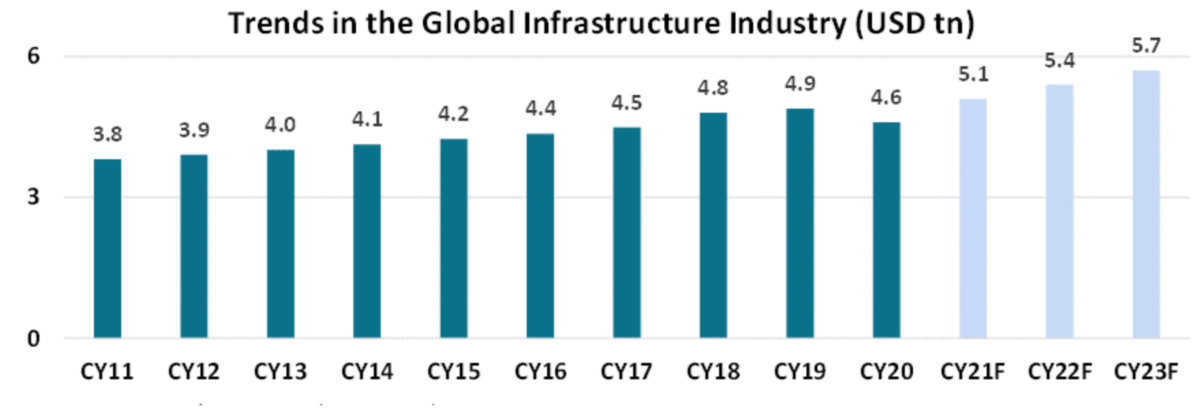
The construction industry in the MENA region struggled in 2020, leading to a contraction of about 4.5%, with the challenges presented by the outbreak of Covid-19, low oil prices and the impact of sovereign credit rating downgrades. The construction sector is expected to witness a slow recovery in 2021, but the pace of recovery will be uneven across the countries in the region. However, largescale projects in the oil, gas, power and water sectors have gained traction against the downturn in market conditions this year, and this is likely to continue. A lot of contract awards are expected as the region pushes its renewable energy programme, particularly solar photovoltaic and wind power. Overall, the construction sector is expected to recover with growth of 1.9% in 2021 and 4.1% in 2022 in the MENA region as the region ramps up vaccination programmes.

The African construction market is expected to register a CAGR of 6.4% (2019-2024), aided by the availability of huge natural resources, cheap labour, significant investment opportunities in energy and infrastructure, and a fast growing consumer market. Improvement in the business environment, including favourable economic development policies, rising commodity prices and stable governments, should support the growth of the construction sector. The transport sector, followed by power and energy projects, constitute half of the total ongoing projects. However, the constant rise of project costs due to rise in the prices of steel, cement and oil further accentuated by the weakening of local currencies against the dollar, may act as headwinds to the overall construction sector.

The construction sector suffered a contraction in the ASEAN region as well, due to lockdown measures implemented to stem the spread of the pandemic. Public spending is expected to be increased to accelerate recovery in 2021. Increasing population, rapid urbanisation and increasing investments in infrastructure development shall remain the key factors to stimulate market growth in the region.

**Global Infrastructure Sector**

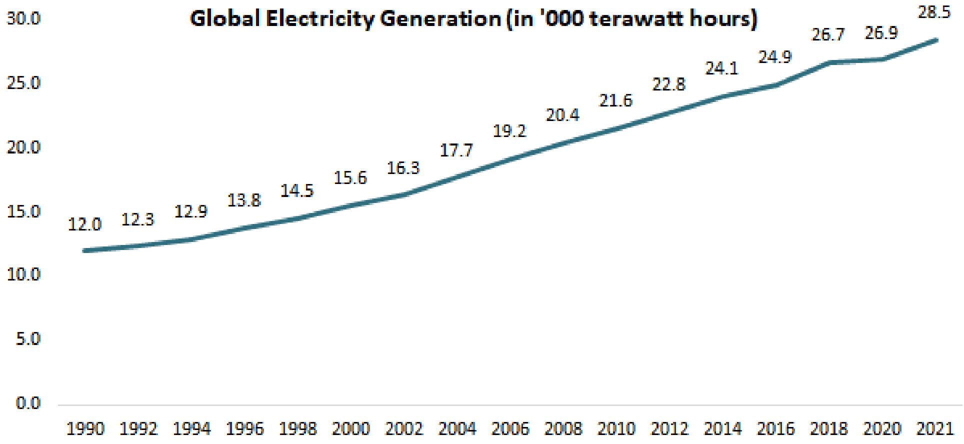
The global construction and infrastructure sector will continue to benefit, after showing a degrowth of 2.7% in 2020, from the ongoing Covid-19 vaccine rollout and government efforts to stimulate the economic recovery through support for the sector. The energy transition will increasingly form part of government efforts to drive investment in infrastructure. This is expected to see the infrastructure industry grow by 5.5% in 2021 and at 3.5% thereafter in the medium term.




*Source: FSIAPL*

Latin America exhibited the highest real growth rate in its overall construction industry of any region in 2021, at 13.1%, following a severe 16.3% contraction in 2020 that created base effects. Considering when regions will see their respective construction industry values return to pre-pandemic levels, Latin America will only reach this level by the end of 2024, while all other regions will have recovered by the end of 2021. This places Latin America ahead of Asia, which FSIAPL currently forecasts to grow by 7.5% y-o-y in 2021 after seeing its real growth flatline at 0% y-o-y in 2020. Sub-Saharan Africa (SSA) will be the third-fastest growing region in 2021 with real growth of 6.4% y-o-y based on current forecast. As per FSIAPL, all regions except North America and Western Europe (NAWE) will see their respective shares of global construction industry value rise, with these regions limited due to their relative maturity and thus their more restricted scope for growth.

**Global power sector -** Global electricity generation has increased significantly over the past three decades, rising from less than 12,000 terawatt-hours in 1990 to nearly 28,500 terawatt-hours in 2021. During this period, electricity generation worldwide only registered an annual decline twice: in 2009, following the global financial crisis, and 2020, amidst the coronavirus pandemic.




*Source: Statista, FSIAPL*

China consumes by far more electricity than any country in the world, with almost seven terawatt-hours consumed every year. The United States ranks as the second-largest electricity consumer, at some 3,800 terawatt hours in 2020. It was followed by India, but by a wide margin.

The world's top three electricity consumers constitute the countries with the largest population. China leads both rankings. India, on the other hand, nearly matches China in terms of population, while recording less than one fifth of the Chinese annual electricity consumption. Meanwhile, countries like Nigeria, which boasted the seventh-largest population worldwide didn't even rank among the top 20 electricity consumers.
The increasing demand for global electricity in the first half of 2021 surpassed the growth of clean electricity, resulting in a rise in emissions-intensive coal power. This resulted in a spike in global power sector emissions beyond levels prior to the onset of the pandemic.

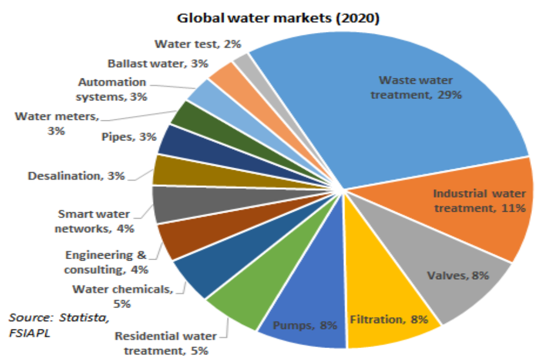
The second half of 2021 saw a further rise in global electricity demand. The year 2021 saw wind and solar driven growth of the clean energy sector. For the first time, these two sources produced more than 10.0% of global electricity generation, overtaking nuclear generation.

According to the energy think-tank Ember, the level of emissions from the power sector declined in the first half of 2020 due to the COVID-19 pandemic. However, H1 2021 saw these levels surpassing pre-pandemic levels (H1 2019) by 5%. Moreover, the demand for global electricity witnessed a rise of 5.0% in H1 2021 in comparison to the pre-pandemic level, largely met by wind and solar (57.0%) and an increase in coal power (43.0%). Gas remained unchanged, while the hydro and nuclear power witnessed a minor decline. The demand for global electricity was estimated to increase 4.5% in 2021 compared to a contraction of 1.0% in 2020.

There was a growth trajectory in wind and solar energy. The number witnessed considerable growth, more than double from 5.0% of global electricity as recently as 2015. This was the first time that solar panels and wind turbines produced more than all the world's nuclear power plants. The share of nuclear energy in global electricity experienced negligible change during this period as lesser number of new plants are being built outside China, and older nuclear plants are closed in OECD countries.

**Global water industry**

The global water market had an estimated value of USD 655.0 billion in 2020. Wastewater treatment (water utilities) accounted for the largest share of the market, at 29.0%. Meanwhile, the industrial water treatment segment represented roughly 11.0%. In 2020, the global water and wastewater treatment equipment market size was valued at USD 61.6 billion.
The industrial and energy sectors in Asia demanded approximately 316,000 cubic meters of water only in 2010, and this figure is expected to double by 2050, when the water consumption from these sectors reaches some 760,000 cubic meters annually.




The water and wastewater treatment equipment market size was valued at USD 61.6 billion in 2020. The market value is expected to reach USD 84.0 billion dollars by 2028, growing at a CAGR of 4.0% between 2021 and 2028. This growth will be fueled by a rising demand for clean water amid shrinking water access worldwide. The global water infrastructure repair market size totalled USD 94.76 billion in 2020. It is expected to reach USD 141.41 billion by 2026, growing at a compound annual growth rate of 6.9%.

**Waste water**

An estimated 4.2 billion people worldwide had access to safely managed sanitation services in 2020. This was an increase of 2.4 billion people since the turn of the century. In 2000, 21.0% of the world's population practiced open defecation, but by 2020 this figure had fallen to less than half a billion.
Regional coverage of safely managed sanitation facilities varies greatly around the world. Roughly 80.0% of the populations in Australia and New Zealand, and Europe and Northern America had access to safely managed services in 2020. In comparison, just 21.0% had access to these services in Sub-Saharan Africa. Since 2000, the number of people with access to safely managed sanitation services is estimated to have more than doubled worldwide.

**Drinking water**

In 2020, an estimated 90.0% of the world population had access to at least basic drinking water services. Access was highest in Europe and North America and Australia and New Zealand, with 100.0% of both regions having access to at least basic drinking water services.

Improved drinking water refers to a source that can be adequately protected from outside contamination, mostly by fecal matter. An improved sanitation facility keeps human waste out of reach, for example, by using a flush toilet or a septic tank. These protected sources include rainwater, protected springs, and piped water into a dwelling. Global investments in water supply infrastructure are expected to increase.

**Growth rate of water infrastructure industry value (% y-o-y)**

| Countries | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| China | NA | 4.8 | 4.5 | 4.0 | 4.5 | 4.8 | 4.7 | 4.1 | 3.5 | 3.0 | 2.4 |
| USA | -2.4 | 3.2 | 3.4 | 2.1 | 1.9 | 1.7 | -1.1 | -0.9 | -0.4 | 0.8 | 0.5 |
| India | 8.2 | 5.8 | 5.3 | 4.8 | 4.2 | 4.0 | 3.7 | 3.7 | 3.6 | 3.5 | 3.4 |
| Russia | NA | 0.4 | 0.2 | 0.8 | 0.7 | 0.7 | 0.6 | 0.5 | 0.4 | 0.4 | 0.4 |
| Japan | -1.3 | -2.5 | -2.4 | -2.5 | -2.5 | -2.6 | -2.7 | -2.7 | -2.8 | -2.8 | -2.9 |
| Brazil | 3.8 | 1.6 | 1.3 | 0.9 | 1.3 | 1.1 | 1.3 | 1.2 | 1.1 | 1.0 | 0.8 |
| Canada | 2.6 | 2.1 | 1.9 | 1.8 | 1.7 | 1.6 | 1.9 | 1.7 | 1.5 | 1.3 | 1.1 |
| France | 0.2 | 1.1 | 0.2 | 0.7 | 1.1 | -0.6 | 0.6 | 0.8 | 1.0 | 1.3 | 1.5 |
| United Kingdom | 3.1 | 1.0 | -12.0 | -1.0 | -1.0 | -1.0 | -1.0 | -1.0 | -1.0 | -1.0 | -1.0 |
| South East Asea | | | | | | | | | | | |
| **Indonesia** | 6.6 | 4.9 | 4.9 | 4.8 | 4.7 | 4.7 | 4.7 | 4.6 | 4.6 | 4.5 | 4.5 |
| Vietnam | 7.2 | 7.0 | 6.9 | 6.8 | 6.8 | 6.8 | 6.8 | 6.8 | 6.7 | 6.7 | 6.7 |
| Latin America | | | | | | | | | | | |
| **Colombia** | -4.1 | 1.9 | 3.9 | 2.9 | 3.0 | 2.9 | 2.6 | 3.0 | 2.8 | 2.6 | 2.4 |
| Mexico | 11.3 | 4.8 | 4.2 | 3.8 | 3.9 | 4.2 | 4.0 | 3.9 | 3.4 | 3.0 | 2.5 |
| Peru | 18.9 | 2.2 | 1.6 | 1.4 | 1.5 | 1.8 | 1.3 | 1.6 | 1.5 | 1.4 | 1.3 |

*Source: FSIAPL*

**Role of India Players for Global Infrastructure Industry**

Export of engineering goods on deferred payment terms and execution of turnkey projects and civil construction contracts abroad are collectively referred to as 'Project Exports'. The developing countries in the world are focus on augmenting the infrastructure and the multilateral financial agencies are funding the infrastructure investments in the developing countries. It is estimated that nearly 3% of the global GDP will be invested in infrastructure annually in the coming decades. With growing world population, increasing urbanization, and accelerating pace of economic development, infrastructure demand is set to continue growing rapidly across the globe. During the financial year 2020 – 21 Export-Import Bank of India (EXIM Bank) supported 38 project export contracts valued at USD 3.6 billion under its commercial window. Some major project exports contracts supported by the Bank during the year include:

- ✓ Construction and maintenance of four lane National Highway from Dharkhar to Sarail in Bangladesh, awarded to Afcons Infrastructure Ltd.;
- ✓ Design, manufacture and supply of cables and wires for Dangote Refinery complex project in Nigeria, secured by Polycab India Ltd.;

- ✓ Design, supply and related services for building substation, transmission lines and relocation and expansion of substations in Nicaragua, secured by Transrail Lighting Ltd.;
- ✓ Design, supply, installation, and commissioning of power transmission line in Togo, secured by KEC International Ltd.;
- ✓ Engineering, Procurement and Construction (EPC) of three Central Processing Facilities for a gas field development project being developed by Sonatrach in Algeria, secured by L&T Hydrocarbon Engineering Ltd.;
- ✓ EPC of container berth, back up yard, building, utilities, for development of container terminal at the Yangon port, Myanmar, by ITD Cementation India Ltd.;
- ✓ Design, engineering, procurement, supply, construction and commissioning of 190 MW
- ✓ DC solar photovoltaic plant in Chile, secured by Sterling and Wilson Solar Ltd.; and
- ✓ Design, manufacture, supply and supervision of the installation and commissioning of vertical axial pumps in Suriname, by Kirloskar Brothers Ltd.

As per a survey conducted by EXIM Bank for the period FY16-18 power sector has emerged as the topmost sector for project exports from India, with companies securing several contracts in the management of transmission and distribution. In value terms, nearly 48% of the contracts secured were in the power sector. Renewable energy (share of 11%), transport (10 %), railway (10%), and other construction (9 %) were the other major sectors for project exports from the country.

The significant presence of Indian companies in project exports can be attributed due to our technological expertise we have achieved in the above-mentioned sectors. The GoI of Line of Credit (LOC) program through EXIM Bank has been enabling factor to create mutually beneficial partnerships with the other developing countries and has created opportunities for the Indian companies. As per the annual report of the EXIM Bank for FY20, the Bank extended 27 LOCs, aggregating USD 3.4bn, to support export of projects, goods and services from India. LOCs extended by the Bank during the year include LOCs to the Governments of Bolivia, Comoros, D.R. Congo, Gambia, Ghana, Guinea, Madagascar, Mali, Mongolia, Mozambique, Nicaragua, Nigeria, Russian Federation, Rwanda, Seychelles, Sri Lanka, Suriname, Togo, Uzbekistan and Zimbabwe. These LOCs will catalyze exports by way of financing projects such as farm mechanization, food processing and irrigation development, establishment of rural broadband network, thermal power plant, petrochemical refinery project, solar power projects, social infrastructure and development projects, construction of hospitals and setting up of water supply schemes. The Exim Bank has built up a portfolio of 259 GoI supported LOCs with credit commitments aggregating USD 25.5 billion, which are at various stages of implementation. With ever expanding reach, the LOCs have gained momentum in stimulating economic growth across 64 countries in Africa, Asia, Latin America, Oceania and the CIS region.

Multilateral Development Bank (MDB) funded projects represent a significant part of the total project exports undertaken across the globe. These projects are a source of business opportunities, as they require substantial goods, equipment, civil works and consulting services across a wide spectrum of sectors. The projects allow exporters to capitalize on their competitive advantage and showcase their domain expertise. As per the EXIM Bank report on the Project Exports from India (2019) for the period 2014-2018 the contract awards for projects financed by MDBs such as the World Bank (WB), the Asian Development Bank (ADB), the African Development Bank (AfDB), the Inter-American Development Bank (IDB) and the European Bank for Reconstruction and Development (EBRD) cumulatively amounted to nearly USD 155.7 billion. During this period, the overall contracts secured by Indian companies in MDB funded projects have witnessed a significant upsurge. Overall contracts secured by Indian companies in ADB, AfDB and the World Bank funded projects amounted to USD 21.0 billion during the period 2014-2018. A significant share of the projects has been secured through International Competitive Bidding (ICB). India is among the top ICB winning countries across projects funded by major MDBs. Majority of these ICB contracts have been secured in domestic projects, but, India is also among the top project exporter in the overseas markets, particularly in Sub-Saharan Africa, Middle East and North Africa regions. While Indian contractors specialize in energy, transport, and water/ sanitation sectors. The Indian companies face fierce competition across all the regions in MDB funded projects in each of the above-mentioned sectors, particularly from China. As per a survey of project exporters conducted by Exim Bank also indicates that China and Turkey are among the top two competitors for Indian project exporters. Comparison of the region-wise share of India and its competitors in the ICB contracts secured in World Bank funded projects indicates a clear hegemony of China in the regions of South Asia, East Asia and Pacific, and Sub-Saharan Africa. In Europe and Central Asia, and Middle East and North Africa, Turkey secured the maximum value of ICB contracts in World Bank funded projects during the period 2014-2018, among the countries taken into consideration. The success in the Latin America and Caribbean (LAC) market has been limited for India, as also its competitors. The study further indicated that strong government support, robust external credit agency (ECA) framework and technological capabilities are the common factors between India and its competitors. China has clear advantage over India on account of cheaper raw material prices and India’s human resource capabilities are perceived to be a key strength by Indian project exporters

The projects export also faces key challenges while working in developing countries. Some of them are enumerated below:

**Financial Constraints:** The capital base of the competitor countries ECA is much stronger than EXIM Bank as a result they are able to take more exposure. The regulatory requirements for the EXIM Bank are also stricter than several other ECAs. Another challenge for the financers of project exports from India face is that credit risk profiles of many larger diversified EPC contractors in India remained weak due to after effect of aggressive bidding in the past and the over leveraged balance sheets.

**High Political Risk:** Many of the developing countries have unstable government where arbitrary or discriminatory decisions are taken (e.g., expropriation, unfair compensation, foreign exchange restrictions, unlawful interference, capital restrictions, corruption, and labour restrictions) by host governments or political groups. The political risk is more complex, unpredictable and devastating and is usually outside the scope of normal project activities. The change or replacement of political leaders will lead to replacement of EPC contractors.

**Institutional Challenges:** Many of the projects exports suffers delay on account of challenges faced during land acquisition, delay in obtaining regulatory approvals and lack of coordination among the agencies and delay in obtaining environmental clearances in the project countries

Finally, the limited availability of labour of skilled and affordable labour, and low labour productivity in the project countries is another factor which the project exports from India has to considered while bidding for the projects.

## INDIAN INFRASTRUCTURE SECTOR

India, the world's third largest economy in terms of its PPP (purchasing power parity) with population of over 1.3 billion has witnessed significant economic growth since the country was liberalized in early 1990s. Industrial deregulation, divestment of state-owned enterprises, reduced governmental controls on foreign trade and investment, served to accelerate the country's growth and India has been one of the leading growing economies, posting an average of 7.0% Gross Domestic Product (GDP) growth since beginning of this millennium.

### Investment Demand Gets Government Support

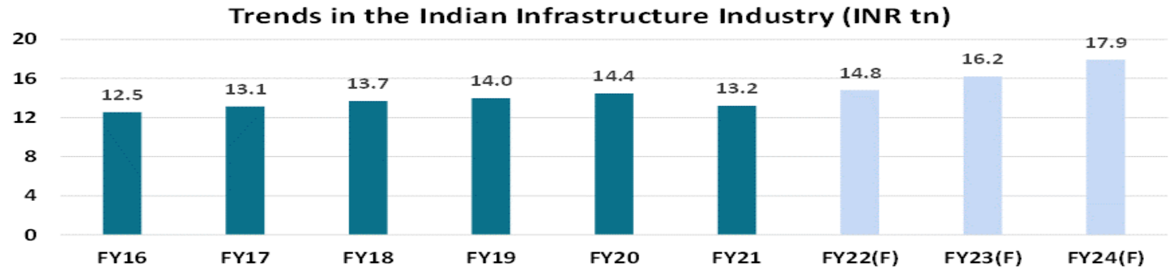
Investments as measured by gross fixed capital formation (GFCF) is expected to grow at 9.4% y-o-y in FY22, after recording negative 27.3% y-o-y growth in FY21. Investment demand, particularly the incremental private corporate investment, has been languishing for a number of years now primarily due to a combination of factors such as i) excess capacity (capacity utilisation stagnating 70%-75% since FY14), ii) weak domestic/global demand, and iii) stretched/ leveraged balance sheet of Indian corporates. Most of the capex growth in the economy has been driven by the government capex which averaged 1.7% of GDP during FY11-FY20. Government capex in FY21 (RE) for the first time since FY08 came in higher than 2.0% of GDP.

### Agriculture will remain a bright spot on production side

The agricultural GVA is projected to grow 3.0% y-o-y in FY22 (average during FY14-FY21: 3.6%). This is based on the expectation of a normal and spatially well distributed rainfall in 2021. Although the second advanced estimate of production of food grains for FY21 is still not out, it is expected that the Rabi harvest of 2021 to be good. Target of total food grains production for 2021-22 is set at 307.3 mnT, comprising 151.4 mnT in kharif season and 155.9 mnT during rabi season. In 2020-21, production was 303.3 mnT, against the target of 301.0 mnT. For 2021-22, the target for rice production has been fixed at 121.1 mnT, wheat at 110 MT, pulses at 25 MT, coarse cereals at 51.21 MT and oilseeds at 37.5MT. Continuing thrust on higher cereals output over the last six years has proved the government's reluctance to take any chance, even though it has been running schemes for Punjab and Haryana farmers to shift from water-guzzling paddy crop. Though the government of India declared a shift in the country's agriculture policy from production centric to income centric by announcing a target to double farmers' income by 2022, the continuing thrust on higher (than requirement) procurement of paddy and wheat under MSP operation has been a burden on the exchequer with continuous rise in food subsidy. The IMD has predicted 2021 monsoon rainfall to be 98% of the long period average (LPA) of 88 cm. The monsoon season of June-September has over 70% share in India's annual rainfall and is considered key to the success of agriculture sector, as almost 52% of the agricultural land is rain-fed.

### Focus on Infrastructure

Over the past year, several factors have influenced the need for changes to infrastructure planning and delivery: socio-political developments, trade tensions, a global pandemic and fast-evolving tech innovations. These create both opportunity and risk while yielding new possibilities for innovation in capital flows and investment models.




*Source: RBI, Statista, FSIAPL*
*P: Projected*

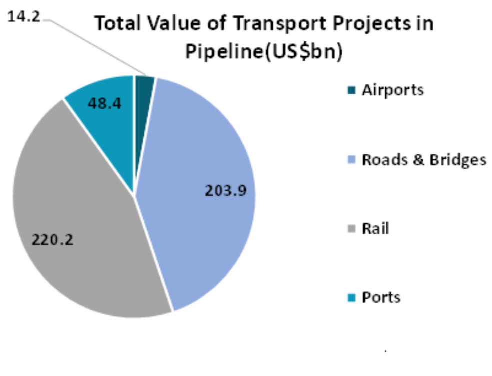
India's construction industry will continue to grow at strong pace over the next few years, driven by stable government support for infrastructure development and expanded private involvement in key sectors and PPPs. Sustained investment in construction will help India gradually bridge its sizeable infrastructure deficit, which range from rural road and power access to strained urban transport systems. Government support for infrastructure development was illustrated in the FY22 Union Budget - allocations across various infrastructure sectors have been adjusted upwards, compared with FY21, including the budgeted expenditure for the Ministry of Railways, the Ministry of Road Transport and Highway, and the Ministry of Power. Ongoing regulatory reforms made as part of Prime Minister Narendra Modi's Make in India initiative are also opening infrastructure sectors to greater foreign and private involvement, which will unlock greater pools of financing and improve operational efficiencies in the industry.

Recent reforms of India's foreign direct investment (FDI) regulations are positive for attracting investment and participation in the country's infrastructure sectors, which would be positive for overall growth given India's sizeable infrastructure needs. Compared with many other emerging markets in Asia, India has one of the lowest rates of foreign participation and investment in its construction and infrastructure industries. Given India's immense infrastructure deficit, the sector would benefit from capital and technical expertise that foreign investors and partners could bring.

The Union Minister of State for Road, Transport and Shipping has stated that the Government aims to boost corporate investment in roads and shipping sector, along with introducing business-friendly strategies, that will balance profitability with effective project execution. According to the data released by Department for Promotion of Industry and Internal Trade Policy (DPIIT), construction development sector attracted Foreign Direct Investment (FDI) inflow worth USD 25.9 billion in the between April 2000 and December 2020.

**Transport Sector to be Key Beneficiary**

India's transport sector will be a main beneficiary of Prime Minister Narendra Modi's commitment to invest in improving the quality and availability of infrastructure in the country. The road sector will be an outperformer, followed by rail, which will see increased focus on high-speed rail. FSIAPL also notes significant investment and aims for improvements in port and airport infrastructure. FSIAPL forecasts India's transport sector to grow by 6.9% in real terms in FY22. In the medium term, India's transport infrastructure sector will continue to grow strongly, albeit at a slower rate of 6.0% in real terms per annum. Most of the growth in this sector will be driven by the road and rail sub-sectors.



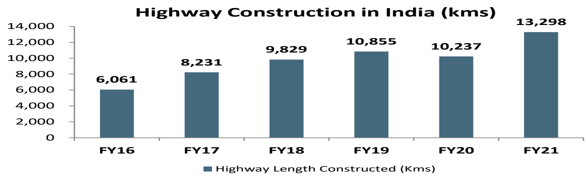

*Source: Ministry of Finance, FSIAPL*

Driven by robust government funding, the Indian road sector will be a key driver of transport infrastructure development in India over the next decade, with the road sector to see annual average real growth of 6.7% over the medium term. At the centre of the government's efforts is the importance of the country's road network, with roads being the dominant transport mode in India's supply chains, accounting for the primary method of transport of 85% of cargo transported within India. A key example of the government's ambitious road plans is the Bharatmala Pariyojana Plan, which began in 2015 and aims to construct 34,800km of road.

FSIAPL expects that the central government will prioritise private investment within its road infrastructure development efforts, with opportunities for more PPP financing, as opposed to more traditionally used contract types, including EPC and hybrid annuity mode (HAM) contracts. In recent years, India's government has looked to boost private investment in road construction and operation,  with a number of PPP projects launched. As per FSIAPL, for projects worth more than INR 2.0 billion, 34% of road projects that began construction in 2020 and

2021 are financed by PPPs, in comparison with 26% of road projects in 2018 and 2019. The use of PPPs is well established elsewhere in the transport sector, with the Ahmedabad-Mumbai HSR Project and the Hyderabad Metro primary examples.

Road construction is amongst the critical sub-segments of infrastructure development that is being currently banked upon to absorb the losses that have emerged from the pandemic and be a critical driver of economic growth as well as for employment creation. The issues associated with road construction such as land acquisition, environmental clearances, project financing, delays in tendering, contractual prevail and has been aggravated during the lockdown further hindering activities and leading to time and cost overruns.

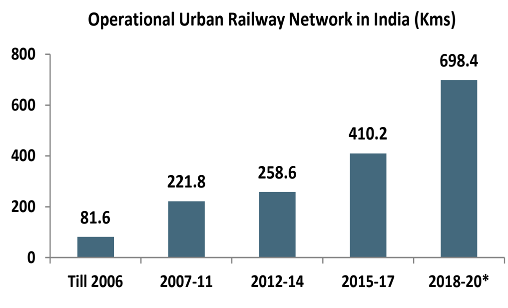


Source: MORTH/Media Reports

The pace of highway construction has increased notably from the lows of 7 kms/day in April 2020 to 33 km/day in June 2020 to 26 km/day in September 2020 to 36.4km/day in March 2021. Although the figure of 36.4 km per day is the highest ever, but it's still less than the 40 km per day target set by Road Transport and Highways Minister Nitin Gadkari in 2017. Overall, the ministry awarded 10,467 km of highway projects in FY21 as against 8,948 km in FY20, while construction length increased to 13,298 km in FY21 from 10,237 km in FY20. For FY22, the ministry has set its construction target at 14,600 km of national highways.

India's railways sub-sector will continue to register steady growth, averaging 4.3% in real terms in the medium term, supported by a large project pipeline, relaxed foreign investment regulations and a steadily improving land acquisition environment. Investment in railways will stem from rising demand for logistics and transport services and will be focused on two key areas: the development of industrial freight corridors between major cities and the construction of urban transit systems to reduce traffic congestion. The Ministry of Railways will spend INR 1.0 trillion on existing works on the Western Dedicated Freight Corridor (DFC) and the Eastern DFC, expected to be commissioned by June 2022. The government will also set up a development financial institution to support and manage long-term debt financing for infrastructure projects and will capitalise this institution with INR 200 bn.

PPPs will come into focus as they are used to finance and build freight corridors – industrial areas integrated with transport and logistics facilities - and urban transit systems. FSIAPL expects them to generate substantial investment opportunities in the coming years. The three freight corridors - North-South between Delhi and Chennai, East-West between Kharagpur in West Bengal and Mumbai and East Coast between Kharagpur and Vijayawada - will improve connectivity between manufacturing centres, cities and ports. Urban transit systems will be essential to achieving the goal of efficient urban mobility and public transport outlined in the 100 Smart Cities initiative.



Source: Media Reports * Upto March 2020

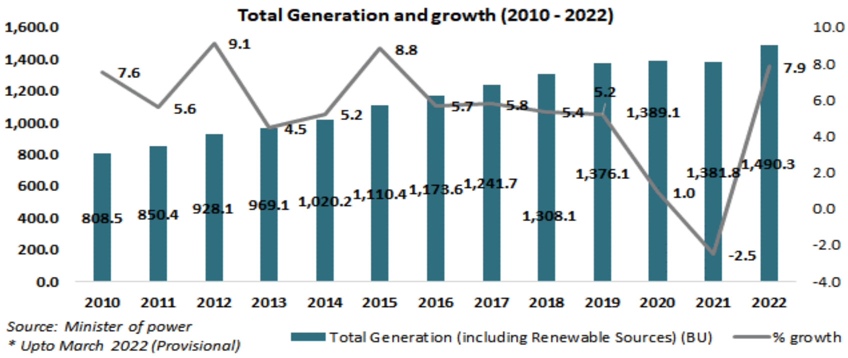
The above will see India's metro footprint expanding at a steady pace. The urban rail network has increased significantly, up from 81.5kms in 2006 to ~700 km operational currently (up to March 2020). The network has expanded from two cities in 2006 to about 13 cities as of March 2020. Delhi Metro has the highest operational network of 348 km, followed by Hyderabad Metro (66 km) and Chennai Metro (45 km).

Metro network in India recorded the highest growth in a span of three years during 2018-20 (up to March), with metro stretches spanning about 288 km being completed in key cities such as Chennai (17.9 km), Hyderabad (38.44 km), Delhi (130.54 km), Noida (29.71 km), Ahmedabad (6.5 km), Mumbai (11.28 km), Kochi (6.8 km), Nagpur (24.5 km), Jaipur (2.35 km) and Lucknow (14.38 km). The current pipeline of projects in the urban rail sector spells significant opportunity. Over 25 cities in India will have operational metro rail networks in the coming years. In the next 4-5 years, at least INR 3-4 trillion worth of projects are expected to be commissioned. While metro rail will continue to be the dominant mode of commuting, new modes such as rapid rail and light rail are also being explored. The recent times have seen focus shifting on Tier II cities. New metro rail constructions are upcoming in cities such as Kanpur, Indore, Surat, Patna, etc.

Emerging segments such as station branding, commercial development and real estate development will also provide significant opportunities in the years to come. New concepts and technologies such as mobility-as-a-service, internet of trains, big data, predictive maintenance, and the use of renewable energy to power trains and stations are also being explored. The overall maturity of the sector hinges on a number of factors such as creation of Unified Metropolitan Transport Authority, integration of various transport modes, smart ticketing, etc. While countries including Singapore and Japan have advanced subway and metro systems, India has a long way to go.

FSIAPL forecasts India's ports infrastructure sub-sector to grow by 7.0% in real terms in FY22 and average 5.0% annually thereafter over the medium term. The Sagar Mala initiative to upgrade and modernise the country's ports infrastructure demonstrates government commitment to the sub-sector and will generate investment opportunities; however, progress will be delayed by burdensome bureaucracy and regulations. Launched by the central government in 2014, the Sagar Mala project outlines the creation of coastal economic zones (CEZs), which integrate ports with surrounding road and rail networks and improve connectivity to inland manufacturing and consumption centres. The Ministry of Shipping, along with the State Governments, is striving to increase the overall port capacity to more than 3,500 MMTPA to cater to the projected traffic of 2,500 MMTPA by 2025. India's No.1 port, JNPT, plans to develop the SEZ in 277 hectares and expand it under the EPC model. Multi-modal terminal under the Jal Marg Vikas Project is being executed on the Haldia- Varanasi stretch of National Waterway-1 (NW-1) with the technical assistance and investment support of the World Bank, at an estimated cost of 53 billion on a 50:50 sharing basis between the Government of India and the World Bank. The strong involvement of the central government bodes well for the sub-sector as it helps resolve previous haphazard development patterns wherein major ports would be developed by the central government and minor ports would be developed by state governments, with little coordination between the two. In March 2021 the Prime Minister of India announced that India will invest USD 82.0 billion in port projects by 2035, with a focus on developing waterways, augmenting seaplane serves and boosting tourism around lighthouses.

**Rising Demand driving Power Growth**




Demand for power in India is expected to continue its strong growth trajectory over the next decade, underpinned by robust economic growth prospects. Fresh demand will mainly be met by coal projects, with transmission infrastructure slowly gaining importance given the proliferation of renewable energy and the need to upgrade existing grid infrastructure to handle future increases in electricity demand. A need to improve water supply for domestic, industrial and agricultural use will continue to drive investment in the water sector. Growth of India's energy and utilities sector is to continue to recover throughout FY22 and FSIAPL forecasts the sector to expand by 8.1% y-o-y in real terms. In the subsequent medium-term, the sector is expected to grow at an annual average of 7.0%. This will mainly be supported by investments in new power plants and transmission facilities required to cater to the increasing demand of electricity from the general population. The renewable power sector will take on growing importance in the country's energy and utilities infrastructure sector over the coming years, as falling costs and rising levels of private investment have led to the launch of numerous solar and wind power projects.

Growth in India's energy and utilities infrastructure sector over the coming decade will be driven by substantial investment in the upgrade and expansion of power plants, electricity transmission and distribution networks, and water utilities, all of which will be made to meet growing demand caused by a growing population and increasing urbanisation. Within the power sector, the construction of new power plants and transmission lines will be necessary to ensure that power capacity is efficiently matched to centres of demand. Investment in water utilities will largely occur on a local level as cities expand and modernise their water supply and sewerage facilities to cope with growing populations. Oil and gas pipelines will record minimal growth as per FSIAPL.

Power investments, in particular, are being made to meet Prime Minister's campaign promise of addressing poor access to electricity in rural areas, which implies that grid infrastructure will be an important focal point. The expansion of India's power grid has not kept up with generation and demand, resulting in many power plants running below capacity because they are not connected to industrial or urban consumers. Although most of India's electricity currently comes from coal sources, the issue of insufficient transmission capacity will become even more pertinent as the country transitions to renewables, such as solar and wind, which are more geographically dependent than thermal plants.

India is the world's third largest producer and third largest consumer of electricity. The national electric grid in India has an installed capacity of 383.37 GW as of 31 May 2021. Renewable power plants, which also include large hydroelectric plants, constitute 37% of India's total installed capacity. Coal-fired power plants will be the primary driver of infrastructure investment in India's power sector over the next decade, with this view underpinned by a strong project pipeline and a supportive government environment. As per FSIAPL, India hosts 40 coal-fired power plant projects currently under construction, with these projects involving a combined investment of USD 40.2 billion and accounting for almost 61.0 GW of capacity. The country has 73 coalfired power plant projects currently in planning, involving more than USD 80.0 billion in investment and adding up to a combined 123.6 GW of capacity. This robust pipeline of coal-fired power plants under construction or in planning stands out as one of the largest globally, with the pipeline as per FSIAPL being higher than in China, highlighting the central role of coal within the country's power mix. In addition to a robust pipeline, coal-fired power development in India will benefit from a supportive policy environment, with the government of India having advanced several policies in recent years to support the continued development of thermal capacity and coal-fired power plants in the market. This is highlighted by Prime Minister's 2020 proposal to waive carbon taxes on coal in a bid to alleviate debt levels in the coal sector. Among projects currently in development or under construction in the market, the key ones are the USD 3.6 billion KSK Mahanadi Power Project in Chhattisgarh and the USD 3.1 billion Yadadri Thermal Power Project in Telangana.

Hydropower infrastructure development will also contribute to energy & utilities construction growth over the coming years. India is well placed to benefit from hydropower, with its viable hydro potential assessed to be about 84,000 MW at a 60% load factor, presenting plenty of opportunity. Current activity in the sector includes the construction of the USD 2.7 billion Subansiri Lower Hydroelectric Project, which is expected to be completed in 2024; and the USD 1.3 billion Pakal Dul Hydropower Project in Jammu and Kashmir, which is due to be completed by 2025.

Strong growth in India's water utilities sub-sector, which FSIAPL forecasts will average 4.7% in the medium term, is underpinned by the need to provide services to a growing urban population and for providing irrigation to farming. Prime Minister's 100 Smart Cities programme is partly a response to this need and will provide significant investment opportunities in urban infrastructure development. Indian cities are struggling to meet the utility demands of a burgeoning urban population - which increased from 290mn in 2000 to more than 470mn in 2019, with many citizens living in informal settlements unconnected to the water system. A key part of the Smart Cities initiative is to address this gap. Among the plan's 10 goals are an adequate water supply, assured electricity supply, sanitation and solid waste management, and affordable housing, which will help drive growth in the overall energy & utilities sector. First announced in June 2014, the initiative aims to develop urban centres that rely on information technology to improve efficiency. In the water sub-sector, this includes implementing smart metering to track and respond to usage demands more efficiently.

**Affordable Housing and reviving Stalled Projects as key area of Focus**

FSIAPL expects India's residential buildings sector to grow robustly given current urbanisation trends and the need to construct affordable housing. Growth of the country's non-residential buildings sector will be supported by increasing levels of foreign investment in industrial and manufacturing facilities. As per FSIAPL, India's residential and non-residential buildings sector will grow by 7.9% in real terms in FY22, rebounding from the negative effects of Covid-19, and expected to expand at an average of 6.6% annually in real terms over the medium term. Foreign investments in industrial and manufacturing facilities will continue to help drive growth in India's non-residential buildings sector. Prime Minister's Make in India initiative has reduced barriers to foreign investment and has the long-term goal of developing India's industrial output.

Underpinning the positive outlook on residential building in India, FSIAPL notes strong government support at the national level for the housing sector, reflected in the allocation of sizeable funding for housing, with India's national FY22 budget including INR500bn allocated to the Ministry of Housing and Urban Development (MoHUA) as well as the creation of a USD 3.5 billion fund to support the completion of stalled housing projects. These will include projects which are expected to be completed in FY22 and will deliver 4,000 stalled homes. This follows a substantive increase in delayed residential building projects throughout FY20 and FY21 due to a series of defaults by non-bank financial companies and the impact of Covid-19 on the construction sector, which saw 500,000 homes stalled at various stages of construction in the top seven cities alone in FY21. With the gradual resumption of construction in late FY21, as well as the considerable funding included in the government budget, FSIAPL expects many housing projects slowed by the pandemic to see an acceleration of activity in FY22. Further, Prime Minister's Pradhan Mantri Awas Yojana PMAY(U) programme - which aims to provide affordable housing to all urban poor by FY23 through initiatives such as financial support – will also continue to be a driver of growth. Meanwhile, there is a considerable amount of unsold housing inventory, mostly mid- to high-end luxury units in urban areas, which will limit the growth potential of the high-end residential buildings sector.

Strong economic growth underpinned by an expanding manufacturing and e-commerce sector will support the growth of India's non-residential buildings sector over the next decade. The entrance of global e-commerce giants Amazon and Flipkart has accelerated the growth of India's e-commerce sector, driving demand for logistics and warehousing facilities. FSIAPL anticipates demand for retail space to grow over the short term, supported by a rising middle-income class.

**PM Gati Shakti**

Roads, Railways, Airports, Ports, Mass Transportation, Waterways, and Logistics Infrastructure are the seven engines that propel PM Gati Shakti. The seven engines for economic transformation, seamless multimodal connectivity, and logistical efficiency will be covered by the PM Gati Shakti National Master Plan.

- Road Transport: The National Highways Network would be expanded by 25,000 kilometers, with a budget of USD 2.67 billion set out for the project
- Parks for Multimodal Logistics: Contracts for the implementation of Multimodal Logistics Parks at four locations will be given using the PPP approach in 2022-23.
- Railways: The One Station One Product concept is developed to assist local businesses and supply chains. In 2022-23, 2000 km of railway network will be brought under Kavach, a world-class indigenous technology that will increase capacity. 400 new Vande Bharat trains will be constructed over the next three years. Over the following three years, 100 PM Gati Shakti Cargo terminals for multimodal logistics will be created.
- Parvatmala: Parvatmala's National Ropeways Development Program will be implemented on a public-private partnership basis. Contracts for eight 60-kilometre ropeway projects will be awarded in 2022-23.

**Providing Greater Fiscal Space to States**

- Enhanced outlay for 'Scheme for Financial Assistance to States for Capital Investment' from INR 100.0 billion in Budget Estimates to INR 150.0 billion in revised estimates for current year
- Allocation of INR 1.0 trillion in 2022-23 to assist the states in catalysing overall investments in the economy: fifty-year interest free loans, over and above normal borrowings
- In 2022-23, States will be allowed a fiscal deficit of 4% of GSDP, of which 0.5% will be tied to power sector reforms

**Agriculture and Allied Sectors**

- INR 2.37 trillion direct payment to 16.3 million farmers for procurement of wheat and paddy
- Chemical free Natural farming to be promoted throughout the county. Initial focus is on farmer's lands in 5 Km wide corridors along river Ganga
- NABARD to facilitate fund with blended capital to finance startups for agriculture & rural enterprise
- 'Kisan Drones' for crop assessment, digitization of land records, spraying of insecticides and nutrients

**MSMEs & Industry**

- Udyam, e-shram, NCS and ASEEM portals to be interlinked
- 13.0 million MSMEs provided additional credit under Emergency Credit Linked Guarantee Scheme (ECLGS)
- ECLGS to be extended up to March 2023
- Guarantee cover under ECLGS to be expanded by INR 500.0 billion to total cover of INR 5.0 trillion
- INR 2.0 trillion additional credit for Micro and Small Enterprises to be facilitated under the Credit Guarantee Trust for Micro and Small Enterprises (CGTMSE)
- Raising and Accelerating MSME performance (RAMP) programme with outlay of INR 60.0 billion to be rolled out

**Public Capital Investment**

- Public investment to continue to pump-prime private investment and demand in 2022-23
- Outlay for capital expenditure stepped up sharply by 35.4% to INR 7.5 trillion in 2022-23 from INR 5.5 trillion in the current year
- Outlay in 2022-23 to be 2.9% of GDP
- 'Effective Capital Expenditure' of Central Government estimated at INR 10.7 trillion in 2022-23, which is about 4.1% of GDP

**PEER GROUP ANALYSIS**

The profile and financial details of our listed peer groups is as below:

1) WAPCOS Limited is a 'Mini Ratna – I' Public Sector Enterprise under the aegis of the Ministry of Jal Shakti (MoJS), Department of Water Resources, River Development & Ganga Rejuvenation, Govt. of India.
2) IRCON International Ltd. - The company has diversified into roads, buildings, electrical substation and distribution, airport construction, commercial complexes and metro segments but majorly earns revenue from the railway segment.
3) RITES Ltd - A multi-disciplinary consultancy organization operating in the fields of transport infrastructure and related technologies, RITES provides a comprehensive array of services from consultancy to project execution both domestically and internationally. Furthermore, the Company undertakes projects both domestically and abroad and its domestic operations contribute contributed around ~75% to the revenue. The Company is likely to benefit from the diversification in its revenue profile over the medium term.
4) Engineers India Limited (EIL) - EIL provides consultancy and engineering services and undertakes turnkey contracts, which includes complete range of project services right from project conceptualization, planning, design, engineering, procurement, construction and commissioning as per client's requirement and specifications and providing post-execution services for maintenance and monitoring the operation of plant in various industries including petroleum refining, petrochemicals, pipelines, oil & gas, terminals & storages, mining & metallurgy and infrastructure. Over the years, EIL has also extended consultancy and engineering services to sectors like water and waste management, city gas distribution, power thermal, solar, nuclear, gas-based fertilizer projects, coal-to-liquid (CTL) and steel.
5) NBCC (India) Limited - NBCC is a central government enterprise under the Ministry of Urban Development and is a Schedule A Navratna company. It was set up as a Project Management Consultant (PMC) to undertake civil and industrial infrastructure projects for central and state governments. The company also secures jobs from the government and public sector clients through tenders, and develops commercial and residential projects.
6) Va Tech Wabag – Va Tech Wabag (VATW) is one of the world's leading companies in the water treatment space. It provides a complete range of water treatment solutions. The company also provides effluent treatment and seawater desalination.

Financial snapshot of the competitors shortlisted:

| Company | WAPCOS | | | IRCON | | | RITES | | |
|---|---|---|---|---|---|---|---|---|---|
| Year | FY22 | FY21 | FY20 | FY22 | FY21 | FY20 | FY22 | FY21 | FY20 |
| Net Sales (INR mn) | 28,663.7 | 25,805.0 | 28,506.2 | 73,796.7 | 53,419.6 | 53,911.1 | 26,618.3 | 18,595.4 | 24,744.1 |
| EBITDA (INR mn) | 1,324.2 | 1,264.2 | 2,914.1 | 9,730.3 | 9,200.9 | 10,928.9 | 8,072.4 | 6,493.6 | 9,208.8 |
| PAT (INR mn) | 660.6 | 613.6 | 1,541.0 | 5,323.3 | 3,762.0 | 4,548.7 | 5,378.6 | 4,431.4 | 6,256.0 |
| EBITDA Margin (%) | 4.6% | 4.9% | 10.2% | 13.2% | 17.2% | 20.3% | 30.3% | 34.9% | 37.2% |
| PAT Margin (%) | 2.3% | 2.4% | 5.4% | 7.2% | 7.0% | 8.4% | 20.2% | 23.8% | 25.3% |
| Total Equity (INR mn) | 7,811.3 | 7,385.3 | 7,008.4 | 46,656.2 | 44,031.3 | 41,712.8 | 24,886.4 | 23,919.7 | 26,332.7 |
| Total Debt (INR mn) | 808.5 | 482.0 | 40.5 | 13,044.1 | 3,309.3 | 0.0 | 169.8 | 323.8 | 402.6 |
| Total Assets (INR mn) | 51,636.1 | 47,242.8 | 43,831.5 | 1,43,738.0 | 1,11,834.9 | 1,00,905.4 | 57,905.6 | 58,062.8 | 58,738.4 |
| Company | EIL | | | NBCC | | | VATW | | |
| Year | FY22 | FY21 | FY20 | FY22 | FY21 | FY20 | FY22 | FY21 | FY20 |
| Net Sales (INR mn) | 30,427.2 | 31,443.4 | 32,373.2 | 76,906.1 | 68,320.7 | 80,870.7 | 29,793.0 | 28,344.9 | 25,571.5 |
| EBITDA (INR mn) | 4,494.6 | 5,407.1 | 7,107.4 | 3,876.6 | 5,137.8 | 5,515.8 | 2,693.8 | 2,269.7 | 2,521.5 |
| PAT (INR mn) | 3,428.9 | 2,614.6 | 4,338.6 | 2,379.3 | 2,364.4 | 990.1 | 1,352.2 | 950.7 | 791.8 |
| EBITDA Margin (%) | 14.8% | 17.2% | 22.0% | 5.0% | 7.5% | 6.8% | 9.0% | 8.0% | 9.9% |
| PAT Margin (%) | 11.3% | 8.3% | 13.4% | 3.1% | 3.5% | 1.2% | 4.5% | 3.4% | 3.1% |
| Total Equity (INR mn) | 17,700.4 | 17,507.1 | 24,060.2 | 17,677.2 | 16,371.9 | 14,502.1 | 15,391.2 | 14,097.7 | 11,744.4 |
| Total Debt (INR mn) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 3,662.4 | 3,495.2 | 5,195.8 |
| Total Assets (INR mn) | 41,774.4 | 48,956.6 | 54,660.1 | 1,34,438.5 | 1,27,906.3 | 1,21,266.8 | 39,661.7 | 41,317.5 | 39,990.3 |

# OUR BUSINESS

*Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" beginning on page 21 for a discussion of the risks and uncertainties related to those statements and also "Risk Factors" beginning on page 28 for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results could differ materially from those discussed in the forward-looking statements. Our Company's Fiscal commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Fiscal are to the 12 months period ended March 31 of that year.*

*In this Draft Red Herring Prospectus, we have included various operational and financial performance indicators, some of which may not be derived from our financial statements and have not been subjected to an audit or review by our statutory auditors. The manner in which such operational and financial performance indicators are calculated and presented, and the assumptions and estimates used in such calculation, may vary from that used by other companies in India and other jurisdictions. Investors are accordingly cautioned against placing undue reliance on such information in making an investment decision and must evaluate such information in the context of the Restated Financial Statements.*

*Unless otherwise indicated, industry and market data used in this section has been derived from the report "Industry Research Report on the Consultancy Service Business in India and Global Countries" dated September 23, 2022 (the "**Industry Report**") prepared and released by Fitch Solutions and commissioned in connection with the Offer. The data included herein includes excerpts from the Industry Report available on the website of the Company at www.wapcos.co.in 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 proposed issue), that has been left out or changed in any manner. The relevant industry sources are indicated at all relevant places within this section. Unless otherwise indicated, financial, operational, industry and other related information derived from the Industry Report and included herein with respect to any particular year refers to such information for the relevant fiscal year.*

*You should carefully consider all the information in this Draft Red Herring Prospectus, including, "Risk Factors", "Industry Overview", "Restated Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 28, 98, 197 and 294, respectively, before making an investment in the Equity Shares. In this section, references to 'we', 'are' and 'us' are to WAPCOS Limited and our Subsidiary, as the context may require. Unless otherwise stated, the financial information used in this section has been derived from our Restated Financial Statements.*

## Overview

We are a central public sector enterprise wholly owned by the Government of India ("**GOI**") under the administrative control of the Ministry of Jal Shakti, GOI. We are engaged in engineering consultancy services and construction in the fields of water, power and infrastructure sectors for businesses and communities in India and overseas. Over the last 5 (five) decades, our Company has been providing engineering consultancy services for projects in water, power and infrastructure sectors which have made significant contribution within India and overseas. We along with our Subsidiary are also actively involved in construction business and have undertaken various projects in key sectors in India. Our experience gained through global presence enables us to provide customized solutions to complex and diverse assignments to public and private clients both in India and overseas. We have been conferred with Schedule B Category-I Mini-Ratna status by Department of Public Enterprises.

We have been ranked top by ADB amongst top ten (10) international consultancy firms in water and other urban infrastructure sectors in terms of the ADB finance account. *(Source: 2021 Annual Procurement Report dated March 2022 issued by ADB).* We have also been ranked 3rd amongst top 5 (five) companies from India in providing consulting services during the period 2017-2021. *(Source: Asian Development Bank Member Fact Sheet-April 2022).*

We have provided engineering consultancy services to various clients since our incorporation in over fifty (50) countries. We have developed global presence, particularly in South Asia and across Africa, in areas of water, power and infrastructure sectors by undertaking engineering consultancy services for various development projects. Our wide presence and assignments undertaken overseas demonstrate our global experience and expertise over the years. Presently, we are undertaking ongoing projects in thirty (30) countries i.e., Bangladesh, Bhutan, Burundi, Botswana, Cambodia, Cuba, Central African Republic, DR Congo, Eswatini, Ethiopia, Fiji Islands, Ghana, Gambia, Indonesia, Liberia, Lao PDR, Mozambique, Myanmar, Mongolia, Nicaragua, Niger, Nepal, Rwanda, Suriname, Senegal, Tanzania, Togo, Uganda and Zimbabwe including India

We render range of services from "concept-to-commissioning" and beyond to various projects in water, power and infrastructure sectors to our clients by leveraging our diverse experience, core competencies and using the latest technologies available at our disposal. Over the years, we have developed the expertise for servicing our clients at each stage of project development cycle. Our services for any given project includes any one or a combination of (i) preliminary investigations and reconnaissance; (ii) feasibility studies, planning and project formulation; (iii) field surveys and testing (iv) design engineering; (v) baseline and socioeconomic surveys; (vi) tender engineering; (vii) institutional and human resource development; (viii) project management and construction supervision; (ix) operation and maintenance; (x) engineering procurement consultancy, turnkey and deposit works; and (xi) other consulting services.

Our concept-to-commissioning services caters to a variety of sub-sectors and services in our domain areas including some of the key areas comprising of dams and reservoir engineering, irrigation, flood control and river morphology, ground water exploration, agriculture, watershed management and river basin planning, environmental engineering, hydro power and pump storage, thermal power, renewable energy development such as solar and wind, water supply and sanitation, ports and harbors, road, railway and highway engineering, urban and rural development and ropeways.

We are associated with a number of development projects funded by multilateral funding agencies like the World Bank, the Asian Development Bank, African Development Bank, Japan Bank for International Cooperation, United Nations Office for Project Services, French Development Agency, German Development Bank, Asian Infrastructure Investment Bank, European Investment Bank and European Bank for Reconstruction and Development. We are also associated with key development projects as part of the bilateral funding initiative of the GOI to various countries such as Afghanistan, Bhutan, Cambodia, Nepal, Ghana and Tanzania, amongst others. Our corporate ethos and achievements in the areas of operational efficiencies, quality control, social welfare and organizational standards are demonstrated by the various awards and certifications that we have received over the years in relation to our business. We have also been recognized for our dedication to quality and upholding high environment and social responsibility standards. For more details, see *'History and Certain Corporate Matters' – "Accreditations and Certifications"* on page 171. We have implemented a comprehensive quality management system in compliance with the requirements of both ISO 9001:2015 for consultancy services in water resources, power and infrastructure development projects as well as ISO 9001:2015 for engineering, procurement and construction projects related to residential, office buildings, civil works, roads and highways, irrigation, agriculture and water projects, electrical power projects for generation, substation, transmission, distribution networks, rural electrification and renewable energy, industrial, IT, telecommunications, and related projects.

In 2019, our Company acquired National Projects Construction Corporation Limited, a "Mini Ratna: Category-I" central public sector enterprise under the administrative control of the MoJS pursuant to the strategic disinvestment programme of the GOI. As on date, our Company holds 98.89% of paid-up capital of our Subsidiary and the remaining shareholding is being held by various State Governments. For more details, see *"Our Subsidiary"* on page 173. Our Subsidiary is engaged in the business of construction of infrastructure and development projects. Our Subsidiary has undertaken multiple projects in various sectors such as construction of townships and other residential buildings, institutional buildings, office complexes, roads, bridges and fly-over, hospitals and health sector projects, industrial structures, surface transport projects, environmental projects, thermal projects, hydro-electric power projects, dams, barrages and canals, tunnels and underground projects. Our Subsidiary has also successfully completed several national projects from concept to commissioning stage and are also rendering services to certain projects of strategic importance.

***Financial performance***

Below are certain key financial indicators based on our Restated Financial Statements:

*(₹ in million except percentage)*

| Particulars | For and as at the Financial Year ended March 31, 2022 | For and as at the Financial Year ended March 31, 2021 | For and as at the Financial Year ended March 31, 2020 |
|---|---:|---:|---:|
| Revenue from Operations | 27,979.93 | 25,128.73 | 28,422.21 |
| EBITDA | 1,179.09 | 1,097.08 | 2,604.84 |
| EBITDA Margin (in %) | 4.11 | 4.25 | 8.85 |
| Profit after tax excluding non-controlling interest | 687.67 | 601.47 | 1,470.97 |
| PAT Margin (in %) | 2.41 | 2.34 | 5.00 |
| Net worth[(1)] | 6,882.93 | 6,428.69 | 6,075.66 |
| D/E [(2)] | 0.10 | 0.07 | 0.01 |
| RONW (in %) [(3)] | 9.99 | 9.36 | 24.21 |
| ROA (in %) [(4)] | 1.33 | 1.27 | 3.36 |

*[(1)]Net worth: Net worth means the 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, as per the restated financial information, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation, capital reserve.*

*[(2)] D/E: The total debt of our Company at the end of the year/period divided by the net worth of our Company at the end of the year/period.*

*[(3)] RONW: Profit for the year attributable to equity shareholders of our company divided by the net worth of our Company at the end of the year/period.*

*[(4)] ROA: Profit for the year attributable to equity shareholders of the company divided bythe total asset of our Company at the end of the year/period.*

Our geographical revenue details for the last three (3) Fiscals are as follows:

*(₹ in million except percentage)*

| **Particulars** | **For Fiscal 2022** | **% of Total** | **For Fiscal 2021** | **% of Total** | **For Fiscal 2020** | **% of Total** |
|---|---|---|---|---|---|---|
| Revenue generated from Indian projects | 26,014.90 | 92.98 | 22,773.74 | 90.63 | 25,518.25 | 89.78 |
| Revenue generated from overseas projects | 1,965.03 | 7.02 | 2,354.98 | 9.37 | 2,903.97 | 10.22 |
| **Total** | **27,979.93** | **100.00** | **25,128.72** | **100.00** | **28,422.22** | **100.00** |

Our segmental revenue details for the last three (3) Fiscals are as follows:

*(₹ in million except percentage)*

| **Business Segments** | **For Fiscal 2022** | **% of total** | **For Fiscal 2021** | **% of total** | **For Fiscal 2020** | **% of total** |
|---|---|---|---|---|---|---|
| Consultancy Income | 6,956.98 | 24.86 | 6,811.15 | 27.11 | 8,850.24 | 31.14 |
| Construction Contracts | 21,022.95 | 75.14 | 18,317.57 | 72.89 | 19,571.98 | 68.86 |
| **Total** | **27,979.93** | **100.00** | **25,128.72** | **100.00** | **28,422.22** | **100.00** |

As of March 31, 2022, our consolidated order book position, for the engineering consultancy services stood at ₹ 25,339.39 million and ₹ 184,978.33 million for construction contracts.

**Our market opportunity** *(Source: Industry Report)*

The engineering consultancy services industry size is around ~2.0% of the total infrastructure market in India. The industry is proportional to the growth of the infrastructure development in the country. The infrastructure consultancy sector in India with total share includes energy (24.2%), roads (18.3%), railways (12.3%), ports (1.1%), airports (1.3%), urban (17.3%), irrigation (8.0%) and others (17.6%). The engineering consultancy services in India is expected to grow with the CAGR of 9.5% from USD 3.9 billion in 2021 to USD 9.7 billion in 2031.

The global engineering services market is expected to grow from USD 830.5 billion in CY18 to USD 1,515.7 billion in CY22 at a CAGR of 10.3%. The engineering services market is expected to benefit from steady economic growth in developed and developing countries. The International Monetary Fund (IMF) predicts that the global real GDP growth will be mainly driven by regions of Asia and Africa. As per FSIAPL estimates, the global engineering consultancy services market is about 2.5%-3% of the global engineering services market which is expected to increase from USD 24.9 billion in CY18 to USD 45.5 billion in CY22 growth rate being in-line with global engineering services market.

**Our Competitive Strengths**

We believe that our Company has the following key competitive strengths:

***Pan India presence***

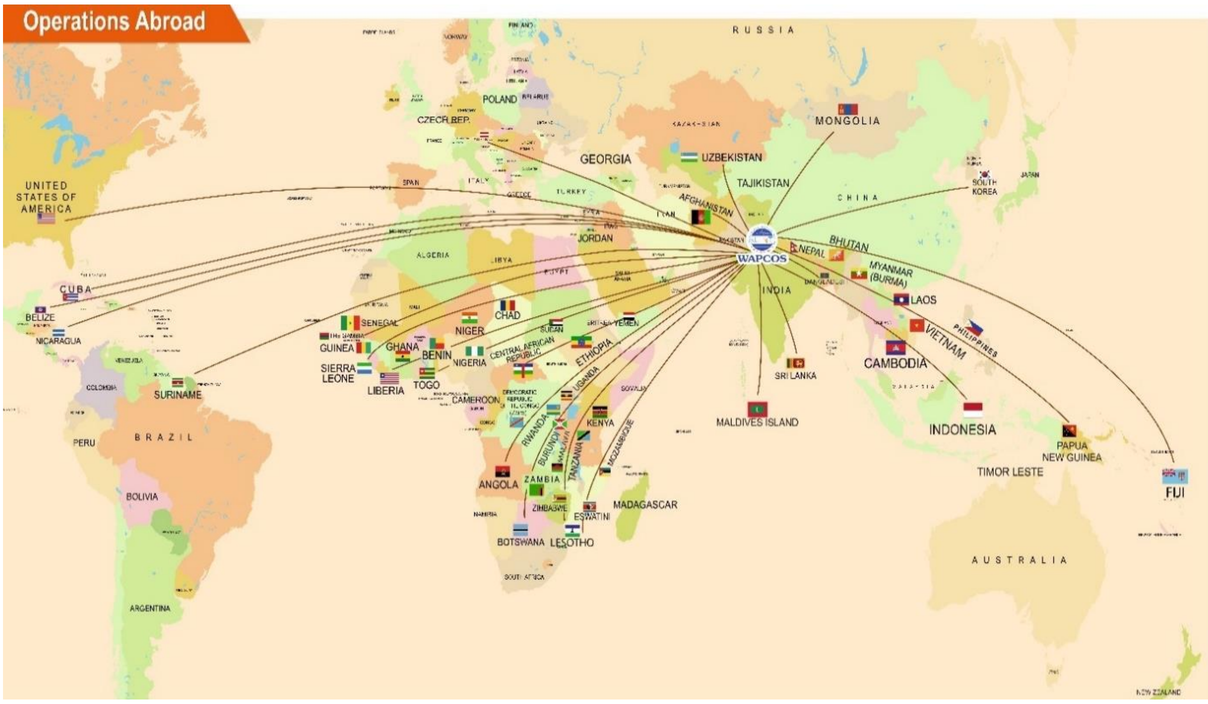
The engineering consultancy services and construction industry size is around ~2.0% of the total infrastructure market in India. The industry is proportional to the growth of the infrastructure development in the country. *(Source: Industry Report)* Our presence in states in India as of March 31, 2022, is indicated on the following map.


***Global experience and reach***

We are operating in diverse sectors in different geographical environment covering several countries. We have served clients and completed projects throughout Asia, Africa, Europe, North America, Oceania and South America. Due to our wide range of overseas clients, we are not over dependent on a limited number of clients which enables us to mitigate the adverse impact on our Company on account of any disruptions which may arise in any particular project. Our wide geographical coverage has helped us achieve our objective to diversify and expand our portfolio of services and create credibility for ourselves in the overseas market. Our expertise and experience in engineering consultancy services has not only enabled us to work on projects funded by various multilateral organizations in sustained manner over the years but also to render our services in key development projects as part of the bilateral funding initiative of the GOI to various countries.

We have rendered the services in several countries including Afghanistan, Bangladesh, Bhutan, Burundi, Belize, Botswana, Cambodia, Cuba, Central African Republic, DR Congo, Eswatini, Ethiopia, Fiji Islands, Ghana, Gambia, Indonesia, Liberia, Lao PDR, Mozambique, Myanmar, Mongolia, Nicaragua, Niger, Nepal, Rwanda, Suriname, Sri Lanka, Senegal, Tanzania, Togo, Uganda, Vietnam and Zimbabwe. With respect to our geographically diversified business operations, we have been associated with over 455 (four hundred and fifty-five) projects (both completed and ongoing) overseas.

*Our global presence is depicted below:*




We firmly believe that our Company has the ability and core competency to contribute to the development and growth in the developing countries. We have an advantage over our competitors due to our long-lasting operating history, in-depth industry knowledge, domain experience and familiarity with infrastructure and developmental projects of different scale and skill level and international experience in domain areas due to our wide global presence.

***Established track record in core areas***

We have been providing engineering consultancy services and construction works to various clients in fields of water, power and infrastructure sectors for more than five (5) decades within India and overseas. We have an established track record of successful project completion both in engineering consultancy and construction which has generated a reputation and trust in respective areas thereby creating a conducive environment for bigger and better opportunities to bid for larger and more prominent projects.

For instance, we have successfully executed Afghan India friendship dam (erstwhile known as Salma Dam) project on turnkey basis in Afghanistan. The project has become the lifeline for the people of Herat province of Afghanistan by providing water for irrigation and electricity. The Project was inaugurated on 4$^{th}$ June 2016 by our Honourable Prime Minister.

Our Company made a foot print in Cambodia in the year 2007 by signing the agreement with Ministry of water resources, and meteorology, Royal Government of Cambodia under the LOC of GOI for engineering, procurement and construction of Stung Tasal Dam project. The Stung Tasal dam project was commissioned on October 23, 2014. Our Company has successfully completed the supply and installation of hand pumps for augmentation for Rural Water Supply in Cambodia for The Ministry of Rural Development of Cambodia.

Our Company also rendered the consultancy services as project implementation consultant for engineering, procurement and construction of 230 kV double circuit transmission line tower with Twin ACSR 'BITTERN' conductor between Stung Treng and Kratie, for Kingdom of Cambodia. The said Project was completed on November 29, 2017.

Subsequently, we have been awarded project management and construction supervision services for Stung Sva Hab water resources development project by Ministry of Water Resources and Meteorology, Kingdom of Cambodia under the LOC of GOI.

Our Company started their operational journey in Ghana in the year 2011 by providing consultancy services for rehabilitation of the Kpong and Akosombo Dam safety monitoring system which subsequently led to completion of seven (7) projects being funded by international funding institutions. Presently, we are providing services to eight (8) projects which are funded by various international funding agencies.

We are also involved in the flagship projects of Government of Mozambique. We have track record of providing quality services on time as per our clients' requirements which in turn led to back-to-back orders and projects such as Government flagship projects namely "ProEnergia- Energy for All" funded by international funding agency. We have entered the Mozambican power sector in the year 2013 and as of now undertaken projects including EPC and consultancy services with state owned utilities. We recently completed one of its kind specialized services of +/-533KV HVDC transmission line insulator replacement in "Hotline Condition", of 900 kms line length within the record time of four (4) months. We are executing the road/highway project in Mozambique and have undertaken internationally funded project with respect to the design review, pre-contract services and project management of civil works contract for multinational nacala road (Lot-B: Ribaue- Malema Road)-(104 kms). Presently, we are undertaking line of credit project supported by GOI for design and construction supervision of rehabilitation of road between Tica, Buzi and Nova Sofala Province. Further, we have also undertaken projects pertaining to design, review and supervision in water supply sector.

We had entered into an MOU in 2013 with Ministry of Water, Tanzania to provide technical expertise in the field of water resources, water supply and sanitation projects in Tanzania.

Subsequently our Company was awarded the project for augmentation of Dar Es Salaam Water Supply Scheme under LOC of USD 178.125 million supported by GOI. Our Company was instrumental in successful completion of the scheme which benefitted around one million population and it was commissioned and inaugurated by His Excellency, The President of Tanzania on June 21, 2017.

Our Company also undertook another prestigious project for extension of Lake Victoria pipeline to Tabora, Igunga and Nzega towns under LOC of USD 268.35 million from GOI which was commissioned and inaugurated by His Excellency, The President of Tanzania in the month of January 2021. This Project has benefitted 1.2 million population of the region.

The success journey of our Company in water sector in Tanzania continued by securing water supply schemes in 28 towns of Tanzania under LOC of USD 500 million supported by GOI. Project is ongoing and a total population of nearly 4 million residents of these towns will be befitted on implementation of the project. Our Company is also undertaking two World Bank funded projects in water supply and sewerage sector respectively in Tanzania. We also started our journey in Uganda in the year 2014 by providing consultancy services for the review of the detailed feasibility study and supervision of the construction of Ayago Hydro Power Project (600 MW) and consulting services for project management and construction supervision of 1,392 Km of medium voltage lines and 1,482 Km of low voltage network including installation of transformers in North Western, Rwenzori, Western, Mid-Western, South and South Western electricity distribution service territories, funded by an international funding agency. Due to the successful completion of the projects undertaken by us, our Company has been continuing with services in Uganda with key ongoing projects, amongst others, such as (i) PMC for construction supervision of rural electrification projects in six (6) districts of Uganda; (ii) proposed grid extension projects in Wandi –Yumbe- Moyo and Onduparaka-Odramakachu-Abiria under ERTIII; and (iii) feasibility study and detailed engineering design and environment impact assessment of piped water supply and sanitation system in selected thirty (30) numbers rural growth centers across Uganda.

We have provided consultancy services for over 4,500 projects and have undertaken over 425 projects in the construction segment. For further information on our key projects and their impact, see para *"Description of Our Business"* on page 146.

***Operational efficiency and quality control through well-established systems and controls***

Over the years we have put in place well-established systems and controls that help our teams to consistently deliver quality consultancy services to our clients. Once the contract is awarded, we actively track and manage our deliverables and strive to ensure that there is no breach of the contractual terms and conditions. We also endeavor to provide timely responses and solutions to our clients to achieve customer satisfaction. Given our understanding of domain sectors and core expertise for carrying out efficient planning and project management, through our project teams, we plan each step of the project from "concept to commissioning" and beyond. Further, over the course of time we have developed a strong project management and execution expertise and capabilities for both domestic and overseas projects. A combination of our efficient, systematic project management and execution skills through our procurement, resource deployment, operation and maintenance works, and other resources for multiple project sites, has helped us establish a good track record and reputation for timely completion.

We have been proactive in using latest engineering and construction techniques and technology. In executing our projects, we attempt to focus to achieve high efficiency and on-time performance. Our achievements in the areas of operational efficiencies, quality control, social welfare and organizational standards are demonstrated by the various awards and certifications that we have received over the years in relation to our business. We have also been recognized for our dedication to quality and upholding high environment and social responsibility standards. We have implemented a comprehensive quality management system in compliance with the requirements of both ISO 9001:2015 for consultancy services in water resources, power and infrastructure development projects as well as ISO 9001:2015 for engineering, procurement and construction projects related to residential, office buildings, civil works, roads and highways, irrigation, agriculture and water projects, electrical power projects for generation, substation, transmission, distribution networks, rural electrification and renewable energy, industrial, IT, telecommunications, and related projects.

Further, to adopt international standards in surveys, investigations, designs, cost estimates, project planning including environmental studies and project management services for cost-effective & integrated development of water resources, power and infrastructure projects, we have been closely working with several international/ national entities/ institutes to ensure the highest international standards in our areas of operations. We are also active members of several international apex bodies and institutions in our domain areas which are widely known for the development of standards, manuals and guidelines. For example, we are member of Committee for International Commission on Large Dams- India ("INCOLD") which is associated with extensively evolving standards for dam engineering. We are an active member of Pump Storage Hydro Power International Forum which is associated in devising the various policies and guidelines for sustainable development of pump storage projects at global level. We are an active member of Bureau of Indian Standards ("BIS") which is actively involved in many expert committees for the development/ updation of BIS codes/guidelines especially in water, power and infrastructure projects. We are also an active member of Indian society for rock mechanics and tunneling technology ("ISRMTT"), international commission for irrigation and drainage ("ICID"), central board for irrigation and power ("CBIP"), Global water partnership ("GWP") and Indian Water partnership ("IWP").

***Strategic role in Government of India initiatives***

We were established as an integral part of, and have played a strategic role in, the GOI's initiatives for the promotion and development of the water, power and infrastructure sectors in India for more than five decades. We provide engineering consultancy services in various schemes of the GOI for development and promotion of projects in water, power and infrastructure. We have the experience of working with various schemes of GOI. The objective of these flagship schemes and our Company's association with these schemes are briefly summarized as below:

**Smart City Mission ("SCM")**

The objective of the SCM is to promote and upgrade to smart core infrastructure facilities, give a decent quality of life, provide a clean & sustainable environment to its citizens, and the application of 'Smart' solutions. Our Company has contributed to the core infrastructure elements in a smart city which includes - adequate water supply, assured electricity supply, sanitation facilities including solid waste management, efficient urban mobility and public transport, affordable housing, especially for the poor, robust IT connectivity & digitalization etc., spread across the states of Maharashtra, Tamil Nadu, Nagaland and Mizoram amongst others.

**Atal Mission for Rejuvenation and Urban Transformation ("AMRUT")**

The purpose of AMRUT is to ensure that every household has access to a tap with an assured supply of water and a sewerage connection, increase the amenity value of cities by developing greenery and well-maintained open spaces and reduce pollution by switching to public transport or constructing facilities for non-motorized transport (e.g., walking and cycling). AMRUT 2.0 was launched in 2021 with an aim to provide water tap connections to households in all statutory towns under AMRUT 2.0 through new household tap connections and providing universal household coverage of sewerage/septage services. Our Company has contributed in providing basic services (e.g. water supply, sewerage, storm water drainage, green spaces and urban transport) to households and building amenities in cities for improvement in the quality of life for all, especially the poor and the disadvantaged. Our Company footprints in AMRUT spreads across the States of Assam, Bihar, Karnataka, Gujarat, Haryana, Madhya Pradesh, Meghalaya and Goa.

**Pradhan Mantri Awas Yojana ("PMAY")**

The PMAY addresses urban housing shortage among the EWS/LIG and MIG categories including the slum dwellers by ensuring a pucca house to all eligible urban households. All houses under PMAY have basic amenities like toilet, water supply, electricity and kitchen. PMAY also promotes women empowerment by providing the ownership of houses in name of female member or in joint name. Our Company has constructed affordable houses/dwelling units under PMAY for the economically weaker section in the states of Andhra Pradesh, Chhattisgarh, Gujarat, Jharkhand, Rajasthan, Uttarakhand, and Uttar Pradesh.

**Deen Dayal Upadhyaay Gram Jyoti Yojana ("DDUGJY")**

The scheme DDUGJY is designed to provide continuous electricity supply to rural India to provide electrification to all villages. Also, feeder separation which ensures sufficient power to farmers and regular supply to other consumers. Our Company has marked its presence in DDUGJY in the states of Assam, Andaman & Nicobar Islands, Bihar, Chattisgarh, Haryana, Himachal Pradesh, Jharkhand, Jammu & Kashmir, Kerala, Karnataka, Manipur, Meghalaya, Nagaland, Rajasthan, Sikkim, Tamil Nadu, Puducherry, Tripura, Uttar Pradesh and West Bengal.

**Pradhan Mantri Gram Sadak Yojana ("PMGSY")**

The scheme of PMGSY was launched by the GOI to provide connectivity to unconnected habitations as part of a poverty reduction strategy. It is a nationwide plan in India to provide good all-weather road connectivity to unconnected villages. Rural Road Connectivity is a key component of rural development as it promotes access to economic and social services. In this regard, our Company has associated itself with PMGSY in states of Assam, Goa, Gujarat, Jharkhand, Madhya Pradesh and Uttarakhand. Further, helping in generating increased agricultural incomes and productive employment opportunities in India.

**Pradhan Mantri Krishi Sinchayee Yojana ("PMKSY")**

The scheme PMKSY has been formulated with the vision of extending the coverage of irrigation 'Har Khet Ko Pani' and improving water use efficiency 'More crop per drop' in a focused manner with end-to-end solution on source creation, distribution, management, field application, and extension activities. Our Company has set up a project monitoring unit for PMKSY at MoJS in Delhi for providing convergence of investment & water sources to enhance physical access of water on farms, to expand cultivable area under assured irrigation, to improve on-farm water use efficiency & introduce sustainable water conservation practices, etc. Our Company is also involved in PMKSY in the state of Gujarat.

**Har Ghar - Jal Jeevan Mission ("JJM")**

The scheme JJM is envisioned to provide safe and adequate drinking water through individual household tap connections by 2024 to all households in rural India. The program will also implement source sustainability measures as mandatory elements, such as recharge and reuse through grey water management, water conservation, and Rainwater harvesting. This scheme will be based on a community approach to water and will include extensive Information, Education, and communication as a key component of the mission. JJM looks to create a Jan Andolan for water, thereby making it everyone's priority. Our Company in collaboration with one of the another consultancy organization has set up national project monitoring unit for the MoJS at New Delhi. Our Company is also involved in successful implementation of JJM schemes in the states of Assam, Gujarat, Himachal Pradesh, Jammu & Kashmir, Madhya Pradesh, Maharashtra, Rajasthan, Punjab and West Bengal.

**Namami Gange, Integrated Ganga Conservation Mission**

Namami Gange Programme is an Integrated Conservation Mission, approved as a 'Flagship Programme' to accomplish the twin objectives of effective abatement of pollution and conservation and rejuvenation of National River Ganga. It is being operated under the Department of Water Resources, River Development and Ganga Rejuvenation, MoJS. The program is being implemented by National Mission for Clean Ganga (NMCG), and its state counterpart organizations i.e. State Programme Management Group (SPMG). Our Company has involved itself in the flagship program in the states of Bihar, Jharkhand, Uttarakhand, Uttar Pradesh and West Bengal.

**Integrated Power Development Scheme ("IPDS")**

The IPDS aims at the following objectives: (i) Strengthening of sub-transmission and distribution networks in the urban areas, (ii) Metering of distribution transformers/feeders/consumers in the urban areas, (iii) IT enablement of the distribution sector, and strengthening of distribution network. Our Company is involved in this flagship GOI scheme in the states of Andhra Pradesh, Chhattisgarh, Himachal Pradesh, Jammu & Kashmir, Maharashtra, Nagaland, New Delhi, Odisha, Rajasthan, Sikkim, Tamil Nadu, Telangana & Uttar Pradesh.

***Strong Order book and Credit Profile***

As of March 31, 2022, our consolidated order book position constituting engineering consultancy services stood at of ₹ 25,339.39 million and ₹ 184,978.33 million for construction contracts which represents 7.52 times of the revenue from operations for Fiscal 2022. We believe our Order Book position is a result of our track record of successful execution of our projects, which has led to our ability to successfully bid and win new projects. Our successful efforts to meet the rising pre-qualification requirements of some of our clients has enhanced our competitiveness in our target market and has enabled us to maintain the momentum in our Order Book. We also have a strong credit profile that includes outstanding fund-based limits of 2,500 million and non-fund based standby limits of ₹ 13,560 million as on June 30, 2022. According to CARE, our credit rating for long and short-term borrowing has been maintained at CARE A+; Stable/CARE A1+ as on October 7, 2021.

***Qualified, multi-disciplinary and experienced employee base and proven management team***

We believe that qualified, multi-disciplinary, and experienced employee base has a competitive advantage. As of August 31, 2022, we have a qualified, multi-disciplinary and professional employee base with 1009 regular cadre employees. Further, depending on the requirements for a given project, we also engage additional employees on contract basis, through campus placement and screenings which are held by way of advertisement. Many of our employees, particularly senior management, have worked with our Company for relatively long periods. We have a management team that is qualified and experienced in handling our business. In particular, Rajni Kant Agrawal, Chairman-cum-Managing Director of our Company, has thirty-two (32) years of experience in the field of planning, design and implementation of water resources, power and infrastructure development projects in India and overseas. He also holds rich experience and expertise in project planning, contract management, construction supervision and project implementation and actively involved in business development activities of our Company. Further, Anupam Mishra, Director (Commercial & HRD) and Whole Time Director of our Company has over thirty-two (32) years of experience in undertaking greenfield and brownfield projects from concept to commissioning including planning, preparation of technical and financial proposals, surveys and investigations, design, cost engineering, preparation of DPR(s), tender engineering, contract and financial management, construction supervision, monitoring and evaluation and project implementation/ construction supervision of projects in the fields of water resources, power and infrastructure in India and overseas. Also, Pankaj Kapoor, Director (Finance), CFO and Whole Time Director of our Company has twenty-eight (28) years of experience of experience handling various matters concerning corporate finance, working capital management, cost & budgetary control, institutional finance, accounts, taxation, audit, overseas projects etc.

The skill set of our employees allow us the flexibility to adapt to the needs of our clients and the technical requirements of the various projects that we undertake. We are committed to the development of the expertise and know-how of our employees through regular technical seminars and training workshops organized by our Company or reputed institutes.

***Strong image as a "Technical Consultancy" organization***

We believe that we have developed a strong reputation as an international firm with the ability to provide quality and efficient technical consulting services. We provide concept-to-commissioning and beyond services for development projects in India and overseas. Our services for any given project includes any one or a combination of (i) preliminary investigations and reconnaissance; (ii) feasibility studies, planning and project formulation; (iii) field surveys and testing (iv) design engineering; (v) baseline and socioeconomic surveys; (vi) tender engineering; (vii) institutional and human resource development; (viii) project management and construction supervision; (ix) operation and maintenance; (x) engineering, procurement, construction, turnkey and deposit works; and (xi) other consulting services.

Our experience thus far includes survey and investigation/pre-feasibility/DPRs for more than 550 projects in irrigation, water resources and agricultural etc. contributing to development of over 17 million Ha irrigation potential; more than 200 projects in ports and inland navigation; over 500 projects in water supply & sanitation, rural & urban development, roads & highway engineering; EIAs for over 300 projects in the fields of irrigation, hydro/thermal power, Ports & Harbours in India and overseas.

Similarly, in hydro-power sector, our Company has provided consultancy and EPC services for almost 60 hydro-power projects in 19 countries with an installed capacity of more than 9500 MW and over 107 hydro power projects in India with an installed capacity of more than 22,500 MW.

Our Company is one of the leading companies in the field of pumped storage projects ("**PSP**"). PSPs are considered as grid level energy storage battery and are essential for integration of renewables in future. We are presently associated with 40 PSP projects in India and overseas for over 20,000 MW.

With respect to thermal power projects, we have successfully provided engineering consultancy services for 10 overseas projects of 6100 MW and 19 projects in India with an installed capacity of more than 15,000 MW. In the power transmission and distribution sector, we have provided engineering consultancy services for more than 15 projects both in India and overseas.

Our wide range of experience in project management and consulting allows our clients to receive quality and customized service.

**Our Business Strategies**

***To continue expansion of domestic and overseas business and to increase capacity building to clients***

We have actively focused on becoming a diversified player both in terms of sector and geographical coverage. In the international market, we have a strong presence in Asia, Africa and Oceania in the field of water, power and infrastructure sectors. In the recent past, our Company has made efforts to explore new territories in Central America, North America, Central Asian countries. We have submitted various proposals for water supply projects, transmission projects, solar projects and grid strengthening projects in the countries such as Cuba, Nicaragua, Suriname, Guyana, Trinidad and Tobago, Uzbekistan, Georgia and Tajikistan which are funded by World Bank, ADB, European Investment Bank and BRICS. In addition, while we already have presence in many states in India, we intend to further expand our operations domestically across India as part of our growth. We believe by further expanding our geographical coverage and expanding into new areas within India, we will be able to take more projects proposed by GOI. Since majority of our clients are government authorities, we prioritize seeking an expansion of our contracts with government customers.

***Diversifying into new domains to expand the business***

Our concept-to-commissioning services caters to a variety of sub-sectors and services in our domain areas including dams and reservoir engineering, flood control and river morphology, ground water exploration and irrigation, agricultural, watershed management, water supply and sanitation projects, environmental engineering hydro and thermal power, pumped storage and non-conventional sources of energy, renewable energy development projects such as solar and wind projects, ports and harbors, road and highway engineering, urban and rural development and ropeways. We plan to continue our strategy of selectively diversifying across industry segments and increase orders from foreign countries to capture better profit margins afforded by these projects as compared to domestic projects. With increasing experience and success, we expect that we will see a steady growth in our business with a rate of expansion comparable to or better than the number of new projects we undertake.

Some of the key diversification strategies of our Company are as follows:

- We have prepared a roadmap to intensify its participation in all the sectors in relation to the GOI schemes/missions including PM Gati Shakti, Make in India, Digital India, Affordable Housing, Jal Jeevan Mission, Bharatmala, Sagarmala and Coastline Development, Rural Industrialization, Smart Metering, Renewable Energy Sources, through expansion of its operations in almost all States and Union Territories of India.
- In Port sector, while our Company has been engaged into conducting techno economic feasibility studies, DPR, detailed engineering and PMC works, however, in future, we plan to venture into marine construction works on EPC basis. Our strategy for growth under the port sector will include: (a) enter into more coastal states to procure more business in the field of fisheries; (b) to procure technical auditing of dredging works of all the major ports in India; (c) to get more works for DPR and techno-economic feasibility report study on national waterways; and (d) to procure more works in river cruise tourism.
- Scaling up of our business in renewable energy sector with the aim to provide its services in the grid scale storage by way of PSP.
- Exploring business in the fields of Green hydrogen technology.
- To develop the coastal communities through marine sector without destructing sensitive marine habitats.
- Continue to work towards increased participation in international projects funded by World Bank, Asian Development Bank, African Development Bank, Food and Agriculture Organization, Japan Bank and many similar others, for international cooperation, by enhancing multilateral tie-ups and MoUs and marching ahead as the flag bearer of India.

***To adopt state of the art modern technology and systems to build in quality, reliability and accuracy***

To meet our clients' rising expectations and reflect our focus on expanding our international business, we intend to continue to invest in and strengthen our technology base to maintain world class delivery of solutions to our clients meeting international standards. We also intend to convert and automate various techniques developed over the years using latest techniques. Advance software's like MIDAS GTX NS, ANSYS, PLAXIS are being used for design, IBIS-FM Radar unit is being used for monitoring the movement of right bank in Punatsangchhu-I

Hydroelectric Project (1200 MW), Bhutan, cavity filling by mass self-compacting concrete in downstream surge gallery in PHEP-II, Bhutan, LIDAR, drone survey can be implemented for faster delivery of projects.

***To actively bid for larger projects***

We have been awarded for providing consultancy services with respect to the large projects in water, power and infrastructure. In water sector, we are providing project monitoring and coordination consultancy services for execution of Polavaram irrigation project having a project cost of ₹ 555,488.7 million in Andhra Pradesh. In power sector, we have constructed Afghan India Friendship dam *(erstwhile Salma Dam Project)* having a project cost of ₹ 17,127.60 million. In infrastructure sector, we have provided PMC for supervision of construction of the project namely, extension of lake victoria pipeline from Taborga, Igunga and Nzega Towns in Tanzania having a project cost of ₹ 18,978.40 million. We continue to increase bidding activities for more and larger projects awarded by government clients. To maintain our reputation in the public sector and to strive for better profit margins, we hope to capitalize on our advantageous position over our competitors, both in terms of our expertise and financial position, and seize opportunities to undertake larger projects driven by the growth of the Indian economy. GOI have promulgated various initiatives which will help in continuing the growth momentum of our Company. For more information on the schemes by GOI, see "*Our Competitive Strengths*" under *"Our Business"* and Industry Report on pages 138 and 98 respectively.

***Maintain favorable financial risk profile***

Given the increased competition across industry segments in which we operate, we have stable financial resources and cash balance which is crucial to obtain and execute large-scale projects in the current operational environment. As of March 31, 2022, our cash and cash equivalent balance is approximately ₹ 2,800 million on a consolidated basis. We have strong capital structure with lower levels of external debt on its books. Our debt-to-equity ratio as on March 31, 2022 is 0.10 times. Our financial profile of profitability margins and comfortable liquidity position coupled with our favorable credit rating has contributed to our operational performance. While aiming for higher profitability, we intend to avoid over-leveraging our balance sheet or undertaking projects that would put us at a risk of financial instability.

***To promote research and development through interaction with other national and international agencies.***

We intend to continue to develop our application-based research and development studies, to focus on commercialization of technologies developed either on our own or in collaboration with our foreign clients and reputed research institutions. As our operations are global and diverse in nature, we are closely working with many leading international agencies in our domain sectors. We already have MoU's wherein we exchange technical knowhow with them during the assignments. However, we intend to enter into specific collaboration to acquire new and emerging technologies with national and international agencies in future. For instances, we have entered into collaboration with central water and power research station (CWPRS) and National Institute for Rock Mechanics (NIRM) to carry out mathematical and physical modeling of dams and its appurtenant structures, underground caverns, barrages, ports in collaboration with international consultants to promote research and development through interaction. We have already signed MoU with international universities for use of overseas technology relating to wastewater treatment in Indian projects.

We have been closely working with one of the leading international institute by entering into a MoU to acquire emerging techniques in the field of geotechnical engineering.

**Description of our Business**

We are currently undertaking assignments in engineering consultancy services in the water, power and infrastructure sectors comprising of conducting techno-economic feasibility studies and preparation of detailed project reports, design engineering services, tender engineering services, project management consultancy activities, quality assurance, construction supervision, commissioning support, operations and maintenance and rehabilitation.

***A. ENGINEERING CONSULTANCY SERVICES***

Our engineering consultancy services include pre-feasibility studies and feasibility studies, master plans and regional development plans, detailed engineering reports, commissioning and testing, operations and maintenance and capacity building and human resource development. We are rendering "concept-to-commissioning" services to our customers by utilizing our diverse experience, core competency and using the latest technology available at our disposal. Over the years, we have developed the expertise for servicing our customers at each stage of project development cycle. Our services for any given project includes any one or a combination of (i) preliminary investigations and reconnaissance; (ii) feasibility studies, planning and project formulation; (iii) field surveys and testing (iv) design engineering; (v) baseline and socioeconomic surveys; (vi) tender engineering; (vii) institutional and human resource development; (viii) project management and construction supervision; (ix) operation and maintenance; (x) engineering, procurement, construction, turnkey and deposit works; and (xi) other consulting services.

***Our Services:***


***WATER SECTOR***

***Irrigation, Drainage and Water Management***

We offer a comprehensive package of consultancy services in water resource development, including irrigation, agriculture and water management. It covers all aspects of hydrology, design of irrigation network from headworks down to micro-distribution system, canal automation, preparation of reservoir operation and maintenance manuals, institutional arrangements, design of modern irrigation application systems (sprinkler/ drip), agronomy, extension services, agro-economics, training, etc.

We also offer the project management consultancy services for:

(i) bulk pipeline water infrastructure projects, where water grids and large pipelines are being laid from water source (intake wells) up to end users;
(ii) water distribution network by building large overhead tanks & distribution network up to individual towns and villages;
(iii) water pipeline distribution connecting municipalities to individual household connections including for building water desalination plants water supply network.

We also advice on implementing projects relating to integrated command area development covering watershed management, micro-canalisation and other related aspects. We also participate in studies for the development of micro-irrigation systems and large pipes for water transfer.

***Ground Water Exploration, Development of Wells, Agriculture and Minor Irrigation***

We conduct aeromagnetic surveys, remote sensing and photo interpretation for our customers and have experience in ground water resources appraisal both in investigations and mathematical modeling. Specific services related hereto include (a) remote sensing studies to map & identify surface expression of target areas for ground water exploration and management to minimize the time and cost of exploration and management, (b) geophysical surveys to delineate ground water bearing zones etc., (c) ground water explorations through exploratory wells to assess the quantity and quality of potential aquifers, (d) preparation of aquifer maps and management plans, (e) GIS based Ground Water Information System (GWIS), and (f) groundwater augmentation through planning, design and construction of site specific artificial recharge structures. We have developed these services for both surface water and underground water, where in both cases we are able to detect salinity ingress and drainage on the one hand and falling ground water table due to over exploitation of the resource on the other. We provide comprehensive reports and recommendations to our customers related to these natural resources.

We have developed a substantial practice related to sustainable agricultural development. We conduct studies for our customers that focus on minor irrigation schemes, their dependence on maintainable ground water reserves and how such systems may provide efficient solutions for the agriculture industry. Specifically, we provide consultancy services related to selections of crops, crop watering requirements, financial analyses and master plan studies. We are currently attempting to address the key challenges of agriculture in India and overseas, including small holding of farmers, primary and secondary processing supply chain, infrastructure supporting, the efficient use of resources and marketing etc.

***Flood Control and River Morphology***

We provide services related to the mitigation of floods specifically, in providing river management consulting services. The need for these services has intensified over the years due to increasing urbanization along the rivers, encroachment of flood plains and human interference. Accordingly, we believe this aspect of our service portfolio is important to our business. Our focus in this sector is to provide comprehensive consulting with respect to rivers and their basins and their effect on the communities of our customers. Our services in this respect include providing investigative reports with respect to geomorphological aspects of the river, damage frequency analysis, risk assessment, general evaluation and insurance recommendations with focus on flood forecasting and disaster management.

***Natural Resources Management***

We provide natural resources management services to assist our clients in sustaining their business enterprise in the face of increasing economic, environmental, natural resource and societal challenges. We provide our expertise with respect to land, water, soil, plants and animals with an emphasis on proper management and consequences thereto.

***Dam and Reservoir Engineering***

We provide a range of services related to dams and reservoir engineering. The dams and reservoirs are extremely important structures for ensuring water security, flood mitigation, power generation and agriculture, etc. We provide consultancy in engineering services from concept to commissioning of dams and reservoirs of all scales and complexities across the world.

We have the core competency in planning design and construction of all types of dams such as concrete, masonry (gravity and arch) and earth-cum-rock fill dams and concrete face rock fill dam etc. in both India and overseas.

We also undertake consultancy services by advising customers on dam safety and make assessments on existing dams, including provide suggested rehabilitation measures to any wear-and-tear of the structure that has taken place over time. We have partnered with the Central Water Commission and various state agencies to publish guidelines and standards for maintaining dam safety, including best practices for carrying out inspections, investigations, hydrological studies and structural analyses of dams.

***Some of the key projects under the water sector in India and overseas are as follows:***

| S. No. | Key Projects | Impact |
|---|---|---|
| 1) | Carrying out entire planning and design including command area survey of Indira Gandhi Nahar Pariyojana (IGNP) in the State of Rajasthan | Transformed the entire landscape of desert in the State of Rajasthan. |
| 2) | Micro canal network planning and command area-distribution network system in Chaks of the prestigious Sardar Sarovar project | Upliftment of farmers in the state of Gujarat and adjoining states through harnessing of Narmada River water to create surface for irrigation Potential by providing irrigation water facilities for remote water scarce areas of around 12.5 Lakh Ha. including drought prone areas of Gujarat. |
| 3) | Engineering services to prestigious Polavaram Project in the State of Andhra Pradesh | The project benefits include Irrigation - 7.2 lakh of acres of cultivable land, water supply - 23.44 TMC and Water Diversion – 80 TMC and power generation – 960 MW. |
| 4) | Engineering services and associated field surveys and Investigation for many prestigious water resources projects like Upper Kolab Irrigation Project, Upper Indravati Irrigation Project, Rengali Irrigation project in the State of Odisha. The services included Project Management, Planning and design, preconstruction and procurement, Participatory Irrigation Management, development of MIS etc. | These projects are reflective of our significant contribution towards the development of water resources in the State of Odisha over the last two decades. These projects have helped in the upliftment of farmers in the State of Odisha. |
| 5) | Engineering services for Subarnarekha Multipurpose project in the State of Jharkhand, Odisha and West Bengal | The projects helped in harnessing the waters of Subarnarekha River for irrigation purposes in the State of Jharkhand, Odisha and West Bengal. |
| 6) | Stung Tasal Project in Cambodia | This project providing irrigation for additional 10,000 hectare of land during dry season and is a long-lasting symbol of friendship between India and Cambodia. The stellar work enabled the Company to get many assignments in Cambodia such as installation of 1500 hand pumps which is also completed. Presently, we are providing services to Stung Sva Hab Multipurpose project. |

***POWER SECTOR***

We provide consultancy services in the power sector which includes hydropower and pumped storage projects, renewable energy (solar power), thermal power, power transmission and distribution systems. Our spectrum of services includes a wide range of activities from concept to commissioning and beyond for above sectors covering surveys, investigations and planning, pre-feasibility and feasibility studies, detailed project reports, simulation and diagnostic studies, master and regional development plans, tender engineering and detailed designs, tendering engineering, project implementation, contract and construction management, commissioning, operation and maintenance, renovation, modernization and capacity building.

***Hydro Power Engineering***

Our Company has undertaken feasibility reports, detailed project reports and PMC services in hydro power sector in India and overseas. We have successfully executed Salma Dam Project on turnkey basis in Afghanistan. We are also rendering design engineering services to number of hydro power projects of all magnitudes in Bhutan, Nepal and African countries.

***Pumped Storage***

Our Company has made significant contribution in the pumped storage technology while being associated with 40 (forty) PSP projects in India and overseas for over 20,000 MW.

Presently, we hold key position in the design engineering of PSP having significant number of assignments in the probable installed capacity in terms of the pumped storage potential in India.

***Thermal Power***

Our Company has successfully completed more than 10 overseas projects with project capacity of around 6,100 MW and more than 19 projects in India with a project capacity of about 20,000 MW.

***Solar Power***

Our Company have been associated with more than 25 (twenty five) number of solar power projects in Asia, Africa, Central America and Latin America Region in providing complete range of services of EPC identification and analysis; solar resource assessment, design modeling using PVSYST and SAM) power system studies, load flow studies, contingency analysis, preparation of pre-feasibility and feasibility report for solar power system, preparation of detailed project report, preparation of technical design of solar power system and its specifications, procurement documents, socio-economic surveys and appraisals, environmental studies, cost estimation, tender evaluation, award of EPC contractor, construction supervision, testing and commissioning, training and transfer of technology, etc.

***Transmission & Distribution***

Our Company has provided services from concept to commissioning both in EPC and PMC. Our Company specialized areas of operations in transmission, substation and distribution projects are hot line replacement of insulators, live line maintenance of HVAC and HVDC, GIS substations, transmission and distribution network expansion, transmission network grid strengthening, battery energy storage system, energy management system, smart grid and smart metering, disaster recovery and climate resilient transmission network strengthening, condition assessment, assets management, power quality improvement, underground cable transmission and distribution, least cost electrification, geo-morphological interpretation, remote sensing, satellite imaging, ai/ml based technical studies.

***Some of the key projects under the power sector in India and overseas are as follows:***

| S. No. | Key Projects | Impact |
|---|---|---|
| 1. | Afghan India friendship dam (*erstwhile known as Salma Dam*) project on turnkey basis in Afghanistan. | The project has become the lifeline for the people of Herat province of Afghanistan by providing water for irrigation and electricity. |
| 2. | Consultancy services for Tala hydro-electric project (1020 MW) and Chukha hydro-electric project (336 MW) in Bhutan. | These projects are the corner stone of hydro power development in Bhutan. The surplus power from these projects is flowing to India and immensely helped in meeting the power requirements in India. |
| 3. | Consultancy services for Purulia PSP (900 MW) in the State of West Bengal, India. | This is one of the largest pump storage projects in India successfully operating since 2007. This project is providing key benefits to the power sector such as energy storage, grid ancillary services and black start facility to the State of West Bengal. |
| 4. | Consultancy services for Hwange Thermal Station Project (920 MW) in Zimbabwe. | Our Company has revived the Hwange Thermal Station which has led to significant improvement in the availability of power in Zimbabwe. |
| 5. | EPC of 230 KV Double Circuit Transmission Line Tower with twin ACSR “Bittern” conductor with stringing of single circuit between Stung Treng and Kratie, Kingdom of Cambodia. | This line is part of evacuation of power from stung Treng province to capital city Phnom Penh. After commissioning it helped increasing the socio-economic growth and industrial development in Stung Treng and Phnom Penh province. |

***INFRASTRUCTURE***

Our Company have been associated with numerous infrastructure projects in India and overseas. We are rendering engineering consultancy services like preparation of DPR, PMC and construction from concept to commissioning of infrastructure projects under one umbrella, including the execution of EPC projects as well as deposit works. We have been providing our services in various segments such as:

***Water Supply, Sanitation and Drainage***

We are providing holistic and customized solution for our client in water supply and sewerage sector in India and overseas.

***Rural and Urban Area Development***

We provide engineering consultancy services for infrastructure projects commissioned in rural areas such as rural housing, roads, water supply, sanitation, rural electrification including in the areas of minor irrigation and agriculture, rainwater harvesting, water quality monitoring, wasteland development, micro watershed development, environment and capacity building.

We also serve customers with urban-related consulting needs. We provide consulting services related to water supply and sanitation, power generation, transmission and distribution, underground cabling, environmental studies, assistance to municipal corporations, storm water drainage and flood protection measures, among others.

***Roads and Highway Engineering***

India has the second-largest road network across the world, spanning over a total of 5.89 million km (*Source: Industry Research Report on the Consultancy Service Business in India and Global Countries, issued by Fitch Solutions*. We provide consultancy services for the development of roads, railway and highway engineering. Our services include conducting surveys and investigations, planning, design and construction supervision of service roads for projects.

In addition, we also provide services like performing traffic surveys, detailed engineering, re-modeling, contract management, tender document and technical specifications and maintenance and repairs for roads and bridges. Our has undertaken some of the key projects include, construction supervision of 4 (four) - lane State Highway, rural roads under PMGSY in Goa, Gujarat, and Uttarakhand, Road Projects in Mozambique, Fiji, Indonesia, Yemen etc.

***Ropeways***

Our Company diversified in the ropeway sector in the year 2018 with signing of the MoU with a foreign entity. We have been instrumental in the ropeways sector by providing its concept to commissioning services to various State and Central Government i.e., preparation of pre-feasibility report, master plan, detailed project report, tender documents and construction supervision.

Our Company is providing its services in Shimla, Manali, Dharamshala, Haridwar, Varanasi, Aurangabad and in the state of Assam.

***Railways & Airports***

We are rendering consultancy services for projects in airports and railways sectors. Some of the key projects include, Development of greenfield airport at Mandi, Himachal Pradesh; Rail cum road bridge over river ganga in Ghazipur, Uttar Pradesh,.Railway projects under RVNL in Odisha, Chattisgarh, Uttar Pradesh, Karnataka, Maharashtra, Madhya Pradesh etc.

***Environmental Engineering***

Our Company's environmental department provides wide spectrum of consulting services in the field of environment with an inter-disciplinary system approach, where we cover multiple branches of engineering innovative efforts. Our core staff in this sub-vertical of our Company is comprised of highly qualified and experienced engineers and scientists that are specialized in various disciplines of environmental studies. We have access to well-equipped laboratories to render precise analyses of environmental matrices and has the latest hardware and software packages for satellite image processing and GIS. We have empaneled laboratories for various environmental quality analysis, including water quality analysis, soil quality analysis, ambient noise monitoring, ambient air quality monitoring and stack monitoring. We also have in-house GIS and remote sensing related software for processing satellite images. We provide services with related to forest classification, catchment area treatment, geological and soil mapping, groundwater potential studies and environmental planning and prediction. We also provide environmental audit services and advise our customers with respect to obtaining environmental clearance for their future projects and other developments. In this line of business, we have provided services to international funding agencies, multinationals and various conglomerates.

***Ports and Harbours and Inland Waterways***

Our Company has recognized customers' needs in upgrading existing major ports and developing new greenfield sites. We have a presence in the ports and harbours consultancy trade. Our Company has rendered services for Kulhudhuffushi Harbour Expansion project in Maldives (first public harbour with floating platform). We provide physical and mathematical modeling techniques to our customers through our range of consulting services from conception to commissioning of construction and engineering projects.

Our Company is engaged in undertaking projects in ocean, coastal, estuarine and riverine environment in fields of ports, harbours, inland waterways, shipyards (ship building, ship braking and ship repair), fishery harbours, fish landing centers, aquatic quarantine facility, dry docks, dredging, navigation, coastal protection, fluvial and morphological studies, sediment transport, river cruise tourism etc., in India and overseas; in creation of new facility, up-gradation and modernization of existing facilities.

We are involved in GOI flagship schemes of Sagar Mala and Pradhan Mantri Matsya Sampada Yojna. Also, we are empaneled with IPA (Indian Ports Association) as an agency for consultancy and construction.

In terms of providing best technical expertise, we have introduced latest software for designing of comprehensive water supply system for different metro corridors of Delhi Metro Rail Corporation (DMRC). The mathematical modelling as well as physical modeling are resorted to at different stages of project ranging from concept to commissioning. The physical modeling is normally taken to confirm design parameters before actual implementation of the project on ground. Mathematical modeling is used during both conceptual planning and scenario analysis for the project as well as during the design stage to check the performance of the proposed system design. For example, mathematical modelling of dam for its stability testing and physical modelling of spillway for determination of discharge coefficient and other matters.

***System Studies and Information Technology***

We provide consulting services related to software development, including expertise with respect to Management Information Systems (MIS) and Geographical Information Systems (GIS). Our IT team has provided state-of-the-art customised software solution to public utilities both for state governments in India as well as to various departments under GOI and international public sector entities by developing in-house:

a) Management Information Systems (MIS),
b) GIS enabled Web-based software targeted towards Project Monitoring,
c) Government scheme based customised Web-based software,
d) Mobile based software serving as a tool at ground level for collection of data as well as a tool to obtain MIS information, for Polavaram irrigation project, and
e) Simulation and scientific software enabling monitoring and regulation of assets such as rivers, canals, drains, outlets etc.

The aforesaid software solutions have been successful as they have enabled respective client in addressing the specific pain areas of the project and this success has been achieved due to expertise of our Company employees in the field of IT, their clear understanding of the project and customer requirement and implementation of the latest IT tools with innovative approach for the purpose of software development. Our Company IT has also contributed in the IT consultancy business of the organisation by designing modern, state-of-the-art data centres. Additionally, we specialize in information technology-related projects in the water resources sector, including those related to reservoir stimulation and operation. We also conduct studies for our customers through modeling, computer-based monitoring and evaluation, dam break modeling and project management. The reservoir simulation for various hydro-meteorological scenario ultimately provides rule curve for operating the reservoir in future under various hydro-meteorological conditions. It also provides impact of flood and aerial extent of inundation under various return periods of flood as well as when dam breaks due to any reason.

***Some of the key projects under Infrastructure in India and Overseas are as follows:***

| S. No. | Key Projects | Impact |
|---|---|---|
| 1. | Mission Bhaghiratha (Telangana Water Grid Project) | The initiative minimizing the usage of ground water which is already in scarce and utilizing surface water in domestic use. |
| 2. | Construction of National Institute of Unani Medicine (NIUM) at Ghaziabad, National Institute of Naturopathy (NIN) at Pune, National Institute of Ayurveda (NIA) at Panchkula | The medical colleges and hospitals strengthen the healthcare sector in India and providing better treatments and further research and development. |
| 3. | Construction of Chaudhary Bansi Lal University at Bhiwani | The project provides modern infrastructures for education. |
| 4. | Consultancy services for development of Greenfield Airport at Mandi, Himachal Pradesh | This airport in Himachal Pradesh providing better air connectivity. |

| | | |
|---|---|---|
| 5. | PMC services for supervision of construction of the project relating to extension of Lake Victoria Pipeline to Tabora, Igunga and Nzega towns at Tanzania | It has augmented the water supply facilities in Tanzania and provided the access to clean and safe drinking water to their residents. |
| 6. | PMC services for augmentation of water supply scheme to Dar es Salaam and Chalinze at Tanzania | |

***B. CONSTRUCTION SEGMENT***

We along with our Subsidiary is engaged in the business of execution of construction contracts by further engaging various stakeholders for the projects (as and when required). Under this segment, we offer various services such as preparation of design, carrying out survey investigation, preparing the estimates for the proposed work approved by the clients before carrying out the tender process, discovering the contract price, preparation of tender documents, tender process for selection of sub-contractor for construction work, engaging sub-contractor for construction work, getting the construction work executed, monitoring of construction process, quality assurance and undertaking of other activities of construction supervision, maintenance of work during defect liability period. We also undertake contracts on EPC basis by following the above methodology.

The construction projects undertaken by our Company are as under:

***Townships & Buildings***

Our Company was entrusted with the responsibility of implementation of infrastructure works of ITBP at various locations in India. Our company has conceptualized the projects and has implemented the project in spite of hindrance related with Covid 19.

We have executed 02 no. 120 men barracks at 28th B, ITBP Rewari Haryana. We also provide project management consultancy for townships/buildings infrastructure by focusing on state-of-the-art technologies, latest technological practices, capacity up-gradation etc. as follows:

- Township development for Tala and Punatsangchhu project in Bhutan;
- EWS Houses under PMAY Scheme in Andhra Pradesh;
- Affordable Housing Project at Vadodara;
- Construction of new Vidhansabha Building at Raipur, HIG Housing Project at Dehradun; and
- Atal Bihari Vajpayee Centre of Excellence for facilitating training and capacity building of IT professionals in Mongolia.
-

***Healthcare Infrastructure***

Our Company is working in healthcare sector and involved in execution of various healthcare infrastructure like hospitals, medical colleges in different capacities from report preparation to construction within India.

Some of the few prestigious construction projects are as follows:

- National Institute of Unani Medicine (NIUM) at Ghaziabad,
- National Institute of Naturopathy (NIN) at Pune,
- National Institute of Ayurveda (NIA) at Panchkula,
- Deen Dayal Upadhyaya University of Health Sciences – 750 bedded hospital at Karnal,
- ESIC Hospitals in PAN India, and
- 12 hospitals in Kerala etc.

***Educational Infrastructure***

We are engaged in the construction of residential/non-residential schools, colleges universities, training institutes, technical institutions etc., in India. We are also modernizing existing schools /colleges to the international standards in India.

Some of the prestigious projects in educational sector of various departments of different states, GOI and of other countries are mentioned below:

- Chaudhary Bansi Lal University at Bhiwani, Central University of Jharkhand Ranchi;
- Modernization and construction of schools in Kerala;
- Eklavya Model Residential Schools in Odisha, Jharkhand, Chattisgarh, Tamil Nadu and Meghalaya;

- Central Detective Training Institute at Jaipur; and
- Central Institute of Petrochemical Engineering & Technology (CIPET) at Baddi, Himachal Pradesh.

***Sports Infrastructure***

We are part of construction of world class sports infrastructure with different government agencies/departments like Sports Authority of India etc. and executing numerous projects on a pan India basis which shall be increased in the coming years.

Some of the recent notable projects are mentioned below:

- Sports facilities at 10 regional centers of Sports Authority of India (SAI) pan India,
- Sports facilities for Department of Sports and Youth Services, Government of OdishaSports facilities at Dahod, Gujarat etc.

***Water Supply and Sanitation:***

Our Company is engaged in construction of Extension of Water Supply Distribution Infrastructure including Unauthorized Layouts/Localities/ Slums in Nagpur City under AMRUT.

***Tourism and Heritage Infrastructure:***

We are part of development of world class facilities to increase the tourism sector growth and to strengthen our rich heritages. The tourism infrastructure sector in India is predicted to grow at an annual rate of 6.9% to USD 460.00 billion by 2028 which is 9.9% of GDP *(Source: Industry Report).* We have successfully delivered numerous projects and many of them are under progress. Some of the projects are as under:

- Development of Heritage circuit (Kalinjar Fort (Banda) – Maghar Dham (Sant Kabir Nagar)- Chauri Chaura, Shaheed Sthal (Fatehpur)- Mavahar Sthal (Ghosi)- Shaheed Smarak(Meerut) in Uttar Pradesh under Swadesh Darshan Scheme;
- Up gradation and development of Shivrinarayan, Ramgarh and Sitamarhi and Rajim under Ramvangaman Tourist Circuit in Chhattisgarh; and
- Developments of ghats and facilities in Uttarakhand, Uttar Pradesh, Bihar and Delhi.

**The construction projects undertaken by our Subsidiary Company**

Our Subsidiary’s core area of competence includes construction of townships and other residential buildings, institutional buildings, office complexes, roads, bridges and fly-over, hospitals and health sector projects, industrial structures, surface transport projects, environmental projects, thermal power projects, hydro-electric power projects, dams, barrages & canals, tunnels and underground projects and real estate works.

Some of the key projects undertaken by our Subsidiary are as follows:

| Sector | Key Projects |
|---|---|
| Institutional Buildings Sector | • Indian Institute of Crop Processing Technology (IICPT);<br>• Thanjavur Complex Phase – I, IARI Campus at Pusa New Delhi;<br>• DMRC at Jodhpur Phase – I, (d) College of Fisheries at Agartala; and<br>• College of Horticulture at Pasighat. |
| Hospitals and Townships | • 350 (three hundred and fifty) Bedded Rajiv Gandhi Memorial Hospital at Raichur, Karnataka;<br>• 50 (fifty) Bedded Hospital for Assam Rifles at Dimapur, Nagaland;<br>• Township for sipat super thermal power project, Chhattisgarh, Residential quarters for married accommodation project at Jhansi, Uttar Pradesh;<br>• Permanent townships, administrative buildings etc. for various thermal power plants of NTPC all over India; and<br>• Residential and non-residential buildings in the entire north-east region for Assam rifles etc. |
| Office<br>Commercial Complex | • Construction Lok Nayak Bhawan, Patna, PETS complex, Faridabad, ADC complex, Tripura (project management services); and<br>• 520 (five hundred and twenty) seated golden jubilee auditorium at Patel Chest Institute at Delhi including interior and equipment, transit hostel and auditorium for CRPF at Delhi, “Udyog Sadan” Building for DSIDC at New Delhi etc. |
| Fly-Over/Bridges | • Fly over with clover leafs at Greater Noida Expressway, Noida, UP, bridge across river manjary in Karnataka, royapuram flyover in Tamil Nadu, psc bridge over river godavari in Andhra Pradesh; and |

| Sector | Key Projects |
|---|---|
| | • Fly over at National College Circle, Bangalore, implementation of PMGSY road works in 6 districts of Bihar. |
| Dams and Barrages | • Badua and Chandan dams in Bihar;<br>• Pench and Totladoh dams in Maharashtra, Singda dam in Manipur, Rajghat dam in Uttar Pradesh, Bakreshwar dam in West Bengal;<br>• Masonary dam known as Jobat dam project for NVDA in Madhya Pradesh, Khugga dam and Spillway at Manipur; and<br>• Wazirabad barrage in Delhi, hasdeo barrage in Madhya Pradesh, godavari barrage in Andhra Pradesh, farakka barrage in West Bengal, kosi, bhim and gandak barrages in Bihar. |
| Canal | • Construction of Lining of Sharda Shayak Canal in Uttar Pradesh;<br>• Indra Sagar Canal Works in Madhya Pradesh; and<br>• Gumti Canal Works in Tripura. |
| Industrial Structures | • Koyali oil refinery in Gujarat, dalla cement factory in Uttar Pradesh;<br>• Tuli pulp and paper factory in Nagaland;<br>• Coke oven sinter plant and other civil works for Vizag steel plant at Andhra Pradesh; and<br>• Modernisation of Rourkela steel plant, integrated water supply scheme at Jayant. |
| Tunnels | • Head Race tunnels/diversion tunnels for Chenani, Indravati;<br>• Chamera and hathiari hydro-electric power project;<br>• Underground metro railway at Kolkata;<br>• 4 (four) km long tunnel for Maneribhali HEP; and<br>• Uttarkashi, head race tunnel for Koteshwar dam for Tehri Project, Uttarakhand. |
| Hydro-Electric Power Projects | • Loktak powerhouse in Manipur;<br>• Banswara powerhouse in Rajasthan, Tanakpur Power House in Uttrakhand;<br>• Salal powerhouse in Jammu & Kashmir, Maneri Bhali Hydro Project in Uttrakhand. |
| Thermal Power Projects | • Balco captive thermal power house (turnkey) in Madhya Pradesh;<br>• Durgapur thermal power house in West Bengal;<br>• Farakka STPP in West Bengal, Rihand STPP in Uttar Pradesh;<br>• Ramagundam STPP in Andhra Padesh, Singrauli STPP in Uttar Pradesh;<br>• Anapara T. P. Project in Uttar Pradesh;<br>• Bokaro T.P. Project in Bihar, Mejia TPS in West Bengal, Off Site Civil Works at Sipat STPP in Chhatisgarh; and<br>• Off Site civil works for Kahalgoan STPP in Bihar, civil works of 2x250 MW Parichha Thermal Power Project, execution of first raising of existing ash dyke compartment 'B' PTPP, Paricha. |

***Our Order Book***

As of March 31, 2022, our consolidated order book position constituting engineering consultancy services stood at ₹ 25,339.39 million and ₹ 184,978.33 million for construction contracts. We believe that our Order Book position is a result of our track record of successful execution of our projects, which has led to our ability to successfully bid and win new projects. Our strong financial position together with our successful efforts to meet the rising pre-qualification requirements of some of our clients has enhanced our competitiveness in our target market and, has enabled us to maintain the momentum of our Order Book.

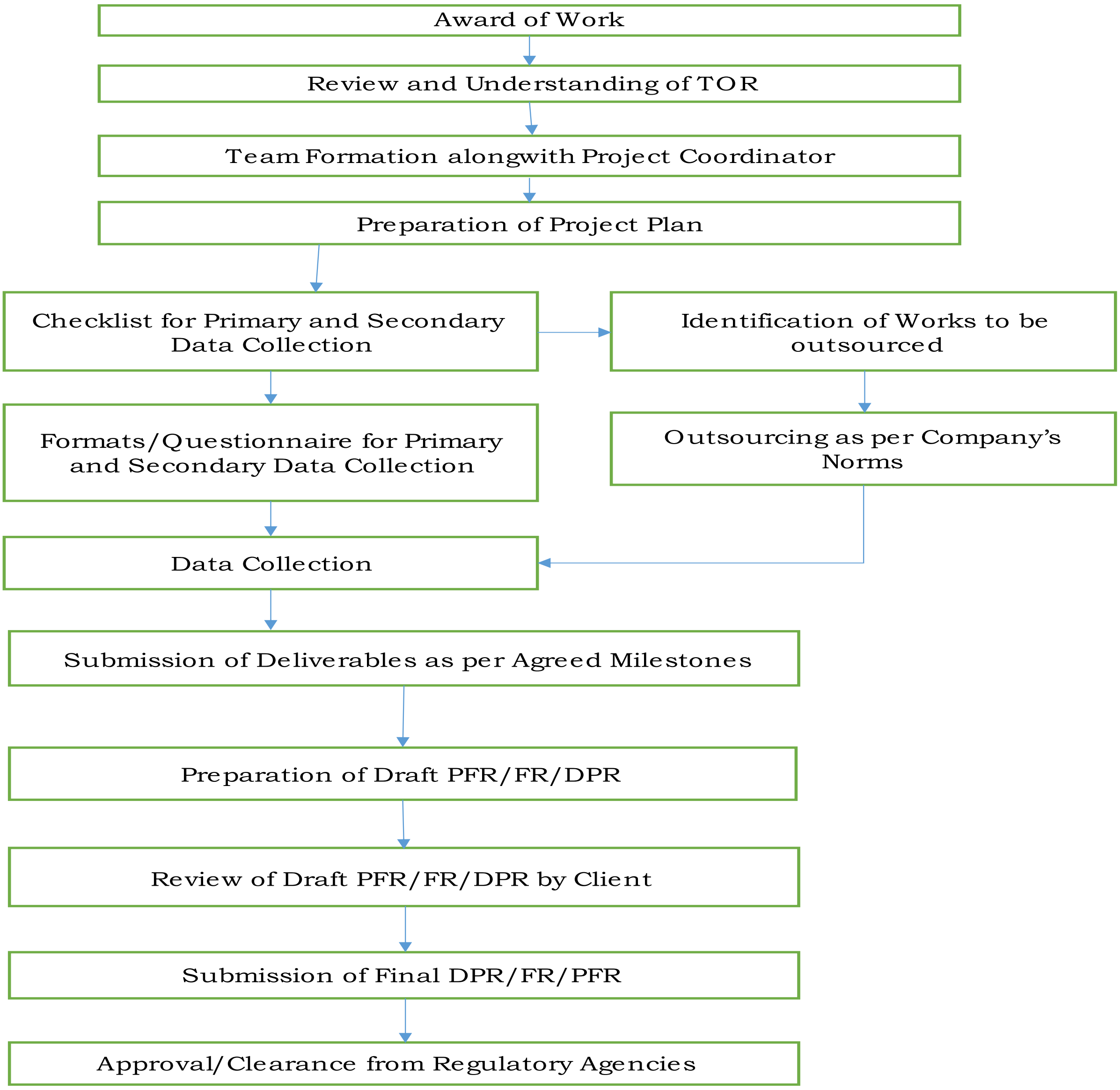
The breakup of our Order Book position is as under:

*(₹ in million)*

| **Business Segments** | **Region** | **Order Book Value as on March 31, 2022** | | |
|---|---|---|---|---|
| | | **Wapcos Limited** | **NPCC** | **Total** |
| ***Engineering Consultancy Services*** | India | 20,717.59 | - | 20,717.59 |
| | Overseas | 4,621.80 | - | 4,621.80 |
| ***Construction*** | | 69,931.53 | 57,257.12 | 1,27,721.21 |
| ***Total*** | | **122,058.49** | **82,596.51** | **127,721.21** |

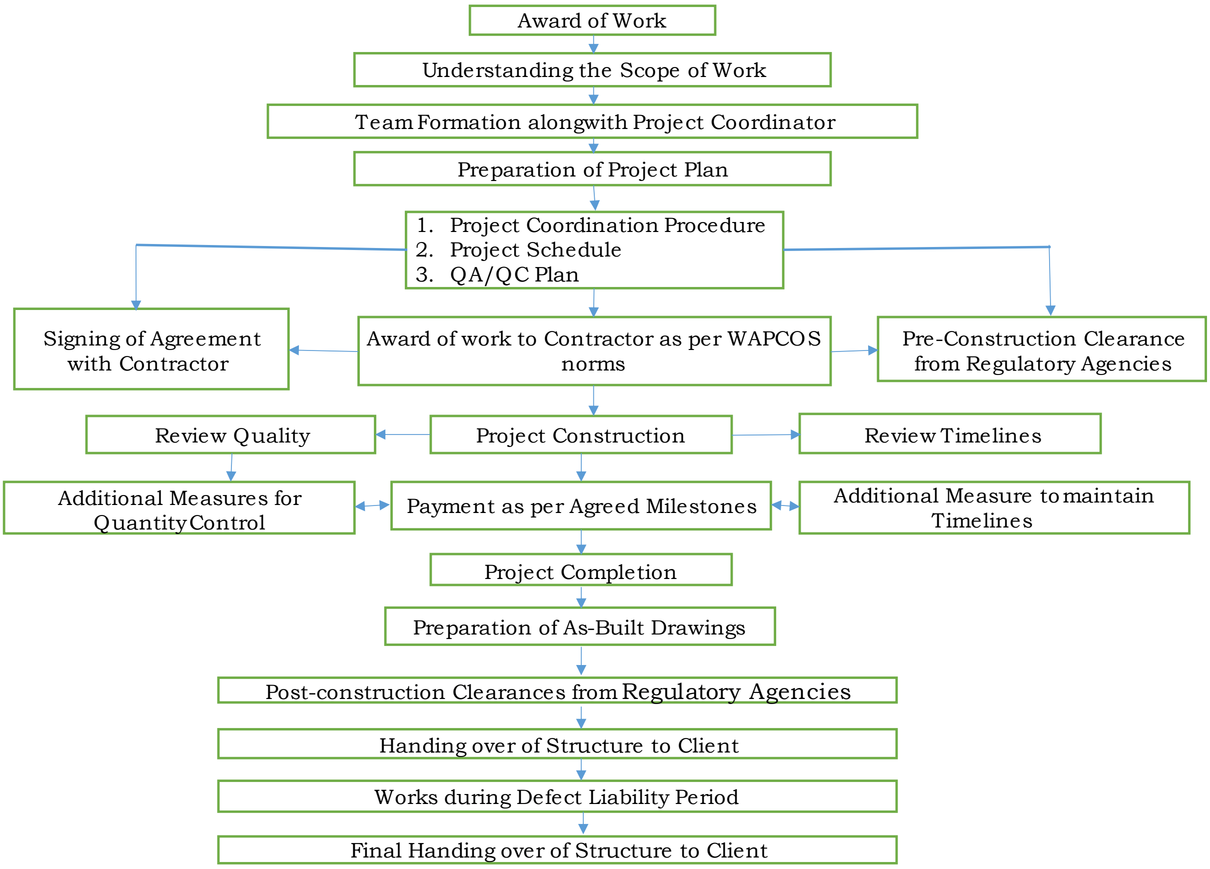
***Project Process:***

- **Engineering Consultancy Services**




A majority of our projects are awarded and services provided on a bidding process. Our Company engages with end customers through bidding in online tenders by verifying and agreeing to all terms and conditions. We typically provide a deviation list during pre-bid process, then confirm acceptance to all pre-bid replies by taking adequate approvals as necessary and accordingly define tender costs. On award of works to our Company, a kickoff meeting is conducted with client to understand their requirements in detail. In later stages also, regular meetings are conducted to obtain feedback of client and to review the progress of works. For obtaining survey, investigations, architectural services, respective tenders are prepared after clearly understanding the services required. On award of contract, we enter into an agreement with end client, specifying all terms and Conditions, non-disclosure, Arbitration, Force majeure and scope of supply & services. We then carry out all preliminary surveys, prepares DPR's, tenders for appointment of contractor etc. We then deploy our experienced manpower as specified by client in tender and accordingly execute the role of PMC. We carry on site supervision as per drawings/DPR's & tender conditions. The Contractors engaged by our Company raises their respective Invoices of work done as per payment conditions, the bill and MB quantity is verified by us and contractor invoice is approved. Based on contractor invoice, we (consultant) raise our invoice as per our PMC value awarded and then receive payment from the client.

- **Construction**




***Marketing and Sales***

Our sales and marketing strategy is primarily focused on client engagement for long-term relationships. This is taken care of by an in-house team that is tasked with business development and client relationship management and is led by our Chairperson and Managing Director, Director Commercial & HRD and chief executive directors. In order to continue to generate business, our corporate planning, corporate communications division, who monitor market intelligence, coordinate our submissions of expressions of interest and maintain our registration statuses with multilateral funding agencies and other executing agencies. Our Company participates in deliberations at Joint Commissions/ Mission meetings, technical and trade associations as well as Joint Business Councils for exploring job opportunities and membership of various agencies. We also send personnel to various government and community events (including joint commission and mission meetings, technical and trade associations and business councils) in order to explore business recruitment opportunities and becoming members of various agencies. We also use social media to further connect with our potential customers and other business counterparts. We also submit nominations for various awards, prepare press releases, publish marketing brochures, and network with other organizations like SCOPE, EEPC, FICCI, CBIP, CII, CEAI, INCOLD, IWRS, ISRMTT, IMarEST, ASCE, IE, ISH and KUFOS, for the purpose of generating publicity and business.

***Internal Controls***

We have put in place a system of internal controls to help ensure that all assets are safeguarded against loss from unauthorized use or disposition, and that transactions are authorized, recorded and reported correctly. In addition, the internal financial control and reporting process ensures financial monitoring and compliance. We deploy standard policies and procedures, covering relevant business aspects, which are designed to facilitate effective oversight on business operations. Our internal control system is periodically reviewed by the management and supplemented by an extensive program of internal and external audits. Financial and other records are reliable for preparing financial information, maintaining accountability of assets and providing reliable management information.

Company's operations comply with applicable accounting standards and financial reporting rules and regulations. All books, records, accounts and financial statements are maintained in reasonable details and reflect Company's transactions. Internal controls in our Company ensure that the entries in financial records are accurate and complete and made in accordance with applicable regulations.

Our Company has in place adequate Internal Financial Controls with reference to assets. A stock register is being maintained by administration division to keep the record of assets. Whenever assets are purchased, the stock entry number made by administration and the same is recorded on the face of the bill and the same is verified by finance before release of payments. Physical verification of assets is conducted periodically through a committee constituted for the purpose by administration division. Reports of physical verification of assets is available with administration and the records are maintained by system finance, based on which financial statements are prepared.

Internal audit division checks at random the entries passed in the books of account and put up their observation if any with respect to delegation of powers, stock entries, classification of head of accounts in their periodic reports. Copies of internal audit reports are provided to audit committee in the ACB meetings.

All the assets are insured and the same is being renewed by administration time to time. The status of pending claim with insurance company if any, is being reported in Audit Committee meeting after confirming from administration division.

***Employees***

As on August 31, 2022, we have a qualified and professional employee base with 1009 regular cadre employees. Our permanent employees include personnel engaged in management, administration, human resource, engineering, auditing, finance, sales and marketing, procurement, logistics and legal functions. In addition to regular employees, we hire consultants on a project basis as well as contract engineers for short durations, depending on our needs for a specific venture.

As on August 31, 2022, our Subsidiary has 495 employees including regular and contractual. Our Subsidiary has a professionally trained team of technicians to have an adequate control of quality & timely completion of work.

We recognize that our employees are an invaluable resource and that the competency and dedication of our employees is instrumental to our success. We have put in considerable efforts on employee training and development and through this, it has demonstrated that the organization is capitalizing not only on high potential of its employees, but also on individuals who can commit to achieving higher levels of responsibilities. To help ensure that our employees are equipped with the necessary skills and expertise, we conduct various training programs for our employees. Such training programs are either conducted in house by our senior staff or external faculty and they involve both classroom lessons and on-the-job training by qualified instructors. Through modern IT tools and its skills in customised software development, our Company has implemented online mechanism of training its personnel and has achieved the benefits. Some of the online training programmes include HV and EHV switchgear, DGPS (Differential Geo Positioning System), handling parliamentary matters, remote inspection techniques, 'e-Office' application and Tendering on CPPP Portal, etc.

In addition to salary and allowances we provide our employees with medical leave and retirement benefits, which include provident fund and gratuity. We also have policies on promotion and transfer guidelines for our employees.

Our Company recognizes and considers the importance of initiating succession planning program to provide continued leadership for the smooth functioning and success of the organization. Our Company has ascertained that certain critical positions in the organization are key to our Company's current and future growth which makes it critical for our Company to fill up these positions well in advance to circumvent any leadership gap in future. Succession planning at our Company is a systematic process that ensures long term development of individuals who have the potential to assume higher responsibilities to ensure the progress of the organization through continuity of leadership.

***Heath, Safety and Environment***

We have implemented measures to comply with applicable environmental, health and safety laws and regulations. We have established an environmental, occupational, health and safety management system in compliance with the requirements of ISO 14001:2015 and OHSAS 18001:2007 standards.

We conduct our operations in a safe, secure and environmentally sound manner. Conservation of natural resources by operating in a resource efficient manner, use of personal protective equipment's, training the employees to work in a safe manner by avoiding injuries, identifying new developments in the respective areas, reasonably foreseeing emergency situations, widespread implementation of the tree plantation programmes, execution of enviro-friendly initiatives are integral components of our operational module.

***Information Technology***

Our IT systems are vital to our business and we have adopted IT policies to assist us in our operations. The key functions of our IT team include establishing and maintaining enterprise information systems and infrastructure services to support our business requirements and maintaining secure enterprise operations. We have implemented various programs to facilitate the practice of confidentiality, information integrity and availability.

Digital transformation today contributes to ~15% of the global business advisory industry. *(Source: Industry Report)* We are a technology-driven company and have competencies in carrying out complex analysis using latest state of the art tools, software, Models etc. Some of the key software we use in our designs are civil design 3D-CAD design, Autocad, MS project, Primavera, Flac- 2D & 3D, Plaxis, Rocscience package, Midas GTX, Mike 11, Mike flood, water gems, sewer gems, structure: abaqus, staad pro, data analysis, matlab, and also hec-ras, arc-gis, remote sensing softwares and mathematical models *etc.*

Our Company has adopted the modern technology in various department to streamline its business. Furthering the vision of GOI to have a good and clean governance, our Company has progressed towards the achievement of this vision, our Company has been able to visualise paperless office approach by adopting online file movement system 'E-Office'. This software has not only helped our Company in various lockdowns during COVID-19 but also has enabled the organisation to smoothen out the flow of documents which has led to improvement in efficiency in carrying out its objectives. Our Company has also adopted online mechanism in sourcing with the help of implementing e-Procurement systems such as CPPP. Our Company has also brought transparency in its procurement system by implementing online procurement system of Government-e-Marketplace (GeM). This enabled the organisation in bringing transparency and efficiency into its own system which is a paramount requirement for clean governance.

***Risk Management***

We have established a risk management framework to identify, assess, monitor and mitigate various risks to our business. This framework seeks to minimize adverse impact on the business objectives and enhance our competitive advantage. The framework also defines the risk management approach across the enterprise at various levels. Risk management forms an integral part of our Company's planning process and the Audit Committee of the Board reviews the process of risk management.

Risk management is attempting to identify and then manage threats that could severely impact or bring down the organization. Generally, this involves reviewing operations of the organization, identifying potential threats to the organization and the likelihood of their occurrence, and then taking appropriate actions to address the most likely threats. Risk management refers to a coordinated set of activities and methods that is used to direct an organization and to control the many risks that can affect its ability to achieve objectives.

We have a robust mechanism for identification of risks and action plan for mitigation of such risks. Our Company is basically a consultancy company and provides engineering consultancy services in all facets of water resources, power and infrastructure sectors in India and overseas. Taking into account present scenario, the matter has been duly reviewed and following risk areas have been identified that require to be managed and action. Key risk areas identified include international competition and market share risk. The market for consultancy is highly competitive and it is expected that the competition will continue to intensify. Our Company has a risk of losing its existing clients base to its competitors.

Human Resource risk includes expert manpower turnover risks involving replacement risks, training risks, skill risks etc.  insurance risk and realizations risk include any decline in the realizations would directly affect our Company's performance.  System risks include

- System capability;
- System reliability;
- Data integrity risks;
- Coordinating and interfacing risks; and
- Storing, maintaining and securing IT data of the project locations

There is fraud risk, business operations risks, credit risks, contract formulation & execution risks, legal risks, disaster risks and pandemic risk.

We have a systemic mitigation plan to tackle above possible risks in our business.

***Insurance***

Our operations are subject to risks inherent in the consulting, engineering and construction sectors, including work accidents, fire, earthquake and other force majeure events including hazards that may cause injury and loss of life, severe damage to and the destruction of property and equipment damage. Our Company maintains a comprehensive list of insurance policies including: (i) public liability industrial policy, (ii) standard fire and special perils policy, (iii) money insurance policy, (iv) director and officer's liability insurance policy, and (v) group personal accident insurance policy which are renewed from time to time. See "*Risk Factors –Internal Risk Factors –Risks Related to Our Business –Our insurance policies do not cover all losses or risks and our insurance coverage may not adequately protect us against possible risk of loss* ". If we suffer a large uninsured loss or if we suffer an insured loss that significantly exceeds our insurance coverage, our financial condition, cash flows and results of operations may be adversely affected" on page 49.

***Competition***

Our Company operates in a competitive market, in both domestic and cross-border markets. Our competition depends on various factors, including, the value of the project and type of project, difficulties, complexity, financial requirement, potential margins and client's reputation. For information about our competitors, please refer to the section titled "*Industry Overview*" on page 98 of this Draft Red Herring Prospectus.

For more details on competition, see *"Risk Factors – Internal Risk factors- "We face pricing pressure from our competitors which could require us to reduce prices to remain competitive. Further, if we are unable to compete effectively, we could lose business and our business and results of operations could be negatively impacted " on page* 42.

***Intellectual Property***

As on the date of this Draft Red Herring Prospectus, our Company does not own any intellectual property.

***Material Properties***

The details of the material properties of our Company from which we operate are as follows:

| S. No. | Location | Address | Owned/Leasehold |
|---|---|---|---|
| 1. | New Delhi (Registered Office) | 5th –Floor, Kailash, 26 Kasturba Gandhi Marg, New Delhi, Delhi – 110001, India | Leasehold |
| 2. | New Delhi (Administrative office) | 10th Floor, Kailash, 26 Kasturba Gandhi Marg, New Delhi, Delhi – 110001, India– | Leasehold |
| 3. | New Delhi (Administrative office) | 3rd Floor, Kailash, 26 Kasturba Gandhi Marg, New Delhi, Delhi – 110001, India– | Leasehold |
| 4. | Gurgaon, Haryana (Corporate Office) | 76-C, Institutional Area, Sector-18, Gurugram, Haryana – 122015 | Owned |

In addition to the above, our Company has various project offices in India and overseas where the projects are ongoing.

Our Subsidiary registered office located at New Delhi and has Eleven (11) Zonal Offices at Jammu (NZO), Guwahati (NEZ), Agartala (TZO), Gurugram (NWZ), Kolkata (EZO), Raipur (CZO), Lucknow (UPZ), Ranchi (PZO), Bhubaneswar (SEZ), Bengaluru (SZO) and Ahmedabad (WZO).

***Corporate and Social Responsibility***

While we are focused on sustained financial performance, our Company has taken up corporate social responsibility ("**CSR**") activities and has adopted a CSR Policy in compliance with the Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014, as notified by the Central Government. We spent ₹ 36.47 million, ₹ 31.49 million and ₹ 41.28 million, respectively in Fiscal 2022, Fiscal 2021 and Fiscal 2020 toward CSR activities whose beneficiaries have been the people from rural areas, particularly people belonging to the economically weaker section of the society. In recent years, our CSR efforts have been focused on environmental sustainability, education and skill development, hygiene and sanitation practices and preventive health care. Our Company has formed a CSR Committee which is entrusted with the primary responsibility of formulating the CSR Policy of our Company. For further details in relation to the CSR Committee, see *"Our Management"* on page 175.

# KEY REGULATIONS AND POLICIES

*The following is an overview of certain sector-specific relevant laws and regulations in India which are applicable to the operations of our Company and our Subsidiary and their respective business. The information detailed below has been obtained from publications available in the public domain. The description of laws and regulations set out below is not exhaustive and is only intended to provide general information to Bidders. The information in this section is neither designed nor intended to be a substitute for professional legal advice and investors are advised to seek independent professional legal advice.*

*The statements below are based on the current provisions of Indian law, and the judicial, regulatory and administrative interpretations thereof, which are subject to change or modification by legislative, regulatory, administrative, quasi-judicial or judicial decisions/actions and the Selling Shareholder, our Company or the BRLMs are under no obligation to update the same. For information regarding regulatory approvals obtained by our Company, see "Government and Other Approvals" on page 350.*

**Laws and Regulations applicable to the Central Public Sector Enterprises**

As a Central Public Sector Enterprise ("**CPSE**") set up by the Ministry of Jal Shakti, we are required to comply with various laws and regulations, including National Water Policy, 2012 as amended along with the rules; Compendium on Guidelines for administrative ministries/departments and central public sector enterprises, 2015; Guidelines on corporate social responsibility and sustainability for central public sector enterprises, 2014, Guidelines on corporate governance for central public sector enterprises, 2010; Guidelines on Capital Restructuring of Central Public Sector Enterprises, Guidelines on Pay Revision Guidelines as amended from time to time; Prevention of Corruption Act, 1988; the Central Vigilance Commission Act, 2003; The Lokpal and Lokayuktas Act, 2013 and New Pension Scheme and Right to Information Act, 2005 among others.

**Laws applicable to our Business**

***The Inter-State River Disputes Act, 1956 ("ISRDA")***

The ISRDA is the legislation to provide for the adjudication of disputes relating to waters of inter-State rivers and river valley. Under ISRDA, any State Government ("**SG**") may request the Central Government ("**CG**") to refer the water dispute to Tribunal for adjudication if it appears to SG that a water dispute with the Government of another State has arisen and then the CG refers the water disputes to the Tribunal for adjudication but no reference is to be made to the Tribunal of any dispute which may be referred to arbitration under River Boards Act, 1956. The ISRDA provides for the constitution of Tribunal by CG for adjudication of that particular referred dispute and dissolution of the Tribunal after it has forwarded its report and CG is satisfied. The Supreme Court or any other Court do not have the jurisdiction in respect of any water dispute referred to the Tribunal under ISRDA.

***River Boards Act, 1956 ("RBA")***

The RBA declares that Central Government ("**CG**") in public interest shall take under its control the regulation and development of inter-State rivers and river valleys. RBA has been enacted to provide for the establishment of River Boards for the regulation and development of inter-state rivers and river valleys and empowers the CG, on a request received in this behalf from a State Government or otherwise, by notification in the Official Gazette, to establish a River Board for advising the Governments interested in relation to such matters concerning the regulation or development of an inter-State river or river valley or any specified part thereof. RBA also provides for reference of any dispute between two or more Government to arbitration.

***Dam Safety Act, 2021 ("DSA")***

The DSA aims to ensure surveillance, inspection, operation and maintenance of the specified dam for prevention of dam failure related disasters and to provide for an institutional mechanism to ensure their safe functioning. As per the provisions of the act Central Government has notified constitution of National Committee on Dam Safety ("**NCDS**") to help evolve uniform dam safety policies, protocols and procedures and prevent dam failure related disasters and to maintain standards of dam safety. The National Dam Safety Authority has been established to function as a regulating body for ensuring the nationwide implementation of dam safety policies and standards as evolved by NCDS for proper surveillance, inspection and maintenance of specified dams. The DSA comprehensively addresses the critical dam safety concerns and issues such as climate change, etc. Its key provisions include regular inspection of dams, hazard classification of dams, emergency action plan, comprehensive dam safety review by an independent panel, funds for timely repair and maintenance, operations and maintenance manual, record of incidents and failure, risk assessment study, dam instrumentation including hydro-meteorological and seismological network, accreditation of agencies, emergency flood warning system, and also provides for offences and penalty.

***Bureau of Indian Standards Act, 2016 ("BIS Act")***

The BIS Act, which was notified on March 22, 2016, has been brought into force with effect from October 12, 2017, repealing and replacing the Bureau of Indian Standards Act, 1986. The BIS Act establishes the Bureau of Indian Standards as the National Standards Body of India. The BIS Act has enabling provisions for the Government to bring under compulsory certification regime any goods or article of any scheduled industry, process, system or service which it considers necessary in the public interest or for the protection of human, animal or plant health, safety of the environment, or prevention of unfair trade practices, or national security. The BIS Act also allows multiple type of simplified conformity assessment schemes including self-declaration of conformity against a standard which will give simplified options to manufacturers to adhere to the standards and get certificate of conformity. The BIS Act enables the Central Government to appoint any authority/agency, in addition to the BIS, to verify the conformity of products and services to a standard and issue certificate of conformity. Further, there is also a provision for repair or recall, including product liability of the products bearing standard mark but not conforming to the relevant Indian Standard. The Bureau of Indian Standards Rules, 2018 ("BIS Rules") lay down inter alia the procedure for the establishment and review of Indian standards, adoption of standards as Indian standards and for publishing of Indian standards.

***The Electricity Act, 2003 ("Electricity Act")***

The Electricity Act consolidates the laws relating to generation, transmission, distribution, trading and use of electricity and lays down measures conducive to development of electricity industry, promoting competition therein and protecting interest of consumers. It mandates the Central Government to prepare a national electricity policy and tariff policy in consultation with the State Governments and the central electricity authority.

***The Building and Other Construction Workers (Regulation of Employment and Condition of Service) Act, 1996 ("BOCW Act")***

The BOCW Act provides for regulation of employment and conditions of service of buildings and construction workers as also their safety, health and welfare measures. The BOCW Act applies to every establishment which employs or had employed on any day of the preceding twelve months, ten or more building workers in any building or other construction work. The BOCW Act lays down the duties and responsibilities of employers and employees undertaking any operation or work related to or incidental to building or other construction work.

***Buildings and Other Construction Workers' Welfare Cess Act, 1996 ("BOCW Cess Act") and the rules framed thereunder***

The BOCW Cess Act provides for the levy and collection of a cess on the cost of construction incurred by employers with a view to augmenting the resources of the Building and Other Construction Workers' Welfare Boards constituted under the BOCW Cess Act. A prescribed quantum of the construction cost incurred by the employer is required to be deposited by the employer as welfare cess under the BOCW Cess Act.

**Key industry specific Government Policies**

***Operational Guidelines for Pradhan Mantri Krishi Sinchai Yojana Har Khet Ko Pani – Ground Water Irrigation ("PMKSY-HKKP-GW")***

PMKSY-HKKP-GW scheme aims to provide financial assistance to States for assured ground water irrigation to small and marginal farmers. The PMKSY-HKKP-GW aims to use a component of ground water for creating additional irrigation from ground water resources in areas, where ground water is sufficiently available. Further, to enhance small and marginal farmer's income in such areas by providing assured irrigation facility under the scheme. The beneficiary under PMKSY-HKKP-GW are small and marginal farmers only with priority to be given to SC/ST and Women farmers. Ground Water irrigation facility through dug wells, dug cum bore wells, tube wells and bore wells etc. can be funded for schemes in areas other than over exploited, critical or semi-critical meeting the following criteria:

- Less than 60 per cent of the annual replenishable groundwater resources have been developed.
- Average annual rainfall of 750 mm or more to have availability of enough water for recharge;
- Shallow groundwater levels within range of 15m below ground level or less during pre-Monsoon period.

*Guidelines for Improving Water Use Efficiency in Irrigation, Domestic & Industrial Sector ("CWC Water efficiency guidelines")*

India has about 18% of the world's population but has only 4% of world's renewable water resources. With ever increasing population to support food requirement of more than 1.2 billion people water demand is increasing. The concomitant rapid urbanisation and industrialisation are also taking a heavy toll on the overall water demand scenario. In the result, the gap between water demand and availability has been progressively increasing. The CWC Water efficiency guidelines issued by Central Water Commission provides for approach from development to efficient management by making concerted efforts to achieve higher standards of efficiency in water use in irrigation, domestic and industrial sector.

*Guidelines for the scheme Repair, Renovation and Restoration of Water Bodies ("RRR of water bodies guidelines")*

The Government of India has approved the scheme of PMKSY with HKKP as one of the components, for implementation during 2021-26 and RRR of Water Bodies has been approved for inclusion under PMKSY-HKKP. The RRR of water bodies guidelines has been passed with keeping in view the objectives of the scheme as:

a) Comprehensive improvement and restoration of water bodies, including protection works to avoid encroachment thereby increasing tank storage capacity.
b) Increase in productivity of crops and income of farmers through assured supply of water for irrigation.
c) Increased availability of drinking water. It is proposed that the works of linking water bodies with the existing nearby canal network of major/ medium reservoir project may also be explored.
d) Ground water recharge.
e) Environmental benefits through improved water use efficiency; by promotion of conjunctive use of surface and ground water.
f) Improvement of catchment areas of tank commands.
g) Community participation and self-supporting system for sustainable management of water bodies.

*Guidelines for Implementation of Scheme of National Projects ("NP Scheme")*

The NP scheme has been approved by the Government of India with a view to expedite completion of identified national projects for the benefit of the people. The identified national projects will be provided financial assistance by the Government of India in form of Central grant which will be 90% of the estimated cost of such projects for their completion in time bound manner.

*Guidelines for Surface Minor Irrigation (SMI) Scheme ("SMI Scheme")*

The Government of India has approved the scheme of PMKSY with HKKP as one of the components, for implementation during 2021-26 and SMI Scheme has been included as one of the components of PMKSY-HKKP. SMI Scheme aims to provide financial assistance to the identified minor irrigation projects using surface water and also covers other special areas, namely, drought prone area, tribal area, flood prone area.

**Environment protection laws**

*Environment Protection Act, 1986 ("EPA")*

The EPA is the umbrella legislation in respect of the various environmental protection laws in India. Under the EPA, the Government of India is empowered to take any measure it deems necessary or expedient for protecting and improving the quality of the environment and preventing and controlling environmental pollution. This includes rules for, inter alia, laying down standards for the quality of environment, standards for emission of discharge of environment pollutants from various sources, as provided under the Environment (Protection) Rules, 1986, inspection of any premises, plant, equipment, machinery, examination of manufacturing processes and materials likely to cause pollution. Penalties for violation of the EPA include fines up to ₹ 100,000 or imprisonment of up to five years, or both. The imprisonment can extend up to seven years if the violation of the EPA continues beyond a period of one year after the date of conviction. There are provisions with respect to certain compliances by persons handling hazardous substances, furnishing of information to the authorities in certain cases, establishment of environment laboratories and appointment of government analysts.

*Water (Prevention and Control of Pollution) Act, 1974 ("Water Act")*

The Water Act aims to prevent and control water pollution as well as restore water quality by establishing and empowering the relevant state pollution control boards. Under the Water Act, any individual, industry or institution discharging industrial or domestic waste into water must obtain the consent of the relevant state pollution control board, which is empowered to establish standards and conditions that are required to be complied with.

***Air (Prevention and Control of Pollution) Act, 1981 ("Air Act")***

Under the Air Act, the relevant state pollution control board may inspect any industrial plant or manufacturing process and give orders, as it may deem fit, for the prevention, control and abatement of air pollution. Further, industrial plants and manufacturing processes are required to adhere to the standards for emission of air pollutants laid down by the relevant state pollution control board, in consultation with the Central Pollution Control Board. The relevant state pollution control board is also empowered to declare air pollution control areas. Additionally, consent of the state pollution control board is required prior to establishing and operating an industrial plant. The consent by the state pollution control board may contain provisions regarding installation of pollution control equipment and the quantity of emissions permitted at the industrial plant.

**Intellectual property laws**

Intellectual Property in India enjoys protection under both common law and statute. Under statute, India provides for patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957, trademark protection under the Trade Marks Act, 1999 and design protection under the Designs Act, 2000. The above enactments provide for protection of intellectual property by imposing civil and criminal liability for infringement.

***The Trade Marks Act, 1999 ("Trade Marks Act")***

The Trade Marks Act governs the statutory protection of trademarks and prevention of the use of fraudulent marks in India. Indian law permits the registration of trademarks for both goods and services. It also provides for exclusive rights to marks such as brand, label, and heading and to obtain relief in case of infringement for commercial purposes as a trade description. Under the provisions of the Trade Marks Act, an application for trademark registration may be made with the Trade Marks Registry by any person or persons claiming to be the proprietor of a trademark, whether individually or as joint applicants, and can be made on the basis of either actual use or intention to use a trademark in the future. Once granted, a trademark registration is valid for 10 years unless cancelled, subsequent to which, it can be renewed. If not renewed, the mark lapses and the registration is required to be restored to gain protection under the provisions of the Trade Marks Act. The Trade Marks Act prohibits registration of deceptively similar trademarks and provides for penalties for infringement, falsifying and falsely applying trademarks among others. Further, pursuant to the notification of the Trade Marks (Amendment) Act, 2010, simultaneous protection of trademark in India and other countries has been made available to owners of Indian and foreign trademarks. It also seeks to simplify the law relating to the transfer of ownership of trademarks by assignment or transmission and to bring the law in line with international practices.

**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:

- Contract Labour (Regulation and Abolition) Act, 1970.
- Employees' Provident Funds and Miscellaneous Provisions Act, 1952.
- Employees' State Insurance Act, 1948.
- Minimum Wages Act, 1948.
- Payment of Bonus Act, 1965.
- Payment of Gratuity Act, 1972.
- Payment of Wages Act, 1936.
- Maternity Benefit Act, 1961.
- Industrial Disputes Act, 1947.
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979.
- The Industries (Development and Regulation) Act, 1951.
- Employees' Compensation Act, 1923.
- The Industrial Employment Standing Orders Act, 1946.
- The Child Labour (Prohibition and Regulation) Act, 1986.
- The Equal Remuneration Act, 1976.
- The Trade Unions Act, 1926 and the Trade Union (Amendment) Act, 2001.
- Building and Other Construction Workers Regulation of Employment and Conditions of Service Act, 1996.

- The Code on Wages, 2019*.
- The Occupational Safety, Health and Working Conditions Code, 2020**.
- The Industrial Relations Code, 2020***
- The Code on Social Security, 2020****.

* *The Government of India enacted 'The Code on Wages, 2019' which received the assent of the President of India on August 8, 2019. The provisions of this code are proposed to be brought into force by the Central Government on a date to be notified by the Central Government. It proposes to subsume four separate legislations, namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976.*

** *The Government of India enacted 'The Occupational Safety, Health and Working Conditions Code, 2020' which received the assent of the President of India on September 28, 2020. The provisions of this code are proposed to be brought into force on a date to be notified by the Central Government. It proposes to subsume several separate legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996.*

*** *The Government of India enacted 'The Industrial Relations Code, 2020' which received the assent of the President of India on September 28, 2020. The provisions of this code are proposed to be brought into force on a date to be notified by the Central Government. It proposes to subsume three separate legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946.*

**** *The Government of India enacted 'The Code on Social Security, 2020 which received the assent of the President of India on September 28, 2020. The provisions of this code are proposed to be brought into force on a date to be notified by the Central Government. It proposes to subsume several separate 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, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganised Workers' Social Security Act, 2008.*

**Foreign Investment Laws**

***Foreign Investment in India***

The foreign investment in India is governed, among others, by the Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 ("**FEMA Rules**") and the Consolidated FDI Policy (effective from October 15, 2020) issued by the DPIIT (earlier known as the Department of Industrial Policy and Promotion ("**Consolidated FDI Policy**"), each as amended. Further, the RBI has enacted the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 on October 17, 2019 which regulate mode of payment and remittance of sale proceeds, among others. 100% foreign investment under the automatic route, *i.e.*, without requiring prior governmental approval, is permitted in the manufacturing sector. The Consolidated FDI Policy and the FEMA Rules prescribe *inter alia* the method of calculation of total foreign investment (*i.e.*, direct foreign investment and indirect foreign investment) in an Indian company.

***The Foreign Exchange Management Act, 1999 ("FEMA") and regulations framed thereunder***

The FEMA Non-Debt Instruments Rules were in 2019 in supersession of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, except for things done or omitted to be done before such supersession. 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.

With effect from April 1, 2020, the aggregate limit shall be the sectoral caps applicable to Indian company as laid out in paragraph 3(b) of Schedule I of FEMA Rules, with respect to paid-up equity capital on fully diluted basis or such same sectoral cap percentage of paid-up value of each series of debentures or preference shares or share warrants.

In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Rules, the total holding by each FPI or an investor group shall be below 10% of the total paid-up Equity Share capital of our Company and 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%). For further details, see *"Restrictions on Foreign Ownership of Indian Securities"* beginning on page 400.

**Other Laws**

***Competition Act, 2002 ("Competition Act")***

The Competition Act is an act to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect interest of consumer and to ensure freedom of trade in India. The act deals with prohibition of (i) certain agreements such as anti-competitive agreements and (ii) abuse of dominant position and regulation of combinations. No enterprise or group shall abuse its dominant position in various circumstances as mentioned under the Competition Act. The prima facie duty of the Competition Commission of India ("**CCI**") is to eliminate practices having adverse effect on competition, promote and sustain competition, protect interest of consumer, and ensure freedom of trade. The CCI shall issue notice to show cause to the parties to combination calling upon them to respond within thirty (30) days in case it is of the opinion that there has been an appreciable adverse effect on competition in India. In case a person fails to comply with the directions of the CCI and Director General (as appointed under Section 16(1) of the Competition 167 Act) he shall be punishable with a fine which may exceed to ₹ 0.1 million for each day during such failure subject to maximum of ₹ 10.0 million, as the CCI may determine.

**Laws relating to Taxation**

In addition to the aforementioned material legislations which are applicable to our Company, some of the tax legislations that may be applicable to the operations of our Company include:

a. Income Tax Act 1961, the Income Tax Rules, 1962, as amended by the Finance Act in respective years;
b. Central Goods and Service Tax Act, 2017, the Central Goods and Service Tax Rules, 2017 and various state wise legislations made thereunder;
c. The Integrated Goods and Service Tax Act, 2017;
d. Professional Tax state-wise legislations; and
e. Indian Stamp Act, 1899 and various state-wise legislations made thereunder.

In addition to the above, our Company is required to comply with provisions of the Indian Contract Act, 1872, Companies Act, 2013 and the rules framed thereunder, Prevention of Corruption Act, 1988 and other applicable laws and regulations imposed by the Central and State Governments and other authorities for our day-to-day business and operations. Our Company is also amenable to various central and state tax laws.

# HISTORY AND CERTAIN CORPORATE MATTERS

**Brief history of our Company***

Our Company was incorporated as *"Water and Power Development Consultancy Services (India) Private Limited"* under the provisions of the Companies Act, 1956 on June 26, 1969 as a private limited company and the certificate of incorporation bearing registration no. 5070 of 1969-70 was issued by the Registrar of Companies, Delhi and Haryana. The word 'private' was deleted and the name of our Company was changed to *"Water and Power Development Consultancy Services (India) Limited"* with effect from November 21, 1969 and the same was recorded in the certificate of incorporation issued by the Registrar of Companies, Delhi. Pursuant to the passing of a necessary resolution in terms of Section 21 of the Companies Act, 1956 and the approval of the Ministry of Law, Justice & Company Affairs (Company Law Board), the name of our Company was changed to *"Water and Power Consultancy Services (India) Limited"* as the name of the Company was cumbersome and the word 'development' was appearing to be superfluous and a fresh certificate of incorporation dated February 12, 1980, consequent to the change of name, was issued by the Assistant Registrar of Companies, Delhi and Haryana. Thereafter, pursuant to the passing of necessary resolution in terms of Section 21 of the Companies Act, 1956 and the approval of Central Government, the name of our Company was again changed to *"WAPCOS Limited"* as the word *"WAPCOS"* was abbreviated form of the existing name of the Company, and a fresh certificate of incorporation dated November 3, 2007, was issued by the RoC. The shareholders of our Company passed the resolution to convert the Company to a public company on February 25, 2021 and RoC granted fresh certificate of incorporation dated April 27, 2021. On December 6, 2010, our Company was conferred with Schedule B, Mini Ratna Category-I status.

**Changes in the Registered Office**

As on the date of this Draft Red Herring Prospectus, the registered Office of our Company is situated at – 5th Floor, Kailash, 26 Kasturba Gandhi Marg, New Delhi, Delhi – 110001, India. The table below sets forth details of changes in the registered office of our Company since its incorporation:

| Effective Date/Year | Details of Change | Reasons for Change |
|---|---|---|
| 1975 | The registered office of our Company has been changed from L-18, South Extension, Part-II, Delhi to 5th Floor, Kailash, 26 Kasturba Gandhi Marg, New Delhi, Delhi – 110001, India | Administrative and Operational efficiency |

**Main Objects of our Company**

The objects contained in the Memorandum of Association of our Company are as follows:

(1) *To establish, provide and perform engineering and related technical and consultancy services in projects related to development of water resources, irrigation and drainage, electric power, flood control, water supply, sanitation, environmental engineering, inland navigation, ports and harbours, roads and buildings, dam surveillance, computer system and modeling and information technology.*

(2) *To establish, provide, maintain and perform procurement, inspection, expediting, quality control, plant betterment, technology upgradation, management of construction and related services in connection with the construction of water resources development projects including dams, barrages, weirs, tunnels, canals, hydropower stations and thermal power stations and transmission and distribution systems.*

(3) *To carry on all kinds of business relating to:*

(a) *the pre-investment surveys and investigations, planning, design, supervision of construction, operation and maintenance of all kinds of works involved in the development and utilization of water resources, generation and utilization of electric power;*

(b) *topographic surveys, aerial photography, hydrological surveys, meteorological surveys, geological surveys, seismic surveys, material surveys, geotechnical surveys, underground resources investigation, Soil surveys and land classification surveys including adoption of Remote Sensing and GPS techniques and Digitisation of maps through computer systems; and*

(c ) *training programmes, seminars, exhibitions, workshops and allied activities in water resources, power and infrastructure development.*

(4) *To issue tenders for works, services and equipment on behalf of customers and be responsible for scrutinizing them and advising customers suitably.*

(5) *To organize and supervise the erection and commissioning of generating plants, electrical equipments,*

*electric transmission and distribution systems.*

(6) *To provide comprehensive turnkey consultancy services in areas besides engineering such as financial, legal, contractual and other vital information including technology transfer etc. in Water Resources and Power Sector.*

(7) *To undertake in India and Abroad preparation of Feasibilty Reports, Detailed Project Reports, Field Investigations, Engineering Designs, Tender Engineering, Quality Control, Monitoring and Evaluation, Work Measurement and Billing, Capacity Building, Rehabilitation and Modernization, Operation & Maintenance, Project Management, Turnkey Execution, EPC Contracts, Deposit Works, Upgradation, Repairs, Construction and Implementation of all Civil and Electrical Works, encompassing Water Resources, Power and Infrastructure Development which may include but not limited to Multi-purpose Dams, Hydro-Power Projects, Canals, Barrages, Weirs, Power Houses, Tunnels, Sub-stations, Transmission and Distribution Works, Groundwater Development and Exploration, Acquifer Mapping, Non-conventional Sources of Energy, Thermal Power Stations, Ports and Harbours, Rural and Urban Development, Rural Electrification, Roads, Highways and Bridges, Buildings including Industrial and Office Buildings, Universities, Housing, Airports, Railways/Metros, Pumped Storage Projects, Watershed Management including Water Harvesting, Rain fed and Irrigated agriculture and Farm Mechanization works, Water Supply, Drainage and Sewerage Systems including Treatment Plants, Lift irrigation projects, Inlands Waterways, Ponds & Tanks, Lakes and Wetlands, Flood Management, reclamation, river morphology and natural resources management and other related/allied works.*

(8) *To undertake and carry on in-house Research and Development involving use and application of Computer Systems in Water Resources Projects and Power Systems.*

The objects as contained in our Memorandum of Association enable our Company to carry on our existing business.

**Amendments to our Memorandum of Association**

Set out below are the amendments to our Memorandum of Association in the last ten (10) years:

| Date of Shareholders' Resolution | Nature of amendment |
|---|---|
| February 25, 2021 | (i) The heading of the existing Clause 3A of the Memorandum of Association was changed from "*The main objects for which the Company is established are:*" to *"The objects to be pursued by the Company are:";*<br>(ii) The heading of the existing Clause 3B of the Memorandum of Association was changed from *"The objects incidental or ancillary to the attainment of the main objects are:"* to *"Matters necessary for furtherance of the objects specified in Clause 3A are:"*;<br>(iii) The heading of the existing Clause 3C of the Memorandum of Association *"The Other Objects of the Company are"* is deleted and objects mentioned therein at Serial Nos.1 and 2 are merged with existing Clause 3B and are inserted as Serial Nos. 35 and 36 respectively after the object at Serial No. 34 of Clause 3B;<br>(iv) Clause 5 of the Memorandum of Association of our Company was amended to reflect the sub-division of the equity shares and increase in the authorized share capital from ₹ 1,00,00,00,000 divided into 1,00,00,000 Equity Shares of ₹ 100 each to ₹ 2,00,00,00,000 divided into 20,00,00,000 Shares of ₹ 10 each. |
| March 27, 2017 | Clause 5 of the Memorandum of Association of our Company was amended to reflect the increase in the authorized share capital from ₹ 35,00,00,000 divided into 35,00,000 Equity Shares of ₹ 100 each to ₹ 1,00,00,00,000 divided into 1,00,00,000 Equity Shares of ₹ 100 each. |
| March 21, 2016 | Clause 5 of the Memorandum of Association of our Company was amended to reflect the increase in the authorized share capital from ₹ 25,00,00,000 divided into 25,00,000 Equity Shares of ₹ 100 each to ₹ 35,00,00,000 divided into 35,00,000 Equity Shares of ₹ 100 each. |
| August 25, 2014 | Clause 5 of the Memorandum of Association of our Company was amended to reflect the increase in the authorized share capital from ₹ 16,00,00,000 divided into 16,00,000 Equity Shares of ₹ 100 each to ₹ 25,00,00,000 divided into 25,00,000 Equity Shares of ₹ 100 each. |
| June 17, 2014 | Clause III (Main Object clause) of the Memorandum of Association of our Company was amended to reflect the amendment in Clause 3A (7):<br><br>*(7) To undertake in India and Abroad preparation of Feasibilty Reports, Detailed Project Reports, Field Investigations, Engineering Designs, Tender Engineering, Quality Control, Monitoring and Evaluation, Work Measurement and Billing, Capacity Building, Rehabilitation and Modernization, Operation & Maintenance, Project Management, Turnkey Execution, EPC Contracts, Deposit Works, Upgradation, Repairs, Construction and Implementation of all Civil and Electrical Works, encompassing Water Resources, Power and Infrastructure Development which may include but not limited to Multi-purpose Dams, Hydro-Power Projects, Canals, Barrages, Weirs, Power Houses,* |

| Date of Shareholders' Resolution | Nature of amendment |
|---|---|
| | *Tunnels, Sub-stations, Transmission and Distribution Works, Groundwater Development and Exploration, Acquifer Mapping, Non-conventional Sources of Energy, Thermal Power Stations, Ports and Harbours, Rural and Urban Development, Rural Electrification, Roads, Highways and Bridges, Buildings including Industrial and Office Buildings, Universities, Housing, Airports, Railways/Metros, Pumped Storage Projects, Watershed Management including Water Harvesting, Rain fed and Irrigated agriculture and Farm Mechanization works, Water Supply, Drainage and Sewerage Systems including Treatment Plants, Lift irrigation projects, Inlands Waterways, Ponds & Tanks, Lakes and Wetlands, Flood Management, reclamation, river morphology and natural resources management and other related/allied works.* |
| July 5, 2013 | Clause 5 of the Memorandum of Association of our Company was amended to reflect the increase in the authorized share capital from ₹ 10,00,00,000 divided into 10,00,000 Equity Shares of ₹ 100 each to ₹ 16,00,00,000 divided into 16,00,000 Equity Shares of ₹ 100 each. |

**Major events in our history**

The table below sets forth the key events in the history of our Company:

| Calendar Year | Major Achievements |
|---|---|
| 1969 | Established by the GOI under the aegis of Ministry of Water Resources to utilize India's knowledge and expertise in the field of water resources by sharing and export of technology to the friendly developing nations |
| 1974 | Entered into an agreement with the Royal Government of Bhutan for setting up of Chhuka Hydro Electric Project (4 x 15 MW) |
| 1979 | The name of our Company was changed from *"Water and Power Development Consultancy Services (India) Limited"* to *"Water and Power Consultancy Services (India) Limited."* |
| 1989 | Provided the consultancy services for command area survey and micro canalization studies in lift schemes of IGNP -Stage-II to the Government of Rajasthan |
| 1997 | GOI accorded Mini Ratna Category II status to our Company |
| 2006 | GOI upgraded our Company from Schedule 'C' to schedule 'B' |
| 2007 | Widening spectrum of sectors, name of our Company was changed from *"Water and Power Consultancy Services (India) Limited"* to *"WAPCOS Limited"* |
| | Completion of work in engineering and project management consultancy for the Tala Hydroelectric Project (1020MW) in Bhutan |
| 2008 | Successfully provided the detailed design, engineering services, construction supervision, testing and commissioning of the Purulia Pumped Storage Project (900 MW) at Bagmundi, District-Purulia, West Bengal |
| 2010 | GOI accorded Mini Ratna Category -I status to our Company |
| 2014 | Successfully completed the engineering procurement and construction of Stung Tasal Dam project in Kingdom of Cambodia |
| 2016 | Successfully completed the 3x14 MW Afghan India friendship Dam (formerly known as Reconstruction/Rehabilitation of Salma Dam/Reservoir Project) in Herat province of Afghanistan |
| 2018 | Successfully provided the consultancy services for Kaleshwaram Project, Telangana |
| 2019 | Our Company made strategic investment in "National Projects Construction Corporation Limited (NPCC–" - a Government Company, which was under the same Administrative Ministry under which our Company is operati–g - by virtue of which NPCC became a subsidiary of our Company |
| 2020 | Successfully completed the project management consultancy services including defect liability period for supervision of construction of the project "Extension of Lake Victoria Pipeline from Tabora, Igunga and Nzega Towns" in Tanzania |
| 2022 | Awarded the work for "Consultancy services for project implementation assistance consultant – Green and Resilient Affordable Housing Sector Project" in Bhutan |

**Awards and Recognition**

The table below sets forth the key awards received by our Company:

| Year of Award | Award |
|---|---|
| 2017 | Received "India Africa Champion in Biz & SME Award (2017)" for Achievement in Power & Renewable Energy (instituted by ASSOCHAM) |
| | Received "India Africa Champion in Biz & SME Award (2017)" for Exemplary Services in Agriculture (instituted by ASSOCHAM) |
| | Received "India Africa Champion in Biz & SME Award (2017)" for Dedicated Leadership in Infrastructure (instituted by ASSOCHAM) |
| | Received "SCOPE Corporate Communication Excellence Award (2017)" for Best Corporate Communication Campaign/Program - External (instituted by Standing Conference of Public |

| | |
|---|---|
| | Enterprises) |
| | Received “SCOPE Award” for Excellence and Outstanding Contribution to the Public Sector Management – Institutional Category (instituted by Standing Conference of Public Enterprises) |
| | Received “SCOPE Meritorious Award” for Corporate Governance (instituted by Standing Conference of Public Enterprises) |
| | Received “Water Digest Water Awards (2017-18) - Best Water Company (Public Sector)” (instituted by UNESCO) |
| | Received Water Digest Water Awards (2017-18) - Best Consultancy (instituted by UNESCO) |
| | Received CBIP Award (2017) – Best Consultancy Organization in Water Resources Sector (instituted by Central Board of Irrigation and Power) |
| | Received “World Water Leadership Congress & Award” for Best Design and Architecture (Instituted by Asian Confederation of Businesses) |
| | Received “World Water Leadership Congress & Award” for Best Community Water Project (Instituted by Asian Confederation of Businesses) |
| 2018 | Received “Water Digest Water Awards (2018) - Best Water Company (Public Sector)” (instituted by UNESCO) |
| | Received “Water Digest Water Awards (2018) - Best Consultancy” (instituted by UNESCO) |
| | Received CBIP Award (2018) – Best Consultancy Organization in Water Resources Sector (instituted by Central Board of Irrigation and Power) |
| | Received “SCOPE Corporate Communication Excellence Award (2018)” for Best Corporate Communication Campaign/Program - External (instituted by Standing Conference of Public Enterprises) |
| | Received India Corporate Governance & Sustainability Vision Summit – “Corporate Governance & Sustainability Vision Award (2018)” (instituted by Indian Chamber of Commerce) |
| | Received “CSR Leadership Award - Rise Awards” for Best Corporate Social Responsibility Practices (instituted by ET Now) |
| | Received “CSR Leadership Award - Rise Awards” for Best Community Water Project (instituted by ET Now) |
| | Received “CSR Leadership Award - Rise Award” for Best Use of Media Relations (instituted by ET Now) |
| | Received the “Made in India - Best Water Company (Public Sector)” from National Awards for excellence in water. |
| | Received “Rajbhasha Vajaynti Award (First Prize) (2018 - 19)” from MoJS. |
| 2019 | Received “Water Digest Water Award (2019-2020) - Made in Ind–a - Best Water Company (Public Sector)” (instituted by UNESCO). |
| | Received “Water Digest Water Award (2019-2020) - Best Consultancy” (instituted by UNESCO). |
| | Received “Water Digest Water Award (2019-2020) - Best Water Management” (instituted by UNESCO). |
| | Received “SCOPE Corporate Communication Awards (2019) for Crisis Handling (First Prize) (instituted by Standing Conference of Public Enterprises). |
| | Received “SCOPE Corporate Communication Awards (2019) - Best Corporate Communication Campaign & Program - External Communication (First Prize) (instituted by Standing Conference of Public Enterprises)”. |
| | Received “SCOPE Corporate Communication Awards (2019) for Best House Journal (Hindi) (Third Prize) (instituted by Standing Conference of Public Enterprises). |
| | Received CBIP Award (2019) – Best Consultancy Organization in Water Resources Sector (instituted by Central Board of Irrigation and Power). |
| 2020 | CBIP Award (2020) – Best Construction Entity (for a Completed Project) Presented to WAPCOS Limited for Salma Dam Project, Afghanistan |
| | Received “Company of the year” award from Indian Chamber of Commerce. |
| | Received “Runner-up in Corporate Governance” award from Indian Chamber of Commerce. |
| 2021 | Received the award for “Company of the year” from Star of the Industry Awards |
| | Received the award for “Best Water Infrastructure” from Star of the Industry Awards |
| | Received IEI Industry Excellence Award 2021 under the category of engineering services and consultancy in category A by The Institution of Engineers (India). |
| | Received the award for “Excellence in Export of Engineering Service” from Engineering Export Promotion Council (EEPC) |
| | Ranked No.1 among Global Consultancy Firms under ADB Financed projects in Water and Urban Infrastructure Sector |
| | Ranked 3rd amongst Top 5 Consultants from India |
| 2022 | Received Best Consultancy award by Water Warriors, United for water |
| | Received Best Water Management – Public Sector by Water Warriors, United for water |
| | Received Best Community Project of the year by Water Warriors, United for water |
| | Received Made in India “Best Water Company (Public Sector)” by Water Warriors, United for water |
| | Received Golden Peacock Business Excellence Award from Institute of Directors, India |
| | Received award for Excellence in Engineering Consultancy Services by CEAI National Awards |

**Accreditations and Certifications**

Our Company has received the following accreditations and certifications:

| Certificate | Issued on | Valid Till | Particulars |
|---|---|---|---|
| ISO 9001: 20–5 - Consultancy Services | January 29, 2021 | January 28, 2024 | The Quality Management System of our Company has been assessed and approved in accordance with the guidelines of ISO 9001:2015 for the following scope – Consultancy services in water resources, power and infrastructure development projects. |
| ISO 9001: 2015 – Engineering, Procurement & Construction Projects | June 9, 2022 | June 8, 2025 | The Quality Management System of our Company has been assessed and approved in accordance with the guidelines of ISO 9001:2015 for the following areas – Engineering, procurement & construction (EPC) projects related to residential, office buildings, civil works, roads & highways, irrigation, agriculture and water projects, electrical power projects for generation, substation, transmission, distribution networks, rural electrification and renewable energy, industrial, it, telecommunication and related projects. |
| Quality Council of India – National Accreditation Board for Education & Training's Certificate of Accreditation | December 15, 2021 | April 9, 2024 | Accredited as Category A under the QCI-NABET Scheme for Accreditation of EIA Consultant Organization, Version 3: for preparing EIA-EMP reports in the following Sectors (1) Mining of minerals including opencast / underground mining (2) offshore and onshore oil and gas exploration, development & production (3) River Valley projects (4) Thermal power plants (5) Oil & gas transportation pipeline (crude and refinery/ petrochemical products), passing through national parks/ sanctuaries/coral reefs / ecologically sensitive areas including LNG terminal (6) Airports (7) Industrial estates/ parks/ complexes/areas export processing Zones (EPZs), special economic zones (SEZs) Biotech Parks, Leather Complexes (8) Ports, harbours, break waters and dredging (9) Highways (10) Aerial ropeways (11) Building and construction projects. |

**Our Holding Company**

As on the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

**Subsidiary of our Company**

As on the date of this Draft Red Herring Prospectus, our Company has one subsidiary namely, National Projects Construction Corporation Limited. For further details on our subsidiary, please refer *"Our Subsidiary"* on page 173.

**Joint Venture(s) of our Company**

As on the date of this Draft Red Herring Prospectus, our Company does not have a joint venture.

**Time or Cost Overruns**

Our Company has not experienced any instances of time / cost overrun in setting up projects.

**Lock-out and strikes**

As on the date of this Draft Red Herring Prospectus, there have been no lock-outs or strikes at any time in our Company.

**Defaults or rescheduling/restructuring of borrowings with financial institutions/banks and conversion of loans into equity by the Company**

There have been no defaults or rescheduling of borrowings with financial institutions, banks, conversion of loans into equity in relation to or by our Company.

For further information of our financing arrangements, please see the section titled *"Financial Indebtedness"* on page 291.

**Details regarding material acquisition or divestment of business/undertakings, mergers, amalgamations and revaluation of assets in the last ten (10) years**

Except as disclosed below, our Company has not acquired or divested any business or undertaking and has not undertaken any merger, amalgamation or revaluation of its assets in the last ten (10) years immediately preceding the date of this Draft Red Herring Prospectus:

Pursuant to the share purchase agreement dated March 25, 2019, executed by and amongst President of India acting through MoJS (the "**Seller**") and our Company, the Seller agreed to sell 9,34,821 equity shares representing 98.89% share capital ("**Sale Shares**") of NPCC to our Company for an aggregate purchase consideration equivalent to the fair market value of the Sale Shares, being approximately ₹ 798 million ("**Purchase Consideration**"). Our Company paid the Purchase Consideration and as a result of this transaction, NPCC became a subsidiary of our Company.

**Capacity / facility creation, location of plants**

As on the date of filing of the Draft Red Herring Prospectus, our Company has not set up any capacity/facility creation.

**Launch of key products or services, entry in 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–Description of our Business"* on page 146.

**Financial or Strategic Partnerships**

As on the date of this Draft Red Herring Prospectus, our Company does not have any financial or strategic partners.

***Shareholders' agreements and Other Agreement***

As on the date of this Draft Red Herring Prospectus, Our Company has not entered into any Shareholders Agreement or other agreements.

***Agreements with key managerial personnel or a Director or Promoter or any other employee of the Company***

There are no agreements entered into by key managerial personnel or a 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.

***Details of guarantees given to third parties by our Promoter***

As of the date of this Draft Red Herring Prospectus, our Promoter has not given any guarantees to third parties.

***Key terms, dates, parties to and general nature of any other subsisting material agreements including with strategic partners, joint venture partners and/or financial partners, entered into, other than in the ordinary course of business of our Company***

Except as stated below, our Company has not entered into any subsisting material agreements, not being a contract entered into the ordinary course of business carried on or intended to be carried on by us.

***Memorandum of Understanding dated February 10, 2022 entered into between the MoJS and our Company for the Fiscal 2021-2022***

Our Company enters into a memorandum of understanding with MoJS every financial year which sets out certain financial and performance criteria for the financial year and our Company is evaluated at the end of every financial year on the basis of the above-mentioned criteria. For the Fiscal 2022, our Company entered into a memorandum of understanding dated February 10, 2022 with the MoJS wherein MoJS, has set certain milestones and parameters in relation to financial performance such as revenue from operations, asset turnover ratio, EBITDA as a percentage of revenue, return on net worth, return on capital employed, total income, trade receivables as number of days of revenue from operations, earnings per share, CAPEX, CAPEX achievement till end of 3rd quarter and exports.

***All shareholders' and material contracts entered by our Company***

Except as stated in the section titled *"Material Contracts and Documents for Inspection"* on page 423 of this Draft Red Herring Prospectus, our Company has not entered into shareholders' or material contracts.

## OUR SUBSIDIARY

As on the date of this Draft Red Herring Prospectus, our Company has only one subsidiary namely, National Projects Construction Corporation Limited ("**NPCC**"). The details of our Subsidiary are disclosed hereunder:

### National Projects Construction Corporation Limited

***Corporate Information***

NPCC a "Mini Ratna: Category-I" Central Public Sector Enterprise under the MoJS, was incorporated as *"The National Projects Construction Corporation Private Limited"* under the provisions of the Companies Act, 1956 on January 9, 1957 as a private limited company and a certificate of incorporation bearing registration no. C 2752 of 1956-1957 was issued by the Registrar of Companies, Delhi. Pursuant to the provisions of Section 23 of the Companies Act, 1956 and under the order of the Central Government, conveyed by the Ministry of Finance, C & I Department of Company Law Administration by their letter bearing No. 11 (32) -CL. VI/59 dated July 21, 1959, the name of our Subsidiary was changed to *"National Projects Construction Corporation Limited"* and a certificate of change of name was issued by the Registrar of Companies, Delhi dated August 1, 1959.

Pursuant to the passing of a necessary resolution in terms of Section 21 of the Companies Act, 1956 and the approval of the Central Government, the name of our Subsidiary was changed to *"Rashtriya Pariyojna Nirman Nigam Limited"* and a fresh certificate of incorporation dated May 31, 1993, consequent to the change of name, was issued by the Registrar of Companies, Delhi and Haryana. Subsequently, the name of our Subsidiary was again changed to *"National Projects Construction Corporation Limited"*, pursuant to the passing of necessary resolution in terms of Section 21 of the Companies Act, 1956 and the approval of Central Government and a fresh certificate of incorporation dated August 26, 1997, consequent to the change of name, was issued by the Additional Registrar of Companies, N.C.T. of Delhi and Haryana.

NPCC became a subsidiary of our Company on April 26, 2019 pursuant to the strategic disinvestment made by the GOI by selling its entire shareholding in NPCC (98.89% of paid up capital) to our Company. The corporate identity number of NPCC is U45202DL1957GOI002752. The registered office of NPCC is at Raja House, 30-31, Nehru Place, South Delhi, Delhi -110019, India.

***Nature of Business***

NPCC is authorised under its memorandum of association to construct, execute, carry out, improve, work, develop, administer, manage or control in India, works and conveniences of all kinds, which expression includes railways, tramways, ropeways, docks, harbours, piers, wharves, dams, barrages, weirs, reservoirs, embankments, canals, irrigation, power houses, transmission lines, reclamations, improvement, sewage, drainage, sanitary, water, gas, electric light, telephonic and power supply works, and hotels, houses, markets and buildings, private, or public, and all other works or conveniences, whatsoever, and generally to carry on the business of builders and contractors, engineers, architects, surveyors, estimators and designer in all their respective branches.

***Capital Structure***

The authorised share capital of our Subsidiary is ₹ 7,000,000,000 divided into 7,000,000 equity shares having a face value of ₹ 1,000 each and its issued, subscribed and paid-up equity share capital is ₹ 945,316,000 divided into 945,316 equity shares of face value of ₹ 1,000 each.

***Shareholding***

The following table sets forth details of the shareholding of our Subsidiary as on date of this Draft Red Herring Prospectus:

***Equity share capital***

| S. No. | Name of the shareholder | Number of equity shares held | Percentage of the issued and paid-up equity share capital (%) |
|---|---|---|---|
| 1. | WAPCOS Limited | 934,821 | 98.89 |
| 2. | Governor of J & K | 1,000 | 0.11 |
| 3. | Governor of Rajasthan | 1,000 | 0.11 |
| 4 | Governor of Bihar | 1,000 | 0.11 |
| 5. | Governor of Madhya Pradesh | 1,000 | 0.11 |
| 6. | Governor of Assam | 1,000 | 0.11 |

| | | | |
|---|---|---|---|
| 7. | Governor of Uttar Pradesh | 1,000 | 0.11 |
| 8. | Governor of West Bengal | 1,000 | 0.11 |
| 9. | Governor of Gujarat | 1,000 | 0.11 |
| 10. | Governor of Punjab | 548 | 0.06 |
| 11. | Governor of Kerala | 500 | 0.05 |
| 12. | Governor of Karnataka | 500 | 0.05 |
| 13. | Governor of Tamil Nadu | 500 | 0.05 |
| 14. | Governor of Haryana | 374 | 0.04 |
| 15. | Governor of Himachal Pradesh | 73 | 0.01 |
| | **Total** | **945,316** | **100.00** |

***Shareholding of our Company in our Subsidiary***

As on the date of this Draft Red Herring Prospectus, our Company holds 934,821 equity shares of our Subsidiary aggregating to 98.89 % of the issued, subscribed and paid-up equity share capital of our Subsidiary.

***Accumulated Profits or Losses***

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of our Subsidiary, not accounted for, by our Company.

***Litigation***

For details on the pending litigation and legal proceedings involving our Subsidiary, please refer *"Outstanding Litigation and Other Material Developments"* on page 327 of this Draft Red Herring Prospectus.

***Common pursuits between our Subsidiary and our Company***

Our Subsidiary is primarily engaged in construction activities as enabled under its memorandum of association. Based on the business activities undertaken by our Subsidiary there are certain common pursuits amongst our Subsidiary and our Company, however at present there is no conflict in relation to such similar business being carried out. Further, our Company and our Subsidiary will adopt necessary procedures and practice as permitted by laws and regulatory guidelines to address any conflict situations as and when they arise.

***Business and other interest in our Company***

Except in the ordinary course of business and as disclosed in *"Our Business"* and *"Restated Financial Statements"*, beginning on pages 136 and 197, respectively, our Subsidiary has no business or other interests in our Company.

***Other confirmations***

Our Subsidiary is not listed on any stock exchange in India or overseas. Further, neither have any of the securities of our Subsidiary been refused listing by any stock exchange in India or overseas, nor our Subsidiary failed to meet the listing requirements of any stock exchange in India or overseas.

# OUR MANAGEMENT

## Board of Directors

In terms of the Articles, our Company is required to have not less than three Directors and not more than fifteen Directors. As on the date of this Draft Red Herring Prospectus, our Board comprises of eight (8) Directors, of which three (3) are Executive Directors, one (1) is a Government Nominee Director and four (4) are Non-Official Part-time (Independent) Directors. In terms of our Articles of Association, the President of India is entitled to appoint as well as remove any of the Directors. The Board of Directors is required to have at least one (1) woman director in order to be compliant with Regulation 17(1) of Chapter IV of the SEBI LODR Regulations. Our Company, *vide* a letter dated September 23, 2022, has sought for an exemption from SEBI in respect of this corporate governance requirement.

The following table sets forth the details regarding our Board as on the date of this Draft Red Herring Prospectus:

| S. No. | Name, Designation, Address, Occupation, Date of Birth, Nationality, DIN, Current Term and Period of Directorship | Age (in years) | Other Directorships |
|---|---|---|---|
| 1. | **Rajni Kant Agrawal**<br>***Designation*:** Chairman-cum-Managing Director<br>**Address**: B-101, Gani Nath Nikunj, Plot-1, Sector-5, Dwarka, South West Delhi, Delhi- 110075, India<br>***Occupation:*** Service<br>***Date of Birth****:* July 2, 1970<br>***Nationality:*** Indian<br>***DIN:*** 09344894<br>***Current Term:*** Five (5) years with effect from October 4, 2021 (date of assumption of charge) or until further orders, whichever is earlier.<br>***Period of Directorship****:* Since October 4, 2021 | 52 | 1. National Projects Construction Corporation Limited<br>2. GPCL Consulting Services Limited |
| 2. | **Pankaj Kapoor**<br>***Designation:*** Director (Finance)/ Whole time Director and CFO<br>***Address:*** BE-373-A, Second Floor, Lane-0, Hari Nagar, South West Delhi, Delhi – 110064, India<br>***Occupation:*** Service<br>***Date of Birth:*** March 11, 1970<br>***Nationality:*** Indian<br>***DIN:*** 07290569<br>***Current Term:*** Initially he was appointed for five (5) years with effect from September 29, 2015 (date of assumption of charge*)* or till the date of his superannuation or until further orders, whichever is the earliest. Subsequently, his tenure was extended for a further period of five (5) years from September 29, 2020 to September 28, 2025 or until further orders, whichever is earlier.<br>***Period of Directorship:*** Since September 29, 2015. | 52 | National Projects Construction Corporation Limited |
| 3. | **Anupam Mishra**<br>***Designation:*** Director (Commercial & HRD)/ Whole time Director<br>***Address:*** B/J-13, Poorvi near Shalimar Bagh Club, Shalimar Bagh, Delhi – 110088, India.<br>***Occupation:*** Service | 58 | Nil |

| S. No. | Name, Designation, Address, Occupation, Date of Birth, Nationality, DIN, Current Term and Period of Directorship | Age (in years) | Other Directorships |
|---|---|---|---|
| | ***Date of Birth:*** August 27, 1964<br>***Nationality:*** Indian<br>***DIN:*** 08271048<br>***Current Term:*** Five (5) years with effect from October 30, 2018 (date of assumption of charge) or till the date of his superannuation or until further orders, whichever is the earliest.<br>***Period of Directorship:*** Since October 30, 2018. | | |
| 4. | ***Anand Mohan***<br>***Designation:*** Government Nominee (Part- time) Director<br>***Address:*** Kislay Kunj, House/Plot no. D-145, Shiv Officers Colony, Ramnagariya Road, Jagatpura, Jaipur-302017, Rajasthan, India<br>***Occupation:*** Service<br>***Date of Birth:*** November 15, 1970<br>***Nationality:*** Indian<br>***DIN:*** 07590405<br>***Current Term:*** Three (3) years or co-terminus with his present appointment as Joint Secretary in the MoJS or until further orders, whichever is earlier.<br>***Period of Directorship:*** Since August 10, 2022. | 52 | National Projects Construction Corporation Limited |
| 5. | ***Partha Sarathi Ghosh***<br>***Designation:*** Non-Official Part-time (Independent) Director<br>***Address:*** Maheshmati, English Bazar, Malda, West Bengal- 732101, India<br>***Occupation:*** Business<br>***Date of Birth:*** July 25, 1973<br>***Nationality:*** Indian<br>***DIN:*** 09517108<br>***Current Term:*** Three (3) years with effect from February 23, 2022 (date of allotment of DIN) or till further orders, whichever is earlier.<br>***Period of Directorship:*** Since February 23, 2022. | 49 | Nil |
| 6. | ***Jasbir Singh Thakur***<br>***Designation:*** Non-Official Part-time (Independent) Director<br>***Address:*** P.O. Bijhari, Tehsil Barsar, Tikkar, Hamirpur, Himachal Pradesh- 176040, India<br>***Occupation:*** Professional<br>***Date of Birth:*** May 14, 1974<br>***Nationality:*** Indian<br>***DIN:*** 09469477<br>***Current Term:*** Three (3) years with effect from January 15, 2022 (date of allotment of DIN) or till further orders, whichever is earlier.<br>***Period of Directorship:*** Since January 15, 2022. | 48 | Nil |

| S. No. | Name, Designation, Address, Occupation, Date of Birth, Nationality, DIN, Current Term and Period of Directorship | Age (in years) | Other Directorships |
|---|---|---|---|
| 7. | ***Anil Kumar Trigunayat***<br><br>***Designation:*** Non-Official Part-time (Independent) Director<br><br>***Address:*** B-701, Ridgeview IFS Apartments, Plot No GH-87, Opposite Ansal University, Sector-54, Gurgaon Sector 56, Gurgaon, Haryana- 122011, India<br><br>***Occupation:*** **Service**<br><br>***Date of Birth:*** April 7, 1956<br><br>***Nationality:*** Indian<br><br>***DIN:*** 07900294<br><br>***Current Term:*** Three (3) years with effect from January 12, 2022 or till further orders, whichever is earlier.<br><br>***Period of Directorship:*** Since January 12, 2022. | 66 | Nil |
| 8. | ***Lakhan Lal Sahu***<br><br>***Designation:*** Non-Official Part-time (Independent) Director<br><br>***Address:*** 52,16, Gembopara, Kabir Ward, Mungeli, Chattisgarh- 495334, India<br><br>***Occupation:*** Self Employed<br><br>***Date of Birth:*** June 16, 1971<br><br>***Nationality:*** Indian<br><br>***DIN:*** 09488818<br><br>***Current Term:*** Three (3) years with effect from February 2, 2022 or till further orders, whichever is earlier.<br><br>***Period of Directorship:*** Since February 2, 2022. | 51 | Nil |

**Relationship between our Directors**

None of the Directors of our Company are related to each other.

**Arrangements or understandings with major shareholders, customers, suppliers or others**

As per article 90 of our Articles of Association, the full time chairman or part time chairman, full time managing director(s) or a full time chairman-cum-managing director and other full time directors of the Board of Directors, and the Government representatives on the Board of Directors shall be appointed by the President of India (acting through the MoJS). Other members of the Board of Directors such as part-time non-official directors/ independent directors are also to be appointed by the President of India (acting through the MoJS). The Directors appointed are entitled to hold office for such period as the President of India may determine. Except as stated above, none of our Directors or Key Managerial Personnel have been appointed as directors, members of senior management, or as key managerial personnel, pursuant to any arrangement or understanding with major shareholders, customers, suppliers or others.

**Brief profiles of our Directors**

***Rajni Kant Agrawal***

Rajni Kant Agrawal, aged fifty-two (52) years, is the Chairman-cum-Managing Director of our Company with effect from October 4, 2021. He has been associated with our Company since June 28, 1991. He holds a bachelor's degree in civil engineering from BITS Pilani, Rajasthan and also holds a master's degree in water resources engineering from IIT Delhi. He also has a master's degree in business administration from Sikkim Manipal University (formerly known as Sikkim Manipal University of Health, Medical and Technological Sciences). He has more than thirty-two (32) years of experience in the field of planning, design and implementation of water resources, power and infrastructure development projects in India and overseas. He also holds rich experience and expertise in project planning, contract management, construction supervision and project implementation and actively involved in business development activities of our Company. He is also the Chairman cum Managing Director *(Additional Charge)* and Director (Engineering) *(Additional Charge)* of our Subsidiary and a Director in GPCL Consulting Services Limited.

***Pankaj Kapoor***

Pankaj Kapoor aged fifty-two (52) years is the Director (Finance), Whole Time Director and CFO of our Company since September 29, 2015. He has been associated with our Company since March 9, 1994. He also holds the degree of Bachelor of Commerce (Honours Course) from University of Delhi. He is also a qualified cost accountant holding a degree from the Institute of Cost & Works Accountants of India. He has twenty-eight (28) years of experience of experience handling various matters concerning corporate finance, working capital management, cost & budgetary control, institutional finance, accounts, taxation, audit, overseas projects etc. He is also on the board of director as the Director (Finance) *(Additional Charge)* and a CFO of our Subsidiary.

***Anupam Mishra***

Anupam Mishra aged fifty-eight (58) years is the Director (Commercial & HRD)/ Whole Time Director of our Company since October 30, 2018. He has been associated with our Company since June 19, 1990. He holds a degree of Bachelor of Technology (Civil Engineering) from University of Delhi and holds a master's degree in business administration from University of Delhi. He has over thirty-two (32) years of experience in undertaking greenfield and brownfield projects from concept to commissioning including planning, preparation of technical and financial proposals, surveys and investigations, design, cost engineering, preparation of DPR(s), tender engineering, contract and financial management, construction supervision, monitoring and evaluation and project implementation/ construction supervision of projects in the fields of water resources, power and infrastructure in India and overseas.

***Anand Mohan***

Anand Mohan aged fifty-two (52) years is the Government Nominee (Part- time) Director of our Company since August 10, 2022. He holds a bachelor's degree in civil engineering from Ranchi University**.** He is an is an Indian Forest Service (IFS) officer of 1996 batch of Rajasthan Cadre. He has over twenty-six (26) years of experience as an IFS Officer. He has also worked in various capacities in various departments of Government of Rajasthan, Ministry of Urban Development, Department of Consumer Affairs, Indira Gandhi National Forest Academy. He has undergone various training programmes in India as well as in foreign countries namely Singapore, United States of America and South Korea. Presently, he has also been appointed as Joint Secretary in Department of Water Resources, River Development and Ganga Rejuvenation, Ministry of Jal Shakti and posted in National River Conservation Directorate. He is also on the board of directors of our Subsidiary Company as a Government Nominee Director.

***Anil Kumar Trigunayat***

Anil Kumar Trigunayat aged sixty six (66) years, is a Non-Official Part-time Independent Director of our Company since January 12, 2022. He holds a bachelor's degree in Science from Agra University and a post graduate degree in physics from Kumaon University. He also holds a certificate in diplomatic studies from the University of Oxford. He has over thirty five (35) years of experience as a professional Indian diplomat during which he has served from Asia to Africa to Europe to America.

***Jasbir Singh Thakur***

Jasbir Singh Thakur aged forty-eight (48) years, is a Non-Official Part-time (Independent) Director of our Company since January 12, 2022. He has done Bachelor of Laws and also holds a diploma in yoga studies both from Himachal Pradesh University. He has over twenty three (23) years of experience as an Advocate. He was enrolled in the bar council of Himachal Pradesh on March 23, 1999. He has been practicing as an advocate in sub divisional Bar Association, Barsar Distt. Hamirpur, Himachal Pradesh.

***Lakhan Lal Sahu***

Lakhan Lal Sahu aged fifty-one (51) years, is a Non-Official Part-time (Independent) Director of our Company since February 2, 2022. He holds a bachelor's degree in Arts and a masters degree in Hindi literature from D.P. Vipra College, Bilaspur, Chhattisgarh. He also hold an LL.B degree from D.P. Vipra College, Bilaspur, Chhattisgarh. He served as Secretary Bar Association of District Mungeli. He was a Member of Parliament from

Bilaspur Lok Sabha C.G. from 2014 to 2019. During his tenure as Lok Sabha Member, he was a member of many committees like Standing Committee on Railway Ministry, Member of Consultative Committee in Ministry of Coal, MPLADS and Member in the Hindi Committee in the Ministry of Textiles wherein he actively participated and played dynamic role in these committees.

***Partha Sarathi Ghosh***

Partha Sarathi Ghosh aged forty-nine (49) years, is a Non-Official Part-time (Independent) Director of our Company since February 23, 2022. He holds a bachelor's degree in commerce from North Bengal University. He has eighteen (18) years of experience in the Hotel business. Further, he is a member of Aurobinda Park Saraswati Shishu Mandir, an institution in the field of education.

**Confirmation from Directors**

None of our Directors have been identified as a wilful defaulters or fraudulent borrowers (as defined in the SEBI ICDR Regulations) and there are no violations of securities laws committed by them in the past and no prosecution or other proceedings for any such alleged violation are pending against them.

No consideration, either in cash or shares or otherwise have been paid or agreed to be paid to any of our Directors or to the firms or companies in which they have an interested in, by any person either to induce any of our Directors to become or to help them qualify as a Director, or otherwise for services rendered by them or by the firm or company in which they are interested, in connection with the promotion or formation of our Company.

Neither Company nor our Directors are declared as fugitive economic offenders as defined in Regulation 2(1)(p) of the SEBI ICDR Regulations, nor have been declared as a 'fugitive economic offender' under Section 12 of the Fugitive Economic Offenders Act, 2018.

None of our Directors of our Company have held or currently holds directorship in any listed company whose shares have been or were suspended from being traded on any of the stock exchanges in the five years preceding the date of filing of this Draft Red Herring Prospectus with the SEBI, during the term of his/ her directorship in such companies.

None of our Directors are or were, associated with any other company which is debarred from accessing the capital market by SEBI.

Further, none of our Directors currently is or was a director of any listed company which has been or were delisted from any stock exchange during the term of their directorship in such companies.

**Service contracts with Directors**

None of our Directors are entitled to superannuation benefits except our Executive Directors who have been appointed to the Board of our Company pursuant to the orders issued by the MoJS. Our Directors have not entered into any service contract providing for benefits upon termination of employment.

**Details of Appointment and Term of our Directors**

| Sr. No. | Name of Director | Ministry of Jal Shakti, Government of India Order No. and Date | Date of Appointment of Director | Term |
|---|---|---|---|---|
| 1. | Rajni Kant Agrawal | F. No. U-14013/3/2019-PSU dated October 1, 2021 | October 4, 2021 | Appointed as Chairman-cum-Managing Director for a period of five (5) years with from the date of assumption of charge or until further orders, whichever is earlier. |
| 2. | Pankaj Kapoor | No. 14/1/2015-PSU/1184 dated September 29, 2015 and extension letter File No. 14/1//2015-PSU dated July 27, 2020 | September 29, 2015 | Appointed as Director (Finance) for a period of five (5) years with effect from September 29, 2015 (date of assumption of charge) or till the date of his superannuation or until further orders, whichever is the earliest.<br>The term has been further extended with effect from September 29, 2020 till September 28, 2025 or until further orders, whichever is the earliest. |

| | | | | |
|---|---|---|---|---|
| 3. | Anupam Mishra | F. No. U-23011/2/2018-PSU/724 dated October 29, 2018 | October 30, 2018 | Appointed as Director (Commercial & HRD) on the Board of our Company for a period of five (5) years with effect from October 30, 2018 (date of assumption of charge) or till the date of his superannuation or until further orders, whichever is the earliest. |
| 4. | Anand Mohan | No.9/3/2014-PSU dated August 10, 2022 and the corrigendum no. 9/3/2014-PSU/439 dated August 12, 2022 | August 10, 2022 | Appointed as a Government Nominee (Part – time) Director for a period of three (3) years with effect from August 10, 2022 or co-terminus with his present appointment as Joint Secretary in the MoJS or until further orders, whichever is the earliest. |
| 5. | Partha Sarathi Ghosh | F NO. U-14012/10/2021-PSU dated January 19, 2022 | February 23, 2022 | Appointed as a Non-Official (Independent) Director for a period of three (3) years with effect from February 23, 2022 (date of allotment of DIN)or till further orders, whichever is earlier. |
| 6. | Jasbir Singh Thakur | F. NO. U-14012/10/2021-PSU/541 dated December 22, 2021 | January 15, 2022 | Appointed as a Non-Official (Independent) Director for a period of three (3) years with effect from January 15, 2022 (date of allotment of DIN) or till further orders, whichever is earlier. |
| 7. | Anil Kumar Trigunayat | F. NO. U-14012/10/2021-PSU/39 dated January 12, 2022 | January 12, 2022 | Appointed as a Non-Official (Independent) Director for a period of three (3) years with effect from January 12, 2022 or till further orders from, whichever is earlier. |
| 8. | Lakhan Lal Sahu | F NO. U-14012/10/2021-PSU dated January 19, 2022 | February 2, 2022 | Appointed as a Non-Official (Independent) Director for a period of three (3) years with effect from February 2, 2022 (date of allotment of DIN) or till further orders, whichever is earlier. |

**Details of the terms and conditions of appointment of our Chairman-cum-Managing Director and Whole time Directors:**

The MoJS prescribes the terms and conditions of appointment of our Chairman-cum-Managing Director as well as our Whole Time Directors. Our Company prescribes the terms and conditions of employment for each of our Whole Time Directors in consonance with the terms and conditions prescribed by MoJS.

***Rajni Kant Agrawal***

Rajni Kant Agrawal is the Chairman-cum-Managing Director of our Company. He was appointed with effect from October 4, 2021 pursuant to the MoJS Order No. F. No. U-14013/3/2019-PSU dated October 1, 2021. The current terms and conditions of his employment were prescribed by MoJS vide Order No. U-14013/3/2019-PSU dated November 11, 2021. Some of the key terms and conditions amongst others as revised from time to time are as under:

| | |
|---|---|
| **Term** | For a period of five (5) years with effect from October 4, 2021 in the first instance or till the date of superannuation or until further orders, whichever event occurs earlier and in accordance with the provisions of the Companies Act, 2013 as amended from time to time. The appointment may, however, be terminated even during this period by either side on three (3) months' notice or on payment of three (3) month's salary in lieu thereof.<br><br>After the expiry of the first year, the performance of Rajni Kant Agrawal will be reviewed to enable the Government to take a view regarding continuance or otherwise for the balance period of tenure. |
| **Pay** | Basic pay of ₹ 1,80,000/- per month in the scale of ₹ 1,80,000- ₹ 3,20,000/- (IDA) (2017 pay scale as per DPE OM dated August 03, 2017) from the date of assumption of Office (w.e.f. date of pay revision in case appointed earlier than that). |
| **Headquarters** | New Delhi /Gurugram where the Registered Office/ Corporate Office of the Company is located. |
| **Dearness allowance** | It will be paid in accordance with the new IDA scheme as spelt out in the DPE's OM dated August 03, 2017. |

| | |
|---|---|
| **House Rent Allowance** | Entitled to house rent allowance as per the rates indicated in O.M. dated August 3, 2017 and August 4, 2017. He is also entitled to residential accommodation and recovery of rent for the accommodation so provided. |
| **Annual increment** | Annual increment at the rate of 3% of basic pay on the anniversary date of his appointment in the scale and further increment on the same date in subsequent year until the maximum of pay scale in reached. After reaching the maximum of the scale, one stagnation increment equal to the rate of last increment drawn will be permissible after completion of every two-year period from the date he reaches the maximum of his pay scale provided he gets a performance rating of "Good" or above. He will be eligible for grant of a maximum of three such stagnation increments. |
| **Conveyance** | In terms of DPE O.M.s dated January 21, 2013 and November 4, 2013, entitled to the facility of staff car for private use on journeys up to 1000 K. M/ PM (Delhi-NCR, Mumbai, Kolkata, Chennai, Bengaluru, Hyderabad) and 750 KM/PM (all other cities).<br><br>The Monthly rate of recovery for private use/non-duty journeys would be ₹ 2,000/- per month. |
| **Performance related payment** | Eligible for approved performance related pay as per O.M. dated August 3, 2017. |
| **Other Allowances/perks** | The Board of Directors will decide on the allowances and perks subject to a maximum ceiling of 35% of his basic pay as indicated in O.M. dated August 3, 2017, August 4, 2017 and September 7, 2017. |
| **Leave** | Subject to the leave rules of our Company. |
| **Superannuation benefits** | Eligible for superannuation benefit based on approved schemes as per O.M. dated August 3, 2017. |
| **Restriction on joining private commercial undertakings after retirement/resignation** | After retirement/resignation from the service of our Company shall not accept any appointment or post, whether, advisory or administrative, in any firm or company whether Indian or foreign, with which our Company has or had business relations, within one year from the date of his retirement/ resignation, without prior approval of the Government. |
| **Conduct, discipline and appeal rules** | The Conduct, Discipline and Appeal Rules framed by our Company in respect of their below Board Level Executives would also mutatis mutandis apply to him with a modification that the Disciplinary Authority in his case would be the President of India.<br><br>The Government also reserves the right not to accept his resignation, if the circumstances so warrant i.e. the disciplinary proceedings are pending or a decision has been taken by the competent authority to issue a charge sheet to him. |

### Pankaj Kapoor

Pankaj Kapoor is the Director (Finance)/ Whole Time Director and CFO of our Company. He was appointed with effect from September 29, 2015 pursuant to the MoJS Order No. 14/1/2015-PSU/1184 dated September 29, 2015 and vide MoJS Order No. 14/1/2015-PSU dated July 27, 2020, the term of his appointment was further extended from September 29, 2020 to September 28, 2025. The current terms and conditions of his employment were prescribed by MoJS vide Order No. 14/1/2015-PSU/1460 dated December 15, 2015. Some of the key terms and conditions amongst others as revised from time to time are as under:

| | |
|---|---|
| **Term** | For a period of five (5) years with effect from September 29, 2015 in the first instance or till the date of superannuation or until further orders, whichever event occurs earlier and in accordance with the provisions of the Companies Act, 2013 as amended from time to time. The appointment may, however, be terminated even during this period by either side on three (3) months' notice or on payment of three (3) month's salary in lieu thereof.<br>After the expiry of the first year, the performance of Pankaj Kapoor will be reviewed to enable the Government to take a view regarding continuance or otherwise for the balance period of tenure. |
| **Pay** | Basic pay of ₹ 169,000/- per month in the scale of ₹ 160,000- 290,000/- with effect from January 1, 2017 vide office order bearing number WAP/IDA/19/112/Pay revision/2017 dated October 30, 2017. |
| **Headquarters** | Gurugram. |
| **Dearness allowance** | It will be paid in accordance with the new IDA scheme as spelt out in the DPE's O.M. No. 2(70)/08-DPE (WC) dated November 26, 2008 and O.M. No. 2(70)/08-DPE (WC)/GL-VII dated April 2, 2009. |
| **House Rent Allowance** | Entitled to house rent allowance as per the rates indicated in O.M. dated November 26, 2008. He is also entitled to residential accommodation and recovery of rent for the accommodation so provided. |
| **Annual increment** | Annual increment at the rate of 3% of basic pay on the anniversary date of his appointment |

| | |
|---|---|
| | in the scale and further increment on the same date in subsequent year until the maximum of pay scale in reached. After reaching the maximum of the scale, one stagnation increment equal to the rate of last increment drawn will be permissible after completion of every two-year period from the date he reaches the maximum of his pay scale provided he gets a performance rating of "Good" or above. He will be eligible for grant of a maximum of three such stagnation increments. |
| **Conveyance** | Entitled to the facility of staff car for private use on journeys up to 1000 K. M/ PM (Delhi, Mumbai, Kolkata, Chennai, Bengaluru and Hyderabad) and 750 KM/PM (all other cities). The monthly rate of recovery for non-duty journeys would be ₹ 325/- per month for non-air conditioned cars below 16 H.P. and ₹ 490/- per month for non-air conditioned cars above 16 H.P. |
| **Performance related payment** | Eligible for approved performance related pay as per O.Ms. dated November 26, 2008, February 9, 2009 and April 2, 2009. |
| **Other Allowances/perks** | The Board of Directors will decide on the allowances and perks subject to a maximum ceiling of 50% of his basic pay as indicated in O.M. dated November 26, 2008 and April 2, 2009. He will be entitled for Family Planning Allowance (FPA) within the prescribed ceiling of allowances & perquisites i.e. 50% of basic pay, if eligible. |
| **Leave** | Subject to the leave rules of our Company. |
| **Superannuation benefits** | Eligible for superannuation benefit based on approved schemes as per O.M. dated November 26, 2008 and April 2, 2009. |
| **Restriction on joining private commercial undertakings after retirement/resignation** | After retirement/resignation from the service of our Company shall not accept any appointment or post, whether, advisory or administrative, in any firm or company whether Indian or foreign, with which our Company has or had business relations, within one year from the date of his retirement/ resignation, without prior approval of the Government. |
| **Conduct, discipline and appeal rules** | The Conduct, Discipline and Appeal Rules framed by our Company in respect of their non-workmen category of staff would also mutatis mutandis apply to him with the modification that the Disciplinary Authority in his case would be the President of India.<br><br>The Government also reserves the right not to accept his resignation, if the circumstances so warrant i.e. the disciplinary proceedings are pending or a decision has been taken by the competent authority to issue a charge sheet to him. |

**Anupam Mishra**

Anupam Mishra**,** is the Director (Commercial & HRD)/ Whole Time Director of our Company. He was appointed with effect from October 30, 2018 pursuant to the MoJS Order No. F. No. U-23011/2/2018-PSU/724 dated October 29, 2018. The current terms and conditions of his employment were prescribed by MoJS vide Order No. U-23011/2/2018-PSU/728 dated December 10, 2018. Some of the key terms and conditions amongst others as revised from time to time are as under:

| | |
|---|---|
| **Term** | For a period of five (5) years with effect from October 30, 2018 in the first instance or till the date of superannuation or until further orders, whichever event occurs earlier and in accordance with the provisions of the Companies Act, 2013 as amended from time to time. The appointment may, however, be terminated even during this period by either side on three (3) months' notice or on payment of three (3) month's salary in lieu thereof.<br>After the expiry of the first year, the performance of Anupam Mishra will be reviewed to enable the Government to take a view regarding continuance or otherwise for the balance period of tenure. |
| **Pay** | Basic pay of ₹ 1,65,130/- per month in the scale of ₹ 1,60,000-2,90,000/- with effect from October 30, 2018 i.e. from the date of assumption of Office. |
| **Headquarters** | New Delhi/ Gurugram. |
| **Dearness allowance** | It will be paid in accordance with the new IDA scheme as spelt out in the 'PE's O.M. dated August 3, 2017. |
| **House Rent Allowance** | Entitled to house rent allowance as per the rates indicated in O.M. dated August 3, 2017 and August 4, 2017. He is also entitled to residential accommodation and recovery of rent for the accommodation so provided. |
| **Annual increment** | Annual increment at the rate of 3% of basic pay on the anniversary date of his appointment in the scale and further increment on the same date in subsequent year until the maximum of pay scale in reached. After reaching the maximum of the scale, one stagnation increment equal to the rate of last increment drawn will be permissible after completion of every two-year period from the date he reaches the maximum of his pay scale provided he gets a performance rating of "Good" or above. He will be eligible for grant of a maximum of three such stagnation increments. |
| **Conveyance** | Entitled to the facility of staff car for private use/ non-duty journeys up to 1000 K. M/ PM (Delhi and Gurugram) in terms of DPE OMs dated January 21, 2013 and November 4, 2013. The Monthly rate (AC/Non-AC) of recovery for private use/ non-duty journeys would be ₹ 2,000 per month. |

| | |
|---|---|
| **Performance related payment** | Eligible for approved performance related pay as per O.Ms. dated August 3, 2017. |
| **Other Allowances/perks** | The Board of Directors will decide on the allowances and perks subject to a ceiling of 35% of his basic pay as indicated in O.M. dated August 3, 2017, August 4, 2017 and September 7, 2017. |
| **Leave** | Subject to the leave rules of our Company. |
| **Superannuation Benefits** | Eligible for superannuation benefit based on approved schemes as per O.M. dated August 3, 2017. |
| **Restriction on joining private commercial undertakings after retirement/resignation** | After retirement/resignation from the service of our Company shall not accept any appointment or post, whether, advisory or administrative, in any firm or company whether Indian or foreign, with which our Company has or had business relations, within one year from the date of his retirement/ resignation, without prior approval of the Government. |
| **Conduct, discipline and appeal rules** | The Conduct, Discipline and Appeal Rules framed by our Company in respect of their non-workmen category of staff would also mutatis mutandis apply to him with a modification that the Disciplinary Authority in his case would be the President of India.<br><br>The Government also reserves the right not to accept his resignation, if the circumstances so warrant i.e. the disciplinary proceedings are pending or a decision has been taken by the competent authority to issue a charge sheet to him. |

**Payment of benefit to Directors of our Company**

Except for our Chairman-cum-Managing Director and Whole Time Directors who are entitled to benefits upon superannuation, no other Directors are entitled to any benefit on termination of their directorship in our Company.

Further, except as disclosed below, our Company has not paid any compensation or granted any benefit to any of our Directors (including contingent or deferred compensation) in all capacities for Financial Year ended March 31, 2022. Further, there is no contingent or deferred compensation payable to any of our Directors which accrued in the Financial Year ended March 31, 2022.

***Remuneration paid to our Directors***

*Remuneration paid to our Chairman- cum Managing Director and Whole-time Directors:*

The following table sets forth the remuneration paid by our Company to the Chairman-cum-Managing Director and existing Whole-Time Directors for the Financial Year ended on March 31, 2022:

*(₹ in million)*

| Name of Director | Total remuneration |
|---|---|
| Rajni Kant Agrawal*<br>*Chairman-cum-Managing Director* | 5.11 |
| Anupam Mishra<br>*Director (Commercial & HRD)/Whole Time Director* | 5.29 |
| Pankaj Kapoor<br>*Director (Finance)/Whole time Director & CFO* | 5.75 |

** Appointed w.e.f. October 4, 2021*

*Remuneration paid to our Government Nominee Director*

The Government Nominee Director of our Company draws his remuneration/salary, benefits and facilities from the Government and are not entitled to any remuneration from our Company.

*Remuneration paid to our Non-Official Part-time (Independent) Director*

Pursuant to the resolution of our Board dated May 25, 2022, the sitting fee payable to our Non-Official Part-time (Independent) Directors for attending each meeting of our Board is ₹ 25,000 (Indian Rupees Twenty Five Thousand) and our committee is ₹ 20,000 (Indian Rupees Twenty Thousand).

The details of sitting fees paid to the Non-Official Part-time (Independent) Director for the financial year ended on March 31, 2022 is as follows:

*(₹ in million)*

| Name of Director | Total sitting fee paid |
|---|---|
| Partha Sarathi Ghosh | 0.05 |
| Jasbir Singh Thakur | 0.02 |
| Anil Kumar Trigunayat | 0.05 |
| Lakhan Lal Sahu | 0.05 |

***Remuneration from Subsidiary***

None of our Directors have been paid any remuneration from our Subsidiary, including contingent or deferred compensation accrued for the Financial Year ended on March 31, 2022.

**Borrowing powers of our Board**

In accordance with the Articles, pursuant to the approval of the shareholders in their meeting held on December 8, 2021 our Board has been empowered to borrow from time to time, any sum(s) of money including bank guarantee for the purpose of the business of the Company which together with the money already borrowed by the Company (apart from temporary loans obtained from the Company's banker in the ordinary course of business and includes fund based and non-fund based facilities) exceed the aggregate of the paid up share capital and free reserves of the Company provided that the total amount so borrowed (including fund based and non- fund based credit facility) shall not at any time exceed ₹ 16,000.00 million.

**Bonus or profit-sharing plan**

Other than the performance-related pay scheme for our employees, through which bonus incentive payments are made to our employees (including our executive directors), our Company does not have a bonus or profit-sharing plan for our Directors.

***Shareholding of our Directors***

As per our Articles, our Directors are not required to hold any qualification shares.

Except as provided below, none of our Directors holds any Equity Shares:

| Name of the Directors | Designation | Number of Equity Shares* |
|---|---|---|
| Rajni Kant Agrawal | Chairman-cum-Managing Director | 2600 |
| Pankaj Kapoor | Director (Finance)/<br>Whole time Director and CFO | 2600 |
| Anupam Mishra | Director (Commercial & HRD)/<br>Whole time Director | 2600 |
| Anand Mohan | Government Nominee (Part – time)<br>Director | 2600 |

**As nominees of the President of India*

**Interests of Directors**

Our Executive Directors may be regarded as interested to the extent of the remuneration (including performance related pay) payable to them for services rendered as Directors of our Company and to the extent of other reimbursements of expenses payable to them as per their terms of appointment. For further details, see " – *Details of the terms and conditions of appointment of our Chairman-cum-Managing Director and Whole time Directors"* and *"Payment of benefit to Directors of our Company"*, on pages 180 and 183, respectively.

Rajni Kant Agrawal, Pankaj Kapoor and Anand Mohan are also on the Board of Directors of our Subsidiary i.e. NPCC, however they and are not entitled to any remuneration or fees from our Subsidiary.

The Non-Official Part-time (Independent) Director may be deemed to be interested to the extent of the sitting fees paid to them for attending the meetings of the Board and committees.

Our Government Nominee Director is not entitled to remuneration or sitting fee or any other remuneration from our Company.

Our Directors may also be regarded as interested in the Equity Shares, if any, that may be subscribed by and allotted to the companies, firms, and trusts, if any, in which they are interested as directors, members, promoters, and/ or trustees pursuant to this Offer. Such Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares. Some of the Directors may also be interested to the extent of Equity Shares held by them in our Company as nominee shareholders of the President of India. Hence, they may be deemed to be interested to the extent of their shareholding in our Company as nominees of the President of India. All of our Directors may also be deemed to be interested to the extent of the transactions entered into in the ordinary course of business with the companies in which our Directors hold directorship.

Except as stated in *"Restated Financial Statements – Related Party Transactions"* on page 271, our Directors do not have any other interest in the business of our Company.

None of our Directors are interested in any transaction of our Company for the acquisition of land, construction of building and supply of machinery. Further, none of our Directors are related to any entity from whom our Company has acquired land or proposes to acquire land.

Further, Directors of our Company have no interest in any property acquired by our Company or proposed to be acquired by our Company.

None of our Directors have any interest in the promotion or formation of our Company.

No amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our Directors except the normal remuneration for services rendered as Directors.

***Changes in our Board in the last three (3) years***

The details of changes in our Board during the last three (3) years immediately preceding the date of this Draft Red Herring Prospectus are as follows:

| S. No. | Name | Designation | Date of Appointment | Date of Cessation | Reason |
|---|---|---|---|---|---|
| 1. | Anand Mohan | Government Nominee (Part – time) Director | August 10, 2022 | - | Appointment |
| 2. | Subodh Yadav | Government Nominee Director | - | August 10, 2022 | Cessation |
| 3. | Preeti Madan | Non-Official Part-time (Independent) Director | - | July 22, 2022 | Cessation |
| 4. | Abhay Thakur | Government Nominee Director | - | June 7, 2022 | Cessation |
| 5. | Partha Sarathi Ghosh | Non-Official Part-time (Independent) Director | February 23, 2022 | - | Appointment |
| 6. | Lakhan Lal Sahu | Non-Official Part-time (Independent) Director | February 2, 2022 | - | Appointment |
| 7. | Jasbir Singh Thakur | Non-Official Part-time (Independent) Director | January 15, 2022 | - | Appointment |
| 8. | Anil Kumar Trigunayat | Non-Official Part-time (Independent) Director | January 12, 2022 | - | Appointment |
| 9. | Abhay Thakur | Government Nominee Director | December 16, 2021 | - | Appointment |
| 10. | Harish Parvathaneni | Government Nominee Director | - | November 5, 2021 | Cessation |
| 11. | Rajni Kant Agrawal | Chairman-cum-Managing Director | October 4, 2021 | | Appointment |
| 12. | Debashree Mukherjee | Chairperson-cum-Managing Director | - | October 4, 2021 | Cessation |
| 13. | Debashree Mukherjee | Chairperson-cum-Managing Director | October 1, 2020 | - | Appointment |
| 14. | Rajinder Kumar Gupta | Chairman-cum-Managing Director | - | October 1, 2020 | Cessation |
| 15. | Subodh Yadav | Government Nominee Director | February 26, 2020 | - | Appointment |
| 16. | Santosh Kumar Singh | Non-Official (Independent) Director | - | February 6, 2020 | Cessation |
| 17. | Kirankumar Manubhai Pandya | Non-Official (Independent) Director | - | February 6, 2020 | Cessation |
| 18. | Akhil Kumar | Government Nominee Director | - | January 3, 2020 | Cessation |
| 19. | Preeti Madan | Non-Official Part-time (Independent) Director | August 1, 2019 | - | Appointment |
| 20. | Harish Parvathaneni | Government Nominee Director | July 31, 2019 | - | Appointment |
| 21. | Manoj Kumar Bharti | Government Nominee Director | - | June 25, 2019 | Cessation |

**Corporate Governance**

In addition to the provisions of the Companies Act and DPE guidelines, the provisions of the SEBI LODR Regulations will also be applicable to our Company immediately upon the listing of our Equity Shares on the Stock Exchanges.

As on the date of this Draft Red Herring Prospectus, our Company has eight (8) Directors on its Board, which includes three (3) Executive Directors, one (1) Government Nominee Director and four (4) are Non-Official Part-time (Independent) Directors. The Board of Directors is required to have at least one (1) woman director in order to be compliant with Regulation 17(1) of Chapter IV of the SEBI LODR Regulations.

Pursuant to MCA notifications dated June 5, 2015, June 13, 2017 and February 5, 2018 and any other notification issued by MCA, the Central Government has exempted/ modified the applicability of certain provisions of the Companies Act in respect of Government Companies. In accordance with this notification, the DPE guidelines and pursuant to our Articles, matters pertaining to, *inter alia* appointment, remuneration and performance evaluation of our Directors are determined by the President of India. Further, our Statutory Auditor is appointed by the C&AG. Accordingly, in so far as the aforementioned matters are concerned, the terms of reference of our Nomination and Remuneration Committee and Audit Committee only allow these committees to take on record the actions of the President of India or the C&AG, as the case may be.

Pursuant to Regulation 19(4) read with Paragraph A of Part D of Schedule II of SEBI LODR Regulations, provisions relating to (i) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to the remuneration of the directors. 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; (ii) formulation of criteria for evaluation of performance of the independent directors and the board of directors; (iii) devising a policy on diversity of board of directors; (iv) identifying persons who are qualified to become directors and recommend to the board of directors their appointment and removal; and (v) 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. However, since our Company is a government company, the power to appoint directors on our Board is vested with the President of India acting through the MoJS and, resultantly, our Nomination and Remuneration Committee and our Board members do not have the power to appoint Directors to our Board.

Also, Regulation 17(1)(a) of the SEBI LODR Regulations, requires that the board of directors of the top 500 listed entities shall appoint at least one (1) independent woman director by April 1, 2019 and the board of directors of the top 1000 listed entities shall have at least one independent woman director by April 1, 2020. However, there is currently no woman director on the board of the Company. Further, Regulation 24(1) of the SEBI LODR Regulations requires at least one independent director on the Board of Directors of the Company shall be on the board of directors of an unlisted material subsidiary (which in this case is GOI Company), incorporated in India. Due to the above mentioned reasons, our Company has filed an exemption letter dated September 23, 2022 with SEBI under Regulation 300 of the SEBI ICDR Regulations.

Other than as described above, our Company is in compliance with corporate governance norms prescribed under SEBI LODR Regulations, including in relation to the composition of its committees, such as the Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee and Corporate Social Responsibility Committee, policy on whistle blower, insider trading, corporate social responsibility policy, risk management policy and policy for determining materiality of an event/information for making adequate disclosure of such an event/information before the Stock Exchanges.

**Committees of our Board**

In terms of the provisions of the Companies Act, 2013 and the SEBI LODR Regulations, our Company has constituted/ reconstituted the following Board-level committees:

(a) Audit Committee;

(b) Nomination and Remuneration Committee;

(c) Stakeholders Relationship Committee; and

(d) Corporate Social Responsibility Committee.

The details of the committees required to be constituted by our Company under the Companies Act, 2013, the SEBI LODR Regulations and the DPE guidelines are as follows:

(a) **Audit Committee**

The Audit Committee was constituted pursuant to a resolution passed by our Board dated June 7, 2006. The Audit Committee was re-constituted vide resolution passed through circulation dated August 18, 2022. The current composition of the Audit Committee is as follows:

| Name of the Director | Position in the Committee | Designation |
|---|---|---|
| Anil Trigunayat | Chairman | Non-Official Part-time (Independent) Director |
| Jasbir Singh Thakur | Member | Non-Official Part-time (Independent) Director |
| Partha Sarathi Ghosh | Member | Non-Official Part-time (Independent) Director |
| Anupam Mishra | Member | Director (Commercial & HRD)/ Whole time Director |

Our Company Secretary is the secretary of the Audit Committee.

Terms of reference for the Audit Committee are as follows:

**A. Powers of Audit Committee**

The Audit Committee shall have powers, including the following:

1. To assist the Board in its oversight functions relating to:

    a) quality and integrity of disclosures contained in the audited and unaudited financial statements;

    b) compliance with legal and regulatory requirements; and

    c) integrity of the internal controls established from time to time.

2. To investigate into any matter in relation to the items specified in Section 177 of the Companies Act, 2013 or referred to it by the Board and for this purpose, shall have full access to information contained in the records of our Company and seek external professional advice, if necessary.

3. Taking on record the appointment of auditors of the Company by the Comptroller and Auditor General of India;

4. To investigate any activity within its terms of reference.

5. To seek information from any source including employees.

6. To obtain outside legal or other professional advice, if necessary.

7. To secure attendance of outsiders with relevant expertise, if it considers necessary.

8. To protect whistle blowers.

9. Overseeing our Company’s financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.

10. Reviewing with the management, the quarterly / half yearly financial statements before submission to the Board for approval.

11. Reviewing with the management, annual financial statements and auditors report thereon before submission to the Board for approval, with particular reference to:

    a) Matters required to be included in the Directors’ Responsibility Statement to be included in the Board’s report in terms of clause (3)(c) of Section 134 of the Companies Act, 2013;

    b) Changes, if any, in accounting policies and practices and reasons for the same;

c) Major accounting entries involving estimates based on the exercise of judgment by management;

d) Significant adjustments made in the financial statements arising out of audit findings;

e) Compliance with accounting standards issued by the Institute of Chartered Accountants of India;

f) Compliance with listing and other legal requirements relating to financial statements;

g) Disclosure of any related party transaction; and

h) Qualifications/modified opinion(s) in the draft audit report.

12. Audit(s)

(i) Internal Audit:

a) Reviewing, with the management performance of internal auditors (external firms) and adequacy of internal control systems.

b) Reviewing the adequacy of internal audit (in house) function, if any, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of such audit.

c) Discussion with internal auditors on any significant findings and follow up thereon.

d) Recommending to the Board appointment and fixation of fees for Internal Auditors for Audit and other services if any.

(ii) Statutory Audit & Branch Audit:

a) Discussion with statutory auditors and Branch Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

b) Discussion with statutory auditors and Branch Auditors on any significant findings and follow up thereon.

*c)* Recommending to the Board the fixation of Statutory and Branch Audit Fees.

d) Approval of payment to statutory auditors for any other services (other than audit) rendered by them.

(iii)Cost Audit & Tax Audit

Recommending to the Board, the appointment, re-appointment and if required, replacement or removal of cost auditors and tax auditors and fixation of Audit fees and other terms of appointment.

13. Reviewing and monitoring the auditors' independence and performance and effectiveness of audit process.

14. Review the Cost Audit Report along with full information and explanation on every reservation or qualification contained therein and recommend the report to the Board for consideration

15. Provide an open avenue of communication between the independent auditor, internal auditor and the Board of Directors.

16. Review with the independent auditors the co-ordination of audit efforts to assure completeness of coverage, reduction of redundant efforts, and the effective use of all audit resources.

17. Consider and review the following with the independent auditors and management:

(a) The adequacy of internal controls including computerized information system controls and security, and

(b) Related findings and recommendations of the Independent auditor and internal auditor, together with the management responses.

18. Consider and review the following with the management, internal auditor and the independent auditor:

a) Significant finding during the year, including the status of previous audit recommendations

b) Any difficulties encountered during audit work including any restrictions on the scope of activities or access to required information.

19. Government audit: To review the follow up action on the audit observations of the C&AG audit.

20. To review the follow-up action taken on the recommendations of Committee on Public Undertakings of the Parliament.

21. Reviewing the findings of any internal investigations by the internal auditors/statutory auditors/other agencies 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.

22. 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.

23. To review the functioning of the Whistle Blower Mechanism.

24. Review and pre-approve all related party transactions in our Company. For this purpose, the Audit Committee may designate a member who shall be responsible for pre-approving related party transactions.

25. Review our Company’s financial policies, commercial policies and risk management policies.

26. Evaluation of internal financial controls and risk management systems.

27. Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, right issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in this offer document/prospectus/notice, and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or right issue and making appropriate recommendations to the Board to take up steps in this matter.

28. Scrutiny of inter-corporate loans and investments.

29. Valuation of undertakings or assets of our Company, wherever it is necessary.

30. Approval or any subsequent modification of transactions of our Company with related parties.

*31.* Mandatorily review the following information:

a) The 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; and

f) Review of the statement of deviations:

(i) quarterly statement for deviation including report of monitoring agency, if applicable submitted to stock exchange(s) in terms of Regulation 32(1).

(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 LODR Regulations.

32. Review the certification / declaration of financial statements by the chief executive/chief finance officer;

33. To call for comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and to discuss any related issue with the internal and statutory auditors and the management of our Company.

34. Review the utilization of loans and/ or advances from / investment by the Company in its subsidiary exceeding ₹ 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.

35. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

36. Carrying out such other functions as may be specifically referred to the Committee by our Company's Board of Directors and/or other Committees of Directors.

**B. Nomination and Remuneration Committee**

The Nomination and Remuneration Committee was constituted as our 'Remuneration Committee' pursuant to a resolution of our Board dated March 6, 2009. The said Committee was renamed as "Nomination and Remuneration Committee" on August 19, 2021 and it was re-constituted vide resolution passed through circulation dated August 18, 2022. The current composition of the Nomination and Remuneration Committee is as follows:

| Name of the Directors | Position in the Committee | Designation |
|---|---|---|
| Partha Sarathi Ghosh | Chairman | Non-Official Part-time (Independent) Director |
| Jasbir Singh Thakur | Member | Non-Official Part-time (Independent) Director |
| Lakhan Lal Sahu | Member | Non-Official Part-time (Independent) Director |

Our Company Secretary is the secretary of the Nomination and Remuneration Committee.

Terms of reference for the Nomination and Remuneration Committee are as follows:

1. to decide the annual bonus / variable pay pool Performance Related Pay (PRP) and policy for its distribution across the executives (including Board Level executives) and non-unionized supervisors within the prescribed limits for each financial year.
2. to examine all the proposals related to HR issue and give its recommendations.
3. the recommendations of the "Nomination & Remuneration Committee" are placed before the Board of Directors for approval.
4. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
5. formulation of criteria for evaluation of performance of independent directors and the board of directors;
6. devising a policy on diversity of board of directors;
7. 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 of directors their appointment and removal; and
8. 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.

**C. Stakeholders' Relationship Committee**

The Stakeholders' Relationship Committee was constituted pursuant to a resolution of our Board dated August 28, 2022. The current composition of our Stakeholders Relationship Committee is as follows:

| Name of the Directors | Position in the Committee | Designation |
|---|---|---|
| Jasbir Singh Thakur | Chairman | Non-Official Part-time (Independent) Director |

| | | |
|---|---|---|
| Lakhan Lal Sahu | Member | Non-Official Part-time (Independent) Director |
| Partha Sarathi Ghosh | Member | Non-Official Part-time (Independent) Director |
| Anupam Mishra | Member | Director (Commercial & HRD)/ Whole time Director |

Terms of reference for the Stakeholders Relationship Committee are as follows:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

2. Review of measures taken for effective exercise of voting rights by shareholders.

3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the registrar & share transfer agent.

4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

**D. Corporate Social Responsibility Committee**

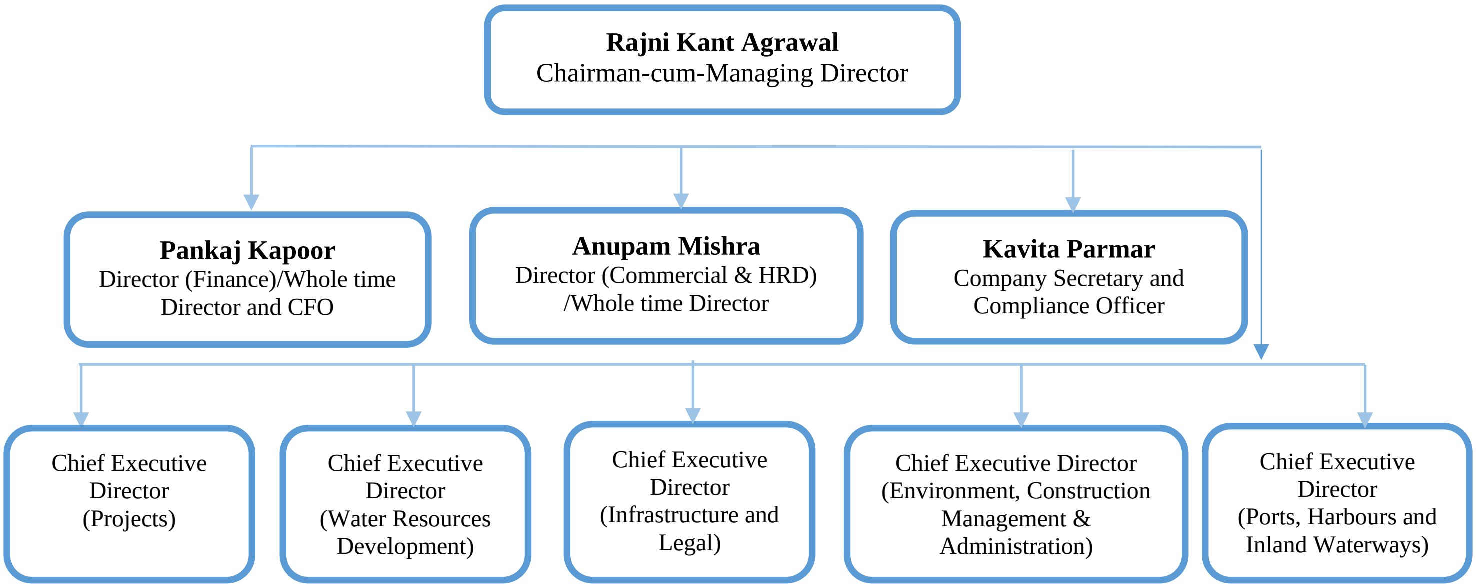
The Corporate Social Responsibility Committee was constituted pursuant to the resolution passed by the Board dated January 28, 2013. The present Corporate Social Responsibility Committee was re-constituted vide resolution passed through circulation dated August 18, 2022. The current composition of our Corporate Social Responsibility Committee is as follows:

| Name of the Directors | Position in the Committee | Designation |
|---|---|---|
| Anil Kumar Trigunayat | Chairman | Non-Official Part-time (Independent) Director |
| Jasbir Singh Thakur | Member | Non-Official Part-time (Independent) Director |
| Lakhan Lal Sahu | Member | Non-Official Part-time (Independent) Director |
| Anupam Mishra | Member | Director (Commercial & HRD)/ Whole time Director |

Terms of reference for the Corporate Social Responsibility Committee are as follows:

1. To formulate and recommend to the Board, a corporate social responsibility policy which will indicate the activities to be undertaken by the Company in accordance with Schedule VII of the Companies Act, 2013, monitor the implementation of the same from time to time, and make any revisions therein as and when decided by the Board;
2. To review and recommend the amount of expenditure to be incurred on the activities referred to in clause 1;
3. To monitor the corporate social responsibility policy of the Company from time to time;
4. To recommend/review corporate social responsibility projects/programmes/ proposals, falling within the purview of Schedule VII of the Companies Act, 2013;
5. To assist the Board of Directors to formulate strategies on corporate social responsibility initiatives of the Company;
6. To institute a transparent monitoring mechanism for implementation of the Corporate Social Responsibility projects or programs or activities undertaken by the Company;
7. Any other matter as the corporate social responsibility committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

## ORGANIZATION STRUCTURE OF OUR COMPANY




***Key Managerial Personnel and Senior Management Personnel***

In addition to our Chairman cum Managing Director, Director (Finance)/Whole time Director and CFO and Director (Commercial & HRD)/Whole time Director, whose details have been provided under the paragraph *"Brief Profiles of our Directors"* on page 177, the details of other Key Managerial Personnel of our Company are as follows:

***Kavita Parmar, Company Secretary and Compliance Officer***

Kavita Parmar, aged thirty seven (37) years is a Company Secretary and Compliance Officer of our Company. She joined our Company on February 10, 2021. She holds a degree of bachelor of commerce from University of Delhi. She is a qualified Company Secretary from ICSI. Prior to joining our Company, she was associated with Delhi Transport Infrastructure Development Corporation Limited, National High Power Test Laboratory Private Limited and National Highways & Infrastructure Development Corporation Limited. During the Financial Year 2022, she was paid a gross compensation of remuneration ₹ 1.18 million.

In addition to the Key Managerial Personnel under the Companies Act, 2013 mentioned above, the details of our Senior Management Personnel of our Company as on the date of this Draft Red Herring Prospectus are as set forth below.

***Praveen Kumar, Chief Executive Director (Projects)***

Praveen Kumar is the Chief Executive Director (Projects) of our Company with effect from May 20, 2022. He has been associated with our Company since July 23, 1990. He has done his Bachelor of Technology in Civil Engineering from the IIT, Delhi. He has also done Master of Business Administration from Sikkim Manipal University. He has over thirty-two (32) years of experience of being associated in different capacities in our Company having experience in Geographical Information Systems based analysis, Water Supply & Sewerage Network design, Flood modelling, Irrigation & drainage systems, Technical Software Development, Database development, also having knowledge of Satellite Remote Sensing Analysis, AI & Optimization etc.

***Shambu Azad, Chief Executive Director (Water Resources Development)***

Shambu Azad is the Chief Executive Director (Water Resource Development) of our Company with effect from September 30, 2018. He has been associated with our Company since June 18, 1990. He holds a degree of Bachelor of Technology in Civil Engineering from IIT, Kanpur. Further, he holds a degree of Master of Technology in Water Resources Engineering and was awarded a Doctorate of Philosophy both from IIT, Delhi. He has more than thirty-two (32) years of experience in different capacities in our Company having experience primarily in projects related to various aspects of the water resource sector.

***A.N.N. Prasad, Chief Executive Director (Infrastructure and Legal)***

A.N.N. Prasad is the Chief Executive Director (Infrastructure and Legal) of our Company with effect from May 20, 2022. He has been associated with our Company since January 10, 1991. He holds a bachelor's degree in Engineering from University of Mysore and a degree of Master of Technology in Rock Mechanics from IIT, Delhi. He has over thirty-one (31) years of experience of being associated in different capacities with our Company having experience in project implementation, construction, supervision, tender engineering, cost engineering, dam engineering, survey & investigations, preparation of DPR's of infrastructure and hydroelectric projects.

***Aman Sharma, Chief Executive Director (Environment, Construction Management & Administration)***

Aman Sharma is the Chief Executive Director (Environment Construction Management and Administration) of our Company with effect from September 20, 2018. He has been associated with our Company since September 3, 1990. He holds a bachelor's degree and master's degree in Civil Engineering both from University of Delhi. He was awarded Doctor of Philosophy from IIT, Delhi. He has more than thirty-two (32) years of experience of being associated in different capacities with our Company in conducting environmental studies for hydropower, irrigation, ports & harbour, mines and construction projects, design of sewage treatment plants, sewerage networks, effluent treatment plants, solid waste management, etc.

***R. P. Dubey, Chief Executive Director (Ports, Harbours & Inland Waterways)***

R. P. Dubey is the Chief Executive Director (Ports, Harbours & Inland Waterways) of our Company with effect from September 30, 2020. He has been associated with our Company since July 30, 1991. He holds a bachelor's degree in civil engineering from the University of Gorakhpur. He was awarded Doctorate of Marine Science from California South University. He also holds a diploma in Port Development and Management from the Institute of Rail Transport, India. He has also done bachelor of Laws from University of Lucknow. He was also awarded Doctorate in Civil Engineering from KIIT University. He is a fellow member of professional body of ASCE and IMarEST. He has also done Master of Business Administration and also holds a post graduate diploma in Finance Management both from Sikkim Manipal University. He has also been inducted into the leading professionals of the world -2012 in the arena of Ocean Engineering by the Officers of the International Biographical Centre, Cambridge, England. He has thirty-two (32) years of experience of being associated in different capacities with our Company in the fields of port planning, harbour engineering, water resources, roads, water supply and drainage etc. comprising, pre-investment reports, feasibility reports, detailed engineering, tender documents, design, supervision and execution of civil works and management of multi-disciplinary projects.

***Status of each KMP in the Company***

All the Key Managerial Personnel are permanent employees of our Company.

***Relationship of Key Managerial Personnel with our Directors and / or other Key Managerial Personnel***

None of our other Key Managerial Personnel are related to each other or to any of the Directors of our Company.

***Bonus or profit-sharing plan for our Key Management Personnel***

Our Company has formulated the 'Performance Related Payment Scheme' which is in accordance with the DPE orders on pay-revision dated November 26, 2008, February 9, 2009, April 2, 2009 and August 3, 2017 which stipulate the procedures on performance management system.

***Changes in our Key Managerial Personnel in the last three (3) years***

Except as disclosed in "*Our Management - Changes in our Board during the last three years*" on page 185, and herein below, there have been no other changes in our Key Managerial Personnel of our Company in the last three (3) years prior to the date of this Draft Red Herring Prospectus:

| S. No. | Name | Designation | Date of change | Reason |
|---|---|---|---|---|
| 1. | Kavita Parmar | Company Secretary | February 10, 2021 | Appointment |
| 2. | Krishan Kumar Kandwal | Company Secretary | January 31, 2021 | Superannuation |
| 3. | Pankaj Kapoor | CFO | June 18, 2021 | Appointment |

***Service Contracts***

Except for the appointment letters issued by our Company, our Key Managerial Personnel have not entered into any service contract in relation to their appointment and remuneration.

***Shareholding of the Key Managerial Personnel***

Except for the disclosure made under "*Our Management – Shareholding of our Directors"* on page 184, none of the other Key Managerial Personnel's holds any Equity Shares of our Company as on the date of this Draft Herring Prospectus.

***Contingent and deferred compensation payable to our Directors/ Key Managerial Personnel***

There is no contingent or deferred compensation payable to our Directors/Key Managerial Personnel, which form part of their remuneration.

***Interests of the Key Managerial Personnel***

For details of the interest of our Chairman-cum-Managing Director and our Whole time Directors in our Company, see "*Our Management – Interests of Directors*" on page 184, none of our Key Managerial Personnel have any interest in our Company other than to the extent of remuneration and/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 business.

Except statutory benefits upon termination of their employment in our Company, resignation or superannuation, as the case may be, and certain post-retirement benefits, no officer of our Company is entitled to any benefit upon termination of such officer's employment in our Company or superannuation.

***Loans to Key Managerial Personnel***

Our Company has not granted any loans to the Key Managerial Personnel as on the date of this Draft Red Herring Prospectus.

***Employee Stock Option Scheme/ Employee Stock Purchase Scheme***

As on the date of this Draft Red Herring Prospectus, our Company has not formulated any employee stock option scheme or employee stock purchase scheme.

***Payment or benefits to officers of our Company***

Except salary and statutory entitlements for benefits upon termination of their employment in our Company or retirement, no officer of our Company, including our Directors and Key Managerial Personnel, is entitled to any benefits upon termination of employment under any service contract entered into with our Company. Except as stated otherwise in this Draft Red Herring Prospectus and any statutory payments made by our Company, no non-salary amount or benefit has been paid or given or is intended to be paid or given to any officer of our Company's employees including the Key Managerial Personnel, in two (2) years preceding the date of this Draft Red Herring Prospectus.

# OUR PROMOTER AND PROMOTER GROUP

Our Promoter is the President of India, acting through the Ministry of Jal Shakti, Government of India. Our Promoter, along with its nominees, currently holds 100% of the pre-Offer paid-up Equity Share capital of our Company. Assuming the sale of all Offered Shares, pursuant to this Offer our Promoter shall hold [●] % of the post-Offer paid-up Equity Share capital of our Company. As our Promoter is the President of India, acting through the Ministry of Jal Shakti, Government of India, disclosures and confirmations on the Promoter Group (defined in Regulation 2(1)(pp) of the SEBI ICDR Regulations), as specified in Schedule VI of the SEBI ICDR Regulations have therefore not been provided in this Draft Red Herring Prospectus.

## DIVIDEND POLICY

DIPAM, by an OM (F. No. 5/2/2016-Policy) dated May 27, 2016, issued "Guidelines on Capital Restructuring of Central Public Sector Enterprises" ("**CPSE Capital Restructuring Guidelines**") read with OM F. No. PP/14(0005)/2016 dated June 20, 2016. In accordance with CPSE Capital Restructuring Guidelines, with effect from Fiscal Year 2016, our Company is required to pay a minimal annual dividend of 30% of its profit after tax ("**PAT"**) or 5% of its net worth, whichever is higher, unless an exemption is provided in accordance with the CPSE Capital Restructuring Guidelines. Therefore, subject to the provisions of CPSE Capital Restructuring Guidelines, the Articles of Association and the Companies Act, the declaration and payment of dividend is recommended by the Board and approved by the Shareholders.

Our Company has a formal dividend policy as adopted by the Board vide its board resolution dated August 28, 2022 ("**Dividend Policy**"). In terms of the Dividend Policy, the amount of dividend paid our Company, will depend on a number of factors, including but not limited to the future expansion plans and capital requirements, guidelines issued by DPE, profit earned during the fiscal year, utilization towards reserves and surpluses, liquidity and applicable taxes including dividend distribution tax payable by our Company, contractual restrictions, and restrictive covenants under the loan or financing arrangements we may enter into.

For further details on dividend paid by our Company, please refer *"Restated Financial Statements– Notes to Restated Financial Statements"* and "*Financial Indebtedness*" on pages 197 and 291 respectively.

The dividends and dividend distribution tax paid by our Company for the Financial Years ended on March 31, 2022, March 31, 2021 and March 31, 2020 as per our Restated Financial Statements and for the period starting from April 1, 2022, till the date of the Draft Red Herring Prospectus, are given below:

*(in ₹ million)*

| Particulars | Period | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | From April 1, 2022 till the date of this Draft Red Herring Prospectus | | Fiscal 2022 | | Fiscal 2021 | | Fiscal 2020 | |
| | Interim | Final | Interim | Final | Interim | Final | Interim | Final |
| Face value per Equity Share (in ₹) | Nil | NA | Nil | NA | Nil | 10.00 | Nil | 100.00 |
| Total Dividend paid (in ₹ million) | Nil | NA | Nil | NA | Nil | 250.00 | Nil | 250.00 |
| Number of Equity Shares (in million) | Nil | NA | Nil | NA | Nil | 130.00 | Nil | 10.00 |
| Total Dividend paid per Equity Share (in ₹) | Nil | NA | Nil | NA | Nil | 1.92 | Nil | 25.00 |
| Total Rate of Dividend (%) | Nil | NA | Nil | NA | Nil | 19.23 | Nil | 25.00 |
| Dividend Distribution Tax (in ₹ million) | Nil | NA | Nil | NA | Nil | Nil | Nil | Nil |
| Mode of payment of dividend | Nil | NA | Nil | NA | Nil | Bank Transfer | Nil | Bank Transfer |

The amounts distributed as dividends in the past are not necessarily indicative of our dividend amounts, if any, or our dividend policy, in the future. There is no guarantee that any dividends will be declared or paid or that the amount thereof will not decrease in the future. Future dividends will depend on guidelines issued by DPE, our profits, revenues, capital requirements, contractual restrictions and overall financial position of our Company. For further details, see *"Risk Factors – Our ability to pay dividends in the future will depend on our future cash flows, working capital requirements, capital expenditures and financial condition"* on page 51.

## SECTION VI: FINANCIAL INFORMATION

## RESTATED FINANCIAL STATEMENTS

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**INDEPENDENT AUDITOR'S EXAMINATION REPORT ON THE RESTATED FINANCIAL INFORMATION**

The Board of Directors
**Wapcos Limited**

1. We have examined the attached Restated Consolidated Financial Information of M/s Wapcos Limited (the "Company" or the "Issuer") and its subsidiary (the company and it's subsidiary together referred to as the "Group"), comprising the Restated Consolidated Statement of Assets and Liabilities as at 31 March 2022, 31 March 2021 and 31 March 2020, the Restated Consolidated Statements of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Changes in Equity, the Restated Consolidated Cash Flow Statement for the years ended 31 March 2022, 31 March 2021 and 31 March 2020, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the "Restated Consolidated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on September 23, 2022 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 ("ICDR Regulations"); and
    c. The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

2. The Company's Board of Directors is responsible for the preparation of the Restated Consolidated Financial Information for the purpose inclusion in the DRHP to be filed with Securities and Exchange Board of India, National Stock Exchange of India Limited and BSE Limited in connection with the proposed IPO. The Restated Consolidated Financial Information have been prepared by the management of the Company on the basis of preparation stated in note 1 to the Restated Consolidated Financial Information. The responsibility of the respective Board of Directors of the Companies included in the group includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The respective Board of Directors are also responsible for identifying and ensuring that the Group complies with the Act, ICDR Regulations and the Guidance Note.

3. We have examined such Restated Consolidated Financial Information taking into consideration:

    a. The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement in connection with the proposed IPO of equity shares of the Company;

    b. 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 IPO.

4.
    a. These Restated Financial Information have been compiled by the management from the Audited Consolidated Ind AS Financial Statement of the Group as at and for the year ended 31 March 2022, 31 March 2021 and 31 March 2020 prepared in accordance with the Indian Accounting Standards (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 accounting principals generally accepted in India, which have been approved by the Board of Directors (along with restated previous financial year information on account of prior period items) at their meeting held on the held on August 28, 2022, August 19, 2021 and December 21, 2020 respectively.

b. That the Restated Financial Statements of the subsidiary company audited by other Auditors along with their Examination Report approved by the respective Board of Directors of the subsidiary company at their meeting held on September 23, 2022 and the same has been compiled by the management of the respective subsidiary company as at and for the years ended 31 March 2020, 31 March 2021 and 31 March 2022 prepared in accordance with the Indian Accounting Standards (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 accounting principles generally accepted in India, approved by respective Board of Directors (along with restated previous financial year information on account of prior period items) at their meeting held on August 28, 2022 , August 18, 2021 and December 14, 2020

5. For the purpose of our examination, we have relied on auditors' reports issued by us dated August 28, 2022 on the Audited Consolidated Ind AS financial statements of the Company as at and for the years ended 31 March 2022, 31 March 2021 and 31 March 2020 respectively as referred in Paragraph 4 (a) & the Examination report issued by the other Auditors as referred in Paragraph 4 (b) above.

6.

a. As indicated in our audit reports referred above, we did not audit the financial statements of the subsidiary company whose share of total assets, total revenues, net cash flows/ (outflows) included in the Consolidated Ind AS Financials Statements for the year ended 31st March 2022, 31st March 2021 and 31st March 2020 is tabulated below which have been audited by other auditors, K.B. Chandna & Co., Chartered Accountants and whose reports have been furnished to us by the company's management and our opinion on the Consolidated Ind AS Financial Statement, in so far as it relates to the amounts and disclosures included in respect of this component, is based solely on the report of other auditor.

b. As indicated in our audit reports referred above, the group's share of the subsidiary company in each of the respective financial years based on information in the financial statements (restated in the subsequent years for prior period items) is as under:

Rs. In Millions

| Particulars | Year ended 31 March 2022 | Year ended 31 March 2021 | Year ended 31 March 2022 |
|---|---|---|---|
| Total Assets | 25,265.04 | 21,246.40 | 20,327.07 |
| Total Revenue | 14,320.99 | 12,112.87 | 13,052.43 |
| Total Cash Inflow/(Outflow) | (384.76) | 1,517.04 | (1,685.79) |

7. Based on our examination and according to the information and explanations given to us for the respective years, we report that the Restated Financial Information:

a. have been prepared after incorporating adjustments wherever applicable for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the years ended 31 March 2020 and 31 March 2021 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the year ended 31 March 2022.

b. have not been restated for adjustments on account of quantifiable matters reported in the Auditor's Report as Audit Qualifications and the same has been reported under Part A in Annexure A. The management has not restated the same in the restated financial statement citing reasons that the change in ECL provisioning is on account of change in estimate and further citing likelihood of recovery against receivables from Afghanistan and Sri Lanka (Refer to Annexure A)

c. have not been restated for modified opinion as per the Auditor's Report which are non-quantifiable have been reported under Part B in Annexure A

d. have not been restated for adjustments on account of Key Audit Matters and the same has been reported under in Annexure B

e. have not been restated for adjustments on account of Emphasis on Matters and the same has been reported under Annexure C

f. have not been restated for modified remarks as per the Auditor's Report on Companies (Auditor's Report) Order, 2020 which are non-quantifiable have been reported under Annexure D

g. have not been restated for disclaimer opinion as per the Auditor's Report on Internal Financial Controls have been reported under Annexure E

h. have not been restated for modified opinion as per the Auditor's Report under Section 143 (5) which are non-quantifiable have been reported under Annexure F

i. have not been restated for exceptional items as per the audited financial statements of the subsidiary company M/s National Projects Corporation Limited for which we have relied upon the report of the Other Auditors that no restatement is required in respect of the same & the restated financial statements of the respective subsidiary company for which examination have been issued by them.

j. have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

8. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the special purpose interim Ind AS financial statements and special purpose audited financial statements mentioned in paragraph 4 above.

9. 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 statements referred to herein.

10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

11. Our report is intended solely for use of the Board of Directors and the management of the Holding Company for the purpose of preparation of the Restated Consolidated Financial Information of the Holding Company for inclusion in the DRHP to be filed with Securities and Exchange Board of India, National Stock Exchange of India Limited and BSE Limited 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 Serva Associates**
**Chartered Accountants**
**Firm Registration Number: 000272N**

**Nitin Jain**
**(Partner)**
**Membership Number: 506898**
**UDIN: 22506898AUJJVW1855**
**Place: Delhi**
**Date: September 23rd, 2022**

**Part A of the Annexure A to the Examination Report (Modified Opinion)**

a. That the management of the group has voluntarily changed it's yearly ECL Provisioning Matrix citing harmonization of the outliers in the year 3-4 and 4-5 out of 10-year provisioning policy. The above change has resulted in increase in the profit of the company during the year to the tune of INR 6243.39 Crores (Refer to Note 54). In our opinion, a scientific basis after assessment of the Probability of Default and Present Value loss on account of deferred cash realizations etc. may be considered as a correct basis for the ECL Provisioning in terms of Ind AS 109. However, neither a scientific basis used at the time of original matrix, nor the revised matrix has been provided to us during the course of our audit. In our opinion the revision of the ECL matrix by the management has material implication on the profits of the earlier financial years as well as current year under audit which has been subsumed within the current year provision expense rather than disclosing the same as an exceptional item or restatement as a material error in estimation to the respective financial year(s). In the absence of relevant information being shared with us, the year wise impact could not be ascertained. Further in our opinion Trade Receivables against projects executed in the Country of Afghanistan, Sri Lanka etc. carry a significant level of realization risk considering the present economic and political situation in the countries. However, the company has made provision only as per standard ECL Matrix against such receivables. Total outstanding receivables from the above 2 countries is INR 2084.76 Lacs (Net of amount received in Apr 22). Similarly balance held in the bank accounts in these countries may also be subject to repatriation restrictions. (Refer to Note No. 67 & 68)

**Part B of the Annexure A to the Examination Report (Modified Opinion)**

a. That the holding company is maintaining the books of accounts in decentralized manner where the physical records pertaining to contract measurements, inspection logs, progress review documents etc. are kept at the branch or site offices whereas the financial records and accounts are centralized at the corporate office on a **technologically obsolete software application namely, "Foxpro 2.60" which lacks access controls, posting controls, account classification controls, nomenclature controls and reporting requirements.** That the said system is deprived of requisite IT Controls and reliance is represented to have been made on Manual Controls by the management. That despite having large number of projects geographically spread all over India and abroad, the financial data pertaining to the Project Management is controlled manually and the project reports shared during the course of audit underwent several corrections and revisions. We performed the analytical procedures for our sample selection and testing purpose under the current system and expanded the sample size accordingly and placed reliance on management reports and representations for the purpose of our audit.

b. That in our opinion owing to inadequate internal financial controls and lack of appropriate financial accounting system, there have been **continuous trend of material restatement to the reported Profitability during the previous financial years on account of errors and omissions identified in the succeeding years**. That whereas the Net Impact on Profit and Loss Account may reduce on account of netting of prior period income and expenses, the quantum of Prior Period Items identified in subsequent years have a significant increasing trend.

***c.*** That during the Financial Year under consideration, the holding company has got disbursed a sum of INR 40 Crores against Credit Facility of INR 200 Crores from State Bank of India as **Working Capital**

**Loan out of which sum of INR 16 Crores has been utilized for payment of Dividend to the Shareholders**.

***d.*** That the **direct confirmations could not be received for a substantial number of trade payables, trade receivables, fixed deposits with the Indian Banks and some foreign banks including all banks in Afghanistan.** Further, as represented by the management owing to government clientele aggressive or legal measures are not resorted to for the purpose of realization of the dues. In our opinion, there have been substantial increase in the outstanding receivables and accordingly direct confirmations from the respective parties is must for assurance on the amount of receivables. That the late delivery charges or contract deductions (if any) made by such customers or consequential impact of stalled projects for which no separate record is maintained by the company could not be identified in the absence of the such external confirmations. Similarly, there are instances of unrealized advances paid/ security deposits & employee payable/advances for which no confirmations could be obtained from the respective parties. Furthermore, **the confirmations wherever received were in denial to the book balances and claims which have been represented to be under reconciliation and the balance as per books duly authenticated by the management is stated to be fully recoverable and likewise all liabilities are claimed to be duly accounted for**. The financial implications (if any) is subject to final reconciliations with the respective parties.

**e.** That the identification of the Trade Payables as Micro and Small has been prepared by the management and relied upon by us. However, **no provision for interest has been made by the company on the overdue balances outstanding for payment to these MSME vendors since** in view of the management, the payment to such vendors have been made as per terms agreed and duly accepted by them. In our opinion, the company shall be liable for payment of interest on delayed payments in terms of the MSME Act, 2006. There are in fact even claims made by the vendors with the Micro and Small Enterprise Facilitation Council which have been included in the contingent liabilities disclosed in the financial statements & hence adequate measures be taken for seeking legal immunity (if any) against consequences of delay in payment to such vendors or the provision for interest on such delay may be duly provided in the financial statement. (Refer Note 38).

**Annexure B to the Examination Report (Key Audit Matters)**

**Financial Year 2022-21 and 2020-21**

| | |
|---|---|
| Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers"<br><br>**1. Revenue from PMC & Construction Contracts**<br><br>The application of this standard involves certain key judgements relating to identification of distinct performance obligation, determination of the transaction price of identified performance obligations, appropriateness of basis used to measure revenue | That the revenue from Construction Contracts includes Projects where the company is appointed as Project Management Consultant where the terms of contract require the preparation of tender documents, floating tenders & selection of the contractor for construction of project on behalf of the client. The company is entitled to a Project Management Consultancy Fee as a percentage of construction cost. Further, the cost of construction work is billed by the contractor to the company and in-turn billed to the client on cost-to-cost basis by the company as per the contract terms. The company considering itself as a principal employer |

| | |
|---|---|
| recognized over the period and disclosures including presentations of balances in the financial statements.<br><br>Further the appropriate judgement needs to be applied in assessing the roles and responsibilities of various parties in the contract which shall play a key role in determining the amount and nature of revenue to be recognised by each party to the contract. The standard makes a distinction between the parties having the role of principal or an agent and accordingly the nature and amount of revenue that shall be recognised in each of such scenario.<br><br>When an entity that is a principal satisfies a performance obligation, the entity recognises revenue in the gross amount of consideration to which it expects to be entitled in exchange for those goods or services transferred.<br><br>When an entity that is an agent satisfies a performance obligation, the entity recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the other party to provide its goods or services. | recognises the gross amount (construction cost plus the PMC Service Fee) as revenue and corresponding back-to-back construction cost as expenses in the profit and loss account.<br><br>Our Audit approach consisted of the examining of sample agreement to assess the role of the company in such contracts or memorandum of understandings, the key highlights/observations of which are stated hereunder:<br><br>i. The core skill and expertise of the company is the provision of Engineering, Procurement, Construction related Consultancy Services and not of providing construction services. Accordingly, the company is engagement is as a Project Management Consultant by various clients. Such engagement further includes appointment of a contractor for the construction work.<br>ii. The terms of engagement of the contractors/sub-contractors on behalf of the client, specifically state a back-to-back payment obligation of the company i.e. the company has the immunity from any credit risk. The company is obliged to pay to the contractor to the extent and only once the payment is received from the client.<br>iii. That agreement/MOU between the company & the client, does not even include basic components of construction related engagements like material quality, quantities, labour engagements, construction milestones etc which in fact are indicated only in the contracts the company executes with the contractors to whom mostly the work is allotted on turnkey basis along with all risks and obligations pertaining to construction work. The terms of agreement or MOU of the company with the clients emphasise primarily on the roles and responsibilities in the capacity of a Project Management Consultant only. Further on account of back-to-back engagement there is no inventory held by the company.<br>iv. That the engagement terms indicate the company being engaged as a consultant whereas the work of construction is to be executed through the contractor appointed through the consultant on behalf of the client. In fact in number of agreements, only the Rate of PMC or Centage is |

| | |
|---|---|
| | stated to be computed on the construction cost. Construction cost/amount may or may not be stated in such agreements or MOU's<br>v. That unlike the contract terms generally stipulated in cost plus contract, in the present contracts under consideration the construction quotes are obtained from the contractors generally on turnkey basis and as against the profit margins of the contractor, the PMC fee is charged over and above the construction cost, which is the actual earning of the company.<br>vi. ***That in fact, in terms of the Procurement Guidelines & practice of the Government of Kerela (one of the customers), the payments are made directly to the contractor based on the advise of Wapcos (as per circular) whereas Wapcos is issuing Invoice and accruing the same as it's own Revenue. (INR 66.87 Lacs in CY Year, NIL in PY).***<br><br>The above instances require significant judgement while assessing the role of company as an PMC or as an agent rather that the EPC Contractor. However, the representation of the management that the performance obligation in the capacity of PMC and the execution of the work through a construction contractor is a single obligation, expert opinion(s) in possession & further the industry practice represented to be followed in similar engagements have been taken into consideration by us in context to the disclosure of revenue on gross amount basis. ***That whereas during the previous year reliance was placed on the management representation that necessary directions shall to be obtained from regulatory bodies or advisory committees on the subject matter under discussion, the same is still pending to be initiated by the company.***<br><br>That as quantified and valued by the management by management of Holding Company the total amount of revenue booked on account of the above construction work during the FY under consideration & corresponding amount of Construction Cost during the year is around Rs.650 Crores (2022)/ Rs.587 (2021) , **however the same does not have any impact on the Profitability of the company.** |

| | |
|---|---|
| **2. Identification of Salary Cost in the Projects** | That the Revenue from Consultancy Income comprises of major part of the company revenue wherein primarily the activities are performed by In-house Personnel of the Company. In view of the management owing to large number of projects, the apportionment of efforts on each project cannot be done. The same is also indicated in the accounting policy that the personnel cost incurred is fully charged off to profit and loss on periodical basis. Accordingly, **there is no element of personnel cost in the unbilled work/work in progress on account of contribution of personnel efforts as at March 31st 2022.** |
| **3. Provisions and Contingent Liabilities**<br><br>The company is involved in various taxes and other disputes for which final outcomes cannot be easily predicted and which could potentially result in significant liabilities. The Assessment of the risks associated with the litigations is based on complex assumptions, which require the use of judgment and such judgement relates, primarily, the assessment of the uncertainties connected with the prediction of the outcome of the proceedings and to the adequacy of the disclosures in the financial statements. Because of the judgement required, the materiality of such litigations and complexity of the assessment process, the area is key matter for our audit. | Our audit procedures in response to this key audit matter included amongst others,<br><br>i. Assessment of the process and relevant controls implemented to identify legal and tax litigations and pending proceedings<br>ii. Assessment of assumptions used in the evaluation of the potential legal and tax risks performed by the legal and tax department of the company.<br>iii. Inquiry with legal and tax department regarding status of the significant disputes and inspection of the key documents produced before us<br>iv. Management representations on the possible outcomes of the ongoing disputes<br>v. Review of the adequacy of disclosure in the Notes to Accounts. |
| **4. Provision for Performance Related Payments**<br><br>That in terms of the CPSE Guidelines, the Performance Related Payment is payable to employees based on the Profit Before Tax for the relevant financial year under consideration and accordingly the provisions is duly made in the respective financial year.<br><br>That in terms of the Ind AS Provisions and the Accounting Policy of the company, the preceding financial year results are restated for Prior Period Adjustments thereby impacting the Profit Before Tax of the previous years | Our audit procedures in response to this key audit matter included amongst others,<br><br>i. Review of the CPSE Guidelines to identify the mode and mechanism of calculation of Performance Related Payments<br>ii. Inquiry with the concerned department regarding communication or clarification on the above said restated adjustments.<br>iii. Review of the provision in terms of the present guidelines and adoption of the most practical approach based on present guidelines.<br>iv. That the company has represented that the adjustments if any shall be taken into consideration at the time of actual disbursement in compliance with necessary directions from the CPSE. |

| | |
|---|---|
| | The calculations have been made based on the Audited Profit before Tax for each Financial Year without considering the impact of prior period adjustments based on audited financials for respective year and future adjustment (if any) shall be considered at the time of actual disbursement. |

**Annexure C to the Examination Report (Emphasis on Matter)**

**Financial Year 2021-22**

1. In case of one PSU, M/s Bharat Heavy Electricals Limited, there is a claim of Interest to the tune of INR 15 Crores which is being demanded by the party but shown as contingent liability in the financial statements.
2. That the company is in receipt of advances or deposits from clients for meeting the construction cost of their respective projects. In terms of stipulations, the company is required to keep such unutilized funds in the form of deposits and the income earned on such deposits is also required to be transferred back to the client. In fact some of the arrangement requires the opening of earmarked Bank Accounts. However, such **funds have been utilized for non-earmarked projects and also instances have been observed where funds withdrawn from the dedicated accounts have not been utilized for the earmarked projects**. Although interest liability has been computed & provided for yet in our opinion such utilizations may pose risk of breach of contract, liquidity challenges & non-compliance in terms of advancement of such funds by the client. (Refer to Note 64). The Interest payable against such earmarked funds used for other projects, as at 31st March 2022 stood at INR 57.31 Crores which needs to be repatriated to the relevant Government (s) or Undertakings.
3. That in terms of the contingent liabilities disclosed by way of Note 56 to the financial statements, reference is drawn to the need to have in place a **scientific mechanism to assess and provide for the probable liabilities on account of matters under dispute.** That although, the contingent liabilities have been disclosed with regards to disputed claims, there is no practice of making adequate provisions with regards to the claims until Arbitration Awards and payment. Further, in case of one PSU, there is a claim of Interest to the tune of INR 15 Crores which is being demanded by the party but shown as contingent liability in the financial statements.
4. That considering the nature and volume of transactions involved there is a need to periodically reconcile the Inputs as well as the output liability as per books with the returns as per the Goods and Service Tax Act. Further, liability under Goods and Service Tax may accrue on receipt of the Adjustable Advances/deposits Received by the company on which the tax liability is deposited at the time of invoicing by the company. (Refer Note 65 & 69)

**Financial Year 2020-21**

**Emphasis of Matter**

1. That the company is in receipt of advances or deposits from clients for meeting the construction cost of their respective projects. In terms of stipulations, the company is required to keep such unutilized funds in the form of deposits and the income earned on such deposits is also required

to be transferred back to the client. However, such **funds have been utilized for non-earmarked projects** and accordingly although Interest liability has been computed on such utilization, payable to the clients yet in our opinion such utilizations may pose liquidity challenges, considering there are overdue obligations towards employee payments, performance related payments, statutory dues under Goods and Service Tax, trade payable etc besides there being non-compliance in terms of advancement of such funds by the client. (Refer to Note 64)

2. That there is a **need to formalize the procedures and mechanism of obtaining the third party balance confirmations & obtaining the same on a timely basis** as majority of the confirmations represented to have been duly sent to parties have remained un-responded. That the differences wherever identified in the balances as per confirmations have been represented to be under reconciliation and as represented the balance as per books has been duly authenticated by the management stating that the claims receivables are fully recoverable and all liabilities have been duly accounted for. Further it has been represented that majority of customers are Government/Semi Government entities and there is no policy or practice of sending written requests and follow ups for outstanding balances. (Refer to Note 38). The financial implications (if any) is subject to such reconciliations with the respective parties. Further direct confirmations could not be obtained for balances with Banks including Foreign Banks.
3. That the identification of the Trade Payables as Micro and Small has been prepared by the management and replied upon by us. However, **no provision has been made by the company on the overdue balances outstanding for payment to these MSME vendors since** in view of the management, the payment to such vendors have been made as per terms agreed and duly accepted by them. In our opinion, the company shall be liable for payment of interest on delayed payments in terms of the MSME Act, 2006. There are in fact even claims made by the vendors with the Micro and Small Enterprise Facilitation Council which have been included in the contingent liabilities disclosed in the financial statements & hence adequate measures be taken for seeking legal immunity (if any) against consequences of delay in payment to such vendors or the provision for interest on such delay may be duly provided in the financial statement. (Refer Note 37).
4. That in terms of the contingent liabilities disclosed by way of Note 54 to the financial statements, reference is drawn to the need to have in place a **scientific mechanism to assess and provide for the probable liabilities on account of matters under dispute.**
5. That considering the nature and volume of transactions involved there is a need to periodically reconcile the Inputs as well as the output liability as per books with the returns as per the Goods and Service Tax Act. Further, liability under Goods and Service Tax may accrue on receipt of the Adjustable Advances/deposits Received by the company on which the tax liability is deposited at the time of invoicing by the company.

**Annexure D to the Examination Report (Internal Financial Controls)**

**Disclaimer Opinion**

In conjunction with our audit of the consolidated financial statements of the company as and for the year ended 31st March 2022, we were engaged to audit the internal financial controls with reference to the consolidated financial statements of M/s Wapcos Limited (hereinafter referred to as "Holding Company") and the subsidiaries as of date.

In our opinion, the conventional Financial Accounting System at the Holding Company has pose serious limitations in implementing Internal Financial Controls within the company and as represented the reliance is presently being made on manual controls and procedures for which no documentation or records could be place before us for verification. In the absence of sufficient audit evidence pertaining to the Internal Financial Control related documents produced before us during the course of our audit, we are unable to comment whether the internal financial controls over the financial reporting were operating effectively as at March 31st 2022 based on the internal control over Financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. Accordingly, suitable audit techniques and substantive procedures were adopted by us while conducting our audit and these facts does not impact our opinion on the financial statements except to the extent on the matters where we have issued a Modified Opinion

**That the Statutory Auditor of the Subsidiary Company has stated following material weaknesses in their report on the standalone financial statements of the Subsidiary Company, while stating that such weakness do not effect their opinion on the Standalone Financial Statements:**

i. The company has a system of requesting for balance confirmations in respect of Claims Recoverable, Trade Receivables, Advances to Contractors, Trade Payables, Balances to/from Project Authorities and Security Deposits/ Retention money outstanding to/from contractors/Project Authorities. However, as per information and explanations provided to us, the company is not able to obtain confirmations and prepare periodic reconciliation in respect of trade receivables and other recoverable and most of the payables. Most of the Trade receivables are either Central or State Government/Local authority/Municipal Authorities and other autonomous bodies under various governmental ministries. Therefore, we are of the opinion that the company needs to be involved in the process of obtaining the same more proactively to further strengthen the said internal control procedures.

ii. The Company does not have an adequate internal control system with regard to reconciliation of debit & credit balances lying in various accounting heads of closed Units.

iii. The Company does not have a proper system of evaluating claims of contractors vis-à-vis contractual terms leading to huge number of litigations and settlements with mounting interest burden. The non-determination of the liability in a timely manner could significantly affect the financial reporting and could also affect the functioning of the Company.

iv. There is a need to periodically reconcile the input credit and output liability appearing in books with the GST returns. In respect of Jammu zone, the GST input credit amounting to Rs 19,08,848/- was not availed in the GST return for F.Y 21-22 resulting in input credit getting lapsed. This resulted in payment of GST of Rs 17,29,484/- being borne by the zone. Further, no approval from competent authority for this payment of GST of Rs 17,29,484/- was sought.

**Annexure E to the Examination Report (CARO Report)**

| S.No. | Name | CIN | Holding/ Subsidiary | Clause number of the CARO report which is qualified or adverse |
|---|---|---|---|---|
| 1 | Wapcos Limited | U74899DL1969G01005070 | Holding | Clause (i)(b): "That there is a need to streamline and formalize the process of physically verifying the assets at regular intervals according to a regular program of verification which, in our opinion having regard to the size of the company and nature of its assets is necessary. That the management has represented that no discrepancy has been observed on such physical verification however in the absence of distinctive marking in the physical verification sheet as stated above, we have relied upon the management representation." |
| 2 | Wapcos Limited | U74899DL1969G01005070 | Holding | Clause (ii)(b): "That the company has been sanctioned working capital limit from 1 bank or financial institutions on the basis of security of current assets. That the quarterly returns or statements filed with the Bank are not in reconciliation with the books of accounts and the difference observed are disclosed in 17(B) to the financial statements. As represented to us the company has unilaterally filed revised statements with the banks the consequential impact of which could not be assessed during the course of our audit. Further in case of Non-Funded Facilities from 4 Banks, as per statement required to be filed in case of one of the banks the same was found |

| | | | | |
|---|---|---|---|---|
| | | | | to be incomplete or while in case of another bank the same was not filed as per representations made to us" |
| 3 | Wapcos Limited | U74899DL1969G01005070 | Holding | a) Clause (ix)(c): "That the loans have been applied for the purpose for which the loans were obtained except to the extent that sum of INR 16 Crores was utilized for payment of dividend to the shareholders of the company as reported above." |
| 4 | Wapcos Limited | U74899DL1969G01005070 | Holding | Clause (xiv):<br>(a): "In our opinion the Internal Audit System of the Company is not commensurate with the size of the company and the nature of it's operations"<br>(b): "That based on the review of the Internal Audit reports, it has been observed that there has been no compliance revert to the internal audit observations and hence the financial implications as well as the corrective measures taken/to be taken could not be identified. The Internal Auditor has cited limitations relating to non-availability of the data or information to the auditors. Further as informed to us the internal audit was restricted to the financial documents located at the corporate office only which in our opinion are not adequate for the purpose of verification of decentralized records maintained at the project site offices on PAN India Basis." |
| 5 | National Projects Construction | U45202DL1957GOI002752 | Subsidiary | Clause (ii)(a): "Inventories have been physically verified as per |

| | | | | |
|---|---|---|---|---|
| | Corporation Limited | | | reports furnished to us, except in respect of material at closed sites to which the company does not have access to. Refer to Note No 37 relating to certain inventories impounded by the Project Authorities" |
| 6 | National Projects Construction Corporation Limited | U45202DL1957GOI002752 | Subsidiary | Clause (xiv)(a); "In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of business. However, the company needs to further strengthen the Internal Audit system with regards to it's periodicity and timely completion. Clause (xiv)(b); "We have considered the internal audit reports of the company issued till date for the period under audit" |

**Part A of Annexure F to the Examination Report (As per CAG Directions under Section 143(5) of the Companies Act)**

**Financial Year 2021-22**

1. Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.

   ***Reply:*** *No, the financial records and accounts are centralized at the corporate office on a* ***technologically obsolete software application namely, "Foxpro 2.60" which lacks access controls, posting controls, account classification controls, nomenclature controls and reporting requirements****. That the said system is deprived of requisite IT Controls, measures and reliance is represented to have been made on Manual Controls by the management. That despite having large number of projects geographically spread all over India and abroad, the financial data pertaining to the Project Management is controlled manually and the project reports shared during the course of audit underwent several corrections and revisions.*

2. Whether there is any restructuring of an existing loan or cases of waiver/write off debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is the Government Company, then this direction is also applicable for statutory auditor of lender company)

   ***Reply:*** *No*

3. Whether funds (grant/subsidy etc.) received/receivable for specific schemes from central/state Government or its agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.

***Reply:*** *As informed and represented to us no such funds have been received/utilized during the financial year under consideration under any scheme of the central/state government. (that advances/funds received under deposit work are for business transactions not under any scheme)*

**Sub-directions**

i. Whether company has raised invoices on it's customers in respect of unbilled revenue recognized in one or more previous years? If not, what are the reasons for the same? Impact on the financial statements due to non-raising of invoices may be stated.

***Reply:*** *That out of the total unbilled amount of INR 1230.14 Lacs as at 31st March 2021, during the financial year under consideration the company has invoiced INR 595.60 Lacs and booked the same as revenue. Amount of INR 52.16 Lacs has been fully impaired during the year. Further INR 582.38 Lacs had remained unbilled as at 31st March 2022 which pertains to a Project in Myanmar and against which sum of INR 105.29 Lacs was billed before the date of our audit report and as represented by the management the balance amount shall be billed in FY 2022-23. In the absence of any documents pertaining to work termination or suspension provided to us during the course of our audit and considering the fact that partial payment was received we have relied on such representation.*

ii. What is the impact on financial statements of Wapcos Limited due to change in Government of Afghanistan in August 2021 and it's impact on various undergoing projects in or related to Afghanistan? Whether Company has made any accounting/adjustment in the books of accounts of this?

***Reply: No****. The management has represented that out of the total outstanding receivable of INR 40.34 Crores as on the August, 15th, 2022 it has already received INR 20.65 Crores on April 4th, 2022 and have received affirmative confirmations for receipt of balance amount from respective clients. A provision of INR 4.07 Crores has been made as per the ECL Policy of the Company. Our opinion is modified on account of inadequate provision been made by the company in the absence of direct confirmation from the funding agency or organization. In our opinion the management needs to assess the Probability of default and also the delay in realization into consideration and compute the adequate provisioning required against the above said receivables and projects.*

**Financial Year 2020-21**

Directions under Section 143(5) of the Companies Act 2013 applicable.

4. Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.

*Reply: Partially Yes, since presently the company is maintaining the accounts on a conventional accounting system i.e. Foxpro 2.60 which has several limitations on account of technical obsolesce. Although financial postings are made in the system but the controls deployed by the company are only manual controls. Most of the financial reports and information is manually prepared outside the system and compiled from manual data and system information. That for the purpose of our audit, the information compiled and authenticated by the management have been relied upon and verified from the system using various substantive evidences and measures.*

*That in our opinion IT system upgradation is immediately required to address the growing needs of business considering the size of the business and the nature of it's operations as well as to address regulatory compliances like audit trails etc.*

5. Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is the Government Company, then this direction is also applicable for statutory auditor of lender company)

*Reply: Not Applicable*

6. Whether funds (grant/subsidy etc.) received/receivable for specific schemes from central/state Government or it's agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.

   *Reply: As informed and represented to us no such funds have been received/utilized during the financial year under consideration*

**For Serva Associates**
**Chartered Accountants**
**Firm Registration Number: 000272N**

**Nitin Jain**
**(Partner)**
**Membership Number: 506898**
**UDIN: 22506898AUJJVW1855**
**Place: Delhi**
**Date: September 23rd, 2022**

**Annexure-I**
**WAPCOS LIMITED**
**RESTATED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES**

| Particulars | | Amount (in INR millions unless otherwise stated) | | |
|---|---|---|---|---|
| | | As restated | | |
| | | As at March 31, 2022 | As at March 31, 2021 | As at April 01, 2020 |
| **ASSETS** | | | | |
| **NON CURRENT ASSETS** | | | | |
| (a) Property, Plant And Equipment | 2 | 542.71 | 561.90 | 606.97 |
| (b) Capital Work-In-Progress | | - | - | - |
| (c) Right of Use Assets | 2A | 126.06 | 210.56 | 245.64 |
| (d) Investment Property | 2C | 14.28 | - | - |
| (e) Goodwill | | - | - | - |
| (f) Other Intangible Assets | 2B | 29.20 | 6.71 | 12.18 |
| (g) Intangible Assets under Development | | - | - | - |
| (h) Biological Assets other than Bearer Plants | | - | - | - |
| (i) Financial Assets | | | | |
| (i) Investment | 3 | 3.95 | 3.72 | 3.50 |
| (ii) Trade Receivables | 7A | 1,413.00 | 1,461.87 | 1,258.32 |
| (iii) Loans | | - | - | |
| (iv) Other Financial Assets | 4A | 4,015.47 | 5,982.80 | 3,351.30 |
| (j) Deferred Tax Assets (Net) | 5 | 1,234.65 | 1,180.98 | 1,036.99 |
| (k) Other Non-Current Assets | 6 | 138.70 | 150.36 | 218.16 |
| **CURRENT ASSETS** | | | | |
| (a) Inventories | 8 | 0.71 | 0.61 | 0.69 |
| (b) Financial Assets | | | | |
| (i) Investments | | - | - | - |
| (ii) Trade Receivables | 7B | 20,112.80 | 19,191.18 | 20,367.69 |
| (iii) Cash and Cash Equivalents | 9 | 5,572.37 | 6,292.63 | 3,590.42 |
| (iv) Bank Balances other than (iii) above | 10 | 13,171.03 | 7,306.98 | 9,098.61 |
| (v) Other Financial Assets | 4B | 348.82 | 300.83 | 310.98 |
| (c) Current Tax Assets (Net) | 11 | 1,620.16 | 1,057.33 | 976.86 |
| (d) Other Current Assets | 12 | 3,292.19 | 3,503.41 | 2,731.75 |
| **TOTAL ASSETS** | | **51,636.09** | **47,211.87** | **43,810.06** |
| **EQUITY AND LIABILITIES** | | | | |
| **EQUITY** | | | | |
| (a) Equity Share Capital | 13 | 1,300.00 | 1,300.00 | 1,000.00 |
| (b) Other Equity | 14 | 6,484.57 | 6,030.33 | 5,965.76 |
| Equity attributable to Owners of the Parent | | 7,784.57 | 7,330.33 | 6,965.76 |
| Non Controlling Interest | | 26.72 | 23.96 | 21.16 |
| **TOTAL EQUITY** | | 7,811.29 | 7,354.29 | 6,986.92 |
| **LIABILITIES** | | | | |
| **NON CURRENT LIABILITIES** | | | | |
| (a) Financial Liabilities | | | | |
| (i) Borrowings | 18A | 378.54 | - | - |
| (ia) Lease Liability | 19A | 93.67 | 166.52 | 189.67 |
| (ii) Trade Payable | | | | |
| (A) total outstanding dues of micro and small enterprises | 15A | 4.14 | 26.24 | 96.02 |
| (B) total outstanding dues of creditors other than micro and small enterprises | 15A | 2,231.67 | 1,485.96 | 1,260.70 |
| (iii) Other Financial Liabilities | 20A | 4,158.48 | 4,055.23 | 2,227.92 |
| (b) Provisions | 16A | 823.65 | 802.82 | 778.96 |
| (c) Deferred Tax Liabilities(Net) | | - | - | - |
| (d) Other Non-Current Liabilities | 17A | 2,579.70 | 1,314.61 | 1,911.65 |
| **CURRENT LIABILITIES** | | | | |
| (a) Financial Liabilities | | | | |
| (i) Borrowings | 18B | 429.99 | 482.00 | 40.52 |
| (ia) Lease Liability | 19B | 52.24 | 66.74 | 70.03 |
| (ii) Trade Payable | | | | |
| (A) total outstanding dues of micro and small enterprises | 15B | 3,656.02 | 3,888.37 | 2,779.55 |
| (B) total outstanding dues of creditors other than micro and small enterprises | 15B | 12,182.66 | 12,972.55 | 13,201.67 |
| (iii) Other Financial Liabilities | 20B | 2,777.39 | 2,500.54 | 3,328.94 |
| (b) Provisions | 16B | 372.51 | 379.68 | 321.21 |
| (c) Current Tax Liabilities (Net) | | - | - | - |
| (d) Other Current Liabilities | 17B | 14,084.14 | 11,716.32 | 10,616.30 |
| **TOTAL EQUITY & LIABILITIES** | | **51,636.09** | **47,211.87** | **43,810.06** |

**Notes**

Following are the integral part of financial statements:
(a) Significant Accounting Policies and Notes to Restated Consolidated Financial Statement
(b) Reconciliation between Audited Consolidated Financial Statements and Restated Consolidated Financial Statements

**For and on behalf of the Board**

| | | | | |
|---|---|---|---|---|
| **(Kavita Parmar)**<br>**Company Secretary & Compliance Officer** | **(Anil Trigunayat)**<br>**Director**<br>**(DIN No. 07900294)** | **(Anupam Mishra)**<br>**Director (C & HRD)**<br>**(DIN No. 08271048)** | **(Pankaj Kapoor)**<br>**Director (Finance)**<br>**(DIN No. 07290569)** | **(R K Agrawal)**<br>**Chairman-cum-Managing Director**<br>**(DIN No. 09344894)** |

As per our Report of even date attached
**Serva Associates**
Chartered Accountants
FRN - 000272N

**Nitin Jain**
**Partner**
**M. No. 506898**

Place: New Delhi
Dated: September 23, 2022

**Annexure-II**
**WAPCOS LIMITED**
**RESTATED CONSOLIDATED STATEMENT OF PROFIT & LOSS**

| | Particulars | Note | Figures as at the end of Current reporting period (March 31, 2022) | Figures as at the end of Previous reporting period (March 31, 2021) | Figures as at the end of Previous reporting period (March 31, 2020) |
|---|---|---|---|---|---|
| | | | Amount (in INR millions unless otherwise stated) As restated | | |
| | **REVENUE** | | | | |
| I | Revenue from operations | 21 | 27,979.93 | 25,128.73 | 28,422.21 |
| II | Other income | 22 | 683.80 | 676.26 | 1,014.14 |
| III | Net gain on De-recognition of Financial Assets at Amortised Cost | | - | - | |
| IV | Net gain on Reclassification of Financial Asset | | - | - | |
| V | **Total Income (I+II+III+IV)** | | **28,663.73** | **25,804.99** | **29,436.35** |
| **VI** | **EXPENSES** | | | | |
| | Construction Expenses | 23 | 19,986.28 | 17,259.53 | 18,452.72 |
| | Employee Benefit Expenses | 24 | 3,657.42 | 3,322.35 | 3,782.95 |
| | Finance Cost | 25 | 195.48 | 189.95 | 176.39 |
| | Services Obtained | 26 | 1,771.22 | 1,862.94 | 1,879.35 |
| | Depreciation and Amortisation Expenses | 27 | 123.76 | 150.36 | 152.56 |
| | Net Loss on De-recognition of Financial Assets at Amortised Cost | | - | - | |
| | Net Loss on Reclassification of Financial Asset | | - | - | |
| | Corporate Social Responsibility Expenses (Recommendatory as per Guidence Note on Schedule III) | 28 | 36.47 | 31.49 | 41.28 |
| | Other Expenses | 29 | 1,888.15 | 2,064.50 | 2,704.07 |
| | **Total Expenses (VI)** | | **27,658.78** | **24,881.12** | **27,189.33** |
| | **Prior Period (Netting)** | | - | - | 0.32 |
| VII | **Profit/ (loss) before Share of Profit/(loss) of an Associates/ a joint Venture and Exceptional Items and Tax (V-VI)** | | **1,004.95** | **923.87** | **2,247.02** |
| VIII | **Share of Profit/(loss) of an Associates/ a joint Venture** | | **-** | **-** | |
| IX | **Profit/ (loss) before Exceptional Items and Tax (VII+VIII)** | | | | |
| X | **Exceptional Items** | 30 | 13.61 | (2.53) | 205.32 |
| XI | **Profit/ (loss) before tax (IX+X)** | | **1,018.56** | **921.34** | **2,452.34** |
| XII | **TAX EXPENSE** | | | | |
| | (1) Current Tax | | 386.19 | 465.64 | 829.37 |
| | (2) Income Tax Earlier Years | | - | - | - |
| | (3) Deferred Tax | | (59.23) | (148.45) | 149.85 |
| XIII | **Profit/ (Loss) for the period from Continuing Operations (XI-XII)** | | **691.60** | **604.15** | **1,473.12** |
| XIV | **Profit/ (Loss) for the Discontinued Operations** | | - | - | |
| XV | **Tax Expenses of Discontinued Operations** | | - | | |
| XVI | **Profit/ (Loss) for the Discontinued Operations after Tax (X-XI)** | | - | | |
| XVII | **Profit/ (Loss) for the Period (IX-XII)** | | **691.60** | **604.15** | **1,473.12** |
| XVIII | **OTHER COMPREHENSIVE INCOME** | | | | |
| | **Items** | | | | |
| | Remeasurement of Defined Benefit Plans Gain/(Loss) - PRMS | | 11.79 | (11.43) | (41.58) |
| | Deferred tax impact | | (2.97) | 2.88 | 10.47 |
| | Remeasurement of Defined Benefit Plans Gain/(Loss) - Leave Encashment | | (3.77) | 12.87 | 1.92 |
| | Deferred tax impact | | 0.95 | (3.24) | (0.48) |
| | Remeasurement of Defined Benefit Plans Gain/(Loss) - Gratuity | | 13.82 | 16.01 | (88.39) |
| | Deferred tax impact | | (3.48) | (4.03) | 22.25 |
| | Gains / Losses From Investment in Equity Instruments Designated at Fair Value | | 0.23 | 0.22 | 0.26 |
| | Deferred tax impact | | (0.06) | (0.06) | (0.07) |
| | Income Tax Relating to Items that will not be reclassified to Statement of Profit & | | - | - | - |
| XIX | **Total Other Comprehensive Income of the Year (Net of Tax)** | | **16.51** | **13.22** | **(95.63)** |
| | **Total Comprehensive Income of the Year** | | **708.11** | **617.38** | **1,377.48** |
| | **Profit/(Loss) attributable to** | | | | |
| | **Owners of the Parent** | | 687.67 | 601.47 | 1,470.97 |
| | **Non Controlling Interests** | | 3.93 | 2.68 | 2.15 |
| | **Other Comprehensive Income attributable to** | | | | |
| | **Owners of the Parent** | | 16.57 | 13.10 | (95.69) |
| | **Non Controlling Interests** | | (0.07) | 0.12 | 0.06 |
| | **Total Comprehensive Income attributable to** | | | | |
| | **Owners of the Parent** | | 704.24 | 614.57 | 1,375.28 |
| | **Non Controlling Interests** | | 3.86 | 2.80 | 2.21 |
| XX | **Earning per equity share (Refer Note No. - 36)** | | | | |
| | **Equity share of par value of Rs 10/- each** | | | | |
| | (1) Basic (In Rs. Only) | | 5.32 | 4.65 | 11.33 |
| | (2) Diluted (In Rs. Only) | | 5.32 | 4.65 | 11.33 |
| | Significant Accounting Policies and Notes referred to above forming an integral part of the Statement of Profit & Loss | **Note 1-72** | | | |

**Notes**

Following are the integral part of financial statements:

(a) Significant Accounting Policies and Notes to Restated Consolidated Financial Statement
(b) Reconciliation between Audited Consolidated Financial Statements and Restated Consolidated Financial Statements

**For and on behalf of the Board**

| (Kavita Parmar) | (Anil Trigunayat) | (Anupam Mishra) | (Pankaj Kapoor) | (R K Agrawal) |
|---|---|---|---|---|
| Company Secretary & Compliance Officer | Director | Director (C & HRD) | Director (Finance) | Chairman-cum-Managing Director |
| | (DIN No. 07900294) | (DIN No. 08271048) | (DIN No. 07290569) | (DIN No. 09344894) |

As per our Report of even date attached
**Serva Associates**
Chartered Accountants
FRN - 000272N

**Nitin Jain**
**Partner**
**M. No. 506898**

Place: New Delhi
Dated: September 23, 2022

**Annexure-III**
**WAPCOS LIMITED**
**RESTATED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

**A EQUITY SHARE CAPITAL**

**(1) Current Reporting Period FY 2021-2022**

(Amount (in INR millions unless otherwise stated))

| Balance as the beginning of the Current reporting period | Changes in Equity Share Capital due to prior period errors | Restated balance at the beginning of the current reporting period | Changes in equity share capital during the current year | Balance at the end of the current reporting period |
|---|---|---|---|---|
| 1,300 | - | - | - | 1,300.00 |

**(2) Previous Reporting Period FY 2020-2021**

(Amount (in INR millions unless otherwise stated))

| Balance as the beginning of the Current reporting period | Changes in Equity Share Capital due to prior period errors | Restated balance at the beginning of the current reporting period | Changes in equity share capital during the current year | Balance at the end of the current reporting period |
|---|---|---|---|---|
| 1,000 | - | - | 300.00 | 1,300.00 |

**(3) Previous Reporting Period FY 2019-2020**

(Amount (in INR millions unless otherwise stated))

| Balance as the beginning of the Current reporting period | Changes in Equity Share | Restated balance at the beginning | Changes in equity share capital during | Balance at the end of the |
|---|---|---|---|---|
| 1,000 | - | - | - | 1,000.00 |

**B OTHER EQUITY**

**(1) Current Reporting Period FY 2021-2022**

(Amount (in INR millions unless otherwise stated))

| Description | Share Application money pending allotment | Equity component of compound Financial Instruments | Reserves and surplus | | | Other Comprehensive Income (OCI) | | | Money received against Share Warrants | Other Equity attributable to Parent (A+B+C+D+E) | Equity attributable to Non Controlling Intrest (NCI) | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | General Reserve (A) | Retained Earnings (B) | Capital Reserve (C) | Remeasurement of Defined Benefit Plans (D) | Gains / (Losses) from Investments in Equity Instruments designated head FVOCI (E) | Other Items of Other Comprehensive Income (Specify Income) | | | | |
| **Balance as at March 31, 2021** | **-** | **-** | **696.93** | **4,472.31** | **901.64** | **(43.46)** | **2.92** | **-** | **-** | **6,030.33** | **23.96** | **6,054.29** |
| Profit for the year | | | | 687.67 | | | | | | 687.67 | 3.93 | 691.60 |
| Dividend paid during the year | | | (250.00) | | | | | | | (250.00) | (1.11) | (251.11) |
| Other Comprehensive Income | | | | | | 21.91 | | | | 21.91 | (0.07) | 21.84 |
| Fair Value Gain on Equity Share Investment | | | | | | | 0.23 | | | 0.23 | | 0.23 |
| Income Tax impact on OCI | | | | | | (5.51) | (0.06) | | | (5.57) | 0.02 | (5.55) |
| **Balance as at March 31, 2022** | **-** | **-** | **446.93** | **5,159.98** | **901.64** | **(27.06)** | **3.09** | **-** | **-** | **6,484.57** | **26.72** | **6,511.29** |

**(2) Previous Reporting Period FY 2020-2021**

(Amount (in INR millions unless otherwise stated))

| Description | Share Application money pending allotment | Equity component of compound Financial Instruments | Reserves and surplus | | | Other Comprehensive Income (OCI) | | | Money received against Share Warrants | Other Equity attributable to Parent (A+B+C+D+E) | Equity attributable to Non Controlling Intrest (NCI) | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | General Reserve (A) | Retained Earnings (B) | Capital Reserve (C) | Remeasurement of Defined Benefit Plans (D) | Gains / (Losses) from Investments in Equity Instruments designated head FVOCI (E) | Other Items of Other Comprehensive Income (Specify Income) | | | | |
| **Balance as at March 31, 2020** | **-** | **-** | **1,246.93** | **3,870.84** | **890.10** | **(44.86)** | **2.75** | **-** | **-** | **5,965.76** | **21.16** | **5,986.92** |
| Profit for the year | | | | 601.47 | | - | - | | | 601.47 | 2.68 | 604.15 |
| Dividend paid during the year | | | (250.00) | | | - | - | | | (250.00) | | (250.00) |
| Less: Bonus issue | | | (300.00) | - | | - | - | | | (300.00) | | (300.00) |
| Fair Value Gain on Equity Share Investment | | | - | - | | - | 0.22 | | | 0.22 | | 0.22 |
| Other Comprehensive Income | | | - | - | | 17.29 | | | | 17.29 | 0.16 | 17.45 |
| Income Tax impact on OCI | | | - | - | | (4.35) | (0.06) | | | (4.41) | (0.04) | (4.45) |
| Other Changes (Refer Note 1) | | | | | 11.54 | (11.54) | - | | | - | | - |
| **Balance as at March 31, 2021** | **-** | **-** | **696.93** | **4,472.31** | **901.64** | **(43.46)** | **2.92** | **-** | **-** | **6,030.33** | **23.96** | **6,054.29** |

**(3) Previous Reporting Period FY 2019-2020**

(Amount (in INR millions unless otherwise stated))

| Description | Share Application money pending allotment | Equity component of compound Financial Instruments | Reserves and surplus | | | Other Comprehensive Income (OCI) | | | Money received against Share Warrants | Other Equity attributable to Parent (A+B+C+D+E) | Equity attributable to Non Controlling Intrest (NCI) | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | General Reserve (A) | Retained Earnings (B) | Capital Reserve (C) | Remeasurement of Defined Benefit Plans (D) | Gains / (Losses) from Investments in Equity Instruments designated head FVOCI (E) | Other Items of Other Comprehensive Income (Specify Income) | | | | |
| **Balance as at March 31, 2019** | | | **246.93** | **3,992.24** | **-** | **39.44** | **2.60** | | | **4,281.22** | **-** | **4,281.22** |
| Effect of changes in Prior Period Expenses / Income | | | | (65.52) | | | | | | (65.52) | | (65.52) |
| **Restated Balance as at 01 April, 2019** | | | **246.93** | **3,926.72** | **-** | **39.44** | **2.60** | | | **4,215.70** | | **4,215.70** |
| Effect of business combination as on date of acquisitation (i.e. 26/04/2019) | | | | | 890.10 | | | | | 890.10 | | 890.10 |
| Share of equity to NCI as Effect of business combination as on date of acquisitation (i.e. 26/04/2019) | | | | | | | | | | - | 18.95 | 18.95 |
| Profit for the year | | | | 1,470.97 | | | | | | 1,470.97 | 2.15 | 1,473.12 |
| Adjustment of profit on Business Combination (a) | | | | (8.45) | | | | | | (8.45) | | (8.45) |
| Transfer to General Reserve | | | 1,000.00 | (1,000.00) | | | | | | - | | - |
| Other Comprehensive Income | | | - | - | | (128.08) | 0.20 | | | (127.87) | 0.08 | (127.80) |
| Income Tax impact on OCI | | | | - | | 32.23 | (0.05) | | | 32.18 | (0.02) | 32.16 |
| Dividend paid including DDT Paid during the year | | | - | (518.40) | | | | | | (518.40) | | (518.40) |
| Prepaid exp and lease discounting | | | | | | (0.11) | | | | (0.11) | | (0.11) |
| Other changes (Lease Equalisation reserve) | | | - | - | | 11.65 | - | | | 11.65 | | 11.65 |
| **Balance as at March 31, 2020** | | | **1,246.93** | **3,870.84** | **890.10** | **(44.86)** | **2.75** | | | **5,965.76** | **21.16** | **5,986.92** |

Note 1: Being Profit attributable to Pre-acquisition period on Business combinations
Note 2: Being Lease Equalisation Reserve,Lease discounting & Prepaid Expense adjusted through other comprehansive Income transefered to Reserve & Surplus during the period year under consideration.
Following are the integral part of financial statements:
(a) Significant Accounting Policies and Notes to Restated Consolidated Financial Statement
(b) Reconciliation between Audited Consolidated Financial Statements and Restated Consolidated Financial Statements

**(Kavita Parmar)**
**Company Secretary & Compliance Officer**

**(Anil Trigunayat)**
**Director**
**(DIN No. 07900294)**

**(Anupam Mishra)**
**Director (C & HRD)**
**(DIN No. 08271048)**

**(Pankaj Kapoor)**
**Director (Finance)**
**(DIN No. 07290569)**

**(R K Agrawal)**
**Chairman-cum-Managing Director**
**(DIN No. 09344894)**

As per our Report of even date attached
**Serva Associates**
Chartered Accountants
FRN - 000272N

**Nitin Jain**
**Partner**
**M. No. 506898**

Place: New Delhi
Dated: September 23, 2022

**Annexure-IV**

**WAPCOS LIMITED**

**RESTATED CONSOLIDATED STATEMENT OF CASH FLOWS**

(Amount (in INR millions unless otherwise stated))

| | Particulars | For the year ended March 31, 2022 | | For the year ended March 31, 2021 | | For the year ended March 31, 2020 | |
|---|---|---|---|---|---|---|---|
| A) | **Cash Flow From Operating Activities** | | | | | | |
| | Net Profit Before Tax As Per Statement Of Profit And Loss | | **1.018.56** | | **924.61** | | **2.452.34** |
| i) | **Adjustment For:** | | | | | | |
| | Interest Income Recognised In Statement Of Profit/ (Loss) | (418.28) | | (443.65) | | (518.86) | |
| | Dividend Income | (0.06) | | (0.05) | | (0.05) | |
| | Concessional Rent / Lease Termination | (7.45) | | (1.95) | | - | |
| | (Profit) Loss On Account Of Exchange Variation | (121.14) | | 104.96 | | (191.10) | |
| | (Profit)/Loss On Sale Of Fixed Assets (Net) | 0.80 | | 0.07 | | 2.93 | |
| | Fixed Assets written off | 0.35 | | 0.17 | | 1.32 | |
| | Provision For Trade Receivable And Retention Money | 505.97 | | 780.64 | | 702.65 | |
| | Provision For Advance rent | 2.50 | | - | | - | |
| | Provision For Advance to supplier | 0.58 | | - | | - | |
| | Depreciation And Amortisation | 54.73 | | 64.82 | | 69.85 | |
| | Depreciation And Amortisation On Right to Use | 69.02 | | 85.54 | | 82.71 | |
| | Provision Written Back | (12.57) | | - | | (257.77) | |
| | Finance Cost Rou Assets | 16.26 | | 22.10 | | 23.78 | |
| | Finance Cost Term Loan | 6.36 | | - | | - | |
| | Finance Cost CASH CREDIT | 34.33 | | 28.06 | | 2.09 | |
| | EIR Adjustment in Long term Borrowings | 0.06 | | - | | - | |
| | Unadjusted credit balances written back | (1.84) | | - | | (714.74) | |
| | Provision for Impairment losses | | | (13.93) | | 16.12 | |
| | Provision for employee benefits | 37.12 | | 47.72 | | 49.11 | |
| | Trade receivables written off | | | | | 735.94 | |
| | Adjustment of reduction in revenue and expenses | (0.01) | | | | 25.44 | |
| | Loss on CPF Trust | - | | - | | 5.06 | |
| | Adjustment Of Change In Accounting Policies (Due To Ind As) | - | | - | | 11.54 | |
| | | | 166.73 | | 674.50 | | 46.02 |
| | **Operating Profit Before Working Capital Changes** | | **1.185.29** | | **1.599.11** | | **2.498.36** |
| ii) | **Changes In Assets And Liabilities** | | | | | | |
| | Trade Receivable | (1.367.15) | | 168.91 | | (8.433.53) | |
| | Trade Payable | (291.73) | | 1.057.23 | | 4.178.49 | |
| | Inventories | (0.09) | | 0.07 | | 0.20 | |
| | Other Current Assets | 50.40 | | (834.67) | | 234.03 | |
| | Non- Current Assets | 11.67 | | 81.72 | | 239.72 | |
| | Other Current Financial Assets | (47.98) | | 1.23 | | 1.969.99 | |
| | Non Current Financial Assets | 1.961.13 | | (2.624.14) | | (927.87) | |
| | Other Current Liabilities | 2.367.82 | | 1.100.01 | | 1.237.74 | |
| | Non Current Liabilities | 1.265.09 | | (597.04) | | 160.08 | |
| | Other Current Financial Liabilities | 279.04 | | (828.74) | | 749.87 | |
| | Non Current Financial Liabilities | 103.26 | | 1.827.32 | | 235.00 | |
| | Current Provisions | (22.45) | | 28.20 | | (81.06) | |
| | Non-Current Provision | 20.82 | | 23.86 | | 148.44 | |
| | | | 4.329.83 | | (596.04) | | (288.90) |
| | **Cash Generated From Operating Activities Before Taxes** | | **5.515.12** | | **1.003.07** | | **2.209.46** |
| | Less: Corporate Tax Paid | (791.29) | (791.29) | (483.13) | (483.13) | (868.26) | (868.26) |
| | Less: Corporate Tax Paid / Adjusted For Earlier Years | | - | | - | (12.00) | (12.00) |
| | **Net Cash Flow From Operating Activities** | | **4.723.83** | | **519.94** | | **1.329.20** |
| B) | **Cash Flow From Investing Activities** | | | | | | |
| | Dividend Income | 0.06 | | 0.05 | | 0.05 | |
| | Sale Of Property, Plant & Equipment | 2.09 | | 1.52 | | 2.92 | |
| | Disposal Of Intangible Assets | - | | - | | - | |
| | Purchase Of Property, Plant & Equipment | (47.39) | | (13.70) | | (84.94) | |
| | Purchase Of Intangible Assets | (28.17) | | (2.32) | | (2.88) | |
| | Investment in NPCC | - | | - | | (798.00) | |
| | Deposit Not Considered As Cash & Cash Equivalent | (5.864.05) | | 1.791.63 | | (2.525.10) | |
| | Interest Income Recognised In Statement Of Profit/ (Loss) | 418.28 | | 443.65 | | 518.86 | |
| | Interest of Lease Liability | | | | | | |
| | **Net Cash Flow From Investing Activities** | | **(5.519.18)** | | **2.220.83** | | **(2.889.09)** |
| C) | **Cash Flow From Financing Activities** | | | | | | |
| | Principal elements of lease payments | (64.43) | | (74.93) | | (69.08) | |
| | Interest element of lease payments | (16.26) | | (22.10) | | (23.78) | |
| | Proceeds from long term borrowings | 398.23 | | - | | - | |
| | (Repayment) of long term borrowings | (19.75) | | - | | - | |
| | Proceeds from short term borrowings | | | 441.49 | | 40.52 | |
| | Repayments from short term borrowings (net) | (52.02) | | - | | | |
| | Dividend paid to Company's shareholders (Including Tax) | (251.11) | | (250.00) | | (518.40) | |
| | Finance Cost paid | (40.70) | | (28.06) | | (2.09) | |
| | **Net Cash Flow From Financing Activities** | | **(46.04)** | | **66.40** | | **(572.83)** |
| | Effect Of Exchange Difference On Translation Of Foreign Currency Cash & Cash Equivalents | | 121.14 | | (104.96) | | 191.10 |
| | **Net Increase / Decrease In Cash & Bank Balances** | | **(720.25)** | | **2.702.21** | | **(1.941.62)** |
| | **Cash & Bank Balances At The Beginning Of The Year** | | **6.292.63** | | **3.590.42** | | **5.532.05** |
| | **Cash & Bank Balances At The Closing Of The Year** | | **5,572.37** | | **6,292.63** | | **3,590.42** |
| | **Notes** | | **(720.26)** | | **2,702.21** | | **(1,941.63)** |
| | **1.Indirect Method Has Been Followed For Preparing Cash Flow As Per Ind As-7** | | 5.572.37 | | 6.293.63 | | 3.590.43 |
| | **2. Cash & Bank Balances Represents:** | | 5.572.37 | | 6.292.63 | | 3.590.43 |
| | **A. Cash & Cash Equivalents :** | | | | | | |
| | (A) Balance With Banks In Current A/C'S | | 5.397.81 | | 5.787.91 | | 3.261.02 |
| | (B ) Remittance In Transit | | | | 218.00 | | 7.62 |
| | (C) Bank Deposits Having Original Maturity Less Than 3 Months | | 173.56 | | 285.72 | | 320.78 |
| | (D) Cash On Hand | | 1.00 | | 1.00 | | 1.00 |
| | (E) Postage Stamps | | - | | - | | - |
| | | | 5,572.37 | | 6,292.63 | | 3,590.42 |

**Note: Reconciliation of liabilities arising from Financing activities under Ind AS 7**

| Borrowings | For the year ended 31st March, 2022 | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|---|---|---|
| Balance at the beginning of the year | 482.00 | 40.52 | - |
| Cash flow - Proceeds / (Repayments) | 326.47 | 441.48 | 40.52 |
| Non cash changes | 0.06 | - | - |
| Balance at the end of the year | **808.53** | **482.00** | **40.52** |

**Notes**

Following are the integral part of financial statements:

(a) Significant Accounting Policies and Notes to Restated Consolidated Financial Statement

(b) Reconciliation between Audited Consolidated Financial Statements and Restated Consolidated Financial Statements

**For and on behalf of the Board**

**(Kavita Parmar)**
**Company Secretary & Compliance Officer**

**(Anil Trigunayat)**
**Director**
**(DIN No. 07900294)**

**(Anupam Mishra)**
**Director (C & HRD)**
**(DIN No. 08271048)**

**(Pankaj Kapoor)**
**Director (Finance)**
**(DIN No. 07290569)**

**(R K Agrawal)**
**Chairman-cum-Managing Director**
**(DIN No. 09344894)**

As per our Report of even date attached
Serva Associates
Chartered Accountants
FRN - 000272N

**Nitin Jain**
**Partner**
**M. No. 506898**

Place: New Delhi
Dated: September 23, 2022

**Annexure-V**
**WAPCOS LIMITED**

**Part-A: Reconciliation between Audited and Restated Net Profit After Tax**

**(Amount (in INR millions unless otherwise stated))**

| Particulars | Note No. | As At March 31,2022 | As At March 31,2021 | As At March 31,2020 |
|---|---|---|---|---|
| **(A) Audited Profit After Tax** | | 660.66 | 613.64 | 1,541.02 |
| | | | | |
| **(B) Material Restatement Adjustment-** | | | | |
| a) Audit Qualification* | | - | - | - |
| **b) Income tax expense related to earlier years reversed and adjusted in the year to which the same belongs to.** | 31 | 30.94 | (9.49) | (26.82) |
| **c) Regroupings** | | | | - |
| **d) Prior Period Adjustment** | | | | (41.08) |
| **Total Adjustments (B)** | | **30.94** | **(9.49)** | **(67.90)** |
| | | | | |
| **Restated Profit After Tax (A+B)** | | **691.60** | **604.15** | **1,473.12** |

**Part- B: Reconciliation between Audited Equity and Restated Equity**

**(Amount (in INR millions unless otherwise stated))**

| Particulars | Note No. | As At March 31,2022 | As At March 31,2021 | As At March 31,2020 |
|---|---|---|---|---|
| **(A) Audited Equity** | | 6,511.29 | 6,085.23 | 6,008.37 |
| | | | | |
| **(B) Material Restatement Adjustments-** | | | | |
| **a) Income tax expense related to earlier years reversed and adjusted in the year to which the same belongs to.** | 2 | | (30.94) | (21.45) |
| **Total Adjustments (B)** | | **-** | **(30.94)** | **(21.45)** |
| | | | | |
| **Restated Equity (A+B)** | | **6,511.29** | **6,054.29** | **5,986.92** |

a) **Audit Qualification**

I. The Auditors have provided modified opinion on company's change of estimates in respect of Expected credit loss matrix for Trade receivables and it's impact on the profit for the respective financial years and also it's treatement in the financial statements. The management is of the view, that same being in the nature of a change in the accounting estimate, the has same not been considered for restatement.

II. The Auditors have provided modified opinion regarding non provisioning of ECL in respect of receivables against Projects executed with Afghanistan and Sri Lankan clients. The management is of the view, that same are fully recoverable, the same has not been considered for restatement.

III. The Auditors have provided modified opinion on the reconciliaiton differences with 3rd parties, whereas majority of cases where the confirmations could not be obtained. The Management is of the view, that the balances as per the books are a true reflection of the outsnading balances, the same has not been considered for restatement.

IV. The Auditors have provided modified opinion regarding non provisioning of interest on MSME dues. This is non quantifiable in Auditors modified opnion and has not been considered for restatement .

VI. Other items of Auditors modified opinion do not require any restatement.

VI. In view of the management, the matters reported by the Auditors as Key Audit Matters and Emplasis on Matter do not require any restatement.

b) **Restatement of Income Tax Provision of earlier years -**

Additional tax provision in respect of prior years has been adjusted in the year to which the additional tax provision relates.

c) **Regrouping in Restated Consolidated Statements**

Appropriate regroupings have been made in the Restated Consolidated Statements of assets and liabilities, Restated Consolidated Statement of profit and loss and cash flows, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows, in order to bring them in line with the accounting policies and classification as per the Ind AS Financial statements of the Company for the year ended March 31, 2022 prepared in accordance with Schedule III of the Act, requirements of Ind AS 1 – Presentation of Financial Statements and other applicable Ind AS principles and requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, as amended.

d) **Prior Period Adjustment**

Adjusements pertaining to the FY 2019-20 with respect to income and expenditure, have now been accounted for in the respctive profit and loss line items, which were earlier routed through Statement of Changes in Equity, directly impacting retained earnings.

e) The restated financial statements have been prepared in terms of the prevalent SEBI(ICDR) Regulations and the Guidance Note on the Restated Financial Statement as issued by the Institute of Chartered Accountants of India and the exceptional items in the audited financial statements do note require any adjustment in the restated financials.

*Annexure-VI*
*SIGNIFICANT ACCOUNTING POLICIES*

## 1.1 GENERAL

### (a) Group Information

This restated consolidated financial statements comprise the financial statements of WAPCOS Limited ("the Holding Company", "Company") and its subsidiary (collectively known as "the Group"). The Holding Company is a Company incorporated in India and registered under the Companies Act, 1956 ('the Act'). The Company is primarily engaged in the Consultancy and Construction.

### (b) Basis of Preparation of Restated Consolidated Financial Statements

The Restated Consolidated Financial Statements of assets and liabilities as at March 31, 2022, March 31, 2020 and March 31, 2021 and the Restated Consolidated Financial Statements of profit and loss (including Other Comprehensive Income), Restated Consolidated Statement of changes in equity and Restated Consolidated statement of cash flows for year ended March 31, 2022, March 31, 2021 and March 31, 2029 (hereinafter collectively referred to as "**Restated Consolidated Financial Statements**") have been prepared specifically for inclusion in the Draft Red Herring Prospectus ("DRHP") to be filed by the Company with the Securities and Exchange Board of India ("**SEBI**") in connection with the proposed initial public offer which comprises of offer for sale by certain shareholders' existing equity shares of ₹ 10 each at such premium arrived at by the book building process (referred to as the 'Issue'). The Restated Financial Statements, which have been approved by the Board of Directors of the Company, have been prepared in accordance with the requirements of: Sub-section (1) of Section 26 of Chapter III of the Companies Act; relevant provisions of the SEBI ICDR Regulations; and The Guidance Note on Report in company prospectus (Revised 2019) issued by the ICAI (referred to as the **Guidance Note**).

These Restated Consolidated Financial Statements have been compiled from the audited annual consolidated financial statements as at and for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 which were prepared by the Group in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act 2013, read with Companies (Indian Accounting Standards) Rules 2015, Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended and other accounting principles generally accepted in India.

Accounting Policies have been consistently applied except where a newly issued Indian accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. These Restated financial statements for the year ended 31st March 2022, have been prepared in accordance with all applicable Ind AS.

The Restated Consolidated Financial Statements have been prepared on the historical cost basis as explained in the accounting policies below, except certain financial assets and liabilities which are measured at fair value where the Ind AS requires a different accounting treatment (refer accounting policy regarding financial instruments); The preparation of these Restated Consolidated Financial Statements requires the use of certain critical accounting estimates and judgements. It also requires the management to exercise judgement in the process of applying the Group's accounting policies.

All assets and liabilities have been classified as current or non-current as per Group's operating cycle and other criteria set out in Schedule – III to the Companies Act, 2013. Based on nature of activities and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

### (c) Principles of Consolidation

The Restated Consolidated Financial Statements comprise the financial statements of the Group and its controlled entity i.e. subsidiary at the reporting date.

Restated Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company.

**Consolidation procedure for Subsidiary**

Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiary.

Offset (eliminate) the carrying amount of the parent's investment in subsidiary and the parent's portion of equity of subsidiary.

Eliminate in full intra group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group. Intra group losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

**Business Combinations**

Acquisitions of businesses (except for Business Combinations under Common Control) are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value which is calculated as the sum of the acquisition date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquire and the equity interests issued by the Group in exchange of control of the acquiree.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at the fair value, except that: —

Deferred tax assets or liabilities or liabilities related to employee benefit arrangements are recognized and measured in accordance with Ind AS 12 'Income Taxes' and Ind AS 19 'Employee Benefits' respectively;

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree if any over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

In case of a bargain purchase, before recognizing a gain in respect thereof, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognizes any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognizes the same in equity as capital reserve. This gain is attributed to the acquirer.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case may be. Measurement period adjustments are adjustments that arise from additional information obtained by the Group during the measurement period' about facts and circumstances that existed at the acquisition date. Measurement period does not exceed one year from the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognized in the consolidated statement of profit and loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquire is remeasured to its acquisition date fair value and the resulting gain or loss, if any, is recognized in the consolidated statement of profit and loss. Amounts arising from interests in the acquire prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to the consolidated statement of profit and loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period recognizing additional assets or liabilities (if any to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

**Non-Controlling Interests**

Non-Controlling Interests represent the proportion of income , other comprehensive income and net assets in subsidiary that is not attributable to the Company's Shareholders.

Non-Controlling Interests are initially measured at the proportionate share of the recognized amounts of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of the interest at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

**Cost of Control on consolidation**

Cost of control arising on all acquisition of a business is carried at cost as established at the date of acquisition of the business.

**1.2 Use of Estimates**

In preparing the financial statements, the management has to make certain judgments, estimates and assumptions. These estimates, judgments, and assumptions affect the application of accounting policies and the reported amount of assets and liabilities, disclosure of contingent assets and contingent liabilities as at the date of the financial statements and the reported amount of revenues and expenses for the year.

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and its subsidiary (the "**Group**") and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Group believes to be reasonable under the existing circumstances. Although the Group regularly assesses these estimates, actual results could differ from the estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

**1.3 Revenue Recognition**

**Revenue from Operations**

1.3.1 The Group derives operating revenue primarily from Consultancy & Construction Contracts.

1.3.2 The general parameters for recognizing revenue in the financial statements are stated below which are applicable to all streams of revenue while specific parameters are stated in the accounting policy of the respective stream of revenue.

**General Parameters**

For the purpose of revenue recognition, the Group follows a five step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when / as performance obligation(s) is/are performed

The Group often enters into transactions involving a range of the Group's services. In all cases, the total transaction price for a contract is based on performance obligations.

Revenue is recognized either at a point of time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

Transaction price is the amount to which the Group expects to be entitled in exchange for transferring good or service to a customer. The consideration promised in a contract may include fixed amounts, variable amounts or both. Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance. Payment terms agreed with customers are as per business practice and there is no financing component involved in the transaction price.

The Group does not incur any cost for obtaining contracts except administrative cost required for preparation of offers and the same is charged to the Statement of Profit and Loss.

Cost incurred in fulfilling the contract is charged against the revenue of the respective contract in the Statement of Profit and Loss.

Revenue on contracts are recognized as the related services are performed and revenue from the end of the last billing to the Balance Sheet date is recognized as unbilled revenue in the balance sheet.
The Group recognizes contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the balance sheet. Similarly, if the Group satisfies a performance obligation but consideration is yet to be received , then before the consideration is received, the Group recognizes a contract asset in its balance sheet.

1.3.3 Revenue is recognized exclusive of Goods & Service Tax (GST).

1.3.4 Contract revenue comprises of the initial amount of revenue agreed in the contract

1.3.5 Consultancy Fee

- Revenue from providing services is recognized in the accounting period in which services are rendered. Revenue is recognized based on performance obligation satisfied either over time or at a point of time when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.
- In case performance obligations are satisfied over time, revenue is recognized based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided using appropriate method depending on the nature of transaction as per contractual stipulations.
- In other cases where performance obligation is not satisfied over time, revenue is recognized at a point of time.
- In the case of Cost Plus contracts, the revenue is recognized on the basis of amount billable commensurate with the progress of work under the contract and completion of associated performance obligations by transferring the promised goods or services to its customers.
- Non-Adjustable Mobilization advance/fee is recognized as revenue considering that the associated performance obligations have been satisfied. However , recoverable mobilization advance is adjusted against subsequent revenue bookings.
- In construction Management / Supervision contracts , revenue is recognized as a percentage of the value of work done / built up cost of each contract as determined by the management , pending customer's approval, if any.
- Revenue on contracts are recognized as the related services are performed and revenue from the end of the last billing to the Balance Sheet date is recognized as unbilled revenue in the balance sheet.

1.3.6 **Construction Projects**

- In Construction contracts / projects, the Group recognizes revenue over time. Due to high degree of interdependence among various elements of these projects, revenue is accounted for considering these projects as a single performance obligation.
- In construction Management / Supervision contracts, revenue is recognized as a percentage of the value of work done / built up cost of each contract as determined by the management, pending Customer/ Client's approval, if any.

Cost plus contracts

- Revenue from cost plus contracts is recognized over time and is determined with reference to the extent performance obligations have been satisfied. To depict the progress by which the Group transfers control of the promised goods to the customer and to establish when and to what extent revenue can be recognized, the Group measures its progress towards complete satisfaction of the performance obligation based on work done.
- The amount of transaction price allocated to the performance obligations satisfied represents the recoverable costs incurred during the period plus the margin as agreed with the customer.
- In case of a cost plus contract if Consultancy income / fee is stipulated as a separate item, such consultancy income / fee is recognized as revenue over a period of time or at a point of time as the Group satisfies performance obligations by transferring the promised goods or services to its customers in accordance with the terms of the contract.
- In other cases, Revenue is recognized over time to the extent of performance obligations satisfied and control is transferred to the customer. Contract revenue is recognized at allocable transaction price which represents the cost of work performed on the contract plus proportionate margin.

Any expected loss is recognized as a provision for foreseeable losses at reporting date.

Engineering Procurement and Construction (EPC)
For EPC Contracts, transaction price is the price which is contractually agreed with the customer for provision of services. The revenue is recognized over time based on the input method of measuring progress because in such contracts, the customer receives and uses the benefits as the Group performs the obligations.
Any expected loss is recognized as a provision for foreseeable losses at reporting date.

1.3.7 Revenue from sale of goods including contracts for supply / commissioning of plant and equipment is recognized as follows:

Revenue from sale of goods is recognized when the control of the same is transferred to the customer and it is probable that the Group will collect the consideration to which it is entitled for the exchanged goods. Performance obligations in respect of contract for sale of goods is considered as satisfied at a point of time when the control of the same is transferred to the customer and where there is an alternate use of the asset or the Group does not have either implicit or explicit right of payment for performance completed till date. In case where there is no alternative use of the asset and the Group has either implicit or explicit right of payment considering legal precedents, performance obligation is considered as satisfied over a period of time and revenue is recognized over time.

1.3.8 The reimbursable expenses recoverable are in the nature of current assets and are adjusted to the extent reimbursed by the client.

1.3.9 Interest income is recognized using the effective interest method when it is probable that the economic benefits associated with the transaction will flow to the entity and amount can be measured reliably.

1.3.10 Dividend income is recognized when the right to receive payment is established and it is probable that the economic benefits associated with the transaction will flow to the entity and amount can be measured reliably.

1.3.11 **<u>Others</u>**

The holding company of the Group has a policy of taking bond money from new regular recruits engaged in the Group. The bond money is kept in the form of fixed deposit receipts with banks in the name of the Group. The interest accrued on the deposits along with principal amount is treated as Asset & Liability in the books of the Group. On successful completion of the bond period, the bond money is returned to the respective officials with interest accrued thereon. If the official leaves the Group before the completion of the bond period, the same is forfeited and the same is treated as Income.

## 1.4 Property, Plant and Equipment (PPE)

Free hold land is carried at historical cost. Property, Plant and Equipment are initially recognized at cost i.e, cost of acquisition or construction inclusive of freight, erection and commissioning charges, non-refundable duties and taxes, expenditure during construction period, borrowing costs, in case of a qualifying asset, upto the date of acquisition / installation, net of accumulated depreciation and impairment losses, if any. Subsequent measurement is done at cost less accumulated depreciation and impairment loss, if any. Cost includes expenditure that is directly attributable for bringing the asset ready for its intended use by management.

Subsequent expenditures relating to property, plant and equipment are capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the Statement of Profit & Loss when incurred. 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 statement of Profit and Loss when the asset is derecognized. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

Depreciation on Property, Plant and Equipment is provided under Straight Line Method (SLM) based on the useful life as prescribed in Schedule II to the Companies Act, 2013 which matches the assessment of the Management. Depreciation method, useful lives and residual values are reviewed at the end of each financial year. The useful lives of assets are as prescribed in Part C of schedule II of the Companies Act, 2013. In respect of additions to / deductions from assets during the year, depreciation is charged on pro rata basis.

The estimated useful lives of the various assets are as under:-

| Asset Class | Useful lives (Years) |
|---|---|
| Office Buildings with RCC Frame Structures | 60 |
| Furniture & Fixtures | 10 |
| Vehicles – Motor Cars | 8 |
| Vehicles – Motor Cycles, Scooters and other mopeds | 10 |
| Office Equipments | 5 |
| Electrical Works | 10 |
| Computers | 3 |
| Networking Server | 6 |
| Temporary Wooden Structure | 3 |
| Engineering and other Books | 3 |
| General Plant & Machinery | 15 |

Derecognition

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 Statement of Profit and Loss when the asset is derecognized.

Capital Work In Progress

Assets which are not ready for intended use are carried at cost comprising direct cost, related incidental expenses and attributable interest.

## 1.5 Intangible Assets

An intangible asset is an identifiable non-monetary asset without physical substance such as a technical knowhow, computer software. It is capitalized if the future economic benefits attributable to the asset will probably flow to the Group and the cost of acquisition or generation of the asset can be reliably measured. It is amortized from the point at which the asset is available for use.

Intangible assets acquired / developed are measured on recognition at cost less accumulated amortization and impairment losses if any.
Intangible assets are amortized on straight line basis over estimated useful lives from the date on which they become available for use.

**Amortization:**

Computer software is amortized over a period of 3 years or over their license period, as applicable. Licences of application and operating software for specified periods are charged tom revenue with respect to period of licence.

**Derecognition**

Gains or losses arising from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and is included in the Statement of Profit and Loss when the asset is derecognized.

**1.6 Financial Instruments**

**Initial recognition**

Group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition except for trade receivables / trade payables which are initially measured at transaction date. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit and loss are added or deducted to / from the fair value on initial recognition.

**Subsequent measurement**

a) Financial assets are subsequently measured at amortized cost if these are held with in a business model whose objective is to hold the asset in order to collect cash flows and the contractual terms of the financial assets give rise on specific dates to cash flows that are solely payments of principal and Interest on the principal amount outstanding using the effective interest rate (EIR) method. The EIR amortization is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss.

b) Financial assets at fair value through profit or loss
The financial assets are measured at fair value through profit and loss unless it is classified at amortized cost.

c) 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 fair value method.
All other financial liabilities are subsequently measured at amortized cost using EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are de-recognized as well as through the EIR amortization process.
The Group holds non-derivative financial instruments. The Non-derivative financial instruments comprises of:

i. Financial assets, which include cash and cash equivalents, investments in equity, trade receivables, retentions by Project Authorities, unbilled revenues, employee and other advances (including Security deposits given which are refundable to Group).
ii. Financial liabilities, which include trade payables, retentions from contractual payments (including security deposits taken which are payable by Group).

Subsequent to initial recognition, non-derivative instruments are measured as follows:

(i) **Cash & Cash Equivalents:**
Cash comprises cash on hand and demand deposits with banks. Cash equivalents includes short term deposits with an original maturity of three months or less from the date of acquisition which are readily convertible into known amounts of cash and be subject to an insignificant risk of change of value. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

(ii) **Investment in Equity**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Group decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL).

(iii) **Financial Assets at Amortized Cost.**

Loans, Advances other than capital advances and Receivables are presented as current financial assets, except for those maturing later than 12 months after the reporting date which are presented as non-current financial assets. Loans and Receivables are initially recognized at fair value and are subsequently measured at amortized cost using effective interest method (EIR).

(iv) **Financial Assets at fair value through profit or loss:**

A, financial asset, which is not classified in any of the above categories, is subsequently fair valued through profit and loss (FVTPL).
De-recognition of financial instruments

A financial asset is derecognized when:

(1) The rights to receive cash flows from the asset have expired, or
(2) the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risk and rewards of the asset, but has transferred control of the asset.

A financial liability or a part of financial liability is derecognized from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

**1.7 Impairment**

**a) Financial Assets (other than at fair value):**

In accordance with Ind AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss for financial assets.

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 Group expects to receive. When estimating the cash flows, the Group is required to consider: (1) All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets and (2) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

<u>Trade Receivables</u>

As a practical expedient the Group has adopted "Simplified approach" using the provision matrix method for recognition of expected loss on trade receivables. The provision matrix is based on historical default rates observed over the expected life of the trade receivables and is adjusted for forward – looking estimates. At every reporting date, the historical default rates are updated and changes in the forward – looking estimates are analysed. Further receivables are segmented for this analysis where the credit risk characteristics of the receivables are similar.

**b) Non-financial assets:**

(Tangible and Intangible Assets)

PPE and Intangible Assets with definite lives, are reviewed for impairment, whenever events or changes in circumstances indicate that their carrying values may not be recoverable. For the purpose of impairment testing, the recoverable amount (that is, higher of the fair value less costs to sell and value in use) is determined on an individual asset basis, unless asset does not generate cash flows that are largely independent of those from other assets, in which case recoverable amount is determined at the cash generating – unit (‘CGU”) level to which the said assets belongs.

An asset is treated as impaired when carrying cost of an asset exceeds its recoverable amount (i.e higher of the fair value less cost to sell and the value in use). Impairment loss is charged to the Statement of Profit & Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount and such losses either no longer exits or has decreased. Reversal of impaired loss is recognized in the statement of Profit & Loss to the extent of previously recognized or balanced impairment loss.

**Write Off**

Financial Assets
(other than at fair value)
Such assets including Trade Receivables, Retention Money, and security deposit outstanding for a period exceeding ten years are written off.

Non-Financial Assets
(Tangible and Intangible Assets)
Such assets including property, plant and equipment, intangible assets, inventory etc. are written off when, in the opinion of the management, such assets have become obsolete, damaged beyond repair, stolen and uneconomical to use.

Such items of Inventory are disposed off when, in the opinion of the management, such items have become obsolete, damage beyond repair, stolen and uneconomical to use.

**1.8 Provisions, Contingent Liabilities and Contingent Assets**

(i) Provisions are recognized only when:

a. The Group has a present obligation (legal or constructive) arising as a result of a past event;

b. That will probably give rise to a future outflow of resources embodying economic benefits will be required to settle the obligation; and

c. A reliable estimate can be made of the amount of the obligation.

Provision is determined by estimating the cash flows required to settle the obligation and if the effect of the time value of money is material, the carrying amount of the provisions is the present value of the cash outflows. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

(ii) Contingent Liabilities are not recognized but are disclosed in the notes in any of the following cases:

a. A present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation; or
b. A reliable estimate of the present obligation cannot be made; or
c. A possible obligation, unless the probability of outflow of resources is remote.

Contingent liability is net of estimated provisions considering possible outflow on settlement

(iii) Contingent assets are not recognized but are disclosed when an inflow of an economic benefit is a probable. Contingent assets, contingent liability and provisions needed against contingent liabilities are reviewed at each balance sheet date.

**1.9 Employees Benefits**

1.9.1 **<u>Defined Contribution Plan</u>**

A defined contribution plan is a post –employment benefit plan under which an entity pays fixes contribution into separate funds and will have no legal or constructive obligation to pay further amounts. The Group recognizes contribution payable to such funds / schemes as an expense, when an employee renders the related services. If the Contribution payable to the schemes for services received before the balance sheet exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet, then excess is recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payment or a cash refund.

Obligations of contributions to defined benefit plans are recognized as an employee benefits expenses in the Statement of Profit & Loss in the period during which services are rendered by employees.

The holding company of the Group has a defined contribution pension scheme which is administered through a separate trust. The obligation of the holding company of the Group is to contribute to the trust to the extent an amount not exceeding 30 % of basic pay and dearness allowance less employer's contribution towards provident fund, gratuity, post-retirement medical scheme in respect of its employees. The contributions to the fund for the year are recognized as an expense and charged to the Statement of Profit & Loss.

The Group makes contribution to the recognized provident fund trust of its holding and subsidiary for its employees which is a defined benefit plan to the extent that the Group has an obligation to make good the shortfall, if any, between the returns from the investments of the trust and the notified interest rate. The Group's obligation in this regard is determined by an independent actuary and provided for if the circumstances indicate that the trust may not be able to generate adequate returns to cover the interest rates notified by the Government. Group's contribution to the Fund is charged to Statement of Profit and Loss.

1.9.2 **Defined Benefit Plans**

1.9.2.1 Gratuity

Group provides gratuity, a defined benefit plan covering eligible regular and contract employees. The gratuity plan provides a lump sum payment to vested employees of an amount based on the respective employee's salary and the tenure of employment with the Group at retirement, death, in capacitation, or on completion of the terms of employment.

The liabilities with regard to the Gratuity Plan are determined by actuarial valuation at each reporting date using the "Projected Unit Credit Method", performed by an independent actuary, at the year end as follows:

(i) Holding company of the Group has set up a Gratuity Trust Fund which is being administered by Life Insurance Corporation of India (LIC) who invests the contribution in the schemes permitted by laws of India. Similarly, the subsidiary company of the group has also set up a Gratuity Trust Fund which is managed by the subsidiary.
(ii) The Group recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability.
(iii) Gain or loss through re measurements of net defined benefit liability / (asset) is recognized in Other Comprehensive Income (OCI).
(iv) The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in Other Comprehensive Income (OCI).
(v) Service Cost and net interest cost / (income) on the net defined benefit liability / (asset) are recognized in Statement of Profit and Loss.

The effects of any plan amendments, if any, are recognized in the Statement of Profit and Loss.

1.9.2.2 Compensated Absences

The Group operates defined benefit plan for compensated absences. The cost of providing such defined benefits is determined by actuarial valuation at each balance sheet date using the "projected unit credit method".

1.9.2.3 Post-Retirement Medical Scheme

Obligations on Post-Retirement Medical Benefits are determined by actuarial valuation at each balance sheet date using the projected unit credit method. Actuarial gains/losses are recognized in the Statement of Other Comprehensive Income. The PRMS scheme is applicable only in the holding company of the group.

1.9.2.4 Other short-term benefits are accounted in the period during which the services are rendered and accordingly charged to Statement of Profit and Loss.

**1.10 Leases**

**<u>Group as a lessee</u>**

**Recognition**

At the inception of the lease, right of use shall be recognised at cost including any indirect costs to acquire the asset and dismantling costs (if any), reduced by lease incentives with a corresponding lease liability equal to the present value of unpaid lease payments except in the following cases:

i. short-term leases; or
ii. leases for which the underlying asset is of low value

In case of lease to be short term or low value, lease payments associated with those leases shall be charged as an expense on either a straight-line basis over the lease term or another systematic basis. The Group as a lessee applies another systematic basis if that basis is more representative of the pattern of the Group as a lessee's benefit. The interest element of lease payments is charged to Statement of Profit and Loss, as Finance Costs over the period of the lease.

**Subsequent measurement (Depreciation)**

The right of use is depreciated over the useful life of the underlying asset or the validity of the lease term whichever is shorter and is subject to impairment loss.
The residual values, useful lives and methods of depreciation of right of use are reviewed at each financial year end and adjusted prospectively, if appropriate.

**Re-measurement of lease liability**

The lease liability is re-measured (with corresponding adjustment to the right of use asset) when:

1. The lease term is revised – the lessee must reassess whether it is reasonably certain to exercise an extension option, or not to exercise a termination option, if there is a significant event or change in circumstances that:
    - is within the lessee's control; and
    - affects whether exercise (or non-exercise) is reasonably certain
2. Future lease payment based on an index or rate are revised
3. The lease is modified
4. There is a change in the amounts expected to be paid under residual value guarantees.

A lessee shall remeasure the lease liability by discounting the revised lease payments, if either:

a) there is a change in the amounts expected to be payable under a residual value guarantee. A lessee shall determine the revised lease payments to reflect the change in amounts expected to be payable under the residual value guarantee or
b) there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments, including for example a change to reflect changes in market rental rates following a market rent review. The lessee shall remeasure the lease liability to reflect those revised lease payments only when there is a change in the cash flows (i.e. when the adjustment to the lease payments takes effect). A lessee shall determine the revised lease payments for the remainder of the lease term based on the revised contractual payments.

A lessee shall use an unchanged discount rate, unless the change in lease payments results from a change in floating interest rates. In that case, the lessee shall use a revised discount rate that reflects changes in the interest rate.

**Lease modification**

A lessee shall account for a lease modification as a separate lease if both:

a) the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
b) the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, at the effective date of the lease modification a lessee shall:

a) allocate the consideration in the modified contract
b) determine the lease term of the modified lease
c) remeasure the lease liability by discounting the revised lease payments using a revised discount rate. The revised discount rate is determined as the interest rate implicit in the lease for the remainder of the lease term, if that rate can be readily determined, or the lessee's incremental borrowing rate at the effective date of the

modification, if the interest rate implicit in the lease cannot be readily determined.

For a lease modification that is not accounted for as a separate lease, the lessee shall account for the remeasurement of the lease liability by:

a. decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease. The lessee shall recognise in profit or loss any gain or loss relating to the partial or full termination of the lease.

b. making a corresponding adjustment to the right-of-use asset for all other lease modifications

**De-Recognition**

A right of use asset initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the right of use asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss account when the right of use asset is derecognized.

## 1.11 Foreign Currency Transactions

The financial statements are presented in Indian Rupee, which is the Group's functional and presentation currency. A Group's functional currency is that of the primary economic environment in which the Group operates.

Transactions in foreign currencies are initially recorded by the Group at functional currency spot rates at the date transaction first qualifies for recognition. However, for practical reasons, the Group uses an available average rate when average approximates the actual rate at the date of the transaction.

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

Exchanges differences arising on settlement or translation of monetary items are recognized in the Statement of Profit or Loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

## 1.12 Income Taxes

1.12.1 Current Income Tax

Current Income Tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The rates and tax laws used to compute the amount are those that are enacted or substantively enacted in India at the reporting date.

Management periodically evaluates positions taken in the tax assessments with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.
Current tax assets are offset against current tax liabilities, if and only if a legally enforceable rights exists to set off the recognized amounts and there is an intention either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Additional taxes, interest and / or penalties levied / imposed by the tax authorities / Appellate authorities on finality are recognized in the Statement of Profit and Loss.
Current tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity)

1.12.2 Deferred income taxes

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

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred 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 assets and liabilities are measured at the rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and the laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss is recognized (either in other comprehensive income or equity).

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

**1.13 Rates and Taxes**

Overseas taxes on foreign assignments, service tax, GST,value added tax, alike taxes, professional tax, property taxes, entry tax, labour cess, Octroi, etc. paid / accrued in India or abroad, based on availability of scrutiny documents / admissibility proofs are charged to statement of profit or loss upon and of limitation period for admissibility of such claims.

**1.14 Prepaid Expenses and Prior Period Adjustments**

Prepaid Expenses
Prepaid Expenses, in the year of incurrance, are treated as current /non current assets of the Group as may be the case & are treated as expenditure/income of the respective Financial Year to which it belongs and accounted for to the natural head of accounts in that respective year.

Prior Period Adjustments

Prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balance of assets liability and equity for the earliest period presented, are restated unless it is impracticable, in which case, the comparative information is adjusted to apply the new accounting policy prospectively from the earliest date practicable.

**1.15 Liquidated Damages/ Claims**

Liquidated damages / Claims are considered on admittance basis and are recognized as expense/income in Statement of Profit or Loss on crystallization.

**1.16 Corporate Social Responsibility Fund**

Unspent balance, if any remaining against stipulated percentage of profits under the statute, for Corporate Social Responsibility activities are appropriated to CSR Fund Account for future utilization.

**1.17 Dividends:**

Final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as liability on the date of declaration by the Group’s Board of Directors.

**1.18 Earnings per share**

In determining basic earnings per share, net profit attributable to equity shareholders is divided by weighted average number of equity shares outstanding during the period.

In determining diluted earnings per share, net profit attributable to equity shareholders is divided by weighted average number of equity shares considered for deriving basis earning per share and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converting as of the beginning of the period, unless issued at the later date. Dilutive potential equity share are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

**1.19 Statement of Cash Flow**

For the purpose of presentation in the Statement of Cash Flow, Cash and Cash equivalents comprise cash on hand, balances with banks including demand deposits, other short term highly liquid investments that are subject to an insignificant risk of changes in value, are easily convertible into known amount of cash and have a maturity of three months or less from the date of acquisition or investment. The cash flow from operating, financing and investing activities is segregated.

**1.20 Inventory**

Direct Materials, Stores and Spare Parts are valued at lower of cost or net realizable value. Cost is determined on First in First Out (FIFO) Method.

Inventories includes Spare parts of heavy vehicles, Loose Tools, welding materials, Spare parts for Plant and Machineries& others which are valued on the basis of realizable value, based on the engineering estimate.

Provision for obsolescence and slow moving inventory is made based on management's best estimates of net realisable value of such inventories.

**1.21 Leave Travel Concession**

Leave Travel Concession benefit is accounted for on actual availment basis.

**1.22 Investment property**

Investment property is property (land or a building—or part of a building—or both) that is held to earn rentals or for capital appreciation or both, rather than for sale in the ordinary course of business or for use in production or for administrative purposes.

Recognition:-

Investment Property is recognised as an asset when:

(a) It is probable that the future economic benefits that are associated with the investment property will flow to the entity; and
(b) The cost of investment property can be measured reliably.

Subsequent additions are made if recognition criteria are met.

Transfer to or from investment property is made when there is a change in use i.e. an asset meets or ceases to meet the definition of investment property and there is evidence of the change in use.

Subsequent measurement (Depreciation)

Depreciation on buildings held as investment property is provided on straight line method as specified in Schedule II of the Companies Act, 2013.

Derecognition

An item of Investment property and any significant part initially recognised is derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal.

The difference between the net disposals proceeds if any and the carrying amount of the asset is recognised in statement of profit or loss in the period of derecognition.

**1.23** Standards Issued But Not Effective

MCA had issued the Indian Accounting Standards Amendments Rules, 2022 vide notification dated 23rd March 2022.In the Indian Accounting Standards Amendments Rules, 2022, amendments has been made in following standards:-

1. First-time Adoption of Indian Accounting Standards (Ind AS-101)
2. Business Combinations (Ind AS-103)
3. Financial Instruments (Ind AS-109)
4. Property, Plant and Equipment (Ind AS-16)
5. Provisions, Contingent Liabilities and Contingent Assets (Ind AS-37)
6. Agriculture (Ind AS-41).

The effective date of these amendments is annual periods beginning on or after 1st April 2022. The Group is currently evaluating the impact of the amendments and has estimated no material financial impact on the financial statements.

**Annexure-VII**
**Statement of Accounting Ratios**

**(Amount (in INR millions unless otherwise stated))**

| Particulars | For the Year Ending 31st March 2022 | For the Year Ending 31st March 2021 | For the Year Ending 31st March 2020 |
|---|---|---|---|
| Restated Earning Per Share | | | |
| (i) Basic (In Rupees) | 5.32 | 4.65 | 11.33 |
| (ii) Diluted (In Rupees) | 5.32 | 4.65 | 11.33 |
| Return on Restated Net Worth (%) | 9.99% | 8.21% | 24.26% |
| Net Asset Value Per share (Rs) | 52.95 | 49.45 | 46.74 |
| EBITDA | 1,179.09 | 1,097.08 | 2,604.83 |

**Note: (i)**
The ratios have been calculated as below
(a) Basic Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Equity Shares outstanding during the year

(b) Diluted Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Diluted Potential Equity Shares outstanding during the year

(c) Return on Restated Net Worth (%) = Restated PAT attributable to Equity Shareholders/ Net Worth X 100

(d) Restated Net Asset Value per equity share (Rs.) = Restated Net Worth as at the end of the year/ Total Number of Equity Shares outstanding during the year.

(e) EBITDA = Restated Profit before Tax + Finance Cost + Depreciation & Amortization

**Note: (ii)**
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 muliplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion to total number of days during the year.

**Note: (iii)**
Earnings Per Share calculation are in accordance with Ind AS-33 Earnings Per Share

**Note: (iv)**
Net Worth = Equity Share Capital + Reserve and Surpluss (including surplus in the Statement of Profit & Loss but dose note include capital reserve)

**Note: (v)**
The figures disclosed above are based on the Restated Financial Statements of the Company.

**Note: (vi)**
During F.Y. 2020-21, the company has split each share @ Rs. 100 each to 10 shares of Rs. 10 each (without consideration). Further, the company has issued 30 millions bonus shares. The Earnings per share and Net Assets Value per share have been calculated on outstanding number of equity shares treating if the share split and bonus issue had occurred before the beginning of 2019, i.e., the earliest period presented in current year financial statements.

**Annexure- VIII**
**Restated Turnover Statement**

**(Amount (in INR millions unless otherwise stated))**

| Particulars | For the Year Ending March 31, 2022 | For the Year Ending March 31, 2021 | For the Year Ending March 31, 2020 |
|---|---|---|---|
| Consultancy Income | 6,956.99 | 6,811.16 | 8,850.24 |
| Construction Contracts | 21,022.95 | 18,317.57 | 19,571.97 |
| **Total Revenue from Operations** | **27,979.93** | **25,128.73** | **28,422.22** |

**Annexure- IX**
**Restated Statement of Capitalisation**

**(Amount (in INR millions unless otherwise stated))**

| Particular | Pre-Offer for the year ended March 31, 2022 | Pre-Offer for the year ended March 31, 2021 | Pre-Offer for the year ended March 31, 2020 |
|---|---|---|---|
| **(A) Total Borrowings** | | - | |
| a) Current Borrowings | 410.24 | 482.00 | 40.52 |
| b) Non-current Borrowings (including current maturities) | 398.29 | - | - |
| **Total Borrowings** | **808.52** | **482.00** | **40.52** |
| | | | |
| **(B) Shareholders' funds** | | | |
| a) Share Capital | 1,300.00 | 1,300.00 | 1,000.00 |
| b) Other Equity | 6,511.29 | 6,054.29 | 5,986.92 |
| **Total Shareholder's funds** | **7,811.29** | **7,354.29** | **6,986.92** |
| | | | |
| **Debt/Equity Ratio** | 0.10 | 0.07 | 0.01 |

**Annexure-X**
**WAPCOS LIMITED FY 2021-22**
**Notes to the Restated Consolidated Financial Information**
**Note - 2**
**Property, Plant And Equipment**

(Amount (in INR millions unless otherwise stated))

| Gross Carrying Amount | Consolidated Freehold Land | Consolidated Leasehold Land | Consolidated Building | Consolidated Machinery | Consolidated Furniture & Fixture | Consolidated Vehicle | Consolidated Office Equipment | Consolidated Works Equipment | Consolidated Electrical Works | Consolidated Computers | Consolidated Networking Servers | Consolidated Books | Consolidated Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **GROSS BLOCK - ASSETS** | | | | | | | | | | | | | |
| **Opening Balance as at 01.04.2019** | **25.30** | **1.94** | **388.31** | **113.21** | **89.99** | **37.14** | **84.91** | **10.94** | **46.15** | **100.36** | **16.61** | **1.00** | **915.85** |
| Additions during FY 2019-20 | - | - | 33.92 | 0.23 | 6.79 | 5.81 | 17.72 | - | 1.36 | 15.91 | 2.28 | 0.92 | 84.94 |
| Disposal / Assets written off | - | - | (1.34) | (11.15) | (6.65) | (5.01) | (7.37) | (1.47) | (1.47) | (13.24) | - | (0.36) | (48.05) |
| **Balance as at 31.03.2020** | **25.30** | **1.94** | **420.89** | **102.28** | **90.13** | **37.94** | **95.25** | **9.47** | **46.05** | **103.03** | **18.89** | **1.56** | **952.74** |
| Additions during FY 2020-21 | - | - | 0.32 | - | 2.54 | 0.06 | 1.94 | - | 0.38 | 8.46 | - | - | 13.70 |
| Disposal / Assets written off | - | - | (4.22) | (0.00) | (0.53) | - | (0.58) | (0.56) | (0.93) | (2.97) | - | - | (9.80) |
| **Balance as at 31.03.2021** | **25.30** | **1.94** | **416.99** | **102.28** | **92.14** | **38.00** | **96.62** | **8.91** | **45.49** | **108.52** | **18.89** | **1.56** | **956.65** |
| Additions during FY 2021-22 | - | - | - | - | 3.84 | 12.15 | 13.66 | - | 0.01 | 17.73 | - | - | 47.39 |
| Disposal / Assets written off | - | - | - | (0.08) | (2.46) | - | (2.90) | - | (0.83) | (5.61) | - | - | (11.88) |
| Transferred to Investment Property | (0.24) | - | (18.43) | - | - | - | - | - | - | - | - | - | (18.67) |
| **Balance as at 31.03.2022** | **25.06** | **1.94** | **398.56** | **102.20** | **93.52** | **50.15** | **107.38** | **8.91** | **44.68** | **120.64** | **18.89** | **1.56** | **973.49** |
| **ACCUMULATED DEPRECIATION** | | | | | | | | | | | | | |
| **Opening Balance as at 01.04.2019** | **-** | **0.36** | **47.82** | **89.80** | **23.35** | **27.37** | **41.11** | **7.91** | **12.62** | **57.32** | **13.38** | **0.78** | **321.82** |
| Charge for the year | - | 0.02 | 6.17 | 1.70 | 8.87 | 1.86 | 14.86 | 0.31 | 4.33 | 21.61 | 1.09 | 0.17 | 60.99 |
| Adjustment for Disposals | - | - | (1.34) | (10.38) | (4.71) | (2.82) | (6.31) | (1.20) | (1.35) | (12.44) | - | (0.32) | (40.87) |
| **Balance as at 31.03.2020** | **-** | **0.38** | **52.66** | **81.13** | **27.51** | **26.40** | **49.66** | **7.02** | **15.59** | **66.50** | **14.48** | **0.63** | **341.94** |
| Charge for the year | - | 0.02 | 6.35 | 1.64 | 9.03 | 1.88 | 14.69 | 0.21 | 4.33 | 17.85 | 0.68 | 0.33 | 57.02 |
| Adjustment for Disposals | - | - | (4.22) | (0.00) | (0.37) | - | (0.45) | (0.33) | (0.18) | (2.50) | - | - | (8.04) |
| **Balance as at 31.03.2021** | **-** | **0.40** | **54.79** | **82.76** | **36.18** | **28.28** | **63.90** | **6.91** | **19.74** | **81.85** | **15.16** | **0.96** | **390.92** |
| Charge for the year | - | 0.02 | 6.07 | 1.63 | 9.11 | 1.84 | 11.43 | 0.18 | 4.27 | 13.35 | 0.53 | 0.32 | 48.77 |
| Adjustment for Disposals | - | - | - | (0.07) | (0.67) | - | (2.34) | - | (0.36) | (5.19) | - | - | (8.64) |
| Transferred to Investment Property | - | - | (4.10) | - | - | - | - | - | - | - | - | - | (4.10) |
| **Balance as at 31.03.2022** | **-** | **0.42** | **56.76** | **84.32** | **44.62** | **30.12** | **72.99** | **7.09** | **23.66** | **90.01** | **15.69** | **1.28** | **426.95** |
| **IMPAIRMENT PROVISION** | | | | | | | | | | | | | |
| **Opening Balance as at 01.04.2019** | **-** | **-** | **-** | **3.23** | **-** | **0.17** | **-** | **0.43** | **-** | **-** | **-** | **-** | **3.83** |
| Impairment during the year | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Provision reversed during the year | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Balance as at 31.03.2020** | **-** | **-** | **-** | **3.23** | **-** | **0.17** | **-** | **0.43** | **-** | **-** | **-** | **-** | **3.83** |
| Impairment during the year | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Provision reversed during the year | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Balance as at 31.03.2021** | **-** | **-** | **-** | **3.23** | **-** | **0.17** | **-** | **0.43** | **-** | **-** | **-** | **-** | **3.83** |
| Impairment during the year | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Provision reversed during the year | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Balance as at 31.03.2022** | **-** | **-** | **-** | **3.23** | **-** | **0.17** | **-** | **0.43** | **-** | **-** | **-** | **-** | **3.83** |
| **Net Book Value as at 31.03.2020** | 25.30 | 1.57 | 368.23 | 17.92 | 62.62 | 11.37 | 45.60 | 2.02 | 30.46 | 36.53 | 4.42 | 0.93 | **606.97** |
| **Net Book Value as at 31.03.2021** | 25.30 | 1.55 | 362.20 | 16.28 | 55.97 | 9.55 | 32.72 | 1.57 | 25.75 | 26.67 | 3.73 | 0.60 | **561.90** |
| **Net Book Value as at 31.03.2022** | 25.06 | 1.53 | 341.80 | 14.65 | 48.90 | 19.86 | 34.39 | 1.39 | 21.02 | 30.63 | 3.21 | 0.28 | **542.71** |

**Note: Capital Commitments***

(Amount (in INR millions unless otherwise stated))

| Particulars | Consolidated As at March 31, 2022 | Consolidated As at March 31, 2021 | Consolidated As at April 01, 2020 |
|---|---|---|---|
| **CAPITAL COMMITMENT** | | | |
| **Opening Balance** | - | - | - |
| Additions during the year | 64.44 | - | - |
| Adjustment during the year | - | - | - |
| **Closing Balance** | **64.44** | **-** | **-** |

*Estimated amount of contracts remaining to be executed on Capital account and not provided for (Refer Note No. 56)

**Note - 2A**
**Right of Use Assets**

(Amount (in INR millions unless otherwise stated))

| | Consolidated ROU Building | Consolidated ROU Vehicle | Consolidated Total |
|---|---|---|---|
| **GROSS BLOCK - Opening Balance as at 01.04.2019** | **27.61** | **-** | **27.61** |
| Additions | 408.63 | 13.58 | 422.21 |
| Disposal / Assets written off | (0.29) | - | (0.29) |
| **Balance as at 31.03.2020** | 435.96 | 13.58 | 449.53 |
| Reclassification to ROU Building due to IND AS 116 | (117.75) | - | (117.75) |
| **Restated Balance as at 31.03.2020** | **318.21** | **13.58** | **331.79** |
| | - | - | - |
| **DEPRECIATION - Opening Balance as at 01.04.2019** | **9.75** | **-** | **9.75** |
| Amortisation for the Year | 144.68 | 3.95 | 148.64 |
| Adjustment for Disposal | - | - | - |
| Reclassification to Depreciation due to IND AS 116 | (72.24) | - | (72.24) |
| **Balance as at 31.03.2020** | **82.19** | **3.95** | **86.15** |
| | - | - | - |
| **Net Book Value as at 31.03.2020** | **236.02** | **9.63** | **245.64** |
| | - | - | - |
| **GROSS BLOCK - Opening Balance as at 01.04.2020** | **318.21** | **13.58** | **331.79** |
| Additions | 53.13 | - | 53.13 |
| Disposal / Assets written off | (3.68) | - | (3.68) |
| **Balance as at 31.03.2021** | **367.66** | **13.58** | **381.24** |
| | - | - | - |
| **DEPRECIATION - Opening Balance as at 01.04.2020** | **82.19** | **3.95** | **86.15** |
| Amortisation for the Year | 81.45 | 4.10 | 85.54 |
| Adjustment for Disposal | (1.00) | - | (1.00) |
| **Balance as at 31.03.2021** | **162.64** | **8.05** | **170.69** |
| | - | - | - |
| **Net Book Value as at 31.03.2021** | **205.03** | **5.53** | **210.56** |
| | - | - | - |
| **GROSS BLOCK - Opening Balance as at 01.04.2021** | **367.66** | **13.58** | **381.24** |
| Additions | 29.76 | - | 29.76 |
| Disposal / Assets written off | (45.15) | (0.08) | (45.23) |
| **Balance as at 31.03.2022** | 352.28 | 13.50 | 365.78 |
| | - | - | - |
| **DEPRECIATION - Opening Balance As on 01-04-2021** | **162.64** | **8.05** | **170.69** |
| Amortisation for the Year | 66.15 | 2.88 | 69.03 |
| Adjustment for Disposal | - | - | - |
| **Balance as at 31.03.2022** | **228.79** | **10.92** | **239.71** |
| | - | - | - |
| **Net Book Value as at 31.03.2022** | **123.49** | **2.57** | **126.06** |

**Note - 2B**
**Other Intangible Assets**

(Amount (in INR millions unless otherwise stated))

| | Consolidated<br>Computer Software |
|---|---|
| **GROSS BLOCK** | |
| **Opening Balance as at 01.04.2019** | **38.57** |
| Additions | 2.88 |
| **Balance as at 31.03.2020** | **41.44** |
| Additions | 2.32 |
| **Balance as at 31.03.2021** | **43.76** |
| Additions | 28.17 |
| **Balance as at 31.03.2022** | **71.94** |
| | - |
| **ACCUMULATED DEPRECIATION** | - |
| **Opening Balance as at 01.04.2019** | **20.40** |
| Amortisation charge for the year | 8.87 |
| **Balance as at 31.03.2020** | **29.27** |
| Amortisation charge for the year | 7.79 |
| **Balance as at 31.03.2021** | **37.06** |
| Amortisation charge for the year | 5.68 |
| **Balance as at 31.03.2022** | **42.74** |
| | - |
| **Net Book Value as at 31.03.2020** | **12.18** |
| **Net Book Value as at 31.03.2021** | **6.71** |
| **Net Book Value as at 31.03.2022** | **29.20** |

**Note - 2C**
**Investment Property**

(Amount (in INR millions unless otherwise stated))

| | Consolidated Freehold Land | Consolidated Freehold Building | Consolidated Total |
|---|---|---|---|
| **GROSS BLOCK** | - | - | - |
| **Opening Balance as at 01.04.2019** | - | - | - |
| Additions | - | - | - |
| Disposal / Assets written off | - | - | - |
| **Balance as at 31.03.2020** | - | - | - |
| Additions | - | - | - |
| Disposal / Assets written off | - | - | - |
| **Balance as at 31.03.2021** | - | - | - |
| Additions | - | - | - |
| Transferred from PPE | 0.24 | 18.43 | 18.67 |
| Disposal / Assets written off | - | - | - |
| **Balance as at 31.03.2022** | **0.24** | **18.43** | **18.67** |
| | - | - | - |
| **ACCUMULATED DEPRECIATION** | - | - | - |
| **Opening Balance as at 01.04.2019** | - | - | - |
| Depreciation charge for the year | - | - | - |
| Adjustment for Disposal | - | - | - |
| **Balance as at 31.03.2020** | - | - | - |
| Depreciation charge for the year | - | - | - |
| Adjustment for Disposal | - | - | - |
| **Balance as at 31.03.2021** | - | - | - |
| Depreciation charge for the year | - | 0.28 | 0.28 |
| Transferred from PPE | - | 4.10 | 4.10 |
| Adjustment for Disposal | - | - | - |
| **Balance as at 31.03.2022** | **-** | **4.39** | **4.39** |
| | - | - | - |
| **Net Book Value as at 31.03.2020** | - | - | - |
| **Net Book Value as at 31.03.2021** | - | - | - |
| **Net Book Value as at 31.03.2022** | **0.24** | **14.04** | **14.28** |

***Amount of land lying in the books of CSW unit-faridabad and amount of building ₹ 0.44 Millions in the books of faridabad and ₹ 17.99 Millions in the corporate office.**

During the F.Y 2021-22 by Committee report 14.03.2022, Subsidiary Company has invited tender for leasing out of NPCC Faridabad Industrial Plot-67-68 Sector-25 Faridabad-1211004 Haryana-Except admin Block for five years extended up to ten years on as is where basis as per HUDA norms. Party for Leasing of the Property is finalized during the F.Y 2022-23, However Management has intention to hold the property with the purpose to earn rental income as on 31st March 2022, hence the property has been classified as Investment Property, as per the requirement of the Ind AS-40.

**Note: 4.2 Valuation of Investment Property**
**Cost of Land**

| | |
|---|---|
| Total area of plot | 14555.55 Sq. Yds |
| Rate of land | ₹ 25000/Sq.Yds |
| Total cost of plot | 363.88 Millions |
| Total Cost of Construction | 16.32 Millions |
| | |
| **Fair Market Value of Property** | 380.00 Millions |

Fair value determined based on an annual evaluation performed by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017 applying valuation model acceptable internationally.

**Note - 3**
**Non-Current Investments**

(Amount (in INR millions unless otherwise stated))

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | | As at April 01, 2020 | |
|---|---|---|---|---|---|---|
| | No. of Units | Amount | No. of Units | Amount | No. of Units | Amount |
| **Equity Investment** | | | | | | |
| **Investment in company (unquoted) Equity Shares carried at Fair Value through Other Comprehensive income (OCI)** | | | | | | |
| GPCL Consulting Services Ltd.<br>30,000 Equity shares of Rs. 10/- each fully paid up, totalling to Rs. 3,00,000<br>2,279 Equity shares of Rs. 10/- each fully paid, purchased @ Rs. 20 per share totalling to Rs. 45,580* | 32,279 | 3.95 | 32,279 | 3.72 | 32,279 | 3.50 |
| **Total** | **32,279** | **3.95** | **32,279** | **3.72** | **32,279** | **3.50** |

*In absence of fair value, same has been revalued at book value per share

**Note - 4**
**Other Financial Assets**

**A. Other Financial Assets - Non-Current**

(Amount (in INR millions unless otherwise stated))

| Particulars | As restated | | |
|---|---|---|---|
| | As at March 31, 2022 | As at March 31, 2021 | As at April 01, 2020 |
| Security Deposits / EMD | | | |
| Unsecured, Consider Good | 134.53 | 132.84 | 130.99 |
| Unsecured, Considered Doubtful | 22.10 | 21.14 | 21.92 |
| Retention Money | - | - | - |
| Unsecured, Consider Good | 519.78 | 694.65 | 216.55 |
| Unsecured, Considered Doubtful | 44.51 | 35.58 | 55.97 |
| Advances to suppliers & sub contractors | - | - | - |
| Unsecured, Considered Good | 84.57 | 84.57 | 84.57 |
| Term deposits having remaining maturity of more than 12 months (a), (b) (including interest accrued) | 3,276.59 | 5,070.74 | 2,919.19 |
| | **4,082.08** | **6,039.52** | **3,429.19** |
| Less: Allowance for expected credit loss (c) | (66.61) | (56.72) | (77.89) |
| **Total** | **4,015.47** | **5,982.80** | **3,351.30** |

(a) The above includes EMD in the form of Bank FDR with maturity more than 12 months amounting to ₹ 45.39 Millions (Previous Year ₹ 19.63 Millions) and interest accrued but not due thereon amounting to ₹ 15.38 Millions (Previous Year ₹ 10.31 Millions)

(b) The above includes Bank deposit of ₹ 154.59 Millions and accrued interest of ₹ 56.59 Millions held as margin money / security against bank guarantees. (Previous year ₹ 289.20 Millions and accrued interest ₹ 114.67 Millions)

(c) In the opinion of the Management, the Allowance held against Doubtful Retention Money is adequate to meet any loss on account of irrecoverability of retention money. Refer Note No. - 54

**B. Other Financial Assets - Current**

(Amount (in INR millions unless otherwise stated))

| Particulars | As restated | | |
|---|---|---|---|
| | As at March 31, 2022 | As at March 31, 2021 | As at April 01, 2020 |
| Security Deposits / EMD | | | |
| Unsecured, Consider Good | 266.89 | 262.76 | 271.93 |
| Unsecured, Considered Doubtful | 0.21 | 0.30 | 0.72 |
| Other Recoverables | 57.83 | 13.02 | 9.39 |
| Advances to Staff (a) | - | - | - |
| Unsecured, Consider Good | 22.87 | 24.10 | 20.68 |
| Unsecured, Considered Doubtful | 2.68 | 2.68 | 2.68 |
| CPF Trust | - | - | - |
| Unsecured, Consider Good | 1.19 | 0.90 | 8.92 |
| Unsecured, Considered Doubtful | 20.00 | 20.00 | - |
| Silver Momentos | 0.04 | 0.05 | 0.06 |
| | **371.71** | **323.81** | **314.38** |
| Less: Allowance for expected credit loss | (22.89) | (22.98) | (3.39) |
| **Total** | **348.82** | **300.83** | **310.98** |

(a) Refer Note No. -63

**Note - 5**
**Deferred Tax Assets (Net)**

(Amount (in INR millions unless otherwise stated))

| Particulars | As restated | | |
|---|---|---|---|
| | As at March 31, 2022 | As at March 31, 2021 | As at April 01, 2020 |
| **Deferred tax assets arising on** | | | |
| Depreciation and amortization of Property, Plant and Equipment and Intangible assets | 1.10 | 1.93 | 0.21 |
| Employee Benefits | 365.50 | 381.39 | 356.88 |
| Provision of Supplier Advance | 0.14 | - | - |
| Allowances for Property, Plant & Equipment And Inventory | 3.66 | 3.66 | - |
| Provision for Litigation Expenses | 5.36 | 22.18 | 20.45 |
| Provision of Rent Advance | 0.63 | - | - |
| Lease Liability (Net of ROU) | 5.00 | 5.71 | 4.14 |
| Allowance for Expected Credit Loss | 891.65 | 801.64 | 687.50 |
| **Deferred Tax Assets (a)** | **1,273.04** | **1,216.51** | **1,069.18** |
| | - | - | - |
| **Deferred Tax Liabilities arising on** | - | - | - |
| Depreciation and amortization of Property, Plant and Equipment and Intangible assets | (37.38) | (34.59) | (31.31) |
| Provision for Valuation gain on Investment | (0.99) | (0.94) | (0.88) |
| **Deferred Tax Liabilities (b)** | **(38.39)** | **(35.53)** | **(32.19)** |
| | | | |
| **Net Deferred Tax Assets** | **1,234.65** | **1,180.98** | **1,036.99** |

**Movement in Deferred Tax Asset / (Liability)**

(Amount (in INR millions unless otherwise stated))

| Particulars | As at 31st March 2022 | Recognized in other Comprehensive Income | Recognized in Statement of Loss | As at 31st March 2021 | Recognized in other Comprehensive Income | Recognized in Statement of Loss | As at April 01, 2020 |
|---|---|---|---|---|---|---|---|
| **Deferred Tax Assets arising on:** | | | | | | | |
| Employee Benefits | 365.50 | (5.50) | (10.39) | 381.39 | (4.39) | 28.91 | 356.88 |
| Lease Liability | 5.00 | - | (0.72) | 5.72 | - | 1.57 | 4.14 |
| Allowance for Expected Credit Loss | 891.65 | - | 90.00 | 801.64 | - | 114.14 | 687.50 |
| Others | 9.79 | - | (16.05) | 25.84 | - | 5.39 | 20.45 |
| | - | - | - | - | - | - | - |
| **Deferred Tax Liabilities arising on:** | - | - | - | - | - | - | - |
| Depreciation | (36.28) | - | (3.62) | (32.66) | - | (1.56) | (31.11) |
| Others | (1.00) | (0.06) | - | (0.94) | (0.06) | - | (0.88) |
| **Total** | **1,234.67** | **(5.55)** | **59.22** | **1,181.00** | **(4.45)** | **148.46** | **1,036.99** |

**Note - 6**
**Other Non - Current Assets**

(Amount (in INR millions unless otherwise stated))

| Particulars | As restated | | |
|---|---|---|---|
| | As at March 31, 2022 | As at March 31, 2021 | As at April 01, 2020 |
| Prepaid Expenses | 14.90 | 37.15 | 22.77 |
| Fair Value Reserve on Security Deposit | 1.00 | 2.26 | 3.56 |
| Advances to suppliers & sub contractors | | | |
| Secured, Considered Good | 28.54 | 22.65 | 114.13 |
| Unsecured, Considered Good | 94.25 | 88.30 | 77.70 |
| Unsecured, Considered Doubtful | 180.24 | 179.92 | 180.20 |
| | **318.93** | **330.28** | **398.36** |
| Less: Allowance for expected credit loss | (180.23) | (179.92) | (180.20) |
| **Total** | **138.70** | **150.36** | **218.16** |

**Note - 7**
**Trade Receivables**

**A. Trade Receivables* - Non Current**

(Amount (in INR millions unless otherwise stated))

| Particulars | As restated | | |
|---|---|---|---|
| | As at March 31, 2022 | As at March 31, 2021 | As at April 01, 2020 |
| Trade Receivables | | | |
| Unsecured, considered good** | 1,413.00 | 1,461.87 | 1,258.32 |
| Credit impaired | 254.25 | 314.33 | 298.62 |
| | **1,667.25** | **1,776.20** | **1,556.94** |
| Less: Allowance for expected credit loss# | (254.25) | (314.33) | (298.62) |
| **Total** | **1,413.00** | **1,461.87** | **1,258.32** |

*In the opinion of the Management, the Allowance against Credit impaired Trade Receivables is adequate to meet any loss on account of irrecoverability of Trade Receivables. Refer Note No. - 54

**Trade Receivables Ageing schedule** (Amount (in INR millions unless otherwise stated))

| Particulars | Unbilled | Not due | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|---|
| | | | Less than 6 months | 6 months - 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| Undisputed Trade receivables - considered good | 29.32 | - | 18.03 | 8.04 | 176.96 | 162.19 | 979.57 | **1,374.11** |
| Undisputed Trade receivables - credit impaired | - | - | - | 0.84 | 2.14 | 1.08 | 142.39 | **146.45** |
| Disputed Trade Receivables – considered good | - | - | - | - | - | 10.60 | 28.29 | **38.89** |
| Disputed Trade Receivables – credit impaired | 28.22 | - | - | - | - | 0.72 | 78.85 | **107.80** |
| **As at March 31, 2022** | **57.54** | **-** | **18.03** | **8.88** | **179.10** | **174.59** | **1,229.10** | **1,667.25** |
| Undisputed Trade receivables - considered good | 29.32 | - | - | 24.14 | 137.07 | 159.76 | 1,092.35 | **1,442.65** |
| Undisputed Trade receivables - credit impaired | - | - | - | 0.84 | 0.48 | 1.76 | 192.43 | **195.52** |
| Disputed Trade Receivables – considered good | - | - | - | - | - | 0.20 | 19.03 | **19.23** |
| Disputed Trade Receivables – credit impaired | 28.22 | - | - | - | - | - | 90.58 | **118.81** |
| **As at March 31, 2021** | **57.54** | **-** | **-** | **24.98** | **137.56** | **161.72** | **1,394.39** | **1,776.20** |
| Undisputed Trade receivables - considered good | 9.36 | - | - | 43.75 | 109.59 | 527.45 | 541.29 | **1,231.43** |
| Undisputed Trade receivables - credit impaired | - | - | - | 1.53 | 0.00 | 11.79 | 168.80 | **182.12** |
| Disputed Trade Receivables – considered good | - | - | - | 11.32 | - | - | 15.56 | **26.89** |
| Disputed Trade Receivables – credit impaired | 23.42 | - | - | - | - | - | 93.07 | **116.49** |
| **As at March 31, 2020** | **32.79** | **-** | **-** | **56.61** | **109.59** | **539.24** | **818.72** | **1,556.94** |

**B. Trade Receivables* - Current** (Amount (in INR millions unless otherwise stated))

| Particulars | As restated | | |
|---|---|---|---|
| | As at March 31, 2022 | As at March 31, 2021 | As at April 01, 2020 |
| Trade Receivables | | | |
| Unsecured, considered good** | 20,112.80 | 19,191.18 | 20,367.69 |
| Credit impaired | 2,967.68 | 2,551.37 | 2,046.44 |
| | **23,080.48** | **21,742.55** | **22,414.13** |
| Less: Allowance for expected credit loss# | (2,967.68) | (2,551.37) | (2,046.44) |
| **Total** | **20,112.80** | **19,191.18** | **20,367.69** |

*In the opinion of the Management, the Allowance against Credit impaired Trade Receivables is adequate to meet any loss on account of irrecoverability of Trade Receivables. Refer Note No. - 54

**Includes Current Retention Money amounting to ₹ 261.23 Millions (Previous Year amounting to ₹ 168.15 Millions)

#Includes Allowance for Expected Credit Loss on Current Retention Money amounting to ₹ 130.06 Millions (Previous Year amounting to ₹ 126.77 Millions)

**Trade Receivables Ageing schedule** (Amount (in INR millions unless otherwise stated))

| Particulars | Unbilled | Not due | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|---|
| | | | Less than 6 months | 6 months - 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| Undisputed Trade receivables - considered good | 1,367.66 | 1,661.38 | 5,151.99 | 1,030.95 | 3,807.63 | 3,770.44 | 3,247.86 | **20,037.92** |
| Undisputed Trade receivables - credit impaired | - | - | 144.05 | 27.46 | 227.78 | 331.16 | 2,207.70 | **2,938.15** |
| Disputed Trade Receivables – considered good | - | - | 74.88 | - | - | - | - | **74.88** |
| Disputed Trade Receivables – credit impaired | - | - | 29.53 | - | - | - | - | **29.53** |
| **As at March 31, 2022** | **1,367.66** | **1,661.38** | **5,400.46** | **1,058.41** | **4,035.40** | **4,101.60** | **5,455.56** | **23,080.48** |
| Undisputed Trade receivables - considered good | 671.78 | 2,036.65 | 6,244.15 | 951.25 | 5,340.41 | 2,060.95 | 1,885.99 | **19,191.18** |
| Undisputed Trade receivables - credit impaired | - | - | 103.86 | 16.74 | 215.25 | 131.84 | 2,083.68 | **2,551.37** |
| Disputed Trade Receivables – considered good | - | - | - | - | - | - | - | **-** |
| Disputed Trade Receivables – credit impaired | - | - | - | - | - | - | - | **-** |
| **As at March 31, 2021** | **671.78** | **2,036.65** | **6,348.01** | **967.99** | **5,555.66** | **2,192.79** | **3,969.67** | **21,742.55** |
| Undisputed Trade receivables - considered good | 2,544.20 | 2,246.16 | 7,361.39 | 1,513.35 | 3,411.14 | 2,166.17 | 1,125.27 | **20,367.69** |
| Undisputed Trade receivables - credit impaired | - | - | 130.99 | 30.55 | 136.87 | 136.40 | 1,611.63 | **2,046.44** |
| Disputed Trade Receivables – considered good | - | - | - | - | - | - | - | **-** |
| Disputed Trade Receivables – credit impaired | - | - | - | - | - | - | - | **-** |
| **As at March 31, 2020** | **2,544.20** | **2,246.16** | **7,492.38** | **1,543.89** | **3,548.01** | **2,302.57** | **2,736.90** | **22,414.13** |

**Note - 8**

**Inventories*** (Amount (in INR millions unless otherwise stated))

| Particulars | As restated | | |
|---|---|---|---|
| | As at March 31, 2022 | As at March 31, 2021 | As at April 01, 2020 |
| Stores and Spares (including construction material in hand, at sites and in transit) | 11.41 | 11.31 | 11.39 |
| Less: Provision of loss obselences# | (10.71) | (10.71) | (10.71) |
| | **0.70** | **0.60** | **0.68** |
| Tools in hand | 0.01 | 0.01 | 0.01 |
| **Total** | **0.71** | **0.61** | **0.69** |

*Inventory of stores & spares and tools has been taken, valued & certified by the Management.

#Refer Note No. 42

**Note - 9**

**Cash and Cash Equivalent** (Amount (in INR millions unless otherwise stated))

| Particulars | As restated | | |
|---|---|---|---|
| | As at March 31, 2022 | As at March 31, 2021 | As at April 01, 2020 |
| Balance with banks in current accounts (a), (b), (c) & (d) | 5,436.17 | 5,826.28 | 3,299.39 |
| Less: Allowance for Impairment | (38.37) | (38.37) | (38.37) |
| | **5,397.80** | **5,787.91** | **3,261.02** |
| Bank deposits having original maturity less than 3 months (e), (f) (including interest accrued) | 173.57 | 285.72 | 320.78 |
| Remittance in Transit | - | 178.00 | - |
| Cheques in Hand | - | 40.00 | 7.62 |
| Cash on Hand | 1.00 | 1.00 | 1.00 |
| **Total** | **5,572.37** | **6,292.63** | **3,590.42** |

(a) The following Bank Balances out of Note 9 are held in seprate bank accounts maintained on behalf of clients/ ministries:

| Particulars | As at March 31, 2022 | As at March 31, 2021 | As at April 01, 2020 |
|---|---|---|---|
| Balance with Banks in current accounts | 1,148.00 | 1,359.98 | 520.57 |
| **Total** | **1,148.00** | **1,359.98** | **520.57** |

(b) Includes Balance in foreign currency held in Bank, balance with foreign banks and foreign branches of India Banks. Further sum of ₹ 55.59 Millions (Previous Year ₹ 63.77 Millions) held in foreign countries with Repatriable restrictions.

(c) Includes sum of ₹ 0.03 Millions (Previous Year ₹ 9.04 Millions) under lien with bank against bank guarantees.

(d) Includes balance of ₹ 1.31 Millions towards Unspent CSR Fund.

(e) The above include bank deposits ₹ 127.64 Millions and accrued interest of ₹ 1.39 Millions held as margin money/ security against bank guarantees having maturity of less than 3 months from date of inception. (Previous Year ₹ 122.80 Millions and accrued interest ₹ 6.85 Millions)

(f) The above includes EMD in the form of Bank FDR with maturity less than 3 months amounting to ₹ 1.21 Millions (Previous Year ₹ 0.79 Millions) and Interest Accrued but not due thereon amounting to ₹ 0.12 Millions (Previous Year ₹ 0.05 Millions)

**Note - 10**
**Other Bank Balances**

(Amount (in INR millions unless otherwise stated))

| Particulars | As restated | | |
|---|---|---|---|
| | As at March 31, 2022 | As at March 31, 2021 | As at April 01, 2020 |
| Balance with bank in deposit account having maturity of more than three months but are due for maturity within twelve months from balance sheet date (a), (b), (c), (d) ((including interest accrued) | 13,171.03 | 7,306.98 | 9,098.61 |
| **Total** | **13,171.03** | **7,306.98** | **9,098.61** |

(a) The above include bank deposits ₹ 880.43 Millions and accrued interest of ₹ 170.56 Millions held as margin money/ security against bank guarantees having maturity of less than 12 months from reporting date. (Previous Year ₹ 977.42 Millions and accrued interest ₹ 100.09 Millions)

(b) Includes Employee Fixed deposit, refer Note No. - 66

(c) Includes Fixed Deposit with PNB London amounting to ₹ 177.73 Crores (and accrued interest amounting to ₹ 1.18 Crores) as at 31st March, 2022 payable in USD & INR, made from project proceeds of M/s Afghan India Friendship Dam to be utilized towards discharge of corresponding Vendor Payable related to the said project (Principal O/s amount of ₹ 154.37 Crores payable in USD & INR). The company does not for see any interest liability on such principle outstanding.

(d) The above includes EMD In the form of Bank FDR with maturity less than 12 months amounting to ₹ 101.55 Millions (Previous Year ₹ 106.48 Millions) and interest accrued but not due thereon amounting to ₹ 19.85 Millions (Previous Year ₹ 29.27 Millions)

**Note - 11**
**Current Tax Assets (Net)**

(Amount (in INR millions unless otherwise stated))

| Particulars | As restated | | |
|---|---|---|---|
| | As at March 31, 2022 | As at March 31, 2021 | As at April 01, 2020 |
| Advance Income Tax and TDS {net of provision of taxation amounting ₹ 386.20 Millions (Previous Year ₹ 462.93 Millions)} (a) | 1,620.16 | 1,057.33 | 976.86 |
| **Total** | **1,620.16** | **1,057.33** | **976.86** |

(a) Provision for Income tax has been shown net of TDS and Advance tax.

**Note - 12**
**Other Current Assets**

(Amount (in INR millions unless otherwise stated))

| Particulars | As restated | | |
|---|---|---|---|
| | As at March 31, 2022 | As at March 31, 2021 | As at April 01, 2020 |
| Advances to Suppliers & Sub-Contractors | | | |
| Secured, considered Good (a) | 353.00 | 812.55 | 652.10 |
| Unsecured, Considered Good | 164.64 | 378.02 | 244.85 |
| Unsecured, Considered Doubtful | 2.22 | 1.63 | - |
| Advance Rent | - | - | - |
| Unsecured, Considered Good | 4.93 | 5.67 | 4.55 |
| Unsecured, Considered Doubtful | 2.50 | - | - |
| Prepaid Expenses | 47.87 | 34.78 | 42.30 |
| Prepaid Expenses on discounting of SD | 0.02 | 0.03 | 0.02 |
| Fair Value Reserve on Security Deposit | 0.86 | 1.14 | 1.20 |
| Balance with Government authorities | 2,630.99 | 2,189.23 | 1,687.69 |
| Amount deposited with various Courts/Authorities | 89.88 | 82.01 | 98.86 |
| Inter-unit Remittance Account | - | (0.02) | 0.18 |
| | **3,296.91** | **3,505.04** | **2,731.75** |
| Less: Doubtful Provision for Advance to Supplier | (2.22) | (1.63) | - |
| Less: Provision for Advance Rent | (2.50) | - | - |
| **Total** | **3,292.19** | **3,503.41** | **2,731.75** |

(a) Secured against Bank Guarantee ₹ 175.93 Millions (Previous year ₹ 116.64 Millions)

(a) Secured against material procured at site by contractor amounting to ₹ Nil (Previous Year ₹ 357.08 Millions)

**Note - 13**
**Share Capital**

**Equity Share Capital**

(Amount (in INR millions unless otherwise stated))

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | | As at April 01, 2020 | |
|---|---|---|---|---|---|---|
| | Number | Amount | Number | Amount | Number | Amount |
| **Authorised**<br>Equity Shares of Rs. 10/- each at par Value (Previous Year March 31, 2021 Rs. 10/- each and April 01, 2020 Rs. 100/- each) | 20,00,00,000.00 | 2,000.00 | 20,00,00,000.00 | 2,000.00 | 1,00,00,000.00 | 1,000.00 |
| **Issued, Subscribed & Paid up**<br>Equity Shares of Rs. 10/- each at par Value (Previous Year March 31, 2021 Rs. 10/- each and April 01, 2020 Rs. 100/- each) | 13,00,00,000.00 | 1,300.00 | 13,00,00,000.00 | 1,300.00 | 1,00,00,000.00 | 1,000.00 |
| **Total** | **13,00,00,000.00** | **1,300.00** | **13,00,00,000.00** | **1,300.00** | **1,00,00,000.00** | **1,000.00** |

**Reconciliation of shares outstanding as at March 31, 2022 , March 31, 2021 and April 01, 2020**

(Amount (in INR millions unless otherwise stated))

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | | As at April 01, 2020 | |
|---|---|---|---|---|---|---|
| | Number | Amount | Number | Amount | Number | Amount |
| Shares outstanding at the beginning of the year | 13,00,00,000.00 | 1,300.00 | 1,00,00,000.00 | 1,000.00 | 1,00,00,000.00 | 1,000.00 |
| Add: Increase due to Split | - | - | 9,00,00,000.00 | - | - | - |
| Add: Shares Issued during the year - Bonus Issue | - | - | 3,00,00,000.00 | 300.00 | - | - |
| Shares outstanding at the end of the year | 13,00,00,000.00 | 1,300.00 | 13,00,00,000.00 | 1,300.00 | 1,00,00,000.00 | 1,000.00 |

Equity Shares of Rs. 10/- each at par Value (Previous Year March 31, 2021 Rs. 10 each and April 01, 2020 Rs. 100 each)

**Previous year (FY 2020-21)**: Pursuant to the approval of shareholders granted in the extra-ordinary general meeting held on 25 February 2021, the Company issued and allotted fully paid-up "bonus shares" at par in proportion of three new equity shares of Rs. 10 each for every ten existing fully paid up equity share of Rs. 10 each held as on the record date of 25 February 2021. Pursuant to the approval of shareholders granted in the extra-ordinary general meeting held on 25 February 2021, the Company undertook a stock split of 10 equity shares of Re. 10 each for one existing fully paid up equity share of Rs. 100. As a result of the above transactions, the issued, subscribed and paid up number of equity shares have been increased by 1200 Lakhs.

**Terms/ Rights attached to equity shares**

The Company has only one class of shares referred to as Equity Shares having a par value of Rs. 10 each. Each holder of equity share is entitled to one vote per share.

**List of shareholders holding more than 5 % shares in the Company**

| Name of Shareholder | As at March 31, 2022 | | As at March 31, 2021 | | As at April 01, 2020 | |
|---|---|---|---|---|---|---|
| | Number | % of Holding | Number | % of Holding | Number | % of Holding |
| Equity share of Rs. 10 each fully paid-up (Previous Year March 31, 2021 Rs. 10 each and April 01, 2020 Rs. 100 each) | | | | | | |
| President of India & its nominees | 13,00,00,000.00 | 100% | 13,00,00,000.00 | 100% | 1,00,00,000.00 | 100% |

**Aggregate no. of Equity Shares allotted as fully paid up by way of bonus shares in the last five years preceeding the date of Balance Sheet.**

| Particulars | As at March 31, 2022 | As at March 31, 2021 | As at April 01, 2020 | As at April 01, 2019 | As at April 01, 2018 |
|---|---|---|---|---|---|
| | No. of Shares | No. of Shares | No. of Shares | No. of Shares | No. of Shares |
| Equity Shares allotted as fully paid bonus shares by capitalising General Reserve | NIL | 3,00,00,000.00 | NIL | NIL | 98,00,000.00 |
| **Total** | **-** | **3,00,00,000.00** | **-** | **-** | **98,00,000.00** |

**Shares held by promoters at the end of the year**

**As at March 31, 2022**

| S. No. | Promoter Name | No. of Shares | % of Total Shares | % Change during the year |
|---|---|---|---|---|
| 1 | President of India and its nominees | 13,00,00,000 | 100% | - |
| | **Total** | **13,00,00,000** | **100%** | **-** |

**As at March 31, 2021**

| S. No. | Promoter Name | No. of Shares | % of Total Shares | % Change during the year |
|---|---|---|---|---|
| 1 | President of India and its nominees | 13,00,00,000 | 100% | - |
| | **Total** | **13,00,00,000** | **100%** | **-** |

**As at April 1, 2020**

| S. No. | Promoter Name | No. of Shares | % of Total Shares | % Change during the year |
|---|---|---|---|---|
| 1 | President of India and its nominees | 1,00,00,000 | 100% | - |
| | **Total** | **1,00,00,000** | **100%** | **-** |

**Note - 14**
**Other Equity**

**Nature and Purposes of Reserves & Surplus**

**1. General Reserves:**
General reserve means the portion of earnings of an enterprise appropriated by the management to meet future known or unknown obligation instead of distributing the same among shareholders.

**2. Retained Earnings:**
Profits made by the company during the year are transferred to retained earnings from Statement of Profit and Loss.

**3. Other Comprehensive Income:**
Other Comprehensive Income represents balance arising on account of Gain/ (Loss) booked on Re-measurement of Defined Benefit Plans in accordance with Ind AS 19 "Employee Benefits" and Gain/ (Loss) booked from Investment in unquoted equity instruments designated at fair value through other comprehensive income (FVTOCI) in accordance with Ind AS 109 "Financial Instruments".

(Amount (in INR millions unless otherwise stated))

| Particulars | As at March 31, 2022 | As at March 31, 2021 | As at April 01, 2020 |
|---|---|---|---|
| **Reserve & Surplus** | | | |
| General Reserve | 446.93 | 696.93 | 1,246.93 |
| Retained Earnings | 5,159.98 | 4,472.31 | 3,870.84 |
| Capital Reserve | 901.64 | 901.64 | 890.10 |
| Other Comprehensive Income | (23.97) | (40.54) | (42.11) |
| **Total** | **6,484.57** | **6,030.33** | **5,965.76** |

**Note - 15**
**Trade Payables**

**A. Trade Payables - Non- Current***

(Amount (in INR millions unless otherwise stated))

| Particulars | As restated<br>As at<br>March 31, 2022 | As at<br>March 31, 2021 | As at<br>April 01, 2020 |
|---|---|---|---|
| Total outstanding dues of Micro & Small Enterprises** | 4.14 | 26.24 | 96.02 |
| Total outstanding dues of creditors other than Micro & Small Enterprises | 2,231.67 | 1,485.96 | 1,260.70 |
| **Total** | **2,235.81** | **1,512.20** | **1,356.72** |

*Retention Money payable to client
**Refer Note No. - 38

**Trade Payables - Non - Current - Ageing schedule**

(Amount (in INR millions unless otherwise stated))

| Particulars | Unbilled | Not due | Outstanding for following periods from due date of payment<br>Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|---|---|
| Total outstanding dues of Micro & Small Enterprises | - | 4.15 | - | - | - | - | 4.15 |
| Total outstanding dues of creditors other than Micro & Small Enterprises | - | 81.60 | 387.84 | 157.90 | 298.20 | 1,305.38 | 2,230.92 |
| Total outstanding dues of Micro & Small Enterprises- Disputed | - | - | - | - | - | - | - |
| Total outstanding dues of creditors other than Micro & Small Enterprises- Disputed | - | - | - | - | - | 0.74 | 0.74 |
| **As at March 31, 2022** | | **85.75** | **387.84** | **157.90** | **298.20** | **1,306.13** | **2,235.81** |
| Total outstanding dues of Micro & Small Enterprises | - | 26.24 | - | - | - | - | 26.24 |
| Total outstanding dues of creditors other than Micro & Small Enterprises | - | 155.70 | 221.34 | 145.99 | 207.46 | 755.47 | 1,485.96 |
| Total outstanding dues of Micro & Small Enterprises- Disputed | - | - | - | - | - | - | - |
| Total outstanding dues of creditors other than Micro & Small Enterprises- Disputed | - | - | - | - | - | - | - |
| **As at March 31, 2021** | | **181.94** | **221.34** | **145.99** | **207.46** | **755.47** | **1,512.20** |
| Total outstanding dues of Micro & Small Enterprises | - | 96.02 | - | - | - | - | 96.02 |
| Total outstanding dues of creditors other than Micro & Small Enterprises | - | 185.03 | 177.93 | 63.27 | 144.33 | 690.14 | 1,260.70 |
| Total outstanding dues of Micro & Small Enterprises- Disputed | - | - | - | - | - | - | - |
| Total outstanding dues of creditors other than Micro & Small Enterprises- Disputed | - | - | - | - | - | - | - |
| **As at March 31, 2022** | | **281.05** | **177.93** | **63.27** | **144.33** | **690.14** | **1,356.72** |

**B. Trade Payables - Current**

(Amount (in INR millions unless otherwise stated))

| Particulars | As restated<br>As at<br>March 31, 2022 | As at<br>March 31, 2021 | As at<br>April 01, 2020 |
|---|---|---|---|
| Total outstanding dues of Micro & Small Enterprises* | 3,656.02 | 3,888.37 | 2,779.55 |
| Total outstanding dues of creditors other than Micro & Small Enterprises | 12,182.66 | 12,972.55 | 13,201.67 |
| **Total** | **15,838.68** | **16,860.92** | **15,981.22** |

*Refer Note No. - 38

**Trade Payables - Current - Ageing schedule**

(Amount (in INR millions unless otherwise stated))

| Particulars | Unbilled | Not due | Outstanding for following periods from due date of payment<br>Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|---|---|
| Total outstanding dues of Micro & Small Enterprises | 31.04 | - | 1,347.36 | 686.28 | 706.96 | 884.37 | 3,656.02 |
| Total outstanding dues of creditors other than Micro & Small Enterprises | 839.93 | - | 6,063.19 | 1,632.50 | 1,254.35 | 2,392.69 | 12,182.67 |
| Total outstanding dues of Micro & Small Enterprises- Disputed | - | - | - | - | - | - | - |
| Total outstanding dues of creditors other than Micro & Small Enterprises- Disputed | - | - | - | - | - | - | - |
| **As at March 31, 2022** | **870.97** | **-** | **7,410.56** | **2,318.77** | **1,961.31** | **3,277.07** | **15,838.68** |
| Total outstanding dues of Micro & Small Enterprises | 28.98 | - | 1,895.72 | 1,017.16 | 484.78 | 461.73 | 3,888.37 |
| Total outstanding dues of creditors other than Micro & Small Enterprises | 840.03 | - | 6,853.76 | 1,797.78 | 712.91 | 2,767.32 | 12,971.80 |
| Total outstanding dues of Micro & Small Enterprises- Disputed | - | - | - | - | - | - | - |
| Total outstanding dues of creditors other than Micro & Small Enterprises- Disputed | - | - | - | - | - | 0.74 | 0.74 |
| **As at March 31, 2021** | **869.01** | **-** | **8,749.48** | **2,814.94** | **1,197.69** | **3,229.80** | **16,860.92** |
| Total outstanding dues of Micro & Small Enterprises | 31.00 | - | 1,689.86 | 562.21 | 416.17 | 80.32 | 2,779.55 |
| Total outstanding dues of creditors other than Micro & Small Enterprises | 731.65 | - | 7,955.82 | 1,428.45 | 1,133.00 | 1,951.99 | 13,200.91 |
| Total outstanding dues of Micro & Small Enterprises- Disputed | - | - | - | - | - | - | - |
| Total outstanding dues of creditors other than Micro & Small Enterprises- Disputed | - | - | 0.02 | - | - | 0.74 | 0.76 |
| **As at March 31, 2022** | **762.65** | **-** | **9,645.70** | **1,990.66** | **1,549.17** | **2,033.05** | **15,981.22** |

**Note - 16**
**Provisions**

**A. Provisions - Non-Current**

(Amount (in INR millions unless otherwise stated))

| Particulars | As restated<br>As at<br>March 31, 2022 | As at<br>March 31, 2021 | As at<br>April 01, 2020 |
|---|---|---|---|
| **Provision for Employees Benefits** | | | |
| Leave Encashment - Non-funded (Refer Note No. - 34) | 433.87 | 419.00 | 423.68 |
| Post Retirement Medical Scheme - Non-funded (Refer Note No. - 34) | 256.11 | 246.33 | 214.78 |
| Gratuity - Funded (Refer Note No. - 34) | 111.03 | 94.67 | 60.03 |
| Gratuity-Workmen-Non Funded (Refer Note No. - 34) | 22.64 | 42.82 | 80.47 |
| **Total** | **823.65** | **802.82** | **778.96** |

For movements in each class of provisions during Financial Year (Refer Note No. - 35)

**B. Provisions - Current**

(Amount (in INR millions unless otherwise stated))

| Particulars | As restated<br>As at<br>March 31, 2022 | As at<br>March 31, 2021 | As at<br>April 01, 2020 |
|---|---|---|---|
| **Provision for Employee Benefits** | | | |
| Post Retirement Medical Scheme - Non-funded (Refer Note No. - 34) | 6.49 | 6.20 | 4.92 |
| Pension | 160.30 | 150.77 | 83.34 |
| Leave Travel concession | 5.47 | 5.47 | 5.47 |
| Leave Encashment - Non-funded (Refer Note No. - 34) | 72.61 | 73.79 | 79.78 |
| Gratuity-Funded (Refer Note No. - 34) | 98.57 | 94.79 | 95.38 |
| Gratuity-Workmen-Non Funded (Refer Note No. - 34) | 29.07 | 48.66 | 52.32 |
| **Total** | **372.51** | **379.68** | **321.21** |

For movements in each class of provisions during Financial Year  (Refer Note No. - 35)

**Note - 17**
**Other Liabilities**

**A. Other Non-Current Liabilities**

(Amount (in INR millions unless otherwise stated))

| Particulars | As restated As at March 31, 2022 | As at March 31, 2021 | As at April 01, 2020 |
|---|---|---|---|
| Advances from Clients | 2,460.57 | 1,153.68 | 1,840.81 |
| Unearned Income | 112.05 | 133.15 | 69.99 |
| Other Liabilities | 7.08 | 27.78 | 0.85 |
| **Total** | **2,579.70** | **1,314.61** | **1,911.65** |

**B. Other Current Liabilities**

(Amount (in INR millions unless otherwise stated))

| Particulars | As restated As at March 31, 2022 | As at March 31, 2021 | As at April 01, 2020 |
|---|---|---|---|
| Advances from Clients | 12,369.87 | 9,665.95 | 8,477.29 |
| Statutory Dues | 1,681.41 | 2,019.75 | 2,108.38 |
| Other Liabilities | 32.86 | 30.62 | 30.62 |
| **Total** | **14,084.14** | **11,716.32** | **10,616.30** |

**Note - 18**
**Borrowings**

**A. Long term Borrowings**

(Amount (in INR millions unless otherwise stated))

| Particulars | As restated As at March 31, 2022 | As at March 31, 2021 | As at April 01, 2020 |
|---|---|---|---|
| **Loans from Bank (Secured)** | | | |
| Indian rupees loan from Bank (a) | 378.54 | - | - |
| **Total** | **378.54** | **-** | **-** |

**(a) Secured Term loan from Bank:**

Company has availed term loan of ₹ 2000 Millions from an Indian Bank out of which ₹ 400 Millions has been disbursed up to 31st March 2022, at 3 months' MCLR (with quarterly reset), present effective rate of 6.65%p.a., and secured by way of:

(ia) Primary security - a) Exclusive charge on entire fixed assets of the Company, both present and future and 1st Pari passu charge on entire current assets of the company for corporate loan

(ib) Omnibus counter guarantee of the company for NFB Limits

**- Repayment terms -** Loan tenure of 9 years 6 moths with following repayment:

(i) Principal loan outstanding shall be repaid in Quarterly payments starting from June 2022 to March 2031. As on 31st March 2022, original outstanding balance is ₹ 398.29 Millions (excluding EIR adjustment due to Processing fees).

(ii) Interest payable monthly commencing from December 2021 - present effective rate of interest of the loan is 6.65%, and effective rate of interest is 6.74%. The difference is due to amortisation of processing charges of ₹ 1.77 Millions.

**B. Short term Borrowings**

(Amount (in INR millions unless otherwise stated))

| Particulars | As restated As at March 31, 2022 | As at March 31, 2021 | As at April 01, 2020 |
|---|---|---|---|
| **Loans from Bank (Secured)** | | | |
| Cash Credit Facility (a) | 410.24 | 482.00 | 40.52 |
| **Loans from Bank (Secured)** | | | |
| Short term maturity of long term borrowing (Refer Note No. 18A) | 19.75 | - | - |
| **Total** | **429.99** | **482.00** | **40.52** |

**(a) Company has availed following Cash credit Facilities:**

I) HDFC Bank of ₹ 500 Millions at MCLR payable monthly and secured by way of:

(i) First Pari Passu charge over entire current assets of the Company both present and future.

**Name of the Bank** **HDFC Bank**

(Amount (in INR millions unless otherwise stated))

| Particulars of Security provided | Quarter | Amount as per Books of Accounts | Amount reported in the quarterly return / | Amount of difference | Reason for material discrepancies |
|---|---|---|---|---|---|
| Book debts upto 180 days | June,21 | 6,814.00 | 7,341.70 | (52.77) | There have been some variations in stock statement figures submitted originally to the bank (Column A) as compared to the current corresponding figures as per books of accounts. The variations identified owe to technical issues in the report drawn from the programme. The programming errors has now been rectified & revised stock statement for June 2021 , September 2021 , December 2021 & March 2022 have been furnished to the bank. Dues measures shall be taken to substantiate the compliances with the sanction terms based on the revised submissions. |
| Creditors | | 5,944.80 | 5,904.00 | 4.08 | |
| Book debts upto 180 days | Sept,21 | 1,494.30 | 6,078.30 | (458.40) | |
| Creditors | | 6,404.50 | 5,442.60 | 96.19 | |
| Book debts upto 180 days | Dec,21 | 2,805.90 | 7,726.20 | (492.03) | |
| Creditors | | 6,958.20 | 7,012.90 | (5.47) | |
| Book debts upto 180 days | Mar,22 | 3,903.64 | 5,600.00 | (169.64) | |
| Creditors | | 4,386.00 | 4,750.00 | (36.40) | |

(b) Company has availed Non funded Facility from Punjab National Bank, Indian Overseas Bank, State Bank of India and IDFC amounting to ₹ 11150.00 Millions (Previous Year ₹ 8150.00 Millions) out of which ₹ 6098.81 Millions (Previous year ₹ 6136.72 Millions) have been utilised upto March 31st 2022 against bank deposits of ₹ 728.98 Millions (Previous Year ₹ 570.63 Millions) held as security. (Refer Note No. - 4, 9 & 10)

**Note - 19**
**Lease Liability**

**A. Lease Liability - Non-Current**

(Amount (in INR millions unless otherwise stated))

| Particulars | As restated As at March 31, 2022 | As at March 31, 2021 | As at April 01, 2020 |
|---|---|---|---|
| Lease Liability | 93.67 | 166.52 | 189.67 |
| **Total** | **93.67** | **166.52** | **189.67** |

**B. Lease Liability - Current**

(Amount (in INR millions unless otherwise stated))

| Particulars | As restated As at March 31, 2022 | As at March 31, 2021 | As at April 01, 2020 |
|---|---|---|---|
| Lease Liability | 52.24 | 66.74 | 70.03 |
| **Total** | **52.24** | **66.74** | **70.03** |

**Note - 20**
**Other Financial Liabilities**

**A. Other Non-Current Financial Liabilities**

(Amount (in INR millions unless otherwise stated))

| Particulars | As restated | | |
|---|---|---|---|
| | **As at March 31, 2022** | **As at March 31, 2021** | **As at April 01, 2020** |
| Interest Payable on Customer deposit Work (a) | 573.07 | 489.48 | 359.35 |
| Interest Payable on Advances from Clients | 34.12 | 34.12 | 34.12 |
| Other Liabilities | 455.21 | 667.92 | 551.33 |
| Earnest Money and Security Deposits | 3,096.08 | 2,863.72 | 1,283.12 |
| **Total** | **4,158.48** | **4,055.23** | **2,227.92** |

(a) Refer Note No. - 64

**B. Other Current Financial Liabilities**

(Amount (in INR millions unless otherwise stated))

| Particulars | As restated | | |
|---|---|---|---|
| | **As at March 31, 2022** | **As at March 31, 2021** | **As at April 01, 2020** |
| Performance related pay/ Bonus | 180.28 | 237.07 | 225.99 |
| Corporate Social Responsibility Payable (a) | 14.68 | 12.02 | - |
| Pension (Voluntary) | - | 0.08 | 0.13 |
| Earnest Money and Security Deposits | 972.06 | 1,091.12 | 1,877.92 |
| Payable to Employees | 571.52 | 608.52 | 498.85 |
| Advances from clients - Refundable | 302.49 | 161.36 | 201.78 |
| Payable to Gratuity Trust | 119.79 | 130.87 | 162.63 |
| Other Liabilities (b) | 616.57 | 259.50 | 361.65 |
| **Total** | **2,777.39** | **2,500.54** | **3,328.94** |

(a) Refer Note No. - 44

(b) Includes Security from employees against which counter Fixed deposits have been created. Refer Note No. - 66

**Note - 21**
**Revenue from Operations** (Amount (in INR millions unless otherwise stated))

| Particulars | As Restated<br>For the year ended March 31, 2022 | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|
| Consultancy Income | 6,956.99 | 6,811.16 | 8,850.24 |
| Construction Contracts | 21,022.95 | 18,317.57 | 19,571.97 |
| **Total** | **27,979.93** | **25,128.73** | **28,422.21** |

**Note - 22**
**Other Income** (Amount (in INR millions unless otherwise stated))

| Particulars | As Restated<br>For the year ended March 31, 2022 | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|
| Interest Income | 74.98 | 129.54 | 137.61 |
| a. Bank Deposits | 324.40 | 279.08 | 343.48 |
| b. Interest on refund of Income Tax | 0.50 | 14.63 | - |
| c. On Others | 22.82 | 44.44 | 37.77 |
| Dividend Income | 0.06 | 0.05 | 0.05 |
| Exchange Variation | 136.42 | 97.50 | 377.44 |
| Other non-operating income | 124.63 | 111.02 | 117.79 |
| **Total** | **683.80** | **676.26** | **1,014.14** |

**Note - 23**
**Construction Expenses** (Amount (in INR millions unless otherwise stated))

| Particulars | As Restated<br>For the year ended March 31, 2022 | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|
| For Construction Projects | 19,986.28 | 17,259.53 | 18,452.72 |
| **Total** | **19,986.28** | **17,259.53** | **18,452.72** |

**Note - 24**
**Employee Benefit Expenses** (Amount (in INR millions unless otherwise stated))

| Particulars | As Restated<br>For the year ended March 31, 2022 | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|
| Salaries, Remuneration and Incentives | 3,310.97 | 2,996.36 | 3,419.37 |
| Contributions to Provident & Other Funds | 307.30 | 291.24 | 307.20 |
| Staff Welfare Expenses | 39.15 | 34.76 | 56.38 |
| **Total** | **3,657.42** | **3,322.35** | **3,782.95** |

**Note - 25**
**Finance Cost** (Amount (in INR millions unless otherwise stated))

| Particulars | As Restated<br>For the year ended March 31, 2022 | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|
| **Interest Paid on** | | | |
| Cash Credit facility | 34.33 | 28.06 | 2.09 |
| Term Loan | 6.36 | - | - |
| Customer Deposit fund (a) | 138.53 | 139.80 | 150.52 |
| Lease Liabilities | 16.26 | 22.09 | 23.78 |
| **Total** | **195.48** | **189.95** | **176.39** |

(a) Refer Note No. - 64

**Note - 26**
**Services Obtained** (Amount (in INR millions unless otherwise stated))

| Particulars | As Restated<br>For the year ended March 31, 2022 | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|
| For Consultancy Projects | 1,749.79 | 1,828.36 | 1,876.39 |
| For Construction Projects | 21.43 | 34.59 | 2.96 |
| **Total** | **1,771.22** | **1,862.94** | **1,879.35** |

**Note - 27**
**Depreciation and Amortization Expenses** (Amount (in INR millions unless otherwise stated))

| Particulars | As Restated<br>For the year ended March 31, 2022 | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|
| Depreciation on Tangible Assets | 49.05 | 57.02 | 60.99 |
| Depreciation on Intangible Assets | 5.68 | 7.79 | 8.87 |
| **Total (a)** | **54.73** | **64.81** | **69.85** |
| Amortisation on Right of Use | 69.03 | 85.54 | 82.71 |
| **Total (b)** | **69.03** | **85.54** | **82.71** |
| **Total (a+b)** | **123.76** | **150.36** | **152.56** |

**Note - 28**
**Corporate Social Responsibility**

(Amount (in INR millions unless otherwise stated))

| Particulars | As Restated<br>For the year ended March 31, 2022 | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|
| Corporate Social Responsibility (a) | 36.47 | 31.49 | 41.28 |
| **Total** | **36.47** | **31.49** | **41.28** |

(a) Refer Note No. - 44

**Note - 29**
**Other Expenses**

(Amount (in INR millions unless otherwise stated))

| Particulars | As Restated<br>For the year ended March 31, 2022 | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|
| Power and Fuel | 29.75 | 30.39 | 32.39 |
| Rent (a) | 139.88 | 115.54 | 126.43 |
| Repairs & Maintenance - Office Premises | 64.69 | 65.27 | 71.88 |
| Repairs & Maintenance - Others | 12.52 | 11.90 | 14.30 |
| Insurance | 17.12 | 18.09 | 23.09 |
| Rates and taxes | 223.11 | 172.68 | 113.14 |
| Printing and Stationery | 107.56 | 119.57 | 268.17 |
| Travelling Expenses - India | 83.83 | 64.23 | 152.88 |
| - Overseas | 58.83 | 23.49 | 95.95 |
| Expenditure on Vehicle & Conveyance | 132.49 | 103.00 | 56.01 |
| Hiring of Vehicle | 106.47 | 84.29 | 237.81 |
| Directors' Sitting Fees | 0.47 | 0.35 | 1.23 |
| Postage Telephone & Telegram | 27.06 | 26.60 | 40.28 |
| Advertisement & Publicity | 12.13 | 9.67 | 11.74 |
| Exchange Variation | 79.89 | 140.26 | 192.73 |
| Payment to Auditors - | - | - | - |
| (a) Statutory Audit Fees | 2.41 | 2.37 | 2.26 |
| (b) Tax Audit Fee | 0.88 | 0.87 | 0.82 |
| (c) For Other Services (b) | 0.51 | 3.23 | 0.93 |
| (d) Travelling Expenses | 0.71 | 0.42 | 2.29 |
| Provision for Trade Receivables and Retention Money | 505.96 | 775.62 | 718.77 |
| Provision for Advance Rent | 2.50 | - | - |
| Provision for Legal Claims | 21.29 | 7.38 | 79.56 |
| Bank Charges and Guarantee Commission | 86.79 | 128.95 | 80.89 |
| Miscellaneous expenses | 182.12 | 170.59 | 381.52 |
| Less: Expenditure Reimbursable (c) | (10.81) | (10.25) | (1.00) |
| **Total** | **1,888.15** | **2,064.50** | **2,704.07** |

(a) Refer to Note No. - 46 regarding lease payment

(b) Paid to previous auditors (in FY2020-21)

(c) Refer Note No. - 40 regarding reimbursement

**Note - 30**
**Exceptional Items**

(Amount (in INR millions unless otherwise stated))

| Particulars | As Restated<br>For the year ended March 31, 2022 | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|
| **Expenses** | | | |
| Loss on sale of Property, and Equipment | 0.80 | 0.13 | 3.35 |
| Litigation | - | 1.83 | 2.88 |
| Reduction in Construction Expenses | (0.01) | - | (177.33) |
| Bad Debts/Other Balances Written off | - | 16.05 | 735.94 |
| (A) | **0.80** | **18.01** | **564.84** |
| **Income** | | | |
| Provision written back | 12.57 | 0.99 | 257.763 |
| Liabilities Written Back | 1.84 | 14.43 | 714.741 |
| Profit on sale of Property, Plant and Equipment | 0.00 | 0.06 | 0.415 |
| Reduction in Revenue | (0.01) | - | (202.766) |
| (B) | **14.40** | **15.48** | **770.15** |
| | | | |
| **Total (A-B)** | **13.61** | **(2.53)** | **205.32** |

**Note- 31**
**Income Tax Expense**

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|
| **Current Year Tax** | | | |
| Current Year Tax charge | 386.19 | 465.64 | 829.37 |
| Previous year Tax charge | - | - | - |
| **Deferred Tax** | | | |
| In Respect of current year | (59.23) | (148.45) | 149.85 |
| **Total** | **326.96** | **317.19** | **979.22** |

**Income Tax Expense in Other comprehensive income**

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|
| **Deferred Tax** | | | |
| In Respect of current year | (5.55) | (4.45) | 32.16 |
| **Total** | **(5.55)** | **(4.45)** | **32.16** |

**Reconciliation between Tax Expense and the Accounting Profit**

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|
| **Accounting profit before tax from continuing operations** | **1,018.56** | **921.34** | **2,452.34** |
| At India's statutory income tax rate of 25.168% | **256.35** | **231.88** | **617.20** |
| **Tax effect of amounts which are not deductible (taxable) in calculating Taxable income** | | | |
| Expenditure not allowed in Income Tax (Net) | 35.80 | 31.42 | 45.44 |
| Impact of Tax in OCI | 8.83 | (4.45) | 32.16 |
| Prior period adjustments not allowed in Income Tax | 1.11 | 58.05 | 60.14 |
| Impact of Change in Rate of Income Tax | - | - | 224.28 |
| Impact of Previous year Tax expense & Other Impacts | - | - | - |
| Impact of prior period adjustments | - | 0.29 | - |
| Others | 24.87 | - | - |
| | | - | |
| | **70.61** | **85.31** | **362.02** |
| **At Effective Tax Rate** | **326.96** | **317.19** | **979.22** |
| **Income Tax Expense reported in statement of Profit and loss accounts** | **326.96** | **317.19** | **979.22** |
| **Effective Tax Rate** | **32.10%** | **34.43%** | **39.93%** |

NOTES TO THE RESTATED CONSOLIDATED FINANCIAL INFORMATION

**32. GROUP INFORMATION**

| S. No. | Name of Entity | Country of Incorporation | The date since when subsidiary was acquired | Proportion of Ownership (%) as on March 31 2022 | Proportion of Ownership (%) as on March 31 2021 | Proportion of Ownership (%) as on March 31 2020 |
|---|---|---|---|---|---|---|
| 1 | National Projects Construction Corporation Limited | India | 26th April 2019 | 98.89% | 98.89% | 98.89% |

**SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTEREST ('NCI')**

The Group includes following subsidiary, with material non-controlling interests, as mentioned below:

(Amount (in INR millions unless otherwise stated))

| Description | NPCC Limited | | |
|---|---|---|---|
| Country | India | | |
| | March 31 2022 | March 31 2021 | March 31 2020 |
| Capital contribution by NCI (%) | 1.11% | 1.11% | 1.11% |
| NCI's profit share (%) | 1.11% | 1.11% | 1.11% |
| Accumulated Profit and Loss of non-controlling interest | 3.93 | 2.68 | 2.15 |
| Accumulated Other Comprehensive Income of non-controlling interest | (0.07) | 0.12 | 0.06 |
| Accumulated Total Comprehensive Income of non-controlling interest | 3.86 | 2.80 | 2.21 |

The summarized financial information of Subsidiary Company, before intragroup eliminations are set out below:

(Amount (in INR millions unless otherwise stated))

| | March 31 2022 | March 31 2021 | March 31 2020 |
|---|---|---|---|
| Name of the Subsidiary | National Projects Construction Corporation Limited | National Projects Construction Corporation Limited | National Projects Construction Corporation Limited |
| Date of becoming subsidiary | 26th April 2019 | 26th April 2019 | 26th April 2019 |
| Equity share Capital | 945.32 | 945.32 | 945.32 |
| Other Equity | 1469.49 | 1220.61 | 968.28 |
| Total Assets | 25265.04 | 21246.39 | 20327.06 |
| Total Liabilities | 22850.24 | 19080.47 | 18413.47 |
| Revenue from Operations | 14320.99 | 12112,87 | 13052.43 |
| Profit before Taxation | 504.52 | 339.88 | 462.59 |
| Tax Expense | 150.78 | 98.38 | 260.57 |
| Other comprehensive income | (4.86) | 10.82 | 5.25 |
| Total comprehensive income | 348.87 | 252.33 | 207.27 |

**Additional information in pursuant to Schedule III of the companies Act 2013:**

**Financial Year 2021-2022**

(Amount (in INR millions unless otherwise stated))

| Name of the Entity | Ownership Interest | Net Assets, i.e., Total assets minus total liabilities | | Share in Profit and loss | | Share in other comprehensive Income | | Share in total comprehensive Income | |
|---|---|---|---|---|---|---|---|---|---|
| | | As % of Consolidated Assets | Amount | As % of Consolidated Profit and loss | Amount | As % of Consolidated other comprehensive Income | Amount | As % of Consolidated total comprehensive Income | Amount |
| Parent | - | 69.09% | 5396.49 | 48.85% | 337.86 | 129.44% | 21.37 | 50.73% | 359.24 |
| Subsidiaries: | | | | | | | | | |
| a) National Projects Construction Corporation Limited | 98.99% | 30.91% | 2414.8 | 51.15% | 353.74 | -29.44% | (4.86) | 49.27% | 348.87 |
| **Total** | | | **7811.29** | | **691.60** | | **16.51** | | **708.11** |

**Financial Year 2020-2021**

(Amount (in INR millions unless otherwise stated))

| Name of the Entity | Ownership Interest | Net Assets, i.e., Total assets minus total liabilities | | Share in Profit and loss | | Share in other comprehensive Income | | Share in total comprehensive Income | |
|---|---|---|---|---|---|---|---|---|---|
| | | As % of Consolidated Assets | Amount | As % of Consolidated Profit and loss | Amount | As % of Consolidated other comprehensive Income | Amount | As % of Consolidated total comprehensive Income | Amount |
| Parent | - | 70.55% | 5188.36 | 60.02% | 362.64 | 18.15% | 2.40 | 59.13% | 365.05 |
| Subsidiaries: | | | | | | | | | |
| a) National Projects Construction Corporation Limited | 98.99% | 29.45% | 2165.93 | 39.98% | 241.51 | 81.85% | 10.82 | 40.87% | 252.33 |
| **Total** | | | **7354.29** | | **604.15** | | **13.22** | | **617.38** |

**Financial Year 2019-2020**

(Amount (in INR millions unless otherwise stated))

| Name of the Entity | Ownership Interest | Net Assets, i.e., Total assets minus | | Share in Profit and loss | | Share in other comprehensive Income | | Share in total comprehensive Income | |
|---|---|---|---|---|---|---|---|---|---|
| | | As % of Consolidated Assets | Amount | As % of Consolidated Profit and loss | Amount | As % of Consolidated other comprehensive Income | Amount | As % of Consolidated total comprehensive Income | Amount |
| Parent | - | 72.61% | 5073.32 | 86.29% | 1271.10 | -105.49% | (100.88) | 84.95% | 1170.21 |
| Subsidiaries: | | | | | | | | | |
| a) National Projects Construction Corporation Limited | 98.99% | 27.39% | 1913.6 | 13.71% | 202.02 | 5.49% | 5.25 | 15.05% | 207.27 |
| **Total** | | | **6986.92** | | **1473.12** | | **(95.63)** | | **1377.48** |

**33. Impact due to Covid-19**

In December 2019, Coronavirus Disease (COVID-19) was reported and since then, has not only affected the health of people across the globe, but it has also caused severe disturbance to the global economic environment. The Management has made an assessment of its liquidity position for the next year including that of recoverability of carrying value of its Financial and non-Financial assets. The Company expects to recover the carrying amounts of these assets based on the assessment.

Since there are inherent uncertainties arising out of the rapidly changing environment caused by the pandemic, the situation as predicted from the estimations and assumptions undertaken in the preparation of the financial statements may vary with the actual outcome in the future. The Management continues to monitor any material changes arising due to future economic conditions and making any significant impact on the financials of the Company. The management does not see any risk in the ability of the Company to continue as a going concern and meeting its liabilities as and when due.

**34. Employee Benefits**

**Defined Contribution Plan**

The amount recognized as an expense in defined contribution plan is as under:

(Amount (in INR millions unless otherwise stated))

| Particulars | March 31 2022 | March 31 2021 | March 31 2020 |
|---|---|---|---|
| Contributory Provident Fund | 182.23 | 176.88 | 185.43 |

All eligible employees of the Group are entitled to receive benefits under the Provident Fund, a defined contributory plan, set up through a Trust named as "WAPCOS Employees Contributory Provident Fund Trust" in Holding Company and "NPCC LTD. Employees Contributory Provident Fund Trust" in Subsidiary Company. Both employee and employer contribute monthly at a determined rate as specified under the law to the Trust. The obligation of the Group is limited to such contribution and to make good the shortfall, if any, between the returns from the investments of the trust and the notified interest rate. Short fall, if any, is recognized as an expense during the year. As per actuarial valuation, present value of the expected future earnings on the fund is higher than the expected amount to be contributed to the individual members based on the expected guaranteed rate of interest, resulting in no liability on the Group. In terms of said valuation the Group has no liability towards interest rate guarantee as on March 31 2022, March 31 2021 and March 31 2020.

**Defined Benefit Plans**

Group is having the following Defined Benefit Plans:

- Gratuity (Funded)
- Gratuity (Unfunded)
- PRMS (Unfunded)
- Leave Encashment (Unfunded)

Risks associated with the Plan provisions are actuarial risks. These risks are:

i. Investment Risk,
ii. Interest Risk (Discount Rate Risk),
iii. Mortality Risk
iv. Salary Risk

| | |
|---|---|
| **Investment Risk** | The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Government Bonds Yield. If plan liability is funded and return on plan assets is below this rate, it will create a plan deficit. |
| **Interest Risk (Discount Rate Risk)** | A decrease in the bond interest rate (discount rate) will increase the plan liability. |
| **Mortality Risk** | The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants. For this report we have used Indian Assured Lives Mortality (2006-08) ultimate table A change in mortality rate will have a bearing on the plan's liability. |
| **Salary Risk** | The present value of the defined benefit plan liability is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability. |
| **Medical Expense Inflation Risk** | The present value of the defined benefit plan liability is calculated with the assumption of medical expense inflation increase rate of plan participants in future. Deviation in the rate of increase of medical expense inflation in future for plan participants from the rate of increase in medical expense used to determine the present value of obligation will have a bearing on the plan's liability. |
| **Cash Allowance Inflation Risk** | The present value of the defined benefit plan liability is calculated with the assumption of cash allowance inflation increase rate of plan participants in future. Deviation in the rate of increase of cash allowance in future for plan participants from the rate of increase in cash allowance used to determine the present value of obligation will have a bearing on the plan's liability. |

**Disclosures Related to Funded / Unfunded obligations**

**i. Amounts recognized in the Consolidated Balance Sheet**

(Amount (in INR millions unless otherwise stated))

| Particulars | Gratuity (Funded) (Holding Company) | | | Gratuity Regular (Funded) (Subsidiary Company) | | | Gratuity Workmen (Unfunded) (Subsidiary Company) | | | PRMS (Unfunded) (Holding Company) | | | Leave Encashment (Unfunded) for Group | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | March 31 2022 | March 31 2021 | March 31 2020 | March 31 2022 | March 31 2021 | March 31 2020 | March 31 2022 | March 31 2021 | March 31 2020 | March 31 2022 | March 31 2021 | March 31 2020 | March 31 2022 | March 31 2021 | March 31 2020 |
| Present value of obligations as at the end of year | 537.83 | 517.61 | 492.52 | 135.32 | 145.33 | 176.51 | 51.71 | 91.48 | 132.79 | 262.59 | 252.53 | 219.70 | 506.48 | 492.78 | 503.46 |
| Fair value of plan assets as at the end of the year | 328.23 | 328.15 | 337.11 | 22.80 | 20.59 | 22.64 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0 |
| Funded / Unfunded status | 209.60 | 189.47 | 155.41 | 112.52 | 124.74 | 153.87 | 51.71 | 91.48 | 132.79 | 262.59 | 252.53 | 219.70 | 506.48 | 492.78 | 503.46 |
| **Net (asset) / liability recognized in Balance Sheet** | **209.60** | **189.47** | **155.41** | **112.52** | **124.74** | **153.87** | **51.71** | **91.48** | **132.79** | **262.59** | **252.53** | **219.70** | **506.48** | **492.78** | **503.46** |

**ii. Expenses recognized in the Consolidated Statement of Profit & Loss**

(Amount (in INR millions unless otherwise stated))

| Particulars | Gratuity (Funded) (Holding Company) | | | Gratuity Regular (Funded) (Subsidiary Company) | | | Gratuity Workmen (Unfunded) (Subsidiary Company) | | | PRMS (Unfunded) (Holding Company) | | | Leave Encashment (Unfunded) for Group | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | March 31 2022 | March 31 2021 | March 31 2020 | March 31 2022 | March 31 2021 | March 31 2020 | March 31 2022 | March 31 2021 | March 31 2020 | March 31 2022 | March 31 2021 | March 31 2020 | March 31 2022 | March 31 2021 | March 31 2020 |
| Current Service Cost | 37.59 | 38.82 | 31.60 | 8.69 | 8.85 | 9.93 | 1.39 | 2.51 | 3.70 | 12.19 | 11.78 | 9.68 | 23.46 | 23.62 | 23.17 |
| Past Service Cost | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest cost on defined benefit obligation | 35.72 | 33.79 | 28.59 | 10.65 | 12.18 | 12.91 | 6.71 | 9.16 | 10.97 | 17.45 | 14.96 | 12.48 | 34.56 | 34.60 | 32.78 |
| Interest income on plan assets | 22.64 | 23.13 | 25.25 | 1.51 | 1.56 | 1.39 | - | - | - | - | - | - | - | - | - |
| Re-measurements | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Actuarial (Gains/ Losses) | - | - | - | - | - | - | - | - | - | - | - | - | 20.39 | 7.74 | 57.01 |
| **Expenses recognized in the Statement of Profit & Loss** | **50.67** | **49.48** | **34.94** | **17.83** | **19.47** | **21.45** | **8.10** | **11.67** | **14.67** | **29.64** | **26.74** | **22.16** | **78.40** | **65.96** | **112.96** |

**iii. Expenses recognized in Other Comprehensive Income**

(Amount (in INR millions unless otherwise stated))

| Particulars | Gratuity (Funded) (Holding Company) | | | Gratuity Regular (Funded) (Subsidiary Company) | | | Gratuity Workmen (Unfunded) (Subsidiary Company) | | | PRMS (Unfunded) (Holding Company) | | | Leave Encashment (Unfunded) for Group | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | March 31 2022 | March 31 2021 | March 31 2020 | March 31 2022 | March 31 2021 | March 31 2020 | March 31 2022 | March 31 2021 | March 31 2020 | March 31 2022 | March 31 2021 | March 31 2020 | March 31 2022 | March 31 2021 | March 31 2020 |
| Return on Plan Assets | 1.50 | 1.06 | 7.66 | 0.76 | (0.15) | 1.42 | - | - | - | - | - | - | - | - | - |
| Actuarial (gains)/ loss | (18.05) | (15.48) | 85.83 | 0.76 | (0.15) | (1.42) | 2.73 | (1.59) | (5.09) | (11.79) | 11.43 | 41.58 | 3.77 | (12.87) | (1.92) |
| **Expenses recognized in Other Comprehensive Income** | **(16.55)** | **(14.42)** | **93.49** | **-** | **-** | **-** | **2.73** | **(1.59)** | **(5.09)** | **(11.79)** | **11.43** | **41.58** | **3.77** | **(12.87)** | **(1.92)** |

**iv. Reconciliation of Opening and Closing Balances of Defined Benefit Obligation**

(Amount (in INR millions unless otherwise stated))

| Particulars | Gratuity (Funded) (Holding Company) | | | Gratuity Regular (Funded) (Subsidiary Company) | | | Gratuity Workmen (Unfunded) (Subsidiary Company) | | | PRMS (Unfunded) (Holding Company) | | | Leave Encashment (Unfunded) for Group | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | March 31 2022 | March 31 2021 | March 31 2020 | March 31 2022 | March 31 2021 | March 31 2020 | March 31 2022 | March 31 2021 | March 31 2020 | March 31 2022 | March 31 2021 | March 31 2020 | March 31 2022 | March 31 2021 | March 31 2020 |
| Present value of obligations as at beginning of year | 517.61 | 492.52 | 367.52 | 145.33 | 176.51 | 188.23 | 91.48 | 132.79 | 159.98 | 252.53 | 219.70 | 160.43 | 492.78 | 503.46 | 441.15 |
| Interest cost | 35.72 | 33.79 | 28.59 | 10.65 | 12.18 | 12.91 | 6.71 | 9.16 | 10.97 | 17.45 | 14.96 | 12.48 | 34.56 | 34.60 | 32.78 |
| Current service cost | 37.59 | 38.82 | 31.60 | 8.69 | 8.85 | 9.93 | 1.39 | 2.51 | 3.70 | 12.19 | 11.78 | 9.68 | 23.46 | 23.62 | 23.17 |
| Actuarial (gains)/ losses arising from | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Changes in demographic assumptions | (0.51) | - | - | - | - | - | - | - | - | (0.57) | 14.38 | - | (0.13) | - | - |
| Changes in financial assumptions | (21.92) | (1.99) | 39.52 | (3.47) | (0.29) | 6.86 | (0.73) | (0.11) | 3.61 | (22.67) | (4.14) | 30.99 | (19.98) | (1.69) | 34.59 |
| Experience adjustments | 4.38 | (13.49) | 46.31 | 21.57 | (0.18) | 37.14 | 3.46 | (1.48) | (8.70) | 11.46 | 1.19 | 10.60 | 44.27 | (3.44) | 20.50 |
| Past service cost | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Benefits paid | (35.04) | (32.03) | (21.02) | (47.44) | (51.75) | (78.56) | (50.60) | (51.38) | (36.76) | (7.78) | (5.34) | (4.48) | (68.48) | (63.77) | (48.73) |
| **Present value of obligations as at end of year** | **5378.28** | **517.61** | **492.52** | **135.32** | **145.33** | **176.51** | **51.71** | **91.48** | **132.80** | **262.59** | **252.53** | **219.70** | **506.48** | **492.78** | **503.46** |

**Reconciliation of Opening and Closing Balances of Fair Value of Plan Assets**

(Amount (in INR millions unless otherwise stated))

| Particulars | Gratuity (Funded) (Holding Company) | | | Gratuity Regular (Funded) (Subsidiary Company) | | | Gratuity Workmen (Unfunded) (Subsidiary Company) | | | PRMS (Unfunded) (Holding Company) | | | Leave Encashment (Unfunded) for Group | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | March 31 2022 | March 31 2021 | March 31 2020 | March 31 2022 | March 31 2021 | March 31 2020 | March 31 2022 | March 31 2021 | March 31 2020 | March 31 2022 | March 31 2021 | March 31 2020 | March 31 2022 | March 31 2021 | March 31 2020 |
| Fair value of plan assets on beginning of year | 328.15 | 337.12 | 324.54 | 20.59 | 22.64 | 20.72 | - | - | - | - | - | - | - | - | - |
| Interest Income | 22.64 | 23.13 | 25.25 | 1.51 | 1.56 | 1.39 | - | - | - | - | - | - | - | - | - |
| Re-measurement gain/(loss)- Return on Plan Assets excluding amounts included in net interest expense | (1.50) | (1.06) | (7.66) | 0.76 | (0.15) | - | - | - | - | - | - | - | - | - | - |
| Contribution from the employer | 13.97 | 1.00 | 16.00 | 47.39 | 48.28 | 79.09 | - | - | - | - | - | - | - | - | - |
| Benefits Paid | (35.04) | (32.03) | (21.02) | (47.44) | (51.75) | (78.56) | - | - | - | - | - | - | - | - | - |
| Fair value of plan assets at end of year | **328.23** | **328.15** | **337.11** | **22.80** | **20.59** | **22.64** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |

**v. Actuarial Assumptions**

| Particulars | Gratuity (Funded) (Holding Company) | | | Gratuity Regular (Funded) (Subsidiary Company) | | | Gratuity Workmen (Unfunded) (Subsidiary Company) | | | PRMS (Unfunded) (Holding Company) | | | Leave Encashment (Unfunded) for Group | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | March 31 2022 | March 31 2021 | March 31 2020 | March 31 2022 | March 31 2021 | March 31 2020 | March 31 2022 | March 31 2021 | March 31 2020 | March 31 2022 | March 31 2021 | March 31 2020 | March 31 2022 | March 31 2021 | March 31 2020 |
| Discount rate | 7.33% | 6.90% | 6.86% | 7.33% | 6.90% | 6.86% | 7.33% | 6.90% | 6.86% | 7.40% | 6.91% | 6.81% | 7.33% | 6.90% | 6.86% |
| Expected rate of future salary increase | 6.00% | 6.00% | 6.00% | 6.00% | 6.00% | 6.00% | 6.00% | 6.00% | 6.00% | 6.00% | 6.00% | 6.00% | 6.00% | 6.00% | 6.00% |
| Increase in Compensation levels | - | - | - | - | - | 0 | - | - | 0 | - | - | 0 | - | - | - |
| Retirement age | - | - | - | 58 | 58 | 58 | 58 | 58 | 58 | - | - | 0 | 58 | 60/58 | 60/58 |

**vi. Maturity profile of Defined Benefit Obligation**

(Amount (in INR millions unless otherwise stated))

| Particulars | Gratuity (Funded) (Holding Company) | | | Gratuity Regular (Funded) (Subsidiary Company) | | | Gratuity Workmen (Unfunded) (Subsidiary Company) | | | PRMS (Unfunded) (Holding Company) | | | Leave Encashment (Unfunded) for Group | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | March 31 2022 | March 31 2021 | March 31 2020 | March 31 2022 | March 31 2021 | March 31 2020 | March 31 2022 | March 31 2021 | March 31 2020 | March 31 2022 | March 31 2021 | March 31 2020 | March 31 2022 | March 31 2021 | March 31 2020 |
| Weighted average of the defined benefit obligation | - | - | | | - | | - | - | | 18 | 18 | | - | - | - |
| Duration of defined benefit obligation- from the fund | - | - | | 7 | 6 | 5 | 1 | 1 | 1 | - | - | | - | - | - |
| Duration (years) | | | | | | | | | | | | | | | - |
| 1 | 56.79 | 43.55 | 42.79 | 41.27 | 41.34 | 49.02 | 29.07 | 48.66 | 52.32 | - | - | - | - | - | - |
| 2 | 26.94 | 23.10 | 27.54 | 17.76 | 29.24 | 33.47 | 15.90 | 23.72 | 40.78 | - | - | - | - | - | - |
| 3 | 48.38 | 49.91 | 31.95 | 18.49 | 12.45 | 26.51 | 4.67 | 12.98 | 21.01 | - | - | - | - | - | - |
| 4 | 42.11 | 44.74 | 47.62 | 9.45 | 15.49 | 13.58 | 1.18 | 3.82 | 11.69 | - | - | - | - | - | - |
| 5 | 51.59 | 38.84 | 42.49 | 4.99 | 7.09 | 13.38 | 0.48 | 0.97 | 3.26 | - | - | - | - | - | - |
| Above 5 | 1128.33 | 1063.61 | 993.39 | 43.36 | 39.70 | 40.55 | 0.41 | 1.33 | 3.73 | - | - | - | - | - | - |
| **Total** | **1354.14** | **1263.75** | **1185.78** | **135.32** | **145.31** | **176.51** | **51.71** | **91.48** | **132.79** | **-** | **-** | **-** | **-** | **-** | **-** |
| Duration of defined benefit payments-from the employer | - | - | | - | - | | - | - | | - | - | | - | - | - |
| Duration (years) | | | | | | | | | | | | | | | |
| 1 | - | - | | - | - | | - | - | | 6.49 | 6.20 | 3.67 | - | - | - |
| 2 | - | - | | - | - | | - | - | | 7.86 | 6.99 | 5.88 | - | - | - |
| 3 | - | - | | - | - | | - | - | | 8.98 | 8.36 | 5.98 | - | - | - |
| 4 | - | - | | - | - | | - | - | | 10.07 | 9.48 | 6.58 | - | - | - |
| 5 | - | - | | - | - | | - | - | | 11.41 | 10.56 | 6.89 | - | - | - |
| Above 5 | - | - | | - | - | | - | - | | 1477.03 | 1156.71 | 188.45 | - | - | - |
| **Total** | **-** | **-** | | **-** | **-** | | **-** | **-** | | **1521.84** | **1198.30** | **217.45** | **-** | **-** | **-** |

**vii. Major categories of plan assets (as percentage of total plan assets)**

| Particulars | Gratuity (Funded) | | | PRMS (Unfunded) | | | Leave Encashment (Unfunded) | | |
|---|---|---|---|---|---|---|---|---|---|
| | March 31 2022 | March 31 2021 | March 31 2020 | March 31 2022 | March 31 2021 | March 31 2020 | March 31 2022 | March 31 2021 | March 31 2020 |
| Insurance fund | 100% | 100% | 100% | - | - | - | - | - | - |

**viii. Sensitivity Analysis**

**Sensitivity analysis in respect of Gratuity (Funded) (Holding Company)**

(Amount (in INR millions unless otherwise stated))

| Particulars | Change in assumption | | | Increase in defined benefit obligation | | | Decrease in defined benefit obligation | | |
|---|---|---|---|---|---|---|---|---|---|
| | March 31 2022 | March 31 2021 | March 31 2020 | March 31 2022 | March 31 2021 | March 31 2020 | March 31 2022 | March 31 2021 | March 31 2020 |
| Increase/(Decrease) in discount rate | +/- 1% | +/- 1% | +/- 1% | 53.71 | 54.25 | 51.02 | 45.04 | 45.31 | 42.67 |
| Expected rate of future salary increase | +/- 1% | +/- 1% | +/- 1% | 35.51 | 39.00 | 36.84 | 34.16 | 36.94 | 34.95 |
| Expected change in rate of employee turnover | +/- 1% | +/- 1% | +/- 1% | 10.17 | 6.61 | 5.71 | 11.74 | 7.67 | 6.64 |

**Sensitivity analysis in respect of Gratuity Regular (Funded) (Subsidiary Company)**

(Amount (in INR millions unless otherwise stated))

| Particulars | Change in assumption | | | Increase in defined benefit obligation | | | Decrease in defined benefit obligation | | |
|---|---|---|---|---|---|---|---|---|---|
| | March 31 2022 | March 31 2021 | March 31 2020 | March 31 2022 | March 31 2021 | March 31 2020 | March 31 2022 | March 31 2021 | March 31 2020 |
| Increase/(Decrease) in discount rate | +/- 1% | +/- 1% | +/- 1% | 6.97 | 6.52 | 6.45 | (6.16) | (5.85) | (7.09) |
| Expected rate of future salary Increase/(Decrease) | +/- 1% | +/- 1% | +/- 1% | 6.99 | 6.50 | (7.09) | (6.29) | (5.93) | 6.50 |
| Expected change in rate of employee turnover | +/- 1% | +/- 1% | +/- 1% | 0.47 | 0.18 | (0.09) | (0.53) | (0.22) | 0.12 |

**Sensitivity analysis in respect of Gratuity Workmen (Unfunded) (Subsidiary Company)**

(Amount (in INR millions unless otherwise stated))

| Particulars | Change in assumption | | | Increase in defined benefit obligation | | | Decrease in defined benefit obligation | | |
|---|---|---|---|---|---|---|---|---|---|
| | March 31 2022 | March 31 2021 | March 31 2020 | March 31 2022 | March 31 2021 | March 31 2020 | March 31 2022 | March 31 2021 | March 31 2020 |
| Increase/(Decrease) in discount rate | +/- 1% | +/- 1% | +/- 1% | 0.79 | 1.52 | 2.52 | (0.77) | (1.48) | (2.69) |
| Expected rate of future salary Increase/(Decrease) | +/- 1% | +/- 1% | +/- 1% | 0.79 | 1.52 | (2.60) | (0.79) | (1.51) | 2.56 |
| Expected change in rate of employee turnover | +/- 1% | +/- 1% | +/- 1% | 0.00 | 0.01 | (0.02) | (0.01) | (0.01) | 0.02 |

**Sensitivity analysis in respect of PRMS (Unfunded) (Holding Company)**

(Amount (in INR millions unless otherwise stated))

| Particulars | Change in assumption | | | Increase in defined benefit obligation | | | Decrease in defined benefit obligation | | |
|---|---|---|---|---|---|---|---|---|---|
| | March 31 2022 | March 31 2021 | March 31 2020 | March 31 2022 | March 31 2021 | March 31 2020 | March 31 2022 | March 31 2021 | March 31 2020 |
| Increase/(Decrease) in discount rate | +/- 1% | +/- 1% | +/- 1% | 49.64 | 46.71 | 42.12 | 38.31 | 36.30 | 32.42 |
| Expected rate of future salary increase | +/- 1% | +/- 1% | +/- 1% | 0.00 | 16.35 | 15.93 | 0.00 | 13.88 | 13.30 |
| Expected change in rate of employee turnover | +/- 1% | +/- 1% | +/- 1% | 0.00 | 45.51 | 23.17 | 0.00 | 45.53 | 19.05 |
| Expected change in medical cost inflation | +/- 1% | +/- 1% | +/- 1% | - | - | 11.93 | - | - | 9.20 |

**Sensitivity analysis in respect of Leave Encashment (Unfunded) for Group**

(Amount (in INR millions unless otherwise stated))

| Particulars | Change in assumption | | | Increase in defined benefit obligation | | | Decrease in defined benefit obligation | | |
|---|---|---|---|---|---|---|---|---|---|
| | March 31 2022 | March 31 2021 | March 31 2020 | March 31 2022 | March 31 2021 | March 31 2020 | March 31 2022 | March 31 2021 | March 31 2020 |
| Increase/(Decrease) in discount rate | +/- 1% | +/- 1% | +/- 1% | 7.31 | 6.76 | 6.35 | -6.35 | -5.95 | -7.12 |
| Expected rate of future salary Increase/(Decrease) | +/- 1% | +/- 1% | +/- 1% | 7.34 | 6.75 | -7.11 | -6.48 | -6.05 | 6.46 |

***Changes in Defined benefit obligation due to 1% Increase / Decrease in Mortality Rate if all other assumptions remain constant is negligible.**

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined obligation has been calculated using the projected unit credit method at the end of the report period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the statement of financial position.

There is no change in the method of the valuation for the prior period. For change in assumption please refer to table (v) above, where assumptions for prior period are given.

**35. Provisions, Contingent Liabilities and Contingent Assets (Ind AS 37)**

**Movement of Provisions**

**Movements in each class (Current & Non-Current) of Provision during the financial year are set out below:**

(Amount (in INR millions unless otherwise stated))

| Particulars | Gratuity (Funded) (Holding Company) | | | Gratuity Workmen (Unfunded) (Subsidiary Company) | | | PRMS (Unfunded) (Holding Company) | | |
|---|---|---|---|---|---|---|---|---|---|
| | March 31 2022 | March 31 2021 | March 31 2020 | March 31 2022 | March 31 2021 | March 31 2020 | March 31 2022 | March 31 2021 | March 31 2020 |
| Opening Balance | 189.47 | 155.41 | 42.98 | 91.48 | 132.79 | 159.97 | 252.52 | 219.70 | 160.43 |
| Additional Provisions during the Year | 34.11 | 35.06 | 128.43 | 10.83 | 10.08 | 9.58 | 17.85 | 38.16 | 63.75 |
| Provision used during the Year | (13.97) | (1.00) | (16.00) | (50.60) | (51.38) | (36.76) | (7.78) | (5.34) | (4.48) |
| Provision reversed during the Year | - | - | - | - | - | - | - | - | - |
| Closing Balance | **209.60** | **189.47** | **155.41** | **51.71** | **91.48** | **132.79** | **262.59** | **252.52** | **219.70** |

(Amount (in INR millions unless otherwise stated))

| Particulars | Leave Encashment (Unfunded) for Group | | | Leave Travel Concession (Holding Company) | | | Pension* (Holding Company) | | |
|---|---|---|---|---|---|---|---|---|---|
| | March 31 2022 | March 31 2021 | March 31 2020 | March 31 2022 | March 31 2021 | March 31 2020 | March 31 2022 | March 31 2021 | March 31 2020 |
| Opening Balance | 492.70 | 503.38 | 441.14 | 5.47 | 5.47 | 5.47 | 150.77 | 83.34 | 45.69 |
| Additional Provisions during the Year | 82.18 | 53.09 | 111.04 | - | - | - | 78.36 | 67.43 | 83.34 |
| Provision used during the Year | (68.48) | (63.77) | (48.80) | - | - | - | (68.83) | - | (45.69) |
| Provision reversed during the Year | - | - | - | - | - | - | - | - | - |
| Closing Balance | **506.41** | **492.70** | **503.38** | **5.47** | **5.47** | **5.47** | **160.30** | **150.77** | **83.34** |

*The Holding Company has pension plan in place for its employees in accordance with D.P.E Guidelines. The pension plan has been taken from LIC of India for this purpose.

**36. Earnings Per Share (EPS) (Ind AS 33)**

(Amount (in INR millions unless otherwise stated))

| Earnings per Equity Shares | March 31 2022 | March 31 2021* | March 31 2020* |
|---|---|---|---|
| Profit attributable to Equity Holders | 691.60 | 604.15 | 1473.12 |
| Continuing Operations | 691.60 | 604.15 | 1473.12 |
| Discontinued Operations | - | - | - |
| Profit attributable to Equity Holders for basic Earnings | 691.60 | 604.15 | 1473.12 |
| Profit attributable to Equity Holders adjusted for the effect of dilution | 691.60 | 604.15 | 1473.12 |
| Weighted average number of Equity shares for basic EPS | 130000000 | 130000000 | 130000000 |
| Face value Per Equity Share | 10 | 10 | 10 |
| Earnings Per Equity Share (for continuing operation) | | | |
| Basic (in ₹) | 5.32 | 4.65 | 11.33 |
| Dilutive (in ₹) | 5.32 | 4.65 | 11.33 |

*During the year, the company has split each share @ Rs. 100 each to 10 shares of Rs. 10 each (without consideration). Further, the company has issued 30 millions bonus shares. The Earning per share has been calculated on outstanding numbers of equity shares treating if the share split and bonus issue had occurred before the beginning of 2019 i.e. the earliest period presented in current year financial statements.

**37. Dividend and Reserves**

(Amount (in INR millions unless otherwise stated))

| Particulars | March 31 2022 | March 31 2021 | March 31 2020 |
|---|---|---|---|
| Cash dividend on Equity Shares declared and Paid | - | - | - |
| Final Dividend Paid | 251.11 | 250.00 | 430.00 |
| Dividend Distribution Tax on Final Dividend Paid | - | - | 88.40 |
| Interim Dividend | - | - | - |
| Dividend Distribution Tax on Interim Dividend | - | - | - |
| Date of Dividend payment | 06-Jan-22 | 26-Mar-21 | 23-Oct-19 |

The Dividends on equity shares declared by the Group is in accordance with DPE guidelines.

**38.** In terms of **Section 22 of the Micro, Small and Medium Enterprises Development Act 2006,** the amount due to these enterprises are required to be disclosed. These enterprises are required to be registered under that Act. The Group has asked the vendors the status of MSME registration. Details of dues to micro & small enterprises are given on the basis of information available with the management:

(Amount (in INR millions unless otherwise stated))

| S. No. | Particulars | March 31 2022 | March 31 2021 | March 31 2020 |
|---|---|---|---|---|
| 1 (a) | The Principal amount due thereon remaining unpaid to any supplier as at the end of each accounting year | 3,660.16 | 3,914.61 | 2,875.57 |
| 1 (b) | The interest due thereon remaining unpaid to any supplier as at the end of each accounting year on the above amount | - | - | - |
| 2 | The amount of interest paid by the buyer in terms of Section 16 of the Micro and Small Enterprise Development Act 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year. | - | - | - |
| 3 | The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro and Small Enterprises Development Act, 2006 | - | - | - |
| 4 | The amount of interest due and remaining unpaid at the end of each accounting year. | - | - | - |
| 5 | 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 Micro and Small Enterprise Development Act, 2006 | - | - | - |

*The Group has initiated the process of identification of suppliers registered under Micro and Small Enterprise Development Act, 2006, by obtaining confirmation from all supplies. Above Information has been collated only to the extent of information received and available on records.

**39.** Balances shown under Claims recoverable, Trade Receivables, Advances to contractors, Trade Payables and Security deposits/ Retention money from contractors are subject to confirmation and respective consequential adjustments. The status of **Balance Confirmations** received is as follows:

**As at March 31 2022**

(Amount (in INR millions unless otherwise stated))

| Particulars | Central / State Government Departments | | Foreign Governments | | Others | |
|---|---|---|---|---|---|---|
| | Dues | Confirmation received | Dues | Confirmation received | Dues | Confirmation received |
| Trade Receivables | 20,342.80 | 99.83 | 2,550.48 | 4.68 | 620.82 | 0.88 |
| Retention Money | 1,031.02 | 1.66 | 57.51 | - | 0.30 | - |
| Trade Payables | 485.65 | 19.02 | - | - | 17,588.84 | 1,632.05 |
| Advance to Contractors | 193.12 | - | - | - | 714.33 | - |

**As at March 31 2021**

(Amount (in INR millions unless otherwise stated))

| Particulars | Central / State Government Departments | | Foreign Governments | | Others | |
|---|---|---|---|---|---|---|
| | Dues | Confirmation received | Dues | Confirmation received | Dues | Confirmation received |
| Trade Receivables | 19,041.00 | 33.09 | 2,653.85 | 248.70 | 904.19 | - |
| Retention Money | 1,034.98 | - | 53.25 | - | 12.66 | - |
| Trade Payables | 630.01 | 7.08 | 145.82 | - | 17,595.38 | 718.60 |
| Advance to Contractors | 89.16 | - | 0.58 | - | 1,494.66 | 0.19 |

**As at March 31 2020**

(Amount (in INR millions unless otherwise stated))

| Particulars | Central / State Government | | Foreign Governments | | Others | |
|---|---|---|---|---|---|---|
| | Dues | Confirmation received | Dues | Confirmation received | Dues | Confirmation received |
| Trade Receivables | 18236.15 | 2251.36 | 2131.23 | 699.74 | 153.35 | - |
| Retention Money | 1288.58 | 0.90 | 49.71 | - | 0.33 | - |
| Trade Payables | 340.30 | - | 1505.35 | 53.11 | 15491.13 | 1,835.72 |
| Advance to Contractors | 33.23 | - | 4.82 | - | 1319.24 | 33.99 |

The balances of Trade Receivables and Trade Payables are truly reflected in the Books of Accounts. With regard to the differences as stated by the parties, the Group is in the process of coordinating and shall obtain the corrected confirmation in due course of time.

In the opinion of the management, the value of Trade Receivables, Loans and Advances on realization in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet. The total Trade Receivables are ₹ 23514.10 millions out of which ₹ 1661.38 millions are deferred debts presently not due for payment. (Previous Year FY2020-21 ₹ 22599.05 millions out of which ₹ 2036.65 millions were Deferred debt) (Previous Year FY 2019-20 ₹ 20520.73 millions out of which ₹ 2246.16 millions were Deferred debt).

40. During the year, the Group has acquired fixed assets / loose tools (not forming part of the company's assets i.e., PPE) on behalf of clients amounting to ₹ 15.18 millions (Previous Year 2020-21 ₹ 11.70 millions) (Previous Year 2019-20 ₹ 27.95 millions). Further ₹ 10.81 millions (Previous Year ₹ 10.24 millions) (Previous Year 2019-20 ₹ 1.00 millions) has been Set-off against Reimbursement received from client.

41. The Subsidiary company is generally executing contracts by engaging sub-contractors. The company, therefore, does not procure materials directly and therefore, primarily, information in respect of para 5(viii)(c) of general instructions for preparation of the Statement of Profit & Loss as per Schedule III to the Companies Act, 2013 is NIL. However, stores and spares consumed on departmental works is as under:
Indigenous Stores & Spares – ₹ 0.04 millions (Previous Year 2020-21 ₹ 0.19 millions) (Previous Year 2019-20 ₹ 1.39 millions).

42**.** Inventories include ₹ 10.71 millions (Previous Year 2020-21 ₹ 10.71 millions) (Previous Year 2019-20 ₹ 10.71 millions) confiscated by Project Authorities which are unadjusted pending settlement of account. However, there exist unadjusted liabilities in excess of the value of assets confiscated.

43. In case of Parent company, Liability in respect of "Performance Related Pay", amounting to ₹ 22.32 millions (Previous Year 2020-21 ₹ 13.93 millions) (Previous Year 2019-20 ₹ 103.97 millions) for the employees for the year ended on March 31 2022 has been estimated and provided based on scheme formulated in accordance with D.P.E guidelines, based upon certain ranking parameter. Movement chart is as under:

(Amount (in INR millions unless otherwise stated))

| S. No. | Period | March 31 2022 | March 31 2021 | March 31 2020 |
|---|---|---|---|---|
| 1 | Opening Balance | 219.91 | 205.98 | 170.09 |
| 2 | Add: Additions during the year | 22.32 | 13.93 | 103.97 |
| 3 | Less: Paid during the year | (79.95) | - | (68.08) |
| 4 | Closing Balance | **162.28** | **219.91** | **205.98** |

**44. Corporate Social Responsibility (CSR) expenses**
The requisite disclosures relating to CSR expenditure in terms on Guidance Note on Corporate Social Responsibility (CSR) issued by The Institute of Chartered Accountants of India

**PARENT COMPANY**

**Financial Year 2021-2022**
(a) CSR amount spent or unspent for the financial year:

(Amount (in INR millions unless otherwise stated))

| Total Amount Spent for the Financial Year | Amount Unspent | | | | |
|---|---|---|---|---|---|
| | Total Amount transferred to Unspent CSR Account as per section 135 (6) | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). | | |
| | Amount | Date of Transfer | Name of the Fund | Amount | Date of Transfer |
| 26.98 | 3.93 | 30.04.2022 | | - | |

(b) Details of CSR amount spent against ongoing projects for the financial year:

(Amount (in INR millions unless otherwise stated))

| S. No. | Name of the Project | Item from the list of activities in Schedule 7 of the Act | Local Area (Yes/No) | Location of the Project | | Project Duration | Amount allocated for the Project | Amount spent in the current Financial Year | Amount transferred to Unspent CSR Account for the Project as per Section 135(6) | Mode of implementation - Direct (Yes/No) | Mode of implementation - Through Implementing Agency |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | State | District | | | | | | |
| 1 | Construction of Rainwater Harvesting at Humayun's Tomb Site Museum under CSR activity of WAPCOS during 2021-22. | Item No 4 Environmental Sustainability | Yes | New Delhi | Nizamuddin | 03.08.2021-02.11.2021 | 2.42 | 2.11 | - | No | Aga Khan Foundation, 6 Bhagwan Dass Road, New Delhi, 110001 - CSR00008713 |
| 2 | Installation of Roof Top Rainwater Harvesting Structure in Government Schools of Haryana -under CSR activity of WAPCOS during 2021-22 | Item No 4 Environmental Sustainability | No | Haryana | Bhiwani, Faridabad, Gurugram, Jhajjar, Palwal, Panipat, Rewari, Rohtak and Sonipat | 01.10.2021-30.11.2021 | 1.78 | 1.71 | 0.09 | No | Empathetic Humane Socially Awakened Samaj (EHSAS), Mahendru Enclave, New Delhi - CSR00012973 |
| 3 | School Education through providing set of Table and Chair in 3 Schools of Khatima Block , Udham Singh Nagar, Uttrakhand. | Item No 2 School Education | NO | Uttrakhand | UdhamSingh Nagar | 23.03.2022-22.06.2022 | 0.93 | 0.23 | 0.70 | No | Devwani Propkar Mission, Bhupatwala, Haridwar, Uttralhand - CSR00013924 |
| 4 | School Education through construction of 3 class rooms including electric fitting & fixture for students of Lala Baijnath Janki Pathshala (LBJP) Inter-College, Tilhar, Distt- Shahjahanpur, Uttar Pradesh | Item No 2 School Education | No | Uttar Pradesh | Shahjahanpur | 29.03.2022-28.12.2022 | 2.49 | 0.50 | 1.85 | No | Gurgia Charities, Khanpur, New Delhi -CSR00010365 |
| 5 | Arogya Project- Providing Healthcare Services to Schools children in 45 Government Schools by Organising Health Check up cum awareness camps on Nutrition & Hygiene in Shravasti district, Uttar Pradesh | Item No-1 Health Care | No | Uttar Pradesh | Shravasti | 01.01.2020-31.12.2021 | 0.22 | 0.22 | - | No | Sustainable Action Towards Human Empowerment ,Sector-5, Ghaziabad - CSR00005293 |
| 6 | Swastha Bharat project- Providing Healthcare Services to Schools children by Organising General Health Check up Camps ,Adolescent Workshop, Swachhta Rally and Tree Plantation in Kaiserganj Block, Bahraich district , Uttar Pradesh. | Item No-1 Health Care | No | Uttar Pradesh | Bahraich | 26.09.2019-31.12.2021 | 0.42 | 0.42 | - | No | Aroh Foundation, Sector-8, Noida - CSR00000044 |
| 7 | School Education through reconstruction of four class rooms including electric fitting and furniture & fixture for students of Lala Baijnath Janki Pathshala (LBJP) Inter-College, Tilhar, Distt- Shahjahanpur, Uttar Pradesh. | Item No 2 School Education | No | Uttar Pradesh | Shahjahanpur | 04.03.2020-16.08.2021 | 0.51 | 0.51 | - | No | Gurgia Charities, Khanpur, New Delhi - CSR00010365 |

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(Amount (in INR millions unless otherwise stated))

| S. No. | Name of the Project | Item from the list of activities in Schedule 7 of the Act | Local Area (Yes/No) | Location of the Project | | Amount spent for the project | Mode of implementation - Direct (Yes/No) | Mode of implementation - Through | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | State | District | | | Name. | CSR Registration number |
| 1 | PM CARES FUND | VIII | - | - | - | 20.00 | - | - | - |

(d) Amount spent on Administrative Overheads - ₹ 1.28 Millions

(e) Amount spent on Impact Assessment, if applicable - ₹ Nil

(f) Total amount spent for the Financial Year (b+c+d+e) - ₹ 26.98 Millions

(g) Excess amount for set off, if any:

(Amount (in INR millions unless otherwise stated))

| S. No. | Particulars | Amount |
|---|---|---|
| 1 | Two percent of average net profit of the company as per section 135(5) | 29.61 |
| 2 | Total amount spent for the Financial Year | 26.98 |
| 3 | Excess amount spent for the financial year [(ii)-(i)] | - |
| 4 | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | - |
| 5 | Amount available for set off in succeeding financial years [(iii)-(iv)] | - |

(h) Details of Unspent CSR amount for the preceding three financial years:

(Amount (in INR millions unless otherwise stated))

| S. No. | Preceeding Financial Year | Amount transferred to Unspent CSR Account under section 135 (6) | Amount spent in the reporting Financial Year | Amount transferred to any fund specified | | | Amount remaining to be spent in succeeding financial years |
|---|---|---|---|---|---|---|---|
| | | | | Name of the Fund | Amount | Date of transfer | |
| 1 | FY 2020-2021 | 1.30 | 1.30 | - | - | - | - |

(Amount (in INR millions unless otherwise stated))

| S. No. | Name of Activity | Sector in which the project is covered | Projects/ Programmes 1 local area/Others 2 Specify the State/ district (Name of the Name of the District/State where project/ programme was undertaken | Amount outlay (Budget) of Project/ Program wise | Amount spent on the project for Unspent CSR Account for the year 2020-21 | Amount Spent direct / through implementing Agency |
|---|---|---|---|---|---|---|
| 1 | Socio Economic Empowerment of Poor Girls through skill Development training program in Amritsar, Punjab. | Skill Development | 1 Amritsar<br>2 Punjab | 0.48<br>(0.31 spent during 2020-21) | 0.17 | Shree Durgiana Committeee |
| 2 | School Education – Setting up of Smart Class Rooms for 12 Rajkiya Middle Schools in Bhagwanpur, Laksar and Narsan Blocks at Haridwar District, Uttrakhand. | School Education | 1 Bhagwanpur, Laksar and Narsan<br>2 Haridwar, Uttrakhand | 1.20<br>(1.08 spent during 2020-21) | 0.12 | District Administration, Haridwar |
| 3 | Swastha Bharat project- Providing Healthcare Services to Schools children by Organising General Health Check up Camps , Adolescent Workshop, Swachhta Rally and Tree Plantation in Kaiserganj Block, Bahraich district , Uttar Pradesh | Preventive Health Care | 1 Kaiserganj<br>2 Bahraich, Uttar Pradesh | 2.49<br>(1.25 spent during 2019-20 and 0.62 spent during 20-21) | 0.21 | M/s Aroh Foundation |
| 4 | Renovation of existing main academic building block including boundary wall, construction of one room and water supply arrangement including bore well for students of Rajkiya Middle School, Gobindpur Bajidpur, Block-Bidupur, Distt- Vaishali, Bihar | School Education | 1 Gobindpur Bajidpur<br>2 Vaishali, Bihar | 5.00<br>(2.00 spent during 2019-20 and ₹ 2.00 during 2021-22) | 0.53 | M/s Rajkiya Middle School, Gobindpur |
| 5 | Arogya Project- Providing Healthcare Services to Schools children in 45 Government Schools by Organising Health Check up cum awareness camps on Nutrition & Hygiene in Shravasti district ,Uttar Pradesh | Preventive Health Care | 1 Sirsia, Hariharpurani, Jamunaha, Ikona, Gilola<br>2 Shravasti, Uttar Pradesh | 2.45<br>(1.22 spent during 2019-20 and 0.78 during 2020-21) | 0.22 | M/S Sustainable Action Towards Human Empowerment (SATHEE) |
| 6 | School Education through reconstruction of four class rooms including electric fitting and furniture & fixture for students of Lala Baijnath Janki Pathshala (LBJP) Inter-College, Tilhar, Distt- Shahjahanpur, Uttar Pradesh. | School Education | 1 Tilhar<br>2 Shahjahanpur, Uttar Pradesh | 2.21<br>(1.64 spent during 2020-21) | 0.05 | M/s Gurgia Charities |

(i) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year (s)

(Amount (in INR millions unless otherwise stated))

| S. No. | Project ID. | Name of the Project. | Financial Year in which the project was commenced | Project duration. | Total amount allocated for the project | Amount spent on the project in the reporting Financial Year | Cumulative amount spent at the end of reporting Financial Year | Status of the project- Completed/ Ongoing. |
|---|---|---|---|---|---|---|---|---|
| 1 | WAP/CSR/2019-20/S.E/Tilhar/U.P/31 | School Education through reconstruction of four class rooms including electric fitting and furniture & fixture for students of Lala Baijnath Janki Pathshala (LBJP) Inter-College, Tilhar, Distt- Shahjahanpur, Uttar Pradesh. | 2019-20 | 04.03.2020-16.08.2021 | 2.21 | 0.51 | 2.21 | Completed |
| 2 | WAP/CSR/2019-20/H.C/Bahraich/U.P/13 | Swastha Bharat project- Providing Healthcare Services to Schools children by Organising General Health Check up Camps ,Adolescent Workshop, Swachhta Rally and Tree Plantation in Kaiserganj Block, Bahraich district , Uttar Pradesh | 2019-20 | 26.09.2019-31.12.2021 | 2.49 | 0.42 | 2.49 | Completed |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 3 | WAP/CSR/2019-20/H.C/Shravasti/U.P/24 | Arogya Project- Providing Healthcare Services to Schools children in 45 Government Schools by Organising Health Check up cum awareness camps on Nutrition & Hygiene in Shravasti district ,Uttar Pradesh | 2019-20 | 01.01.2020-31.12.2021 | 2.44 | 0.22 | 2.44 | Completed |

(j) In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year.

1. Date of creation or acquisition of the capital asset (s). Nil
2. Amount of CSR spent for creation or acquisition of capital asset. Nil
3. Details of the entity or public authority or beneficiary under whose name such capital asset is registered , their address etc. Nil
4. Provide details of the capital asset (s) created or acquired (including complete address and location of the capital asset). Nil

(k) Specify the reason (s), if the company has failed to spend two percent of the average net profit as per section 135(5)

During 2021-22, the Company has taken up CSR works for 2% of the average net profit as per section 135(5). However, against the target of 2% the expenditure incurred is 1.82%. The remaining amount could not be released due to non-completion of activities. Accordingly the remaining has been transferred to unspent CSR account as indicated in Item no 8 (a) column 2 above.

**Financial Year 2020-2021**

(a) CSR amount spent or unspent for the financial year:

(Amount (in INR millions unless otherwise stated))

| Total Amount Spent for the Financial Year | Amount Unspent | | | | |
|---|---|---|---|---|---|
| | Total Amount transferred to Unspent CSR Account as per section 135 (6) | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). | | |
| | Amount | Date of Transfer | Name of the Fund | Amount | Date of Transfer |
| 37.30 | 1.30 | 12.09.2021 | - | | |

(b) Details of CSR amount spent against ongoing projects for the financial year:

(Amount (in INR millions unless otherwise stated))

| S. No. | Name of the Project | Item from the list of activities in Schedule 7 of the Act | Local Area (Yes/No) | Location of the Project | | Project Duration | Amount allocated for the Project | Amount spent in the current Financial Year | Amount transferred to Unspent CSR Account for the Project as per Section 135(6) | Mode of implementation - Direct (Yes/No) | Mode of implementation - Through Implementing Agency |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | State | District | | | | | | |
| 1 | Socio Economic Empowerment of Poor Girls through Skill Development training program in Amritsar, Punjab | Item No 2 School Education | No | Punjab | Amristar | 1.12.2019-30.08.3021 | 0.48 | 0.31 | 0.17 | No | Shree Durgiana Committee, Amritsar |
| 2 | School Education - Construction of Two Classrooms in Rajkia Inter College Gandikhata, Bahadrabad, District - Haridwar, Uttrakhand | Item No 2 School Education | No | Uttrakhand | Haridwar | 03.02.2020-31.03.2021 | 1.70 | 1.63 | - | No | District Administration, Haridwar |
| 3 | School Education – Setting up of Smart Class Rooms for 12 Rajkiya Middle Schools in Bhagwanpur, Laksar and Narsan Blocks at Haridwar District, Uttrakhand. | Item No 2 School Education | No | Uttrakhand | Haridwar | 03.02.2020-31.03.2021 | 1.20 | 1.08 | 0.12 | No | District Administration, Haridwar |
| 4 | School Education through reconstruction of four class rooms including electric fitting and furniture & fixture for students of Lala Baijnath Janki Pathshala (LBJP) Inter-College, Tilhar, Distt-Shahjahanpur, Uttar Pradesh. | Item No 2 School Education | No | Uttar Pradesh | Shahjahanpur | 04.03.2020 - 16.08.2021 | 2.21 | 1.64 | 0.05 | No | Gurgia Charities, Khanpur, New Delhi |
| 5 | Development of Recreation Centre for Senior Citizens at Madhu Vihar, New Delhi | Item No 3 Recreation Centre for Senior Citizens | No | Delhi | West Delhi | 02.05.2019-01.05.2020 | 0.06 | 0.05 | - | No | Shri Gyan Gangotri Vikas Sanstha, Uttam Nagar, New Delhi |
| 6 | Construction of Double Storey block of 4 rooms, Drinking water facility with Bore well including network, Male and Female Toilet Block and Lighting arrangement in Sarvodya Kissan Club (Atma) for villagers of Baitpur Saidat, Block-Bidupur, Distt-Vaishali, Bihar | Item No 10 Rural Development | No | Bihar | Vaishali | 22.09.2019-21.06.2020 | 2.40 | 2.40 | - | No | Sarvodaya Kissan Club, Vaishali, Bihar |
| 7 | Swastha Bharat project- Providing Healthcare Services to Schools children by Organising General Health Check up Camps ,Adolescent Workshop, Swachhta Rally and Tree Plantation in Kaiserganj Block, Bahraich district , Uttar Pradesh. | Item No-1 Health Care | No | Uttar Pradesh | Bahraich | 26.09.2019-31.12.2021 | 1.25 | 0.62 | 0.21 | No | Aroh Foundation, Sector-8, Noida |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 8 | (a) Health Care - Accredited social health activist (ASHA) health worker waiting room in District Women Hospital and 14 in Community Health Centres (CHCs) in Bahraich Distict, Uttar Pradesh | Item No-1 Health Care | No | Uttar Pradesh | Bahraich | 21.10.2019 - 31.12.2020 | 1.80 | 1.80 | - | No | District Administration, Bahraich through U.P |
| | (b) Maintenance cost of 15 ASHA Waiting Hall for Three years | | | | | 01.01.2021-31.12.2023 | 0.75 | - | - | | |
| 9 | Provision of medicines for needy poor patients of the hospital being run by Shree Kasht bhanjan Dev Hanumanji Mandir in Salangpur, Distt. Botad, Gujarat | Item No-1 Health Care | No | Gujarat | Botad | 01.11.2019-31.10.2020 | 0.48 | 0.12 | - | No | Shree Kashtbhanjandev Hanumanji Mandir, Botad, Gujarat |
| 10 | Health Care Program for Distribution of Aids & Assistive devices to Divyangjan living in the District of Haridwar, Uttrakhand | Item No-1 Health Care | No | Uttrakhand | Haridwar | 31.12.2019-30.10.2020 | 1.88 | 1.88 | - | No | Artificial Limbs Manufacturing Corporation of India, Kanpur |
| 11 | Renovation of existing main academic building block including boundary wall, construction of one room and water supply arrangement including bore well for students of Rajkiya Middle School, Gobindpur Bajidpur, Block-Bidupur, Distt- Vaishali, Bihar | Item No 2 School Education | No | Bihar | Vaishali | 24.09.2019-31.03.2021 | 3.00 | 2.00 | 0.53 | No | Rajkiya Middle School, Gobindpur, Vaishali, Bihar |
| 12 | Arogya Project- Providing Healthcare Services to Schools children in 45 Government Schools by Organising Health Check up cum awareness camps on Nutrition & Hygiene in Shravasti district, Uttar Pradesh | Item No-1 Health Care | No | Uttar Pradesh | Shravasti | 01.01.2020-31.12.2021 | 1.22 | 0.78 | 0.22 | No | Sustainable Action Towards Human Empowerment, Sector-5, Ghaziabad |
| 13 | Renovation of Library room librarian Room Hall, Corridor, Construction of toilets and upliftment of Library in Shree Mahavir Pushtakalaya, Pull Ghat, Hazipur, Distt. Vaishali, Bihar | Item No 5, setting up public libraries | No | Bihar | Vaishali | 03.10.2019-02.04.2020 | 0.33 | 0.33 | - | No | Shree Mahavir Pushtakalaya , Vaishali, Bhar |
| 14 | Sanitation and Public Utility Program Construction of Toilets in village Singhwahini, District Sitamarhi, Bihar | Item No 1 Sanitation | No | Bihar | Sitamarhi | 15.10.2018-14.01.2019 | 0.45 | 0.45 | - | No | Aroh Foundation, Noida |
| 15 | Supporting the Liver Transplantation Surgeries of Economically Weaker Patients | Item No-1 Health Care | Yes | Delhi | South West | 01.04.2020-31.03.2021 | 1.40 | 1.40 | - | No | Institute of Liver and Biliary Sciences, New Delhi |

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(Amount (in INR millions unless otherwise stated))

| S. No. | Name of the Project | Item from the list of activities in Schedule 7 of the Act | Local Area (Yes/No) | Location of the Project | | Amount spent for the project | Mode of implementation - Direct (Yes/No) | Mode of implementation - Through | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | State | District | | | Name. | CSR Registration number |
| 1 | PM CARES FUND | | - | - | - | 20.00 | - | - | - |

(d) Amount spent on Administrative Overheads - ₹ 0.82 Millions

(e) Amount spent on Impact Assessment, if applicable - ₹ Nil

(f) Total amount spent for the Financial Year (b+c+d+e) - ₹ 37.30 Millions

(g) Excess amount for set off, if any:

(Amount (in INR millions unless otherwise stated))

| S. No. | Particulars | Amount |
|---|---|---|
| 1 | Two percent of average net profit of the company as per section 135(5) | 38.60 |
| 2 | Total amount spent for the Financial Year | 37.30 |
| 3 | Excess amount spent for the financial year [(ii)-(i)] | - |
| 4 | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | - |
| 5 | Amount available for set off in succeeding financial years [(iii)-(iv)] | - |

(h) Details of Unspent CSR amount for the preceding three financial years:

(Amount (in INR millions unless otherwise stated))

| S. No. | Preceeding Financial Year | Amount transferred to Unspent CSR Account under section 135 (6) | Amount spent in the reporting Financial Year | Amount transferred to any fund specified | | | Amount remaining to be spent in succeeding financial years |
|---|---|---|---|---|---|---|---|
| | | | | Name of the Fund | Amount | Date of transfer | |
| - | | | | | | | |

(i) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year (s)

(Amount (in INR millions unless otherwise stated))

| S. No. | Project ID | Name of the Project. | Financial Year in which the project was commenced | Project duration. | Total amount allocated for the project | Amount spent on the project in the reporting Financial Year | Cumulative amount spent at the end of reporting Financial Year | Status of the project- Completed/ Ongoing |
|---|---|---|---|---|---|---|---|---|
| 1 | WAP/CSR/2019-20/Amritsar/20 | Socio Economic Empowerment of Poor Girls through Skill Development training program in Amritsar, Punjab | 2019-20 | 1.12.2019-30.08.2021 | 0.48 | 0.31 | 0.31 | Ongoing |
| 2 | WAP/CSR/2019-20/S.E/Haridwar/26 | School Education - Construction of Two Classrooms in Rajkia Inter College Gandikhata, Bahadrabad, District - Haridwar, Uttrakhand | 2019-20 | 03.02.2020-31.03.2021 | 1.70 | 1.63 | 1.63 | Completed |
| 3 | WAP/CSR/2019-20/S.E/Haridwar/27 | School Education – Setting up of Smart Class Rooms for 12 Rajkiya Middle Schools in Bhagwanpur, Laksar and Narsan Blocks at Haridwar District, Uttrakhand. | 2019-20 | 03.02.2020-31.03.2021 | 1.20 | 1.08 | 1.08 | Completed |
| 4 | WAP/CSR/2019-20/S.E/Tilhar/U.P/31 | School Education through reconstruction of four class rooms including electric fitting and furniture & fixture for students of Lala Baijnath Janki Pathshala (LBJP) Inter-College, Tilhar, Distt- Shahjahanpur, Uttar Pradesh. | 2019-20 | 04.03.2020-16.08.2021 | 2.21 | 0.51 | 2.21 | Completed |
| 5 | WAP/CSR/2019-20/MadhuVihar/6 | Development of Recreation Centre for Senior Citizens at Madhu Vihar, New Delhi | 2019-20 | 02.05.2019-01.05.2020 | 0.37 | 0.05 | 0.36 | Completed |
| 6 | WAP/CSR/2019-20/Kissan Club/Bihar/09 | Construction of Double Storey block of 4 rooms, Drinking water facility with Bore well including network, Male and Female Toilet Block and Lighting arrangement in Sarvodya Kissan Club (Atma) for villagers of Baitpur Saidat, | 2019-20 | 22.09.2019-21.06.2020 | 4.00 | 2.40 | 4.00 | Completed |
| 7 | WAP/CSR/2019-20/H.C/Bahraich/U.P/13 | Swastha Bharat project- Providing Healthcare Services to Schools children by Organising General Health Check up Camps ,Adolescent Workshop, Swachhta Rally and Tree Plantation in Kaiserganj Block, Bahraich district , Uttar | 2019-20 | 26.09.2019-31.12.2021 | 2.49 | 0.42 | 2.49 | Completed |
| 8 | WAP/CSR/2019-20/H.C/Bahraich/U.P/16 | Health Care - Accredited social health activist (ASHA) health worker waiting room in District Women Hospital and 14 in Community Health Centres (CHCs) in Bahraich Distict, Uttar Pradesh. | 2019-20 | 21.10.2019-31.12.2020 | 10.50 | 1.80 | 10.50 | Completed |
| | | Maintenance cost of 15 ASHA Waiting Hall for Three years | | 01.01.2021-31.12.2023 | 0.75 | - | - | Ongoing |
| 9 | WAP/CSR/2019-20/Medicines/21 | Provision of medicines for needy poor patients of the hospital being run by Shree Kasht bhanjan Dev Hanumanji Mandir in Salangpur, Distt. Botad, Gujarat | 2019-20 | 01.11.2019-31.10.2020 | 0.80 | 0.12 | 0.44 | Completed |
| 10 | WAP/CSR/2019-20/H.C/Haridwar/25 | Health Care Program for Distribution of Aids & Assistive devices to Divyangjan living in the District of Haridwar, Uttrakhand | 2019-20 | 31.12.2019-30.10.2020 | 2.50 | 1.88 | 2.50 | Completed |
| 11 | WAP/CSR/2019-20/S.E/Gibindpur/Bihar/08 | Renovation of existing main academic building block including boundary wall, construction of one room and water supply arrangement including bore well for students of Rajkiya Middle School, Gobindpur Bajidpur, Block-Bidupur, | 2019-20 | 24.09.2019-31.03.2021 | 5.00 | 2.00 | 4.00 | Completed |
| 12 | WAP/CSR/2019-20/H.C/Shravasti/U.P/24 | Arogya Project- Providing Healthcare Services to Schools children in 45 Government Schools by Organising Health Check up cum awareness camps on Nutrition & Hygiene in Shravasti district, Uttar Pradesh | 2019-20 | 01.01.2020-31.12.2021 | 2.44 | 0.78 | 2.00 | Ongoing |
| 13 | WAP/CSR/2019-20/Library/Bihar/10 | Renovation of Library room librarian Room Hall, Corridor, Construction of toilets and upliftment of Library in Shree Mahavir Pushtakalaya, Pull Ghat, Hazipur, Distt. Vaishali, Bihar | 2019-20 | 03.10.2019-02.04.2020 | 2.20 | 0.33 | 2.20 | Completed |
| 14 | WAP/CSR/2018-19/Sitamardhi/Toilet/7 | Sanitation and Public Utility Program Construction of Toilets in village Singhwahini, District Sitamarhi, Bihar | 2018-19 | 15.10.2018-14.01.2019 | 2.25 | 0.45 | 2.25 | Completed |
| 15 | WAP/CSR/2017-18/ILBS/21 | Supporting the Liver Transplantation Surgeries of Economically Weaker Patients | 2017-18 | 01.04.2020-31.03.2021 | 1.40 | 1.40 | 1.40 | Ongoing |

(j) In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year. Nil

1. Date of creation or acquisition of the capital asset (s). Nil
2. Amount of CSR spent for creation or acquisition of capital asset. Nil
3. Details of the entity or public authority or beneficiary under whose name such capital asset is registered , their address etc. Nil
4. Provide details of the capital asset (s) created or acquired (including complete address and location of the capital asset). Nil

(k) Specify the reason (s), if the company has failed to spend two percent of the average net profit as per section 135(5)

During 2020-21, the Company has taken up CSR works for 2% of the average net profit as per section 135(5). However, against the target of 2% the expenditure incurred is 1.93%. The remaining amount of ₹ 1.3 Millions could not be released due to non-completion of activities because of COVID conditions in the country. Accordingly the unspent amount has been transferred to unspent CSR account as indicated in Item no 8 (a) column 2 above.

**Financial Year 2019-2020**

(a) CSR amount spent or unspent for the financial year:

(Amount (in INR millions unless otherwise stated))

| Total Amount Spent for the Financial Year | Amount Unspent | | | | |
|---|---|---|---|---|---|
| | Total Amount transferred to Unspent CSR Account as per section 135 (6) | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). | | |
| | Amount | Date of Transfer | Name of the Fund | Amount | Date of Transfer |
| 3.90 | - | | | - | |

(b) Details of CSR amount spent against ongoing projects for the financial year:

(Amount (in INR millions unless otherwise stated))

| S. No. | Name of the Project | Item from the list of activities in Schedule 7 of the Act | Local Area (Yes/No) | Location of the Project | | Project Duration | Amount allocated for the Project | Amount spent in the current Financial Year | Amount transferred to Unspent CSR Account for the Project as per Section 135(6) | Mode of implementation - Direct (Yes/No) | Mode of implementation - Through Implementing Agency |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | State | District | | | | | | |
| 1 | Animal Welfare – Animal Mobile Medical Ambulance to provide medical treatment of the Wildlife and fauna residing in the Bikaner | Item No 4 Environmental sustainaibility | No | Rajasthan | Bikaner | 05.04.2019-04.02.2020 | 0.87 | 0.87 | - | No | M/s Jeev Raksha Sansthan |
| 2 | Providing hospital equipments to M/S Maharaja Agrasen Hospital at Bahadurgarh, Haryana, to be installed in the Intensive Care Unit for Economically weaker/ Underprivileged patients. | Item No-1 Health Care | No | Haryana | Jhajhhar | 12.07.2019-22.01.2020 | 2.49 | 2.49 | - | No | M/s Maharaja Agrasen Hospital Charitable Trust |
| 3 | Development of Recreation Centre for Senior Citizens at Madhu Vihar, New Delhi. | Item No-3 Recreation Centre for senior citizens | No | New Delhi | Madhu Vihar | 02.05.2019-01.05.2020 | 0.37 | 0.31 | - | No | M/s Shri Gyan Gangotri Vikas Sanstha |
| 4 | Supply for Medicines required for Flood affected Areas in Muzzafarpur, Bihar | Item No-1 Health Care | No | Bihar | Muzaffarpur | 16.08.2019-15.09.2019 | 1.85 | 1.80 | - | No | M/s Shree Deep chand educational society |
| 5 | Construction of Double Storey block of 4 rooms, Drinking water facility with Bore well including network, Male and Female Toilet Block and Lighting arrangement in Sarvodya Kissan Club (Atma) for villagers of Bajitpur Saidat, Block-Bidupur Distt-Vaishali Bihar - | Item No-10 Rural Development | No | Bihar | Vaishali | 22.09.2019-21.06.2020 | 4.00 | 1.60 | - | No | M/s Sarvodaya Kissan Club, Vaishali, Bihar |
| 6 | Swastha Bharat project- Providing Healthcare Services to Schools children by Organising General Health Check up Camps ,Adolescent Workshop, Swachhta Rally and Tree Plantation in Kaiserganj Block, Bahraich district Uttar Pradesh | Item No-1 Health Care | No | Uttar Pradesh | Bahraich | 26.09..2019 - 31.12.2021 | 2.49 | 1.25 | - | No | M/s Aroh Foundation |
| 7 | Arogya Project- Providing Healthcare Services to Government Schools children by Organizing Health Check up cum awareness camps on Nutrition & Hygiene in Shravasti district, Uttar Pradesh | Item No-1 Health Care | No | Uttar Pradesh | Shravasti | 01.10.2019-31.01.2020 | 2.50 | 2.50 | - | No | M/s Sustainable Action Towards Human Empowerme nt (SATHEE) |
| 8 | Health Care – Accredited social health activist (Asha) health worker waiting room in District Women Hospital and 14 in Community Health Centres (CHCs) in Bahraich District, Uttar Pradesh | Item No-1 Health Care | No | Uttar Pradesh | Bahraich | 21.10.2019-31.12.2020 | 11.25 | 8.70 | - | No | District Administrati on Bahraich |
| 9 | Renovation of Library room, librarian Room, Hall, Corridor, Construction of toilets and upliftment of Library in Shree MahavirPushtakalaya , Pull Ghat, Hazipur, Disst-Vaishali, Bihar | Item No-5 Setting Up Public Libraries | No | Bihar | Vaishali | 03.10.2019-02.04.2020 | 2.20 | 1.87 | - | No | M/s Shree Mahavir Pushtakalaya |
| 10 | Provision of medicines for needy poor patients of the hospital being run by Shree Kashtbhanjan Dev Hanumanji Mandir in Salangpur,Distt-Botad, Gujarat. | Item No-1 Health Care | No | Gujarat | Botad | 01.11.2019-31.10.2020 | 0.80 | 0.32 | - | No | M/s Shree Kashtbhanja n dev Hanumanji Mandir, Salangpur |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 11 | Renovation of existing main academic building block including boundary wall, construction of one room and water supply arrangement including bore well for students of Rajkiya Middle School, Gobindpur Bajidpur, Block-Bidupur, Distt- Vaishali, Bihar | Item No 2 School Education | No | Bihar | Vaishali | 24.09.2019-31.03.2021 | 5.00 | 2.00 | - | No | M/s Rajkiya Middle School, Gobindpur |
| 12 | Preventive Health Care – Organizing Health Camps in village Naudera, Tehsil Raniganj, District Pratapgarh, Uttar Pradesh. | Item No-1 Health Care | No | U.P | Pratapga dh | 07.12.2019-09.12.2019 | 0.50 | 0.50 | - | No | M/s Samudayik Vikas Samiti |
| 13 | Education Program for underprivileged children living in the District of Udham Singh Nagar, Uttrakhand - Adoption of Ekal Vidyalayas under the movement of Ekal Vidyalaya Abhiyan | Item No 2 School Education | No | Uttrakha nd | Udham Singh Nagar | 01.12.2019-30.11.2020 | 2.00 | 0.50 | - | No | M/s Bahart Lok siksha Parishad |
| 14 | Arogya Project- Providing Healthcare Services to Schools children in 45 Government Schools by Organising Health Check up cum awareness camps on Nutrition & Hygiene in Shravasti district Uttar Pradesh | Item No-1 Health Care | No | Uttar Pradesh | Shravasti | 01.01.2020-31.12.2021 | 2.44 | 1.22 | - | No | M/S Sustainable Action Towards Human Empowerme nt (SATHEE) |
| 15 | Health Care Program for Distribution of Aids & Assistive devices to Divyangjan living in the District of Haridwar, Uttrakhand | Item No-1 Health Care | No | Uttrakha nd | Haridwar | 31.12.2019-30.10.2020 | 2.50 | 0.63 | - | No | M/s Artificial Limbs Manufacturi ng Corporation of India (ALIMCO) |
| 16 | Awareness, Information dissemination through publication & circulation of Book. | Item No-5 Art & Culture | Yes | New Delhi | | 14.02.2020-13.03.2020 | 1.80 | 1.74 | - | No | M/s Intime Reprographi cs |
| 17 | Ekal Vidyalaya for underprivileged Chhildren Living in the District of Gadhchiroli- Chandrapur, Maharashtra. | Item No 2 School Education | No | Maharsht ra | Gadhchir oli | 1.08.2018-31.01.2019 | 0.55 | 0.55 | - | No | M/s Kai Laxmanrao Mankar Smruti Sanstha |
| 18 | Socio Economic Empowerment of Underprivileged women through Vocational training for deprived Society in Rajapuri, Uttam nagar, Delhi | Item No-2 Skill Development | Yes | New Delhi | West Delhi | 01.07.2018-30.06.2019 | 0.49 | 0.49 | - | No | M/s Shree Deep Chand Educational Society Satya Foundation |
| 19 | Vocational training for income generation activities to marginalized youths and women in Retail and Marketing, Computer Applications, Cutting and Tailoring, Making of Handicraft items in slums of Haridwar, Uttarakhand | Item No-2 Skill Development | No | Uttrakh and | Haridwar | 17.12.2018-16.12.2019 | 1.98 | 1.98 | - | No | M/S Aroh Foundation |
| 20 | Ekal Vidyalaya for underprivileged children living in the District of Gondiya, Maharashtra . | Item No 2 School Education | No | Mahara shtra | Gondiya | 01.08.2018-31.07.2019 | 0.15 | 0.15 | - | No | M/S Kai Laxmanrao Mankar Smruti Sanstha |
| 21 | Watershed Development Project, Centurion University Education Model, Paralakhemundi, Gajapati – Watershed structure to improve water supply to agriculture fields and also bring enhance learning to students of various irrigation systems in the Centurion University Paralakhemundi, Gajapati District of Odisha | Item No 4 Environmental Sustainability | No | Odisha | Gajapati | 30.01.2019-15.07.2019 | 1.95 | 1.95 | - | No | M/S Centurion university of Technology and Management |
| 22 | School Education through setting up Physics, Chemistry and Biology Labs for students of Lala Bulaki Das Babu Ram Sahai Hindu Mahila College, Tilhar, Distt-Shahjahanpur, Uttar Pradesh | Item No 2 School Education | No | U.P | Shahjaha npur | 15.02.2019-15.06.2019 | 1.47 | 1.47 | - | No | M/S Gurgia Charities |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 23 | Ekal Vidyalaya for underprivileged Chhildren Living in the District of Akola/ Buldhana, Maharashtra | Item No 2 School Education | No | Maharashtra | Akola/ Buldhana | 01.08.2018-31.07.2019 | 0.23 | 0.23 | - | No | M/S Kai Laxmanrao Mankar Smruti Sanstha |
| 24 | Ekal Vidyalaya for underprivileged Chhildren Living in the District of Amravati, Maharashtra. | Item No 2 School Education | No | Maharashtra | Amravati | 01.08.2018-31.07.2019 | 0.22 | 0.22 | - | No | M/S Kai Laxmanrao Mankar Smruti Sanstha |
| 25 | Supporting the Liver Transplantation Surgeries of Economically Weaker Patients. | Item No-1 Health Care | Yes | Delhi | South West | 01.04.2019 – 31.03.2020 | 1.24 | 1.24 | - | No | Institute of Liver and Biliary Sciences, New Delhi |
| 26 | Provising hospital equipments to M/s Maharaja Agrasen Hospital at Bahadurgarh, Haryana to be insatlled in the ICU for Economically weaker/unprivilidged patients | Item No-1 Health Care | No | Haryana | Jhajjhar | 08.03.2019-07.09.2019 | 2.44 | 2.44 | - | No | M/s Maharaja Agrasen Hospital Charitable Trust |

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(Amount (in INR millions unless otherwise stated))

| S. No. | Name of the Project | Item from the list of activities in Schedule 7 of the Act | Local Area (Yes/No) | Location of the Project | | Amount spent for the project | Mode of implementation - Direct (Yes/No) | Mode of implementation - Through | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | State | District | | | Name. | CSR Registration number |
| - | | | | | | | | | |

(d) Amount spent on Administrative Overheads - ₹ Nil

(e) Amount spent on Impact Assessment, if applicable - ₹ Nil

(f) Total amount spent for the Financial Year (b+c+d+e) - ₹ 39.01 Millions

(g) Excess amount for set off, if any:

(Amount (in INR millions unless otherwise stated))

| S. No. | Particulars | Amount |
|---|---|---|
| 1 | Two percent of average net profit of the company as per section 135(5) | 35.21 |
| 2 | Total amount spent for the Financial Year | 39.01 |
| 3 | Excess amount spent for the financial year [(ii)-(i)] | 3.80 |
| 4 | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | - |
| 5 | Amount available for set off in succeeding financial years [(iii)-(iv)] | - |

(h) Details of Unspent CSR amount for the preceding three financial years:

(Amount (in INR millions unless otherwise stated))

| S. No. | Preceeding Financial Year | Amount transferred to Unspent CSR Account under section 135 (6) | Amount spent in the reporting Financial Year | Amount transferred to any fund specified | | | Amount remaining to be spent in succeeding financial years |
|---|---|---|---|---|---|---|---|
| | | | | Name of the Fund | Amount | Date of transfer | |
| - | | | | | | | |

(i) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year (s)

(Amount (in INR millions unless otherwise stated))

| S. No. | Project ID | Name of the Project. | Financial Year in which the project was commenced | Project duration. | Total amount allocated for the project | Amount spent on the project in the reporting Financial Year | Cumulative amount spent at the end of reporting Financial Year | Status of the project- Completed/ Ongoing |
|---|---|---|---|---|---|---|---|---|
| 1 | WAP/CSR/ 2018-19/ Ekal/Mahar ashtra/14 | Ekal Vidyalaya for underprivileged Chhildren Living in the District of Gadhchiroli-Chandrapur, Maharashtra. | 2018-19 | 1.08.2018-31.01.2019 | 2.50 | 0.55 | 0.21 | Completed |
| 2 | WAP/CSR/ 2018-19/ 2 | Socio Economic Empowerment of Underprivileged women through Vocational training for deprived Society in Rajapuri, Uttam nagar, Delhi | 2018-19 | 01.07.2018-30.06.2019 | 2.47 | 0.49 | 2.46 | Completed |
| 3 | WAP/CSR/ 2018-19/ Ekal/Harid war/23 | Vocational training for income generation activities to marginalized youths and women in Retail and Marketing, Computer Applications, Cutting and Tailoring, Making of Handicraft items in slums of Haridwar, Uttarakhand. | 2018-19 | 17.12.2018-16.12.2019 | 2.48 | 1.98 | 2.48 | Completed |
| 4 | WAP/CSR/ 2018-19/ Ekal/Mahar ashtra/15 | Ekal Vidyalaya for underprivileged children living in the District of Gondiya, Maharashtra . | 2018-19 | 01.08.2018-31.07.2019 | 2.49 | 0.15 | 1.41 | Completed |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 5 | WAP/CSR/ 2018-19/ Gajapati/Odisha/25 | Watershed Development Project, Centurion University Education Model, Paralakhemundi, Gajapati – Watershed structure to improve water supply to agriculture fields and also bring enhance learning to students of various irrigation systems in the Centurion University Paralakhemundi, Gajapati District of Odisha. | 2018-19 | 30.01.2019-15.07.2019 | 2.44 | 1.95 | 2.44 | Completed |
| 6 | WAP/CSR/ 2018-19/ Tilhar/U.P/ 24 | School Education through setting up Physics, Chemistry and Biology Labs for students of Lala Bulaki Das Babu Ram Sahai Hindu Mahila College, Tilhar, Distt- Shahjahanpur, Uttar Pradesh . | 2018-19 | 15.02.2019-15.06.2019 | 2.08 | 1.47 | 2.08 | Completed |
| 7 | WAP/CSR/ 2018-19/ Ekal/Mahar ashtra/12 | Ekal Vidyalaya for underprivileged Chhildren Living in the District of Akola/ Buldhana, Maharashtra, | 2018-19 | 01.08.2018-31.07.2019 | 2.50 | 0.23 | 1.58 | Completed |
| 8 | WAP/CSR/ 2018-19/ Ekal/ Hospital/27 | Providing hospital equipments to M/S Maharaja Agrasen Hospital at Bahadurgarh, Haryana, to be installed in the Intensive Care Unit for Economically eaker/ Underprivileged patients. | 2018-19 | 08.03.2019-27.09.2019 | 2.44 | 2.44 | 2.44 | Completed |
| 9 | WAP/CSR/ 2018-19/ Ekal/Mahar ashtra/13 | Ekal Vidyalaya for underprivileged Chhildren Living in the District of Amravati, Maharashtra | 2018-19 | 01.08.2019-31.07.2019 | 2.50 | 0.22 | 1.56 | Completed |
| 10 | WAP/CSR/ 2017-18/ 2017-18/ILBS/21 | Supporting the Liver Transplantation Surgeries of Economically Weaker Patients. | 2017-18 | 01.04.2020–31.03.2021 | 1.24 | 1.24 | - | Ongoing |

(j) In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year. Nil

1. Date of creation or acquisition of the capital asset (s). Nil
2. Amount of CSR spent for creation or acquisition of capital asset. Nil
3. Details of the entity or public authority or beneficiary under whose name such capital asset is registered , their address etc. Nil
4. Provide details of the capital asset (s) created or acquired (including complete address and location of the capital asset). Nil

(k) Specify the reason (s), if the company has failed to spend two percent of the average net profit as per section 135(5)

NA

**In a matter of NPCC Limited a subsidiary of the Parent Company**

**FINANCIAL YEAR 2021-2022**

(a) CSR amount spent or unspent for the financial year:

(Amount (in INR millions unless otherwise stated))

| Total Amount Spent for the Financial Year | Amount Unspent | | | | |
|---|---|---|---|---|---|
| | Total Amount transferred to Unspent CSR Account as per section 135 (6) | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) | | |
| | Amount | Date of Transfer | Name of the Fund | Amount | Date of Transfer |
| 3.96 | - | | Clean Ganga Fund under NMCG | 4.9 | To be transferred by 30th Sept 2022 |

(b) Details of CSR amount spent against ongoing projects for the financial year:

(Amount (in INR millions unless otherwise stated))

| S. No. | Name of the Project | Item from the list of activities in Schedule 7 of the Act | Local Area (Yes/No) | Location of the Project | Project Duration | Amount allocated for the Project | Amount spent in the current Financial Year | Amount transferred to Unspent CSR Account for the Project as per Section 135(6) | Mode of implementation - Direct (Yes/No) | Mode of implementation - Through Implementing Agency |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Construction of One toilet block at social study centre under Dhalai District and one toilet block of Sub-dispensary centre under Dhalai District. | Item no i | Yes | Dhalai District | 3 years | 0.80 | 0.78 | 0.02 | Yes | |
| 2 | "Nutritional Security and Immunity for Women and Families" -An Awareness and training Campaign for the 500 Women SHGs of Palghar District, Maharashtra | Item no i | Yes | Palghar District | 3 years | 1.20 | 1.20 | - | Yes | |
| 3 | One day cleaning program in and around 3(three) Ima market and 1(one) temporary Ima market in Imphal, Manipur | Item no. iv | Yes | Imhal District | 1 day | 0.20 | 0.19 | 0.01 | Yes | |
| 4 | Providing an Ambulance Van in Civil Hospital , Lunglei District, Mizoram | Item no. i | Yes | Lunglei District | 1 day | 1.85 | 1.79 | 0.06 | Yes | |

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(Amount (in INR millions unless otherwise stated))

| S. No. | Name of the Project | Item from the list of activities in Schedule 7 of the Act | Local Area (Yes/No) | Location of the Project | | Amount spent for the project | Mode of implementation - Direct | Mode of implementation - Through | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | State | District | | | Name | CSR Registration number |
| 1 | Clean Ganga Fund under NMCG | Clean Ganga Fund | - | - | - | 2.82 | - | - | - |

(d) Amount spent on Administrative Overheads - ₹ Nil

(e) Amount spent on Impact Assessment, if applicable - ₹ Nil

(f) Total amount spent for the Financial Year (b+c+d+e) - ₹ 3.96 millions

(g) Excess amount for set off, if any - NA

(h) Details of Unspent CSR amount for the preceding three financial years:

(Amount (in INR millions unless otherwise stated))

| S. No. | Preceeding Financial Year | Amount transferred to Unspent CSR Account under section 135 (6) | Amount spent in the reporting Financial Year | Amount transferred to any fund specified | | | Amount remaining to be spent in succeeding financial years |
|---|---|---|---|---|---|---|---|
| | | | | Name of the Fund | Amount | Date of transfer | |
| 1 | 2019-20 | - | 2.27 | | | | |
| 2 | 2020-21 | 7.90 | 2.17 | 2.82 Transferred in September, 2021 in Clean Ganga Fund | | | |
| 3 | 2021-22 | 5.90 | 3.96 | | | | 4.90 by September, 2022 |

(i) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year (s)

(Amount (in INR millions unless otherwise stated))

| S. No. | Project ID | Name of the Project | Financial Year in which the project was commenced | Project duration | Total amount allocated for the project | Amount spent on the project in the reporting Financial Year | Cumulative amount spent at the end of reporting Financial Year | Status of the project- Completed/ Ongoing. |
|---|---|---|---|---|---|---|---|---|
| 1 | | Construction of One toilet block at social study centre under Dhalai District and one toilet block of Sub-dispensary centre under Dhalai District. | 2021-22 | 3 Year | 0.80 | 0.78 | 0.78 | Completed |
| 2 | | "Nutritional Security and Immunity for Women and Families" -An Awareness and training Campaign for the 500 Women SHGs of Palghar District, Maharashtra | 2020-21 | 3 Year | 1.20 | 1.02 | 1.20 | Completed |

(j) In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year. Nil

1. Date of creation or acquisition of the capital asset (s). Nil
2. Amount of CSR spent for creation or acquisition of capital asset. Nil
3. Details of the entity or public authority or beneficiary under whose name such capital asset is registered , their address etc. Nil
4. Provide details of the capital asset (s) created or acquired (including complete address and location of the capital asset). Nil

(k) Specify the reason (s), if the company has failed to spend two percent of the average net profit as per section 135(5)
Nil

**Financial Year 2020-2021**

(a) CSR amount spent or unspent for the financial year:

(Amount (in INR millions unless otherwise stated))

| Total Amount Spent for the Financial Year | Amount Unspent | | | | | |
|---|---|---|---|---|---|---|
| | Total Amount transferred to Unspent CSR Account as per section 135 (6) | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). | | | Remarks |
| | Amount | Date of Transfer | Name of the Fund | Amount | Date of Transfer | |
| 2.17 | 7.90* | 30.09.2021 | Clean Ganga Fund under NMCG | 2.82 | 17.09.2021 | *7.90 millions consist of ongoing unspent amount 7.72 millions & 0.18 millions against GST |

(b) Details of CSR amount spent against ongoing projects for the financial year:

(Amount (in INR millions unless otherwise stated))

| S. No. | Name of the Project | Item from the list of activities in Schedule 7 of the Act | Local Area (Yes/No) | Location of the Project | Project Duration | Amount allocated for the Project | Amount spent in the current Financial Year | Amount transferred to Unspent CSR Account for the Project as per Section 135(6) | Mode of implementation - Direct (Yes/No) | Mode of implementation - Through Implementing Agency |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Renovation for the Training Centre at Sadar Hospital' in Begusarai, Bihar. | Item no i | Yes | Begusarai(Bihar) | 3 years | 1.92 | 1.92 | - | Yes | |
| 2 | "Nutritional Security and Immunity for Women and Families" -An Awareness and training Campaign for the 500 Women SHGs of Palghar District, Maharashtra | Item no i | Yes | Palghar District | 3 years | 1.20 | 0.18 | 1.02 | Yes | |

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(Amount (in INR millions unless otherwise stated))

| S. No. | Name of the Project | Item from the list of activities in Schedule 7 of the Act | Local Area (Yes/No) | Location of the Project | Amount spent for the project | Mode of implementation - Direct (Yes/No) | Mode of implementation - Through Implementing Agency | |
|---|---|---|---|---|---|---|---|---|
| 1 | Swachhta Activities | Item no i | Yes | Guwahati, Nava Raipur, Bilaspur, Ranchi, Lucknow and Kolkata | 0.07 | Yes | - | - |

**Financial Year 2019-2020**

(a) CSR amount spent or unspent for the financial year:

(Amount (in INR millions unless otherwise stated))

| Total Amount Spent for the Financial Year | Amount Unspent | | | | | |
|---|---|---|---|---|---|---|
| | Total Amount transferred to Unspent CSR Account as per section 135 (6) | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). | | | Remarks |
| | Amount | Date of Transfer | Name of the Fund | Amount | Date of Transfer | |
| - | - | | NIL | - | | |

(b) Details of CSR amount spent against ongoing projects for the financial year:

(Amount (in INR millions unless otherwise stated))

| S. No. | Name of the Project | Item from the list of activities in Schedule 7 of the Act | Local Area (Yes/No) | Location of the Project | Project Duration | Amount allocated for the Project | Amount spent in the current Financial Year | Amount transferred to Unspent CSR Account for the Project as per Section 135(6) | Mode of implementation - Direct (Yes/No) | Mode of implementation - Through Implementing Agency |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Construction/Renovation of44 Nos. Toilets along theGanga Ghat at Simariya inBegusarai District | item no. vi | Yes | Begusarai(Bihar) | 3 years | 0.14 | 0.14 | - | Yes | |
| 2 | Financial assistance for"Organization of 15th AnnualConference of UPUEAon 10th & 11th Nov, 2019to Promote Education inRegional Economic issues. | item no. ii | Yes | Nainital | 3 years | 0.03 | 0.03 | | Yes | |
| 3 | Providing Water PurifierCum Water Cooler Systemunder Swachhta Hi SewaPlastic free Campaign | item no. i | Yes | Koraput | 3 years | 0.03 | 0.03 | | Yes | |
| 4 | Financial assistance forparticipation of Ms. ManuPawar in "The Climate Force:Arctic 2019 Expedition. | item no. iv | No | | | 0.02 | 0.02 | | Yes | |
| 5 | Expenses against MonthlySwachhata activities &Swachhata Pakhwada heldduring 2019-20 | item no. iv | Yes | All over India at Units, Zones & Corporate Office | 1 year | 0.01 | 0.01 | | Yes | |

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(Amount (in INR millions unless otherwise stated))

| S. No. | Name of the Project | Item from the list of activities in Schedule 7 of the Act | Local Area (Yes/No) | Location of the Project | Amount spent for the project | Mode of implementation - Direct (Yes/No) | Mode of implementation - Through Implementing Agency |
|---|---|---|---|---|---|---|---|
| Nil | | | | | | | |

**45. Related Party Disclosures (Ind AS 24)**
**(Information has been extracted from books of accounts certified by the management)**

**PARENT COMPANY**

**i. Related Parties: Financial Year 2021-22**

| Name of Other Related Parties | Country | Nature of Relationship |
|---|---|---|
| WAPCOS Employees Contributory Provident Fund Trust | India | Post – Employment Benefit Plan of WAPCOS Limited |
| WAPCOS Employees Defined Contribution Superannuation Benefit (Pension Trust) | India | Post – Employment Benefit Plan of WAPCOS Limited |
| WAPCOS Employees Gratuity Fund Trust | India | Post – Employment Benefit Plan of WAPCOS Limited |

**Other Related Parties: Financial Year 2020-21**

| Name of Other Related Parties | Country | Nature of Relationship |
|---|---|---|
| WAPCOS Employees Contributory Provident Fund Trust | India | Post – Employment Benefit Plan of WAPCOS Limited |
| WAPCOS Employees Defined Contribution Superannuation Benefit (Pension Trust) | India | Post – Employment Benefit Plan of WAPCOS Limited |
| WAPCOS Employees Gratuity Fund Trust | India | Post – Employment Benefit Plan of WAPCOS Limited |

**Other Related Parties: Financial Year 2019-20**

| Name of Other Related Parties | Country | Nature of Relationship |
|---|---|---|
| WAPCOS Employees Contributory Fund Trust | India | Post – Employment Benefit Plan of WAPCOS Limited |
| WAPCOS Employees Defined Contribution Superannuation Benefit (Pension Trust) | India | Post – Employment Benefit Plan of WAPCOS Limited |
| WAPCOS Employees Gratuity Fund Trust | India | Post – Employment Benefit Plan of WAPCOS Limited |

**ii. Key Management Personnel**

**Financial Year 2021-22**

**Directors / Key Management Personnel**
**Chairman-Cum-Managing Director**
Shri R.K Agrawal (w.e.f. 04.10.2021)
Ms. Debashree Mukherjee (Up to 03.10.2021)

**Whole Time Directors**
Shri Pankaj Kapoor, Director (Finance)
Shri Anupam Mishra, Director (Commercial & HRD)

**Government Nominee Directors**
Shri P Harish (Upto 04.11.2021)
Shri Subodh Yadav
Shri Abhay Thakur (w.e.f. 16.12.2021)

**Non – Executive (Independent Directors)**
Ms. Preeti Madan
Shri Anil Kumar Trigunayat (w.e.f. 12.01.2022)
Shri Jasbir Singh Thakur (w.e.f. 15.01.2022)
Shri Lakhan Lal Sahu (w.e.f. 02.02.2022)
Shri Partha Sarathi Ghosh (w.e.f. 23.02.2022)

**Company Secretary**
Shri K.K. Kandwal (Up to 31.01.2021)
Ms. Kavita Parmar (w.e.f. 10.02.2021)

**Financial Year 2020-21**

**Directors / Key Management Personnel**
**Chairman-Cum-Managing Director**
Ms. Debashree Mukherjee (w.e.f 01.10.2020)
Shri R.K.Gupta (Upto 30.09.2020)
**Whole Time Directors**
Shri Pankaj Kapoor, Director (Finance)
Shri Anupam Mishra, Director (Commercial & HRD)

**Government Nominee Directors**
Shri P Harish
Shri Subodh Yadav

**Non – Executive (Independent Directors)**
Ms. Preeti Madan

**Company Secretary**
Shri K.K. Kandwal (Up to 31.01.2021)
Ms. Kavita Parmar (w.e.f. 10.02.2021)

**Financial Year 2019-20**

**Directors / Key Management Personnel**
**Chairman-Cum-Managing Director**
Shri R.K.Gupta

**Whole Time Directors**
Shri Pankaj Kapoor, Director (Finance)
Shri Anupam Mishra, Director (Commercial & HRD)

**Government Nominee Directors**
Shri P Harish (w.e.f 31.07.2019)
Shri Subodh Yadav (w.e.f.26.02.2020)
Shri Akhil Kumar (ceased to be a Director w.e.f. 03.01.2020)
Shri Manoj Kumar Bharti (ceased to be a Director w.e.f. 25.06.2019)

**Non – Executive (Independent Directors)**
Ms. Preeti Madan (w.e.f. 01.08.2019)
Dr. S.K.Singh (ceased to be a Director w.e.f. 06.02.2020)
Dr. Kiran Pandya (ceased to be a Director w.e.f. 06.02.2020)

**Company Secretary**
Shri K.K. Kandwal

**iii. Transactions with Key Managerial Personnel**

(Amount (in INR millions unless otherwise stated))

| Particulars | | | | 31-Mar-22 | | | | 31-Mar-21 |
|---|---|---|---|---|---|---|---|---|
| | **Short Term Employees benefits** | **Post – Employment benefits** | **Other Long-term benefits** | **Share based payment & Termination Benefits** | **Short Term Employees benefits** | **Post – Employment benefits** | **Other Long-term benefits** | **Share based payment & Termination Benefits** |
| **CMD, Whole time Directors & Company** | | | | | | | | |
| Sh. R.K. Agrawal | 4.61 | 0.09 | 0.41 | - | - | - | - | - |
| Sh. R.K.Gupta | - | - | - | - | 6.96 | - | - | - |
| Sh. Pankaj Kapoor | 5.36 | 0.01 | 0.38 | - | 5.49 | 0.10 | 0.22 | - |
| Sh. Anupam Mishra | 5.01 | 0.02 | 0.26 | - | 4.86 | 0.15 | 0.20 | - |
| Sh. K.K. Kandwal | - | - | - | - | 4.44 | 0.02 | 0.14 | - |
| Ms. Kavita Parmar | 1.08 | 0.05 | 0.05 | - | 0.14 | 0.10 | 0.01 | - |
| **Total** | **16.06** | **0.16** | **1.10** | **-** | **21.88** | **0.37** | **0.57** | - |

(Amount (in INR millions unless otherwise stated))

| Particulars | 31-Mar-20 | | | |
|---|---|---|---|---|
| | Short Term Employees benefits | Post – Employment benefits | Other Long-term benefits | Share based payment & Termination Benefits |
| **CMD, Whole time Directors & Company Secretary** | | | | |
| Sh. R.K.Gupta | 9.81 | - | - | - |
| Sh. Pankaj Kapoor | 5.43 | 0.27 | 0.69 | - |
| Sh. Anupam Mishra | 4.26 | 0.29 | 0.44 | - |
| Sh. K.K. Kandwal | 2.93 | 0.36 | 0.35 | - |
| Ms.Kavita Parmar | - | - | - | - |
| **Total** | **22.43** | **0.92** | **1.48** | **-** |

Disclosures in respect of transactions with identified related parties are given only for such period during which such relationships existed.
Chairman–cum–Managing Director is allowed use of staff car for private journeys up to a ceiling of 1000 kms per month on payment of ₹ 2000/- per month (Previous Year 2020-21 ₹ 2000/- PM) (Previous Year 2019-20 ₹ 2000/- Director (Finance) & Director (Commercial & HRD) are allowed use of staff car for private journeys up to ceiling of 1000 kms per month on payment of ₹ 490/- per month (Previous Year 2020-21 ₹ 490/- per month) (Previous Year 2019-20 ₹ 490/- per month).

**iv. Details of Remuneration/sitting fees paid to Independent Directors**

(Amount (in INR millions unless otherwise stated))

| Name & Designation | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
|---|---|---|---|
| Shri Anil Kumar Trigunayat | 0.05 | - | - |
| Shri Lakhan Lal Sahu | 0.05 | - | - |
| Shri Partha Sarathi Ghosh | 0.05 | - | - |
| Shri Jasbir Singh Thakur | 0.02 | - | - |
| Dr Kiran Pandya (Independent Director) | - | - | 0.38 |
| Dr S.K Singh (Independent Director) | - | - | 0.38 |
| Dr Preeti Madan (Independent Director) | 0.27 | 0.35 | 0.15 |
| **Total** | **0.42** | **0.35** | **0.90** |

**v. Balances outstanding with Key Management Personnel (Payable)**

(Amount (in INR millions unless otherwise stated))

| Particulars | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
|---|---|---|---|
| | Payables | Payables | Payables |
| R.K Agrawal | 0.67 | - | - |
| Sh. R.K. Gupta | - | - | 0.28 |
| Sh. Pankaj Kapoor | 0.93 | 0.82 | 0.19 |
| Sh. Anupam Mishra | 0.94 | 0.92 | 0.18 |
| Sh. K.K. Kandwal | - | 0.41 | 0.09 |
| Ms.Kavita Parmar | 0.08 | 0.14 | - |
| **Total** | **2.62** | **2.30** | **0.74** |

No money is due from Key Management Personnel as on March 31 2022.

**vi. Transactions with Government Related Entities**
Government of India (GOI) is holding 100% equity shares of the company, which are held by President of India & its nominees.
The Company has made various transactions with the Ministry of Jal Shakti and entities being controlled or jointly controlled or having significant influence of the Ministry of Jal Shakti. The Transactions with them are as under:

**Significant Transactions with Government related entities**

(Amount (in INR millions unless otherwise stated))

| Description of Transaction | March 31 2022 | March 31 2021 | March 31 2020 |
|---|---|---|---|
| Revenue | 512.35 | 837.60 | 1,096.13 |
| Procurements | 84.16 | 91.17 | 12.42 |
| Training Expenses | - | - | - |
| **Total** | **596.50** | **928.777** | **1108.544** |

**Significant balances with Government related Parties**

(Amount (in INR millions unless otherwise stated))

| Description of Transaction | March 31 2022 | March 31 2021 | March 31 2020 |
|---|---|---|---|
| Other Advances | 0.17 | 42.52 | 39.84 |
| Payables | 302.14 | 171.36 | 107.06 |
| Advance Received | 370.12 | 314.55 | 116.82 |
| Receivables | 846.51 | 1,024.83 | 1,137.28 |

**In a matter of NPCC Limited a subsidiary of the Parent Company**

**i. Related Parties: Financial Year 2021-22**

| Name of Other Related Parties | Country | Nature of Relationship |
|---|---|---|
| NPCC Ltd. Employees Contributory Provident Fund Trust and NPCC Limited Employee Gratuity Trust | India | Post – Employment Benefit Plan of NPCC Limited |

**Other Related Parties: Financial Year 2020-21**

| Name of Other Related Parties | Country | Nature of Relationship |
|---|---|---|
| NPCC Ltd. Employees Contributory Provident Fund Trust and NPCC Limited Employee Gratuity Trust | India | Post – Employment Benefit Plan of NPCC Limited |

**Other Related Parties: Financial Year 2019-20**

| Name of Other Related Parties | Country | Nature of Relationship |
|---|---|---|
| NPCC Ltd. Employees Contributory Provident Fund Trust and NPCC Limited Employee Gratuity Trust | India | Post – Employment Benefit Plan of NPCC Limited |

**ii. Key Management Personnel**

**Financial Year 2021-22**

**Directors / Key Management Personnel**

| | | Period | |
|---|---|---|---|
| | | **From** | **To** |
| Ms. Debashree Mukherjee | Additional Charge of CMD | 01st October, 2020 | 4th Oct, 2021 |
| Sh R.K Agrawal | Additional Charge of CMD | 4th Oct, 2021 | Till date |
| Sh Manohar Kumar | Director Engineering | 21st April, 2016 | 20th April, 2021 |
| Sh. Pankaj Kapoor | Additional Charge of D(F) | 04th September, 2020 | Till date |
| Smt. Rajni Agarwal | Company Secretary | 09th November, 2006 | Till date |

**Government Nominee Directors**

| | | Period | |
|---|---|---|---|
| | | **From** | **To** |
| Sh. Jagmohan Gupta | Government Nominee Director | 21st July, 2015 | 13th May, 2021 |
| Sh. Anupam Mishra | Government Nominee Director (Part Time Director) | 13th August, 2019 | Till date |
| Sh Manoj Sethi | Government Nominee Director (Part Time Director) | 2nd July, 2021 | 8th March, 2022 |

**Independent Directors**

| | | Period | |
|---|---|---|---|
| | | **From** | **To** |
| Smt Anupama Hoskere | Independent Director | 21st January, 2022 | Till Date |
| Shri Yajurvendra Ajl Mahajan | Independent Director | 21st January, 2022 | Till date |

*All the 3 position of Independent directors was vacant during the FY 2020-21 and part of FY 2021-22. Also one position of independent director is still vacant.

**Financial Year 2020-21**

**Directors / Key Management Personnel**

| | | Period | |
|---|---|---|---|
| | | **From** | **To** |
| Ms. Debashree Mukherjee | Additional Charge of CMD | 01st October, 2020 | Till date |
| Sh R.K. Gupta | Additional Charge of CMD | 11th June, 2019 | 30th Sept,2020 |
| Sh Manohar Kumar | Director Engineering | 21st April, 2016 | 20th April, 2021 |
| Sh. Pankaj Kapoor | Additional Charge of D(F) | 04th Sep, 2020 | Till date |
| Sh. Sahab Narain | Director Finance | 29th July, 2016 | 04th Sept,2020 |
| Smt. Rajni Agarwal | Company Secretary | 09th November, 2006 | Till date |

**Government Nominee Directors**

| | | Period | |
|---|---|---|---|
| | | **From** | **To** |
| Sh. Jagmohan Gupta | Government Nominee Director | 21st July, 2015 | 13th May, 2021 |
| Sh. Anupam Mishra | Government Nominee Director (Part Time Director) | 13th August, 2019 | Till date |

*All the 3 position of Independent directors was vacant during the FY 2020-21.

**Financial Year 2019-20**

**Directors / Key Management Personnel**

| | | Period | |
|---|---|---|---|
| Sh R.K. Gupta | Additional Charge of CMD | 11th June,2019 | 30th Sept,2020 |
| Sh Manohar Kumar | Additional Charge of CMD | 13th March,2018 | 11th June,2019 |
| Sh Manohar Kumar | Director Engineering | 21st April, 2016 | Till date |
| Sh. Sahab Narain | Director Finance | 29th July,2016 | 04th Sept,2020 |
| Smt. Rajni Agarwal | Company Secretary | 09th November, 2006 | Till date |

**Government Nominee Directors**

| | | Period | |
|---|---|---|---|
| | | **From** | **To** |
| Sh. Jagmohan Gupta | Government Nominee Director | 21st July, 2015 | Till date |
| Sh. Nitishwar Kumar | Government Nominee Director | 25th May,2018 | 13th Aug,2019 |
| Sh. Anupam Mishra | Government Nominee Director (Part Time Director) | 13th August, 2019 | Till date |

**Independent Directors**

| | | Period | |
|---|---|---|---|
| Dr. Jayashree Gupta | Non Official Part Time Director | 07th Feb,2017 | 06th Feb,2020 |
| Dr. Ravindra Pande | Non Official Part Time Director | 07th Feb,2017 | 06th Feb,2020 |

**iii. Transactions with Key Managerial Personnel**

(Amount (in INR millions unless otherwise stated))

| Particulars | | | | 31-Mar-22 | | | | 31-Mar-21 |
|---|---|---|---|---|---|---|---|---|
| | **Short Term** | **Post –** | **Other Long-term** | **Share based** | **Short Term** | **Post –** | **Other Long-term** | **Share based** |
| **CMD, Whole time Directors & Company Secretary** | | | | | | | | |
| | | | | | | | | |
| Sh R.K Agrawal | - | - | - | - | - | - | - | - |
| Ms. Debashree Mukherjee | - | - | - | - | - | - | - | - |
| Sh R.K. Gupta | - | - | - | - | - | - | - | - |
| Sh Manohar Kumar | 0.52 | - | - | - | 4.17 | 0.13 | - | - |
| Sh Sahab Narain | - | - | - | - | 1.71 | 0.22 | - | - |
| Sh. Pankaj Kapoor | - | - | - | - | - | - | - | - |
| Smt. Rajni Agarwal | 2.50 | 0.33 | - | - | 2.44 | - | - | - |
| **Total** | **3.02** | **0.33** | **-** | **-** | **8.33** | **0.35** | **-** | **-** |

(Amount (in INR millions unless otherwise stated))

| Particulars | | | | 31-Mar-20 |
|---|---|---|---|---|
| | **Short Term Employees benefits** | **Post – Employment benefits** | **Other Long-term benefits** | **Share based payment & Termination Benefits** |
| **CMD, Whole time Directors & Company Secretary** | | | | |
| Sh R.K Agrawal | - | - | - | - |
| Ms. Debashree Mukherjee | - | - | - | - |
| Sh R.K. Gupta | - | - | - | - |
| Sh Manohar Kumar | 3.81 | 0.16 | - | - |
| Sh Sahab Narain | 3.77 | 0.40 | - | - |
| Smt. Rajni Agarwal | 2.42 | - | - | - |
| **Total** | **10.00** | **0.56** | **-** | **-** |

Disclosures in respect of transactions with identified related parties are given only for such period during which such relationships existed.

**iv. Details of Remuneration/sitting fees paid to Independent Directors**

(Amount (in INR millions unless otherwise stated))

| Name & Designation | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
|---|---|---|---|
| Ms. Anupama Hoskere | 0.03 | - | - |
| Shri. Yajvendra Anil Mahajan | 0.02 | - | - |
| Dr. Jayashree Gupta | - | - | 0.12 |
| Dr. Ravindra Pande | - | - | 0.15 |
| **Total** | **0.05** | **0.00** | **0.27** |

*All the 3 position of Independent directors was vacant during the FY 2020-21 and part of FY 2021-22. Also one position of independent director is still vacant.

**v. Balances outstanding with Key Management Personnel (Payable)**

(Amount (in INR millions unless otherwise stated))

| Particulars | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
|---|---|---|---|
| | **Payables** | **Payables** | |
| Sh R.K Agrawal | - | - | - |
| Ms. Debashree Mukherjee | - | - | - |
| Sh R.K. Gupta | - | - | - |
| Sh Manohar Kumar | 0.42 | - | - |
| Sh Sahab Narain | - | - | - |
| Sh. Pankaj Kapoor | - | - | - |
| Smt. Rajni Agarwal | - | - | - |
| **Total** | **0.42** | **-** | **-** |

**vi. Transactions with Government Related Entities**

Government of India (GOI) is holding 100% equity shares of WAPCOS Ltd. (the parent company), which are held by President of India acting through Ministry of Jal Shakti and its nominees. GOI shall be deemed to control the company through WAPCOS Ltd.

The company has made various transactions with the Ministry of Jal Shakti and entities being controlled or jointly controlled or having significant influence of the Ministry of Jal Shakti. The Transactions with them are as under:

**Significant Transactions with Government related entities**

(Amount (in INR millions unless otherwise stated))

| Description of Transaction | March 31 2022 | March 31 2021 | March 31 2020 |
|---|---|---|---|
| Revenue | 70.67 | 330.71 | 359.91 |
| Procurements | - | - | - |
| Training Expenses | - | - | - |
| **Total** | **70.67** | **330.71** | **359.91** |

**Significant balances with Government related Parties**

(Amount (in INR millions unless otherwise stated))

| Description of Transaction | March 31 2022 | March 31 2021 | March 31 2020 |
|---|---|---|---|
| Other Advances | - | - | - |
| Payables | 31.91 | - | - |
| Advance Received | 74.81 | 41.35 | 137.47 |
| **Receivables** | 58.44 | 40.15 | 29.70 |

**46. Leases**

**a. Amounts recognised in the Balance Sheet**

The balance sheet shows the following amounts relating to leases:

**Right of Use Assets**

(Amount (in INR millions unless otherwise stated))

| Particulars | March 31 2022 | March 31 2021 | March 31 2020 |
|---|---|---|---|
| Buildings | 123.49 | 205.03 | 236.02 |
| Vehicle | 2.57 | 5.53 | 9.63 |

**Lease Liability**

**As at March 31 2022**

(Amount (in INR millions unless otherwise stated))

| Particulars | Current | Non-Current | Total |
|---|---|---|---|
| Buildings | 50.17 | 92.88 | 143.05 |
| Vehicle | 2.07 | 0.79 | 2.86 |
| **Total** | **52.24** | **93.67** | **145.91** |

**As at March 31 2021**

(Amount (in INR millions unless otherwise stated))

| Particulars | Current | Non-Current | Total |
|---|---|---|---|
| Buildings | 63.68 | 163.67 | 227.35 |
| Vehicle | 3.05 | 2.86 | 5.91 |
| **Total** | **66.73** | **166.53** | **233.26** |

**As at March 31 2020**

(Amount (in INR millions unless otherwise stated))

| Particulars | Current | Non-Current | Total |
|---|---|---|---|
| Buildings | 66.03 | 183.74 | 249.77 |
| Vehicle | 3.99 | 5.91 | 9.90 |
| **Total** | **70.02** | **189.65** | **259.67** |

Additions to the Right of use during FY 2021-22 were ₹ 29.77 Millions

**b. Amounts recognised in Statement of Profit or Loss:**

The Statement of Profit or Loss shows the following amounts relating to Leases

(Amount (in INR millions unless otherwise stated))

| Depreciation Charge of Right of Use assets | March 31 2022 | March 31 2021 | March 31 2020 |
|---|---|---|---|
| Buildings | 66.15 | 81.45 | 78.75 |
| Vehicles | 2.88 | 4.10 | 3.95 |

| Interest Expenses (Included in Finance Cost) | March 31 2022 | March 31 2021 | March 31 2020 |
|---|---|---|---|
| Interest Expense | 16.25 | 22.09 | 23.78 |

The total cash outflow for leases in 2021-2022 ₹ 80.69 Millions (₹ 77.33 Millions for ROU Building & ₹ 3.36 Millions for ROU Vehicle).

**c. The Group's leasing activities and how these are accounted for**
The Group leases various offices and vehicles. Rental contracts are typically made for fixed periods of 6 months to 8 years, but may have extension options as described below:
Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the company is a lessee, it has elected to separate lease and non-lease components and instead accounts for these as a single lease component.
Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

**d.** Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period
Right-of-use assets are measured at cost comprising the following:
· the amount of the initial measurement of lease liability
· any lease payments made at or before the commencement date less any lease incentives received
Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.
Payments associated with short-term leases of Office Buildings and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

**47. Lease Payments not included in the measurements of Lease Liability:**

The Expense relating to payments not included in the measurement of lease liability is as follows:

(Amount (in INR millions unless otherwise stated))

| Particulars | March 31 2022 | March 31 2021 | March 31 2020 |
|---|---|---|---|
| Short Term Leases | 142.59 | 115.01 | 126.07 |
| Variable Lease Payments | | - | - |
| **Total rental expenses relating to operating leases** | **142.59** | **115.01** | **126.07** |

**e. Extension and Termination option**
Extension and termination options are included in a number of property leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations.

**f.** The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

Pursuant to Para 58 of Ind AS 116, a maturity analysis of lease liabilities applying Para 39 and B11 of Ind AS 107, Financial Instruments; Disclosures separately from maturity analyses of other financial liabilities.

**Maturities of Lease liabilities**

The amounts disclosed in the table below are the contractual undiscounted cash flows.

**As at March 31 2022**

(Amount (in INR millions unless otherwise stated))

| Contractual maturities of financial liabilities | Less than 6 months | 6-12 months | Between 1 and 2 years | Between 2 and 5 years | Over 5 years | Total |
|---|---|---|---|---|---|---|
| Lease Liabilities | 33.05 | 30.61 | 47.35 | 50.65 | 10.26 | 171.92 |

**As at March 31 2021**

(Amount (in INR millions unless otherwise stated))

| Contractual maturities of financial liabilities | Less than 6 months | 6-12 months | Between 1 and 2 years | Between 2 and 5 years | Over 5 years | Total |
|---|---|---|---|---|---|---|
| Lease Liabilities | 41.97 | 38.77 | 67.11 | 107.23 | 20.52 | 275.61 |

**As at March 31 2020**

(Amount (in INR millions unless otherwise stated))

| Contractual maturities of financial liabilities | Less than 6 months | 6-12 months | Between 1 and 2 years | Between 2 and 5 years | Over 5 years | Total |
|---|---|---|---|---|---|---|
| Lease Liabilities | 47.42 | 39.32 | 84.97 | 109.27 | 36.86 | 317.84 |

Set out below are the carrying amount of Lease liabilities and the movement during the period

(Amount (in INR millions unless otherwise stated))

| Particulars | 31-Mar-22 |
|---|---|
| **As at 01st April 2021** | 233.26 |
| Addition during the Year | 29.58 |
| Assets Written off | (52.49) |
| Finance Cost of Lease Liabilities | 16.25 |
| Payments | (80.69) |
| **As at March 31 2022** | **145.92** |
| **Current** | **52.25** |
| **Non-Current** | **93.67** |

(Amount (in INR millions unless otherwise stated))

| Particulars | 31-Mar-21 |
|---|---|
| **As at 01st April 2020** | 259.69 |
| Addition during the Year | 49.55 |
| Assets Written off | (1.02) |
| Finance Cost of Lease Liabilities | 22.09 |
| Payments | (97.05) |
| **As at March 31 2021** | **233.26** |
| **Current** | **66.74** |
| **Non-Current** | **166.52** |

(Amount (in INR millions unless otherwise stated))

| Particulars | 31-Mar-20 |
|---|---|
| **As at 01st April 2019** | 435.99 |
| Addition during the Year | 10.71 |
| Reclassification of liabilities on account of Prior period adjustments | (47.98) |
| Finance Cost of Lease Liabilities | 24.38 |
| Payments | (163.40) |
| **As at March 31 2020** | **259.70** |
| **Current** | **70.02** |
| **Non-Current** | **189.68** |

**48. Capital Management**

The Group's objectives when managing capital are:

· To ensure Group's ability to continue as a going concern, and

· To provide adequate returns to shareholders

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The amounts managed as capital by the Group are summarized as follows:

(Amount (in INR millions unless otherwise stated))

| Particulars | March 31 2022 | March 31 2021 | March 31 2020 |
|---|---|---|---|
| Equity Share Capital | 1,300.00 | 1,300.00 | 1,000.00 |
| Other Equity | 6,511.29 | 6,054.29 | 5,986.92 |
| **Total Equity of the company** | **7,811.29** | **7,354.29** | **6,986.92** |
| | | | |
| Borrowings | 808.53 | 482.00 | 40.52 |
| **Net debt to equity ratio** | 0.10 | 0.07 | 0.01 |

**49.** The Management is of opinion that there is no impairment of cash generating assets in terms of Ind AS 36 (Impairment of Assets).

**50. Accounting Policies, Change in Accounting Estimates and Errors (Ind AS 8)**

**i. Prior Period Transactions are as follows:**

(Amount (in INR millions unless otherwise stated))

| Nature of Expenditure / Income | Related to FY 2020-21 | Related to FY 2019-20 | Prior to FY 2019-20 |
|---|---|---|---|
| **Expenditure:** | | | |
| Bank Charges and Guarantee Commission | 29.16 | 3.02 | 0.54 |
| Services Obtained | 71.80 | 8.31 | 84.30 |
| Salary, Remuneration and Incentives | 0.14 | 0.36 | (0.07) |
| Others | 2.69 | 1.43 | (7.32) |
| Construction expense | 1.49 | 1.16 | |
| Depreciation on Tangible Assets | 0.01 | | |
| CSR Expenses | 0.18 | | |
| Provision for Trade Receivable and Retention Money | (190.12) | (56.19) | - |
| **Total Expenditure (increase/(Decrease)** | **(84.65)** | **(41.92)** | **77.45** |
| | - | - | - |
| **Income:** | - | - | - |
| Revenue from Operation | (59.07) | (82.99) | 6.56 |
| Other Income | (62.25) | - | - |
| **Total Income (Increase/(Decrease)** | **(121.32)** | **(82.99)** | **6.56** |

**ii. Impact on Balance Sheet items is as follows:**

(Amount (in INR millions unless otherwise stated))

| Prior Period for the Year | Head Grouping | Note | Impact on 2020-21 | Impact on 2019-20 | Prior to 01-04-2019 | Total |
|---|---|---|---|---|---|---|
| **Liabilities** | | | | | | |
| Trade Payables | Trade Payable-Current | 15B | 75.07 | 10.58 | 86.39 | 172.03 |
| Other Payable | Other Current Financial Liabilities | 20B | 0.29 | | | |
| CSR Payable | Other Current Financial Liabilities | 20B | 0.18 | | | |
| Income Accrued but not due | Other Non-Current Liabilities | 17A | 73.79 | 6.18 | - | 79.97 |
| Employee Payable | Other Current Financial Liabilities | 20B | 0.61 | 0.64 | (0.07) | 1.18 |
| Statutory dues | Other Current Liabilities | 17B | 0.00 | - | - | 0.00 |
| **Total Change in Liabilities** | | | **149.94** | **17.40** | **86.32** | **253.65** |
| | | | | | | |
| **Assets** | | | | | | |
| Accrued Interest | Other Financial Assets - Non-Current | 4A | (0.44) | - | - | (0.44) |
| Trade Receivable - Unsecured, considered good | Trade Receivable | 7 | 233.64 | (20.62) | 6.56 | 219.58 |
| Amount deposited with Court / Authorities | Other Current Assets | 12 | - | - | 5.67 | 5.67 |
| Advance to Supplier / Sub-contractors | Other Non-Current Assets | 6 | - | - | 3.74 | 3.74 |
| Bank deposit having original maturity less than 3 months (interest accrued) | Cash and Cash Equivalents | 9 | 0.04 | - | - | 0.04 |
| Accumulated depreciation | Property, Plant & Equipment | 2 | (0.01) | - | - | (0.01) |
| Balance with Government Authorities | Other Current Assets | 12 | - | (0.04) | - | (0.04) |
| Unbilled Revenue | Trade Receivable | 7 | (28.81) | - | - | (28.81) |
| Prepaid Expenses | Other Current Assets | 12 | (24.80) | (3.02) | (0.54) | (28.35) |
| Deferred Tax Assets | Deferred Tax Assets | 5 | (61.99) | - | - | (61.99) |
| Balance with banks in Current A/C's | Cash and Cash Equivalents | 9 | (4.37) | - | - | (4.37) |
| **Total Change in Assets** | | | **113.28** | **(23.67)** | **15.43** | **105.03** |
| | | | | | | 0 |

**iii. Impact on Statement of Profit and Loss items is as follows:**

(Amount (in INR millions unless otherwise stated))

| Prior Period for the Year | Note | As on March 31 2022 |
|---|---|---|
| | | **Impact on 2020-21** |
| **Expenditure** | | |
| Bank Charges and Guarantee Commission | 29 | 29.16 |
| Services Obtained | 26 | 71.80 |
| Salary, Remuneration and Incentives | 24 | 0.14 |
| Others | 29 | 2.69 |
| Construction expense | 23 | 1.49 |
| Depreciation on Tangible Assets | 27 | 0.01 |
| CSR Expenses | 28 | 0.18 |
| Provision for Trade Receivable and Retention Money | 29 | (190.12) |
| **Total Expenditure** | | **(84.65)** |
| | | |
| **Income** | | |
| Revenue from operation | 21 | (59.07) |
| Other Income | 22 | (62.25) |
| **Total Income** | | **(121.32)** |
| | | |
| **Net Impact on Profit after Tax** | | **(36.67)** |

**51.** Computer Software in form of Intangible Assets disclosed as per Note no. 2B are amortized over the period of three years on straight line basis or over their license period, as applicable. The amount amortized is as under:

ss otherwise stated))

| Particulars | March 31 2022 | March 31 2021 | March 31 2020 |
|---|---|---|---|
| Amortization recognized in the Statement of Profit & Loss | 5.68 | 7.79 | 8.87 |

The Management is of opinion that there is no impairment of Intangible Assets (i.e. Software) in terms of Ind AS – 36 (Impairment of Assets) as notified by Ministry of Corporate Affairs ('the MCA').

**52. Disclosures on Operating Segments (Ind AS 108)**

Operating Segments are defined as components of company for which discrete financial information is available which is being evaluated regularly by the Chief Operating Decision Maker (CODM) in deciding how to allocate resources and assessing performance. The Group's CODM is Chairman-cum-Managing Director.

**i.** The Group has identified two operational reportable segments based on operations being carried out which are as under:

**a.** Consultancy Services

**b.** Construction Contracts.

**ii.** Geographical wise revenues segment is disclosed as under:

**a.** Revenue within India from consultancy includes quality assurance & project management services, turnkey construction projects.

**b.** Revenue from outside India includes services rendered towards project management consultancy services, turnkey construction projects.

**iii.** The accounting principles used in the preparation of the financial statements are consistently applied to record revenue & expenditure in individual segment, as set out in the note of significant accounting policies.

**iv.** Revenue and expenses directly attributable to segments are reported under each reportable segment. All other expenses which are not attributable or allocable to the segments have been disclosed as un- allocable expenses.

**v.** Assets and liabilities used in the Group's business are not identified to any of the reportable segments as these are used interchangeably between segments. Depreciation, amortization & impairment on Property, Plant & Equipment and Intangible Assets cannot be allocated to a specific segment. Company believes that it is currently not practicable to provide segmental disclosure relating to total assets, total liabilities and depreciation, amortization & impairment since a meaningful segregation of the available data could be onerous.

**vi. Operational Segments**
(Information has been extracted from Books of Accounts certified by the management)

**As at March 31 2022**

(Amount (in INR millions unless otherwise stated))

| Description | Consultancy Services | | Construction Projects | | Total |
|---|---|---|---|---|---|
| | Domestic | Abroad | Domestic | Abroad | |
| Revenue | 4,995.18 | 1,961.80 | 21,019.72 | 3.23 | **27,979.94** |
| Identifiable Operating Expenses | 3,500.30 | 1,465.71 | 20,564.98 | 51.80 | **25,582.79** |
| Segmental Profit / (Loss) from operations | **1,494.88** | **496.10** | **454.74** | **(48.58)** | **2,397.15** |
| Add: Interest Income | | | | | 422.70 |
| Add: Other Income | | | | | 261.10 |
| Less: Un – allocable Expenses including exceptional item | | | | | 2,062.39 |
| Net Profit Before Tax | | | | | **1,018.56** |
| Less: Income Tax | | | | | 326.96 |
| Net Profit after Tax | | | | | **691.60** |
| **Additional Information** | | | | | |
| Depreciation and amortization | | | | | 123.76 |
| Non-cash expenses / (Income) other than depreciation and amortization | | | | | - |
| Reversal of Provisions | | | | | 12.57 |
| Profit on Sale of PPE | | | | | - |
| Loss on Sale of PPE | | | | | 0.80 |

**As at March 31 2021**

(Amount (in INR millions unless otherwise stated))

| Description | Consultancy Services | | Construction Projects | | Total |
|---|---|---|---|---|---|
| | Domestic | Abroad | Domestic | Abroad | |
| Revenue | 4,598.15 | 2,213.00 | 18,175.59 | 141.98 | **25,128.72** |
| Identifiable Operating Expenses | 3,470.71 | 1,345.69 | 17,538.08 | 221.44 | **22,575.92** |
| Segmental Profit / (Loss) from operations | **1,127.45** | **867.32** | **637.51** | **(79.47)** | **2,552.81** |
| Add: Interest Income | | | | | 467.69 |
| Add: Other Income | | | | | 208.57 |
| Less: Un – allocable Expenses including exceptional item | | | | | 2,307.73 |
| Net Profit Before Tax | | | | | **921.34** |
| Less: Income Tax<br>(Including Deferred Tax) | | | | | 317.19 |
| Net Profit after Tax | | | | | **604.15** |
| **Additional Information** | | | | | |
| Depreciation and amortization | | | | | 150.36 |
| Non-cash expenses / (Income) other than depreciation and amortization | | | | | - |
| Reversal of Provisions | | | | | 0.99 |
| Profit on Sale of PPE | | | | | 0.06 |
| Loss on Sale of PPE | | | | | 0.13 |

**As at March 31 2020**

(Amount (in INR millions unless otherwise stated))

| Description | Consultancy Services | | Construction Projects | | Total |
|---|---|---|---|---|---|
| | Domestic | Abroad | Domestic | Abroad | |
| Revenue | 6,115.29 | 2,734.95 | 19,402.96 | 169.02 | **28422.22** |
| Identifiable Operating Expenses | 3,665.07 | 1,681.15 | 18,680.77 | 337.87 | **24364.86** |
| Segmental Profit / (Loss) from operations | **2,450.22** | **1,053.80** | **722.19** | **(168.85)** | **4057.36** |
| Add: Interest Income | | | | | 518.86 |
| Add: Other Income | | | | | 495.27 |
| Less: Un – allocable Expenses including exceptional item | | | | | 2619.15 |
| Net Profit Before Tax | | | | | **2452.34** |
| Less: Income Tax | | | | | 979.22 |
| Net Profit after Tax | | | | | **1473.12** |
| **Additional Information** | | | | | |
| Depreciation and amortization | | | | | 152.56 |
| Non-cash expenses / (Income) other than depreciation and amortization | | | | | - |
| Reversal of Provisions | | | | | 257.76 |
| Profit on Sale of PPE | | | | | 0.42 |
| Loss on Sale of PPE | | | | | 3.35 |

vii. Revenue of ₹ 7746.80 millions (Previous Year 2020-21 ₹ 6553.25 Millions) (Previous Year 2019-20 ₹ 5166.53 Millions) from major customers is given below:

(Amount (in INR millions unless otherwise stated))

| Description | March 31 2022 | | | March 31 2021 | | |
|---|---|---|---|---|---|---|
| | **Consultancy Services** | **Turnkey / Engineering Projects** | **Total** | **Consultancy Services** | **Turnkey / Engineering Projects** | **Total** |
| Customer-1 | 2814.15 | 2486.63 | 5300.78 | 2000.38 | 1689.85 | 3690.23 |
| Customer-2 | 1454.70 | 991.32 | 2446.02 | 1837.59 | 1025.43 | 2863.02 |
| **Total** | 4268.85 | 3477.95 | 7746.80 | 3837.97 | 2715.28 | 6553.25 |

(Amount (in INR millions unless otherwise stated))

| Description | March 31 2020 | | |
|---|---|---|---|
| | **Consultancy Services** | **Turnkey / Engineering Projects** | **Total** |
| Customer-1 | 1906.54 | 1226.01 | 3132.55 |
| Customer-2 | 1197.10 | 1108.77 | 2305.87 |
| **Total** | 3103.64 | 2334.78 | 5438.42 |

**53. Financial Assets and Liabilities**

The carrying amounts of Financial Assets and Financial Liabilities in each category are as follows

**Financial Instruments by Category**

(Amount (in INR millions unless otherwise stated))

| **Particulars** | **March 31 2022** | | | | **March 31 2021** | | | |
|---|---|---|---|---|---|---|---|---|
| | **FVTPL** | **Amortized Cost** | **FVTOCI** | **Fair Value** | **FVTPL** | **Amortized Cost** | **FVTOCI** | **Fair Value** |
| **Financial Assets:** | | | | | | | | |
| Other Financial Assets including Retention money and security deposits (Non-current) | | 4,015.46 | - | 4,015.46 | - | 5,982.80 | - | 5,982.80 |
| Investments – Non-Current* | | - | 3.95 | 3.95 | - | - | 3.73 | 3.73 |
| Trade Receivables | | 21,525.79 | - | 21,525.79 | - | 20,653.05 | - | 20,653.05 |
| Cash and Cash Equivalents | | 5,572.37 | - | 5,572.37 | - | 6,292.63 | - | 6,292.63 |
| Other Bank Balances | | 13,171.03 | - | 13,171.03 | - | 7,306.97 | - | 7,306.97 |
| Other Financial Assets including Retention money and security deposits (Current) | | 348.82 | - | 348.82 | - | 300.83 | - | 300.83 |
| **Total Financial Assets** | **-** | **44,633.47** | **3.95** | **44,637.42** | **-** | **40,536.29** | **3.73** | **40,540.02** |

(Amount (in INR millions unless otherwise stated))

| **Particulars** | **March 31 2020** | | | |
|---|---|---|---|---|
| | **FVTPL** | **Amortized Cost** | **FVTOCI** | **Fair Value** |
| **Financial Assets:** | | | | |
| Other Financial Assets including Retention money and security deposits (Non-current) | - | 3,351.28 | - | 3,351.28 |
| Investments – Non-Current* | - | - | 3.50 | 3.50 |
| Trade Receivables | - | 21,626.01 | - | 21,626.01 |
| Cash and Cash Equivalents | - | 3,590.42 | - | 3,590.42 |
| Other Bank Balances | - | 9,098.61 | - | 9,098.61 |
| Other Financial Assets including Retention money and security deposits (Current) | - | 310.98 | - | 310.98 |
| **Total Financial Assets** | **-** | **37,977.30** | **3.50** | **37,980.80** |

(Amount (in INR millions unless otherwise stated))

| **Particulars** | **March 31 2022** | | | | **March 31 2021** | | | |
|---|---|---|---|---|---|---|---|---|
| | **FVTPL** | **Amortized Cost** | **FVTOCI** | **Fair Value** | **FVTPL** | **Amortized Cost** | **FVTOCI** | **Fair Value** |
| **Financial Liabilities:** | | | | | | | | |
| Trade Payables (Current & Non-Current) | | 18,074.49 | | 18,074.49 | - | 18,373.12 | - | 18,373.12 |
| Other Financial Liabilities (Current and Non-current) | | 6,935.86 | | 6,935.86 | - | 6,555.77 | - | 6,555.77 |
| **Total Financial Liabilities** | **-** | **25,010.35** | **-** | **25,010.35** | **-** | **24,928.89** | **-** | **24,928.89** |

(Amount (in INR millions unless otherwise stated))

| **Particulars** | **March 31 2020** | | | |
|---|---|---|---|---|
| | **FVTPL** | **Amortized Cost** | **FVTOCI** | **Fair Value** |
| **Financial Liabilities:** | | | | |
| Trade Payables (Current & Non-Current) | - | 17,337.94 | - | 17,337.94 |
| Other Financial Liabilities (Current and Non-current) | - | 5,566.52 | - | 5,566.52 |
| **Total Financial Liabilities** | **-** | **22,904.46** | **-** | **22,904.46** |

The Carrying amount of Trade Receivables, Trade Payables and Cash and Cash Equivalent are considered to be same as their Fair Values.

The Carrying amount of the Financial Assets and Liabilities carried at Amortized Cost is considered a reasonable approximation of Fair Value.

**i. Fair Value Hierarchy**

Financial Assets and Financial Liabilities measured at fair value in the Balance Sheet are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

| | |
|---|---|
| Level – 1 | Quoted prices (unadjusted) in active markets for identical assets or liabilities |
| Level – 2 | The fair value of Financial Instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data rely as little as possible on entity specific estimates |
| Level – 3 | If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3 |

The following tables shows the levels within the hierarchy of Financial Assets and Liabilities measured at Fair Value on a recurring basis at March 31 2022, March 31 2021 and March 31 2020:

**ii. Financial Assets measured at Fair value – Recurring Fair Value Measurements**

(Amount (in INR millions unless otherwise stated))

| Particulars | Period | Note Ref. | Level - 1 | Level - 2 | Level – 3 | Total |
|---|---|---|---|---|---|---|
| Financial Instruments at FVTOCI | | | - | - | - | - |
| Non-Current Investments – Equity Shares | March 31 2022 | | | | 0.23 | 0.23 |
| | March 31 2021 | | - | - | 0.22 | 0.22 |
| | March 31 2020 | | - | - | 0.26 | 0.26 |

**iii. Valuation Technique used to determine Fair Value**

Specific valuation techniques used to value financial instruments includes the use of Net Assets Value of Unquoted Equity Shares on the basis of the Audited Financial Statements received from investee party.

**54. Financial Risk Management**

The Group's activities expose it to credit risk, liquidity risk and market risk. The Group's Board of Directors has overall responsibility for the establishment and oversight of Group's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and related impacts in the financial statements.

**i. Credit risk**

The Group is exposed to credit risk from its operating activities (Primarily trade receivables) and from its financing activities including Deposits with Banks, Mutual funds and financial institutions and other financial instruments.

**Credit Risk Management**

The Group assesses and manages credit risk of Financial Assets based on following categories arrived on the basis of assumption, inputs and factors specific to the class of Financial Assets.
A: Low Credit Risk on financial reporting date
B: Moderate Credit Risk
C: High Credit Risk

In accordance with Ind AS 109, the Group is required to apply Expected Credit Loss Model for measurement and recognition of impairment loss for Financial Assets which comprise of Cash & Cash Equivalent. Bank balances, Investments Trade Receivables, SD/Retention Money etc. As a practical expedient, the Group has adopted "Simplified Approach using the provision matrix method for recognition of expected credit loss on trade receivables and SD/retention money as there is no risk of default in respect of Cash & Cash Equivalent. Bank balances, Investments etc. This adopted provision matrix is based on historical default rates observed over the expected life of the trade receivables and is adjusted for forward – looking estimates. At every reporting date, the historical default rates are updated and changes in the forward – looking estimates are analysed. Further receivables are segmented for this analysis where the credit risk characteristics of the receivables are similar.

While working out the ECL provision, the quantum of advance available against a particular project shall be set off against the current year outstanding debtors of respective project. Further, the quantum of trade payables in respect of back to back contracts shall be set off against the respective project trade receivables of respective years. No provision shall be made in respect of deferred debts (debtors which have not become due for payment as at 31 March of respective financial year). It is therefore proposed to adopt following ECL model to be applied in respect of trade receivables / retention money.

| Grade Matrix for FY 2021-2022 | Current year | 1-2 years | 2-3 years | 3-4 years | 4-5 years | 5-6 years | 6-7 years | 7-8 years | 8-9 years | 9-10 years |
|---|---|---|---|---|---|---|---|---|---|---|
| | 5% | 7% | 10% | 30% | 40% | 55% | 70% | 85% | 90% | 100% |

| Grade Matrix for prior to FY 2021-2022 | Current year | 1-2 years | 2-3 years | 3-4 years | 4-5 years | 5-6 years | 6-7 years | 7-8 years | 8-9 years | 9-10 years |
|---|---|---|---|---|---|---|---|---|---|---|
| | 3% | 5% | 8% | 40% | 70% | 82% | 83% | 84% | 85% | 100% |

**Impact on Profitability due to change in Grade Matrix**

(Amount (in INR millions unless otherwise stated))

| Particulars | Before Rate Change | After Rate Change | Impact |
|---|---|---|---|
| Provision Created | 1102.03 | 477.69 | 624.34 |

The Group provides for Expected Credit Loss based on the following:

| Asset Group | Basis of categorization | Provision for Expenses credit loss |
|---|---|---|
| A: Low Credit Risk | Cash and cash Equivalents, other Bank Balances, other Financial Assets and Non-current investments. | 12 months expected credit loss |
| B: Moderate Credit Risk | Trade Receivables & Retention Money | Lifetime expected credit loss |
| C: High Credit Risk | Trade Receivables and other Financial Assets | Lifetime expected credit loss or fully provided for |

In respect of Trade Receivables, the Group recognizes a provision for lifetime Expected Credit Loss.

Based on business environment in which the Group operates, a default on a Financial Asset is considered when the counter party fails to make the payment within agreed time period as per contract or decided later based upon the factual circumstances on case-to-case basis. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or litigation decided against the Group. The Group continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognized in Statement of Profit & Loss.

(Amount (in INR millions unless otherwise stated))

| Credit rating | Particulars | March 31 2022 | March 31 2021 | March 31 2020 |
|---|---|---|---|---|
| A: Low credit risk | Cash and cash Equivalents, other Bank Balances, other Financial Assets and Non-current investments. | 23336.15 | 19770.77 | 18566.76 |
| B: Moderate credit risk | Trade Receivables & Retention Money | 17594.43 | 18116.38 | 18138.07 |
| C: High credit risk | Trade Receivables and other Financial Assets | 7052.34 | 5625.84 | 3724.35 |

**Concentration of Trade Receivables**
The Group's major exposure to credit risk for trade receivables are from various Central and State Government departments/ Ministries.

**Credit Risk Exposure**

**Provision for Expected Credit Losses**
The Group provides for Expected Credit Losses based on 12 month and lifetime expected credit loss basis for following financial assets

**A: Low Credit Risk**

**March 31 2022**

(Amount (in INR millions unless otherwise stated))

| Particulars | Note Ref. | Carrying Amount | Impairment | Carrying amount net of Provision of impairment |
|---|---|---|---|---|
| Cash and Cash equivalents | 9 | 5610.74 | (38.37) | 5572.37 |
| Other bank balances | 10 | 13171.03 | - | 13171.03 |
| Other financial assets | 4A & 4B | 4453.79 | (89.50) | 4364.29 |
| Non-Current investments | 3 | 3.95 | - | 3.95 |

**March 31 2021**

(Amount (in INR millions unless otherwise stated))

| Particulars | Note Ref. | Carrying Amount | Impairment | Carrying amount net of Provision of impairment |
|---|---|---|---|---|
| Cash and Cash equivalents | 9 | 6331.00 | (38.37) | 6292.63 |
| Other bank balances | 10 | 7306.98 | - | 7306.98 |
| Other financial assets | 4A & 4B | 6363.34 | (79.70) | 6283.64 |
| Non-Current investments | 3 | 3.73 | - | 3.73 |

**March 31 2020**

(Amount (in INR millions unless otherwise stated))

| Particulars | Note Ref. | Carrying Amount | Impairment | Carrying amount net of Provision of impairment |
|---|---|---|---|---|
| Cash and Cash equivalents | 9 | 3590.42 | (38.37) | 3590.42 |
| Other bank balances | 10 | 9098.61 | - | 9098.61 |
| Other financial assets | 4A & 4B | 3743.57 | (81.28) | 3662.29 |
| Non-Current investments | 3 | 3.50 | - | 3.50 |

**B: Moderate Credit Risk (consisting of Trade Receivables and Retention ageing from 1-3 years)**
Expected credit loss for trade receivables & retention money under simplified approach

**March 31 2022**

(Amount (in INR millions unless otherwise stated))

| Ageing | Note Ref. | Up to 1 year | Between 1 year and 2 years | Between 2 year and 3 years | Total |
|---|---|---|---|---|---|
| Gross carrying amount (considered good) | 7 | 9572.37 | 4214.51 | 4276.19 | 18063.07 |
| Loss Allowance Provision on Expected credit losses | | (230.11) | (229.92) | (332.96) | (792.99) |
| Carrying amount of trade receivable (Net of impairment) | | 9342.26 | 3984.59 | 3943.23 | 17270.08 |

**March 31 2021**

(Amount (in INR millions unless otherwise stated))

| Ageing | Note Ref. | Up to 1 year | Between 1 year and 2 years | Between 2 year and 3 years | Total |
|---|---|---|---|---|---|
| Gross carrying amount (considered good) | 7 | 10106.95 | 5693.22 | 2354.52 | 18154.69 |
| Loss Allowance Provision on Expected credit losses | | (149.66) | (215.70) | (133.35) | (498.71) |
| Carrying amount of trade receivable (Net of impairment) | | 9957.29 | 5477.52 | 2221.17 | 17655.98 |

**March 31 2020**

in INR millions unless otherwise stated))

| Ageing | Note Ref. | Up to 1 year | Between 1 year and 2 years | Between 2 year and 3 years | Total |
|---|---|---|---|---|---|
| Gross carrying amount (considered good) | 7 | 13916.03 | 3657.60 | 2841.81 | 20415.44 |
| Loss Allowance Provision on Expected credit losses | | (186.49) | (136.69) | (148.04) | (471.22) |
| Carrying amount of trade receivable (Net of impairment) | | 13729.54 | 3520.91 | 2693.77 | 20886.66 |

**C: High credit risk**

**March 31 2022**

(Amount (in INR millions unless otherwise stated))

| Particulars | Note Ref. | Period | Carrying amount | Impairment | Carrying amount net of Impairment provision |
|---|---|---|---|---|---|
| Trade Receivables & Retention Money | 7 | Above 3 years | 6,684.66 | (2,508.62) | 4,176.05 |

**March 31 2021**

(Amount (in INR millions unless otherwise stated))

| Particulars | Note Ref. | Period | Carrying amount | Impairment | Carrying amount net of Impairment provision |
|---|---|---|---|---|---|
| Trade Receivables & Retention Money | 7 | Above 3 years | 5,364.06 | (2,441.37) | 2,922.69 |

**March 31 2020**

(Amount (in INR millions unless otherwise stated))

| Particulars | Note Ref. | Period | Carrying amount | Impairment | Carrying amount net of Impairment provision |
|---|---|---|---|---|---|
| Trade Receivables & Retention Money | 7 | Above 3 years | 3,555.62 | (1,947.79) | 1,607.84 |

**Reconciliation of Loss Provision – Trade Receivables and Retention Money**

(Amount (in INR millions unless otherwise stated))

| Reconciliation of Loss Allowance | March 31 2022 | March 31 2021 | March 31 2020 |
|---|---|---|---|
| **Opening Loss allowance** | 2894.22 | 2399.98 | 2,026.02 |
| Impairment loss recognized | 593.44 | 780.63 | 692.26 |
| Reversal/ Recovery | (227.50) | (286.39) | (318.30) |
| **Closing Loss allowance** | **3260.16** | **2894.22** | **2399.98** |

**ii. Liquidity Risk**

The Group's principal sources of liquidity are Cash and Cash Equivalents which are generated from Cash Flow from Operations. The Group considers that the Cash Flow from Operations is sufficient to meet its current liquidity requirements.

**Maturities of Financial Liabilities**

The tables below analyze the Group's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is insignificant.

**March 31 2022**

(Amount (in INR millions unless otherwise stated))

| Particulars | Note Ref. | Up to one year | More than one year | Total |
|---|---|---|---|---|
| Trade Payable | 15 | 15838.68 | 2235.81 | 18074.49 |
| Earnest Money and Security Deposits | 18 | 972.06 | 3096.08 | 4068.14 |
| **Total** | | **16810.74** | **5331.89** | **22142.63** |

**March 31 2021**

(Amount (in INR millions unless otherwise stated))

| Particulars | Note Ref. | Up to one year | More than one year | Total |
|---|---|---|---|---|
| Trade Payable | 15 | 16860.92 | 1512.20 | 18373.12 |
| Earnest Money and Security Deposits | 18 | 1091.12 | 2863.72 | 3954.84 |
| **Total** | | **17952.04** | **4375.92** | **22327.96** |

**March 31 2020**

(Amount (in INR millions unless otherwise stated))

| Particulars | Note Ref. | Up to one year | More than one year | Total |
|---|---|---|---|---|
| Trade Payable | 15 | 15981.22 | 1356.72 | 17337.94 |
| Earnest Money and Security Deposits | 18 | 1877.92 | 1283.12 | 3161.04 |
| **Total** | | **17859.14** | **2639.84** | **20498.98** |

**iii. Market risk**

The Group's exposure towards Price rise arises from investments held and classified in the Balance Sheet at fair value through Other Comprehensive Income.

The Group's exposure to equity securities price risk arises from Investments held by the Group and classified in the Balance Sheet as Fair Value through Other Comprehensive Income (OCI).

(Amount (in INR millions unless otherwise stated))

| Particulars | Note Ref. | March 31 2022 | March 31 2021 | March 31 2020 |
|---|---|---|---|---|
| Investments - Unquoted Investments | 3 | 3.95 | 3.73 | 3.50 |

**iv. Foreign Exchange risk**

The Group has international transactions and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the Group's functional currency.

**Earnings in Foreign Currencies**

(Amount (in INR millions unless otherwise stated))

| Description of Transaction | March 31 2022 | March 31 2021 | March 31 2020 |
|---|---|---|---|
| Construction | 2.70 | 133.45 | 147.14 |
| Consultancy | 1403.02 | 1355.01 | 1971.86 |
| Other Income (includes interest on FDR's) | 19.51 | 32.62 | 44.74 |
| **Total** | **1425.24** | **1521.08** | **2163.74** |

**Expenditure in Foreign Currencies**

(Amount (in INR millions unless otherwise stated))

| Description of Transaction | March 31 2022 | March 31 2021 | March 31 2020 |
|---|---|---|---|
| Fee for Services obtained | 152.03 | 269.86 | 317.69 |
| Employee Benefit Expenses | 210.07 | 148.76 | 224.32 |
| Travel | 28.96 | 16.51 | 34.40 |
| Others | 215.82 | 178.95 | 265.69 |
| **Total** | **606.88** | **614.07** | **842.11** |

**Foreign currency risk exposures**

(Currency in Millions)

| Particulars | March 31 2022 | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | USD | EURO | BIRR | UGX | NOK | LKR | YR | OR | MZM | SEK | BDT |
| **Financial Assets** | | | | | | | | | | | |
| Trade Receivables | 16.52 | 1.13 | 3.51 | 1,412.20 | 0.72 | 14.99 | - | - | - | 2.60 | 9.64 |
| Cash and cash equivalent | 34.61 | 0.05 | 0.20 | 527.80 | - | 2.28 | 0.01 | 0.00 | 1.73 | - | 2.52 |
| Other Bank Balance | 0.16 | - | - | - | - | - | - | - | - | - | - |
| Security Deposit | 0.00 | - | - | 7.66 | - | - | - | - | - | - | 0.18 |
| **Total** | **51.29** | **1.19** | **37.02** | **1947.66** | **0.72** | **17.27** | **0.01** | **0.00** | **1.73** | **2.60** | **12.35** |

(Currency in Millions)

| Particulars | March 31 2022 | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | USD | EURO | BIRR | UGX | NOK | LKR | YR | OR | MZM | SEK | BDT |
| **Financial Liabilities** | | | | | | | | | | | |
| Trade Payables | 5.54 | 0.01 | 1.01 | 284.56 | - | 14.59 | - | - | - | - | 5.68 |
| Payable to employees | 2.37 | - | - | - | - | - | - | - | - | - | - |
| Renention money | 15.73 | - | - | - | - | - | - | - | - | - | - |
| **Total** | **23.64** | **0.01** | **1.01** | **284.56** | **0.00** | **14.59** | **0.00** | **0.00** | **0.00** | **0.00** | **5.68** |

(Currency in Millions)

| Particulars | March 31 2021 | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | USD | EURO | BIRR | UGX | NOK | LKR | YR | OR | MZM | SEK | BDT |
| **Financial Assets** | | | | | | | | | | | |
| Trade Receivables | 20.26 | 1.11 | 0.03 | 1,530.14 | 2.15 | 48.00 | - | - | - | 2.23 | - |
| Cash and cash equivilant | 38.97 | 1.09 | 1.19 | 379.30 | - | 2.08 | 0.01 | 0.00 | 1.73 | - | 6.45 |
| Other Bank Balance | 0.20 | - | - | - | - | - | - | - | - | - | - |
| Security Deposit | 0.03 | - | - | - | - | - | - | - | - | - | - |
| **Total** | **59.46** | **2.20** | **1.22** | **1909.44** | **2.15** | **50.08** | **0.01** | **0.00** | **1.73** | **2.23** | **6.45** |

| Particulars | March 31 2021 | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | USD | EURO | BIRR | UGX | NOK | LKR | YR | OR | MZM | SEK | BDT |
| **Financial Liabilities** | | | | | | | | | | | |
| Trade Payables | 8.79 | 0.01 | 1.01 | 284.56 | - | 47.81 | - | - | - | - | - |
| Payable to employees | 0.22 | - | - | - | - | - | - | - | - | - | - |
| Renention money | 17.36 | - | - | - | - | - | - | - | - | - | - |
| **Total** | **26.36** | **0.01** | **1.01** | **284.56** | **0.00** | **47.81** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** |

| Particulars | March 31 2020 | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | USD | EURO | BIRR | UGX | NOK | LKR | YR | OR | MZM | SEK | BDT |
| **Financial Assets** | | | | | | | | | | | |
| Trade Receivables | 20.20 | 0.59 | 3.94 | 1,753.58 | 1.72 | 29.92 | - | - | - | - | - |
| Cash and cash equivilant | 29.06 | 0.18 | 1.15 | 2.89 | - | - | 0.01 | 0.00 | - | - | 2.89 |
| Other Bank Balance | 0.12 | - | 0.08 | - | - | - | - | - | - | - | - |
| Security Deposit | 0.04 | - | - | - | - | - | - | - | - | - | - |
| **Total** | **49.42** | **0.78** | **5.17** | **1756.48** | **1.72** | **29.92** | **0.01** | **0.00** | **0.00** | **0.00** | **2.89** |

| Particulars | March 31 2020 | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | USD | EURO | BIRR | UGX | NOK | LKR | YR | OR | MZM | SEK | BDT |
| **Financial Liabilities** | | | | | | | | | | | |
| Trade Payables | 5.56 | 0.01 | 3.05 | 284.56 | - | 28.82 | - | - | - | - | - |
| Payable to employees | 0.18 | - | - | - | - | - | - | - | - | - | - |
| Renention money | 0.59 | - | - | - | - | - | - | - | - | - | - |
| **Total** | **6.33** | **0.01** | **3.05** | **284.56** | **0.00** | **28.82** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** |

**Sensitivity Analysis of 5% change in exchange rate at the end of reporting period**

(Amount (in INR millions unless otherwise stated))

| Particulars | Foreign Currency Sensitivity | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | March 31 2022 | | | | | | | | |
| | USD | EURO | BIRR | UGX | NOK | LKR | SEK | BDT | Total |
| **5% depreciation in INR** | | | | | | | | | |
| Impact on Profit and Loss Account - Income/ (Expense) | 104.81 | 4.98 | 0.20 | 1.76 | 0.31 | 0.03 | 1.05 | 0.29 | **113.44** |
| **5% appreciation in INR** | - | - | - | - | - | - | - | - | |
| Impact on Profit and Loss Account - Income/ (Expense) | (104.81) | (4.98) | (0.20) | (1.76) | (0.31) | (0.03) | (1.05) | (0.29) | **(113.44)** |

(Amount (in INR millions unless otherwise stated))

| Particulars | Foreign Currency Sensitivity | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | March 31 2021 | | | | | | | | |
| | USD | EURO | BIRR | UGX | NOK | LKR | SEK | BDT | Total |
| **5% depreciation in INR** | | | | | | | | | |
| Impact on Profit and Loss Account - Income/ (Expense) | 121.66 | 9.40 | 0.02 | 1.62 | 0.92 | 0.04 | 0.93 | 0.28 | **134.87** |
| **5% appreciation in INR** | - | - | - | - | - | - | - | - | |
| Impact on Profit and Loss Account - Income/ (Expense) | (121.66) | (9.40) | (0.02) | (1.62) | (0.92) | (0.04) | (0.93) | (0.28) | **(134.87)** |

(Amount (in INR millions unless otherwise stated))

| Particulars | Foreign Currency Sensitivity | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | March 31 2020 | | | | | | | | |
| | USD | EURO | BIRR | UGX | NOK | LKR | SEK | BDT | Total |
| **5% depreciation in INR** | | | | | | | | | |
| Impact on Profit and Loss Account - Income/ (Expense) | 162.43 | 3.17 | 0.24 | 1.46 | 0.62 | 0.02 | - | 0.13 | **168.07** |
| **5% appreciation in INR** | - | - | - | - | - | - | - | - | |
| Impact on Profit and Loss Account - Income/ (Expense) | (162.43) | (3.17) | (0.24) | (1.46) | (0.62) | (0.02) | - | (0.13) | **(168.07)** |

**v. Interest Rate risk**

The Group is also exposed to Interest Rate risk, changes in interest rate will affect future cash flows or fair value of its financial instrument, principally debt.

The exposure of the Group's borrowings at the end of the reporting period are as follows:

(Amount (in INR millions unless otherwise stated))

| Interest Rate Exposure | March 31 2022 | March 31 2021 | March 31 2020 |
|---|---|---|---|
| **Borrowings** | | | |
| Non Current - Floating (including | 398.29 | - | - |
| Current | 410.24 | 482.00 | 40.52 |
| **Total** | **808.53** | **482.00** | **40.52** |

**Sensitivity Analysis for Non-Current Borrowings of 1% change in interest rate at the end of reporting period**

(Amount (in INR millions unless otherwise stated))

| Particulars | Interest Rate Sensitivity | | | | | |
|---|---|---|---|---|---|---|
| | March 31 2022 | | March 31 2021 | | March 31 2020 | |
| | 1% increase in Interest rate | 1% decrease in Interest rate | 1% increase in Interest rate | 1% decrease in Interest rate | 1% increase in Interest rate | 1% decrease in Interest rate |
| Impact on Profit and Loss Account - Income/ (Expense) | 24.37 | (24.37) | - | | - | |

**55. Net Gain/Loss on Foreign Currency Exchange transaction & translation**

(Amount (in INR millions unless otherwise stated))

| Particulars | March 31 2022 | March 31 2021 | March 31 2020 |
|---|---|---|---|
| Exchange Variation Income | 136.42 | 97.51 | 377.44 |
| Exchange Variation Expenditure | 79.89 | 140.26 | 192.73 |
| Net Effect – Gain / (Loss)* | **56.53** | **(42.76)** | **184.70** |

*That effective current financial year under considerations, exchange fluctuation is not calculated on Non-monetary items being adjustable Trade advances received or paid.

**56. Contingent Liabilities, Contingent Assets and Commitments**
**(To the extent not provided for) (As certified by management)**

(Amount (in INR millions unless otherwise stated))

| Particulars | March 31 2022 | March 31 2021 | March 31 2020 |
|---|---|---|---|
| **i. Contingent Liabilities - Parent Company** | | | |
| 1. Claims against the company not acknowledged as debt.<br>**2022 2021 2020**<br>By Employee 3.53 4.71 3.53<br>By Others 2732.11 2993.74 230.52<br>(Counter claims of the company against above claims amounts to ₹ Nil for March 31 2022 (Previous Year 2020-21 ₹ 960.35 Millions) (Previous Year 2019-20 ₹ 433.40 Millions) not accounted for in books.) | 2,735.65 | 2,998.45 | 234.05 |
| 2. Demand cum Show-Cause notice issued by Service Tax Department (The above show-cause notice issued by the Service tax Department in the year 2014. The company had contested the said show cause notice and submitted its replies to the department. Several hearings have been conducted by the department and no further demand notice has been issued after the initial show cause notice.) | 1,666.80 | 1,666.80 | 1,666.80 |
| 3. Others – Liquidated Damages<br>The company is executing a large number of projects which have long gestation period & require clearances/ approval from various Government agencies, which is a time-consuming process. The amount depicted in the note relates to the probable amount of liquidated damages that may be levied on the company if the project is not completed in time schedule. | 1,031.69 | 1,208.50 | 468.14 |
| **Contingent Liabilities - Subsidiary Company** | | | |
| Outstanding claims of contractor pending in arbitration and Courts | 1,785.02 | 1,120.55 | 1,048.52 |
| Service tax and Income tax demands and interest on income tax demad disputed in appeals / rectification | 2,804.39 | 2,260.33 | 2,230.80 |
| **ii. Contingent Assets** | - | - | |
| **iii. Commitments** | | - | |
| 1. Bank Guarantees for Performance, Earnest Money Deposits and Security Deposits | 8,381.74 | 7,519.32 | 9,042.42 |
| 2. Estimated amount of contracts remaining to be executed on Capital account and not provided for (Refer Note No. 2) | 64.44 | - | - |
| | **18,469.73** | **16,773.95** | **14,690.73** |

**Movement Chart for Contingent Liability**

(Amount (in INR millions unless otherwise stated))

| Particulars | March 31 2022 | March 31 2021 | March 31 2020 |
|---|---|---|---|
| **Opening Balance** | 16,773.95 | 14,690.72 | 16,194.40 |
| Addition : During the year | 4,795.13 | 3,608.61 | 3,289.92 |
| Less : Adjusted / Settled during the year | (3,099.35) | (1,525.38) | (4,793.60) |
| **Closing Balance** | **18,469.73** | **16,773.95** | **14,690.72** |

**57. Revenue from Contracts with Customers (Ind AS 115)**

**i. Significant Management judgments on Revenue Recognition**
Recognized amounts of contract revenues and related receivables reflect management 's best estimates of each contract's outcome and stage of completion which is determined based on progress, efforts, cost incurred to date bear to the total estimated cost of the transaction, time spend, service performed or any other method that management considered appropriate. For more complex contracts in particular, cost to complete and contract profitability are subject to significant estimation and uncertainty.

**ii. Group has contract with customers for different services which are given below:**
· Consultancy services
· Turnkey construction projects

**iii. Group has recognized revenue either on the basis of over time or point of time depends upon satisfaction of performance obligation on transferring control of goods or services to customers. Revenue has been recognized by the Group over time basis if any one of the following conditions is met:**

· Customer simultaneously receives and consumes the benefits.
· Group's performance creates or enhances an asset that the customer controls as the assets is created or enhanced.
· Group performance does not create with alternative use and Group has enforceable right to payment for performance completed to date.

Revenue from Contracts with Customers (Ind AS 115) establishes a framework for determining whether, how much and when revenue is recognised and requires disclosures about the nature, amount, timing and uncertainty of revenues and cash flows arising from customer contracts. Under Ind AS 115, revenue is recognized through a 5-step approach:

**a.** Identify the contract(s) with customer,
**b.** Identify separate performance obligations in the contract,
**c.** Determine the transaction price,
**d.** Allocate the transaction price to the performance obligations, and
**e.** Recognise revenue when a performance obligation is satisfied.

**Contract Assets – Unbilled Revenue**

Invoices are raised to the clients on the basis of milestones mentioned in the contract. In some of the cases, performance obligation is completed, however billing is not done due to factors other than passage of time as mentioned in the milestone. Revenue in excess of billing is unbilled revenue and is classified as a contract asset. Any amount previously recognised as a contract asset is reclassified to trade receivables as and when billing is done and respective milestone is achieved.

**Movement of Contract Assets – Unbilled Revenue**

(Amount (in INR millions unless otherwise stated))

| Particulars | March 31 2022 | March 31 2021 | March 31 2020 |
|---|---|---|---|
| Opening Balance | 729.32 | 2,576.99 | 983.08 |
| Net addition | 813.52 | 27.56 | 1,628.60 |
| Amount reversed | (114.43) | (1,875.23) | (34.69) |
| Closing Balance | 1,428.42 | 729.32 | 2,576.99 |

**Movement of Contract Assets - Retention Money**

(Amount (in INR millions unless otherwise stated))

| Particulars | March 31 2022 | March 31 2021 | March 31 2020 |
|---|---|---|---|
| Opening Balance | 1,015.55 | 1,241.31 | 2,470.91 |
| Net addition | 73.89 | 203.68 | 89.76 |
| Amount reversed | (142.71) | (429.44) | (1,319.36) |
| Closing Balance | 946.73 | 1,015.55 | 1,241.31 |

**Movement of Contract Assets - Security Deposit**

(Amount (in INR millions unless otherwise stated))

| Particulars | March 31 2022 | March 31 2021 | March 31 2020 |
|---|---|---|---|
| Opening Balance | 454.12 | 462.63 | 549.92 |
| Net addition | 120.97 | 144.27 | 182.11 |
| Amount reversed | (114.29) | (152.78) | (269.40) |
| Closing Balance | 460.80 | 454.12 | 462.63 |

**Contract Liabilities – Revenue received in Advance**
A contract liability is recognized if the entity receives consideration (or if it has the unconditional right to receive consideration) in advance of performance.

**Movement of Contract Liabilities - Revenue received in Advance**

(Amount (in INR millions unless otherwise stated))

| Particulars | March 31 2022 | March 31 2021 | March 31 2020 |
|---|---|---|---|
| Opening Balance | 10,980.99 | 10,519.88 | 9,140.11 |
| Net addition | 10,661.22 | 5,869.61 | 5,613.21 |
| Amount reversed | (6,509.29) | (5,408.49) | (4,233.44) |
| Closing Balance | 15,132.92 | 10,980.99 | 10,519.88 |

**Movement of Contract Liabilities - Retention Money**

(Amount (in INR millions unless otherwise stated))

| Particulars | March 31 2022 | March 31 2021 | March 31 2020 |
|---|---|---|---|
| Opening Balance | 2,267.00 | 2,101.92 | 1,882.89 |
| Net addition | 814.29 | 512.72 | 602.22 |
| Amount reversed | (834.36) | (347.64) | (383.19) |
| Closing Balance | 2,246.92 | 2,267.00 | 2,101.92 |

**Movement of Contract Liabilities - Security Deposit**

(Amount (in INR millions unless otherwise stated))

| Particulars | March 31 2022 | March 31 2021 | March 31 2020 |
|---|---|---|---|
| Opening Balance | 3,954.84 | 3,161.04 | 2,994.51 |
| Net addition | 136.39 | 873.38 | 256.47 |
| Amount reversed | (23.09) | (79.58) | (89.94) |
| Closing Balance | 4,068.14 | 3,954.84 | 3,161.04 |

Disclosure pursuant to para 116(b) & (c) of Ind AS 115 in respect of 'revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period' and 'revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods are as below:

(Amount (in INR millions unless otherwise stated))

| Particulars | March 31 2022 | March 31 2021 | March 31 2020 |
|---|---|---|---|
| Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period | 2,677.05 | 1,571.76 | 1,633.96 |
| Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods | 35.97 | (19.84) | 5.86 |

**Disaggregation Revenue Information**

The below presents Disaggregated Revenues from contract with customer for the year ended March 31 2022 from various streams of revenue. The Group believe that this Disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factor.

IR millions unless otherwise stated))

| Particulars | Consultancy Services | | Construction Projects | | Total |
|---|---|---|---|---|---|
| | Domestic | Abroad | Domestic | Abroad | |
| 2021-22 | 4,995.18 | 1,961.80 | 21,019.72 | 3.23 | 27,979.94 |
| 2020-21 | 4,598.15 | 2,213.00 | 18,175.59 | 141.98 | 25,128.72 |
| 2019-20 | 6,115.29 | 2,734.95 | 19,402.96 | 169.02 | 28,422.22 |

**iv. Group is rendering many project management consultancy services for and on behalf of clients.**

Payments from customers are linked with performance obligations. Wherever on the reporting date work has been performed and payment is not received as per the contract, in such cases contract assets have been created.

However, where payment is received in advance, but performance obligations have not been completed, in such cases, contract liabilities have been created. Advances received by the Group for are execution of work and are in the nature of security i.e., a source of protection.

During the year provision for impairment of amount receivable from client for services rendered/goods supplied amounting to ₹ 505.96 Millions (Previous Year 2020-21 ₹ 775.62 Millions has been provided) (Previous Year 2019-20 ₹ 718.77 Millions has been provided).

58. During the year ended March 31 2022, ₹ 534.19 mMillions (Previous Year 2020-21 ₹ 2393.27 millions) (Previous Year 2019-20 ₹ 34.69 millions) of unbilled revenue as of 1st April 2021 has been reclassified to Trade receivables upon billing to customers on Completion of milestones.

In case of Subsidiary company, unbilled revenue of ₹ 136.90 millions is pending in litigation/disputes and have been duly impaired in books of accounts.

59. The aggregate value of performance obligations which are yet to be completed as at March 31 2022 is ₹ 158749.16 Millions which pertains to various segment of the Group.

**As at March 31 2022**

(Amount (in INR millions unless otherwise stated))

| Particulars | Active Projects | Stalled Projects* | Total |
|---|---|---|---|
| Balance Value of Projects | 158749.16 | 6606.78 | 165355.94 |

**As at March 31 2021**

(Amount (in INR millions unless otherwise stated))

| Particulars | Active Projects | Stalled Projects* | Total |
|---|---|---|---|
| Balance Value of Projects | 163212.20 | 6542.30 | 169754.50 |

**As at March 31 2020**

(Amount (in INR millions unless otherwise stated))

| Particulars | Active Projects | Stalled Projects* | Total |
|---|---|---|---|
| Balance Value of Projects | 132986.84 | 3926.22 | 136913.06 |

*The Group is of the view that the suspension in some projects is temporary in nature and the activities shall resume, once the constraining conditions go away. The Group is confident of fulfilling its technical and financial obligations as well as realization of money due from these projects. Hence, the recoverable as well as payables, are not static in nature and stated at actual balances recoverable and payables. Adequate provisioning is though made on such receivables in terms of the companies Expected Credit Loss Policy. Further, in the absence of any formal communication, stalled projects have been identified as ones on which there is no active working for more than 3 years.

60. Group has not incurred any cost for obtaining contracts except administrative cost required for preparation of offers and the same is charged to statement of Profit and Loss. Cost incurred (except procurement cost) in fulfilling the contract is charged to Statement of Profit and Loss if it is not recoverable otherwise the same is part of unbilled revenue and unbilled Assets.

**61.** Disclosure of Group interest in Joint arrangements:

| S.No. | Name of the arrangement | Group's Interest | | | Partners and their partnership Interest (PI) | Country |
|---|---|---|---|---|---|---|
| | | 2021-22 | 2020-21 | 2019-20 | | |
| 1 | Lower Seti (Tanahu) Hydropower Project (LSHEP) | 84.80% | 84.80% | 84.80% | Principal Joint Arrangement Partner-Nippon Koei Limited – 15.2% | Nepal |
| 2 | Power Transmission and Distribution System Strengthening Project | 81.65% | 81.65% | NA | Principal Joint Arrangement Partner-SMEC International PTY. LTD. – 18.35% | Nepal |

62. The sum of ₹ 5.47 millions pertains to old balance of Leave travel concession not likely payable by the Group. The requisite measures are being take for assessing likely liability of the Group.

63. A sum of ₹ 22.88 millions is appearing in Note No. 4B towards employee advances. That due measure is being taken for recovery/adjustment of the same and impairment of ₹ 2.68 milions have been duly provided. The Group is of the view that the balance amount is fully recoverable.

64. The Group is executing several projects on deposit works basis. Adequate provision for Interest payable to the clients has been made in the books to the extent the ideal funds have been utilized by the Group. The total Interest cost provided for during the year is ₹ 138.53 Millions (Previous Year 2020-21 ₹ 139.80 Millions) (Previous Year 2019-20 ₹ 150.52 Millions) and the interest payable has been duly disclosed in Note no. 25 to the financial statement.

65. The reconciliation of GST Portal with book amount of sales, purchase & credit ledger is in the process which shall be accomplished after filing of requisite returns.

66. The Group has a policy of taking bond money from new regular recruits engaged in the Group. The bond money is kept in the form of fixed deposit receipts with banks in the name of the Group. The interest accrued on the deposits along with principal amount is treated as Asset & Liability in the books of the Group. On successful completion of the bond period, the bond money is returned to the respective officials with interest accrued thereon. If the official leaves the Group before the completion of the bond period, the same is forfeited and the same is treated as Income. The amount of such FD₹ as on March 31 2022 is ₹ 16.07 Millions (Previous Year 2020-21 ₹ 14.85 Millions) (Previous Year 2019-20 ₹ 20.81 Millions) .The Group has adequate internal control for regulating the employees related FD₹ & measures are being taken for digitising the procedure for reconciliation at each employee level.

67. The Group was executing Five number of projects in Afghanistan when the political situation changed on 15.08.2021. Owing to change of Government in Afghanistan, all project operations were temporarily suspended. The Group had trade receivable amounting to ₹ 403.39 Millions due from Afghanistan projects as on 15.08.2021. Out of this, the Group had received ₹ 202.98 Millions vide on 04.04.2022 (Total amount ₹ 206.52 Millions and TDS ₹ 3.54 Millions) . Thus the balance value of trade receivables due from Afghanistan projects is ₹ 199.23 Millions. The management is confident regarding the recovery of due balances in these projects.

68. The Group was executing Two number of projects in Sri Lanka & is having trade receivable amounting to ₹ 9.25 Millions due from Sri Lanka projects as on 31.03.2022. The management is confident regarding the recovery of due balances in these projects.

69. The Subsidiary company is not paying GST on deposit received from Project authority in terms of proviso to section 2(31) of the CGST Act. However Group is also in process to file a representation seeking relaxation for GST to be paid on advances for services rendered under works contract.
As per section 2(31) of CGST Act 2017, funds received as deposits are not in the nature of consideration and hence GST liability on the same does not arise at the time of receipt of deposit. Rather the GST liability is discharged at the time of provision of services. On funds received other than for deposit works projects, GST is paid at the time of receipt of advance fund by the company.

70. In case of Subsidiary company, The Board of Directors in its 333rd meeting held on 18th August, 2021 has decided vide agenda no 333.11 to consider for creation of a corpus and framing of Post Retirement Medical Scheme in order to take care of medical and any other emergency needs of retired employees retired on or before 01.01.2007 and Board desired that assessment should be done for a uniform policy for all employees (even those who retired after 01.01.2007). Same will be put up in next board meeting.

**71. Other Information**
i) The Group does not have any Benami property, where any proceeding have been initiated or pending against the Group for holding any Benami property.
ii) The Group did not have any transactions with Companies struck off.
iii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
iv) The Group has not traded or invested in Crypto currency or Virtual Currency dusring the respective financial years / period.
v) The Group has not advanced or loaned or invested funds to any person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
a) directly or indirectly lend or invest in other person 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 on behalf of the Ultimate Beneficiaries
vi) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
a) directly or indirectly lend or invest in other person 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 transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
viii) The Group has not been declared wilful defaulter by any bank or financial institution or other lender.
ix) The Group has complied with the number of layers prescribed under Section 2(87) of the Act read with Companies (Restrictions on Number of Layers) Rules, 2017.

**72.** Previous year figures have been regrouped and / or reclassified, whenever, necessary to confirm to those of the current year grouping and / or classification. Negative figures have been shown in brackets.

**For and on behalf of the Board of Directors**

| | | | | |
|---|---|---|---|---|
| (Kavita Parmar) | (Anil Trigunayat) | (Anupam Mishra) | (Pankaj Kapoor) | (R K Agrawal) |
| Company Secretary & Compliance Officer | Director | Director (C & HRD) | Director (Finance) | Chairperson-cum–Managing Director |
| | DIN 07900294 | DIN 08271048 | DIN 07290569 | DIN 09344894 |

**As per our report of even date attached**
**For Serva Associates**
**Chartered Accountants**
**FRN-000272N**

**Nitin Jain**
**Partner**
**M No. 506898**

Place: Delhi
Date: September 23, 2022

## OTHER FINANCIAL INFORMATION

The audited standalone financial statements of our Company as at and for the Financial Years ended March 31, 2022, March 31, 2021, and March 31, 2020 and the reports thereon dated August 22, 2022, August 19, 2021 and December 21, 2020 respectively and the audited standalone financial statements of our Subsidiary as at and for the Financial Years ended March 31, 2022, March 31, 2021, and March 31,2020 and the reports thereon (collectively the "**Financial Statements**") are available at http://wapcos.gov.in. Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Financial Statements do not constitute, (i) a part of this Draft Red Herring Prospectus; (ii) a part of the 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 to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere in the world.

The Financial Statements should not be considered as part of information that any investor should consider to subscribe for or purchase any securities of our Company, its Subsidiary or any entity in which it or its shareholders have significant influence (collectively, the "**Group**") and should not be relied upon or used as a basis for any investment decision. None of the Group or any of its advisors, nor any BRLMs or the Promoter/ Selling Shareholder, nor any of their respective employees, directors, shareholders, affiliates, agents, advisors or representatives accept any liability whatsoever for any loss, direct or indirect, arisingfrom any information presented or contained in the Financial Statements, or the opinions expressed therein.

The accounting ratios as per restated consolidated financial statements required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

| Particulars | Financial Year ended March 31, 2022 | Financial Year ended March 31, 2021 | Financial Year ended March 31, 2020 |
|---|---|---|---|
| Basic earnings per share (in ₹) | 5.32 | 4.65 | 11.33 |
| Diluted earnings per share (in ₹) | 5.32 | 4.65 | 11.33 |
| Diluted earnings per share after adjusting bonus & split^ (in ₹) | 5.32 | 4.65 | 11.33 |
| Return on net worth (%) | 9.99 | 8.21 | 24.26 |
| Return on capital employed (%) | 6.17 | 6.64 | 19.54 |
| Net asset value per share (in ₹) | 52.95 | 49.45 | 46.74 |
| Net asset value per share after adjusting bonus & split^ (in ₹) | 52.95 | 49.45 | 46.74 |
| EBITDA (₹ in million) | 1,179.09 | 1,097.08 | 2,604.83 |
| EBITDA Margin (%) | 4.11 | 4.25 | 8.85 |
| PAT Margin (%) | 2.40 | 2.33 | 5.00 |

*The ratios have been computed as under*:

*(i)* *Basic and diluted earnings per equity share: Basic and diluted earnings per equity share are computed in accordancewith Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended).*

*Basic earnings per share is calculated as restated profit/(loss) for the year/period attributable to equity shareholders divided by weighted average number of equity shares in calculating basic EPS.*

*Diluted earnings per share is calculated as restated profit/(loss) for the year/period attributable to equity shareholders divided by Weighted average number of diluted equity shares in calculating diluted EPS.*

*(ii)* *Weighted average number of Equity Shares is the number of equity shares outstanding at the beginning of the year/period adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The weighted average number of equity shares outstanding during the year/period is adjusted for bonus issue and share split.*

*^Pursuant to the shareholders resolution passed at the EGM dated February 25, 2021, 10,000,000 Equity Shares of face value of ₹ 100 each were split into 1,00,000,000 Equity Shares of the face value of ₹ 10 each.*

*^ Further, as per special resolution passed in the duly held Extra-Ordinary General Meeting of Members on February 25, 2021, the board of directors allotted 30,000,000 (Thirty millions only) number of equity shares vide Board Meeting held on March 31, 2021, against existing 100,000,000 (Hundred millions only) total equity shares existing as fully paid up in the company, be and is hereby made as Bonus Issue to the existing shareholder of the Company in the ratio of 3:10 (i.e. three equity shares for ten one equity share held). Consequently, the issued, subscribed and paid-up share capital has increased to ₹ 1,300,000,000 comprising of 130,000,000equity shares*

*of face value of ₹ 10 each.*

*(iii)* *Return on net worth ratio: Restated profit for the year attributable to equity shareholders of the company divided bythe net worth of the Company at the end of the year/period.*

*Net worth means the 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 valueof the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the restated financial information, but does not include reserves created out of revaluation of assets, write-back of depreciation andamalgamation, capital reserve.*

*(iv)* *Return on capital employed: Earnings before interest and tax (EBIT) divided by capital employed.*

*EBIT means restated profit/(loss) before interest and taxation for the year/period.*

*Capital employed is calculated as total of assets deducting current liabilities, revaluation reserves and capital reserve.*

*(v)* *Net asset value per Equity share is calculated as Restated net worth excluding revaluation reserves, capital reserve and credit balance of the non-controlling interest at the end of the year/period divided by the weighted average number of equity shares outstanding at the end of the year/period.*

*(vi)* *EBITDA is calculated as restated profit/(loss) before tax, plus Interest, depreciation and amortization expense and finance costs*

*(vii)* *EBITDA Margin is the percentage of EBITDA during a given year/period divided by Total Income.*

*(viii)* *PAT Margin: Restated profit/(loss) for the year/period attributable to equity shareholders of the company divided by the Total income.*

*The above ratios have been computed on the basis of the Restated Financial information.*

**Non-GAAP financial measures**

This section includes certain Non-GAAP financial measures relating to our financial performance (together, "Non-GAAP financial measures" and each a "Non-GAAP financial measure"), as presented below.

These Non-GAAP financial measures are not required by or presented in accordance with Indian GAAP.

**Reconciliation of non-GAAP measures**

Reconciliation for the following non-GAAP financial measures included in this Draft Red Herring Prospectus, EBITDA, EBIDTA margin, PAT margin, net worth and return on net worth, return on capital employed and net asset value per share are given below:

**Reconciliation of net worth**

*(₹ in million)*

| Particulars | As at and Financial Year ended March 31, 2022 | As at and Financial Year ended March 31, 2021 | As at and Financial Year ended March 31, 2020 |
|---|---|---|---|
| Equity share capital (I) | 1,300.00 | 1,300.00/ | 1,000.00 |
| Other equity (II) | 6,484.57 | 6030.33 | 5,965.76 |
| Revaluation Reserve (III) | - | - | - |
| Capital Reserve (IV) | 901.64 | 901.64 | 890.10 |
| Net worth (V) = (I+II-III-IV) | 6,882.93 | 6,428.69 | 6,075.66 |

**Reconciliation of return on net worth**

*(₹ in million)*

| Particulars | As at and Financial Year ended March 31, 2022 | As at and Financial Year ended March 31, 2021 | As at and Financial Year ended March 31, 2020 |
|---|---|---|---|
| Net worth (I)* | 6,882.93 | 6,428.69 | 6,075.66 |
| Restated profit/(loss) (II) | 687.67 | 601.47 | 1,470.97 |
| Return on net worth (III) = (II/I) (%) | 9.99 | 9.36 | 24.21 |

**Excluding NCI Portion*

**Reconciliation of net asset value per share**

*(₹ in million)*

| Particulars | As at and Financial Year ended | As at and Financial Year ended | As at and Financial Year ended |
|---|---|---|---|

| | March 31, 2022 | March 31, 2021 | March 31, 2020 |
|---|---|---|---|
| Net worth (I) | 6,882.93 | 6,428.69 | 6,075.66 |
| Number of equity shares (II) (million) | 130 | 130 | 130* |
| Net asset value per share (III) = (I/II) | 52.95 | 49.45 | 46.74 |

** During Fiscal 2021, our Company has split each share of face value of ₹ 100 each to 10 shares of face value ₹ 10 each (without consideration). Further, the company has issued 30 million bonus shares. The net asset value per share have been calculated on outstanding number of equity shares treating if the share split and bonus issue had occurred before the beginning of Fiscal 2019.*

**Reconciliation of return on capital employed**

*(₹ in million)*

| Particulars | As at and Financial Year ended March 31, 2022 | As at and Financial Year ended March 31, 2021 | As at and Financial Year ended March 31, 2020 |
|---|---|---|---|
| Total assets (I) | 51,636.09 | 47,211.87 | 43,810.06 |
| Current liabilities (II) | 33,554.95 | 32,006.21 | 30,358.22 |
| Revaluation Reserve (III) | - | - | - |
| Capital Reserve (IV) | 901.64 | 901.64 | 890.10 |
| Capital employed (V=I-II-III-IV) | 17,179.50 | 14,304.02 | 12,561.75 |
| Restated profit/(loss) before interest and taxation (VI) | 1059.25 | 949.41 | 2454.43 |
| Return on capital employed (VII) = (VI/V) (%) | 6.17 | 6.64 | 19.54 |

**Reconciliation of EBITDA, EBITDA Margin and PAT Margin**

*(₹ in million)*

| Particulars | As at and Financial Year ended March 31, 2022 | As at and Financial Year ended March 31, 2021 | As at and Financial Year ended March 31, 2020 |
|---|---|---|---|
| Restated profit/(loss) for the year/period (I) | 691.60 | 604.15 | 1,473.12 |
| Share of profit/(loss) transferred to Non-Controlling Interest (II) | 3.93 | 2.68 | 2.15 |
| Total tax expense (III) | 326.96 | 317.19 | 979.22 |
| Exceptional items (IV) | 13.61 | (2.53) | 205.32 |
| Depreciation and Amortization Expense (V) | 123.76 | 150.36 | 152.56 |
| Finance Costs (VI) | 40.69 | 28.06 | 2.09 |
| EBITDA (VII) = (I-II+III+V+VI) | 1,179.09 | 1,097.08 | 2,604.83 |
| Total Income (VIII) | 28,663.73 | 25,804.99 | 29,436.35 |
| EBITDA Margin (%) (IX) = (VII/VIII) | 4.11 | 4.25 | 8.85 |
| PAT Margin (%) (X) = (I/VIII) | 2.40 | 2.33 | 5.00 |

## CAPITALISATION STATEMENT

*(₹ in million except the ratios)*

| | **Pre-Offer as at March 31, 2022** | **Adjusted for the post-Offer#** |
|---|---|---|
| **Equity** | | |
| Equity Share Capital* | 1,300.00 | [•] |
| Other Equity* | 6,484.57 | [•] |
| **Total Equity (A)** | 7,784.57 | [•] |
| **Borrowings** | | |
| Current Borrowings* | 429.99 | |
| | | |
| Non-Current Borrowings (including current maturity and interest accrued and due on borrowings)* | 378.54 | [•] |
| **Total Borrowings (B)** | 808.53 | [•] |
| | | |
| **Total (A+B)** | 8,593.10 | [•] |
| **Non-current borrowings (including current maturity and interest accrued and due on borrowings)/Total Equity ratio** | 0.05 | [•] |
| **Ratio: Total Borrowings / Total equity** | **0.10** | **[•]** |

**These terms shall carry the meaning as per Schedule III of the Companies Act, 2013*
*#To be updated on finalization of the Offer size.*

## FINANCIAL INDEBTEDNESS

Our Company and our Subsidiary availed credit facilities in their ordinary course of business for purposes such as meeting their working capital requirements, business requirements and other general corporate purposes.

As of the date of this Draft Red Herring Prospectus, we have applied for, and obtained, consents from the requisite lenders of our Company to permit the Offer.

For details regarding the resolution passed by our Shareholders on December 8, 2021 authorizing the borrowing powers of our Board, see *"Our Management – Borrowing Powers of our Board"* on page 184.

As on August 31, 2022, the aggregated outstanding borrowings of our Company and our Subsidiary amounted to ₹ 8,918.99 million. Set forth below is a brief summary:

*(₹ in million)*

| Category of Borrowing | Sanctioned Amount (As on August 31, 2022) | Principal amount unavailed (As on August 31, 2022) | Utilized amount (As on August 31, 2022) |
|---|---|---|---|
| **Fund Based** | **2,000.00** | **933.00** | **1,067.00** |
| Working capital facility (Cash credit) | 500.00 | 500 | 00.00 |
| Overdraft against fixed deposits | - | - | - |
| **Non-Fund Based** | | | |
| Letter of Credit/ Bank guarantee | 13,650.00 | 5,798.01 | 7,851.99 |
| **Total** | **16,150.00** | **7,231.01** | **8,918.99** |

**Principal terms of the borrowings availed by our Company and our Subsidiary:**

The details provided below are indicative and there may be additional terms, conditions and requirements under the various borrowing arrangements entered by our Company.

- ***Interest/Commission:*** The interest rates for the facilities availed by our Company vary and are typically linked to the marginal cost of fund-based lending rates ("MCLR").

- ***Security:*** In terms of our borrowings where security needs to be created, we are typically required to:

  - create charge by way of hypothecation on current assets of the Company both present and future.

  - counter guarantee by the Company.

  - create charge by way of hypothecation on entire fixed assets of the Company both present and future.

- ***Penal Interest:*** The terms of certain facilities availed by our Company prescribe penalties for non-payment of interest or repayment instalment or any other breach of terms and conditions, which are as laid down in sanction letters or as may be stipulated by the concerned lender, as the case may be. The default interest payable on such facilities availed typically is additional 1% or 2% per annum on the outstanding loan.

- ***Repayment:*** The term loans availed by our Company are typically repayable in monthly instalments and the working capital facilities are typically repayable on and before the due date.

- ***Restrictive covenants:*** Our loan documentation entail various restrictive covenants and conditions restricting certain corporate actions, and we are required to take lender's prior written consent and/or intimate the respective lender before carrying out such actions, including for:

  - *Not undertake any guarantee or issue a letter of comfort in the nature of guarantee, on behalf of any other company (including group companies), or endorse, or in any manner become directly or contingently liable for, or in connection with the obligation(s) of any person without the prior consent of the Bank.*

  - *Modification in repayment period of term loans whose weighted average maturity is not extended.*

- *Disbursement of term loan by way of reimbursement of expenditure incurred within one year of date of sanction.*
- *Issuance of Bank Guarantees with auto renewal clause (except in favour of Govt Departments for business purposes.)*
- *Declare dividends for any year, if the accounts of the borrower with the bank is/are running irregular or if any of the terms and conditions of the sanction remain un-complied with by the Borrower.*
- *Permit any transfer of the controlling interest or make any drastic change in the management set up.*
- *Divert/utilise bank's funds to other sister/associate/group concerns or for purposes other than those for which the credit facilities have been sanctioned.*
- *Issue Bonus Shares and dispose of shareholding of promoters wherever specifically stipulated.*
- *Formulate any scheme of amalgamation or reconstruction.*
- *Permit any transfer of the controlling interest or make any drastic change in the management set up including resignation of promoter directors.*
- *Approach capital market for mobilizing additional resources either in the form of debt or equity.*
- *During the currency of these presents the shareholding of such of the shareholders in the borrower who are its directors at present and the principal shareholders and promoters of the borrower shall not be varied without the previous written consent of the bank first obtained.*
- *The promoters share in the borrowing entity should not be pledged to any bank/NBFC/institution without our prior consent.*

The details above are indicative and there may be additional restrictive covenants under the various borrowing arrangements entered.

- ***Events of default:*** In terms of the borrowing arrangements for the facilities availed by us, the occurrence of any of the following, among others, constitute an event of default:
  - *Failure to pay any amount on the due date any amount payable pursuant to the finance documents;*
  - *Any information given by the borrower or by any of its authorised representatives in connection with any finance documents is found to be misleading or incorrect in any material respect;*
  - *Any representation or statement made or deemed to be made by the Borrower in any finance document is incorrect or misleading in any material aspect when made or deemed to be made;*
  - *any governmental authority or other authority nationalizes, compulsorily acquires, expropriates or seizes all or any part of the business or assets of the borrower;*
  - *It becomes unlawful for the Borrower to perform its obligations under any finance documents;*
  - *The Borrower commits any breach of any of the terms and conditions contained in the facility documents.*
  - *Initiation of legal proceedings; and*
  - *Filing of any application by any person against our Company before any forum under the Insolvency and Bankruptcy Code, 2016.*

  The details above are indicative and there may be additional terms that may amount to an event of default under the various borrowing arrangements entered by us.

- ***Consequences of occurrence of events of default:*** In terms of our borrowing arrangement for the facilities availed by us, upon the occurrence of events of default, our lenders may:

- have an unqualified right to disclose or publish the borrower's name or the name of the borrower/unit and its directors/partners/proprietors as defaulters/wilful defaulters in such manner and through such medium as the bank or RBI in their absolute discretion may think.

- In the event of default in repayment to the bank or if cross default has occurred, the bank will have the right to appoint its nominee on the board of directors of the borrower to look after its interest.

- The bank will have the right to securitise the assets charged and in the event of such securitization, the bank will suitably inform the borrower and the guarantor.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read the following discussion of our financial condition and results of operations together with our Restated Financial Statements for the Fiscals ended March 31, 2022, March 31, 2021, and March 31, 2020, including the significant accounting policies, related notes and reports thereon, which have been prepared in accordance with Ind AS and restated as per Chapter III of the Companies Act, 2013 and the SEBI ICDR Regulations and included in this Draft Red Herring Prospectus.*

*The Restated Financial Statements that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. Accordingly, the degree to which the Restated Financial Statements included in this Draft Red Herring Prospectus will be meaningful is entirely dependent on the reader's level of familiarity with Indian accounting practices presently applicable to the Company.*

*The following discussion and analysis contain forward-looking statements and reflects our current views with respect to future events and financial performance. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of any number of factors, including those set forth in the sections "Forward-Looking Statements" and "Risk Factors" on pages 21 and 28, respectively, which discusses a number of other factors and contingencies that could affect our financial condition and results of operations.*

*Our Fiscal year ends on March 31 of each year, so all references to a particular fiscal year are to the twelve-month period ended March 31 of that year. Unless otherwise stated, financial information used in this section is derived from the Restated Financial Statements.*

*Unless indicated otherwise or the context otherwise requires, the financial information included herein is based on or derived from our Restated Financial Statements as at and for the years ended March 31, 2022, March 31, 2021, and March 31, 2020 included in "Financial Information" beginning on page 197.*

*Unless otherwise indicated, industry and market data used in this section has been derived from the Industry Report prepared by Fitch Solutions and commissioned in connection with the Offer. Neither we, nor the BRLMs, nor any other person connected with the Offer has independently verified this information. Unless otherwise indicated, all financial, operational, industry and other related information derived from the Industry Report and included herein with respect to any particular year refers to such information for the relevant fiscal year. For further information, see "Industry Overview" on page 98.*

*Unless otherwise indicated or the context otherwise requires, in this section, references to "the Company" or "our Company" are to WAPCOS Limited on a standalone basis, and references to "the Group", "we", "us", "our", are to WAPCOS Limited and our Subsidiary on a consolidated basis.*

**Overview**

We are a central public sector enterprise wholly owned by the Government of India ("**GOI**") under the administrative control of the Ministry of Jal Shakti, GOI. We are engaged in engineering consultancy services in the fields of water, power and infrastructure sectors for businesses and communities in India and overseas. Over the last 5 (five) decades, our Company has been providing engineering consultancy services for projects in water, power and infrastructure sectors which have made significant contribution within India and overseas. We along with our Subsidiary are also actively involved in construction business and have undertaken various projects in key sectors in India. Our experience gained through global presence enables us to provide customized solutions to complex and diverse assignments to public and private clients both in India and overseas. We have been conferred with Schedule B Category-I Mini-Ratna status by Department of Public Enterprises.

We render range of services from "concept-to-commissioning" and beyond to various projects in water, power and infrastructure sectors to our clients by leveraging our diverse experience, core competencies and using the latest technologies available at our disposal. Over the years, we have developed the expertise for servicing our clients at each stage of project development cycle. Our services for any given project includes any one or a combination of (i) preliminary investigations and reconnaissance; (ii) feasibility studies, planning and project formulation; (iii) field surveys and testing (iv) design engineering; (v) baseline and socioeconomic surveys; (vi) tender engineering; (vii) institutional and human resource development; (viii) project management and construction supervision; (ix) operation and maintenance; (x) EPC, turnkey and deposit works; and (xi) other consulting services.

For the Fiscals 2022, 2021 and 2020, our total comprehensive income was ₹ 708.11 million, ₹ 617.38 million, and ₹ 1,377.48 million, respectively. Our profit after tax for the Fiscals 2022, 2021 and 2020 was ₹ 691.60 million, ₹

604.15 million and ₹ 1,473.12 million, respectively. We derived ₹ 6,956.99 million, ₹ 6,811.16 million, and ₹ 8,850.24 million revenue from engineering consultancy services representing 24.86 %, 27.11 % and 31.14 % of our revenue from operations for Fiscals 2022, 2021 and 2020 respectively and ₹ 21,022.95 million, ₹ 18,317.57 million, and ₹ 19,571.97 million revenue from construction projects representing 75.14 %, 72.89 % and 68.86 % of our revenue from operations for Fiscals 2022, 2021 and 2020 respectively. Our overseas engineering consultancy business constitutes 28.20 %, 32.49 % and 30.90 % of our engineering consultancy revenues for Fiscals 2022, 2021 and 2020 respectively.

**Significant Factors affecting our results of operations and financial condition**

Our business and results of operations have been affected by a number of important factors that are expected to continue to affect our business and results of operations in the future. These factors include the following:

***Our business mainly depends on contracts awarded by government and government-controlled entities***

We enter into contracts primarily with both government and government-controlled entities for providing engineering consultancy services and executing construction projects. During the Fiscals 2022, 2021 and 2020, we generated revenues of ₹ 25,668.34 million, ₹ 22,472.79 million and ₹ 25,025.42 million from GOI, State Government and government controlled entities constituting 91.74 %, 89.43 % and 88.05 % respectively of total consolidated revenue from the GOI, State Government and government-controlled entities. Since our business and revenues are substantially dependent on projects awarded by government and government-controlled entities including central, state and local authorities and agencies and public sector undertakings, any adverse changes in government policies and budgetary allocation resulting from a change in government policies or priorities, could materially and adversely affect our financing, capital expenditure, revenues, or operations relating to our existing and proposed projects. For further details, please refer to the section *"Risk Factors-We are dependent on and derive a substantial portion of our revenue from the GOI, State Government and government controlled entities and our relationship with GOI entities and State Government exposes us to risks inherent in doing business with them, which may adversely affect our business, results of operations and financial condition" on page 29.*

**Order book, terms of contract awarded and labour and work contractors**

In our operation, the order book will have a significant effect on our future revenue. The value of the orders which we have received has an impact on our future performance. Our Order Book position as of March 31, 2022 stood at ₹ 25,339.39 million and ₹ 184,978.33 million for the engineering consultancy services and construction contracts, respectively, which comprises the estimated revenues from unexecuted portions of all the existing contracts. For further information on our Order Book refer *"Our Business"* on page 136. We accept orders based on a number of factors including but not limited to the profit margin, costs involved and execution timelines. Therefore, any cancellation of orders or premature foreclosure or termination of projects by our customers may result in reduction of our future revenue. Accordingly, the 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 such contracts, actual performance of such contracts, as well as the stage of completion of such contracts as of the relevant reporting date as it is impacted by applicable accounting principles affecting revenue and cost recognition. The value of the orders we receive and our ability to execute them in a timely manner therefore impacts our future performance. For further detail please see *"Risk Factors - Internal Risk Factor - The contracts in our Order Book may be adjusted or postponed or cancelled by our clients and, therefore our Order Book is not necessarily indicative of our future revenues or profit. Additionally, even if fully performed, our Order Book may not be a reliable indicator of our future gross margins"* on page 32.

Further, the manner in which we calculate and present our Order Book information may vary from the manner in which such information is calculated and presented by other companies. 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.

As we expand our Order Book, the modified terms of payments for work may necessitate higher working capital requirements and therefore impact our financial performance. Any cancellation of orders or termination of projects by our customers may result in a reduction of our future revenue. Any delay in payments that are due and payable to us will affect our operations and have an impact on our cash flows. This may result in an increase in our working capital borrowings thereby affecting our business and results of operations.

From time to time, we sub-contract certain activities to be undertaken for our construction projects and to some extent in engineering consulting service to other parties depending on various factors, including, services required and complexity required for execution of projects. Although our contractors are qualified, we do not have control over their day-to-day performance. We cannot ensure that there will be no delay in performance of duties by our sub-contractors, which may cause a delay in completion of our projects. We may also be exposed to risks relating to the quality of their services, equipment and supplies. For further details, please see, *"Risk Factors -Internal Risk Factor- Our ability to complete our projects in a timely manner and maintain quality standards is subject to the performance of our sub-contractors"* on page 38.

***Our projects are exposed to implementation and other risks and uncertainties***

Over the years, we have been providing engineering consultancy services from "concept-to-commissioning" and beyond in water, power and other infrastructure sectors in various projects in water, power and infrastructure sectors in various projects. Such projects involve various implementation risks including construction delays, unanticipated cost increases, force majeure events, cost overruns or disputes with our clients. We also along with our Subsidiary Company execute the construction work. In case construction operations, the execution of projects are also 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. Further the execution of construction projects also involves various implementation risks including construction delays, delay, unanticipated cost increases, force majeure events, cost overruns. These implementation risk and uncertainties in our operation could result in increased financing costs, delay in payments from the client, invocation of liquidated damages or penalty clauses by the client in accordance with terms agreed with the client, and in certain circumstances, even termination of the contract. Consequently, any loss of goodwill arising from our inability to meet such agreed terms or deadlines could affect our ability to pre-qualify for future projects. For further details, see "*Risk Factors –Projects where we provide our services are exposed to various implementations and other risks and uncertainties which may adversely affect our business, profits, results of operations and financial condition*".

**Our bidding and execution capabilities**

The government projects in India are usually awarded through a competitive bidding process. A majority of our projects are awarded and services provided are via a competitive bidding basis A company needs to pre-qualify for the bidding process on the basis of the company's past performance, past contracts, reputation for quality, safety record, the ability to strategically partner with other players, & technical and financial strengths. This determines the company's eligibility to bid for new projects. For further details, please see, "*Risk Factors - Internal Risk Factor – "We procure significant revenue from our engineering consultancy services and construction business through a bidding process and there can be no assurance that projects for which we bid will be awarded to us and recorded in our Order Book or that we will actually realize revenues from such projects as a result of which our financial condition would be materially and adversely affected"* on page 30. Evaluating our performance in previously executed contracts also includes assessing our project management capabilities. This requires continuing and improving on our project management practices including, quality of services, good communication between the site office and head office, project planning and monitoring to suit the work under execution. Our ability to continue to implement such practices while growing our business would determine our overall performance, which will subsequently impact our profitability.

***Competition***

Our Company operates in a competitive market, in both domestic and cross-border markets. A majority of our projects are awarded and services provided are via a competitive bidding basis. We compete directly and indirectly with all the companies which are venturing into water, power and other infrastructure sectors and may also engage themselves in engineering consultancy services. Our competition depends on various factors, including, the value of the project and type of project, difficulties, complexity, financial requirement, potential margins and client's reputation. Increased competition may force us to improve our process, technical, service capabilities and / or lower our prices or result in loss of clients, which may adversely affect our profitability and market share, in turn, affecting our business, financial condition, results of operations and prospects. For information about our competitors, please refer to the section titled *"Industry Overview"* on page 98 of this Draft Red Herring Prospectus. For further details, please see, *"Risk Factors -Internal Risk Factor - We face pricing pressure from our competitors which could require us to reduce prices to remain competitive. Further, if we are unable to compete effectively, we could lose business and our business and results of operations could be negatively impacted" on page* 42.

***Macroeconomic environment in India and Overseas***

Our operations are located within and outside India and our financial performance and growth are necessarily dependent on economic conditions prevalent in India and overseas. The Indian economy may be materially and adversely affected by adverse economic conditions in India and elsewhere in the world. While the Indian economy has grown significantly in recent years, it has experienced economic slowdowns in the past. The Indian economy could be adversely impacted by economic factors such as inflationary pressures, currency depreciation, the poor performance of its large agricultural and manufacturing sectors, trade deficits and other factors. Unfavorable changes in the above factors or in other business and economic conditions affecting our customers could result in a corresponding decline in our business. As per the Industry Report, past and current trends of the potential projects under the Government budget in the infrastructure sector GoI, investments in these sectors have always been a priority and will create enormous opportunities for engineering consultants likely to remain as the focus in the future as well. For further details, please refer to the section *"Risk Factors"- "Our business and results of operations could be adversely affected by disruptions in global economic conditions and the Indian economy in particular"*. We are focusing and continue to focus on strengthening our position in providing engineering consultancy services in the water, power and other infrastructure sectors. Any change or decline in the demand for consultancy and EPC services in these sectors may have an adverse impact on our revenue. For further details, please refer to the section "Risk Factors"- *Our revenue from engineering consultancy services depends upon development in water, power and other infrastructure sectors. Any adverse changes in the demand for engineering consultancy services for these sectors may impact our revenue, profitability and cash flows*.

**Failure to meet financial obligations**

Our ability to meet our debt service obligations and repay our outstanding borrowings mainly depends on the revenue generated by our business. Our financing agreements contain certain restrictive covenants that limit our ability to undertake certain types of transactions, including any change in general nature of business, accessing capital markets or change in ownership, which could adversely affect our business and financial condition. For further details, please refer to the section "*Risk Factor - Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business and results of operations* " *on page* 44.

***Our Significant Accounting Policies***

1.1 **GENERAL**

**(a) Group Information**

This restated consolidated financial statements comprise the financial statements of WAPCOS Limited ("the Holding Company", "Company") and its subsidiary (collectively known as "the Group"). The Holding Company is a Company incorporated in India and registered under the Companies Act, 1956 ('the Act'). The Company is primarily engaged in the Engineering consultancy and Construction.

**(b) Basis of Preparation of Restated Consolidated Financial Statements**

The Restated Consolidated Financial Statements of assets and liabilities as at March 31, 2022, March 31, 2020 and March 31, 2021 and the Restated Financial Statements of profit and loss (including Other Comprehensive Income), Restated Statement of changes in equity and Restated statement of cash flows for year ended March 31, 2022, March 31, 2021 and March 31, 2029 (hereinafter collectively referred to as "**Restated Financial Statements**") have been prepared specifically for inclusion in the Draft Red Herring Prospectus ("DRHP") to be filed by the Company with the Securities and Exchange Board of India ("**SEBI**") in connection with the proposed initial public offer which comprises of offer for sale by certain shareholders' existing equity shares of ₹ 10 each at such premium arrived at by the book building process (referred to as the 'Issue'). The Restated Financial Statements, which have been approved by the Board of Directors of the Company, have been prepared in accordance with the requirements of: Sub-section (1) of Section 26 of Chapter III of the Companies Act; relevant provisions of the SEBI ICDR Regulations; and The Guidance Note on Report in company prospectus (Revised 2019) issued by the ICAI (referred to as the **Guidance Note**).

These Restated Financial Statements have been compiled from the audited annual consolidated financial statements as at and for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 which were prepared by the Company in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act 2013, read with Companies (Indian Accounting Standards) Rules 2015, Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended and other accounting principles generally accepted in India.

The Restated Financial Statements have been prepared on the historical cost basis as explained in the accounting policies below, except certain financial assets and liabilities which are measured at fair value where the Ind AS requires a different accounting treatment (refer accounting policy regarding financial instruments); The preparation of these Restated Financial Statements requires the use of certain critical accounting estimates and judgements. It also requires the management to exercise judgement in the process of applying the Company's accounting policies.

All assets and liabilities have been classified as current or non-current as per group's operating cycle and other criteria set out in Schedule – III to the Companies Act, 2013. Based on nature of activities and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

**(c) Principles of Consolidation**

The Restated Financial Statements comprise the financial statements of the Company and its controlled entity i.e. subsidiary at the reporting date.

Restated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company.

**Consolidation procedure for Subsidiary**

Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiary.

Offset (eliminate) the carrying amount of the parent's investment in subsidiary and the parent's portion of equity of subsidiary.

Eliminate in full intra group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group. Intra group losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

**Business Combinations**

Acquisitions of businesses (except for Business Combinations under Common Control) are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value which is calculated as the sum of the acquisition date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquire and the equity interests issued by the Group in exchange of control of the acquiree.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at the fair value, except that: —

Deferred tax assets or liabilities or liabilities related to employee benefit arrangements are recognized and measured in accordance with Ind AS '2 'Income Taxes' and Ind AS '9 'Employee Benefits' respectively;

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree if any over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

In case of a bargain purchase, before recognizing a gain in respect thereof, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognizes any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognizes the same in equity as capital reserve. This gain is attributed to the acquirer.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case may be. Measurement period adjustments are adjustments that arise from additional information obtained by the Group during the measurement period about facts and circumstances that existed at the acquisition date. Measurement period does not exceed one year from the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognized in the consolidated statement of profit and loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquire is remeasured to its acquisition date fair value and the resulting gain or loss, if any, is recognized in the consolidated statement of profit and loss. Amounts arising from interests in the acquire prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to the consolidated statement of profit and loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period recognizing additional assets or liabilities (if any to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

**Non-Controlling Interests**

Non-Controlling Interests represent the proportion of income, other comprehensive income and net assets in subsidiary that is not attributable to the Company's Shareholders.

Non-Controlling Interests are initially measured at the proportionate share of the recognized amounts of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of the interest at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

**Cost of Control on consolidation**

Cost of control arising on all acquisition of a business is carried at cost as established at the date of acquisition of the business.

1.2 **Use of Estimates**

In preparing the financial statements, the management has to make certain judgments, estimates and assumptions. These estimates, judgments, and assumptions affect the application of accounting policies and the reported amount of assets and liabilities, disclosure of contingent assets and contingent liabilities as at the date of the financial statements and the reported amount of revenues and expenses for the year.

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and its subsidiary (the "**Group**") and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Group believes to be reasonable under the existing circumstances. Although the Group regularly assesses these estimates, actual results could differ from the estimates. Appropriate changes in estimates are made as the

Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.3 **Revenue Recognition**

**Revenue from Operations**

The Group derives operating revenue primarily from Consultancy & Construction Contracts.

The general parameters for recognizing revenue in the financial statements are stated below which are applicable to all streams of revenue while specific parameters are stated in the accounting policy of the respective stream of revenue.

**General Parameters**

For the purpose of revenue recognition, the Group follows a five step process:
1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when / as performance obligation(s) is/are performed

The Group often enters into transactions involving a range of the Group's services. In all cases, the total transaction price for a contract is based on performance obligations.

Revenue is recognized either at a point of time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

Transaction price is the amount to which the Group expects to be entitled in exchange for transferring good or service to a customer. The consideration promised in a contract may include fixed amounts, variable amounts or both. Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance. Payment terms agreed with customers are as per business practice and there is no financing component involved in the transaction price.

The Group does not incur any cost for obtaining contracts except administrative cost required for preparation of offers and the same is charged to the Statement of Profit and Loss.

Cost incurred in fulfilling the contract is charged against the revenue of the respective contract in the Statement of Profit and Loss.

Revenue on contracts are recognized as the related services are performed and revenue from the end of the last billing to the Balance Sheet date is recognized as unbilled revenue in the balance sheet.

The Group recognizes contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the balance sheet. Similarly, if the Group satisfies a performance obligation but consideration is yet to be received, then before the consideration is received, the Group recognizes a contract asset in its balance sheet. Revenue is recognized exclusive of Goods & Service Tax (GST).

1.3.4 Contract revenue comprises of the initial amount of revenue agreed in the contract

1.3.5 Consultancy Fee

- Revenue from providing services is recognized in the accounting period in which services are rendered. Revenue is recognized based on performance obligation satisfied either over time or at a point of time when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.
- In case performance obligations are satisfied over time, revenue is recognized based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided using appropriate method depending on the nature of transaction as per contractual stipulations.
- This is determined based on physical progress, efforts, survey of work performed, proportion of cost incurred to date to the total cost of the transaction, time spent, service performed to date as a percentage of total services to be performed or any other method that management may consider

appropriate.

- In other cases where performance obligation is not satisfied over time, revenue is recognized at a point of time.
- In the case of Cost Plus contracts, the revenue is recognized on the basis of amount billable commensurate with the progress of work under the contract and completion of associated performance obligations by transferring the promised goods or services to its customers.
- Non-Adjustable Mobilization advance/fee is recognized as revenue considering that the associated performance obligations have been satisfied. However, recoverable mobilization advance is adjusted against subsequent revenue bookings.
- In construction Management / Supervision contracts, revenue is recognized as a percentage of the value of work done / built up cost of each contract as determined by the management , pending customer's approval, if any.
- Revenue on contracts are recognized as the related services are performed and revenue from the end of the last billing to the Balance Sheet date is recognized as unbilled revenue in the balance sheet.

1.3.6 **Construction Projects**

- In Construction contracts / projects, the Group recognizes revenue over time. Due to high degree of interdependence among various elements of these projects, revenue is accounted for considering these projects as a single performance obligation.
- In construction Management / Supervision contracts, revenue is recognized as a percentage of the value of work done / built up cost of each contract as determined by the management, pending Customer/ Client's approval, if any.

Cost plus contracts

- Revenue from cost plus contracts is recognized over time and is determined with reference to the extent performance obligations have been satisfied. To depict the progress by which the Group transfers control of the promised goods to the customer and to establish when and to what extent revenue can be recognized, the Group measures its progress towards complete satisfaction of the performance obligation based on work done.
- The amount of transaction price allocated to the performance obligations satisfied represents the recoverable costs incurred during the period plus the margin as agreed with the customer.
- In case of a cost plus contract if Consultancy income / fee is stipulated as a separate item, such consultancy income / fee is recognized as revenue over a period of time or at a point of time as the Group satisfies performance obligations by transferring the promised goods or services to its customers in accordance with the terms of the contract.
- In other cases, Revenue is recognized over time to the extent of performance obligations satisfied and control is transferred to the customer. Contract revenue is recognized at allocable transaction price which represents the cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed to-date, to the total estimated contract costs.
- Any expected loss is recognized as a provision for foreseeable losses at reporting date.

Engineering Procurement and Construction (EPC)

For EPC Contracts, transaction price is the price which is contractually agreed with the customer for provision of services. The revenue is recognized over time based on the input method of measuring progress because in such contracts, the customer receives and uses the benefits as the company performs the obligations.
Any expected loss is recognized as a provision for foreseeable losses at reporting date.

1.3.7 Revenue from sale of goods including contracts for supply / commissioning of plant and equipment is recognized as follows:

Revenue from sale of goods is recognized when the control of the same is transferred to the customer and it is probable that the Group will collect the consideration to which it is entitled for the exchanged goods. Performance obligations in respect of contract for sale of goods is considered as satisfied at a point of time when the control of the same is transferred to the customer and where there is an alternate use of the asset or the Group does not have either implicit or explicit right of payment for performance completed till date. In case where there is no alternative use of the asset and the Group has either implicit or explicit right of payment considering legal precedents, performance obligation is considered as satisfied over a period of time and revenue is recognized over time.

1.3.8 Reimbursable expenses in terms of the contract are charged as “expenditure” and recovery thereof is booked as “Revenue” and is accounted for on accrual basis.

1.3.9 Camp expenses inclusive of equipment / loose tools and tents etc. purchased to discharge contractual obligations are charged to Statement of Profit and Loss.

1.3.10 Interest income is recognized using the effective interest method when it is probable that the economic benefits associated with the transaction will flow to the entity and amount can be measured reliably.

1.3.11 Dividend income is recognized when the right to receive payment is established and it is probable that the economic benefits associated with the transaction will flow to the entity and amount can be measured reliably.

1.3.12 **Others**

The holding company of the Group has a policy of taking bond money from new regular recruits engaged in the Group. The bond money is kept in the form of fixed deposit receipts with banks in the name of the Group. The interest accrued on the deposits along with principal amount is treated as Asset & Liability in the books of the Group. On successful completion of the bond period, the bond money is returned to the respective officials with interest accrued thereon. If the official leaves the Group before the completion of the bond period, the same is forfeited and the same is treated as Income.

## 1.4 Property, Plant and Equipment (PPE)

Free hold land is carried at historical cost. Property, Plant and Equipment are initially recognized at cost i.e, cost of acquisition or construction inclusive of freight, erection and commissioning charges, non-refundable duties and taxes, expenditure during construction period, borrowing costs, in case of a qualifying asset, up to the date of acquisition / installation, net of accumulated depreciation and impairment losses, if any. Subsequent measurement is done at cost less accumulated depreciation and impairment loss, if any. Cost includes expenditure that is directly attributable for bringing the asset ready for its intended use by management.

Subsequent expenditures relating to property, plant and equipment are capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the Statement of Profit & Loss when incurred. 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 statement of Profit and Loss when the asset is derecognized. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

Depreciation on Property, Plant and Equipment is provided under Straight Line Method (SLM) based on the useful life as prescribed in Schedule II to the Companies Act, 2013 which matches the assessment of the Management. Depreciation method, useful lives and residual values are reviewed at the end of each financial year. The useful lives of assets are as prescribed in Part C of schedule II of the Companies Act, 2013. In respect of additions to / deductions from assets during the year, depreciation is charged on pro rata basis.

The estimated useful lives of the various assets are as under:-

| Asset Class | Useful lives (Years) |
|---|---|
| Office Buildings with RCC Frame Structures | 60 |
| Furniture & Fixtures | 10 |
| Vehicles – Motor Cars | 8 |
| Vehicles – Motor Cycles, Scooters and other mopeds | 10 |
| Office Equipments | 5 |
| Electrical Works | 10 |
| Computers | 3 |
| Networking Server | 6 |
| Temporary Wooden Structure | 3 |
| Engineering and other Books | 3 |
| General Plant & Machinery | 15 |

Derecognition

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 Statement of Profit and Loss when the asset is derecognized.

Capital Work In Progress

Assets which are not ready for intended use are carried at cost comprising direct cost, related incidental expenses and attributable interest.

1.5 **Intangible Assets**

An intangible asset is an identifiable non-monetary asset without physical substance such as a technical knowhow, computer software. It is capitalized if the future economic benefits attributable to the asset will probably flow to the Group and the cost of acquisition or generation of the asset can be reliably measured. It is amortized from the point at which the asset is available for use.

Intangible assets acquired / developed are measured on recognition at cost less accumulated amortization and impairment losses if any.

Intangible assets are amortized on straight line basis over estimated useful lives from the date on which they become available for use.

**Amortization:**

Computer software is amortized over a period of three (3) years or over their license period, as applicable. Licenses of application and operating software for specified periods are charged tom revenue with respect to period of license.

**Derecognition**

Gains or losses arising from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and is included in the Statement of Profit and Loss when the asset is derecognized.

1.6 **Financial Instruments**

**Initial recognition**

Group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition except for trade receivables / trade payables which are initially measured at transaction date. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit and loss are added or deducted to / from the fair value on initial recognition.

**Subsequent measurement**

a) Financial assets are subsequently measured at amortized cost if these are held with in a business model whose objective is to hold the asset in order to collect cash flows and the contractual terms of the financial assets give rise on specific dates to cash flows that are solely payments of principal and Interest on the principal amount outstanding using the effective interest rate (EIR) method. The EIR amortization is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss.

Financial assets at fair value through profit or loss

The financial assets are measured at fair value through profit and loss unless it is classified at amortized cost.

b) 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 fair value method.
All other financial liabilities are subsequently measured at amortized cost using EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are de-recognized as well as through the EIR amortization process.

The Group holds non-derivative financial instruments. The Non-derivative financial instruments comprises of:

i. Financial assets, which include cash and cash equivalents, investments in equity, trade receivables, retentions by Project Authorities, unbilled revenues, employee and other advances (including Security deposits given which are refundable to Group).
ii. Financial liabilities, which include trade payables, retentions from contractual payments (including security deposits taken which are payable by Group).

Subsequent to initial recognition, non-derivative instruments are measured as follows:

(i) **Cash & Cash Equivalents:**
Cash comprises cash on hand and demand deposits with banks. Cash equivalents includes short term deposits with an original maturity of three months or less from the date of acquisition which are readily convertible into known amounts of cash and be subject to an insignificant risk of change of value. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

(ii) **Investment in Equity**
All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Group decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL).

(iii) **Financial Assets at Amortized Cost.**
Loans, Advances other than capital advances and Receivables are presented as current financial assets, except for those maturing later than 12 months after the reporting date which are presented as non-current financial assets. Loans and Receivables are initially recognized at fair value and are subsequently measured at amortized cost using effective interest method (EIR).

(iv) **Financial Assets at fair value through profit or loss:**
A financial asset, which is not classified in any of the above categories, is subsequently fair valued through profit and loss (FVTPL).

**De-recognition of financial instruments**

A financial asset is derecognized when:

(1) The rights to receive cash flows from the asset have expired, or
(2) the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risk and rewards of the asset but has transferred control of the asset.

A financial liability or a part of financial liability is derecognized from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

## 1.7 Impairment

**a) Financial Assets (other than at fair value):**

In accordance with Ind AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss for financial assets.

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 Group expects to receive. When estimating the cash flows, the Group is required to consider: (1) All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets and (2) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade Receivables

As a practical expedient the Group has adopted "Simplified approach" using the provision matrix method for recognition of expected loss on trade receivables. The provision matrix is based on historical default rates observed over the expected life of the trade receivables and is adjusted for forward – looking estimates. At every reporting date, the historical default rates are updated and changes in the forward – looking estimates are analysed. Further receivables are segmented for this analysis where the credit risk characteristics of the receivables are similar.

**b) Non-financial assets:**
(Tangible and Intangible Assets)

PPE and Intangible Assets with definite lives, are reviewed for impairment, whenever events or changes in circumstances indicate that their carrying values may not be recoverable. For the purpose of impairment testing, the recoverable amount (that is, higher of the fair value less costs to sell and value in use) is determined on an individual asset basis, unless asset does not generate cash flows that are largely independent of those from other assets, in which case recoverable amount is determined at the cash generating – unit ('CGU") level to which the said assets belongs.

An asset is treated as impaired when carrying cost of an asset exceeds its recoverable amount (i.e higher of the fair value less cost to sell and the value in use). Impairment loss is charged to the Statement of Profit & Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount and such losses either no longer exits or has decreased. Reversal of impaired loss is recognized in the statement of Profit & Loss to the extent of previously recognized or balanced impairment loss.

**Write Off**

Financial Assets
(other than at fair value)
Such assets including Trade Receivables, Retention Money, and security deposit outstanding for a period exceeding ten years are written off.

Non-Financial Assets
(Tangible and Intangible Assets)
Such assets including property, plant and equipment, intangible assets, inventory etc. are written off when, in the opinion of the management, such assets have become obsolete, damaged beyond repair, stolen and uneconomical to use.

Such items of Inventory are disposed off when, in the opinion of the management, such items have become obsolete, damage beyond repair, stolen and uneconomical to use.

**1.8 Provisions, Contingent Liabilities and Contingent Assets**

1. Provisions are recognized only when:
   a. The Group has a present obligation (legal or constructive) arising as a result of a past event;
   b. That will probably give rise to a future outflow of resources embodying economic benefits will be required to settle the obligation; and
   c. A reliable estimate can be made of the amount of the obligation.
   Provision is determined by estimating the cash flows required to settle the obligation and if the effect of the time value of money is material, the carrying amount of the provisions is the present value of the cash outflows. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.
2. Contingent Liabilities are not recognized but are disclosed in the notes in any of the following cases:
   a. A present obligation arising from a past event, when it is not probable that an outflow of resources

will be required to settle the obligation; or

b. A reliable estimate of the present obligation cannot be made; or

c. A possible obligation, unless the probability of outflow of resources is remote.

3. Contingent liability is net of estimated provisions considering possible outflow on settlement
4. Contingent assets are not recognized but are disclosed when an inflow of an economic benefit is a probable.
5. Contingent assets, contingent liability and provisions needed against contingent liabilities are reviewed at each balance sheet date.

1.9 **Employees Benefits**

1.9.1 **<u>Defined Contribution Plan</u>**

A defined contribution plan is a post–employment benefit plan under which an entity pays fixes contribution into separate funds and will have no legal or constructive obligation to pay further amounts. The Group recognizes contribution payable to such funds / schemes as an expense, when an employee renders the related services. If the Contribution payable to the schemes for services received before the balance sheet exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet, then excess is recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payment or a cash refund.

Obligations of contributions to defined benefit plans are recognized as an employee benefits expenses in the Statement of Profit & Loss in the period during which services are rendered by employees.

The holding company of the Group has a defined contribution pension scheme which is administered through a separate trust. The obligation of the holding company of the Group is to contribute to the trust to the extent an amount not exceeding 30 % of basic pay and dearness allowance less employer's contribution towards provident fund, gratuity, post-retirement medical scheme in respect of its employees. The contributions to the fund for the year are recognized as an expense and charged to the Statement of Profit & Loss.

The Group makes contribution to the recognized provident fund trust of its holding and subsidiary for its employees which is a defined benefit plan to the extent that the Group has an obligation to make good the shortfall, if any, between the returns from the investments of the trust and the notified interest rate. The Group's obligation in this regard is determined by an independent actuary and provided for if the circumstances indicate that the trust may not be able to generate adequate returns to cover the interest rates notified by the Government. Group's contribution to the Fund is charged to Statement of Profit and Loss.

**Defined Benefit Plans**

1.9.2.1 Gratuity

Group provides gratuity, a defined benefit plan covering eligible regular and contract employees. The gratuity plan provides a lump sum payment to vested employees of an amount based on the respective employee's salary and the tenure of employment with the Group at retirement, death, in capacitation, or on completion of the terms of employment.

The liabilities with regard to the Gratuity Plan are determined by actuarial valuation at each reporting date using the "Projected Unit Credit Method", performed by an independent actuary, at the year end as follows:

(i) Holding company of the Group has set up a Gratuity Trust Fund which is being administered by Life Insurance Corporation of India (LIC) who invests the contribution in the schemes permitted by laws of India. Similarly, the subsidiary company of the group has also set up a Gratuity Trust Fund which is managed by the subsidiary.

(ii) The Group recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability.

(iii) Gain or loss through re measurements of net defined benefit liability / (asset) is recognized in Other Comprehensive Income (OCI).

(iv) The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in Other Comprehensive

Income (OCI).

(v) Service Cost and net interest cost / (income) on the net defined benefit liability / (asset) are recognized in Statement of Profit and Loss.

The effects of any plan amendments, if any, are recognized in the Statement of Profit and Loss.

1.9.2.2 Compensated Absences

The Group operates defined benefit plan for compensated absences. The cost of providing such defined benefits is determined by actuarial valuation at each balance sheet date using the "projected unit credit method".

1.9.2.3 Post-Retirement Medical Scheme

Obligations on Post-Retirement Medical Benefits are determined by actuarial valuation at each balance sheet date using the projected unit credit method. Actuarial gains/losses are recognized in the Statement of Other Comprehensive Income. The PRMS scheme is applicable only in the holding company of the group.

1.9.2.4 Other short-term benefits are accounted in the period during which the services are rendered and accordingly charged to Statement of Profit and Loss.

**1.10 Leases**

**<u>Group as a lessee</u>**

**Recognition**

6. At the inception of the lease, right of use shall be recognised at cost including any indirect costs to acquire the asset and dismantling costs (if any), reduced by lease incentives with a corresponding lease liability equal to the present value of unpaid lease payments except in the following cases
   i. short-term leases; or
   ii. leases for which the underlying asset is of low value

In case of lease to be short term or low value, lease payments associated with those leases shall be charged as an expense on either a straight-line basis over the lease term or another systematic basis. The Group as a lessee applies another systematic basis if that basis is more representative of the pattern of the Group as a lessee's benefit.

The interest element of lease payments is charged to Statement of Profit and Loss, as Finance Costs over the period of the lease.

**Subsequent measurement (Depreciation)**

The right of use is depreciated over the useful life of the underlying asset or the validity of the lease term whichever is shorter and is subject to impairment loss.

The residual values, useful lives and methods of depreciation of right of use are reviewed at each financial year end and adjusted prospectively, if appropriate.

**Re-measurement of lease liability**

The lease liability is re-measured (with corresponding adjustment to the right of use asset) when:

7. The lease term is revised – the lessee must reassess whether it is reasonably certain to exercise an extension option, or not to exercise a termination option, if there is a significant event or change in circumstances that:
   - is within the lessee's control; and
   - affects whether exercise (or non-exercise) is reasonably certain
8. Future lease payment based on an index or rate are revised
9. The lease is modified
10. There is a change in the amounts expected to be paid under residual value guarantees.

A lessee shall remeasure the lease liability by discounting the revised lease payments, if either:

a) there is a change in the amounts expected to be payable under a residual value guarantee. A lessee shall determine the revised lease payments to reflect the change in amounts expected to be payable under the residual value guarantee or

b) there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments, including for example a change to reflect changes in market rental rates following a market rent review. The lessee shall remeasure the lease liability to reflect those revised lease payments only when there is a change in the cash flows (i.e. when the adjustment to the lease payments takes effect). A lessee shall determine the revised lease payments for the remainder of the lease term based on the revised contractual payments.

A lessee shall use an unchanged discount rate, unless the change in lease payments results from a change in floating interest rates. In that case, the lessee shall use a revised discount rate that reflects changes in the interest rate.

**Lease modification**

A lessee shall account for a lease modification as a separate lease if both:

(a) the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

(b) the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, at the effective date of the lease modification a lessee shall:

(a) allocate the consideration in the modified contract

(b) determine the lease term of the modified lease

(c) remeasure the lease liability by discounting the revised lease payments using a revised discount rate. The revised discount rate is determined as the interest rate implicit in the lease for the remainder of the lease term, if that rate can be readily determined, or the lessee's incremental borrowing rate at the effective date of the modification, if the interest rate implicit in the lease cannot be readily determined.

For a lease modification that is not accounted for as a separate lease, the lessee shall account for the remeasurement of the lease liability by:

(a) decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease. The lessee shall recognise in profit or loss any gain or loss relating to the partial or full termination of the lease.

(b) making a corresponding adjustment to the right-of-use asset for all other lease modifications

**De-Recognition**

A right of use asset 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 de-recognition of the right of use asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss account when the right of use asset is derecognized.

1.11 **Foreign Currency Transactions**

The financial statements are presented in Indian Rupee, which is the Group's functional and presentation currency. A Group's functional currency is that of the primary economic environment in which the Group operates.

Transactions in foreign currencies are initially recorded by the Group at functional currency spot rates at the date transaction first qualifies for recognition. However, for practical reasons, the Group uses an available average rate when average approximates the actual rate at the date of the transaction.

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

Exchanges differences arising on settlement or translation of monetary items are recognized in the Statement of Profit or Loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

11. **Income Tax**

Current Income Tax

Current Income Tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The rates and tax laws used to compute the amount are those that are enacted or substantively enacted in India at the reporting date.

Management periodically evaluates positions taken in the tax assessments with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets are offset against current tax liabilities, if and only if a legally enforceable rights exists to set off the recognized amounts and there is an intention either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Additional taxes, interest and / or penalties levied / imposed by the tax authorities / Appellate authorities on finality are recognized in the Statement of Profit and Loss.

Current tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity)

1.12.2 Deferred income taxes

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

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred 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 assets and liabilities are measured at the rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and the laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss is recognized (either in other comprehensive income or equity).

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

### 1.12 Rates and Taxes

Overseas taxes on foreign assignments, service tax, GST, value added tax, alike taxes, professional tax, property taxes, entry tax, labour cess, Octroi, etc. paid / accrued in India or overseas for which credit are not available to the Group are charged to the Statement of Profit or Loss.

### 1.13 Prepaid Expenses and Prior Period Adjustments

Prepaid Expenses

Prepaid Expenses, in the year of incurrence, are treated as current /non-current assets of the Group as may be the case & are treated as expenditure/income of the respective Financial Year to which it belongs and accounted for to the natural head of accounts in that respective year.

Prior Period Adjustments

Prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balance of assets liability and equity for the earliest period presented, are restated unless it is impracticable, in which case, the comparative information is adjusted to apply the new accounting policy prospectively from the earliest date practicable.

### 1.14 Liquidated Damages/ Claims

Liquidated damages / Claims are considered on admittance basis and are recognized as expense/income in Statement of Profit or Loss on crystallization.

## 1.15 Corporate Social Responsibility Fund

Unspent balance, if any remaining against stipulated percentage of profits under the statute, for Corporate Social Responsibility activities are appropriated to CSR Fund Account for future utilization.

## 1.16 Dividends:

Final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as liability on the date of declaration by the Group's Board of Directors.

## 1.17 Earnings per share

In determining basic earnings per share, net profit attributable to equity shareholders is divided by weighted average number of equity shares outstanding during the period.

In determining diluted earnings per share, net profit attributable to equity shareholders is divided by weighted average number of equity shares considered for deriving basis earning per share and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converting as of the beginning of the period, unless issued at the later date. Dilutive potential equity share are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

## 1.18 Statement of Cash Flow

For the purpose of presentation in the Statement of Cash Flow, Cash and Cash equivalents comprise cash on hand, balances with banks including demand deposits, other short term highly liquid investments that are subject to an insignificant risk of changes in value, are easily convertible into known amount of cash and have a maturity of three months or less from the date of acquisition or investment. The cash flow from operating, financing and investing activities is segregated.

## 1.19 Inventory

Direct Materials, Stores and Spare Parts are valued at lower of cost or net realizable value. Cost is determined on First in First Out (FIFO) Method.

Inventories includes Spare parts of heavy vehicles, Loose Tools, welding materials, Spare parts for Plant and Machineries& others which are valued on the basis of realizable value, based on the engineering estimate.

Provision for obsolescence and slow moving inventory is made based on management's best estimates of net realizable value of such inventories.

## 1.20 Leave Travel Concession

Leave Travel Concession benefit is accounted for on actual availment basis.

## 1.21 Investment property

Investment property is property (land or a building—or part of a building—or both) that is held to earn rentals or for capital appreciation or both, rather than for sale in the ordinary course of business or for use in production or for administrative purposes.

Recognition:-

Investment Property is recognised as an asset when:

(a) It is probable that the future economic benefits that are associated with the investment property will flow to the entity; and
(b) The cost of investment property can be measured reliably.

Subsequent additions are made if recognition criteria are met.

Transfer to or from investment property is made when there is a change in use i.e. an asset meets or ceases to meet the definition of investment property and there is evidence of the change in use.

Subsequent measurement (Depreciation)

Depreciation on buildings held as investment property is provided on straight line method as specified in Schedule II of the Companies Act, 2013.

Derecognition

An item of Investment property and any significant part initially recognised is derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal.

The difference between the net disposals proceeds if any and the carrying amount of the asset is recognised in statement of profit or loss in the period of derecognition.

**1.22 Standards Issued But Not Effective**

MCA had issued the Indian Accounting Standards Amendments Rules, 2022 vide notification dated 23rd March 2022. In the Indian Accounting Standards Amendments Rules, 2022, amendments has been made in following standards:-

1. First-time Adoption of Indian Accounting Standards (Ind AS-101)
2. Business Combinations (Ind AS-103)
3. Financial Instruments (Ind AS-109)
4. Property, Plant and Equipment (Ind AS-16)
5. Provisions, Contingent Liabilities and Contingent Assets (Ind AS-37)
6. Agriculture (Ind AS-41).

The effective date of these amendments is annual periods beginning on or after 1st April 2022. The Company is currently evaluating the impact of the amendments and has estimated no material financial impact on the financial statements.

**PRINCIPAL COMPONENTS OF REVENUE AND EXPENDITURE**

Our revenue and expenditures are reported in the following manner:

**A) Revenue**

Our revenue consists of revenue from operations and other income.

**Revenue from Operations**

Our revenue from operations mainly consists of revenue from providing our consultancy services and revenue from carrying out construction contracts.

**Other Income**

Our other income primarily consists of income from interest on fixed deposit interest rates ("**FDR**"), dividend income, exchange variation and other non-operating income.

**B) Expenses**

Our expenses primarily consist of the cost of construction expenses, employee benefit expenses, finance costs, services obtained, depreciation and amortization expenses, corporate and social responsibility expenses and other expenses.

*Construction Expenses*

Our construction expenses consists equipment and materials requirements we procure to carry out our obligations under construction contracts.

*Employee Benefit Expenses*

Our employee benefit expenses include salaries and wages including bonus, contributions to the provident fund and gratuity fund, staff welfare expenses and other superannuation benefits.

*Finance Costs*

Our finance costs mainly include interest on lease liability considered pursuant to the rules promulgated by Ind AS 116 and interest on working capital pursuant to our current, short-term arrangements with Banks.

*Services Obtained*

Our costs for services obtained mainly include engaging third-party service providers to carry out our obligations under our consulting and constructions contracts.

*Depreciation and Amortization*

Our depreciation expenses accounts for the depreciation on PPE (plants and machinery, furniture and fixtures, vehicles, office equipment, roads, bridges and culverts, temporary structures, water supply and fire prevention systems, electrical installations), intangible assets and lease assets (which contemplates "right of use" under the rules promulgated by Ind AS 116).

*Other Expenses*

Our other expenses consist primarily of power and fuel, rent, rates and taxes, insurance charges, repairs and maintenance, printing and stationary, traveling expenses both within India and overseas, vehicles, directors sitting fees, postage, telephone and telegram expenses, advertising and publicity, exchange variation, payments to audits, provisions for trade receivables and retention money, advance rent, bank charges and guarantee commission and other miscellaneous expenses.

*Tax Expenses*

Our tax expenses consist of current tax and deferred tax expenses under Income Tax Act, 1961.

**Our Results of Operations**

The following table sets forth a breakdown of our consolidated results of operations and each item as a percentage of our total revenue for the periods indicated.

| **Particulars** | **For and as at the Financial Year ended March 31, 2022** | | **For and as at the Financial Year ended March 31, 2021** | | **For and as at the Financial Year ended March 31, 2020** | |
|---|---|---|---|---|---|---|
| | **Amount (₹ in million)** | **(% of total income** | **Amount (₹ in million)** | **(% of total income** | **Amount (₹ in million)** | **(% of total income** |
| ***Revenue*** | | | | | | |
| Revenue from Operations | 27,979.93 | 97.61% | 25,128.73 | 97.38% | 28,422.21 | 96.55% |
| Other Income | 683.8 | 2.39% | 676.26 | 2.62% | 1,014.14 | 3.45% |
| **Total Income** | **28,663.73** | **100.00%** | **25,804.99** | **100.00%** | **29,436.35** | **100.00%** |
| *Expenses* | | | | | | |
| Construction Expenses | 19,986.28 | 69.73% | 17,259.53 | 66.88% | 18,452.72 | 62.69% |
| Employee Benefit Expenses | 3,657.42 | 12.76% | 3,322.35 | 12.87% | 3,782.95 | 12.85% |
| Finance Cost | 195.48 | 0.68% | 189.95 | 0.74% | 176.39 | 0.60% |
| Services Obtained | 1,771.22 | 6.18% | 1,862.94 | 7.22% | 1,879.35 | 6.38% |
| Depreciation and Amortisation Expenses | 123.76 | 0.43% | 150.36 | 0.58% | 152.56 | 0.52% |
| Corporate Social Responsibility Expenses | 36.47 | 0.13% | 31.49 | 0.12% | 41.28 | 0.14% |
| Other Expenses | 1,888.15 | 6.59% | 2,064.50 | 8.00% | 2,704.07 | 9.19% |
| **Total Expenses** | **27,658.78** | **96.49%** | **24,881.12** | **96.42%** | **27,189.33** | **92.37%** |
| | | | | | | |
| Profit before exceptional items and tax | 1,004.95 | 3.51% | 923.87 | 3.58% | 2,247.02 | 7.63% |
| Exceptional Items | 13.61 | 0.05% | -2.53 | -0.01% | 205.32 | 0.70% |
| **Profit Before Tax** | **1,018.56** | **3.55%** | **921.34** | **3.57%** | **2,452.34** | **8.33%** |

| | | | | | | |
|---|---|---|---|---|---|---|
| Tax Expense | | | | | | 0.00% |
| (i) Current tax | 386.19 | 1.35% | 465.64 | 1.80% | 829.37 | 2.82% |
| (ii) Income tax earlier years | - | - | - | - | - | - |
| (iii) Deferred tax | (59.23) | (0.21)% | (148.45) | (0.58)% | 149.85 | 0.51% |
| Total Tax | 326.96 | 1.14% | 317.19 | 1.23% | 979.22 | 3.33% |
| **Profit for the period** | **691.60** | **2.41%** | **604.15** | **2.34%** | **1,473.12** | **5.00%** |
| Other Comprehensive Income | | 0.00% | | 0.00% | | 0.00% |
| Other comprehensive income | 16.51 | 0.06% | 13.22 | 0.05% | (95.63) | (0.32)% |
| **Total comprehensive income for the year** | **708.11** | **2.47%** | **617.38** | **2.39%** | **1,377.48** | **4.68%** |

**Discussion on the Results of Operation**

**Fiscal 2022 compared to Fiscal 2021**

*Revenue*

Our total revenue increased to ₹ 28,663.73 million in Fiscal 2022 from ₹ 25,804.99 million in Fiscal 2021, which was an increase by 11.08%, primarily due to the reasons described below:

- Revenue from Operations: Our revenue from operations increased by 11.35% to ₹ 27,979.93 million in Fiscal 2022 from ₹ 25,128.73 million in Fiscal 2021. This increase was primarily due to the following:

- Consultancy *Income*: The revenue from providing consulting services increased by 2.14% from ₹ 6,811.16 million in Fiscal 2021 to ₹ 6,956.99 million in Fiscal 2022. The increase was mainly due to an increase in awarded projects and completing existing projects.

- *Construction Contracts Income*: The revenue from providing services arising out of construction contracts increased by 14.77% from ₹ 18,317.57 million in Fiscal 2021 to 21,022.95 million in Fiscal 2022. The increase was mainly due to an increase in awarded projects and completing existing projects.

- Other Income: The other income increased by 1.11% from ₹ 676.26 million in Fiscal 2021 to ₹ 683.80 million in Fiscal 2022. The increase was mainly due to the receipt of interest on deposit, other non-operating income and exchange variations.

*Expenses*

Our total expenditure increased by 11.16% to ₹ 27,658.78 million in Fiscal 2022 from ₹ 24,881.12 million in Fiscal 2021, due to the factors described below:

- Construction Expenses: Our construction expenses increased by 15.80% from ₹ 17,259.53 million in Fiscal 2021 to ₹ 19,986.28 million in Fiscal 2022. This increase was primarily due to the increase in construction projects being awarded and the requirements to carry out such services which is line with increase in revenues.

- Employee Benefit Expenses: Our employees benefit expenses increased by 10.09% from ₹ 3,322.35 million in Fiscal 2021 to ₹ 3,657.42 million in Fiscal 2022. This increase was primarily due to an increase in salaries, remuneration and incentives and an increase in contributions to provident and other funds.

- Finance Cost: Our finance cost expenses increased by 2.91% from ₹ 189.95 million in Fiscal 2021 to ₹ 195.48 million in Fiscal 2022. This increase was primarily due to availing ₹ 378.54 million long-term borrowing by the Company during Fiscal 2022

- Services Obtained: Our services expenses decreased by 4.92% from ₹ 1,862.94 million in Fiscal 2021 to ₹ 1,771.22 million in Fiscal 2022. This decrease was primarily due to increased reliance on in-house working on projects in consultancy and construction segment.
- Depreciation and Amortisation Expenses: Our depreciation and amortisation expenses decreased by 17.69% from ₹ 150.36 million in Fiscal 2021 to ₹ 123.76 million in Fiscal 2022. This decrease was primarily due to a decrease in both tangible and intangible asset depreciation.
- Corporate and Social Responsibility Expenses: Our corporate and social responsibility expenses increased by 15.81% from ₹ 31.49 million in Fiscal 2021 to ₹ 36.47 million in Fiscal 2022. This increase was primarily due to taking on additional corporate and social responsibility projects for achieving mandatory CSR expenditure percentages stipulated by MCA.

- Other Expenses: Our other expenses decreased by 8.54% from ₹ 2,064.50 million in Fiscal 2021 to ₹ 1,888.15 million in Fiscal 2022. This decrease was primarily due to a decrease in exchange variation and provisions for trade receivables, offset some by an increase in rent as well as an increase in rates and taxes.
- Tax Expense: Our tax expense increased by 3.08% to ₹ 326.96 million in Fiscal 2022 from ₹ 317.19 million in Fiscal 2021. The increase was mainly due to an increase of profit and was offset by payment of corporate tax amounts due under section 115BAA of the Income Tax Act, 1961.
- Profit/Loss after Tax: Due to the factors mentioned above, our Company earned a profit after tax of ₹ 691.60 million in Fiscal 2022 compared to the profit after tax of ₹ 604.15 million in Fiscal 2021, which is a 14.47% increase.
- Total Comprehensive Income for the Period: Our total comprehensive income was ₹ 708.11 million for the Fiscal 2022 as compared to a total comprehensive income of ₹ 617.38 million for the Fiscal 2021.

**Fiscal 2021 compared to Fiscal 2020**

*Revenue*

Our total revenue decreased to ₹ 25,804.99 million in Fiscal 2021 from ₹ 29,436.35 million in Fiscal 2020, which was a decrease by 12.34%, primarily due to the reasons described below:

- Revenue from Operations: Our revenue from operations decreased by 11.59% to ₹ 25,128.73 million in Fiscal 2021 from ₹ 28,422.21 million in Fiscal 2020. This increase was primarily due to the following:

- Consultancy *Income*: The revenue from providing consultancy services decreased by 23.04% from ₹ 8,850.24 million in Fiscal 2020 to ₹ 6,811.16 million in Fiscal 2021. The decrease was mainly due to a decrease in the awarding and completion of consulting projects due to impact of covid-19.

- *Construction* Contracts *Income*: The revenue from providing services arising out of construction contracts decreased by 6.41% from ₹ 19,571.97 million in Fiscal 2020 to ₹ 18,317.57 million in Fiscal 2021. The decrease was mainly due to a decrease in the awarding and completion of construction projects due to impact of covid-19 pandemic.

- Other Income: The other income decreased by 33.32% from ₹ 1,014.14 million in Fiscal 2020 to ₹ 676.26 million in Fiscal 2021. The decrease was mainly due to drop in exchange variation from ₹ 377.44 million in Fiscal 2020 to ₹ 97.50 million in Fiscal 2021.

*Expenses*

Our total expenditure decreased by 8.49% to ₹ 24,881.12 million in Fiscal 2021 from ₹ 27,189.33 million in Fiscal 2020, due to the factors described below:

- Construction Expenses: Our construction expenses decreased by 6.47% from ₹18,452.72 million in Fiscal 2020 to ₹ 17,259.53 million in Fiscal 2021. This decrease was in line with decrease in revenues due to covid-19 pandemic.

- Employee Benefit Expenses: Our employee benefit expenses decreased by 12.18% from ₹3,782.95 million in Fiscal 2020 to ₹ 3,322.35 million in Fiscal 2021. This decrease was primarily due to superannuation of Subsidiary company employees and reduction in salaries, remuneration and incentives in our Company on account of covid-19 pandemic.

- Finance Cost: Our finance cost expenses increased by 7.69% from ₹ 176.39 million in Fiscal 2020 to ₹ 189.95 million in Fiscal 2021. This increase was primarily due to the increase in additional borrowing availed by the Company which is further offset by decrease in interest on customer deposit fund.

- Services Obtained: Our services expenses decreased slightly by 0.87% from ₹ 1,879.35 million in Fiscal 2020 to ₹ 1,862.94 million in Fiscal 2021 due to the effects of covid-19 pandemic.

- Depreciation and Amortisation Expenses: Our depreciation and amortisation expenses decreased by 1.44% from ₹ 152.56 million in Fiscal 2020 to ₹ 150.36 million in Fiscal 2021. This decrease was primarily due to a decrease in both tangible and intangible asset depreciation.

- Corporate and Social Responsibility Expenses: Our corporate and social responsibility expenses decreased by 23.72% from ₹ 41.28 million in Fiscal 2020 to ₹ 31.49 million in Fiscal 2021. This decrease was primarily due to effect of covid-19 pandemic.

- Other Expenses: Our other expenses decreased by 23.65% from ₹ 2,704.07 million in Fiscal 2020 to ₹ 2,064.50 million in Fiscal 2021. This decrease was primarily due to a decrease in miscellaneous expenses, exchange variation, which is further offset some by an increase in rates and taxes and provisions for trade receivables.

- Tax Expense: Our tax expense decreased by 67.61% to ₹ 317.19 million in Fiscal 2021 from ₹ 979.22 million in Fiscal 2020. The decrease was mainly due to the decrease in our taxable profit for the year.

- Profit/Loss after Tax: Due to the factors mentioned above, our Company earned a profit after tax of ₹ 604.15 million in Fiscal 2021 compared to the profit after tax of ₹ 1,473.12 million in Fiscal 2020, which is a 58.99% decrease

- Total Comprehensive Income for the Period: Our total comprehensive income was ₹ 617.38 million for the Fiscal 2021 as compared to a total comprehensive income of ₹ 1,377.48 million for the Fiscal 2020.

**Liquidity and Capital Resources**

Our primary liquidity requirements have been toward our working capital requirements. We have met these requirements from cash flows from operations, and we expect in the future to meet our working capital requirements primarily from the cash flows of our business operations.

The table below summarizes our cash flows from our restated financial information of cash flows for Fiscal 2022, Fiscal 2021 and Fiscal 2020.

*(In ₹ million)*

| | Fiscal 2022 | Fiscal 2021 | Fiscal 2020 |
|---|---|---|---|
| Net cash (used in) / generated from operating activities | 4,723.83 | 519.94 | 1,329.20 |
| Net cash (used in) / generated from investing activities | (5,519.18) | 2,220.83 | (2,889.09) |
| Net cash (used in) / generated from financing activities | (46.04) | 66.40 | (572.83) |

**Net Cash Used in Operating Activities**

Fiscal 2022

In the Fiscal 2022, net cash generated operating activities was ₹ 4,723.83 million and the operating profit before working capital changes was ₹ 1,185.29 million. While our restated profit before tax was ₹ 1,018.56 million in Fiscal 2022, we had an operating profit before working capital changes of ₹ 1,185.29 million, primarily due to adjustments towards interest income of ₹ 418.28 million, profit on exchange variation of ₹ 121.14 million, provision written back of ₹ 12.57 million which was partially offset by increase in provision for trade receivable and retention money of ₹ 505.97 million, depreciation and amortization of ₹ 54.73 million, depreciation and amortization on right to use of ₹ 69.02 million, finance cost of ₹ 40.69 million.

Our adjustments for working capital for Fiscal 2022 primarily consisted of decrease in non-current financial assets of ₹ 1,961.13 million, increase in other current liabilities, non-current liabilities and other current financial liabilities of ₹ 2367.82 million, ₹ 1265.09 million and ₹ 279.04 million respectively. This was further offset by increase in trade and other receivables of ₹ 1,367.15 million.

Fiscal 2021

In the Fiscal 2021, net cash generated operating activities was ₹ 519.94 million and the operating profit before working capital changes was ₹ 1,599.11 million. While our restated profit before tax was ₹ 924.61 million in Fiscal 2021, we had an operating profit before working capital changes of ₹ 1,599.11 million, primarily due to adjustments towards interest income of ₹ 443.65 million, provision for impairment losses of ₹ 13.93 million, provision for trade receivable and retention money of ₹ 780.64 million, depreciation and amortization of ₹ 64.82 million, depreciation and amortization on right to use of ₹ 85.54 million, finance cost of ₹ 22.10 million which was partially offset by increase in provision for trade receivable and retention money of ₹ 505.97 million, depreciation and amortization of ₹ 54.73 million, depreciation and amortization on right to use of ₹ 69.02 million, finance cost of ₹ 34.33 million. Our adjustments for working capital for Fiscal 2021 primarily consisted of decrease in trade receivables of ₹ 168.91 million, increase in trade payable of ₹ 1,057.23 million, increase in non-current financial liabilities of ₹ 1,827.32 million, increase in other current liabilities of ₹ 1,100.01 million, decrease in non-current assets of ₹ 81.72 million. This was further offset by increase in other current assets of ₹ 834.67 million, decrease in non-current liabilities of ₹ 597.04 million, decrease in other current financial liabilities of ₹ 828.74 million.

Fiscal 2020

Net cash generated from operating activities in Fiscal 2020 was ₹ 1,329.20 million and our operating profit before working capital changes for such period was ₹ 2,498.36 million. While our restated profit before tax was ₹ 2,452.34 million in Fiscal 2020, we had an operating profit before working capital changes of ₹ 2,498.36 million, primarily due to adjustments towards interest income of ₹ 518.86 million, profit on account of exchange variation of ₹ 191.10 million, provision written back of ₹ 257.77 million, unadjusted credit balance written back of ₹ 714.74 million which was partially offset by decrease in provision for trade receivable and retention money of ₹ 702.65 million, depreciation and amortization of ₹ 69.85 million, depreciation and amortization on right to use of ₹ 82.71 million, trade receivable written-off of ₹ 735.94 million. Our adjustments for working capital for Fiscal 2020 primarily consisted of increase in trade receivables of ₹ 8,433.53 million, increase in trade payables of ₹ 4,178.49 million, decrease in other current assets of ₹ 234.03 million, decrease in non-current assets of ₹ 239.72 million, decrease in other current financial assets of ₹ 1,969.99 million, increase in non-current financial assets of ₹ 927.87 million, increase in other current liabilities of ₹ 1,237.74 million increase in non-current financial liabilities of ₹ 235.00 million, increase in other current financial liabilities of ₹ 749.87 million, decrease in provisions of ₹ 81.06 million, increase in non-current provision of ₹ 148.44 million.

**Net Cash used in investing activities**

Fiscal 2022

Net cash used in investing activities was ₹ 5,518.69 million in Fiscal 2022. This was primarily due to deposits having original maturity period of three months not considered as cash and cash equivalent amounting to ₹ 5,864.05 million.

Fiscal 2021

Net cash generated from investing activities was ₹ 2,220.83 million in Fiscal 2021. This was primarily due to deposits having original maturity period of three months not considered as cash and cash equivalents amounting to ₹ 1,791.63 million.

Fiscal 2020

Net cash used in investing activities was ₹ 2,889.09 million in the Fiscal 2020. This was primarily due to deposits not considered as cash and cash equivalents amounting to ₹ 2,525.10 million and investment in NPCC amounting to ₹ 798.00 million which was partially offset by interest income of ₹ 518.86 million.

**Net Cash used in financing activities**

Fiscal 2022

Net cash used in financing activities was ₹ 46.04 million in Fiscal 2022. This amount was primarily attributable to payment of dividend of ₹ 251.11 million, payments of ₹ 64.43 million towards lease liability, repayment of short-term and long-term borrowings of ₹ 52.02 million and ₹ 19.75 million respectively and payment of finance cost of ₹ 40.70 million. This was further offset by increase in proceeds from long-term borrowings of ₹ 398.23 million.

Fiscal 2021

Net cash generated from financing activities was ₹ 66.40 million in Fiscal 2021. This amount was primarily attributable to increase in proceeds of short-term borrowing amounting to ₹ 441.49 million. This was offset by payment of dividend amounting to ₹ 250.00 million, principal payment of ₹ 74.93 million towards lease liability, interest payment of ₹ 22.10 million towards lease payments and payment of finance cost of ₹ 28.06 million.

Fiscal 2020

Net cash used in financing activities was ₹ 572.83 million in Fiscal 2020. This amount was primarily attributable to, payment of dividends of ₹ 518.40 million, principal payment of ₹ 69.08 million towards lease liability, interest payment of ₹ 23.78 million towards lease payments and payment of finance cost of ₹ 2.09 million. This was further offset by increase in proceeds of short-term borrowing amounting to ₹ 40.52 million.

**Contingent liabilities**

As of Fiscal 2022, our contingent liabilities total ₹ 18,469.73 million and are set out below:

*(In ₹ million)*

| Contingent Liability | As of Fiscal 2022 |
|---|---|
| Service Tax | 1,666.80 |
| Claims Against the Company Not Acknowledged as Debts | 2,735.65 |
| Others – Liquidated Damages | 1,031.69 |
| Outstanding claims of contractor pending in arbitration and courts for the subsidiary | 1,785.02 |
| Services tax and income tax demands and interest on income tax demand disputed in appeals / rectification for the subsidiary | 2,804.39 |
| Outstanding Bank Guarantees | 8,381.74 |
| Estimated amount of contracts remaining to be executed on Capital account and not provided for | 64.44 |

**Off-Balance Sheet Items**

We do not have any other off-balance sheet arrangements, derivative instruments or other relationships with any entity that have been established for the purposes of facilitating off-balance sheet arrangements.

**Related Party Transactions**

We enter into various transactions with related parties in the ordinary course of business. For further details relating to our related party transactions, see "Financial Information – *Restated Financial Statements – Note 45 – Related Party Disclosures"* on page 271.

**Capital and Other Commitments**

The table below details our capital commitments for the stated period.

*(In ₹ million)*

| Particular | Fiscal 2022 | Fiscal 2021 | Fiscal 2020 |
|---|---|---|---|
| Estimated amount of the Contracts to be executed on Capital Account and not provided for (Net of Advances) | 64.44 | Nil | Nil |

**Indebtedness**

For further details, see "*Financial Indebtedness*" on page 291.

**Capital Expenditures**

Our capital expenditures primarily relate to the purchase of fixed assets such as our plant and office equipment, furniture and fixtures and intangible assets such software and technical books.

The table below details our capital expenditures for the stated period.

*(In ₹ million)*

| Particular | Fiscal 2022 | Fiscal 2021 | Fiscal 2020 |
|---|---|---|---|
| Capital expenditure incurred | 75.56 | 16.02 | 87.82 |

**Quantitative and Qualitative Disclosures about Market Risk**

***Foreign currency risk***

Our revenues and operating expenses are influenced by the currencies of those countries where we provide engineering consultancy services. The exchange rate between the Indian Rupee and these currencies, primarily the US Dollar, UGX, BDT, NPR, Euro, ETB, IDR and BTN Nu. which has fluctuated in the past and results of our operations have been impacted and may be impacted by such fluctuations in the future as well. Although, we follow established risk management policies, we are nevertheless exposed to risks from foreign exchange rate fluctuations since we enter into contracts, with clients which are outside India, that subjects our Company to currency risk exposure entailing foreign exchange transactions.

***Credit risk management***

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. We have adopted a policy of only dealing with creditworthy counterparties, where appropriate, as a means of mitigating the risk of financial loss from defaults. We only transact with entities that are rated by agencies where available and if not available, the Company uses other publicly available financial information and its own past records to rate its major customers. Our exposure and the credit ratings of our counterparties are monitored and the aggregated value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the senior management committee.

**Auditor Observations / Remarks**

**WAPCOS Limited**

Other than as disclosed below, there have been no reservations/ qualifications/ adverse remarks/ matters of emphasis highlighted by our statutory auditors in their auditor's reports on the audited consolidated financial statements as of and for the years ended March 31, 2022, 2021 and 2020:

**Auditor Qualification**

**For Fiscal 2022**

| Auditor's Qualifications | Management's Responses |
|---|---|
| That the holding company is maintaining the books of accounts in decentralized manner where the physical records pertaining to contract measurements, inspection logs, progress review documents etc. are kept at the branch or site offices whereas the financial records and accounts are centralized at the corporate office on a technologically obsolete software application namely, "Foxpro 2.60" which lacks access controls, posting controls, account classification controls, nomenclature controls and reporting requirements. That the said system is deprived of requisite IT Controls and reliance is represented to have been made on Manual Controls by the management. That despite having large number of projects geographically spread all over Indian and abroad, the financial data pertaining to the Project Management is controlled manually and the project reports shared during the course of audit underwent several corrections and revisions. We performed the analytical procedures for our sample selection and testing purpose under the current system and expanded the sample size accordingly and placed reliance on management reports and representations for the purpose of our audit. | The Company is executing projects for which site offices are maintained & during the currency of the project , the physical records pertaining to contract measurements, inspection logs, progress review documents etc. are maintained at the site office. However , the measurement details a& progress documents are sent to Head office on periodic basis along with RA bills of the contractors. Thus , the company is having full control of information. Further , these records are brought to head office at the end of the project.<br><br>Further the company is having various policies / plans in place such as Delegation of power, budgetary control, periodic project review meetings, Risk Management Policy, Fraud Prevention Policy, Whistle Blower Policy, HR Plan, CSR Policy, Succession Plan , Standing tender committee etc.<br><br>The Books of accounts of the company are maintained in accordance with Accounting Standards/ Guidelines issued by the Ministry of the Corporate Affairs from time to time. The company is ensuring the compliance of statutory acts such as Income Tax Act, Goods & Service tax Act, PF Act, Payment of Gratuity Act, Payment of Bonus Act, Professional tax/ Labour Cess Act etc.<br><br>Further, the Company is following GFR, Works Manual, Procurement of Goods and services manual issued by the Ministry of Finance, Govt. of India. Also the company is ensuring compliance with Vigilance/DPE Guidelines issued from time to time.<br><br>The company is following practices of Corporate Governance and has Board Level Audit/CSR /R&D /Remuneration/ Project Review committee in place for overseeing the affairs of the company which are in turn reviewed by the Board of Directors of the Company. Besides the Administrative Ministry of the Company also undertakes periodical reviews.<br><br>To ensure compliance with various policies & procedures, the company issues guidelines/circulars from time to time. |

| Auditor's Qualifications | Management's Responses |
|---|---|
| | The company is following imprest system of accounting wherein all site offices send all original bills , vouchers & expenditure statements etc. along with supporting approval & other documents to head office wherein such imprest accounts are examined by the respective project finance division & are accounted for in the books of accounts in accordance with rules and procedures of the company .<br><br>The company has well defined system of delegation of power at various hierarchy levels of the company for approval & incurrence of the expenditure. The expenditure proposals are initiated by the technical / Administration division & are routed through the respective project finance division for ascertaining availability of project estimates & appropriate level of delegation of power for approving the expenditure. After approval of the expenditure proposal, the purchases are made or agreements are signed for procurement of goods or services which are made through open tender system from CPP portal / E-gem.<br><br>On receipt of the vendor bills , the same are vetted by the respective Technical /Administration division & are sent to the respective project finance division after approval of the competent authority. The bills so received are examined to ensure that the desired quantity of Goods & Services have been received at the contacted price in accordance with the project agreements / Work Orders.<br><br>The basic accounting in Foxpro starts with the allocation of Project Code on the basis of project code sheet prepared by the technical division and vetted by the respective finance division. The project code allocation captures name of the project, client, value of project, state, Date of start , date of completion, along with the project cost estimate and the contingency, overhead and fees to be generated by particular project.<br><br>The project code allocation also captures the status of Taxability/ Non taxability of the project under GST to create Master Data file of Bill of Supply / Non taxable Projects.<br><br>After allocation of Project code, a unique client code is allocated for capturing clients PAN /GSTIN, state, location clients contact details. Also a supplier code is generated for capturing supplier PAN /GSTIN, contact details for creation of master data.<br><br>With the above information , the Foxpro system is able to generate project wise data base of Value of Project, Income & Expenditure booked during a particular month/year as well as cumulative income & expenditure. This enables the company to exercise budgetary control as well as monitor the financial progress of the projects.<br><br>The Income, Expenditure, Assets & Liabilities are captured through Journal entry/ Vouchers.<br><br>At the time of Income booking , system captures Invoice number & date , amount , state GST code , Taxable , non taxable status. With the entry of Project code & income head & selection of state code ; the entire income Journal entry is automatically generated by the system which includes Debtors & taxability.<br><br>In the case of expenditure booking , the system requires selection of taxable / non taxable expenditure. The system captures bill number, expenditure head , selection of state code & GST rate, the entire expenditure Journal entry is automatically generated including input GST , GST TDS , |

| Auditor's Qualifications | Management's Responses |
|---|---|
| | Income tax TDS & amount payable to the vendor. PAN , GST number & bill number of the vendors are validated by the system from the master data.<br><br>While recording the assets booking , the system captures bill number, date , state code , location , GSTIN , HSN Code , stock entry. After entering the above data , the coding sheets of assets are automatically generated by the system. Depreciation is calculated automatically based on the useful life of each asset. Besides, depreciation as per Income tax rules is also calculated automatically by the system.<br><br>The data entered by the individual user is merged in the main system. Once a data is entered in the system, it does not permits modification, editing or deletion of the entered data by the user.<br><br>The salary payable to the employee is also processed through Foxpro programme . The salary structure is designed as per DPE guidelines & in accordance with terms & conditions of the individual appointment which is done in accordance with the R&P rules of the company. At the time of joining of new employee, the personnel division issues office order on the basis of which , the salary record of individual is created in the payroll system. Annual increments are also granted after approval of competent authority & issue of necessary office orders by the personnel division. Income tax, EPF & statutory dues are automatically deducted by the system from the salary due to particular employee. The system also generates annual salary /EPF register.<br><br>The Financial Statements of the company are drawn from the books of accounts maintained in the system. System also generates all the schedules, ageing of all Assets & Liabilities, GST Liability payable to supplier. The system also generates Monthly Project Monitoring sheets of all the projects which enables the company to exercise budgetary control.<br><br>The company also maintains subsidiary books of accounts. All payments are made through digital platform to the bank accounts of respective beneficiaries.<br><br>The internal Audit department also carries out quarterly audit of all transactions of the company and also ensure the rules and procedures of the company.<br><br>It is further submitted that data entry in all types of accounting software is required to be done by the individual either by entry or through selection of the populated data & thus is always subject to human error & omission.<br><br>It may not be out of context to mention that before the introduction of computers in India in 1986 , the accounts & related records were maintained in manual mode only. |
| That in our opinion owing to inadequate internal financial controls and lack of appropriate financial accounting system, there have been continuous trend of material restatement to the reported Profitability during the previous financial years on account of errors and omissions identified in the succeeding years. That whereas the Net Impact on Profit and Loss Account may reduce on account of netting of prior period income and expenses, the quantum of Prior Period Items identified in subsequent years have a significant increasing trend. | The company is having offices in all 30 states of India & in more than 34 countries abroad. Most of the project offices are at remote location & flow of information / documents etc. is time consuming.<br><br>The company has been issuing instructions from time to time directing officials and staff to follow the laid down procedures and guidelines for booking of income, expenditure, Assets and Liabilities in a time bound manner .The company has once again sensitized its officer to minimize the errors and omissions.<br><br>Most of the prior period transaction relate to the Corona |

| Auditor's Qualifications | Management's Responses |
|---|---|
| | period during which people were working from home or with skeleton staff in office without having sufficient access to data, records, documents etc.<br><br>**The company has already floated tender on E-Gem portal on 08.08.2022 for implementation of ERP system in the company which will greatly improve the efficiency flow of documents /information etc. in a time bound manner.** |
| That during the Financial Year under consideration, the holding company has got disbursed a sum of INR 40 Crores against Credit Facility of INR 200 Crores from State Bank of India as Working Capital Loan out of which sum of INR 16 Crores has been utilized for payment of Dividend to the Shareholders. | The sanction letter issued by the bank, Companies Act , RBI Guidelines do not contain any restrictive clause. However , note has been taken of the Audit suggestion for future. |
| That the management of the group has voluntarily changes it's yearly ECL Provisioning Matrix citing harmonization of the outliers in the year 3-4 and 4-5 out of 10-year provision policy. The above change has resulted in increase in the profit of the company during the year to the tune of INR 6243.39 Crores (Refer to Note 54). In our opinion, a scientific basis after assessment of the Probability of Default and Present Value loss on account of deferred cash realizations etc. may be considered as a correct basis for the ECL Provisioning in terms of Ind AS 109. However, neither a scientific basis used at the time of original matrix, nor the revised matrix has been provided to us during the course of audit. In our opinion the revision of the ECL matrix by the management has material implication on the profits of the earlier financial years as well as current year under audit which has been subsumed with in the current year provision expense rather than disclosing the same as an exceptional item or restatement as a material error in estimation to the respective financial year(s). In the absence of relevant information being shared with us, the year wise impact could not be ascertained. Further in the opinion Trade Receivables against projects executed in the Country of Afghanistan, Sri Lanka etc. carry a significant level of realization risk considering the present economic and political situation in the countries. However, the company has made provision only as per standard ECL Matrix against such receivables. Total outstanding receivables from the above 2 countries in INR 2084.76 Lacs (Net of amount received in Apr 22). Similarly balance held in the bank accounts in these countries may also be subject to repatriation restrictions. (Refer to Note No. 67 & 68) | The company has adopted simplified approach using the provision matrix method for recognition of Expected credit loss for trade receivables. The provision matrix is based on the historical default rates observed over the expected life of the trade receivable & is adjusted towards forward looking estimates. As per company's accounting policy , at every reporting date , the company can update the default rates & also change the forward looking estimates.<br><br>The company has a policy to write off debts of more than 10 years. During the last 5 years , the average write off has been of the order of 0.80% only of the trade receivables.<br><br>The company has analyzed the trend of realization & it is anticipated that the company shall be able to improve its realization in future owing to the dispersal of the CORONA Pandemic effects & new strategic being adopted for realization of trade receivables. Accordingly , ECL interse matrix has been rationalized in terms of provision of IND AS & Company's accounting policy duly approved by Board of Director's.<br><br>The current cumulative provision for trade receivable & retention money as at 31.03.2022 stands at Rs. 266.29 Crores which works out to 14.18% of the total trade receivables, which effectively covers the time value of money & probable default.<br><br>It is further submitted that the company's current provision rate is higher than that of its peers engaged in the similar kind of business.<br><br>The company has also taken actuarial valuation of its expected credit loss matrix & as per actuarial report, the cumulative provision for trade receivable & retention money as at 31.03.2022 stands at Rs. 250.56 Crores , whereas the company carries cumulative provision of Rs. 266.29 Crores which is 6.28% higher than actuary report.<br><br>The company was executing Five number of projects in Afghanistan when the political situation changed on 15.08.2021. Owing to change of Government in Afghanistan, all project operations were temporarily suspended. The company had trade receivable amounting to Rs. 40.34 Crores due from Afghanistan projects as on 15.08.2021. Out of this , the company has received Rs. 20.65 Crores on 04.04.2022. Thus the balance value of trade receivables due from Afghanistan projects is Rs.19.69 Crores.<br><br>The company has received affirmative confirmation from respective clients that the pending payments shall be |

| Auditor's Qualifications | Management's Responses |
| --- | --- |
| | released in due course of time. The company has made provision of Rs. 4.07 Crores in respect of receivables from Afghanistan Projects.<br><br>In respect of Sri Lanka project , the company is confident of realising the debtors after restoration of normalcy. |
| That the direct confirmations could not be received for a substantial number of trade payables, trade receivables, fixed deposited with the Indian Banks and some foreign banks including all banks in Afghanistan. Further, as represented by the management owing to government clientele aggressive or legal measures are not resorted to for the purpose of realization of the dues. In our opinion, there have been substantial increase in the outstanding receivables and accordingly direct confirmations from the respective parties is must for assurance on the amount of receivables. That the late delivery charges or contract deductions (if any) made by such customers or consequential impact of stalled projects for which no separate record is maintained by the company could not be identified in the absence of the such external confirmations. Similarly, there are instances of unrealized advances paid/ security deposits & employee payable/advances for which no confirmations could be obtained from the respective parties. Furthermore, the confirmations wherever received were in denial to the book balances and claims which have been represented to be under reconciliation and the balance as per booked duly authenticated by the management is stated to be fully recoverable and likewise all liabilities are claimed to be duly accounted for. The financial implications if any) is subjected to final reconciliations with the respective parties. | The company had obtained balance confirmation letters from banks, the copies of which were submitted to the Audit team for perusal.<br><br>Further, as per the directions of Audit team , emails were sent to all the banks requesting them to send a copy of balance confirmation to the Statutory Auditors. Also, the Audit team member physically verified the balances of all Indian banks by logging into the internet banking facility available to the company in their respective banks.<br><br>It is further submitted that the company accords at most priority for realization of trade receivables. The realization of debtors is followed up by company's project site offices which chase the payment on a daily basis with the client. Besides senior officials of the company including CMD also undertake periodic visit to the client offices or write formal communication regarding realization of pending payments. Periodic meetings are conducted to review the realization status of different projects. The company also deputes specific officers at certain project sites for regular persuasion & realisation of pending payments. Also the company has requested assistance from Ministry of Jal Shakti and the Ministry has written letters to various state Government's requesting for speedy release of payments to WAPCOS.<br><br>It is also submitted that , most of the company's clients are Government departments which follow single entry system of accounting & as such no assets or liabilities , expenditure or Income is reflected in their books on accrual basis which affects the confirmation of the balance of invoices raised by the company to the Clients.<br><br>The company releases advances to suppliers / contractor's against bank Guarantee or material & hence are secured in nature.<br><br>The company is taking steps for further improving the position with regard to above. |
| That the identification of the Trade Payables as Micro and Small has been prepared by the management and relied upon by us. However, no provision for interest has been made by the company on the overdue balances outstanding for payment to the MSME vendors since in view of the management, the payment to such vendors have been made as per terms agreed and duly accepted by them. In our opinion, the company shall be liable for payment of interest on delayed payments in terms of the MSME Act, 2006. There are in fact even claims made by the vendors with the Micro and Small Enterprise Facilitation Council which have been included in the contingent liabilities disclosed in the financial statements & hence adequate measures be taken for seeking legal immunity (if any) against consequences of delay in payment to such vendors or the provision for interest on such delay may be duly provided in the financial statement (Refer Note 38). | Our Company is a fully owned Government of India Public Sector enterprise under the aegis of Union Ministry of Jal Shakti. Most of the company's clients are Central / State Government departments which have multiple levels of committees /multi layer decision making process.<br><br>As part of the business execution process , the company is engaging outside vendors (Some of which happen to be MSME) for providing specialised technical services which have direct link on the final output prepared by WAPCOS Limited for onward acceptance by the client for which the project is being executed by WAPCOS.<br><br>The agreements entered into with outside vendors contain a clause that payment shall be released only after acceptance of work & receipt of corresponding payment from the client. |

**Matters of Emphasis**

The following Emphasis of Matters are derived from consolidated financial statement for Fiscal 2022, 2021 and 2020. In the opinion of Statutory Auditor, the Consolidated Financial Statements are not modified in respect of these matters.

**Fiscal 2022**

1. That the company is in receipt of advances or deposits from clients for meeting the construction cost of their respective projects. In terms of stipulations, the company is required to keep such unutilized funds in the form of deposits and the income earned on such deposits is also required to be transferred back to the client. In fact some of the arrangement requires the opening of earmarked Bank Accounts. However, such funds have been utilized for non• earmarked projects and also instances have been observed where funds withdrawn from the dedicated accounts have not been utilized for the earmarked projects. Although interest liability has been computed & provided for yet in our opinion such utilizations may pose risk of breach of contract, liquidity challenges & non• compliance in terms of advancement of such funds by the client. (Refer to Note 64 ). The Interest payable against such earmarked funds used for other projects, as at 31st March 2022 stood at INR 57.31 Crores which needs to be repatriated to the relevant Government (s) or Undertakings.

2. That in terms of the contingent liabilities disclosed by way of Note 56 to the financial statements, reference is drawn to the need to have in place a scientific mechanism to assess and provide for the probable liabilities on account of matters under dispute. That although, the contingent liabilities have been disclosed with regards to disputed claims, there is no practice of making adequate provisions with regards to the claims until Arbitration Awards and payment. Further, in case of one PSU, there is a claim of Interest to the tune of INR 15 Crores which is being demanded by the party but shown as contingent liability in the financial statements.

3. That considering the nature and volume of transactions involved there is a need to periodically reconcile the Inputs as well as the output liability as per books with the returns as per the Goods and Service Tax Act. Further, liability under Goods and Service Tax may accrue on receipt of the Adjustable Advances/deposits Received by the company on which the tax liability is deposited at the time of invoicing by the company. (Refer Note 65 & 69)

***Fiscal 2021***

1. That the company is in receipt of advances or deposits from clients for meeting the construction cost of their respective projects. In terms of stipulations, the company is required to keep such unutilized funds in the form of deposits and the income earned on such deposits is also required to be transferred back to the client. However, such funds have been utilized for non-earmarked projects and accordingly although Interest liability has been computed on such utilization, payable to the clients yet in our opinion such utilizations may pose liquidity challenges, considering there are overdue obligations towards employee payments, performance related payments, statutory dues under Goods and Service Tax, trade payable etc. besides there being non-compliance in terms of advancement of such funds by the client. (Refer to Note 64)

2. That there is a need to formalize the procedures and mechanism of obtaining the third party balance confirmations & obtaining the same on a timely basis as majority of the confirmations represented to have been duly sent to parties have remained unresponded. That the differences wherever identified in the balances as per confirmations have been represented to be under reconciliation and as represented the balance as per books has been duly authenticated by the management stating that the claims receivables are fully recoverable and all liabilities have been duly accounted for. Further it has been represented that majority of customers are Government/Semi Government entities and there is no policy or practice of sending written requests and follow ups for outstanding balances. (Refer to Note 38). The financial implications (if any) is subject to such reconciliations with the respective parties. Further direct confirmations could not be obtained for balances with Banks including Foreign Banks.

3. That the identification of the Trade Payables as Micro and Small has been prepared by the management and replied upon by us. However, no provision has been made by the company on the overdue balances outstanding for payment to these MSME vendors since in view of the management, the payment to such vendors have been made as per terms agreed and duly accepted by them. In our opinion, the company shall be liable for payment of interest on delayed payments in terms of the MSME Act, 2006. There are in fact even claims made by the vendors with the Micro and Small Enterprise Facilitation Council which have been Included in the contingent liabilities disclosed in the financial statements & hence adequate

measures be taken for seeking legal immunity (if any) against consequences of delay in payment to such vendors or WAPCOS Annual Report 2020-21 317 the provision for interest on such delay may be duly provided in the financial statement. (Refer Note 37).

4. That in terms of the contingent liabilities disclosed by way of Note 54 to the financial statements, reference is drawn to the need to have in place a scientific mechanism to assess and provide for the probable liabilities on account of matters under dispute.

**5.** That considering the nature and volume of transactions involved there is a need to periodically reconcile the Inputs as well as the output liability as per books with the returns as per the Goods and Service Tax Act. Further, liability under Goods and Service Tax may accrue on receipt of the Adjustable Advances/deposits Received by the company on which the tax liability is deposited at the time of invoicing by the company. Our opinion is not modified on the above said matter.

***Fiscal 2021***

1. Balances of Trade Receivables, Advance to Suppliers/Sub Contractors. Retention Money and Trade Payable as shown under respective notes are subject to confirmation and consequential effects and adjustments thereof, (Refer Note no. 39)

2. The management has made an assessment of its liquidity position for the next year including that of recoverability of carrying value of its Financial and Non-Financial assets due to uncertainties arising out of Covid-19. The Holding Company expects to recover the carrying amounts of these assets based on the assessment and does not see any risk in the ability of the Company to continue as a going concern and meeting its liabilities as and when due. (Refer Note no. 33)

**Subsidiary**

The following Emphasis of Matter is derived from consolidated financial statement for 2021 and 2020 in respect of our Subsidiary Company. In the opinion of Statutory Auditor on the standalone Financial Statements is not modified in respect of these matters.

**Fiscal 2022**

1. The company has a system of requesting for balance confirmations in respect of claims receivable, trade receivables, advances to contractors, trade payables, balances to/from project authorities and security deposits/ retention money outstanding to/from contractors/ project authorities. However, as per information and explanations provided to us, the company is not able to obtain confirmations and prepare periodic reconciliation in respect of trade receivables and other receivables and most of the payables. Most of the trade receivables are either central or state government/local authority/ municipal authorities and other autonomous bodies under various governmental ministries. Therefore, we are of the opinion that the company needs to be involved in the process of obtaining the same more proactively to further strengthen the said internal control procedures.

2. The company does not have an adequate internal control system with regard to reconciliation of debit & credit balances lying in various accounting heads of closed units.

3. The company does not have a proper system of evaluating claims of contractors vis-à-vis contractual terms leading to huge number of litigations and settlements with mounting interest burden. The non-determination of the liability in a timely manner could significantly affect the financial reporting and could also affect the functioning of the company.

4. There is a need to periodically reconcile the input credit and output liability appearing in books with the GST returns. In respect of Jammu zone, the GST input credit amounting to ₹ 19,08,848 was not availed in the GST return for FY21-22 resulting in input credit getting lapsed. This resulted in payment of GST of ₹ 17,29,484 being borne by the zone. Further, no approval from competent authority for this payment of GST of ₹ 17,29,484 was sought.

**Fiscal 2021**

The Statutory Auditor of the Subsidiary Company has stated the following Emphasis of Matter but not modified their opinion on the said matters

1. That the balances of claims recoverable, trade receivables, advances to contractors, trade payables and security deposits/retention money from contractors are subject to confirmation and consequential adjustments thereof. Effect of the same on the financial statements is not ascertainable

2. That Regarding uncertainties arising out of the outbreak of COVID19 pandemic and consequential assessment made by the management on its business and its associated financial risks. This assessment made by the management is highly dependent on the circumstances as they evolve in the subsequent periods. The impact, therefore, in future periods may be different from the estimates made by the management as on the date of approval of these financial results

**3.** That relating to non-payment of GST on advance received from Project Authorities in terms of Section 13(2) of Goods and Service Tax Act, 2017 wherein GST is to be paid on date of issue of invoice or date of receipt of payment whichever is earlier. Consequent Interest liability and Penalty imposable thereon has not been ascertained by the management

**Fiscal 2020**

1. balances of Claims recoverable, Trade Receivables, Advances to contractors, Trade Payables and Security deposits/ Retention money from contractors subject to confirmation and consequential adjustments thereof., (Refer Note no. 32)

2. classification of Trade receivables and payables as noncurrent has been done on the basis of judgement of Management. (Note no. 6 & 13)

3. uncertainties arising out of the outbreak of COVID19 pandemic and consequential assessment made by the management on its business and its associated financial risks. This assessment made by the management is highly dependent on the circumstances as they evolve in the subsequent periods. The impact, therefore, in future periods may be different from the estimates made by the management as on the date of approval of these financial results. (Note No. 53)

**4.** estimation of the expected credit losses (ECL) as per IND AS 109 in which it is mentioned that the company has used the ECL framework of the holding company for ascertaining the same and that the same is not developed/designed company specific. (Refer Note no. 43).

**Other qualitative factors**

**Changes in Accounting Policies**

There is no change in accounting polices during Financial year ended 31 March 2022 and 31 March 2021 and 31 March 2020 except in consonance with the requirements of applicable Ind-AS.

***Inflation***

India has experienced relatively high rates of inflation in recent years. While we believe inflation has not had a material effect on our business or results of operations, inflation impacts the world economy and business environment generally, and could affect us specifically as well.

***Unusual or infrequent events or transactions***

As of the date of this Draft Red Herring Prospectus, there have been no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses. For additional details, please refer to the section titled "*Outstanding Litigation and Other Material Developments"* on page 327.

***Significant Dependence on a single or few customers***

Other than as described in this Draft Red Herring Prospectus, particularly in "*Risk Factors"* and *"Management's Discussion and Analysis of Financial Condition and Results of Operations"* on pages 28 and 294, respectively, there is no dependence on a single or few customers.

**Significant economic changes that materially affected or are likely to affect income from operations**

Other than as described in this section and the section of this Draft Red Herring Prospectus titled *"Risk Factors"* and *"Industry Overview",* there have been no significant economic changes that expect to have materially affected or likely to affect our Company's income from operations.

**Known trends or uncertainties**

Except as disclosed in this Draft Red Herring Prospectus, to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on the revenues or income of our Company from continuing operations.

**Future relationships between costs and income**

Except as disclosed in this Draft Red Herring Prospectus, to our knowledge there are no known factors that we expect will have a material adverse impact on the operations or finances of our Company.

**Total Turnover of each major Industry Segment**

For the Financial Years 2022, 2021 and 2020, we have two business and industry segments, which are Consultancy and Construction. The breakup of Turnover from each major industry segment is given below:

*(In ₹ million)*

| **Business Segments** | **For Fiscal 2022** | **% of total** | **For Fiscal 2021** | **% of total** | **For Fiscal 2020** | **% of total** |
|---|---|---|---|---|---|---|
| Consultancy Income | 6,956.98 | 24.86 | 6,811.15 | 27.11 | 8,850.24 | 31.14 |
| Construction Contracts | 21,022.95 | 75.14 | 18,317.57 | 72.89 | 19,571.98 | 68.86 |
| **Total** | **27,979.93** | **100.00** | **25,128.72** | **100.00** | **28,422.22** | **100.00** |

**New business segments**

Other than as described in this Draft Red Herring Prospectus, there are no business segments that we expect will have a significant impact on our business prospects, results of operations or financial condition.

**Competitive conditions**

We expect competition to intensify from existing and potential competitors. Please refer to the section titled "*Industry Overview*", "*Our Business*" and "*Risk Factors*" on pages 98, 136 and 28 of this Draft Red Herring Prospectus, respectively for further information on our industry and competition.

**Seasonality**

Our business operations may be affected by seasonal factors which may restrict our ability to carry on activities related to our construction projects and fully utilize our resources. For example heavy or sustained rainfalls or other extreme weather conditions such as cyclones could result in delays or disruptions to our operations during the critical periods of our construction projects. In our construction operation, severe weather may require us to evacuate personnel or curtail services, may result in damage to a portion of our equipment or facilities resulting in the suspension of operations, and increase our maintenance costs.

For further details see *"Risk Factors - Internal Risk Factor - Our business is subject to seasonal fluctuations that may affect the functioning of the construction projects thereby adversely affecting our cash flows and business operations "* on page 45.

**SIGNIFICANT/MATERIAL DEVELOPMENTS AFTER MARCH 31, 2022**

Our Company in its Board meeting held on August 28, 2022, had discussed the process of merger of merger of our subsidiary i.e., NPCC Limited with our Company. Our Company has initiated the process for selection of advisors to the merger transaction.

Other than as disclosed above and elsewhere in this Draft Red Herring Prospectus, including under *"Our Business", "Risk Factors",* to our knowledge no circumstances have arisen since the date of the last financial information disclosed in this Draft Red Herring Prospectus which materially and adversely affect or are likely to affect, our trading or profitability, or the value of our assets or our ability to pay our liabilities within the next 12 months.

## SECTION VII: LEGAL AND OTHER INFORMATION

## OUTSTANDING LITIGATION AND OTHER MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no outstanding: (a) criminal proceedings involving our Company, Subsidiary, Directors; (b) actions by any statutory or regulatory authorities involving our Company, Subsidiary, Directors; (c) claim involving our Company, Subsidiary, Directors for any direct or indirect tax liabilities (disclosed in a consolidated manner giving the total number of claims and total amounts involved), and (d) proceeding involving our Company, Subsidiary, Directors (other than proceedings covered under (a) to (c) above) which has been determined to be "material" pursuant to the materiality policy approved by our Board in its meeting held on September 23, 2022 ("**Materiality Policy**") (as disclosed herein below). There are no disciplinary actions including penalties imposed by the SEBI or the Stock Exchanges against our Promoter in the last five (5) Financial Years including any outstanding action.*

*In terms of the Materiality Policy, other than outstanding criminal proceedings, actions taken by any statutory or regulatory authority and claims for any direct or indirect tax liabilities mentioned in point (a) to (c) above, all other pending litigation:*

*A. involving our Company and Subsidiary:*

*i. where the aggregate monetary claim made by or against our Company and our Subsidiary, in any such pending litigation proceeding is in excess of (i) one point eighty eight percent (1.88%) of the consolidated profit after tax of our Company; or (ii) one (1) percent of our consolidated total operating income of our Company, whichever is lower, in the most recently completed Fiscal as per the Restated Financial Statements. The consolidated profit after tax of our Company for Fiscal 2022 as per the Restated Financial Statements was ₹ 691.60 million while the consolidated total income of our Company for Fiscal 2022 was ₹ 28,663.73 million. Accordingly, we have disclosed all such outstanding litigation proceedings where the aggregate monetary claim made by or against our Company, in any such pending litigation proceeding is in excess of ₹ 13.00 million (being one point eighty eight percent of the consolidated profit after tax of our Company for Fiscal 2022 as per the Restated Financial Statements);*

*ii. where the decision in one case is likely to affect the decision in similar cases, even though the amount involved in an individual litigation does not exceed the amount determined as per clause (i) above, and the amount involved in all of such cases taken together exceeds the amount determined as per clause (i) above; and*

*iii. where the monetary liability is not quantifiable, or which does not fulfil the threshold specified in (i) above, but the outcome of which could, nonetheless may have a material adverse effect on the position, business, operations, prospects or reputation of our Company have been considered "material".*

*B. involving our Directors (individually or in aggregate), the outcome of which would materially and adversely affect the business, operations, prospects, financial position or reputation of our Company, irrespective of the amount involved, has been considered as material.*

*For the purposes of the above, pre-litigation notices received by our Company, Subsidiary, Directors from third parties (excluding those notices issued by statutory / regulatory / tax authorities or notices threatening criminal action) have not been considered material until such time that our Company or Subsidiary or such Director, as the case may be, is impleaded as a defendant in litigation before any legal / judicial / arbitral forum.*

*Further, except as stated in this section, there are no: (i) pending proceedings initiated against our Company for economic offences; (ii) default and non payment of statutory dues by our Company; (iii) inquiries, inspections or investigations initiated or conducted under the Companies Act or any previous companies law in the last five (5) years against our Company from the date of this Draft Red Herring Prospectus; (iv) material frauds committed against our Company in the last five (5) years; (v) overdues to banks or financial institutions by our Company; (vi) defaults against banks or financial institutions by our Company; (vii) fines imposed or compounding offences against our Company; (viii) matters involving our Company pertaining to violation of securities law, and (x) outstanding dues to material creditors and material small scale undertakings.*

*Further, in accordance with the Materiality Policy, a creditor of our Company, shall be considered to be material creditor (except banks and financial institutions from whom the Company has availed financing facilities) for the purpose of disclosure in the offer documents, if amounts due to such creditor exceeds five (5) per cent of the total consolidated trade payables of our Company as per the most recently completed Fiscal as per the Restated Financial Statements. Accordingly, we have disclosed consolidated information of outstanding dues owed to any* *creditors of our Company, separately giving details of number of cases and amount for all dues where each of the dues exceed ₹ 903.72 million (being approximately five (5) per cent of total consolidated trade payables of our Company as at March 31, 2022 as per the Restated Financial Statements) ("**Material Dues**"). Further, in accordance with the Materiality Policy for the disclosure of the outstanding dues to any party which is a micro, small or a medium enterprise ("**MSME**") will be based on information available with our Company regarding status of the creditor as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended.*

*Unless stated to the contrary, the information provided in this section is as of the date of this Draft Red Herring Prospectus. All terms defined in a summary pertaining to a particular litigation shall be construed only in respect of the summary of the litigation where such term is used.*

## I. Litigation involving our Company

### Litigations against our Company

***(a) Criminal Proceedings***

1. Mr. Rajesh Kumar (a contractual employee of our Company) ("**Petitioner**") has filed a criminal revision petition bearing number CRR/1561 of 2018 ("**Petition**") before the Hon'ble High Court of Punjab and Haryana ("**High Court**") praying for setting aside the order dated April 5, 2018 ("**Impugned Order**") passed by the Court of Additional Sessions Judge, Gurugram. The matter relates to a written examination being conducted by our Company for selection of engineers (civil and electrical) in our Company, in pursuance of which, our Company had issued an office circular dated September 23, 2015 stating that only the officials deputed for convening the exam shall be permitted to enter the office premises on September 26, 2015. A day before the examination Mr. Sumir Chawla (Manager (Personnel & Administration) in our Company) ("**Complainant**") received a call from the Petitioner threatening him of dire consequences if Mr. Ajay Dev Malik (a candidate appearing in the examination) is not selected. On the day of examination, Petitioner along with 4 other persons armed with weapons, forcibly entered into the premises of our Company and confined the Complainant at gun point and threatened him with dire consequences. In the meantime, the other officials of the Company informed the police and the police after reaching the spot apprehended all the accused. On the basis of the complaint by the Complainant, a first information report bearing number 325/2015 ("**FIR**") was lodged against five persons under Sections 147, 148, 149, 452, 186, 353, 506 of the IPC and Section 27 of the Arms Act, 1959. The Court of Judicial Magistrate 1st Class, Gurugram ("**Trial Court**") *vide* an order dated January 4, 2017 ("**Trial Court Order**") closed the prosecution evidence and *vide* a judgment dated January 6, 2017 ("**Judgment**") acquitted the Petitioner along with all the other accused of the charges levelled against them. Aggrieved by the Trial Court Order and the Judgment, the Complainant filed a criminal appeal under Section 372 of the CrPC along with an application under Section 391 of CrPC before the Court of Sessions Judge, Gurugram praying for setting aside the Judgment and to direct the Trial Court to take further evidence or remand the case back to the Trial Court for retrial. The Court of Additional Sessions Judge, Gurugram *vide* the Impugned Order set aside the Trial Court Order and Judgment and remitted the matter back to the Trial Court with the directions to proceed further from the stage before closing of the prosecution evidence. Aggrieved by the Impugned Order, the Petitioner has filed the present Petition praying for setting aside the Impugned Order. The Hon'ble High Court *vide* an Order dated May 3, 2018 directed the Trial Court to adjourn the matter beyond the date fixed by the Hon'ble High Court. The matter is presently pending.

***(b) Material Civil Proceedings***

1. An arbitration proceeding has been filed by Pave Infrastructure Private Limited ("**Claimant**") against our Company ("**Respondent**") before the sole arbitrator ("**Sole Arbitrator**"). The Respondent had issued a notice inviting tender bearing number WAP/PMD/2017/21 dated February 8, 2017 ("**Tender**") read with corrigendum number 02 ("**Corrigendum**") to the Tender for construction of boundary walls at 34 sites and construction of toilet blocks and drinking water facility at 2 sites (in total 36 sites) for providing access to disabled persons for the monuments maintained by the Archaeological Survey of India, Nagpur Circle, Maharashtra ("**Work**"). Pursuant to the Tender read with Corrigendum, the Claimant was declared as the successful bidder and was awarded the Work *vide* letter of award dated March 27, 2017. Thereafter, an agreement dated April 7, 2017 ("**Agreement**") was executed between the Claimant and the Respondent for completing the aforesaid Work in three months w.e.f. March 27, 2017. A dispute arose between the Claimant and the Respondent for various reasons such as delay in handing over of the construction sites, delay in issuance of drawings/instructions/approvals, change in scope of work, disruptions caused by locals, non-availability of raw material, delay in completion of work, alleged

defective/poor quality of work, etc. and the Respondent terminated the Agreement in terms of clause 3 of Section IV (general conditions of contract) of the Tender. Aggrieved by the said action of the Respondent, the Claimant invoked arbitration in terms of clause 5.30.2 of Section IV (general conditions of contract) of the Tender *vide* letter dated May 13, 2020 and filed an arbitration petition bearing number 270/2020 against the Respondent before the Hon'ble High Court of Delhi ("**High Court**") on July 25, 2020 under Section 11(6) of the Arbitration and Conciliation Act, 1996 ("**Act**") for appointment of the Sole Arbitrator to adjudicate the disputes between the parties. The Hon'ble High Court *vide* its order dated August 19, 2020 appointed the Sole Arbitrator. The Claimant has filed the statement of claim before the Sole Arbitrator dated November 6, 2020, claiming a total amount of ₹ 953.52 million (inclusive of interest calculated at the rate of 18% per annum) along with *pendente lite* and future interest at the rate of 18% per annum and the cost of arbitration. The Respondent has filed the statement of defence dated January 18, 2021 denying the allegations of the Claimant, and a counter claim wherein it has been *inter-alia* prayed before the Sole Arbitrator to direct the claimant to pay a sum amounting to ₹ 409.06 million along with *pendente lite* and future interest at the rate of 18% per annum and the cost of arbitration. An arbitral award dated April 11, 2022 ("**Award**") has been announced by the Sole Arbitrator in favour of the Claimant and the Respondent has been directed to pay an amount of ₹ 50.90 million along with interest @7.5% p.a. from the date of issue of invoice till August 19, 2020 and 9% per annum for the period commencing from August 19, 2020 till April 11, 2022. Aggrieved by the said Award, our Company has filed a petition under section 34 of the Act for seeking stay of the said Award before the High Court. The matter is presently pending.

2. An arbitration proceeding bearing number 01/BHEL/Salma/of 2020 has been filed by Bharat Heavy Electricals Limited ("**Claimant**") against our Company ("**Respondent**") before the Committee for Settlement of Commercial Disputes between Central Public Sector Enterprises, Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises ("**Committee**"). The Respondent had *vide* its letter bearing number WAP/P/Salma/2006 dated February 15, 2006 invited competitive bids for reconstruction, rehabilitation and completion of Salma Dam Project in Afghanistan wherein the Claimant was declared as the successful bidder and was awarded the work *vide* letter of award no. WAP/P/SALMA/E-II/2006 dated March 27, 2006. Thereafter, a contract dated April 7, 2006 ("**Contract**") was executed between the Claimant and the Respondent for contract package bearing number WAPCOS/SDP/AFG/PKG-IV-05 for generating plants and other electrical and mechanical equipment. A supplementary agreement dated January 10, 2017 ("**Supplementary Agreement**") was executed between the Claimant and the Respondent to revise the completion dates and commissioning of the project. A dispute arose between the Claimant and the Respondent for non-payment of dues and in order to recover its due payment the Claimant invoked arbitration as per the administrative mechanism for resolution of disputes. The Claimant has filed the statement of claim dated December 11, 2020 before the Committee, claiming a total amount of ₹ 485.53 million towards running bills and deferred/ retention money (inclusive of interest accrued over the period of non-payment till September 2020 (SBI PLR + 2%)) (the "**Claim Amount**"). During the pendency of the proceedings, our Company has paid ₹ 320.11 million towards the principal amount due out of the Claim Amount and the interest accrued till date, is yet to be paid. The matter is presently pending.

3. An arbitration proceeding has been filed by RSB Projects Limited ("**Claimant**") against our Company ("**Respondent**") before the arbitral tribunal ("**Arbitral Tribunal**"). The matter relates to a notice inviting tender bearing number WAP/PMD/2015-16/20 dated October 30, 2015 ("**Tender**") issued by the Respondent for construction of administrative, OM and QG store, SOS mess, 2 Nos. 120 men barrack, 10 bedded hospital, BIN type magazine, residential quarters (type II and type III), gate and boundary wall and development work of 48$^{th}$ battalion of Indo-Tibetan Border Police at Katihar, Bihar ("**Work**"). Pursuant to the Tender, the Claimant was declared as the successful bidder and was awarded the Tender *vide* letter of award dated December 18, 2015. Thereafter, an agreement bearing no. WAP/PMD/WORKS/15-16/08 dated January 19, 2016 ("**Agreement**") was executed between the Claimant and the Respondent for the aforesaid Work. A dispute arose between the Claimant and the Respondent for various reasons such as delay in providing structural drawings and good for construction drawings, technical specifications, requisite approvals, increase in the scope of work, non-payment of dues, delay in completion of work, alleged defective work, etc. and the Claimant invoked arbitration in terms of Clause 5.30.2 of Section IV (general conditions of contract) of the Tender and nominated its arbitrator *vide* letter dated July 31, 2020. The Respondent also nominated an arbitrator *vide* letter dated August 28, 2020. Both the arbitrators then nominated the third arbitrator as per the procedure prescribed in Clause 5.30.2 of Section IV (general conditions of contract) of the Tender. The Claimant has filed the statement of claim before the Arbitral Tribunal dated November 12, 2020, claiming a total amount of ₹ 102.56 million (inclusive of applicable interest amount) along with *pendente lite* and future interest at the rate of 7.5 % per annum and the cost of arbitration. The Respondent has filed the statement of defence dated December 29, 2020, denying the allegations of the Claimant along with statement of counter claim wherein it has been *inter-alia* prayed to direct the claimant to pay a sum amounting to ₹ 147.59 million

along with an interest calculated at the rate of 18% per annum and *pendente lite* and future interest at the rate of 18% per annum and the cost of arbitration. The matter is presently pending.

4. An interlocutory application bearing number 2122 of 2020 ("**Application**") (in Company Petition bearing number 4513/2018) has been filed by the resolution professional ("**Resolution Professional**") under Section 14(1) read with Section 18(1)(f) and Section 60(5) of the IBC for D. Thakkar Constructions Private Limited ("**Corporate Debtor**") against our Company ("**Respondent**") before the National Company Law Tribunal, Mumbai ("**NCLT Mumbai**"). The Respondent had issued a notice inviting tender bearing number WAP/COMML/MEGA/2013/1 dated February 8, 2013 ("**Tender**") for construction of diaphragm wall along the Sabarmati river-bed for the metro rail project being implemented by Metro Link Express from Gandhinagar and Ahmedabad ("**MEGA**") Company Limited ("**Work**"). Pursuant to the Tender, the Corporate Debtor was declared as the successful bidder and was awarded the Tender *vide* letter of award dated April 4, 2013. Thereafter, an agreement dated April 9, 2013 ("**Agreement**") was executed between the Corporate Debtor and the Respondent for the aforesaid Work. In terms of the provisions of the Agreement, the Corporate Debtor was required to submit unconditional bank guarantees including a performance guarantee equivalent to 5% of the total contract value in favour of the Respondent aggregating to a total amount of ₹ 119.54 million. The bank guarantees were required to be renewed from time to time. In the year 2019, the said bank guarantees were about to expire and the same had not been renewed by the Corporate Debtor. Therefore, the Respondent decided to invoke and encash these bank guarantees. The Resolution Professional in his Application has stated that the Corporate Debtor was undergoing the corporate insolvency resolution process ("**CIRP**") and a moratorium under Section 14 of the IBC had already been imposed by the NCLT Mumbai *vide* an order dated March 27, 2019 and by invoking the bank guarantees the Respondent has violated Section 14 and Section 18(1)(f) of the IBC. In its Application, the Resolution Professional has sought necessary directions from the NCLT Mumbai to the Respondent to refund the money being wrongly encashed by invoking the bank guarantees during the CIRP process and to file its claim with the Resolution Professional. The Respondent has filed its reply on January 29, 2021, seeking dismissal of the present Application on the ground of Application being misconceived and being completely devoid of merit. However, a judgment has been passed on January 20, 2022 wherein the Respondent has been directed to release the aforesaid amount to the Corporate Debtor. The requisite release of the payment is yet to be made by the Respondent. The matter is presently pending.

5. A. K. Sinha (the "**Petitioner**") had filed a writ petition bearing no. 1073 of 2008 against our Company (the "**Respondent**") before the Hon'ble High Court of Jharkhand ("**High Court**") which was duly dismissed *vide* judgment dated October 8, 2011 ("**Impugned Judgment**"). The matter relates to Petitioner's allegation against the Respondent for non-payment of arrears/dues arising out of the agreement of association for consultancy services for preparation of the detailed project reports for the feasible schemes under the Gram Bhagirathi Yojana in the State of Jharkhand ("**Project**") which was entered into by our Company, LEA Associates South Asia Private Limited ("**LASA**") and Centre for Social and Environmental Care ("**C-Sec**") on October 1, 2002 ("**Association Agreement**"). The Association Agreement was entered into by the Respondent, LASA and C-Sec for filing the tender of works relating to the Project within certain districts in the State of Jharkhand. The consultancy services for the said Project work were awarded to the Respondent in association with LASA and C-Sec by the Jharkhand Public Works Department, Government of Jharkhand. Pursuant to an addendum dated August 29, 2003, C-Sec further delegated the work of topographical survey and planning work to the Petitioner. Against this said Impugned Judgment, the Petitioner filed a Letter Patents Appeal bearing number 419/2011 ("**LPA**") in the Hon'ble High Court for his pending invoice. Subsequently, an order dated September 3, 2012 was passed, wherein it was informed that the Respondent owed no obligation to the Petitioner and the petition was disposed off. Aggrieved by the order of the Hon'ble High Court, the Petitioner filed a Special Leave Petition (Civil) bearing number 38901/2012 in the Supreme Court of India which was dismissed *vide* order dated January 10, 2013. Thereafter, the Petitioner has again filed a suit for recovery bearing money suit number 90 of 2013 before the Sub-Judge-I, Ranchi District Court ("**Suit**") claiming a principal amount of ₹ 4.10 million along with compound interest @ 12% per annum till realization of payment and the cost of suit. In the present suit, the Respondent has been arrayed as third respondent to the dispute. The matter is presently pending.

6. Arhaan & Associates (the "**Plaintiff**") has filed a civil suit bearing CS (COMM) No. 82/2022 before the District Judge (Commercial Court–) - 02, New Delhi District, Patiala House Court ("**Suit**") against our Company (the "**Defendant**"). The matter relates to a dispute arising out of the claims made by the Plaintiff in the instant Suit for refusal to entertain the illegal demand made by certain officials of the Defendant. The Plaintiff has claimed that the Defendant approached the Plaintiff and expressed interest in getting associated for the execution of work/services related to business of survey, investigation, planning, designing, operation and management of civil engineering consultancy, road consultancy, design and supervision, water resources, product irrigation project and urban development/architecture (the "**Services**"). It was agreed between the Plaintiff and Defendant that, basis the normal practice, the

Defendant shall retain 15% of the contract amount and the remaining 85% shall be paid to the Plaintiff for the performance of said Services. The Plaintiff claimed that in the backdrop of the aforesaid arrangement, the Plaintiff associated and assisted the Defendant in fetching various contracts and work assignments. The Plaintiff arranged teams, provided approach and methodology for different projects which were identified by the Defendant in various locations such as Haryana, Rajasthan, Himachal Pradesh, Tripura, Andaman and Nicobar Islands, Mizoram, Telangana, Uttarakhand, Goa, Uttar Pradesh etc. for bidding. The Plaintiff has further claimed that the payment schedule which was negotiated / agreed with the Defendant, could not be materialized claiming that one of the officials of the Defendant raised a bribe demand. The Plaintiff has further claimed that they refused to entertain such illegal demands and were offered 5% of the contract value for the contracts awarded to the Defendant due to services rendered by the Plaintiff, terming it as bid facilitation charges. The Plaintiff has provided the payments due from the Defendant, project wise as stated in their plaint. The Plaintiff made several RTI applications for obtaining various documents in support of the above-mentioned events and deployments of various other resources in the execution of the Services. The present Suit has been filed for recovery of principal amount of ₹ 20.00 million along with interest @ 18% along with *pendente lite* and future interest. The matter is presently pending.

7. Atlas Constructions Private Limited (the "**Claimant**") has initiated arbitration proceedings against our Company (the "**Respondent**") before a sole arbitrator ("**Sole Arbitrator**"). The matter relates to a dispute pertaining to delay in completion of the construction of major repair to arterial roads at National Security Guard Garrison, Manesar bearing work order number WAP/INFRA/NSG/Manesar-Road/2015/08-01 (the "**Work**") dated August 31, 2015, floated by National Security Guard, Ministry of Home Affairs (the "**Client**"), pursuant to the terms agreed under the contract / agreement entered on December 7, 2015 between the Claimant and the Respondent (the "**Agreement**"). The Claimant was awarded the Work by the Respondent *vide* letter of award no. WAP/INFRA/NSG/Manesar-Road/2015/11-01 dated November 5, 2015 (the "**Letter of Award**"). The Claimant has alleged in the statement of claim that the Letter of Award is also the 'Notice to proceed the Work' for commencement of the Work. Further, the delay in the completion of the Work basis the timeline mentioned in the said Agreement made the Client withhold an amount of ₹ 9.70 million along with interest @ 12% per annum (the "**Claim Amount**") by the Client. As per the Agreement entered between the parties, it was stipulated that the Work shall be completed within five months from the date of commencement of the Work. During the execution of Work, the Client withheld the Claim Amount, on account of imposition of liquidated damages on August 31, 2017. The Claimant has demanded the Claim Amount from the Respondent. The Claimant has, *vide* the letter dated October 18, 2021 invoked the arbitration clause and pursuant to which a Sole Arbitrator was appointed on October 28, 2021 to adjudicate the dispute between the parties. The Claimant has filed the statement of claim before the Sole Arbitrator dated January 6, 2022, claiming a total amount of ₹ 19.55 million (inclusive of applicable interest amount) along with *pendente lite* and future interest at the rate of 24 % on the amount till date of realization and the cost of arbitration Further, the Respondent has also filed the statement of defence on February 28, 2022 post which the examination of the Claimant has been concluded and the Respondent witness is yet to be cross examined. The matter is presently pending.

8. An arbitration proceeding has been filed by Prasad Construction and Co. ("**Claimant**") against our Company ("**Respondent**") before the arbitral tribunal ("**Arbitral Tribunal**"). The matter relates to a notice inviting tender bearing no. WAP/PMD/2015-16/19 dated October 30, 2015 ("**Tender**") issued by the Respondent for construction of 6th Battalion Headquarter of Indo Tibetan Border Police (ITBP) at Chappra, Bihar ("**Work**"). Pursuant to the Tender, the Claimant was declared as the successful bidder and was awarded the Tender *vide* letter of award December 22, 2015 bearing letter no. WAP/PMD/ITBP-C/2015-16/371/1. Thereafter, an agreement dated January 15, 2016 ("**Agreement**") was executed between the Claimant and the Respondent for execution of the Work. A dispute arose between the Claimant and the Respondent for various reasons and the Claimant *vide* letter dated November 22, 2019 requested for settlement of claims as per clause 25 of the Agreement. The Claimant then invoked arbitration in terms of clause 25 of Section IV (general conditions to contract) of the Tender and nominated its arbitrator *vide* letter dated April 26, 2022. The Respondent also nominated an arbitrator *vide* letter dated May 25, 2022. Both the arbitrators then nominated the third arbitrator as per the procedure prescribed in Clause 5.30.2 of Section IV (general conditions of contract) of the Tender. The Claimant has filed the statement of claim before the Arbitral Tribunal dated August 4, 2022, claiming a total amount of ₹ 133.00 million (inclusive of applicable interest amount) along with *pendente lite* and future interest at the rate of 12 % per annum and the cost of arbitration. The matter is presently pending.

9. An arbitration proceeding has been filed by Osho GS and Co. ("**Claimant**") against our Company ("**Respondent**") before a sole arbitrator ("**Sole Arbitrator**"). The matter relates to a notice inviting tender bearing no. WAP/PMD/2016-17/11 dated July 29, 2016 ("**Tender**") issued by the Respondent for construction of office cum residential complex for Narcotics Control Bureau at Chandigarh (Punjab) ("**Work**"). Pursuant to the Tender, the Claimant was declared as the successful bidder and was awarded the Tender *vide* letter of award dated October 06, 2016 bearing letter no.

WAP/PMD/NCB/CHD/2016/1402. Thereafter, an agreement dated October 24, 2016 ("**Agreement**") was executed between the Claimant and the Respondent for execution of the Work. A dispute arose between the Claimant and the Respondent for various reasons and the Claimant *vide* letter dated April 05, 2022 invoked arbitration in terms of clause 25 of Section IV (general conditions to contract) of the Tender and requested for settlement of claims. The Respondent conveyed the appointment of its arbitrator *vide* letter no. WAP/04/2022 dated May 11, 2022. The Claimant filed an application *vide* O.M.P. (T) (COMM.) 57/2022, I.As. 8611/2022 and 8612/2022 dated May 23, 2022, under Section 14 and 15 of Arbitration and Conciliation Act, 1996 before the Hon'ble High Court at Delhi seeking termination of mandate of arbitrator appointed by the Respondent. The matter is presently pending.

***(c) Actions by Statutory and Regulatory Authorities***

Nil

***(d) Tax proceedings***

***Direct Tax proceedings***

| S. No. | Type of Direct Tax | Number of cases | Approximate amount in dispute / demanded (in ₹ million) |
|---|---|---|---|
| 1. | Income Tax | 10 | 736.96 |
| **Total** | | **10** | **736.96** |

***Indirect Tax proceedings***

| S. No. | Type of Indirect Tax | Number of cases | Approximate amount in dispute/ demanded (in ₹ million) |
|---|---|---|---|
| 1. | Customs | Nil | Nil |
| 2. | Service Tax | 1 | 1664.70 |
| 3. | Sales Tax / VAT | Nil | Nil |
| 4. | Central Excise | Nil | Nil |
| 5. | Goods & Service Tax | 11 | 155.19 |
| **Total** | | **12** | **1819.89** |

**Approximate amount in dispute includes penalty and applicable interest.*

**Litigations by our Company**

***(b) Criminal Complaints***

1. A first information report bearing number 325/2015 ("**FIR**") dated September 26, 2015 has been lodged by Mr. Sumir Chawla (Manager (Personnel & Administration) in our Company) ("**Complainant**") against five persons under Sections 147, 148, 149, 452, 186, 353, 506 of the IPC and Section 27 of the Arms Act, 1959. The matter relates to a written examination being conducted by our Company for selection of engineers (civil and electrical) in our Company, in pursuance of which our Company had issued an official circular dated September 23, 2015 stating that only the officials deputed for convening the exam shall be permitted to enter the office premises on September 26, 2015. A day before the examination, the Complainant received a call from Mr. Rajesh Kumar (a contractual employee of our Company) ("**Accused**") threatening him of dire consequences if Mr. Ajay Dev Malik, a candidate appearing in the examination, is not selected. On the day of the examination, Accused No. 1 along with 4 other persons armed with weapons, forcibly entered into the premises of our Company and confined the Complainant at gun point and threatened him with dire consequences. In the meantime, the other officials of the Company informed the police and the police after reaching the spot apprehended all the accused. On the basis of the complaint filed by the Complainant, an FIR was registered. The Court of Judicial Magistrate 1$^{st}$ Class, Gurugram ("**Trial Court**") *vide* an order dated January 4, 2017 ("**Trial Court Order**") closed the prosecution evidence and *vide* a judgment dated January 6, 2017 ("**Judgment**") acquitted all the accused of the charges levelled against them. Aggrieved by the Trial Court Order and the Judgment, the Complainant filed a criminal appeal under Section 372 of CrPC along with an application under Section 391 of CrPC before the Court of Sessions Judge, Gurugram praying for setting aside the Judgment and direct the Trial Court to take further evidence or remand the case back to the Trial Court for retrial. The Court of Additional Sessions Judge, Gurugram *vide* an order dated April 5, 2018 ("**Sessions Court Order**") set aside the Trial Court Order and Judgment and remitted the matter back to the Trial Court with the directions to proceed further from the stage before closing of the

prosecution evidence. Aggrieved by the Sessions Court Order, the Accused has filed a criminal revision petition dated April 7, 2018 bearing number CRR/1561 of 2018 before the Hon'ble High Court of Punjab and Haryana ("**High Court**") praying for setting aside the Sessions Court Order. The Hon'ble High Court *vide* an Order dated May 3, 2018 directed the Trial Court to adjourn the matter beyond the date fixed by the Hon'ble High Court. The matter is presently pending.

***Material Civil Proceedings***

1. An arbitration case has been filed by our Company ("**Claimant**") against Metro Link Express from Gandhinagar and Ahmedabad ("**MEGA**") Company Limited ("**Respondent**") before the sole arbitrator ("**Sole Arbitrator**"). The Respondent had addressed a letter dated September 10, 2012 ("**Engagement Mechanism**") to the Claimant inviting it to execute a civil construction work in the metro rail project being implemented between the twin cities of Gandhinagar and Ahmedabad. Further, *vide* a letter dated January 5, 2013, the Respondent awarded Claimant the work for construction of diaphragm wall along the Sabarmati river bed. For this purpose, the Claimant issued a notice inviting tender dated February 8, 2013 ("**Tender**") and awarded the Tender to D. Thakkar Constructions Private Limited ("**Sub Agency**"). Thereafter, an agreement dated April 9, 2013 was executed between the Claimant and the Sub Agency. A dispute arose between the Claimant and the Respondent on account of various reasons such as the procedure adopted for the appointment of Sub Agency and the demand for revision of rates quoted for the execution of the work etc. and the matter was referred to arbitration. The Claimant has filed the statement of claim before the Sole Arbitrator dated September 30, 2015, claiming a total amount of ₹ 313.41 million along with an interest calculated at the rate of 18% per annum and the cost of litigation. The Respondent has filed the statement of defence cum counter claim dated November 27, 2015 denying the allegations made by the Claimant and has *inter-alia* prayed to direct the claimant to pay a sum amounting to ₹ 238.25 million along with interest and the cost of litigation. The matter is presently pending.

2. A suit for recovery bearing number CS (Comm.) 263/2019 ("**Suit**") dated April 16, 2019 has been filed by our Company ("**Plaintiff No. 1**") and Park Infrastructure Limited ("**Plaintiff No. 2**"), together referred to as "**Plaintiffs**" against North Delhi Municipal Corporation and others ("**Defendants**") before the Hon'ble High Court of Delhi ("**High Court**"). The matter relates to the work of remodeling and covering of Ramesh Nagar drain from Kirti Nagar furniture block/railway line to Najafgarh drain ("**Work**") pursuant to a notice inviting tender bearing number EE (Pr) West-I/2009-10/02 dated September 3, 2009 ("**Tender**") issued by the Executive Engineer (Pr.) West-I of the erstwhile Municipal Corporation of Delhi ("**MCD**"). The Plaintiff No. 1 submitted the bid and was awarded the Work *vide* letter of award dated March 12, 2010. Thereafter, an agreement bearing number EE (Pr) West-I/2009-2010/09 dated March 31, 2010 was executed between the Plaintiff No. 1 and MCD for the aforesaid Work. A dispute arose between the Plaintiff No. 1 and 2 and the Defendants on account of various reasons such as non-payment of dues, delay in providing land for casting yard, failure to provide detailed drawings for execution of the work, failure to remove hindrances at site, delay in release of payment of running account bills, price escalation due to prolongation of contract period, etc. and the Plaintiffs filed the present Suit for recovery of a total amount of ₹ 103.48 million along with an interest calculated at the rate of 15 % per annum and *pendente lite*, future interest and the cost of litigation. The Defendants have filed the written statement dated July 1, 2019 requesting the Hon'ble High Court to dismiss the Suit filed by the Plaintiffs citing reasons of being devoid of any merits. The matter is presently pending.

3. Our Company ("**Claimant**") initiated arbitration proceedings against Karbi Anglong Autonomous Council Diphu, Assam ("**Respondent**") before the arbitral tribunal consisting of the presiding arbitrator and two arbitrators appointed by the Claimant and the Respondent. The matter relates to the dispute concerning the balance payment of the consultancy services for both project work assigned to the Claimant, in terms of the agreement dated January 17, 1997 and April 22, 1998 for the purpose of carrying out feasibility studies for proposed irrigation projects namely Deopani Irrigation Scheme, Amreng Irrigation Scheme and Silveta Irrigation Scheme ("**Project**") for a total period of consultancy period of 14 months from the date of start of the Project An arbitral award dated May 29, 2015 amounting to ₹ 7.10 million and ₹ 5.70 million was passed in favour of the Claimant ("**Award**"). Our Company filed an execution petition bearing OMP (ENF) (Comm) 190 and 191 of 2021 before the Hon'ble High Court of Delhi for compliance of Award, which was transferred to the Diphu District Court ("**District Court**"). The Respondent has further filed five applications before the Diphu District Court in furtherance to the said transfer of the matter and our Company filed its reply raising the objections regarding the maintainability of the said transfer of the matter to the District Court. The District Court has passed separate orders dated October 1, 2018 ("**said Orders**") in all said five applications, wherein, for the application number 1 and 2, the district Judge mentioned to be holding the jurisdiction for entertaining the application filed by the Respondent under section 34 of the Arbitration and Conciliation Act, 1996 ("**Act**"). The district Judge has further pronounced that for the application number 3, 4, and 5 some points

of law are required to be heard on the petition in question require further arguments from both parties. Our Company, pursuant to the said Orders has filed a revision petition before the Hon'ble High Court of Guwahati ("**High Court**") against the said Orders in application number 1 and 2. The Hon'ble High Court *vide* order dated April 30, 2020 dismissed the said Orders stating that the District Court holds no territorial jurisdiction and that all orders passed by the District Court would be nullity. In furtherance to the dismissal *vide* order dated April 30, 2020, the Respondent filed a special leave petition against the above judgment of Hon'ble High Court before the Hon'ble Supreme Court of India. The same was also dismissed *vide* order dated January 29, 2021. In the present matter, our Company has now filed an execution petition dated March 12, 2021, before the Hon'ble High Court of Delhi and the same has been transferred to the District Court. The Respondent has also filed five separate interlocutory applications before the Hon'ble Hight Court of Delhi under Section 34 of the Act for setting aside of the Award. The matter is presently pending.

***(c) Actions by Statutory and Regulatory Authorities***

Nil

(d) ***Tax proceedings***

***Direct Tax proceedings***

| S. No. | Type of Direct Tax | Number of cases | Approximate amount in dispute / demanded (in ₹ million) |
|---|---|---|---|
| 1. | Income Tax | 10 | 736.96 |
| **Total** | | **10** | **736.96** |

***Indirect Tax proceedings***

| S. No. | Type of Indirect Tax | Number of cases | Approximate amount in dispute/ demanded (in ₹ million) |
|---|---|---|---|
| 1. | Customs | Nil | Nil |
| 2. | Service Tax | 1 | 1,664.70 |
| 3. | Sales Tax / VAT | Nil | Nil |
| 4. | Central Excise | Nil | Nil |
| 5. | Goods & Service Tax | 11 | 155.19 |
| **Total** | | **12** | **1,819.89** |

**Approximate amount in dispute includes penalty and applicable interest.*

**II. Litigations involving our Subsidiary**

**Litigations against our Subsidiary**

***(a) Criminal Complaints***

1. A first information report bearing number FIR No 216/2015 ("**FIR**") has been lodged against our Subsidiary and others including Narayan Construction, then project manager and site engineers of our Subsidiary at Gumla by an Executive Engineer, rural works department, Gumla ("**Complainant**") under sections 406, 409, 420, 120(B) of the IPC, at the Sisai police station. The matter relates to the irregularities found in the construction of roads under Pradhan Mantri Gram Sadak Yojana by the Complainant during the inspection performed by the committee constituted by the Vidhan Sabha of the State of Jharkhand ("**Committee**"). The FIR has subsequently been enlisted as a case in the District Court, Gumla bearing number G.R. No 1037/2015. During the course of the proceedings, anticipatory bail application was filed by Vickkey Kumar Singh and the same was granted by the Hon'ble High Court of Jharkhand at Ranchi ("**High Court**") *vide* order dated November 23, 2017. Also, Randhir Kumar of our Subsidiary filed application for anticipatory bail and was granted the same by the Hon'ble High Court *vide* order June 30, 2021. In furtherance to the abovementioned grant of anticipatory bail, regular bail was granted to Vijay Shankar Singh, ex project manager of our Subsidiary. The matter is presently pending.

2. A first information report bearing number FIR No 324/2015 ("**FIR**") has been lodged against our Subsidiary and others including Pawansut Hanuman Construction Private Limited, K B Construction, then project manager and site engineers of our Subsidiary at Gumla by Executive Engineer, rural works department, Gumla, basis the recommendation of the Vidhan Sabha Committee ("**Complainant**") under sections 409, 420, 467, 468, 471 and 34 of the IPC, at the Gumla Police Station. The matter relates to the irregularities found in the construction of roads under Pradhan Mantri Gram Sadak Yojana. The FIR has

subsequently been enlisted as a case in the District Court, Gumla bearing number G.R. No 1032/2015. During the course of the proceedings, anticipatory bail application was filed by Anzar Anis, site engineer of our Subsidiary and the same was granted by the Hon'ble High Court of Jharkhand at Ranchi *vide* order dated February 26, 2018. The matter is presently pending.

3. A first information report bearing number FIR No 17/2015 ("**FIR**") has been lodged against our Subsidiary and others including Abhay Tele Private Limited, then project manager and site engineers of our Subsidiary at Gumla by Executive Engineer, rural works department, Gumla, basis the recommendation of the Vidhan Sabha Committee ("**Complainant**") under sections 406, 409, 467, 468, 469, 470, 471, 420 and 120B of the IPC, at the Dumri Police Station. The matter relates to the irregularities found in the construction of roads under Pradhan Mantri Gram Sadak Yojana by the Complainant during the inspection performed by the committee constituted by the Vidhan Sabha of the State of Jharkhand ("**Committee**"). The FIR has subsequently been enlisted as a case in the District Court, Gumla bearing number G.R. No. 1040/2015. During the course of the proceedings, anticipatory bail application was filed by Randhir Kumar and same was granted by the Hon'ble High Court of Jharkhand at Ranchi ("**High Court**") *vide* order dated September 9, 2018. During the course of the proceedings, regular bail was granted to Vijay Shankar Singh by Hon'ble High Court, ex project manager of our Subsidiary. The matter is presently pending.

4. A first information report bearing number FIR No 54/2015 ("**FIR**") has been lodged against our Subsidiary and others including Vishnudeo Rai, then project manager and site engineers of our Subsidiary at Gumla by Executive Engineer, rural works department, Gumla, basis the recommendation of the Vidhan Sabha Committee ("**Complainant**") under sections 409, 420, 467, 468, 471 and 34 of the IPC, at the Raidih Police Station. The matter relates to the irregularities found in the construction of roads under Prahan Mantri Gram Sadak Yojana by the Complainant during the inspection performed by the committee constituted by the Vidhan Sabha of the State of Jharkhand ("**Committee**"). The FIR has subsequently listed as a case in the District Court Gumla bearing number G.R. No. 1038/2015. During the course of the proceedings, a regular bail was granted by the Hon'ble High Court of Jharkhand at Ranchi to Vijay Shankar Singh, ex project manager of our Subsidiary. The matter is presently pending.

5. A first information report bearing number FIR No 41/2015 ("**FIR**") has been lodged against our Subsidiary and others including Pristine Engicon, then project manager and site engineers of our Subsidiary at Gumla by Executive Engineer, rural works department, Gumla ("**Complainant**") under sections 406,409, 420, 467, 468, 471 and 120B of the IPC, at the Chainpur Police Station. The matter relates to the irregularities found in the construction of roads under Pradhan Mantri Gram Sadak Yojana by the Complainant during the inspection performed by the committee constituted by the Vidhan Sabha of the State of Jharkhand ("**Committee**"). The FIR has subsequently been enlisted as a case in the District Court Gumla bearing number G.R. No. 1036/2015. During the course of the proceedings, anticipatory bail application was filed by Shankar Sahu, site engineer of our Subsidiary and the same was granted by the Hon'ble High Court of Jharkhand at Ranchi ("**High Court**") in ABA No. 6341/2017 *vide* order dated January 29, 2018. Ritesh Kumar was also granted anticipatory bail by the Hon'ble High Court of Jharkhand at Ranchi in A.B.A No. 6731 of 2017 *vide* order dated January 31, 2018. Randhir Kumar was also granted anticipatory bail by the Hon'ble High Court in A.B.A No. 5038 of 2018 *vide* order dated September 4, 2018.In furtherance to the abovementioned grant of anticipatory bails, regular bail was granted by the Hon'ble High Court to Vijay Shankar Singh, project manager of our Subsidiary. The matter is presently pending.

6. A first information report bearing number FIR No 1/2016 ("**FIR**") has been lodged against our Subsidiary and others including Krishna Construction , then project manager and site engineers of our Subsidiary at Gumla by P.K Narula, Zonal Manager, NPCC basis the recommendation of the Vidhan Sabha Committee ("**Complainant**") under sections 409, 467, 468, 420, 471 and 34 of the IPC, at the Sursang Police Station. The matter relates to the irregularities found in the construction of roads under Pradhan Mantri Gram Sadak Yojana by the Complainant during the inspection performed by the committee constituted by the Vidhan Sabha of the State of Jharkhand ("**Committee**"). The FIR has subsequently been enlisted as a case in the District Court Gumla bearing number G.R. No. 120/2016. During the course of the proceedings, anticipatory bail application was filed by Jagarnath Sahu, Contractor of our Subsidiary and the same was granted by the Hon'ble High Court of Jharkhand at Ranchi. In furtherance to the abovementioned grant of anticipatory bail, regular bail was granted to Shanti Moy Mukhopadhyay Site Engineer, and Vijay Shankar Singh, ex project manager, of our Subsidiary. The matter is presently pending.

***(b) Civil Proceedings***

1. An arbitration case has been filed by North East Engineers Construction Company Private Limited ("**Claimant**") against our Subsidiary ("**Respondent**") before the sole arbitrator ("**Sole Arbitrator**"). The

matter relates to a work of construction of border fencing along the Indo-Bangladesh border in the State of Tripura awarded by the Ministry of Home Affairs ("**MHA**"), Government of India ("**Work**") to the Respondent. Pursuant to the award of Work by MHA, Respondent issued notices inviting tenders bearing numbers 70064/IBBF/NIT/Fencing/1552 dated September 8, 2007 (for package number TR – 17(A), 70064/IBBF/NIT/Fencing/1552 dated September 8, 2007 (for package number TR – 17(B)), 70064/IBBF/NIT/Fencing/1098 dated July 28, 2007 (for package number TR – 18), 70064/IBBF/NIT/Fencing/1098 dated July 28, 2007 (for package number TR – 19) (collectively, the "**Tenders**"). Pursuant to these Tenders, the Respondent awarded the Work to the Claimant and entered into agreements bearing numbers 70064/IBBF/Agreement/390 dated May 29, 2008, 70064/IBBF/NIT/Agreement/392 dated May 29, 2008, 70064/IBBF/Agreement/396 dated May 29, 2008 and 70064/IBBF/Agreement/ 394 dated May 29, 2008 (collectively, the "**Agreements**") were entered into between the Claimant and the Respondent for the aforesaid Work. A dispute arose between the Claimant and the Respondent on account of various reasons such as delay in providing site for office, storage, labour shed, failure in providing the approach road, alleged enlargement of the scope of work, hostile security environment, demand for price escalation due to prolongation of the contract period, delay in completion of work, etc. and the Respondent foreclosed the Agreements *vide* its letters dated December 12, 2011with financial implication and the balance work awarded to the other agency. The Respondent also invoked the financial bank guarantee and performance bank guarantee. Aggrieved by the said action of the Respondent, the Claimant invoked arbitration and filed the statement of claim before the Sole Arbitrator dated April 12, 2017, claiming a total amount of ₹ 192.30 million. The Respondent has filed the statement of defence on August 16, 2017 denying the allegations of the Claimant, and stating that the Agreements were foreclosed on the request of Claimant with mutual consent of the parties and has prayed for dismissal of the claims filed by the Claimant. The matter is presently pending.

2. An arbitration case has been filed by Deecon India Private Limited ("**Claimant**") against our Subsidiary ("**Respondent**") before the sole arbitrator ("**Sole Arbitrator**"). The matter relates to construction of a 27.00 km border fencing/link road along Indo-Bangladesh border in the State of Mizoram from BP no. 2350 to 2364 ("**Work**") pursuant to a notice inviting tender bearing number 70064/IBBF/1629 dated March 12, 2007 ("**Tender**") issued by the Respondent. Pursuant to the Tender, the Claimant was declared as the successful bidder and was awarded the Tender *vide* the letter of award dated March 12, 2007. Thereafter, work was issued to the Claimant *vide* work order no. 5/124/IBBF/1005 dated July 19, 2007 ("**Work Order**"). A dispute arose between the Claimant and the Respondent for various reasons such as delay in handling construction site, obstruction of local villagers, delay in getting permission of forest department, wrong estimates, failure to engage sufficient manpower, material and machinery, unprofessional behavior of Claimant. The Claimant invoked arbitration under the Work Order by filing the statement of claim dated April 8, 2015 before the Arbitrator, claiming a total amount of ₹ 58.70 million (excluding applicable interest amount and loss of profit) and the cost of arbitration. The Respondent has filed the statement of defense, denying the allegations of the Claimant along with statement of counter claim wherein it has been *inter-alia* prayed to direct the claimant to pay a sum amounting to ₹ 17.17 million along with an interest calculated at the rate of 18% per annum and the cost of arbitration. The Respondent has also filed an application dated January 6, 2022 before the Hon'ble Arbitral Tribunal comprising of the Sole Arbitrator ("**Application**") for passing appropriate order for accepting the Application and to expunge such portions of the reply as appearing from certain paragraphs and appearing elsewhere in the reply which have been used by the Claimant against the counter claims of the Respondent, where the Claimant allegedly relies towards the facts along with the grounds mentioned in the preliminary submissions of the rejoinder affidavit of the Claimant, as filed against the reply of the Respondent to the statement of claims. The matter is presently pending.

3. An arbitration case has been filed by Deecon India Private Limited ("**Claimant**") against our Subsidiary ("**Respondent**") before the sole arbitrator ("**Sole Arbitrator**"). The matter relates to construction of a 27 km border fencing/link road along Indo-Bangladesh border in the State of Mizoram from BP no. 2343 to 2346/144 of 3594 meters ("**Work**") pursuant to a notice inviting tender bearing number 799935/D/MZ-5/6/4231/IBBF/1629 dated February 20, 2006 ("**Tender**") issued by the Respondent. Pursuant to the Tender, the Claimant was declared as the successful bidder and was awarded the Tender *vide* the letter of award dated March 03, 2006. Thereafter, work order was issued to the Claimant under which a dispute arose between the Claimant and the Respondent for various reasons such as delay in handling construction site, obstruction of local villagers, irregular payments of bills, monsoon, wrong estimates, failure to engage sufficient manpower, material and machinery, unprofessional behavior of Claimant. The Claimant invoked arbitration by filing the statement of claim dated April 11, 2015 before the Sole Arbitrator, claiming a total amount of ₹ 78.53 million (excluding applicable interest amount and loss of profit) and the cost of arbitration. The Respondent has filed the statement of defense, denying the allegations of the Claimant along with statement of counter claim wherein it has been *inter-alia* prayed to direct the claimant to pay a sum amounting to ₹ 16.52 million along with an interest calculated at the rate of 18% per annum and the cost of arbitration. The Respondent has also filed an application dated

January 6, 2022, before the Hon'ble Arbitral Tribunal comprising of the Sole Arbitrator ("**Application**") for passing appropriate order for accepting the Application and to expunge such portions of the reply as appearing from certain paragraphs and appearing elsewhere in the reply which have been used by the Claimant against the counter claims of the Respondent, where the Claimant allegedly relies towards the facts along with the grounds mentioned in the preliminary submissions of the rejoinder affidavit of the Claimant, as filed against the reply of the Respondent to the statement of claims. The matter is presently pending.

4. An arbitration case has been filed by Deecon India Private Limited ("**Claimant**") against our Subsidiary ("**Respondent"**) before the sole arbitrator ("**Sole Arbitrator**"). The matter relates to construction of a border fencing/link road along Indo-Bangladesh border in the State of Mizoram from BP no. 2350 to 2364 (channel nos. 21.00 km to 28.00 km) ("**Work")** pursuant to a notice inviting tender bearing number 70064/BF//NIT/FENCING/1095 dated December 26, 2006 ("**Tender**") issued by the Respondent. Pursuant to the Tender, the Claimant was declared as the successful bidder and was awarded the Tender *vide* the letter of award dated March 12, 2007. Thereafter, work was allotted to the Claimant *vide* work order no. 06/147/IBBF/1996 dated November 10, 2007 ("**Work Order**"). A dispute arose between the Claimant and the Respondent for various reasons such as delay in handling construction site, obstruction of local villagers, irregular payments of bills, monsoon, wrong estimates, failure to engage sufficient manpower, material and machinery, unprofessional behavior of Claimant and the Respondent terminated the Agreement *vide* letter dated May 15, 2015. The Claimant invoked arbitration under the Work Order by filing the statement of claim dated April 2, 2015 before the Arbitrator claiming a total amount of ₹ 37.24 million (excluding applicable interest amount and loss of profit)) and the cost of arbitration. The Respondent has filed the statement of defense, denying the allegations of the Claimant along with statement of counter claim wherein it has been *inter-alia* prayed to direct the claimant to pay a sum amounting to ₹ 20.50 million (approx.) along with an interest calculated at the rate of 18% per annum and the cost of arbitration. The Respondent has also filed an application dated January 28, 2022 before the Hon'ble Arbitral Tribunal comprising of the Sole Arbitrator ("**Application**") for passing appropriate order for accepting the Application and to expunge such portions of the reply as appearing from certain paragraphs and appearing elsewhere in the reply which have been used by the Claimant against the counter claims of the Respondent, where the Claimant allegedly relies towards the facts along with the grounds mentioned in the preliminary submissions of the rejoinder affidavit of the Claimant, as filed against the reply of the Respondent to the statement of claims. The matter is presently pending.

5. An arbitration case has been filed by Deecon India Private Limited ("**Claimant**") against our Subsidiary ("**Respondent**") before the sole arbitrator ("**Sole Arbitrator**"). The matter relates to construction of a border fencing/link road along Indo-Bangladesh border in the State of Mizoram from BP no. 2348 to 2349 ("**Work**") pursuant to a notice inviting tender bearing number70064/BF/NIT/FENCING/1078 dated December 23, 2006 ("**Tender**") issued by the Respondent. Pursuant to the Tender, the Claimant was declared as the successful bidder and was awarded the Tender *vide* the letter of award dated March 12, 2007. Thereafter, work was allotted to the Claimant *vide* work order no. 05/123/IBBF/1003 dated July 19, 2007 ("**Work Order**"). A dispute arose between the Claimant and the Respondent for various reasons such as delay in handling construction site, obstruction of local villagers, irregular payments of bills, monsoon, wrong estimates, failure to engage sufficient manpower, material and machinery, unprofessional behavior of Claimant. The Claimant invoked arbitration under the Work Order by filing the statement of claim dated March 18, 2015 before the Sole Arbitrator claiming a total amount of ₹ 16.52 million (excluding applicable interest amount and loss of profit). The Respondent has filed the statement of defense, denying the allegations of the Claimant along with statement of counter claim wherein it has been *inter-alia* prayed to direct the claimant to pay a sum amounting to ₹ 15.77 million along with an interest calculated at the rate of 18% per annum and the cost of arbitration. The Respondent has also filed an application dated January 6, 2022 before the Hon'ble Arbitral Tribunal comprising of the Sole Arbitrator ("**Application**") for passing appropriate order for accepting the Application and to expunge such portions of the reply as appearing from certain paragraphs and appearing elsewhere in the reply which have been used by the Claimant against the counter claims of the Respondent, where the Claimant allegedly relies towards the facts along with the grounds mentioned in the preliminary submissions of the rejoinder affidavit of the Claimant, as filed against the reply of the Respondent to the statement of claims. The matter is presently pending.

6. An arbitration case has been filed by Deecon India Private Limited ("**Claimant**") against our Subsidiary ("**Respondent**") before the sole arbitrator ("**Sole Arbitrator**"). The matter relates to construction of a border fencing/link road along Indo-Bangladesh Border in the State of Mizoram from BP no. 2350 to 2364 ("**Work**") pursuant to a notice inviting tender bearing number 70064/BF/NIT/FENCING/1074 dated December 23, 2006 ("**Tender**") issued by the Respondent. Pursuant to the Tender, the Claimant was declared as the successful bidder and was awarded the Tender *vide* the letter of award dated March 12, 2007. Thereafter, work was allotted to the Claimant *vide* work order no. 06/146/IBBF/1994 dated November 10, 2007 ("**Work Order**"). A dispute arose between the Claimant and the Respondent for

various reasons such as delay in handling construction site, obstruction of local villagers, irregular payments of bills, monsoon, wrong estimates, failure to engage sufficient manpower, material and machinery, unprofessional behavior of Claimant. The Claimant invoked arbitration under the Work Order read with general conditions of contract of the Tender by filing the statement of claim dated March 18, 2015 before the Sole Arbitrator claiming a total amount of ₹ 56.18 million (excluding applicable interest amount and loss of profit) and the cost of arbitration. The Respondent has filed the statement of defense, denying the allegations of the Claimant along with statement of counter claim wherein it has been *inter-alia* prayed to direct the claimant to pay a sum amounting to ₹ 31.77 million along with an interest calculated at the rate of 18% per annum and the cost of arbitration. The Respondent has also filed an application dated January 6, 2022 before the Hon'ble Arbitral Tribunal comprising of the Sole Arbitrator ("**Application**") for passing appropriate order for accepting the Application and to expunge such portions of the reply as appearing from certain paragraphs and appearing elsewhere in the reply which have been used by the Claimant against the counter claims of the Respondent, where the Claimant allegedly relies towards the facts along with the grounds mentioned in the preliminary submissions of the rejoinder affidavit of the Claimant, as filed against the reply of the Respondent to the statement of claims. The matter is presently pending.

7. An arbitration case has been filed by Deecon India Private Limited ("**Claimant**") against our Subsidiary ("**Respondent**") before the sole arbitrator ("**Sole Arbitrator**"). The matter relates to construction of a border fencing/link road along Indo-Bangladesh Border in the State of Mizoram from BP no. 2338 to 2340 ("**Work**") pursuant to a notice inviting tender bearing number 70064/BF/NIT/FENCING/09/720 dated August 26, 2005 ("**Tender**") issued by the Respondent. Pursuant to the Tender, the Claimant was declared as the successful bidder and was awarded the Tender *vide* the letter of award dated September 26, 2005. Thereafter, work was allotted to the Claimant *vide* work order no. 117/2917/BF/1051 dated October 20, 2005 ("**Work Order**). A dispute arose between the Claimant and the Respondent for various reasons such as delay in handling construction site, obstruction of local villagers, irregular payments of bills, monsoon, wrong estimates, failure to engage sufficient manpower, material and machinery, unprofessional behavior of Claimant. The Claimant invoked arbitration clause under the Work Order read with general conditions of contract of the Tender, by filing the statement of claim dated March 17, 2015 before the Sole Arbitrator claiming a total amount of ₹ 69.24 million (excluding applicable interest amount and loss of profit) and the cost of arbitration. The Respondent has filed the statement of defense, denying the allegations of the Claimant along with statement of counter claim wherein it has been *inter-alia* prayed to direct the claimant to pay a sum amounting to ₹ 17.23 million along with an interest calculated at the rate of 18% per annum and the cost of arbitration. The Respondent has also filed an application dated January 28, 2022 before the Hon'ble Arbitral Tribunal comprising of the Sole Arbitrator ("**Application**") for passing appropriate order for accepting the Application and to expunge such portions of the reply as appearing from certain paragraphs and appearing elsewhere in the reply which have been used by the Claimant against the counter claims of the Respondent, where the Claimant allegedly relies towards the facts along with the grounds mentioned in the preliminary submissions of the rejoinder affidavit of the Claimant, as filed against the reply of the Respondent to the statement of claims. The matter is presently pending.

8. An arbitration proceeding has been initiated by P. Mukherjee & Co. ("**Claimant**") against our Subsidiary ("**Respondent**") before the sole arbitrator ("**Sole Arbitrator**"). The matter relates to the execution of earthwork in widening embankment, cutting side drains, minor bridge approaches and level crossing approaches, platform trolley way refuges etc. and bridge work from Chainage 77000 to 87500 meters in connection with gauge conversion between Bankura-Rainnagar (Section -XIV) of S. E. Railway in terms of the letter of intent no. 700025/BR/SER/48 dated April 4, 2003 ("**Work Order**") which was awarded to the Claimant by the Respondent pursuant to an agreement dated April 8, 2004. A dispute arose between the Claimant and the Respondent due to non-completion of work and rescission of contract relating to the work. The Claimant filed its first statement of claims on July 09, 2012 claiming an amount of ₹ 21. 35 million plus interest and costs. In reply, the Respondent filed its statement of defence and counter claims on September 18, 2012. Thereafter, the Claimant filed its reply to the statement of defence and counter claim on May 12, 2013. The matter is presently pending.

9. A suit for recovery bearing number CS (Comm.) 854/2016 ("**Suit**") has been filed by Reacon Engineering (India) Private Limited ("**Plaintiff**") against our Subsidiary ("**Defendant**") and Another before the Hon'ble High Court of Delhi ("**High Court**"). The matter relates to construction of EWS housing and related development works at Nirjuli, Itanagar, Arunachal Pradesh for Urban Development and Housing Department, Government of Arunachal Pradesh under the Jawaharlal Nehru National Urban Renewal Mission ("**Work**") pursuant to a notice inviting tender ("**Tender**") issued by the Defendant. Pursuant to the Tender, the Plaintiff submitted the bid and was awarded the Work *vide* letter of award bearing number 799779/B/JNNURM (Ar.P)/738 dated February 28, 2011. Thereafter, an agreement dated May 7, 2011 was executed between the Plaintiff and Defendant for the aforesaid Work. A dispute arose between the Plaintiff and the Defendant on account of various reasons such as non-payment of dues, failure to provide

approach road, failure to handover hindrances free site, failure to provide detailed drawings for execution of the work, delay in release of payment of running account bills, change in scope of work, failure to mobilize sufficient resources, failure in timely completion of work etc., and the Defendant terminated the Agreement *vide* its letter dated July 13, 2016. Aggrieved by the action of the Defendant, the Plaintiff filed the present Suit for recovery of a total amount of ₹ 97.50 million (amount calculated for the period up to June 30, 2016) along with an interest at the rate of 18 % per annum, *pendente lite* and further costs. The Defendant has filed the written statement dated March 4, 2017 refuting all the allegations of the Plaintiff and requested for dismissal of the present Suit. The matter is presently pending.

10. An application bearing OMP (Comm.) number 171/2018 ("**Application**") under Section 34 of the Arbitration and Conciliation Act, 1996 ("**Act**") has been filed by Ishvakoo (India) Private Limited ("**Applicant**") against our Subsidiary ("**Respondent**") before the Hon'ble High Court of Delhi ("**High Court**") against the award dated December 5, 2017 ("**Impugned Award**") passed by a sole arbitrator ("**Sole Arbitrator**"). The matter relates to a work awarded by the Mission Management Board, Government of Uttar Pradesh ("**MMB**") to the Respondent for development of Taj Trapezium Zone ("**TTZ**") heritage corridor and TTZ traffic and transportation system (including relocation shifting of bus terminals from the core city) in Agra, Uttar Pradesh ("**Work**"). Prior to the award of work by MMB and as part of alleged pre-tender arrangement, the Applicant and the Respondent had entered into a memorandum of understanding dated August 16, 2002 ("**MoU**") and when MMB awarded the Work to the Respondent, the Respondent issued a letter of intent dated November 14, 2002 ("**LoI**") awarding the aforesaid Work to the Applicant. A dispute arose between the Applicant and the Respondent on account of non-payment of dues for the work done under MoU read with LoI, stoppage of work on the directions of the Government of Uttar Pradesh, existence or absence of a contract, alleged irregularities in obtaining the Work etc. and the matter was referred to the Sole Arbitrator for adjudication in terms of the MoU. The Applicant filed a statement of claim before the Sole Arbitrator claiming an amount of ₹ 166.40 million along with a direction to discharge the bank guarantees submitted by the Applicant in favour of the Respondent. The Sole Arbitrator *vide* the Impugned Award dated December 5, 2017 disallowed all the claims of the Applicant. The Applicant has prayed for setting aside the Impugned Award *vide* OMP 171/2018 before the Hon'ble High Court. The Respondent has filed its reply stating that the Sole Arbitrator has delivered a detailed and reasoned award and since the Applicant has failed to make out any ground for interference under the application under Section 34 of the Act therefore it is not open for the Hon'ble High Court to interfere with Impugned Award and has prayed for dismissal of the Application. In the aforesaid Application, an interim order dated September 20, 2018 has been passed by the Hon'ble High Court, wherein the Respondent is directed to release the bank guarantee amounting to ₹ 35.00 million ("**Claim Amount**") to the Applicant which was further challenged by the Respondent before the division bench, Hon'ble High Court through FAO(OS) Comm No. 271/2018 wherein *vide* order dated November 29, 2018, the Hon'ble High Court set aside the impugned order dated September 20, 2018. The Hon'ble High Court of Delhi passed a judgment dated April 5, 2019 directing the Respondent to deposit the Claim Amount with the registry of the Hon'ble High Court of Delhi within two weeks from the date of judgment and the Claim Amount shall be deposited in an interest-bearing fixed deposit with a nationalized bank ("**Impugned Judgment**"). In furtherance to the Impugned judgment, the Respondent filed a special leave to appeal bearing number 17235/2019 in the Hon'ble Supreme Court of India against the Impugned Judgment and order dated May 21, 2019 of AO(OS) (COMM) number 113/2019 passed by the Hon'ble High Court of Delhi, herein, the Hon'ble Supreme Court of India passed the order dated July 29, 2019, staying the operation/execution of the Impugned Judgment until further orders are passed by the Hon'ble Supreme Court of India. The matter is presently pending.

11. Royal Construction Company Private Limited ("**Appellant**") filed a civil appeal bearing no. 2528 of 2019 under Section 133 of the Constitution of India, before the Hon'ble Supreme Court of India against our Subsidiary ("**Respondent**") seeking to set aside the final judgement and order dated December 17, 2018 ("**Impugned Order 1**") passed by Learned Division Bench, High Court of Delhi ("**Division Bench**") in EFA (OS) 19/2017. The matter relates to project of Contract no. 4 of Al Edawiyah awarded by Government of Iraq ("**Employer**") to the Respondent for the contract value of Iraqi Dinars ("**ID**") 7,83,834 convertible to USD at the agreement rate of exchange 1 ID= 3.37778 USD. The Respondent *vide* the agreement dated June 29, 1982 ("**Original Agreement**") appointed the Appellant as sub-contractor/associate for executing a portion of the work to be carried out in Iraq (50% of drainage canal earthwork, irrigation canal earth work, road construction work, all approach roads and all works of temporary nature connected with bills drainage canal earthwork, irrigation canal earth work, road construction work) ("**Work**"). A dispute arose between the Appellant and the Respondent in relation to what should be the relevant date for conversion of the awarded ascertain the date of conversion of USD into INR. The Appellant invoked the arbitration clause and a sole arbitrator ("**Sole Arbitrator**") was appointed. The Sole Arbitrator *vide* its arbitral award dated August 10, 2002 ("**Impugned Award**") passed an award wherein the Respondent was directed to pay ID 223777.14 to the Appellant along with

12% interest p.a. from date of commencement of arbitration proceedings, i.e., September 26, 1988 up to date of payment and shall also pay ₹ 2.00 million with 12% interest from the date of encashment of bank guarantee up to the date of payment. And the amount payable in ID shall be convertible to USD as per the Original Agreement and all payments of settlement in foreign exchange shall be made as per Original Agreement and government rules. Thereafter, Respondent filed a petition under Section 34 of the Arbitration and Conciliation Act, 1996 before the Learned Single Judge, High Court of Delhi ("**Single Bench**") on November 08, 2002 challenging the Impugned Award. Single Bench *vide* its order ("**Section 34 Petition**") upheld the Impugned Award and dismissed the petition. The Respondent *vide* FAO (OS) No. 589/ 2009 challenged the Section 34 Petition before the Division Bench, High Court of Delhi ("**High Court**"), it was held by the High Court of Delhi *vide* its Impugned Order 3 that the rate of interest be changed from 12% p.a. was reduced to 6% p.a. and that the date of conversion should be one when the Impugned Award was announced. Further, the Respondent filed a review petition bearing no. 297/2014 ("**Review Petition**") in FAO (OS) no. 589/2009 before the Division Bench, High Court of Delhi challenging the Section 34 Petition. The High Court *vide* its order dated May 19, 2014 ("**Impugned Order 3**") while disposing the aforementioned FAO (OS) no. 589/2009 held that 35% payment to be made in ID and 65% to be made in USD, rate of interest be changed from 12% to 6% and the date of conversion from USD into Indian Rupees be the one when the Impugned Award was pronounced. The Hon'ble High Court *vide* its order dated September 19, 2014 ("**Impugned Order 4**") dismissed the Review Petition. Thereafter, the Respondent filed a special leave petition bearing SLP(C) no. 35841-35842/2014 ("**SLP**") under Article 136 of the Constitution of India before the Hon'ble Supreme Court of India challenging the Impugned Order 3 and Impugned Order 4. The Hon'ble Supreme Court of India *vide* its order dated February 24, 2015 ("**SC Order**") admitted and converted the SLP to civil appeal no. 2543-2544/2015, set aside the Impugned order 3 and Impugned Order 4 and ruled that the High Court erred in interfering with the arbitral award and it could not have changed the date of conversion, which would be as per the Original Agreement and that there is no justified reason to change the rate of interest and that the amount deposited shall be refunded to the Appellant. Meanwhile, the Appellant filed an execution petition bearing no. 131/2015 ("**Execution Petition**"), arising out of Impugned Award and the SC Order, before the single bench seeking issue of warrants of attachments for satisfaction of decretal amount of US$ 31,59,989.90 along with ₹ 8.60 million. The single bench *vide* its order dated May 26, 2017 ("**Impugned Order 5**") in Execution Petition held that for the purpose of conversion of USD to INR, the exchange rate prevalent on the date of the Original Agreement will be applicable. Thereafter, the Appellant filed an execution appeal bearing EFA (OS) no. 19/2017 in Execution Petition before the Hon'ble High Court against the Impugned Order 5. The Hon'ble High Court *vide* its order in EFA (OS) 19/2017 set aside the Impugned Order 5 and under Article 134A read with Article 133(1)(a) of the Constitution of India granted certificate to appeal to parties to approach the Hon'ble Supreme Court for seeking the direction on the substantial question of law i.e., in terms of the Original Agreement and in light of the SC Order, what should be the relevant date for conversion of the awarded sum from USD to INR. The matter is presently pending.

12. An arbitration proceeding has been initiated between Panchdeep Constructions Limited (the "**Claimant**") and our Subsidiary (the "**Respondent**") before a sole arbitrator ("**Sole Arbitrator**") as per the appointment by the Hon'ble High Court at Calcutta, pursuant to the invocation of the arbitration clause by the Claimant. The matter relates to an alleged dispute pertaining to the partial encashment of the bank guarantee ("**BG**") submitted by the Claimant in favour of the Respondent. The Indian Institute of Technology, Kharagpur ("**IIT**") had issued a notice inviting e-tender bearing no. NIT No. EZ/IITKGP/NIT/18-19/1466 dated February 5, 2019 with regard to planning, designing, construction and project management pertaining to the construction of a new indoor sports complex and food court at IIT (hereinafter referred to as "**Work**"). The Respondent entered into a preliminary agreement with IIT, wherein, the Respondent was awarded the Work (the "**Agreement**"). Pursuant to the aforesaid Agreement, the Respondent floated a tender ("**Tender**") for four times and on the fourth time the Tender inviting bids for the Work at IIT was successful. For the purpose of participating in the aforesaid Tender, the Claimant executed a joint bidding agreement and memorandum of understanding with Shiv Naresh Sports Private Limited on February 11, 2019 respectively, thereby, forming a joint venture under the name "*M/s Panchdeep Constructions Limited (JV)*". The Claimant participated in the aforesaid Tender and the bid was accepted by the Respondent. Accordingly, by a letter no. EZ/IITKGP/LOA/1677 dated March 5, 2019, addressed to the Claimant a letter of intent ("**LOI**") for the said Work and required the Claimant to deposit ₹ 25.00 million in the form of bank guarantee ("**BG**") towards initial performance guarantee, within fifteen (15) days from the date of the aforesaid LOI. Subsequent to furnishing the aforesaid BG the Respondent by its letter No. EZ/IITKGP/LOI/1818 dated March 29, 2019, addressed to the Claimant's joint venture a letter of award for the Work ("**LOA**"). During the execution of the said Agreement, IIT terminated the said Work *vide* letter dated October 25, 2019 and further, they purportedly invoked the bank guarantee issued, to the tune of ₹ 13.60 million, as submitted by the Respondent for the said Work. Due to extreme lack of inadequacy in mobilization of work and further due to utmost inefficiencies and improper conduct of the M/s. Panchdeep Constructions Limited (JV) and Shiv Naresh

Sports Private Limited, the IIT immediately explored the possibility of termination of the contract between the Respondent and Panchadeep Shiv Naresh, a joint Venture and the encashment of the bank guarantee as submitted by the Claimant amounting to ₹ 25.00 million. The Subsidiary terminated the said Agreement *vide* letter correspondence dated August 17, 2020, and also partially encashed the BG for an amount of ₹ 13.60 million, keeping in view of the financial involvement and the remaining amount which has not been encashed is still continuing as part BG having a claim period till September 12, 2020. The encashed amount of ₹ 13.60 million, as approved, has been kept in a fixed deposit. Subsequently, the Claimant initiated numerous unsuccessful proceedings before different courts for the refund of the BG. Therefore, the Claimant invoked the arbitration clause and filed the statement of claims amounting to ₹ 32.79 million. The matter is presently pending.

13. J.K. Constructions ("**Claimant**") had initiated an arbitration proceeding against our Subsidiary ("**Respondent**") before the sole arbitrator ("**Sole Arbitrator**") in Karnataka, Bangalore. The matter relates to a dispute between the parties on account of the work not being initiated in time, the progress being really slow in progress and the Claimant has alleged that they were vehemently prevented from completing the work and as such, could not complete the work in time, basis the various letter correspondences between the Claimant and the Respondent. The Respondent was awarded with the work relating to the construction of the Aqeduct cum road bridge across river Vinatheyam at Gannavaram, East Godavari District, Andhra Pradesh consisting of 34 spans of bridge of 14 meters each with an-approximate length of 476 meters, including left abutment work by the Irrigation Department of the Government of Andhra Pradesh ("**Irrigation Department**") ("**Project**") *vide* an agreement. The Respondent employed the Claimant in the capacity of a sub-contractor for the execution of the Project. It was agreed between the Respondent and the Irrigation Department that the supply of cement, steel and other aided materials which shall form part of the construction work, shall be provided by the Irrigation Department. The Claimant furnished a bank guarantee dated September 22, 1993 for an amount of ₹ 0.05 million. Under the terms of the agreement between the Respondent and the Claimant, it was mentioned that the Claimant shall have to commence the Project work from the date of the Agreement and complete the same by May 25, 1996 and the payments to the Claimant shall be made post realization of the same by the Respondent from the Irrigation Department. Subsequently, the Irrigation Department adjusted an amount of ₹ 90.00 million from the account of the Respondent lying with the Irrigation Department towards the additional expenditure which was incurred for the work pertaining to the Project and basis the same, the Respondent duly deducted the net amount payable towards the final bill and the security deposit. The Claimant filed statement of claims dated December 27, 2001 amounting to ₹ 13.20 million and the Respondent filed its reply along with counter claims dated January 28, 2004 amounting to ₹ 67.10 million. The matter is present pending.

14. P.L. Raju Construction Limited (the "**Claimant**") initiated arbitration proceedings against our Subsidiary (the "**Respondent**") before a sole arbitrator ("**Sole Arbitrator**"). The matter relates to a dispute arising out of the contract for the work of construction of food grains godowns for the Food Corporation of India at Cherlapalli in Hyderabad executed agreement dated May 10, 1985. The Claimant after submitted their bid for the works at Cherlapalli, was awarded the work *vide* letter of intent dated November 25, 1984 under letter no. 105319 ("**LOI**"). The Sole Arbitrator made and published an award dated December 1, 1994, awarding ₹ 5.30 million in favour of the Claimant ("**Award**"). In addition to the Award, the Sole Arbitrator also awarded interest @ 16% p.a. on the principal amount with effect from December 1, 1987 till April 2, 1993 and further an interest @ 16% p.a. from April 2, 1993 up to the date of decree. Our Subsidiary, being aggrieved by the Award, filed objection petition bearing O.P No. 2806 of 2003 before the City Civil Court, Hyderabad ("**City Civil Court**") and in furtherance, the Claimant filed an application before the same court bearing O.S No. 249 of 1999 for making the Award. The City Civil Court, by a common judgment dated April 13, 2006 decreed the suit in O.S. 249 of 1999 and rejected the objections preferred by the Respondent in O.P. 2806 of 2003. Further, *pendent lite* interest @ 6% per annum was ordered in favour of the Claimant from the date of filing of the petition ("**said Order**"). The Respondent subsequently challenged the said Order before the Hon'ble High Court of Andhra Pradesh wherein the said Order was stayed and, in the process, the Respondent deposited ₹ 40.70 million on May 31, 2008. However, the said appeal was rejected and the Respondent preferred a Special Leave Petition ("**SLP**") before the Hon'ble Supreme Court of India. Initially, the Hon'ble Supreme Court of India admitted the SLP and directed the Respondent to deposit ₹ 2.00 million. Subsequently, the said SLP was also rejected. The Claimant, thereafter, filed an execution petition bearing no. 2067 of 2019 before the City Civil Court wherein the Respondent has filed the reply to the execution petition. The matter is presently pending.

15. Ghaziabad Mech Fab Private Limited (the "**Petitioner**") has filed a writ petition bearing no. WP/9696/2021 before the Hon'ble High Court of Madhya Pradesh, Principal Seat at Jabalpur ("**Hon'ble High Court**") against our Subsidiary (the "**Respondent**") and others. The matter relates to a dispute for non-payment of dues by the Respondent. A notice inviting tender no. 799470/B/IGNTU/CM/2015-16/36 dated January 6, 2016 was issued by the Respondent for the construction of faculty of commerce and

management building for Indra Gandhi National Tribal University ("**IGNTU**"), Amarkantak (the "**Project**"). The Respondent issued a letter of intent *vide* no. 799470/B/IGNTU/CM/881 dated April 6, 2016 (the "**LOI**") to the Petitioner for authorizing and initiating the Project. Thereafter, *vide* letter no. W.O. 799470/B/IGNTU/CM/2016-2017/04 dated June 28, 2016, the Respondent issued a detailed work order to the Petitioner and an agreement bearing no. 799470/B/CM/2016-17 dated April 28, 2016. The Project was completed by the Petitioner on October 15, 2017 and the performance report was also issued by the Respondent *vide* letter dated BZO/IGNTU/Project/2019/107 dated July 3, 2019 for an amount of ₹ 286.16 million. The completion certificate was issued by the Respondent. Various reminders were sent by the Petitioner for the realization of payment of dues. Further, the Petitioner has claimed to have completed the defect liability period of the Project. The Petitioner has also claimed that post completion of the Project, several reminders and notices were sent by the Petitioner, whereby they have claimed that an amount of ₹ 21.69 million is still pending with the Respondent and IGNTU towards the 28th RA Bill dated August 1, 2018 and the final bill dated October 12, 2019. The Petitioner has prayed for the release of ₹ 21.69 million along with interest rate @ 12% per annum. The matter is presently pending.

16. Ranchi Design and Consultancy Services Private Limited ("**Claimant**") initiated arbitration proceedings against our Subsidiary ("**Respondent**") before a sole arbitrator ("**Sole Arbitrator**"). The matter is regarding preparation of detailed project reports for construction / upgradation of rural road under the Pradhan Mantri Gram Sadak Yojna works in various districts in the State of Bihar. A dispute relating to non-payment of the 15% due amounts was taken up by the Claimant for arbitration, the arbitration proceedings were terminated after the termination of the arbitration proceedings, the Claimant approached and filed applications in the Jharkhand Micro and Small Enterprises Facilitation Council ("**JMSEFC**") against the work orders, the JMSEFC, Ranchi *vide* separate orders dated February 18, 2022 for both applications decided in favour of the Claimant that the claims amounting to ₹ 1.63 million and ₹ 2.38 million, respectively of the Respondent were allowed along with interest @ 3 times of the bank rate notified by the RBI after forty five (45) days of submission of bill, compounded with monthly rest till realization of payment. Further, a direction was passed to the Claimant for computation of interest by a chartered accountant / cost accountant within thirty (30) days from the date of receipt of the said order. The said orders were received by the Respondent along with calculation sheet amounting to (1) ₹ 15.17 million and (2) ₹ 19.74 million. The matter is presently pending.

17. J.R. Construction ("**Plaintiff**") has filed a money suit bearing no. 14/2016 before the Senior Civil Judge, Lawngtlai against our Subsidiary ("**Defendant**"). The matter is in relation to the construction of border fencing along Indo- Bangladesh border in the State of Mizoram between BP No. 2350 to 2364 (Ch. 42.00 to 49.00 km) ("**Project**") awarded by the Ministry of Home Affairs ("**Client**") to our Subsidiary. The Defendant, awarded the work for completion of the Project *vide* work order memo no. 6/133/IBBF/933; LOA No. 70064/IBBF/1676 dated March 10, 2007 for an amount aggregating to ₹ 108.50 million to the Plaintiff. An agreement dated July 11, 2007 was entered between the Plaintiff and the Defendant ("**Agreement**") wherein the Project was awarded to the Plaintiff and the terms of the execution of work was detailed in the said Agreement. During the pendency of the Project and due to the slow progress in work of the Project, the Defendant sent out several letters to the Plaintiff for deploying sufficient manpower, material etc. at the Project site. Following which, the Plaintiff further authorized Manglaia Khuhly and resumed the construction at the Project. Following the delays, the Defendant terminated the Project on February 12, 2016. The Plaintiff have filed claims of outstanding dues of ₹ 13.21 million from the Defendant. The matter is presently pending.

18. Interstate Construction Company ("**Claimant**") has initiated an arbitration proceeding against our Subsidiary ("**Respondent**") before a sole arbitrator ("**Sole Arbitrator**") under Section 34 of the Arbitration and Conciliation Act, 1996. The matter relates to the work of excavation for foundation package works, Stage-II (3x500 MW) of NTPC / Ramagundam Thermal Power Project, Ramagundam ("**Project**") which was awarded to the Respondent and the Respondent further sublet the contract to the Claimant *vide* work order No. 47/11 and work order no.48/4 in the year 1984. The Claimant claimed an amount of ₹ 44.62 million along with *pendent-elite* and future interest @ 24% per annum till the final realization of the said amount. The Sole Arbitrator announced the arbitral award dated October 28, 2020 in favour of the Claimant, directing the Respondent to make a payment of ₹ 3.40 million along with past period interest @ 18% on ₹ 3.40 million from July 1987 to January 19, 1998, *pendente lite* interest @ 12% pa w.e.f. January 20, 1998 till December 31, 2008 on the total amount (i.e. principal amount and the amount of interest of the pre-reference/past period) and @ 12% per annum w.e.f. January 1, 2017 till the date of the award i.e. October 28, 2020 on the total amount (i.e. principal amount and the amount of interest of the pre-reference/past period) as well as all future interest @ 18% per annum from the date of the award till the date of payment on the total amount (i.e. principal amount and the amount of interest of the pre-reference/past period) ("**Arbitral Award**"). The Respondent has now challenged the said Arbitral Award at the Hon'ble High Court of Delhi ("**High Court**") and *vide* order dated August 2, 2021 passed by the Hon'ble High Court ("**Impugned Judgment**") has reduced the future interest from 18% to 9% to be paid from the date of the Arbitral Award till the date of the payment, however, the remaining

interest portion i.e. the pre-reference and the *pendente lite* was not modified. The Respondent filed a further appeal. The Hon'ble High Court *vide* order dated February 18, 2022 directed the Respondent to deposit the entire modified award as per the Impugned Judgment within four (4) weeks from the date of the order dated February 18, 2022. The matter is presently pending. The Hon'ble High Court *vide* order dated February 18, 2022 directed the Respondent to deposit the entire modified award as per the Impugned Judgment with the Registry of the Hon'ble High Court ("**Registry**") within 4 weeks from the date of the order dated February 18, 2022. It was further directed to the Registry to invest the amount in an interest-bearing fixed deposit, maintained with a nationalized bank. The matter is presently pending.

19. Suprada Constructions Private Limited ("**Petitioner**") has filed a civil miscellaneous petition bearing number 197/2018 ("**Civil Petition**") under Sections 11 (5) and (6) of the Arbitration and Conciliation Act, 1996 ("**Act**") against our Subsidiary ("**Respondent** ") and others before the Hon'ble High Court of Karnataka at Bengaluru ("**High Court**") for the appointment of the arbitrator on the basis of the order passed by the Hon'ble High Court in a writ petition matter bearing number 14566/2013 ("**Writ Petition**"). The dispute relates to the undue delay in the handing over of the site for the execution of the work by the Respondent and the unprecedented escalation in the cost of construction materials like steel, cement, sand, jelly-kallu etc., amounting to ₹ 35.00 million, post the completion of the work in all aspects by the Petitioner. The Petitioner filed the Writ Petition for issuance of directions to the Respondent for settlement of the payment dues. A notice dated November 15, 2017 was issued by the Petitioner to the Respondents for the payment of ₹ 26.00 million along with interest ("**Claim Amount**"), wherein the Respondent 3 admitted the claims of the Petitioner. The other Respondents provided their reply claiming that no direct liability lies with regards to the Claim Amount of the Petitioner and the present Civil Petition was filed by the Petitioner. The matter is presently pending.

***(c) Actions by Statutory and Regulatory Authorities***

Nil

***(d) Tax proceedings***

***Direct Tax proceedings***

| S. No. | Type of Direct Tax | Number of cases | Approximate amount in dispute / demanded (in ₹ million) |
|---|---|---|---|
| 1. | Income Tax | 10 | 2616.27 |
| **Total** | | **10** | **2616.27** |

***Indirect Tax proceedings***

| S. No. | Type of Indirect Tax | Number of cases | Approximate amount in dispute/ demanded (in ₹ million) |
|---|---|---|---|
| 1. | Customs | Nil | Nil |
| 2. | Service Tax | 5 | 134.39 |
| 3. | Sales Tax / VAT | 9 | 53.72 |
| 4. | Central Excise | Nil | Nil |
| 5. | Goods & Service Tax | Nil | Nil |
| **Total** | | **14** | **188.11** |

**Approximate amount in dispute includes penalty and applicable interest.*

**A. Litigations by our Subsidiary**

***(a) Criminal Complaints***

1. A first information report bearing number FIR No 38/2017 ("**FIR**") has been filed on November 24, 2017 by Hari Ram, Ex-Project Manager, Latehar in our Subsidiary) ("**Complainant**") against Flexicon Engineers and Planners under Sections 409, 420 and 34 of the IPC, at the Mahuadanr Police Station. The matter relates to embezzlement involving government money in the construction of bridge under the Pradhan Mantri Gram Sadak Yojana in District Latehar, State of Jharkhand. The FIR has subsequently been enlisted as a case in the District Court Latehar bearing number G.R. No 853/2017. During the course of the proceedings, anticipatory bail applications were filed before the Hon'ble High Court of Jharkhand at Ranchi by the Suraj Nath Sahoo, ex deputy manager, Rajendra Pandey, ex senior manager and Nanoo Ram Tetarwal, ex Manager of our Subsidiary and they were granted bails by the Hon'ble High Court of Jharkhand at Ranchi *vide* orders dated July 23, 2019, August 28, 2020 and September 21, 2021,

respectively. The matter is presently pending.

2. A first information report bearing number FIR No 171/2017 ("**FIR**") has been lodged by Mr. Hari Ram, Ex-Project Manager, Latehar in our Subsidiary ("**Complainant**") against Flexicon Engineers and Planners under Sections 409,420 and 120B of the IPC, at the Balumath Police Station. The matter relates to embezzlement involving government money in the construction of bridge under the Pradhan Mantri Gram Sadak Yojana in District Latehar, State of Jharkhand. The FIR has subsequently been enlisted as a case in the District Court Latehar bearing number G.R. No 852/2017. During the course of the proceedings, anticipatory bail applications was filed by Kishor Kunal, partner of Flexicon Engineers and Planners before the Hon'ble High Court of Jharkhand at Ranchi and was granted bails by the Hon'ble High Court of Jharkhand at Ranchi pursuant to order dated August 05, 2021. The matter is presently pending.

3. A first information report bearing number FIR No 06/2017 ("**FIR**") has been lodged by Mr. Hari Ram, Ex-Project Manager, Latehar in our Subsidiary) ("**Complainant**") against Flexicon Engineers and Planners under Sections 409 of the IPC, at the Bareshar Police Station. The matter relates to embezzlement involving government money in the construction of bridge under the Pradhan Mantri Gram Sadak Yojana in District Latehar, State of Jharkhand. The FIR has subsequently been enlisted as a case in the District Court Latehar bearing number G.R. No 836/2017. During the course of the proceedings, anticipatory bail application was filed by Rajendra Pandey, ex senior manager of our Subsidiary and the same was granted bail by the Hon'ble High Court of Jharkhand at Ranchi vide orders dated July 14, 2021. The matter is presently pending.

4. A first information report bearing number FIR No. 0169/2021 ("**FIR**") has been filed on July 01, 2021 by in our Subsidiary) ("**Complainant**") against Shri Tirupati Construction Prop. Nitin Subhash Sharma ("**Defendant**") under Sections 420, 467,468 and 471 of the IPC, at the Crime Branch, Bhopal. The matter relates to provision of fake bank guarantees to the Complainant. The Complainant had allotted tenders vide (1) LOI Ref No. 336/DZ/ITI/Jabalpur/829 dated December 12, 2018, (2) LOI Ref No. 336/DZ/ITI/RIVA/830 dated December 12, 2018, (3) LOI Ref No. 336/DZ/ITI/Shehdol/826 dated December 12, 2018, (4) LOI Ref No. 336/DZ/ITI/Sagar/827 dated December 12, 2018 and work order no. 1641 dated September 20, 2018 and subsequently work order was issued by Complainant to Defendant against which bank guarantees to the tune of 5% of the value of the project were to be furnished by Defendant for the execution of construction of up-gradation of industrial training institute at Rewa. The contractor furnished bank guarantees Construction of ITI at Jabalpur, UBIN 07/2019-20/055409 dated August 22, 2019 (2) Construction of ITI at Sager, UBIN 08/2019-20/055410 dated August 22, 2019 (3) Construction of ITI at Shahdol, UBIN 09/2019-20/055412 dated August 22, 2019 (4) Construction of ITI at Rewa ALLA/DWB/ 2019-20/ 080028 dated August 08, 2019. On lapse of aforementioned bank guarantees further bank guarantees vide (1) UCO/GODENG/001879/04052021/1 dated May 04, 2021 (2) UCO/GODENG/001879/04052021/2 dated May 04, 2021 (3) UCO/GODENG/001879/04052021/3 dated May 04, 2021 were submitted by the contractor to the Complainant subsequently, the Complainant furnished the bank guarantees to the bank to ensure the authenticity of the furnished bank guarantees. Further, the bank vide their emails dated May 05, 2021 and May 06, 2021 denied issuance of any such guarantees. The matter is presently pending.

***(b) Civil Proceedings***

1. Our Subsidiary ("**Petitioner**") was awarded the work of development of Taj Trapezium Zone heritage corridor ("**Work**") and for the execution of the said Work, the State of Uttar Pradesh ("**Respondent**") released an amount of ₹ 170.00 million. The Respondent *vide* an order dated June 21, 2003 ("**Impugned Order**") directed the Petitioner to stop the said Work till further orders and withdrew all the money previously sanctioned for the Work by the Respondent. Being aggrieved by the said action of the Respondent and because of non-payment of dues by the Respondent for the embankment and other ancillary development work done by the Petitioner before the issuance of the Impugned Order, the Petitioner filed the present Writ Petition bearing number 3545/2003 praying for a direction in the nature of certiorari to quash the Impugned Order and for a writ or direction in the nature of mandamus directing the Respondent to release an amount of ₹ 200.00 million for the work done by the Petitioner before the issuance of the Impugned Order along with cost of litigation. The matter is presently pending.

2. Our Subsidiary ("**Applicant**") had issued a works contract for quarrying and transportation of rubble/spalls involving a quantity of 3,50,000 MT ("**Work**") to G. Janardhana Reddy and Co. ("**Respondent**"). The Respondent failed to work and supply rubble as envisaged in the work order, resulting which the Applicant terminated the work order. A dispute arose between the Applicant and the Respondent relating to non-execution of Work ("**Dispute**") wherein the Applicant claimed an amount of 3.05 million along with interest @ 24% per annum on the amount claimed under each claim from the

date the claims fell due for payment till the date of actual payment. The Sole Arbitrator passed an award ("**Impugned Award**") directing the Applicant to pay amount of ₹ 2.68 million along with interest @ 20% per annum from the date of the termination i.e. June 30, 1982 till date of realisation, whichever is earlier. Further, the Sole Arbitrator also imposed a cost of ₹ 0.07 million to be paid to the Respondent. Being aggrieved by the said Impugned Award, the Applicant filed an appeal bearing Arb. O.P. Number 23/2002 ("**Application**") under Section 34 of the Arbitration and Conciliation Act, 1996 before the Court of Principal Senior Civil Judge, Nellore, Andhra Pradesh ("**Civil Judge**") to set aside the Impugned Award. The Civil Judge *vide* its order dated November 16, 2009 dismissed the Application on the ground that the Applicant failed to make out a case for setting aside the Impugned Award, however the rate of interest was reduced to 18% per annum from 20% per annum and accordingly a decree was drawn up in favour of the Respondent. Thereafter, the Respondent filed an execution petition before the Civil Judge bearing EP no. 147 of 2011 under Order XXI, Rule 11(2) of CPC dated December 12, 2011 for execution of the order dated November 16, 2009 and the payment of total amount of ₹ 40 million. Being aggrieved by the Impugned Award, the Applicant has filed Civil Misc. Petition bearing number 1818 of 2010 in CMA 706 of 2010 under Section 151 of CPC before the Hon'ble High Court of Andhra Pradesh at Hyderabad ("**Hon'ble High Court**") praying to issue a stay execution of Impugned Award passed by a sole arbitrator. The Hon'ble High Court *vide* its order dated September 20, 2010 ("**Order**") granted interim stay of execution of the Impugned Award. The matter is presently pending.

3. Our Subsidiary ("**Appellant**") was awarded the work of construction of head race tunnel from Dharasu Adit Surge Shart Expension chamber ventilation shaft and excavation of penstocks and appurtenant thereof for Maneribhali Hydro Project Stage-II ("**Work**") by Government of Uttaranchal (now Government of Uttarakhand). Thereafter, Appellant entered into an agreement Shring Construction Company Pvt Ltd, a subcontractor ("**Respondent**") in relation to the execution of major portion of the Work. A dispute arose between parties regarding price escalation, security deposit and Respondent invoked arbitration clause and the High Court appointed the sole arbitrator ("**Sole Arbitrator**"). The Sole Arbitrator in his award dated January 6, 2014 ("**Impugned Award**") awarded the amount of ₹ 76.32 million (approx.), which was more than the amount claimed by the Respondent. Being aggrieved by the Impugned Award, the Appellant filed the petition bearing number 37/2014 ("**Arbitration Petition**") under Section 34 of the Act before the Additional District Judge seeking to set aside the Impugned Award. The District Judge *vide* Order dated July 20, 2019 ("**Order 1**") reduced the awarded amount to ₹ 23.80 million with interest @ 12% p.a. Being aggrieved, the Appellant has filed an appeal bearing number 553/2019 and 554/2019 under Section 37 of Arbitration and Conciliation Act, 1996 before the Hon'ble High Court of Uttarakhand ("**High Court**") against Order 1 which is pending as on date. During the pendency of Appeal, the Respondent filed execution proceedings bearing case no. 74/2018 ("**Execution Petition**") before the Court of District Judge, Dehradun for execution of Impugned Award and payment of decretal amount of ₹ 17.48 million (approx.) plus 18% interest calculated from May 21, 2018 till the date of payment. Thereafter, the Appellant in the Arbitration Petition approached the Additional District Judge praying for the stay of the Execution Petition. The Additional District Judge *vide* its order dated August 06, 2018 ("**Order 2**") stayed the Execution Petition on the condition that the Appellant will deposit 25% of the amount awarded in the Impugned Award. Thereafter, the Appellant filed an appeal bearing no. 388 of 2018 under Section 37(1)(b) of the Act before the Hon'ble High Court against the Order 2, praying to deposit 10% of the amount awarded in the Impugned Award. The Hon'ble High Court passed the order dated October 6, 2018 in the favour of the Appellant and stayed the Execution Petition till the disposal of the Arbitration Petition by the Additional District Judge. The present Execution Petition is presently pending.

4. Our Subsidiary ("**Appellant**") *vide* agreement dated June 29, 1982 ("**Original Agreement**") appointed Royal Construction Company ("**Respondent**") as sub-contractor/associate for executing a portion of the work to be carried out in Iraq (50% of (i) drainage canal earthwork, (ii) irrigation canal earth work and (iii) road construction work) ("**Work**"). The contract of Al Edawiyah awarded by Government of Iraq to the Appellant for the contract value of Iraqi Dinars ("**ID**") 7,83,834 convertible to USD at the agreement rate of exchange 1 ID= 3.377778 USD. A dispute arose between the parties in relation to security deposit, non- execution of work on time and the Respondent invoked the arbitration clause and a sole arbitrator was appointed. The Sole Arbitrator *vide* arbitral award dated August 10, 2002 ("**Impugned Award**") directed that the Appellant shall pay ID 223777.14 to the Respondent along with 12% interest p.a. from date of commencement of arbitration proceedings, i.e. September 26, 1988 up to date of payment and shall also pay ₹ 2.00 million with 12% interest from date of encashment of bank guarantee up to the date of payment. Further, the amount payable in ID shall be as per the terms of Original Agreement. Being aggrieved, the Appellant filed a petition under Section 34 of the Arbitration and Conciliation Act, 1996 before the Ld. Single Judge, High Court of Delhi ("**Single Bench**") on November 08, 2002 challenging the Impugned Award. Single Bench *vide* order dated May 26, 2008 ("**Order 1**") upheld the Impugned Award and dismissed the petition. Further, being aggrieved by the Order, the Appellant filed review petition bearing no. 297/2014 ("**Review Petition**") an appeal bearing no FAO (OS) no. 589/2009 before

the Division Bench, High Court of Delhi ("**Division Bench**") challenging the Order. The Division Bench *vide* its interim order dated November 26, 2009 directed the Appellant to deposit the principal amount. Further, in compliance of the order dated February 18, 2011 passed by the Division Bench, the Appellant deposited a total amount of ₹ 15.00 million ("**Total Deposit Amount**") comprising of principal amount of ₹ 11.50 million and ₹ 3.6 million. Thereafter, the Total Deposit Amount was released in favour of the Respondent *vide* orders dated January 6, 2012 and January 20, 2012 passed by the Division Bench. Further, the Division Bench *vide* its order dated May 19, 2014 ("**Order 2**"), allowed the appeal partially by reducing the interest rate from 12% to 6% and the date of conversion from US dollar into Indian Rupees as the date of the pronouncement of award. Being aggrieved by the Order 2, the Appellant filed review petition bearing no. 297/2014 before the Division Bench. However, the Division Bench *vide* order dated September 19, 2014 ("**Order 3**") upheld the Order 2 and dismissed the review petition. The Appellant also filed a civil appeal bearing number 2543-2544 of 2015 arising out of Special Leave Petition number 35841-35842 of 2014 before the Hon'ble Supreme Court of India ("**Supreme Court**"). However, vide order dated February 24, 2015, the Supreme Court had set aside the Order 2 and Order 3. The Appellant in the civil suit (comm) bearing number 188/2017 sought the declaration of Impugned Award as null, void and non-est in law on account of fraud, direction to refund Total Deposit Amount plus interest to the Appellant and permanent injunction restraining the Respondent to file execution petition in relation to Impugned Award. The Single Bench *vide* its order dated October 10, 2017 rejected the Civil Suit. The matter is presently pending.

5. Our Subsidiary was awarded the work for development of Taj Trapezium Zone ("**TTZ**") heritage corridor and TTZ traffic and transportation system (including relocation shifting of bus terminals (Taj Mahal bus stand, UPST bus stand, Idgah bus stand) from the core city) in Agra, Uttar Pradesh ("**Work**") by Government of Uttar Pradesh. Prior to the award of Work as part of alleged pre-tender arrangement, the our Subsidiary and Ishvakoo (India) Private Limited ("**IIPL**") had entered into a memorandum of understanding dated August 16, 2002 ("**MoU**") and when the said Work was awarded to our Subsidiary, our Subsidiary issued a letter of intent dated November 14, 2002 ("**LoI**") awarding the aforesaid Work to IIPL. Further, in accordance with the terms of MoU read with LoI, the IIPL submitted two bank guarantees amounting to a sum of ₹ 35.00 million (approx.) against the mobilization advances received from our Subsidiary. A dispute arose between the parties on account of non-payment of dues for the work done under MoU read with LoI, stoppage of work on the directions of the Government of Uttar Pradesh, existence or absence of a contract, alleged irregularities in obtaining the Work, etc. and IIPL invoked arbitration terms of clause 12 of the MoU. The Sole Arbitrator *vide* the award dated December 5, 2017 ("**Award**") disallowed all the claims of the applicant. Being aggrieved by the Award, the IIPL filed an application bearing OMP (Comm.) number 171/2018 under Section 34 of the Arbitration and Conciliation Act, 1996 ("**Act**") along with an application under Section 151 of CPC before the Single Judge Hon'ble High Court of Delhi ("**Single Judge**"). The Single Judge *vide* orders dated September 20, 2018 and October 30, 2018 ("**Orders**"), directed the our Subsidiary to remit the amount equivalent to the bank guarantees ("**Amount of BG**") to the Respondent. Aggrieved by the said Orders, our Subsidiary filed an appeal before the Division Bench of the Hon'ble High Court ("**Division Bench**"). The Division Bench *vide* its order dated November 29, 2018 set aside the Orders and remitted the matter back to the Single Judge with a liberty to IIPL to file a fresh petition under Section 9 of the Act. Subsequently, IIPL filed a petition under Section 9 of the Act praying for a direction to the Subsidiary to return the Amount of BG along with interest at the rate 18% per annum. The Single Judge *vide* its order dated April 5, 2019 ("**Single Judge Order**"), directed our Subsidiary to deposit the Amount of BG with the registry of the Hon'ble High Court of Delhi. Being aggrieved, our Subsidiary challenged the Single Judge Order before the Division Bench. The Division Bench *vide* order dated May 21, 2019 ("**the Impugned Order**") confirmed the Single Judge Order. Being aggrieved by the Impugned Order, our Subsidiary filed the special leave petition bearing civil number 17235/2019 praying for direction to set aside the Impugned Order. The Hon'ble Supreme Court *vide* its order dated July 29, 2019 had put a stay on the Impugned Order. The matter is presently pending.

6. Our Subsidiary ("**Appellant**") has filed a civil appeal bearing no. 1991/2019 ("**Civil Appeal**") under Article 134A read with Article 133 (1)(a) of the Constitution of India before the Hon'ble Supreme Court of India ("**Supreme Court**") seeking to set aside the order dated December 17, 2018 ("**Impugned Order 1**") passed by Ld. Division Bench, High Court of Delhi ("**Division Bench**") in EFA (OS) 19/2017. The Appellant, in the Civil Appeal, is seeking to fix the date of conversion as on the date of the agreement dated June 29, 1982 ("**Original Agreement**") for all currencies. The matter relates to contract no. 4 of Al Edawiyah awarded by Government of Iraq ("**Employer**") to the Appellant for the contract value of Iraqi Dinars ("**ID**") 7,83,834 convertible to USD at the agreement rate of exchange 1 ID= 3.377778 USD. The Appellant *vide* Original Agreement appointed Royal Construction Company ("**Respondent**") as sub-contractor/associate for executing a portion of the work to be carried out in Iraq (50% of drainage canal earthwork, irrigation canal earth work, road construction work, all approach roads and all works of temporary nature connected with bills drainage canal earthwork, irrigation canal earth work, road

construction work) ("**Work**"). A dispute arose between the Appellant and the Respondent in relation to security deposit, non- execution of work on time. The Respondent invoked the arbitration clause and a sole arbitrator ("**Sole Arbitrator**") was appointed. The Sole Arbitrator *vide* its arbitral award dated August 10, 2002 ("**Impugned Award**") awarded that Appellant shall pay ID 223777.14 to the Respondent along with 12% interest p.a. from date of commencement of arbitration proceedings, i.e. September 26, 1988 up to date of payment and shall also pay ₹ 2.00 million with 12% interest from date of encashment of bank guarantee up to the date of payment. And the amount payable in ID shall be convertible to USD as per the Original Agreement and all payments of settlement in foreign exchange shall be made as per Original Agreement and government rules. Thereafter, Appellant filed a petition under Section 34 of the Arbitration and Conciliation Act, 1996 before the Ld. Single Judge, High Court of Delhi ("**Single Bench**") on November 08, 2002 challenging the Impugned Award. Single Bench *vide* its order dated May 26, 2008 ("**Order**") upheld the Impugned Award and dismissed the petition. Further, Appellant filed review petition bearing no. 297/2014 ("**Review Petition**") in FAO (OS) no. 589/2009 before the Division Bench challenging the Order. The Division Bench *vide* its interim order dated November 26, 2009 directed Appellant to deposit the principal amount. Pursuant to the said order, the Appellant deposited total amount of ₹ 15 million ("**Total Deposit Amount**") comprising of principal amount of ₹ 11.5 million (approx.) ("**Deposit Amount 1**") and ₹ 3.5 million (approx.) ("**Deposit Amount 2**") in compliance of the order dated February 18, 2011 passed by the Division Bench. Thereafter, the Total Deposit Amount was released in favour of the Respondent *vide* orders dated January 06, 2012 and January 20, 2012 passed by the Division Bench. Further, the Division Bench *vide* its order dated May 19, 2014 ("**Impugned Order 3**") while disposing the aforementioned FAO (OS) no. 589/2009 held that 35% payment to be made in ID and 65% to be made in USD, rate of interest be changed from 12% to 6% and the date of conversion be the one when the Impugned Award was pronounced. The Division Bench *vide* its order dated September 19, 2014 ("**Impugned Order 4**") dismissed the Review Petition. Thereafter, the Appellant filed a special leave petition bearing SLP(C) no. 35841/2014 ("**SLP**") under Article 136 of the Constitution of India before the Hon'ble Supreme Court challenging the Impugned Order 3 and Impugned Order 4. The Hon'ble Supreme Court *vide* its order dated February 24, 2015 ("**SC Order**") admitted and converted the SLP to civil appeal no. 2543-44/2015, set aside the Impugned order 3 and Impugned Order 4 and ruled that the Division Bench erred in interfering with the arbitral award and it could not have changed the date of conversion, which would be as per the Original Agreement and that there is no justified reason to change the rate of interest and that the amount deposited shall be refunded to the Appellant. The Single Bench *vide* its order dated September 12, 2017, in the execution petition bearing no. 131.2015, directed the Appellant to deposit ₹ 12 million (approx.) ("**Deposit Amount 3**") with the registrar general, which shall be interest bearing fixed deposit. Meanwhile, the Respondent filed an execution petition bearing no. 131/2015 ("**Execution Petition**"), arising out of Impugned Award and the SC Order, before the Single Bench seeking issue of warrants of attachments for satisfaction of decretal amount of US$ 31,59,989.90 along with ₹ 8.60 million. The Single Bench *vide* its order dated May 26, 2017 ("**Impugned Order 4**") in Execution Petition held that for the purpose of conversion of USD to INR, the exchange rate prevalent on the date of the Original Agreement will be applicable. Thereafter, the Respondent filed an execution appeal bearing EFA (OS) no. 19/2017 in Execution Petition before the Division Bench against the Impugned Order 4. The Division bench *vide* its Impugned Order 1 in EFA (OS) 19/2017 set aside the Impugned Order 4 and held that the Original Agreement only envisaged the conversion of payment from ID to USD and not to INR and if Respondent is prepared to accept payment in USD and not in INR, then rate of exchange from ID to USD is pre-determined but Respondent has agreed to receive payment in INR then the issue regarding conversion to INR still remains. Therefore, the Division Bench in Impugned Order 1 under Article 134A read with Article 133(1)(a) of the Constitution of India granted certificate to appeal to parties to approach the Hon'ble Supreme Court for seeking the direction on the substantial question of law. The Appellant has also filed execution first appeal bearing EFA (OS) no. 17/2018 ("**EFA**") under Rule 21 of CPC before the High Court challenging the order dated September 28, 2018 ("**Impugned Order 5**") passed by the Single Bench in the Execution Petition. The Respondent filed execution petition bearing Ex P 131/2015, Ex. Appl (OS) 643/2015, 1012/2015 before the Single Bench and submitted the calculation sheet for payment of the decretal amount The Single Bench in its Impugned Order 5 disallowed the adjustment of Deposit Amount 1 towards the principal sum awarded in the Impugned Award and ruled that the calculation by the Respondent is correct and directed the Appellant to pay the Respondent the remaining amount within four weeks. The Civil Appeal, the Execution Petition and the EFA are still pending.

7. Our Subsidiary ("**Claimant**") initiated an arbitration proceeding against Indian Institute of Technology, Kharagpur ("**Respondent**") before the arbitral tribunal appointed by the Hon'ble High Court at Calcutta. The matter relates to a dispute pertaining to the wrongful termination of agreement dated October 30, 2018 entered by our Subsidiary with Indian Institute of Technology (the "**Agreement**") for planning, designing, construction and project management pertaining to the construction of a new indoor sports complex and food court at the premises of the Respondent (hereinafter referred to as "**Work**"). During the execution of the said Agreement, the Respondent terminated the said Work *vide* letter dated October

25, 2019 and invoked the bank guarantee issued, to the tune of ₹ 13.60 million, as submitted by the Claimant for the said Work. The Claimant filed the statement of claim dated August 09, 2021 claiming invocation of bank guarantee as furnished by the claimant for the amount of ₹ 13.60 million as bad, void and illegal along with interest @ 18% per annum on the awarded sums. The matter is presently pending.

***(c) Actions by Statutory and Regulatory Authorities***

Nil

***(d) Tax proceedings***

***Direct Tax proceedings***

| S. No. | Type of Direct Tax | Number of cases | Approximate amount in dispute / demanded (in ₹ million) |
|---|---|---|---|
| 1. | Income Tax | 10 | 2616.27 |
| **Total** | | **10** | **2616.27** |

***Indirect Tax proceedings***

| S. No. | Type of Indirect Tax | Number of cases | Approximate amount in dispute/ demanded (in ₹ million) |
|---|---|---|---|
| 1. | Customs | Nil | Nil |
| 2. | Service Tax | 5 | 134.39 |
| 3. | Sales Tax / VAT | 9 | 53.72 |
| 4. | Central Excise | Nil | Nil |
| 5. | Goods & Service Tax | Nil | Nil |
| **Total** | | **14** | **188.11** |

**Approximate amount in dispute includes penalty and applicable interest.*

**III. Litigations involving our Directors**

***Litigations against our Directors***

(a) ***Criminal Complaints***

Nil

*(b)* ***Statutory or Regulatory***

*Nil*

*(c)* ***Other material litigations***

***Nil***

Nil

***Litigations by our Directors***

(a) ***Criminal Complaints***

Nil

*(b)* ***Statutory or Regulatory***

***Nil***

*(c)* ***Other material litigations***

***Nil***

## IV. Outstanding dues to micro, small and medium enterprises and other material creditors by our Company

Details in relation to the total outstanding dues (trade payables) owed to micro, small and medium enterprises as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, material creditors in accordance with the Materiality Policy and other creditors as on March 31, 2022, are as set forth below:

| Particulars | Number of Creditors | Amount involved (in ₹ million) |
|---|---|---|
| Dues to material creditors | 1 | 1,493.46 |
| Dues to MSMEs | 250 | 4,081.29 |
| Other Creditors | 3,039 | 13,993.21 |
| **Total** | **3,290** | **19,567.96** |

Complete details of outstanding over dues to our material creditors along with the name and amount involved as on March 31, 2022, for each such material creditor is available on the website of our Company at www.wapcos.co.in. Information provided on the website of our Company is not a part of this Draft Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website, www.wapcos.co.in, would be doing so at their own risk.

## V. Material Developments since the last balance sheet date

Except as stated in *"Management's Discussion and Analysis of Financial Condition and Results of Operation"* on page 294, there have not arisen since March 31, 2022, the date of the last Restated Consolidated Financial Statements included in this Draft Red Herring Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our profitability or operations taken as a whole or the value of our consolidated assets or our ability to pay our material liabilities within the next twelve (12) months.

## VI. Details of disciplinary action including penalty imposed by SEBI or stock exchanges against the Selling Shareholder in the last five (5) financial years including outstanding action:

No disciplinary action has been taken against our Selling Shareholder in the five (5) Fiscals preceding the date of this Draft Red Herring Prospectus either by SEBI or any Stock Exchange or is currently outstanding.

## VII. Disclosures pertaining to Wilful Defaulters

Neither our Company, Subsidiary, Promoter nor any of our Directors is a Wilful Defaulter.

## VIII. Litigations Involving our Group Company

As on date there is no Group Company of our Company and, accordingly, there is no material litigations pending against Group Company.

## GOVERNMENT AND OTHER APPROVALS

*We have set out below an indicative list of material approvals, licenses, registrations and permits obtained by our Company and Subsidiary which are material and necessary for the purpose of undertaking their business activities. In view of the approvals listed below, our Company can undertake this Offer and our Company and Subsidiary can undertake their respective current business activities, including on the basis of the list of material approvals provided below, and other than as stated below, no further material approvals from any governmental or regulatory authority are required to undertake this Offer or continue the business activities of our Company and Subsidiary. Unless otherwise stated, these approvals are valid as of the date of this Draft Red Herring Prospectus. Certain approvals may have lapsed in their normal course and our Company and/or Subsidiary, as the case may be have either already made applications to the appropriate authorities for renewal of such licenses and/or approvals or are in the process of making such renewal applications.*

*For details in connection with the regulatory and legal framework within which we operate, please refer "Key Regulations and Policies" on page 161 of this Draft Red Herring Prospectus.*

### A. Material Approvals in relation to our Company:

**1. Incorporation Details**

i. Certificate of incorporation dated June 26, 1969 issued to our Company by the Registrar of Companies, Delhi under the provisions of the Companies Act, 1956, in the name and style of *"Water and Power Development Consultancy Services (India) Private Limited"*.

ii. Certificate of incorporation with the noting by the Registrar of Companies, Delhi consequent upon change of name of our Company from *"Water and Power Development Consultancy Services (India) Private Limited"* to *"Water and Power Development Consultancy Services (India) Limited"*.

iii. Fresh certificate of incorporation dated February 12, 1980 issued by the Assistant Registrar of Companies, Delhi and Haryana consequent upon change of name of our Company from *"Water and Power Development Consultancy Services (India) Limited"* to *"Water and Power Consultancy Services (India) Limited"*.

iv. Fresh certificate of incorporation dated November 3, 2007 issued by the RoC consequent upon change of name of our Company from *"Water and Power Consultancy Services (India) Limited"* to *"WAPCOS Limited"*.

v. Fresh certificate of incorporation dated April 27, 2021 issued by the RoC consequent upon conversion from private company to public company.

**2. Approvals in relation to this Offer**

For the approvals and authorization obtained by our Company in relation to the Offer, please refer *"Other Regulatory and Statutory Disclosures – Authority for this Offer"* on page 355.

**3. Material approvals for our business and operations**

For information on our business operations, see *"Our Business – Overview"* on page 136. Except as mentioned below, we don't require any material approvals, consents, registrations, permits and/ or licenses under various rules and regulations to operate our business in India (and overseas):

**A. Tax related Approvals**

i. Permanent Account Number AAACW0764A issued by the Commissioner of Income Tax under the Income Tax Act, 1961.

ii. As disclosed below, GST registrations have been obtained by our Company for each state where our business operations are spread:

| S No. | State | Registration Number |
|---|---|---|
| 1. | Pondicherry | 34AAACW0764A1ZU |

| | | |
|---|---|---|
| 2. | Goa | 30AAACW0764A1Z2 |
| 3. | Jharkhand, | 20AAACW0764A1Z3 |
| 4. | Madhya Pradesh | 23AAACW0764A2ZW |
| 5. | Tripura | 16AAACW0764A1ZS |
| 6. | Manipur | 14AAACW0764A1ZW |
| 7. | Arunachal Pradesh | 12AAACW0764A1Z0 |
| 8. | Ladakh | 38AAACW0764A1ZM |
| 9. | Andhra Pradesh | 37AAACW0764A1ZO |
| 10. | Telangana | 36AAACW0764A1ZQ |
| 11. | Tamil Nadu | 33AAACW0764A1ZW |
| 12. | Kerala | 32AAACW0764A2ZX |
| 13. | Karnataka | 29AAACW0764A1ZL |
| 14. | Maharashtra | 27AAACW0764A1ZP |
| 15. | Gujarat | 24AAACW0764A1ZV |
| 16. | Chhattisgarh | 22AAACW0764A2ZY |
| 17. | Odisha | 21AAACW0764A1Z1 |
| 18. | West Bengal | 19AAACW0764A1ZM |
| 19. | Assam | 18AAACW0764A1ZO |
| 20. | Meghalaya | 17AAACW0764A1ZQ |
| 21. | Bihar | 10AAACW0764A1Z4 |
| 22. | Uttar Pradesh | 09AAACW0764A1ZN |
| 23. | Rajasthan | 08AAACW0764A1ZP |
| 24. | Delhi | 07AAACW0764A1ZR |
| 25. | Haryana | 06AAACW0764A1ZT |
| 26. | Uttarakhand | 05AAACW0764A3ZT |
| 27. | Chandigarh | 04AAACW0764A1ZX |
| 28. | Punjab | 03AAACW0764A1ZZ |
| 29. | Himachal Pradesh | 02AAACW0764A1Z1 |
| 30. | Jammu and Kashmir | 01AAACW0764A2Z2 |

iii. As disclosed below, our Company has also obtained the GST registrations as tax deductor for each state where our business operations are spread.

| S No. | State | Registration Number |
|---|---|---|
| 1. | Jammu and Kashmir | 01AAACW0764A2DB |
| 2. | Punjab | 03AAACW0764A1D8 |
| 3. | Uttarakhand | 05AAACW0764A1D4 |
| 4. | Haryana | 06AAACW0764A1D2 |
| 5. | Delhi | 07AAACW0764A1D0 |
| 6. | Uttar Pradesh | 09AAACW0764A1DW |
| 7. | Arunachal Pradesh | 12AAACW0764A1D9 |
| 8. | Tripura | 16AAACW0764A1D1 |
| 9. | Meghalaya | 17AAACW0764A1DZ |
| 10. | Assam | 18AAACW0764A1DX |
| 11. | West Bengal | 19AAACW0764A1DV |
| 12. | Jharkhand | 20AAACW0764A1DC |
| 13. | Himachal Pradesh | 02AAACW0764A1DA |
| 14. | Odisha | 21AAACW0764A1DA |
| 15. | Chhattisgarh | 22AAACW0764A1D8 |
| 16. | Madhya Pradesh | 23AAACW0764A1D6 |
| 17. | Maharashtra | 27AAACW0764A1DY |
| 18. | Karnataka | 29AAACW0764A1DU |
| 19. | Goa | 30AAACW0764A1DB |
| 20. | Kerala | 32AAACW0764A1D7 |
| 21. | Puducherry | 34AAACW0764A1D3 |
| 22. | Telangana | 36AAACW0764A1DZ |
| 23. | Chandigarh | 04AAACW0764A1D6 |
| 24. | Rajasthan | 08AAACW0764A1DY |
| 25. | Bihar | 10AAACW0764A1DD |
| 26. | Manipur | 14AAACW0764A1D5 |
| 27. | Gujarat | 24AAACW0764A1D4 |
| 28. | Tamil Nadu | 33AAACW0764A1D5 |
| 29. | Andhra Pradesh | 37AAACW0764A1DX |
| 30. | Ladakh | 38AAACW0764A2DU |

iv. Permanent Account Number 600522254 issued by Inland Revenue Department in Nepal.

v. Taxpayers Identification Number 07080382802 and Tax deduction account number DELW01082E issued by the Income Tax Department.

vi. Taxpayers Identification Number certificate bearing 438153518575 issued by Deputy Commissioner of Taxes, Government of the People's Republic of Bangladesh, National Board of Revenue.

**B. Registrations under employment laws**

i. Registration for employees' with the Employees' Provident Fund Organization under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 under code number DL/ 4314.

**C. Other Registrations**

i. Certificate of registration bearing no. F 2607 dated March 20, 2015 under Section 253(1) of the Companies Act, 2012 issued by the Registrar of Companies in the Republic of Uganda.

ii. Registration with Legal Entity Identifier India Limited bearing the legal entity identifier number 3358003B2X23PZL8HH03.

iii. Registration under the Odisha Value Added Tax, 2004 bearing TIN 21685503744.

iv. As disclosed below, professional tax registration certificates have been obtained by our Company for states where our business operations are spread:

| S No. | State | Registration Number |
|---|---|---|
| 1. | Ahmedabad, Gujarat | PEC016782369 |
| 2. | Ahmedabad, Gujarat | PRC016780358 |
| 3. | Surat, Gujarat | PRC03WZ00004928 |
| 4. | Bangalore, Karnataka | 335648214 |
| 5. | Bhopal, Madhya Pradesh | 79499005947 |
| 6. | Pune, Maharashtra | 2/2/6/2g/5479 |
| 7. | Kolkata, West Bengal | 191000138037 |
| 8. | Hyderabad, Telangana | 36159957042 |

**4. Intellectual Property Rights**

Our Company has not obtained any approval or license for intellectual property rights.

**5. Material approvals which are required and for which no renewal application have been made by our Company**

Nil

**6. Material approvals which have expired for which renewal application have been made**

Nil

**7. Material approvals that have been applied for but not yet received**

Nil

**B. The material approvals in relation our Subsidiary for conducting its operations are set out herein below:**

1. **Incorporation Details:**

i. Certificate of incorporation dated January 9, 1957 issued to our Subsidiary by the Registrar of Companies, Delhi under the provisions of the Companies Act, 1956, in the name and style of *"The National Projects Construction Corporation Private Limited"*.

ii. Fresh certificate of incorporation dated August 1, 1959 issued by the Registrar of Companies, Delhi consequent upon change of name of our Subsidiary from *"The National Projects Construction Corporation Private Limited"* to *"National Projects Construction Corporation Ltd"*.

iii. Fresh certificate of incorporation dated May 31, 1993 issued by the Registrar of Companies, Delhi and Haryana consequent upon change of name of our Subsidiary from *"National Projects Construction Corporation Ltd"* to *"Rashtriya Pariyojna Nirman Nigam Limited"*.

iv. Fresh certificate of incorporation dated August 26, 1997 issued by the Additional Registrar of Companies, N.C.T. of Delhi and Haryana consequent upon change of name of our Subsidiary from *"Rashtriya Pariyojna Nirman Nigam Limited"* to *"National Projects Construction Corporation Limited"*.

2. **Material approvals for NPCC's business and operations:**

**Our Subsidiary have obtained the following material licences and material approvals that are required for undertaking its current business activities:**

**A. Intellectual Property Rights**

| S No. | Particulars of the mark | Description of approval | Issuing authority | Date of issue | Date of expiry, if specified |
|---|---|---|---|---|---|
| 1. | | Registration of the logo in class 37 under registration no. 1469904 for construction. | Registrar of Trademarks | July 14, 2006 | July 14, 2026 |

**B. Tax related Approvals**

i. Permanent Account Number AAACR6117Q issued by the Commissioner of Income Tax under the Income Tax Act, 1961.

ii. As disclosed below, GST registrations have been obtained by our Subsidiary for each state where our business operations are spread.

| S No. | State | Registration Number |
|---|---|---|
| 1. | Jammu and Kashmir | 01AAACR6117Q1ZC |
| 2. | Himachal Pradesh | 02AAACR6117Q1ZA |
| 3. | Punjab | 03AAACR6117Q1Z8 |
| 4. | Uttarakhand | 05AAACR6117Q1Z4 |
| 5. | Haryana | 06AAACR6117Q1Z2 |
| 6. | Delhi | 07AAACR6117Q1Z0 |
| 7. | Rajasthan | 08AAACR6117Q1ZY |
| 8. | Uttar Pradesh-SEZ | 09AAACR6117Q8ZP |
| 9. | Uttar Pradesh | 09AAACR6117Q7ZQ |
| 10. | Bihar | 10AAACR6117Q1ZD |
| 11. | Sikkim | 11AAACR6117Q1ZB |
| 12. | Arunachal Pradesh | 12AAACR6117Q1Z9 |
| 13. | Nagaland | 13AAACR6117Q1Z7 |
| 14. | Manipur | 14AAACR6117Q1Z5 |
| 15. | Mizoram | 15AAACR6117Q1Z3 |
| 16. | Tripura | 16AAACR6117Q2Z0 |
| 17. | Meghalaya | 17AAACR6117Q1ZZ |
| 18. | Assam | 18AAACR6117Q1ZX |
| 19. | West Bengal | 19AAACR6117Q1ZV |
| 20. | Jharkhand | 20AAACR6117Q1ZC |
| 21. | Odisha | 21AAACR6117Q1ZA |
| 22. | Chhattisgarh | 22AAACR6117Q1Z8 |
| 23. | Madhya Pradesh | 23AAACR6117Q2Z5 |

| | | |
|---|---|---|
| 24. | Gujarat | 24AAACR6117Q1Z4 |
| 25. | Maharashtra | 27AAACR6117Q1ZY |
| 26. | Karnataka | 29AAACR6117Q1ZU |
| 27. | Kerala | 32AAACR6117Q1Z7 |
| 28. | Tamil Nadu | 33AAACR6117Q1Z5 |
| 29. | Telangana | 36AAACR6117Q2ZY |
| 30. | Andhra Pradesh | 37AAACR6117Q2ZW |
| 31. | Ladakh | 38AAACR6117Q1ZV |

iii. Tax deduction account number DELN08324B issued by the Income Tax Department.

**C. Registration under employment laws**

i. Permanent Account Number AAATN8876B for Employees Contributory Provident Fund Trust issued by the Commissioner of Income Tax under the Income Tax Act, 1961.

ii. Registration under Employees' Provident Fund and Miscellaneous Provisions Act, 1952 bearing registration number HR/10803.

iii. Permanent Account Number AAATN8875C for Employees Gratuity Trust issued by the Commissioner of Income Tax under the Income Tax Act, 1961.

iv. As disclosed below, professional tax registration certificates have been obtained by our Subsidiary for each state where our Subsidiary’s business operations are spread:

| S No. | State | Registration Number |
|---|---|---|
| 1. | Bangalore, Karnataka | 2675371298 |
| 2. | Kolkata, West Bengal | 19001844655 |
| 3. | Ranchi, Jharkhand | 20120100538 |
| 4. | Indore, Madhya Pradesh | 79459015069 |

3. **Material approvals which have expired for which renewal applications have been made by our Subsidiary**

Nil

4. **Material approvals which are required and for which no renewal application have been made by our Subsidiary**

Nil

5. **Material approvals that have been applied for but not yet received by our Subsidiary**

Nil

# OTHER REGULATORY AND STATUTORY DISCLOSURES

**Authority for this Offer**

Our Board of Directors have authorized and approved this Offer pursuant to a resolution passed at its meeting held on August 28, 2022. The Selling Shareholder has, through its letter dated September 23, 2022 conveyed the consent for inclusion of up to 32,500,000 Equity Shares as part of the Offer for Sale. For details, please refer *"The Offer"* on page 62.

The Selling Shareholder through letter dated [●] conveyed the consent for inclusion of up to [●] Equity Shares for Employees Bidding in the Employee Reservation Portion as part of the Offer for Sale.

Our Board, by way of resolution dated September 23, 2022, has approved this Draft Red Herring Prospectus.

Our Company has received in-principle approvals from BSE and NSE for listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

The Selling Shareholder has confirmed that it has held the Equity Shares proposed to be offered and sold in the Offer for at least one year prior to the date of filing of this Draft Red Herring Prospectus, in accordance with Regulation 8 of the SEBI ICDR Regulations and that the Equity Shares proposed to be offered and sold by it shall not be sold or transferred, charged, pledged or otherwise encumbered.

**Prohibition by SEBI or other Governmental Authorities**

Our Company, our Directors, our Promoter/Selling Shareholder, or persons in control of our Company, have not been prohibited from accessing the capital market for any reason or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any other authority/ court.

Our Promoter, our Directors and persons in control of our Company were not, and are not, a promoter or a director or persons in control of any other company which is debarred from buying, selling or dealing in securities under any order or directions passed by SEBI or any securities market regulator in any jurisdiction or any other authority/ court.

Neither our Company, nor our Promoter/ Selling Shareholder or our Directors have been identified and/ or declared as Wilful Defaulters nor Fraudulent Borrowers by any bank or financial institution or consortium thereof in accordance with the guidelines on Wilful Defaulters or Fraudulent Borrowers issued by the RBI or in terms of the SEBI ICDR Regulations. Further, there are no violations of securities laws committed by them in the past or are pending against them.

Our Directors have not been declared as fugitive economic offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

Our Company, Promoter and Directors have not been declared as 'Fraudulent Borrowers' by any lending bank, financial institution or consortium, in terms of RBI master circular dated July 1, 2016.

None of our Directors are associated in any manner with the securities market, including securities market related businesses, and there has been no action initiated by SEBI against any of our Directors or any entity in which any of our Directors are involved as a promoter or director in the five (5) years preceding the date of this Draft Red Herring Prospectus.

The listing of any securities of our Company has never been refused at any time by any of the stock exchanges in India or overseas.

**Confirmation under the Companies (Significant Beneficial Owners) Rules, 2018** ("**SBO Rules**")

We are a government company and our Promoter is the President of India acting through the MoJS. Our Promoter, along with its nominees, currently holds 100% of the pre-Offer paid-up Equity Share capital of our Company. Section 89 of the Companies Act, 2013, which deals with declaration in respect of beneficial interest in any share, is not applicable to the Government Companies. Further, in terms of Rule 8 of the Companies (Significant Beneficial Owners) Rules, 2018, the SBO Rules are inapplicable to our Company.

**Eligibility for the Offer**

Our Company confirms that it is not ineligible to make the Offer in terms of the SEBI ICDR Regulations, to the extent applicable. There are no outstanding warrants, options 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.

The Selling Shareholder has confirmed that the Equity Shares offered in the Offer are eligible as required by the SEBI ICDR Regulations and the Equity Shares proposed to be offered and sold by it shall not be sold or transferred, charged, pledged or otherwise encumbered.

Our Company is eligible for the Offer in accordance with Regulation 6(1) of the SEBI ICDR Regulations as set out under the eligibility criteria calculated as per our Restated Financial Information:

- Our Company has had net tangible assets of at least ₹ 30 million, calculated on a restated and consolidated basis, in each of the preceding three financial years (of 12 months each), i.e., as at and for the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020. As the Offer is being made entirely through an offer for sale, the limit of not more than 50% of the net tangible assets being monetary assets, is not applicable;
- Our Company has an average operating profit of at least ₹ 150 million, calculated on a restated and consolidated basis, during the preceding three financial years (of 12 months each), i.e., as at and for the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020, 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), i.e., as at and for the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020 calculated on a restated and consolidated basis; and
- Our Company has not changed its name within the last one year.

Our Company's operating profit, net worth and net tangible assets derived from the Restated Financial Statements included in this Draft Red Herring Prospectus as at, and for the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020 are set forth below:

*(₹ in million)*

| Particulars | As of and for the financial year ended March 31, 2022 | As of and for the financial year ended March 31, 2021 | As of and for the financial year ended March 31, 2020 |
|---|---|---|---|
| Net tangible assets[(1)] | 6,343.71 | 5,846.91 | 5,604.27 |
| Net worth[(2)] | 6,882.93 | 6,428.69 | 6,075.66 |
| Operating profit [(3)] | 516.62 | 437.56 | 1,409.27 |

*Notes:*

[(1)] *Net tangible assets mean the sum of all net assets of the Company, excluding intangible assets as defined in Indian Accounting Standard (Ind AS) 38: Intangible Assets, Deferred Tax Assets, Right to Use under Lease Liabilities and Pre Paid Expenses.*

[(2)] *Net worth means the aggregate value of equity capital and other equity excluding capital reserve.*

[(3)] *Operating profit/loss is defined as the restated profit before tax but after adjusting other income, loss on sale of investments, lease rentals written off, interest income written off but before finance cost.*

Our Company has operating profits in each of Fiscal 2022, 2021 and 2020 in terms of our Restated Financial Statements. Our average operating profit for Fiscals 2022, 2021 and 2020 is ₹ 787.82 million.

The status of compliance of our Company with the conditions as specified under Regulations 5 and 7(1) of the SEBI ICDR Regulations (to the extent applicable) are as follows:

(i) Our Company, the Promoter/Selling Shareholder and our Directors are not debarred from accessing the capital markets by SEBI;

(ii) The companies with which our Directors are or were associated as a promoter or director are not debarred from accessing the capital markets under any order or direction passed by SEBI;

(iii) Our Company along with the Registrar to our Offer has entered into tripartite agreements both dated August 12, 2021 with NSDL and CDSL, respectively, for dematerialization of the Equity Shares;

(iv) Our Company undertakes that the Equity Shares held by our Promoter and nominees shall be dematerialised prior to registering the Red Herring Prospectus with RoC.

(v) 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;

(vi) There are no outstanding convertible securities of our Company or any other right which would entitle any person with any option to receive Equity Shares of our Company as on the date of filing of this Draft Red Herring Prospectus;

(vii) None of our Company, our Promoter, or Directors have been identified as a Wilful Defaulter or Fraudulent Borrower (as defined in the SEBI ICDR Regulations);

(viii) None of our Promoter and Directors has been declared as a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018;

(ix) Since the Offer is through an Offer for Sale by the Selling Shareholder and this Offer Proceeds will not be received by our Company, Regulation 7(1)(e) of the SEBI ICDR Regulations (which requires firm arrangements of finance through verifiable means for 75% of the stated means of finance, excluding the amount to be raised through this Offer and existing identifiable internal accruals) does not apply; and

(x) Further, our Company confirms that it will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

In accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees shall not be less than 1,000 otherwise the entire application money will be refunded to the Bidders. If such money is not repaid within the time prescribed under the applicable law, our Company shall be liable to pay interest on the application money in accordance with the applicable laws.

**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 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 IDBI CAPITAL MARKETS & SECURITIES LIMITED AND SMC CAPITALS LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMEDNDED. 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 OUR COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THECOMPANY AND THE SELLING SHAREHOLDER DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS, BEING IDBI CAPITAL MARKETS & SECURITIES LIMITED AND SMC CAPITALS LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 23, 2022, IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED.**

**THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY OR ANY PERSON WHO HAS AUTHORISED THE OFFER OF THIS DRAFT RED HERRING PROSPECTUS FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 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 BRLMS ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.**

All the legal requirements pertaining to this Offer will be complied with by the respective parties at the time of filing the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act. All legal requirements pertaining to this Offer will be complied with by the respective parties 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 Directors, the Selling Shareholder and the BRLMs**

Our Company, our Directors, the Selling Shareholder 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 and anyone placing reliance on any other source of information, including our Company's website: www.wapcos.co.in or on the website of our Subsidiary, would be doing so at his or her own risk.

The Selling Shareholder and its officers accept no responsibility for any statements made other than those made in relation to it and/or to the Equity Shares offered through this Offer for Sale.

**Caution**

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement.

All information shall be made available by our Company, the Selling Shareholder 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.

Neither our Company nor the Selling Shareholder nor any Syndicate Members shall be 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 on account of any errors, omissions or noncompliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism. Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholder, the Underwriters 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 Offered Shares of our Company and will not issue, sell, pledge, or transfer the Offered Shares of our Company to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire Offered Shares of our Company. Our Company, the Selling Shareholder, 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 Offered Shares of our Company.

The BRLMs and their respective associates and affiliates may engage in transactions with and perform services for our Company, the Selling Shareholder, or their respective affiliates, 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, the Selling Shareholder, for which they have received and may in the future receive compensation.

**Disclaimer in respect of Jurisdiction**

Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in New Delhi, India only.

The Offer is being made in India to persons resident in India (who are competent to contract under the Indian Contract Act, 1872, as amended, including Indian nationals resident in India, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, domestic Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts registered under applicable trust law and who are authorised under their constitution 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, permitted provident funds and pension funds, insurance funds set up and managed by the army and navy or air force of the Union of India, National Investment Fund and insurance funds set up and managed by the Department of Posts, India), systemically important NBFCs and to FPIs, Eligible NRIs and other eligible foreign investors (viz. FVCIs, multilateral and bilateral development financial institutions).

This Draft Red Herring Prospectus did 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.

**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, 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. In particular, the Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act, as amended (the "U.S. Securities Act"), or the laws of any state of the United States and may not be offered or sold in the United States. The Equity Shares offered in the Offer are being offered and sold only (i) within India, to Indian institutional, non-institutional and retail investors that are not "U.S. persons", as defined in, and in reliance on, Regulation S ("Regulation S") promulgated under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"); and (ii) outside the United States and India, to institutional investors that are not "U.S. persons", as defined in, and in reliance on Regulation S and on the applicable laws of the jurisdictions where such offers and sales occur. This Offer shall not be made to any investor 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 law.**

**Disclaimer Clause of BSE**

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

**Disclaimer Clause of NSE**

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

**Listing**

The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on BSE and NSE. Applications shall be made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares to be issued and sold in the Offer. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus in accordance with applicable law. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within six (6) Working Days from the Bid/Offer Closing Date or such period as may be prescribed by SEBI. If our Company does not allot Equity Shares pursuant to the Offer within such timeline as prescribed by SEBI, it shall 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.

The Selling Shareholder undertake to provide such reasonable assistance as may be requested by our Company, to the extent in relation to the Offered Shares to facilitate the process of listing and commencement of trading of the Equity Shares on the Stock Exchanges within such time prescribed by SEBI.

**Price information of past issues handled by the BRLMs**

**A. IDBI CAPITAL MARKETS & SECURITIES LIMITED**

Price information of past issues (during current financial year and two (2) financial years preceding the current financial year) handled by IDBI Capital Markets & Securities Limited:

| Sr. No. | Issue Name | Issue Size (₹ in 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 |
|---|---|---|---|---|---|---|---|---|
| i. | Rolex Rings Limited^ | 7,310.00 | 900.00 | August 9, 2021 | 1,250.00 | +22.28% (+6.79%) | +31.50% (+10.20%) | +45.24% (+7.74%) |
| ii. | RailTel Corporation of India Limited^^ | 8,192.42 | 94.00 | February 26, 2021 | 104.60 | +35.69% (-0.19%) | +37.55% (+3.91%) | +31.01% (+13.97%) |
| iii. | Route Mobile Limited^^ | 6,000.00 | 350.00 | September 21, 2020 | 708.00 | +105.99% (+6.60%) | +231.26% (+23.47%) | +347.44% (+31.09%) |

*^NSE as designated Stock Exchange*
*^^BSE as designated Stock Exchange*

**Notes:**
Data is sourced either from www.nseindia.com or www.bseindia.com, as per the designated stock exchange disclosed by the respective Issuer Company
Wherever 30th/ 90th/ 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered.
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.

**Summary statement of price information of past issues handled by IDBI Capital Markets & Securities Limited:**

| Financial Year | Total no. of IPOs | Total amount of funds raised (₹ in million) | 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 – 2023* | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2021 – 2022 | 1 | 7,310.00 | - | - | - | - | - | 1 | - | - | - | - | 1 | - |

| Financial Year | Total no. of IPOs | Total amount of funds raised (₹ in million) | 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% |
| 2020-2021 | 2 | 14,192.42 | - | - | - | 1 | 1 | - | - | - | - | 1 | 1 | - |

*The information is as on the date of the document.*
The information for each of the financial year is based on issues listed during such financial year.

## B. SMC CAPITALS LIMITED

Price information of past issues (during current financial year and two (2) financial years preceding the current financial year) handled by SMC Capitals Limited:

| Sr. No. | Issue Name | Issue Size (₹ in 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. | Venus Pipes & Tubes Limited | 1,654.16 | 326.00 | May 24, 2022 | 335.00 | +0.18% (-4.13%) | +23.39% (+10.35%) | - |

Source: www.bseindia.com

**Notes:**

1. *Designated Stock Exchange – BSE*
2. *"S&P BSE SENSEX" has been considered as the Benchmark*
3. *In the event any day falls on a holiday, the price/index of the immediately preceding working day has been considered.*

**Summary statement of price information of past issues handled by SMC Capitals Limited**

| Fiscal Year | Total no. of IPOs | Total amount of funds raised (₹ in million.) | 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 | 1 | 1,654.16 | - | - | - | - | - | 1 | - | - | - | - | - | - |
| 2021-22 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2020-21 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

*The information is as on the date of the document.*

The information for each of the financial year is based on issues listed during such financial year.

**Track record of past issues handled by the BRLMs**

For the details regarding the track record of the BRLMs to this Offer as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, refer to the website of the BRLMs as set forth in the table below:

| Sr. No. | Name of the BRLMs | Website |
|---|---|---|
| 1. | IDBI Capital Markets & Securities Limited | www.idbicapital.com |
| 2. | SMC Capitals Limited | www.smccapitals.com |

**Consents**

Consents in writing of: (a) our Directors, the Selling Shareholder, our Company Secretary and Compliance Officer, Auditors, Indian Legal Counsel to our Company and the Selling Shareholder, International Legal Counsel to our Company and the Selling Shareholder, Indian Legal Counsel to the BRLMs, Bankers to our Company, the BRLMs and the Registrar to the Offer have been obtained; and (b) the Syndicate Members, the Banker(s) to the Offer/ Public Offer Account Bank(s)/ Refund Bank(s), Sponsor Bank 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 of the Companies Act, 2013 and such consents have not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus and shall not be withdrawn up to the time of delivery of the Red Herring Prospectus and the Prospectus for filing with the RoC.

**Expert opinion**

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

Our Company has received written consent dated September 23, 2022 from our Statutory Auditor namely Serva Associates, who holds a valid peer review certificate, to include their name as required under Section 26 of the Companies Act read with the SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act in respect of the examination report dated September 23, 2022 of the Statutory Auditor on the Restated Financial Statements of our Company as at and for the Financial Years ended on March 31, 2022, March 31, 2021 and March 31, 2020 and the Statement of Possible Special Tax Benefits dated September 23, 2022, included in this Draft Red Herring Prospectus and such consent have not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent dated September 23, 2022 from Parasuraman & Associates, Chartered Accountants to include their name in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act to the extent and in their capacity as independent chartered accountant and such consent has not been withdrawn as on the date of this Prospectus.

The term "expert" and consent thereof does not represent an "expert" or consent within the meaning under the U.S. Securities Act.

**Previous capital issue during the previous three years by listed group companies, subsidiaries and associates of our Company**

Except as disclosed in "*Capital Structure*" on page 79, our Company has not made any capital issues during the three years immediately preceding the date of this Draft Red Herring Prospectus.

None of the securities of our Subsidiary are listed on any stock exchange. Our Company does not have any associate or Group Company.

**Particulars regarding public or rights issues by our Company during the last five years**

Our Company has not made any public or rights issues during the five years preceding the date of this Draft Red Herring Prospectus.

**Performance vis-à-vis objects – public/ rights issue of our Company**

Our Company has neither undertaken any public issue nor any rights issue in the five years preceding the date of this Draft Red Herring Prospectus.

**Performance *vis-à-vis* objects – public/ rights issue of the listed subsidiaries of our Company**

Our Company does not have any subsidiaries which has undertaken any public or rights issue in the five years preceding the date of this Draft Red Herring Prospectus.

**Commission and Brokerage paid on previous issues of the Equity Shares during the last five years**

Since this is an initial public issue of the 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 in the last five years.

**Stock Market Data of Equity Shares**

This being an initial public offer of the Equity Shares, 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 Registrar Agreement, provides for retention of records with the Registrar to the Offer for a minimum period of eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, in order to enable the investors to approach the Registrar to the Offer for redressal of their grievances. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

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, PAN, date of the submission of, 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 and ASBA Account number (for Bidders other than bidding through the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or UPI ID in case of UPI Bidder applying through the UPI Mechanism. Anchor Investors are required to address all grievances in relation to the Offer to the BRLMs. 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.
Further, the Bidder shall also enclose the Acknowledgement Slip from the Designated Intermediaries in addition to the documents/ information mentioned hereinabove.

The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

Investors can contact the Company Secretary and Compliance Officer 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 intimations and non-receipt of funds by electronic mode.

SEBI, by way of its circular dated March 16, 2021 ("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. Subsequently, by way of its circular dated June 2, 2021 ("**June 2021 Circular**"), SEBI modified the process timelines and extended the implementation timelines for certain measures introduced by the March 2021 Circular. As per March 2021 Circular read with the June 2021 Circular, for initial public offerings opening for subscription on or after May 1, 2021, 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) periodic sharing of statistical details of mandate blocks/unblocks, performance of apps and UPI handles, network latency or downtime, etc., by the Sponsor Bank to the intermediaries forming part of the closed user group vide email; (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 non allotted/partially allotted applications is completed by the closing hours of one Working Day subsequent to the finalisation of the Basis of Allotment. 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 BRLMs, 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.

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 | Instantly revoke the blocked funds other than the original application amount; and<br><br>₹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<br><br>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. | 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 BRLMs 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.

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 ₹ 0.50 million, shall use UPI. Eligible Employees Bidding under the Employee Reservation Portion for up to ₹ 0.50 million and individual investors Bidding under the Non-Institutional Portion Bidding for more than ₹ 0.20 million and up to ₹ 0.50 million, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through 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.

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.

In terms of SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018 and subject to applicable law, 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 fifteen (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 fifteen (15) days. Further, under the SEBI circular 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 and the

SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, investors shall be compensated by the SCSBs in the events of delayed unblock for cancelled/withdrawn/deleted applications, blocking of multiple amounts for the same ASBA application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially-allotted applications within the stipulated period. Further, the investors shall be compensated by the SCSBs at the rate higher of ₹ 100 or 15% per annum of the application amount in the events of delayed or withdrawal of applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for the stipulated period. In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts beyond the date of receipt of the complaint, subject to and in accordance with the provisions of the SEBI circular 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 BRLMs shall compensate the investors at the rate higher of ₹100 or 15% per annum of the application amount.

**Disposal of Investor Grievances by our Company**

Our Company estimates that the average time required by our Company or the Registrar to this Offer or the Designated Intermediaries, for the redressal of routine investor grievances shall be ten (10) 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 shall 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 SEBI/HO/OIAE/IGRD/CIR/P/2019/86 dated August 2, 2019, SEBI circular bearing number SEBI/HO/OIAE/IGRD/CIR/P/2021/642 dated October 14, 2021 and shall comply with the SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 in relation to redressal of investor grievances.

Our Company has constituted a Stakeholders' Relationship Committee comprising Jasbir Singh Thakur, Lakhan Lal Sahu, Partha Sarathi Ghosh and Anupam Mishra as members, to review and redress the shareholders and investor grievances such as transfer of Equity Shares, non-recovery of balance payments, declared dividends, approve subdivision, consolidation, transfer and issue of duplicate shares. For details, see "*Our Management – Committees of the Board – Stakeholders' Relationship Committee*" on page 190.

All grievances relating to Bids submitted with Registered Brokers may be addressed to the Stock Exchanges, with a copy to the Registrar to the Offer. Further, Bidders shall also enclose a copy of the Acknowledgment Slip received from the Designated Intermediaries in addition to the information mentioned hereinabove.

Our Company has also appointed Kavita Parmar, Company Secretary of our Company as the Compliance Officer and she may be contacted in case of any pre-Offer or post-Offer related issues at the following address:

**Kavita Parmar**
**WAPCOS Limited**
5th Floor, Kailash 26,
Kasturba Gandhi Marg,
New Delhi,
Delhi - 110001, India
**Telephone**: +91-11-23354532
**Email**: kpv@wapcos.co.in

Our Company has not received any investor complaint during the three years preceding the date of filing 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.

**Other confirmations**

Any person connected with the Offer shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any person for making an application in the initial public offer, except for fees or commission for services rendered in relation to the Offer.

**Exemptions from complying with any provision of securities laws, if any, granted by SEBI**

Our Company vide its letter dated September 23, 2022 has sought an exemption under 300 (1) from strict application of certain requirements under the SEBI ICDR Regulations and Regulation 102 of SEBI LODR Regulations for the following matters:

(a) Compliance with Regulation 17(1)(a) of the SEBI LODR Regulations in relation appointment of at least one (1) independent woman director on the board of directors of our Company;

(b) Compliance with Regulation 24(1) of the SEBI LODR Regulations, wherein at least one independent director on the Board of Directors of the Company shall be a director on the board of directors of an unlisted material subsidiary, incorporated in India;

(c) Compliance with the terms of reference of the Audit Committee (as specified in Regulation 18(3) of the SEBI LODR Regulations;

(d) Compliance with the terms of reference of the Nomination and Remuneration Committee (as specified in Regulation 19(4) of the SEBI LODR Regulations; and

(e) Requirement of security deposit of 1% of the Offer size as required under Regulation 38 of the SEBI ICDR Regulations.

## SECTION VIII – OFFER RELATED INFORMATION

## TERMS OF THE OFFER

The Offered Shares (including Employee Reservation Portion) being offered, Allotted and transferred pursuant to the Offer, shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, SEBI LODR Regulations, our Memorandum of Association and Articles of Association, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, the Abridged Prospectus, Bid cum Application Form, any Revision Form, CAN, Allotment Advices and other terms and conditions as may be incorporated in the Allotment Advices and other documents/certificates that may be executed in respect of this Offer. The Offered Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the offer of capital, and listing and trading of securities issued from time to time by the SEBI, the GOI, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of this Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the RBI, the GOI, the Stock Exchanges, the RoC, the RBI and/or any other authorities, as in force and to the extent applicable or such other conditions as may be prescribed by such authorities, while granting their approval for this Offer.

**The Offer**

The Offer consists of an offer for sale of the Offered Shares by the Selling Shareholder.

For details in relation to Offer expenses, see *"Objects of the Offer"* beginning on page 89.

**Ranking of the Offered Shares**

The Equity Shares being offered, Allotted and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, the Memorandum of Association and Articles of Association and the SEBI LODR Regulations and shall rank *pari passu* in all respects with the existing Equity Shares including in respect of the right to receive dividend, voting and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see *"Dividend Policy"* and *"Main Provisions of Articles of Association"* on page 196 and 402.

**Mode of Payment of Dividend**

Our Company shall pay dividends, if declared, to the Shareholders of our Company as per the provisions of the Companies Act, our Memorandum of Association, Articles of Association, CPSE Capital Restructuring Guidelines, the SEBI LODR Regulations and other applicable laws including guidelines or directives that may be issued by the GOI in this respect. The Allottees upon Allotment of Equity Shares under the Offer, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment.All dividends, if any, declared by our Company after the date of Allotment (pursuant to the Allotment of Offered Shares), will be payable to the Allottees, in accordance with applicable law. For further details, in relation to dividends, see "*Dividend Policy*" and "*Main provisions of Articles of Association*" on pages 196 and 402, respectively.

**Face Value, Offer Price and Price Band**

The face value of each equity share of our Company is ₹ 10 and the Offer Price is ₹ [●] per Equity Share. The Floor Price is ₹ [●] per Equity Share and the Cap Price is ₹ [●] per Equity Share, being the Price Band. The Anchor Investor Offer Price is ₹ [●] per Equity Share.

The Price Band, minimum Bid Lot size, the Retail Discount and the Employee Discount for this Offer will be decided by our Company and the Selling Shareholder, in consultation with the BRLMs, and advertised in all editions of the English national daily newspaper [●], and all editions of the Hindi national daily newspaper [●] (Hindi being the regional language of New Delhi, where our Registered Office is located), each with a wide circulation, at least two Working Day 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 respective 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 websites of the Stock Exchanges. The Offer Price shall be determined by the Selling Shareholder and our Company, in consultation with the BRLMs, after the Bid/Offer Closing Date, on the basis of assessment of market demand for the Offered Shares by way of Book Building Process.

At any given point of time, there shall be only one denomination of 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 our Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our 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 or "e-voting" in accordance with the provisions of the Companies Act and the rules made thereunder;
- Right to receive offers for purchasing rights shares and be allotted bonus shares, if announced;
- Right to receive any surplus on liquidation, subject to any statutory and other preferential claims being satisfied;
- Right to freely transfer their Equity Shares, subject to foreign exchange regulations and other applicable laws; and
- Such other rights, as may be available to a shareholder of a listed public company under the applicable law, including the Companies Act, the SEBI LODR Regulations, and the Memorandum of Association and Articles of Association.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see "*Main provisions of the Articles of Association*" beginning on page 402.

**Allotment only in Dematerialized Form**

Pursuant to Section 29 of the Companies Act and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialized form. As per the SEBI ICDR Regulations and the SEBI LODR Regulations, the trading of the Equity Shares shall only be in dematerialized form on the Stock Exchanges. In this context, our Company has entered into the following agreements with the respective Depositories and the Registrar to the Offer:

- Tripartite Agreement dated August 12, 2021 amongst our Company, CDSL and the Registrar to the Offer; and

- Tripartite Agreement dated August 12, 2021 amongst our Company, NSDL and the Registrar to the Offer.

**Market Lot and Trading Lot**

Since trading of our Equity Shares is in dematerialised form, the tradable lot is one Equity Share. In terms of Section 29 of the Companies Act, 2013, Allotment in the Offer will be only in electronic form in multiples of one Equity Share, subject to a minimum Allotment of [●] Equity Shares. For the method of Basis of Allotment, please see *"Offer Procedure"* on page 378.

**Joint Holders**

Subject to the provisions contained in the Articles of Association, where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint tenants with benefits of survivorship.

**Period of operation of subscription list**

Please see "*Terms of the Offer– Bid/ Offer Program*" on page 371.

**Jurisdiction**

The courts/ authorities of New Delhi, India, will have exclusive jurisdiction in relation to this Offer.

**Nomination facility to Bidders**

In accordance with Section 72 of the Companies Act read with the Companies (Share Capital and Debenture) Rules, 2014, as amended, the First Bidder or Sole 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 Offered 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 or alienation of equity share(s) by the person nominating. 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. 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 Share Transfer Agent.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act 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, our 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 ninety (90) days, our 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 will be made only in dematerialized form, there shall be no requirement to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Bidders will prevail. If the investors wish to change their nomination, they are requested to inform their respective Depository Participant. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

**Bid/ Offer Program**

| | |
|---|---|
| **BID/OFFER OPENS ON*** | [●] |
| **BID/OFFER CLOSES ON**** | **[●]** |

**Our Company, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations. Anchor Investors shall Bid on the Anchor Investor Bidding Date.*
***Our Company, in consultation with the BRLMs, consider closing the Bid / Offer Period for QIBs one (1) day prior to the Bid / Offer Closing Date in accordance with the SEBI ICDR Regulations.*

An indicative timetable in respect of this Offer is set out below:

| Event | Indicative Date |
|---|---|
| Bid/ Offer Closing Date | On or about [●] |
| Finalization of Basis of Allotment with the Designated Stock Exchange | On or about [●] |
| Initiation of refunds (if any for Anchor Investors)/Unblocking of funds from the ASBA Account* | On or about [●] |
| Credit of Equity Shares to demat 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 four (4) Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated in accordance with applicable law by the intermediary responsible for causing such delay in unblocking, which period shall start from the day following the receipt of a complaint from the Bidder. The BRLMs 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 and SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 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, in case of delays in resolving investor grievances in relation to blocking/unblocking of funds, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of our Company with the SCSBs, to the extent applicable.*

**The above timetable, other than the Bid/Offer Closing Date, is indicative and does not constitute any obligation on our Company and/or the Selling Shareholder and/or the BRLMs.**

**Whilst our Company and the Selling Shareholder 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 six (6) Working Days of the Bid/ Offer Closing Date or such period as may be prescribed, the timetable may be changed due to various factors, such as extension of the Bid/ Offer Period by our Company and the Selling Shareholder, revision of the Price Band or any delays 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. The Selling Shareholder confirms, that it shall extend reasonable co-operation required by our Company and the BRLMs for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares (offered by Selling Shareholder) at the Stock Exchanges within six (6) Working Days from the Offer Closing Date or such time as may be prescribed by SEBI.**

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 (6) 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. Our Company and the Selling Shareholder reserve the right to amend the terms of the Offer, the Offer procedure and the Offer structure, and determine the method and manner in which such changes shall be disseminated to the public, at any time including post the Bid/ Offer Opening Date.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four (4) Working Days from the Bid/ Offer Closing Date, the Bidder shall be compensated as per the applicable laws for the entire duration of delay exceeding four (4) 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.

**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 and Revision in Bids | Only between 10.00 a.m. and 3.00 p.m. IST |

**On the Bid/ Offer Closing Date, the Bids shall be uploaded until:**

(i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and

(ii) Until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion.

On Bid/ Offer Closing Date, extension of time will be granted by Stock Exchanges only for uploading Bids received by RIBs Bidding under Net Offer, Eligible Employee(s) Bidding 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.

Further, to avoid duplication, the facility of re-initiation provided to Syndicate Members may be allowed only once per Bid. Additionally, the Registrar shall submit the details of cancelled/withdrawn/deleted applications to SCSB's on daily basis within 60 minutes of Bid closure time from the Bid/ Offer Opening Date till the Bid/ Offer Closing Date by obtaining the same from Stock Exchanges. SCSB's shall unblock such applications by the closing hours of the bank day and submit the confirmation to the BRLMs and the RTA on daily basis, as per the format prescribed in SEBI circular dated March 16, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

**It is clarified that 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, the 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, as is typically experienced in public offerings in India, it may lead to some Bids not being uploaded due to lack of sufficient time to upload. Such Bids that cannot be uploaded on the electronic bidding system will not be considered for allocation under this Offer. Bids and any revision in bids will be accepted only during Working Days.

Investors 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 and the Selling Shareholder 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 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.

In case of any discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical ASBA 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.

Our Company and the Selling Shareholder, in consultation with the BRLMs, reserves the right to revise the Price Band during the Bid/Offer Period in accordance with the SEBI ICDR Regulations. 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 less than or equal to 120% of the Floor Price, provided that the Cap Price shall be at least 105% of the Floor Price.

**In case of any revision to the Price Band, the Bid/ Offer Period will be extended by at least three (3) additional Working Days following such revision of the Price Band, subject to the Bid/ Offer Period not exceeding ten (10) Working Days. 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 (3) Working Days, subject to the Bid/ Offer Period not exceeding ten (10) Working Days. Any revision in the Price Band and the revised Bid/ Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the respective websites of the Book Running Lead Managers and at the terminals of the Syndicate Members and by intimation to SCSBs, other Designated Intermediaries and the Sponsor Banks, as applicable.**

**Minimum Subscription**

As this is an offer for sale by the Selling Shareholder, the requirement of minimum subscription of 90% of the Offer under the SEBI ICDR Regulations is not applicable to this Offer. However, if our Company does not receive the minimum subscription in the Offer as specified under terms of the Rule 19(2)(b) of the SCRR, as applicable, including through devolvement of Underwriters, if any, within sixty (60) days from the date of Bid/ Offer Closing Date or withdrawal of applications; or after technical rejections; or if the listing or trading permission are not obtained from the Stock Exchanges for the Equity Shares so offered under the Offer document, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond the prescribed time, our Company and every Director of our Company, who is an officer in default, shall pay interest at the rate of 15% per annum for the period of delay or at such rate as prescribed under the applicable law.

Further, our Company and the Selling Shareholder shall ensure that the number of prospective Allottees to whom the Offered Shares will be Allotted shall not be less than 1,000 in compliance with Regulation 49(1) of the SEBI

ICDR Regulations 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 and the Selling Shareholder shall be liable to pay interest on the application money in accordance with applicable laws.

**Arrangements for Disposal of Odd Lots**

Since our Equity Shares will be traded in dematerialized form only and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

**New Financial Instruments**

Our Company is not issuing new financial instruments through this Offer.

**Restrictions, if any, on Transfer and Transmission of Equity Shares**

Except for the lock-in of the pre-Offer capital of our Company, the Anchor Investor lock-in the Offer and the Promoters' minimum contribution as per Regulations 16 of the SEBI ICDR Regulations, as provided in "*Capital Structure*" on page 79 and except as provided in the Articles of Association, there are no restrictions on transfer and transmission of Equity Shares or on their consolidation or splitting. For details, see *"Main provisions of the Articles of Association"* on page 402.

**Withdrawal of the Offer**

Our Company and the Selling Shareholder, in consultation with the BRLMs, reserve the right not to proceed with the entire or portion of this Offer for any reason at any time after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company shall issue a public notice in the same newspapers in which the pre-Offer advertisements were published, within two (2) days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with this Offer. Our Company shall also promptly inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs and Sponsor Banks (in case of UPI Bidders), as applicable, to unblock the bank accounts of the ASBA Bidders and also inform the Escrow Collection Bank to process refunds to the Anchor Investors within one Working Day from the date of receipt of such notification.

Notwithstanding the foregoing, this Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) the final RoC approval of the Prospectus after it is filed with the RoC and filed with the SEBI and Stock Exchanges. If our Company withdraws the Offer after the Bid/Offer Closing Date and, thereafter, determines that it will proceed with an issue or offer for sale of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI.

## OFFER STRUCTURE

Initial public offering of up to 32,500,000 Equity Shares through an Offer for Sale, for cash at a price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share less Retail Discount and Employee Discount, as applicable), aggregating up to ₹ [●] million, comprising a Net Offer of up to [●] Equity Shares and Employee Reservation of up to [●] Equity Shares. The Offer and Net Offer shall constitute [●]% and [●]% respectively, of the post-Offer issued, subscribed and paid-up Equity Share Capital of our Company.

The Offer is being made through the Book Building Process.

| Particulars | QIBs# | Non-Institutional Bidders | Retail Individual Bidders | Eligible Employees(3) |
|---|---|---|---|---|
| Number of Offered Shares available for Allotment/ allocation* (1) | Not more than [●] Equity Shares | Not less than [●] Equity Shares available for allocation or the Net Offer less allocation to QIBs and Retail Individual Bidders. | Not less than [●] Equity Shares available for allocation or the Net Offer less allocation to QIBs and Non-Institutional Bidders. | Up to [●] Equity Shares |
| Percentage of Offer Size available for Allotment/ allocation | Not more than 50% of the Net Offer being available for allocation to QIB Bidders. However, up to 5% of the QIB Portion (excluding the Anchor Investor 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 QIB Portion. The unsubscribed portion in the Mutual Fund portion will be added to the Net QIBs. | Not less than 15% of the Net Offer or the Net Offer less allocation to QIB Bidders and Retail Individual Bidders out of which:<br>(a) one-third of the portion available to non-institutional investors shall be reserved for applicants with application size of more than ₹ 0.2 million and up to ₹ 1 million and<br>(b) two third of the portion available to non-institutional investors shall be reserved for applicants with application size of more than ₹ 1 million<br><br>Unsubscribed portion in either of the aforementioned sub-categories, may be allocated to applicants in the other sub-category of non-institutional investors | Not less than 35% of the Net Offer or the Net Offer less allocation to QIB Bidders and Non-Institutional Bidders. | The Employee Reservation Portion shall constitute up to [●] % of the post-Offer paid-up Equity Share capital of our Company. |
| Basis of Allotment if respective category is oversubscribed* | Proportionate as follows (excluding the Anchor Investor Portion):<br>a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and<br>b) Up to [●] Equity Shares shall be Allotted on a proportionate basis to all other QIBs, including Mutual Funds receiving allocation as per (a) above.<br><br>Not more than [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors at the Anchor Investor Allocation Price of which one-third shall be available for allocation to | Proportionate, however, the allotment of specified securities to each Non-Institutional Investor 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 in Schedule XIII of the SEBI ICDR Regulations | The allotment to each Retail Individual Investors 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 378. | Proportionate |

| Particulars | QIBs# | Non-Institutional Bidders | Retail Individual Bidders | Eligible Employees(3) |
|---|---|---|---|---|
| | Mutual Funds only, subject to valid Bid received from Mutual Funds only. | | | |
| Minimum Bid | [●] Equity Shares in multiples of [●] Equity Shares thereafter. | Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹200,000 | [●] Equity Shares 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 Bid does not exceed the size of the Offer (excluding the QIB Portion), subject to applicable limits. | Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the Net offer size (excluding the QIB Portion), subject to applicable limits. | Such number of Equity Shares and in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹ 200,000. | Such number of Equity Shares and in multiples of [●] Equity Shares, for which the Bid Amount does not exceed ₹ 500,000. |
| Mode of Bidding | Through the ASBA (including the UPI Mechanism) process only (other than Anchor Investors). | | | |
| Mode of Allotment | Compulsorily in dematerialized form. | | | |
| Bid Lot | [●] Equity Shares and in multiples of [●] Equity Shares thereafter. | | | |
| Allotment Lot | A minimum of [●] Equity Shares and in multiples of one Equity Share thereafter. | | | |
| Trading Lot | One Equity Share | | | |
| Who can apply(3)(4) | Public financial institutions specified in Section 2(72) of the Companies Act, FPIs (other than individuals, corporate bodies, and family offices), scheduled commercial banks, mutual funds registered with SEBI, VCFs, Alternative Investment Funds, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with a minimum corpus of ₹ 250 million, pension funds with a minimum corpus of ₹ 250 million, the National Investment Fund set up by the GOI, insurance funds set up and managed by the army, navy, or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India and Systemically Important Non-Banking Financial Companies, as defined in the SEBI ICDR Regulations. | Resident Indian individuals, HUFs (in the name of Karta), companies, corporate bodies, Eligible NRIs, scientific institutions societies, trusts, family offices and FPIs who are individuals, corporate bodies and family offices which are re-categorised as Category-II FPIs and registered with SEBI. | Resident Indian individuals, HUFs (in the name of Karta) and Eligible NRIs applying for Equity Shares such that the Bid amount does not exceed ₹ 0.2 million in value. | Eligible Employees (such that the Bid Amount does not exceed ₹ 0.5 million) |
| 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.(3)<br><br>**In case of all other Bidders:** Full Bid Amount shall be blocked by the SCSBs in the bank account of the Bidders, or by the Sponsor Bank through the UPI Mechanism that is specified in the ASBA Form at the time of the submission of the ASBA Form.(2) | | | |

* *Assuming full subscription in this Offer.*

\# *Our Company and the Selling Shareholder may, in consultation with the BRLMs, allocate up to 60% of the QIB Category to Anchor Investors at the price at which allocation is made to Anchor Investors, on a discretionary basis, subject to there being (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹ 100 million, (ii)* *minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100 million but up to ₹ 2,500 million under the Anchor Investor Portion, subject to a minimum Allotment of ₹ 50 million per Anchor Investor, and (iii) in case of allocation above ₹ 2,500 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 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million or part thereof will be permitted, subject to minimum allotment of ₹ 50 million per Anchor Investor. An Anchor Investor will make a minimum Bid of such number of Equity Shares, that the Bid Amount is at least ₹ 100 million. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received at or above the price at which allocation is made to Anchor Investors, which price shall be determined by the Company and the Selling Shareholder in consultation with the BRLMs.*

(1) *The Offer is being made in through the Book Building Process, 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. and in compliance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Net 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 and the Selling Shareholder in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors, on a discretionary basis (the "Anchor Investor Portion"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds 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 Net 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 application size of more than ₹ 0.2 million and up to ₹ 1.0 million and (b) two-third of such portion shall be reserved for applicants with application size of more than ₹ 1.0 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 Net 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 (net of Retail Discount, if any). Subject to receipt of necessary approvals from GOI, up to [●] Equity Shares may be offered for allocation and Allotment on a proportionate basis to the Eligible Employees Bidding in the Employee Reservation Portion, subject to valid Bids being received from them at or above the Offer Price. All Bidders (other than Anchor Investors) shall only participate in the Offer through the Application Supported by Blocked Amount ("**ASBA**") process by providing details of their respective bank account (as defined hereinafter) and UPI ID in case UPI Bidders using the UPI Mechanism, as applicable, pursuant to which their corresponding Bid Amounts will be blocked by the Self Certified Syndicate Banks ("**SCSBs**") or by the Sponsor Banks under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Offer through the ASBA process*

(2) *Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Bid-cum- 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. Anchor Investors are not permitted to use the ASBA process.*

(3) *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 (post the initial Allocation of up to ₹200,000 per Eligible Employee), 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 an Eligible Employee not exceeding ₹500,000. The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation to Eligible Employees with Bid Amounts over ₹200,000 up to a maximum of ₹500,000, net of Employee Discount), shall be added to the Net Offer.*

(4) *In the event that a Bid is submitted in joint names, the relevant Bidders should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the ASBA Form. The ASBA 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. The signature of only such First Bidder would be required in the ASBA Form and such First Bidder would be deemed to have signed on behalf of the joint holders. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.*

# OFFER PROCEDURE

*All Bidders should review 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.*

*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 ASBA Form); (vii) disposal of applications; (viii) Submission of Bid cum Application; (ix) other Instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (x) applicable provisions of 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 the UPI Circulars, has introduced an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. UPI has been introduced in a phased manner as a payment mechanism in addition to ASBA for applications by Retail Individual Bidders through intermediaries from January 1, 2019, the UPI Mechanism for RIBs 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 and with circular bearing number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 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/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II till March 31, 2020. However, given the prevailing uncertainty due to the COVID-19 pandemic, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, has decided to continue with the UPI Phase II till further notice. The final reduced timeline of T+3 days will be made effective using the UPI Mechanism for applications by RIBs ("**UPI Phase III**"), as may be prescribed by SEBI. The Offer will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the 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, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular shall come into force for initial public offers opening on/or after May 1, 2021 and the provisions of this circular are deemed to form part of this Draft Red Herring Prospectus. Subsequently, SEBI vide its 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, modifying the process timelines and extending the implementation timelines for certain measures introduced by the March 16 Circular. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in public issues (opening on or after May 1, 2022) whose application sizes are up to ₹ 0.50 million shall use the UPI Mechanism. Subsequently, 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)*

*In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four (4) 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 (4) 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 (4) days.*

*Our Company, the Selling Shareholder (President of India, acting through the Ministry of Jal Shakti, Government of India) and the members of the Syndicate 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 the Red Herring Prospectus and the Prospectus.*

*Further, our Company, the Selling Shareholder (President of India, acting through the Ministry of Jal Shakti, Government of India) and the Members of 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 in terms of Rule 19(2)(b) of SCRR through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Net Offer shall be available for allocation on a proportionate basis to QIBs, provided that our Company and the Selling Shareholder in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors, on a discretionary basis in accordance with SEBI ICDR Regulation, 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 price at which Equity Shares are allocated to Anchor Investors. 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 to Mutual Funds only 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 Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders out of which (a) one third of such portion shall be reserved for Non-Institutional Bidders with Bid size exceeding ₹ 200,000 and up to ₹ 1,000,000; and (b) two third of such portion shall be reserved for Non-Institutional Bidders with Bid size of more than ₹ 1,000,000, provided that the unsubscribed portion in either of such sub-categories may be allocated to Non-Institutional Bidders in the other sub-category of Non-Institutional Bidders and not less than 35% of the Net 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 (net of Retail Discount, if any).

Further, subject to receipt of necessary approvals from GOI, up to [●] Equity Shares may be offered for allocation and Allotment on a proportionate basis to the Eligible Employees Bidding in the Employee Reservation Portion, subject to valid Bids being received from them at or above the Offer Price, net of Employee Discount, if any. All Bidders, shall participate in the Offer mandatorily through the ASBA process by providing details of their respective bank account in which the Bid Amount will be blocked by SCSBs.

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, multiplied by the number of Equity Shares Bid for by such Eligible Employee and mentioned in the Bid cum Application Form .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 Offer.

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 and the Selling Shareholder, 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.

Investors must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

**Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, PAN and UPI ID, for UPI Bidders using the UPI Mechanism, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Offer.**

**Phased implementation of UPI Mechanism**

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 the ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six (6) Working Days to up to three (3) 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:

a) **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 (6) Working Days.

b) **Phase II:** This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 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 (6) Working Days during this phase.

c) **Phase III:** The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing is proposed to be reduced to three (3) Working Days.

Pursuant to 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 Streaming 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 penalized 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 BRLMs will be required to compensate the concerned investor.

The Offer will be made under UPI Phase II of the UPI Circular, unless UPI Phase III of the UPI Circular becomes effective and applicable on or prior to the Bid/Offer Opening Date. If the Offer is made under UPI Phase III of the UPI Circular, the same will be advertised in all editions of [●], an English national daily newspaper, (ii) all editions of [●] and 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.

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. Eligible Employees Bidding under Employee Reservation Portion for up to ₹ 500,000 and individual investors Bidding under the Non-Institutional Portion Bidding for more than ₹ 200,000 and up to ₹ 500,000, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through 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.

All SCSBs offering the facility of making applications in public issues shall also provide the 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 processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks make an application as prescribed in Annexure I of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and 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.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs.

**Bid cum Application Form/ASBA Form**

Copies of the ASBA Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centers, and at the Registered Office and Corporate Office of our Company. Electronic copies of the ASBA Form will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one (1) day prior to the Bid/Offer Opening Date.

For Anchor Investors, the Bid cum Application Forms will be available at the offices of the Book Running Lead Managers.

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. The UPI Bidders can additionally Bid through the UPI Mechanism.

UPI Bidders submitting their Bid cum Application Form to any Designated Intermediary (other than SCSBs) shall be required to bid using the UPI Mechanism 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 SEBI.

ASBA Bidders (other than UPI Bidders using UPI Mechanism) must provide bank account details and authorisation to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected. 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 investor's bank accounts. Accordingly, the Stock Exchanges shall, for all categories of investors viz. Retail, QIB, NIB and other reserved categories 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. All ASBA Bidders were required to provide either, (i) bank account details and authorizations to block funds in the ASBA Form; or (ii) the UPI ID, as applicable, in the relevant space provided in the ASBA Form and the ASBA Forms that did not contain such details will be rejected. Applications made by the RIBs using third party bank account or using third party linked bank account 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 SEBI.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA

Forms not bearing such specified stamp are liable to be rejected. UPI Bidders using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorizing an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. 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. In order to ensure timely information to Bidders, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked/ unblocked.

The prescribed color of the ASBA Form for the various categories of Bidders is as follows:

| Category | Colour of ASBA Form* |
|---|---|
| Resident Indians including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis(1) | [●] |
| Eligible NRIs, FVCIs, FPIs and registered multilateral and bilateral institutions applying on a repatriation basis | [●] |
| Anchor Investors(2) | [●] |
| Eligible Employees bidding in the Employee Reservation Portion(3) | [●] |

*(*)Excluding electronic ASBA Form*
*Note:*
*(1)Electronic Bid cum Application forms and the abridged prospectus will also be available for download on the website of the NSE (www.nseindia.com) and the BSE (www.bseindia.com).*
*(2)Bid cum Application Forms for Anchor Investors will be made available at the office of the BRLMs.*
*(3)Forms for Eligible Employees will be made available at the Registered and Corporate Office of the Company.*

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchanges. Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms (except Bid cum Application Forms submitted by UPI Bidders) 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 using the UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to UPI Bidders for blocking of funds. Designated Intermediaries (other than SCSBs) shall not accept any ASBA Form from a UPI Investor who is not Bidding using the UPI Mechanism. The Sponsor Bank 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 and the Bankers to the Offer shall provide the audit trail to the Book Running Lead Managers for analyzing 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, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.

For all pending UPI mandate requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 05:00 pm on the Bid/Offer Closing Date ("**Cut-Off Time**"). Accordingly, UPI Bidders Bidding using through the UPI Mechanism 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.

The Sponsor Bank 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 will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the Managers in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank 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 UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Banks on a continuous basis.

The Sponsor Bank 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.

**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 Offer.

(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) The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period till 5.00 pm on the Bid/Offer Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

**The Equity Shares have not been and will not be registered under 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 only being offered and sold outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.**

**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 the Promoter, associates/affiliate of the BRLMs and the Syndicate Members and persons related to the Promoters/ the Book Running Lead Managers.**

The BRLMs and the Syndicate Members shall not be allowed to subscribe or to purchase Offered 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 the Offered Shares in the Net 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.

Except as stated below, neither the Book Running Lead Managers nor any associate of the Book Running Lead Managers can apply in the Offer under the Anchor Investor Portion:

i. mutual funds sponsored by entities which are associate of the Book Running Lead Managers;

ii. insurance companies promoted by entities which are associate of the Book Running Lead Managers;

iii. AIFs sponsored by the entities which are associate of the Book Running Lead Managers; or

iv. FPIs (other than individuals, corporate bodies and family offices) sponsored by the entities which are associate of the Book Running Lead Managers.

However, a QIB who has any of the following rights shall be deemed to be a "person related to the Promoters/ Promoter Group":

(a) rights under a shareholders' agreement or voting agreement entered into with the Promoters or Promoter Group;

(b) veto rights; or

(c) right to appoint any nominee director on our Board.

Further, an Anchor Investor shall be deemed to be an "associate of the BRLM" if:

(i) 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

(ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or

(iii) there is a common director, excluding nominee director, amongst the Anchor Investors and the BRLMs.

The Promoter/Selling Shareholder will not participate in the Offer except to the extent of the Offered Shares. Furthermore, persons related to the Promoter shall not apply in the Offer under the Anchor Investor Portion.

**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 ASBA Form. Failing this, our Company and the Selling Shareholder in consultation with BRLMs reserve the right to reject any Bid without assigning any reason therefor.

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 net asset value 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 Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([•] in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([•] in colour).

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 applying on a non-repatriation basis in the Offer through the UPI Mechanism are advised to enquire with their relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

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.

Eligible NRIs will be permitted to apply in the Offer through Channel I or Channel II (as specified in the SEBI UPI Circulars). Further, subject to applicable law, Eligible NRIs may use Channel IV (as specified in the SEBI UPI Circulars) to apply in the Offer, provided the UPI facility is enabled for their NRE/NRO accounts.

Participation of 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

For details of restrictions on investment by NRIs, see *"Restrictions on Foreign Ownership of Indian Securities"* beginning on page 400.

**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 ASBA 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 may be considered at par with Bids/ Applications from individuals.

**Bids by FPIs**

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 ASBA 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 ASBA Form for Non-Residents ([●] in colour).

In terms of the FEMA Rules and Securities and Exchange Board of India (Foreign Portfolio Investor) Regulations 2019 ("SEBI FPI Regulations"), investment in the Equity Shares by a single FPI or an investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% or common control) shall be below 10% of our post-Offer Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up equity capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, 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. In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI 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.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar to the Offer shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

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

Further, Bids received from FPIs bearing the same PAN will 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 Foreign Portfolio Investors and Designated Depository Participants which were issued in November 2019 to facilitate implementation of SEBI (Foreign Portfolio Investors) Regulations, 2019 (such structure "**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, were required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure and indicate the names of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids will be rejected. Further, in the following cases, the bids by FPIs will not be considered as multiple Bids involving (i) the MIM Structure and indicating the name of their respective investment managers in such confirmation; (ii) offshore derivative instruments ("ODI") which have obtained separate FPI registration for ODI and proprietary derivative investments; (iii) sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration; (iv) 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; (v) multiple branches in different jurisdictions of foreign bank registered as FPIs; (vi) Government and Government related investors registered as Category I FPIs; and (vii) Entities registered as Collective Investment Scheme having multiple share classes.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 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 instrument is made by, or on behalf of it subject to, *inter alia*, the following conditions:

(a) each 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 to are pre-approved by the FPI.

Participation of FPIs in the Offer shall be subject to the FEMA Rules

**Bids by SEBI-registered Alternative Investment Funds, Venture Capital Funds and Foreign Venture Capital Investors**

The SEBI AIF Regulations, *inter alia*, prescribe the investment restrictions on AIFs. Post the repeal of the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI (Venture Capital Funds) Regulations, 1996 until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. The SEBI FVCI Regulations prescribe the investment restrictions on FVCIs.

Category I and Category 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, in certain specified instruments, including by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the holding by any individual VCF or FVCI registered with SEBI, in any company 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 by way of subscription to an initial public offering of a venture capital undertaking or an investee company (as defined under the SEBI AIF Regulations).

Further, the shareholding of VCFs, Category I AIFs or Category II AIFs and FVCIs in a company prior to an initial public offering being undertaken by such company, shall be exempt from lock-in requirements, provided that such equity shares shall be locked in for a period of at least six months from the date of purchase by the VCF or AIF or FVCI. However, if such VCFs, Category I AIFs or Category II AIFs and FVCIs hold individually or with persons acting in concert, more than 20% of the pre-offer shareholding of such company, this exemption from lock-in requirements will not be applicable.

Participation of AIFs, VCFs and FVCIs shall be subject to the FEMA 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, the Selling Shareholder or the BRLMs shall not be responsible for the 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 ASBA Form. Failing this, our Company and the Selling Shareholder in consultation with BRLMs, reserve 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 ASBA Form, failing which our Company in consultation with the Selling Shareholder, reserve the right to reject any Bid without assigning any reason therefor.

The investment limit for banking companies in non-financial services companies, not being subsidiaries, as per the Banking Regulation Act, 1949, as amended (the "**Banking Regulation Act**"), and the Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016 ("**Financial Services Directions**"), is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the banks' own paid-up share capital and reserves, whichever is less. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt, 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 *inter alia* make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed under 5(b)(i) of the Financial Services Directions), and (ii) investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in 5(a)(v)(c)(i) of RBI (Financial Services provided by Banks) Directions, 2016, as amended. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the investee company's paid- up share capital and reserves.

**Bids by SCSBs**

SCSBs participating in this Offer are required to comply with the terms of the SEBI circulars CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013 dated September 13, 2012 and January 2, 2013 respectively. 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 SCSBs.

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 ASBA Form. Failing this, our Company and the Selling Shareholder reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 as amended are broadly set forth below:

i. equity shares of a company: the lower of 10%* of the investee company's outstanding equity shares (face value) or 10% of the respective fund in case of a life insurer/investment assets in case of a general insurer or a reinsurer;

ii. the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or a reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

iii. the industry sector in which the investee company operates: not more than 15% of the respective fund of a life insurer or general insurance or 15% of the investment assets, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under points (i), (ii) or (iii) above, as the case may be.

**The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹500,000 million or more but less than ₹2,500,000 million.*

Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time including the IRDA Investment Regulations.

**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 ASBA Form. Failing this, our Company and the Selling Shareholder reserve 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 by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of 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 (in each case, subject to applicable law and in accordance with their respective constitutional documents), 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, as applicable, must be lodged along with the ASBA Form. Failing this, our Company in consultation with the Selling Shareholder reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company and the Selling Shareholder, in consultation with the BRLMs, in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the ASBA Form subject to such terms and conditions, as may be decided by the Selling Shareholder in consultation with our Company and BRLMs.

**Bids by Systemically Important Non-Banking Financial Companies**

In case of Bids made by Systemically Important Non-Banking Financial Companies 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 approvals as may be required by the Systemically Important Non-Banking Financial Companies, are required to be attached to the ASBA Form. Failing this, our Company and the Selling Shareholder, 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 Anchor Investors**

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.

a) Anchor Investor Application Forms to be made available for the Anchor Investor Portion at the offices of the BRLMs.

b) The Bids are required to be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹ 100 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 million.

c) One-third of the Anchor Investor Portion is 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 and the Selling Shareholder, in consultation with the BRLMs will finalise allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion is not less than:

   - maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹ 100 million;

   - minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100 million but up to ₹ 2,500 million, subject to a minimum Allotment of ₹ 50 million per Anchor Investor; and

   - in case of allocation above ₹ 2,500 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 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million, subject to minimum Allotment of ₹ 50 million per Anchor Investor.

f) Allocation to Anchor Investors is required to 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 will be made, is required to be made available in the public domain by the BRLMs before the Bid/Offer Opening Date, through intimation to the Stock Exchanges.

g) 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 Allocation 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 Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Offer Price.

h) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

i) The Equity Shares Allotted in the Anchor Investor Portion will be locked in, in accordance with the SEBI ICDR Regulations. Lock-in of ninety (90) days on 50% of the Equity Shares allotted to the Anchor Investors from the date of Allotment, and a lock-in of thirty (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 associate of the and BRLMs) can 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 as multiple Bids.

**Bids by Eligible Employees under the Employee Reservation Portion**

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. 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 *"Offer Structure"* on page 375.

However, Allotments to Eligible Employees in excess of ₹ 200,000 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. 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 by Eligible Employees under the Employee Reservation Portion shall be subject to the following:

(a) Made only in the prescribed Bid cum Application Form or Revision Form

(b) 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

(c) In case of joint bids, the sole/ First Bidder shall be the Eligible Employee.

(d) Bids by Eligible Employees may be made at Cut-off Price.

(e) Only those Bids, which are received at or above the Offer Price, would be considered for allocation under this portion.

(f) 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.

(g) 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

(h) Bids by Eligible Employees in the Employee Reservation Portion and in the Net Offer portion shall not be treated as multiple Bids. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.

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.

If the aggregate demand in this portion is greater than [●] Equity Shares at or above the Offer Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of Allotment, see *"Offer Procedure"* on page 378.

**In accordance with RBI regulations, OCBs cannot participate in this Offer.**

**The above information is given for the benefit of Bidders. Our Company and the Selling Shareholder, our Directors, the officers of our Company, the BRLMs and the members of the Syndicate 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 Equity Shares that can be held by them under laws or regulations or as specified in the Red Herring Prospectus and the Prospectus.**

**Information for Bidders**

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the Acknowledgment Slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he/she shall surrender the earlier Acknowledgement Slip and may request for a revised Acknowledgment Slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Red Herring Prospectus or the Red Herring Prospectus or the Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

**General Instructions**

Investors should 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. Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bid(s) during the Bid/Offer Period and withdraw their Bid(s) until the Bid/Offer Closing Date. Anchor Investors are not allowed to withdraw or lower the size of their Bids after the Anchor Investor Bidding Date.

In addition to the general instructions provided in the General Information Document for Investing in Public Issues, Bidders are requested to note the additional instructions provided below:

**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.
2. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
3. Ensure that you have Bid within the Price Band;
4. Read all the instructions carefully and complete the Bid cum Application Form, as the case may be, in the prescribed form;
5. Ensure that you (other than the Anchor Investors) have mentioned the correct ASBA Account number (i.e. bank account number or UPI ID, as applicable) in the Bid cum Application Form if you are not an UPI Bidders bidding through the UPI Mechanism in the Bid cum Application Form and if you are an UPI Bidders 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;
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. UPI Bidders not using the UPI Mechanism, should submit their Bid cum Application Form directly with SCSBs and/or the designated branches of SCSBs;
8. 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;
9. Ensure that you request for and receive a stamped acknowledgement in the form of a counterfoil or acknowledgment specifying the application number as a proof of having accepted of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;
10. 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;

11. 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 to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;

12. Ensure that the signature of the first Bidder in case of joint Bids, is included in the Bid cum Application Forms. If the first Bidder is not the ASBA Account holder, ensure that the Bid cum Application Form is also signed by the ASBA Account holder;

13. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

14. 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, 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 for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

15. 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;

16. Ensure that the Demographic Details are updated, true and correct in all respects;

17. 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;

18. Ensure that the category and the investor status is indicated in the Bid cum Application Form;

19. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;

20. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;

21. 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 (for UPI Bidders Bidding through UPI mechanism), 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 (for UPI Bidders Bidding through UPI Mechanism), 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, (for UPI Bidders Bidding through UPI Mechanism) available in the Depository database;

22. Ensure that when applying in the Offer using UPI, the name of your SCSB appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, also ensure that the name of the app and the UPI handle being used for making the application is also appearing in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019;

23. UPI Bidders using the UPI Mechanism who have revised their Bids subsequent to making the initial Bid should also approve the revised UPI Mandate Request generated by the Sponsor Bank to authorize blocking of funds equivalent to the revised Bid Amount and subsequent debit of funds in case of

Allotment in a timely manner;

24. In case of QIBs and Non Institutional Bidders, ensure that while Bidding through a Designated Intermediary, the ASBA Form 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 http://www.sebi.gov.in);

25. Anchor Investors should submit the Anchor Investor Application Forms to the BRLMs;

26. The ASBA Bidders shall use only their own bank account or only their own bank account linked UPI ID for the purposes of making Application in the Offer, which is UPI 2.0 certified by NPCI

27. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Bid/ Offer Closing Date;

28. However, Bids received from FPIs bearing the same PAN shall not be treated as multiple Bids in the event such FPIs utilise the MIM Structure and such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs

29. 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;

30. For UPI Bidders using the UPI mechanism, ensure that you approve the Mandate Request generated by the Sponsor Bank(s) to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;

31. 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 Bidding through UPI Mechanism may be deemed to have verified the attachment containing the application details of the Bidders in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form;

32. UPI Bidders Bidding through the UPI Mechanism should mention valid UPI ID of only the Bidder (in case of single account) and of the first Bidder (in case of joint account) in the Bid cum Application Form; and

33. 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.

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 Lot;

2. Do not submit a Bid using UPI ID, if you are not a UPI Bidder;

3. Do not Bid for a Bid Amount exceeding ₹200,000 for Bids by RIBs Bidding in Net Offer and Eligible Employee(s) Bidding in the Employee Reservation Portion (net of Employee Discount);

4. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediary;

5. Do not Bid/ revise the Bid amount to less than the floor price or higher than the cap price;

6. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;

7. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary

only;

8. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
9. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
10. Do not submit the Bid for an amount more than funds available in your ASBA account;
11. 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 Bidder;
12. 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;
13. 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);
14. 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 the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
15. Do not Bid for Equity Shares more than specified by respective Stock Exchanges for each category;
16. In case of ASBA Bidders (Other than UPI Bidders using UPI Mechanism), do not submit more than one Bid cum Application Form per ASBA Account;
17. Do not make the Bid cum Application Form using third party bank account or using third party linked bank account UPI ID;
18. Anchor Investors should not bid through the ASBA process;
19. Do not submit the Bid cum Application Form to any non-SCSB bank or our Company;
20. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
21. Do not submit the GIR number instead of the PAN;
22. Anchor Investors should submit Anchor Investor Application Form only to the BRLMs;
23. Do not Bid on a Bid cum Application Form that does not have the stamp of a Designated Intermediary;
24. If you are a QIB, do not submit your Bid after 3.00 pm on the QIB Bid/ Offer Closing Date;
25. 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 or Eligible Employees Bidding in the Employee Reservation Portion can revise or withdraw their Bids on or before the Bid/Offer Closing Date;
26. Do not submit Bids to a Designated Intermediary at a location other than at the relevant Bidding Centres. If you are UPI Bidder and are using UPI Mechanism, do not submit the ASBA Form directly with SCSBs;
27. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
28. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID details if you are a UPI Bidder Bidding through the UPI Mechanism. Further, do not provide details for a beneficiary account which is suspended or for which details cannot be verified to the Registrar to the Offer;
29. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA account;
30. 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;
31. Do not Bid if you are an OCB;
32. UPI Bidder Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB or a bank which is not mentioned in the list provided in the SEBI website is liable to be

rejected; and

33. Do not submit more than one Bid cum Application Form for each UPI ID in case of RIBs Bidding using the UPI Mechanism.

**Grounds for Technical Rejection**

In addition to the grounds for rejection of Bids on technical grounds as provided in the GID, Bidders are requested to note that Bids maybe rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;

2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;

3. Bids submitted on a plain paper;

4. Bids submitted by UPI Bidders using the UPI Mechanism through an SCSBs and/or using a mobile application 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 regarding third party account from Sponsor Bank);

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. ASBA Form by the RIBs by using third party bank accounts or using third party linked bank account UPI IDs;

10. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are "suspended for credit" in terms of SEBI circular CIR/MRD/DP/22/2010 dated July 29, 2010;

11. GIR number furnished instead of PAN;

12. Bids by RIBs with Bid Amount of a value of more than ₹200,000;

13. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;

14. Bids accompanied by stock invest, money order, postal order or cash; and

15. Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Offer Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Offer Closing Date, and Bids by RIBs uploaded after 5.00 p.m. on the Bid/ Offer Closing Date, unless extended by the Stock Exchanges. On the Bid/Offer Closing Date, extension of time may be granted by the Stock Exchanges only for uploading Bids received from Retail Individual Investors, after taking into account the total number of Bids received up to closure of timings for acceptance of Bid-cum-Application Forms as stated herein and as informed to the Stock Exchanges

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 70.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four (4) 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 (4) 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.

**Names of entities responsible for finalizing the basis of allotment in a fair and proper manner**

The authorised employees of the Stock Exchanges, 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 SEBI ICDR Regulations.

**Method of Allotment as prescribed by SEBI from time to time**

Our Company will not make any allotment in excess of the Equity Shares through the Offer Document 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 (1) percent of the Net Offer may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the Retail Individual Bidders and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Bidders shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Bidders Portion, and the remaining available shares, if any, shall be allotted on a proportionate basis.

**Payment into Escrow Account**

Our Company and Selling Shareholder 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. Anchor Investors are not permitted to Bid in the Offer through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, RTGS or NEFT). The payment instruments for payment into the Escrow Accounts should be drawn in favour of:

i. In case of resident Anchor Investors: "[●]"

ii. 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, the Selling Shareholder, the Syndicate, the Bankers to the Offer and the Registrar to the Offer to facilitate collections 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 under Part A of Schedule X of the SEBI ICDR Regulations, in all editions of the English national daily newspaper [●], all editions of the Hindi national daily newspaper [●] (Hindi being the regional language of New Delhi, where our Registered Office is located), each with wide circulation.

In the pre-Offer advertisement, the Bid/Offer Opening Date and the Bid/Offer Closing Date shall be mentioned. 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 above information is given for the benefit of the Bidders/applicants. Our Company, the Selling Shareholder and the Members of the Syndicate 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 RoC Filing**

a) Our Company and the Selling Shareholder and Member of Syndicate intend to enter into an Underwriting Agreement on or immediately after the finalization of the Offer Price but prior to the filing of the Prospectus.

b) After signing the Underwriting Agreement, our Company will file an updated Red Herring Prospectus with the RoC in accordance with the applicable law, which would be termed as the Prospectus. The Prospectus will contain details of the Offer Price, Anchor Investor Offer Price, Offer Size and underwriting arrangements and would be complete in all material respects

**Depository Arrangements**

The Allotment of the Offered Shares 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). In this context, tripartite agreements had been signed among our Company, the respective Depositories and the Registrar to the Offer:

- Agreement dated August 12, 2021 among NSDL, our Company and the Registrar to the Offer.

- Agreement dated August 12, 2021 among CDSL, our Company and Registrar to the Offer.

**Impersonation**

Attention of the applicants is specifically drawn to the provisions of sub-Section (1) of Section 38 of the Companies Act, 2013, 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/her 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.*"

**Undertakings by our Company**

Our Company undertakes that:

- the complaints received in respect of this Offer shall be attended to by our Company expeditiously and satisfactorily;

- if Allotment is not made within prescribed timelines under applicable laws, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable laws. If there is a delay beyond such prescribed time, our Company shall pay interest prescribed under the Companies Act, the SEBI ICDR Regulations and other applicable laws for the delayed period;

- all steps for completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges where the Equity Shares are proposed to be listed are taken six (6) Working Days of the Bid/Offer Closing Date or within the period prescribed by SEBI shall be taken;

- the funds required for making refunds/ unblocking to unsuccessful Bidders (to the extent applicable) 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 Bidder within such time as prescribed under the applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit for the refund;

- the Promoter's contribution, if any, shall be brought in advance before the Bid/Offer Opening Date, in accordance with the applicable provisions of the SEBI ICDR Regulations;

- no further Offer of Equity Shares shall be made until the Offered Shares are listed or until the Bid monies are unblocked in ASBA Account on account of non-listing, under-subscription, etc.;

- that if our Company do not proceed with the Offer after the Bid/Offer Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two (2) days of the Bid/Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The Stock Exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;

- if our Company in consultation with the BRLMs, withdraw the Offer after the Bid/Offer Closing Date, our Company shall be required to file a fresh draft offer document with the SEBI, in the event our Company subsequently decides to proceed with the Offer thereafter;

- our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time; and

- adequate arrangements shall be made to collect all ASBA Forms submitted by Bidders.

**Undertakings by the Selling Shareholder**

The Selling Shareholder undertakes the following:

- it that the Offered Shares are free and clear of any pre-emptive rights, liens, mortgages, charges, pledges or encumbrances and are eligible to be a part of the Offer for Sale, in accordance with Regulation 8 of the SEBI ICDR Regulations and shall continue to be in dematerialised form at the time of transfer;
- that they are the legal and beneficial owner of and have full title to the Offered Shares;
- that they shall provide all support and cooperation as may be reasonably requested by our Company and the BRLMs to the extent such support and cooperation is in relation to its Offered Shares and in relation to necessary formalities for listing and commencement of trading at the Stock Exchanges, the completion of the Allotment and dispatch of the Allotment Advice and CAN, if required, and refund orders (as applicable) to the requisite extent of the Offered Shares;
- that the Selling Shareholder specifically confirms that they shall not have any recourse to the proceeds of the Offer, until final listing and trading approvals have been received from the Stock Exchanges;
- that they shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid in the Offer, and shall not make any payment, direct or indirect, in the nature of discounts, commission, allowance or otherwise to any person who makes a Bid in the Offer, except as permitted under applicable law;
- that they shall not offer, lend, pledge, create lien, charge, encumber, sell, contract to sell or otherwise transfer or dispose of, directly or indirectly, any of the Equity Shares offered in the Offer;
- that they will provide such assistance as may be required by our Company and BRLMs acting reasonably, in redressal of such investor grievances that pertain to the Equity Shares being offered pursuant to the Offer and statements specifically made or confirmed by it in relation to itself as a Selling Shareholder; and.
- that they shall transfer the Offered Shares to an escrow demat account in accordance with the share escrow agreement to be executed between the parties to such share escrow agreement.

The decisions with respect to the Price Band, the minimum Bid lot, reservations in this Offer, the rupee amount of the Retail Discount and the Employee Discount, as applicable, revision of the Price Band, the Offer Price, shall be taken by our Company and the Selling Shareholder, in consultation with the BRLMs.

**Utilization of Offer Proceeds**

Our Company and the Selling Shareholder declare that all monies received out of this 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, 2013.

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India ("**Industrial Policy**") and FEMA. While the Industrial Policy 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. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior 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. The responsibility of granting approval for foreign investment under the FDI Policy and FEMA has been entrusted to the RBI and the concerned ministries / departments.

The Government of India has from time to time made policy pronouncements on foreign direct investment ("**FDI**") through press notes and press releases. The DPIIT issued the Consolidated Foreign Direct Investment Policy notified by the DPIIT through notification bearing DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020 with effect from October 15, 2020 (the "**FDI Policy**"), which consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT, which were in force and effect prior to October 15, 2020. The FDI Policy will be valid and remain in force until superseded in totality or in part thereof. FDI in companies engaged in sectors/ activities which are not listed in the FDI Policy is permitted up to 100% of the paid-up share capital of such company under the automatic route, subject to compliance with certain prescribed conditions.

The 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 Policy and the transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; 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, please refer "*Offer Procedure – Bids by Eligible NRIs*" and "*Offer Procedure – Bids by FPIs*" on page 384 and page 385.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer. For details, please refer *"Offer Procedure" – In accordance with RBI regulations, OCBs cannot participate in this Offer."* on page 390.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the FEMA Rules, any investment, subscription, purchase or sale of equity instruments by entities, 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. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar in writing about such approval along with a copy thereof within the Offer Period. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Rules. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank or fund in India.

**Foreign Exchange Laws**

The foreign investment in our Company is governed by *inter alia* the FEMA, the FEMA Non-debt Instruments Rules, the FDI Policy issued and amended by way of press notes, and the SEBI FPI Regulations.

In terms of the FEMA Non-debt Instruments Rules, a person resident outside India may make investments into India, subject to certain terms and conditions, and provided that an entity of a country, which shares land border with India or the beneficial owner of an investment into India who is situated in or is a citizen of any such country, shall invest only with government approval.

In terms of the FEMA Non-debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. The aggregate limit for FPI investments shall be the sectoral cap applicable to our Company. In accordance with the FEMA Non-debt Instruments 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 five percent 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.

The offer and sale of the Equity Shares offered in the Offer have not been and will not be registered under the 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 Securities Act and in accordance with any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in 'offshore transactions' in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdictions where such 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, the Selling Shareholder 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 IX – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

*Capitalized terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Schedule I of the Companies Act and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below:*

Pursuant to the Companies Act and the SEBI ICDR Regulations the main provisions of our Articles of Association relating to, among others, voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that each provision herein below is numbered as per the corresponding article number in our Articles of Association and capitalized/defined terms herein have the same meaning given to them in our Articles. Subject to our Articles of Association, any words or expression defined in the Companies Act shall, except so where the subject or context forbids; bear the same meaning in these Articles.

| Articles No. | Particulars |
|---|---|
| 4. | **Buy-back of shares.**<br><br>Notwithstanding anything contained in these Articles, but subject to the provisions of Section 68, 69 and 70 of the Act, the Company may buy-back its own shares or other specified securities, as the Board may consider appropriate, subject to such approvals, permissions and sanctions, as may be necessary, and subject to such limits, restrictions, terms and conditions etc. as may be required under the provisions of the Act and Rules made there under or any other Applicable Law as amended from time to time. |
| 5. | **Share Capital.**<br><br>The Authorized Share capital of the Company shall be such amount and be divided into such shares as may, from time to time, be provided in clause 5 of Memorandum of Association payable in the manner as may be determined by the Directors, from time to time, with power to increase, reduce, sub-divide or to repay the same or to divide the same into several classes and to attach thereto any right and to consolidate or subdivide or reorganize, the shares subject to the provisions of the Act. |
| 6. | **Allotment of Shares.**<br><br>Subject to the provisions of Section 62 and other applicable provisions of the Act and these Articles, the Shares and Securities in the capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par at such time as they may from time to time think fit and to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit.<br><br>Subject to the provisions of Section 55, any preference shares may be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine. |
| 7. | **Return of Allotments.**<br><br>As regards all allotments made from time to time the Company shall duly comply with Section 39 of the Act. |
| 8. | **Installments on shares to be duly paid.**<br><br>If, by the conditions of allotment of any share, the 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, shall be the registered holder of the shares or by his executor or administrator. |
| 9. | **Liability of Joint-holders of Shares.**<br><br>The joint-holders of a share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such share. |
| 10. | **Trust not recognized**<br><br>Save as herein otherwise provided, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not, except as ordered by a court of competent jurisdiction or as by statute required, be bound to recognize any equitable or other claim to or interest in such share on the part of any other person. |
| 11. | **Who may be registered.**<br><br>Shares may be registered in the name of any person, company or other body corporate. Not more than four persons shall be registered as joint-holders of any share. |
| **CERTIFICATES** | |

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| 12. | **Share certificates.**<br><br>Subject to the provisions of the Companies (share capital and debentures) Rules, 2014, or any statutory modification or re-enactment thereof, share certificates shall be issued as follows:<br><br>1) Every certificate shall specify the shares to which it relates and the amount paid-up thereon and shall be issued under the Seal of the Company which shall be affixed in the presence of:<br>i. two directors or<br>ii. a director and the company secretary both of whom shall sign such share certificate.<br><br>**Members'/Debenture holders' rights to certificate.**<br><br>2) Subject to the requirements of SEBI Listing Regulations, the listing agreement and the bye laws of the Stock Exchanges, every member/debenture holder shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares/debentures of each class or denomination registered in his name, or if the Directors so approve (upon paying such fees as the Directors may from time to time determine) to several certificates, each for one or more of such shares/ debentures and the Company shall complete and have ready for delivery such certificates within two months for shares/six months for debentures from the date of allotment unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, subdivision, consolidation or renewal of any of its shares/debentures, as the case may be. Every certificate of shares/debentures shall be under the seal of the Company and shall specify the number and distinctive numbers of shares/ debentures in respect of which it is issued and amount paid- up thereon and shall be in such form as the directors may prescribe or approve:<br><br>Provided that in respect of a share(s)/debenture(s) held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares/ debentures to one of several right holders shall be sufficient delivery to all such holders:<br><br>Provided that in case of securities held by the Member/Bond/ Debenture holder in dematerialized form, no Share/Bond/ Debenture Certificate(s) shall be issued.<br><br>**As to issue of new Certificates.**<br><br>3) If any security certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate be lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company may deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under the article shall be issued without payment of fees:<br><br>Provided that notwithstanding what is stated above, the Directors with such Rules or Regulations or requirements any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable in this behalf. |
| 13. | **Calls.**<br><br>The Board may, from time to time, subject to the terms on which any shares may have been issued, and subject to the provisions of Section 49 of the Act, make such calls, as the Board thinks fit, upon the members in respect of all moneys unpaid on the shares held by them respectively, and not by the conditions of allotment thereof made payable at fixed times, and each member shall pay the amount of every call so made on him to the persons and at the time and place appointed by the Board. A call may be made payable by installments and shall be deemed to have been made when the resolution of the board authorizing such call was passed. |
| 14. | Any money due from the Company to a shareholder may, without the consent of such share-holder, be applied by the Company in or towards payment of any money due from him to the Company for calls or otherwise. |
| 15. | **Restriction on notice calls**<br><br>No call shall be made payable within one month after the last preceding call was payable. Not less than fourteen days' notice of any call shall be given specifying the time and place of payment and the person and persons to whom such call shall be paid. |
| 16. | **When interest on call or installment payable.**<br><br>1) If the sum payable in respect of any call or installment be not paid on or before the day appointed for payment thereof, the holder, for the time being, in respect of the share for which the call shall have been made or the installment shall be due, shall pay interest for the same at the rate of 6 per cent per annum from the day appointed for the payment thereof to the time of the actual payment or at such lower rate (if any) as the Board may determine.<br>2) The Board shall be at liberty to waive payment of any such interest either wholly or in part. |

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| 17. | **Amount payable at fixed times or payable by installments as calls.**<br><br>If by the terms of issue of any share or otherwise any amount is made payable upon allotment or at any fixed time or by installments at fixed times, whether on account of the amount of the share or by way of premium, every such amount or installment shall be payable as if it were a call duly made by the Board and of which due notice had been given and all the provisions herein contained in respect of calls shall relate to such amount or installment accordingly. |
| 18. | **Evidence in actions by company against shareholders**<br><br>Subject to the provisions of any other law in force of the trail or hearing of any action or suit brought by the Company against any member or his representatives to recover any debt or money claimed to be due to the Company in respect of his share, it shall be sufficient to prove that the name of the defendant is, or was, when the claim arose, on the Register as a holder, or as one of the holders of the number of shares in respect of which such claim is made, and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Board who made any calls, nor that a quorum was present at the Board meeting at which any call was made was duly convened or constituted, nor any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt. |
| 19. | **Payment of calls in advance.**<br><br>The Board may, if it thinks fit, receive from any member willing to advance the same, all or any part of the money due upon the shares held by him beyond the sums actually called for, and upon the money so paid or satisfied in advance, or upon so much thereof as from time to time exceeds the amount of the calls then made upon the share in respect of which such advance has been made, the company may pay interest at such rate not exceeding, unless the Company in general meeting shall otherwise direct, 6 per cent per annum as the member paying such sum in advance and the Board agree upon. Money so paid in excess of the amount of calls shall not rank for dividends or confer a right to participate in profits. The Board may at any time repay the amount so advanced upon giving to such member not less than three months notice in writing. |
| 20. | **Revocation of calls**<br><br>A call may be revoked or postponed at the discretion of the Board. |
| | **FORFEITURE AND LIEN** |
| 21. | **If call or installment not paid notice may be given.**<br><br>If any member fails to pay any call or installment of a call on or before the day appointed for the payment of the same, the Board may, at any time thereafter during such time as the call or installment remains unpaid, serve a notice on such member requiring him to pay the same, together with any interest that may have accrued and all-expenses that may have been incurred by the Company by reason of such non-payment. |
| 22. | **Form of Notice.**<br><br>The notice shall name a day (not being less than fourteen days from the date of the notice) and a place or places on and at which such call or instalment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time, and at the place appointed, the shares in respect of which such call was made or instalment is payable will be liable to be forfeited. |
| 23. | **If notices not complied with shares may be forfeited.**<br><br>If the requisitions of any such notice as aforesaid be not complied with, any shares in respect of which such notice has been given may, at any time thereafter, before payment of all calls or instalments, interest and expenses, due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture. |
| 24. | **Notice after forfeiture**<br><br>When any share shall have been so forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid. |
| 25. | **Forfeiture share to become property of the company.**<br><br>Any share so forfeited shall be deemed to be the property of the company, and the Board may sell, reallot or otherwise dispose of the same in such manner as it thinks fit. |
| 26. | **Power to annual forfeiture.**<br><br>The Board may, at any time before any share so forfeited shall have been sold, reallotted or otherwise disposed of, annual the forfeiture thereof upon such conditions as it thinks fit. |
| 27. | **Liability on forfeiture.** |

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| | i. A person whose share has been forfeited shall cease to be a member in respect of forfeited share, but shall notwithstanding such forfeiture, remain liable to pay, and shall forthwith pay to the Company, all calls, or instalments, interest and expenses, owing upon or in respect of such share, at the time of forfeiture, together with interest thereon, from time of forfeiture until payment, at the rate not more than as prescribed under the Act, as may be determined by the Board from time to time and the Board may enforce the payment thereof, or any part thereof, without any deduction allowance for the value of the shares at the time of forfeiture, but shall not be under any obligation to do so.<br>ii. The liability of such person shall cease if and when the Company shall have received payment of all such moneys in respect of the shares. |
| 28. | **Evidence of forfeiture.**<br><br>i. A duly verified declaration in writing that the declarant is a Director, the Manager or Secretary of the Company, and that share(s) in the Company have 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(s).<br>ii. The Company may receive the consideration, if any, given for the share(s) on any sale, reallotment or disposal thereof and may execute a transfer of share in favour of the person to whom the share is/are sold or disposed of.<br>iii. The transferee shall thereupon be registered as the holder of the share.<br>iv. The transferee shall not be bound to see the application of the purchase money, if any, nor shall his title to the share(s) be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re- allotment or disposal of share(s). |
| 29. | **Forfeiture Provisions to apply to non-payment in terms of issue.**<br><br>i. The provisions of these Articles 21 to 28 as to forfeiture shall apply in the case of non-payment of any sum which, by the term of issue of a Share or Debenture becomes payable at a fixed time, whether on account of the nominal value of the share by way of premium, as if the same had been payable by virtue of a call duly made and notified.<br>ii. Where any share, under the power in that behalf herein contained, is reissued by the Board consequent to the forfeiture of shares and the certificate in respect thereof has not been delivered to the Company by the former holder of such share, the Board may issue a new certificate for such share distinguishing it in such manner as it may think fit from the certificate not so delivered.<br>iii. The provisions of this article shall mutatis mutandis apply to the forfeiture of debentures. |
| 30. | **Company's lien on shares.**<br><br>The Company shall have a first and paramount lien upon every share, not being fully paid up, registered in the name of each member (whether solely or jointly with others), and upon the proceeds of sale thereof for moneys called or payable at a fixed time in respect of such share whether the time for the payment thereof shall have actually arrived or not and not equitable interest in any share shall be created except upon the footing and condition that Article 11 here of is to have full effect. Such lien shall extend to all dividends from time to time declared in respect of such share. Unless otherwise agreed the registration of a transfer of a share shall operate as a waiver to the Company's lien, if any, on such share. |
| 31. | **As to enforcing lien by sale.**<br><br>For the purpose of enforcing such lien, the Board may sell the share subject thereto in such manner as it thinks fit, but no sale shall be made until such time for payment as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member, his executor or administrator or his committee, curator bones or other legal representative, as the case may be, and default shall have been made by him or them in the payment of the moneys called or payable at a fixed time in respect of such share for fourteen days after the date of such notice. |
| 32. | **Application of proceeds of sale.**<br><br>The net proceeds of the sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the share before the sale) be paid to the person entitled to the share at the date of the sale. |
| 33. | **Validity of sales in exercise of line and after forfeiture**<br><br>Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument to transfer of the share sold and cause the purchaser's name to be entered in the Register in respect of the share sold and the purchaser shall not be bound to see to the regularity of the proceedings, nor to the purchase money, and after his name has been entered in the Register in respect of such share, the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively . |
| 34. | **Board may issue new certificates** |

Where any share under the powers in that behalf herein contained is sold by the Board and the certificate in respect thereof has not been delivered up to the Company by the former holder of such share, the Board may issue a new certificate for such shares distinguishing it in such manner as it may think fit from the certificate not so delivered up.

## EMPLOYEES STOCK OPTIONS

35. **Employees stock options.**

Subject to the provisions of Section 62 of the Act and the Applicable Law, the Company may issue options to any Directors, not being Independent Directors, officers, or employees of the Company, its subsidiaries which would give such Directors, officers or employees, the benefit or right to purchase or subscribe at a future date, the securities offered by the Company at a predetermined price, in terms of schemes of employee stock options or employees share purchase or both: Provided that it will be lawful for such scheme to require an employee, officer, or Director, upon leaving the Company, to transfer securities acquired in pursuance of such an option, to a trust or other body established for the benefit of employees.

## POWER TO ISSUE SWEAT EQUITY SHARES

36. **Power to issue sweat equity shares.**

Subject to and in compliance with Section 54 and other Applicable Law, the Company may issue equity shares to its employees or Director(s) at a discount or for consideration other than cash for providing know-how or making available rights in the nature of intellectual property rights or value additions, by whatever name called.

## DEMATERIALISATION OF SECURITIES

37. **Dematerialisation of securities.**

(a) Notwithstanding anything contained in these Articles, the Board shall be entitled to dematerialize or rematerialize its Securities (both present and future) held by it with the Depository and to offer its Securities for subscription in a dematerialized form pursuant to the Depositories Act, 1996 and the applicable Rules.

(b) Options to investors.

Every person subscribing to securities offered by the Company, subject to Applicable Law, shall have the option to receive the security certificates or hold the Securities with a depository. Such a person who is the beneficial owner of the Securities can at any time opt out of a Depository, if permitted by the law, in respect of any securities and the Company shall, in the manner and within the time prescribed by the provided by the Depositors Act, 1996 issue to the beneficial owner that required Certificates of Securities. If a person opts to hold his securities with a depository, then notwithstanding anything to the contrary contained in the Act or these Articles, the Company shall intimate such Depository the details of allotment of the securities and on the receipt of the information, the Depository shall enter in its record the name of the allottee as the beneficial owner of the Securities

(c) Securities in Depositories and Beneficial and Owners.

All Securities held by a Depository shall be dematerialized and shall be fungible form. Nothing contained in Section 89 of the Act shall apply to a Depository in respect of securities held by it on behalf of the beneficial owners.

(d) Rights of Depositories and Beneficial Owners

i. Notwithstanding anything to the Contrary contained in the Act or in these Articles, a Depositary shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.
ii. Save as otherwise provided in (i) above, the Depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.
iii. Every person holding Securities of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be the member/ debenture holder, as the case may be, of the Company. The beneficial owner of the Securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

(e) Service of documents

Notwithstanding anything to the contrary contained in the Act or in these Articles where Securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by the means Electronic Mode.

(f) Transfer/ Transmission of document held in Demat form

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| | Nothing contained in the Act or these Articles, shall apply to a transfer or transmission of Securities where the company has not issued any certificates and where such Securities are being held electronic and fungible form in a Depository. In such cases the provision of the Depositories Act, 1996 shall apply.<br><br>(g) **Allotment of Securities**<br><br>Notwithstanding anything to the contrary contained in the Act or in these Articles, after any issue where the Securities are dealt with by a Depository, the Company shall intimate the details thereof to the depository immediately on allotment of such Securities.<br><br>(h) Nothing contained in the Act or in these Articles regarding the necessity of having distinctive numbers for Securities issued by the Company shall apply to Securities held by a Depository.<br><br>(i) Notwithstanding anything contained in these Articles the Company shall have the right to issue Securities in a public offer in dematerialized form as required by Applicable law and subject to the provisions of Applicable Law, trading in the Securities of the Company post-listing shall be in the demat segment of the relevant Stock Exchange, in accordance with the directions of SEBI, the Stock Exchange and the terms of the listing agreements to be entered into with the relevant Stock Exchange in terms of the SEBI listing Regulations.<br>**Dematerialisation of securities.**<br><br>(j) Notwithstanding anything contained in these Articles, the Board shall be entitled to dematerialize or rematerialize its Securities (both present and future) held by it with the Depository and to offer its Securities for subscription in a dematerialized form pursuant to the Depositories Act, 1996 and the applicable Rules.<br><br>**Allotment of Securities**<br><br>Notwithstanding anything to the contrary contained in the Act or in these Articles, after any issue where the Securities are dealt with by a Depository, the Company shall intimate the details thereof to the depository immediately on allotment of such Securities. |
| **UNDERWRITING AND BROKERAGE** | |
| 38. | **Underwriting**<br><br>i. Subject to provisions of Section 40 (6) of the Act, and Rules made thereunder, and subject to the applicable SEBI Guidelines and subject to the terms of issue of the shares or debentures or any securities, as defined in the Securities Contract (Regulations) Act, 1956 the Company may at any time pay a commission out of proceeds of the issue or profit or both to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares or debentures of the Company, or underwriting or procuring or agreeing to procure subscriptions (whether absolutely or conditionally) for shares, debentures of the Company but so that the commission shall not exceed in the case of shares, five percent of the price at which the shares are issued, and in the case of debentures, two and a half per cent of the price at which the debentures are issued or at such rates as my be fixed by the Board within the overall limit prescribed under the Act or Securities and Exchange Board of India Act, 1992. Such commission may be satisfied by payment of cash or allotment of fully or partly paid shares/ debentures/ securities or partly in one way and partly in the other way.<br><br>ii. The Company may, subject to Applicable Law pay a reasonable and lawful sum of brokerage. |
| **TRANSFER AND TRANSMISSION** | |
| 39. | **Transfer and Transmission.**<br><br>A share may be transferred by a Member or other person entitled to transfer, to a person as per provisions of the Act and Rules made there under, Subject to the provisions of the SEBI Listing Regulations, in the event that the proper documents have been lodged, the Company shall register the transfer of securities in the name of the transferee except:<br><br>i. When the transferee is, in exceptional circumstances, not approved by the Directors in accordance with the provisions contained herein;<br>ii. When any statutory prohibition or any attachment or prohibitory order of a competent authority restrains the Company from transferring the securities out of the name of the transferor;<br>iii. When the transferor objects to the transfer provided he serves on the company within a reasonable time a prohibitory order of a court of competent jurisdiction. |
| 40. | **Execution of Transfer etc.** |

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| | Save as provided in Section 56 of the Act, no transfer of a share shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor or and by or on behalf of the transferee has been delivered to the Company. Each signature to such transfer shall be duly attested by the signature of one credible witness who shall add his address and occupation. |
| 41. | **Register of Transfers.**<br><br>The Company shall keep a book to be called the "Register of Transfer of Shares and Transfer of Debentures", and therein shall be fairly and directly entered particulars of every transfer or transmission of any Share or Debenture. |
| 42. | **Application of transferor**<br><br>Application for the registration of the transfer of a Share may be made either by the Transferee or the transferor. No registration shall, in the case of the partly paid Share, be effected unless the Company gives notice of the application of transferee subject to the provisions of these Articles and Section 56 of the Act and/or Applicable Law unless objection is made by transferee within two weeks from the date of receipt of the notice, enter in the Register the name of transferee in the same manner and subject to the same conditions as it the application for registration of the transfer was made by the transferee. |
| 43. | **Form of transfer.**<br><br>The shares in the Company shall be transferred in Form No. SH-4 of Companies (Share Capital and Debentures) Rules 2014 or any amendment thereof. |
| 44. | **The Board may refuse to register transfer**<br><br>The Board may, subject to the right of the appeal conferred by Section 58 of the Act refuse to register the transfer of a share, not being fully paid share, to a person of whom they do not approve; or any transfer of shares on which the Company has a lien. |
| 45. | **No transfer to minor etc.**<br><br>No transfer shall be made to a minor or insolvent or person of unsound mind. However, in respect of fully paid shares, shares may be transferred in favor of minor acting through a legal guardian, in accordance with provisions of Applicable Law. |
| 46. | **Transfer to be left at office to be retained.**<br><br>Every instrument of transfer shall be left, at the office for registration, accompanied by the certificate of the share to be transferred or, if no such certificate is in existence, by the Letter of Allotment of the share and such other evidence as the Board may require to prove the title of the transferor or his right to transfer the share. Every instrument of transfer which shall be registered shall be retained by the Company, but any instrument of transfer which the Board may refuse to register shall, on request, be returned to the person depositing the same. |
| 47. | **Notice of refusal to register transfer.**<br><br>If the Board refuses whether in pursuance of Article 44 or otherwise to register the transfer of, or the transmission by operation of law of the right to any share, the Company shall within one month from the date on which the instrument of transfer or the intimation of such transmission, as the case may be, was lodged with the Company, send to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, notice of the refusal. |
| 48. | **Transmission of registered shares.**<br><br>The executor or administrator of a deceased member (not being one of two or more joint-holders) shall be the only persons recognized by the Company as having any title to the shares registered in the name of such member, and, in case of the death of any one or more of the joint-holders of any registered share, the survivor shall be the only person recognized by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on the share held by him jointly with any other person. Before recognizing any executor or administrator, the Board may require him to obtain a Grant of Probate or Letters of Administration or other legal representation, as the case may be, from a competent court in India and having effect in Delhi. Provided nevertheless that in any case where the Board, in its absolute discretion, thinks fit, it shall be lawful for the Board to dispense with the production of Probate of Letters of Administration or such other legal representation upon such terms as to indemnity or otherwise, as the Board, in its absolute discretion, may consider adequate. |
| | **INCREASE AND REDUCTION OF CAPITAL** |
| 52. | **Provisions relating to the issue.**<br><br>Before the issue of any new shares, the Company by a Special Resolution in general meeting may, make provisions as to the allotment and issue of the new shares, and in particular may determine to whom the same shall be offered in the first instance and whether at par or at a premium or, in default of any such provision, or so far as the same shall not extend, the new shares may be issued in conformity with the provisions of Article 6. |

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| 53. | **How far new shares to rank with existing shares.**<br><br>Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall be considered part of the existing capital of the Company and shall be subject to the provisions herein contained with reference to the payment of dividends, calls and installments, transfer and transmission, forfeiture, lien, surrender and otherwise. |
| 54. | **Reduction capital etc.**<br><br>The Company, may, from time to time, by Special Resolution, reduce its capital and any Capital Redemption Reserve Account or any Share Premium Account in any manner and, with and subject to any incident authorized and consent required by law. |
| | **ALTERATION OF CAPITAL** |
| 55. | **Power to consolidate/ convert/subdivide/ cancel shares.**<br><br>Subject to the provisions of the Act, the Company may with the sanction of members in General Meeting –<br><br>(a) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares:<br><br>Provided that no consolidation and division which results in changes in the voting percentage of shareholders shall take effect unless it is approved by the Tribunal on an application made in the prescribed manner;<br><br>(b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;<br><br>(c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association so however, that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;<br><br>(d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.<br><br>The cancellation of shares shall not be deemed to be a reduction of share capital. |
| | **MODIFICATION OF RIGHTS** |
| 57. | **Power to modify rights.**<br><br>i. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48 of the Act, be modified, commuted, affected, abrogated or varied (whether or not the Company is being wound up) with the consent in writing of the holders of three-fourths 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 shares of that class.<br>ii. To every such Separate Meeting, the provisions of these regulations relating to General Meetings shall mutatis mutandis apply to every such meeting. |
| | **BORROWING POWERS** |
| 58. | **Power to Borrow.**<br><br>The Board may, from time to time, at its discretion, subject to the provisions of Sections 73 to 76, 179 and 180 of the Act and Rules made thereunder and the Government Guidelines, if any, issued from time to time raise or borrow and secure the payment of any sum or sums of money for the purposes of the Company. |
| 59. | The Board may secure the repayment of such moneys in such manner and upon such terms and conditions in all respects as they think fit and in particular, by the issue of bonds, perpetual, or redeemable debentures or debenture stock or any mortgage, charge or other security, on the undertaking of the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being. |
| 60. | **Issue at discount etc. or with special privilege.**<br><br>Subject to the provisions of the Act any debentures, debenture stock, bonds or other securities may be issued at a discount, premium or otherwise and with any special privileges, as to redemption, surrender, drawings, allotment of shares, appointment of Directors and otherwise. Debentures, debenture stock, bonds and other securities may be made assignable free from any equities between the company and the person to whom the same may be issued. |
| 61. | Save as provided in the Act, no transfer of debentures shall be registered unless a proper instrument of transfer duly stamped and executed by the transferor and transferee has been delivered to the Company together with the certificate or certificates of the debentures. |

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| 62. | **Notice of refusal to register transfer.**<br><br>If the Board refuses to register the transfer of any debentures the Company shall, within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee notice of the refusal. |
| | **GENERAL MEETINGS** |
| 63. | **When Annual General Meetings to be held.**<br><br>Annual General Meetings of the Company shall be held within such intervals as are specified in Section 96(1) of the Act and subject to the provision of Section 96(2) of the Act, at such times and places as may be determined by the Board. |
| 64. | **When other general meetings to be held.**<br><br>All general meetings other than annual general meetings shall be called extraordinary general meetings. The Board may, whenever it thinks fit, and shall, when so required by the President, call a general meeting and it shall, on the requisition of the Members in accordance with Section 100 of the Act, proceed to call an Extra-ordinary General Meeting.<br><br>The requisitionists may, in default of the Board convening the same, convene the Extraordinary General Meeting as provided by Section 100 of the Act. |
| 66. | **Notice of Meeting.**<br><br>A general meeting of a Company may be called by giving not less than clear twenty-one days' notice either in writing or through electronic mode in such manner as may be prescribed. Every notice of a meeting shall specify the place, date, day and the hour of the meeting and shall contain a statement of the business to be transacted at such meeting and there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint a proxy, or, where that is allowed, one or more proxies, to attend and vote instead of himself, and that a proxy need not be a member. Where any such business consists of "special business" as hereinafter defined there shall be annexed to the notice a statement complying with Section 102(1) of the Act.<br><br>The notice of every meeting of the Company shall be given to –<br>(a) every member of the Company, legal representative of any deceased member or the assignee of an insolvent member;<br>(b) the auditor or auditors of the Company; and<br>(c) every director of the Company.<br><br>Any accidental omission to give notice to, or the non-receipt of such notice by any member or other person, who is entitled to such notice for any meeting, shall not invalidate the proceedings of the meeting. |
| 67. | **Shorter notice by consent.**<br><br>Subject to the provisions of Section 101 of the Act, a general meeting may be called after giving shorter notice than that specified. |
| | **PROCEEDING AT GENERAL MEETING** |
| 68. | **Business of Meetings.**<br><br>The ordinary business of an Annual General Meeting shall be the consideration of financial statements and the reports of the Board of Directors and auditors, the declaration of any dividend, the appointment of directors in place of those retiring and the fixing of the remuneration of the auditors. All other business transacted at an Annual General Meeting and all business transacted at any other general meeting shall be deemed special business. |
| 69. | (1) The President, so long as he is shareholder of the company, may from time to time appoint such person as he thinks fit (who need not be a member of the Company) to represent him at all or any meetings of the Company.<br>(2) The person appointed under sub-clause (1) of this Article shall be deemed to be a member of the Company and shall be entitled to vote and be present in person and exercise the same rights and powers (including right to vote by proxy) as the President could exercise as a member of the company.<br>(3) The President may, from time to time, cancel any appointment made under sub-clause (1) of this Article and make fresh appointments.<br>(4) The Production, at the meeting, of an order of the President evidenced as provided in the Constitution of India, shall be accepted by the company as sufficient evidence of any such appointment or cancellation, as aforesaid. |
| 70. | **Quorum to be present when business commenced.**<br><br>The quorum for a General meeting shall be: |

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| | i. five members personally present if the number of members as on the date of meeting is not more than one thousand;<br>ii. fifteen members personally present if the number of members as on the date of meeting is more than one thousand but up to five thousand;<br>iii. thirty members personally present if the number of members as on the date of the meeting exceeds five thousand;<br>This requirement shall not be necessary for transacting the business at any adjourned meeting as hereinafter provided. |
| 71. | **When if quorum not present meeting to be dissolved and when to be adjourned.**<br><br>(a) the meeting shall stand adjourned to the same day in the next week at the same time and place, or to such other date and such other time and place as the Board may determine; or<br>(b) the meeting, if called by requisitionists under section 100, shall stand cancelled:<br><br>Provided that in case of an adjourned meeting or of a change of day, time or place of meeting under clause (a), the Company shall give not less than three days' notice to the members either individually or by publishing an advertisement in the newspapers (one in English and one in vernacular language) which is in circulation at the place where the registered office of the Company is situated.<br><br>If at the adjourned meeting also, a quorum is not present within half-an-hour from the time appointed for holding meeting, the members present shall be the quorum. |
| 72. | **Resolution to be issued by Company in General Meetings**.<br><br>Any act or resolution which, under the provisions of these Articles or of the Act, is permitted or required to be done or passed by the Company in general meeting shall be sufficiently so done or passed, if effected by an Ordinary Resolution as defined in Section 114(1) of the Act, unless ether the Act or these Articles specifically require such act to be done or resolution passed by a Special Resolution as defined in Section 114(2) of the Act, or in any other manner. |
| 73. | **Chairman of General Meetings.**<br><br>The Chairman of the Board shall be entitled to take the chair at every general meeting. If there be no such Chairman, or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting, or is unwilling to act as Chairman, the members present shall choose another Director as Chairman, and if no Director be present, or if all the Directors present decline to take the chair, then the members present shall, on a show of hands or on a poll if demanded, elect one of their number, being a member entitled to vote, to be Chairman. |
| 74. | **How questions to be decided at Meetings.**<br><br>All the business to be transacted at the meeting shall be put to vote either through electronic voting or through ballot or postal ballot, process in accordance with the provisions and procedure as laid down under the Act and rules made thereunder. |
| 75. | **What is to be evidence of the passing of a resolution where poll not demanded.**<br><br>At any general meeting, a resolution put to vote at the meeting shall be deemed to be passed, if it receives requisite majority of votes in favor, as per provisions of the Act and Rules made there under and an entry to that effect in the minutes books of the Company kept for that purpose shall be conclusive evidence in this regard. |
| **POSTAL BALLOT** | |
| 76. | **Postal Ballot**<br><br>Notwithstanding anything contained in the Articles of the Company, the Company may adopt the mode of passing resolutions by the members of the Company by means of Postal Ballot (which includes voting by electronic mode or any other mode as may be prescribed in the Act and Rules) instead of transacting such business in a General Meeting of the Company subject to compliances with the procedure for such Postal Ballot and/or other requirements prescribed in the Act and Rules made in this regard. |
| 77. | **Poll.**<br><br>1) If a Poll is duly demanded, it shall be taken in such manner as prescribed in the Act and Rules made there under.<br>2) A poll demanded on the election of the Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time, not later than 48 hours from the time when the demand was made, as the Chairman of the meeting may direct.<br>3) The demand of a poll may be withdrawn at any time. |

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| | 4) Where a poll is to be taken, the Chairman of the meeting shall appoint such number of persons, as he deems necessary, to scrutinise the poll process and votes given on the poll and to report thereon to him in the manner as may be prescribed.<br>5) On a poll a member entitled to more than one vote, or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.<br>6) The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded. |
| 78. | **Power to adjourn General Meetings.**<br>1. The Chairman of a general meeting may adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.<br><br>When a meeting is adjourned it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting. |
| | **VOTES OF MEMBERS** |
| 79. | **Votes of members.**<br>1. No member shall be entitled to vote either personally or by proxy, at any General Meeting or Meeting of a class of shareholders 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.<br>2. Save as hereinafter provided, on a poll, the voting rights of a holder of Equity shares shall be as specified in Section 47 of the Act.<br><br>Provided that nobody corporate shall vote by proxy so long as a resolution of its board of directors under the provisions of Section 113 of the Act is in force and the representative named in such resolution is present at the general meeting at which the vote by proxy is tendered. |
| 80. | **Procedure where a company or body corporate or President of India is a member of the Company.**<br>1. Where a body corporate (hereinafter called "Member Company") is a member of the Company, a person, duly appointed by resolution in accordance with the provisions of Section 113 of the Act to represent such member Company at a meeting of the Company, shall not, by reason of such appointment, be deemed to be a proxy, and the lodging with the Company at the Office or production at the meeting of a copy production at the meeting of a copy of such resolution duly signed by one director of such member company and by its Managing Agents (if any) and certified by him or them as being a true copy of the resolution shall, on production at the meeting, be accepted by the Company as sufficient evidence of the validity of his appointment. Such a person shall be entitled to exercise the same rights and powers, including the right to vote by proxy on behalf of the member Company, which he represents, as that member company could exercise, if it were an individual member.<br>2. Where the President of India is a member of the company, the President may appoint such person as he thinks fit to act as his representative at any meeting of the company or at any meeting of any class of members of the Company and such person shall be deemed to be a member of the company and shall be entitled to exercise the same rights and powers, including the right to vote by proxy, as the President could exercise as a member of the Company. |
| 81. | **Votes in respect of deceased, insane and insolvent members.**<br><br>Any person entitled, under the Transmission Article, to transfer any shares, may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that seventy two hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote he shall satisfy the Board of his right to transfer such shares, unless the Board shall have previously admitted his right to vote at such meeting in respect thereof. If any member be a lunatic, idiot or non compos mentis, he may vote whether on a show of hands or at a poll by his committee, curator bonis or other legal curator and such last mentioned persons may give their votes by proxy. |
| 82. | **Joint-holders.**<br><br>Where there are joint registered holders of any share, any one of such persons may vote at any meeting either personally or by proxy in respect of such shares, as if he were solely entitled thereto; and if more than one of such joint-holders be present at any meeting either personally or by proxy, that one of the said persons, so present, whose name stands first on the Register in respect of such share alone, shall be entitled to vote in respect thereof. Several executors or administrators of deceased member in whose name any share is registered, shall, for the purposes of this Article, be deemed joint-holders thereof. |
| 83. | **Votes on a Pol**l<br><br>On a poll votes may be given either personally or by proxy, and a person entitled to more than one vote need |

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| | not use all his votes or cast all the votes he uses in the same way. |
| 84. | The instrument appointing a proxy shall-<br><br>a) be in writing; and<br>b) be signed by the appointer or his attorney duly authorised in writing or, if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorised by it.<br><br>A Person may be appointed a proxy though he is not a member of the Company and every notice convening a meeting of the company shall state this and that a member, entitled to attend and vote at the meeting, is entitled to appoint a proxy to attend and vote instead of him. |
| 85. | **Instrument appointing a proxy to be deposited at the office.**<br><br>The instrument appointing a proxy and the Power of Attorney or other authority (if any) under which it is signed, or a Notarized certified copy of that power or authority, shall be deposited at the Office not less than forty-eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote in respect thereof and, in default, the instrument of proxy shall not be treated as valid. |
| 86. | **When Vote by proxy valid though authority revoked.**<br><br>A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the instrument, or transfer of the share in respect of which the vote is given, provided no intimation, in writing, of the death, insanity, revocation or transfer of the share, shall have been received by the Company at the office before the vote is given. |
| 87. | **Form of instrument appointing a Special Proxy**<br><br>A Form of Proxy shall be in the manner laid down under Section 105 of the Act read with Rule 19 (3) of the Companies (Management and Administration) Rules, 2014 and as amended from time to time. |
| 88. | **Restrictions on Voting**<br><br>Subject to the provisions of the Act and Rules made there under, no member shall be entitled to be present or to vote on any question either personally or by proxy, or as proxy for another member at any general meeting or upon a poll or be reckoned in a quorum whilst any call or other sum shall be due and payable to the Company in respect of any of the shares of such member. |
| 89. | **Admission or rejection of votes.**<br><br>No objection shall be raised to the qualification of any voter except at the meeting or adjourned 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.<br><br>Where permitted/required by Applicable Law, Board may provide Members/Members of a class to vote through e-voting, complying with Applicable Law. |
| | **DIRECTORS** |
| 90. | **Number of Directors.**<br><br>1) Subject to the provisions of the Act, the Guidelines of the Department of Public Enterprises, SEBI Listing Regulations and other Applicable Law, if any, the President, from time to time, determine the number of Directors of the Company, which shall be not less than 3 (Three) and not more than 15 (Fifteen). The directors are not required to hold any qualification shares.<br><br>**Appointment and Payment to Directors.**<br><br>2) Save as provided under the provisions of the Act and rules made there under, the President may appoint the Chairman/Part-time Chairman/Chairman and Managing Director/ Managing Director, as aforesaid in sub Articles 90(1) and shall appoint other Directors in consultation with the Chairman/Part-time Chairman/Chairman and Managing Director provided that no such consultation is necessary in respect of Government representatives on the Board of Directors of the Company. The Directors shall be paid such salary and/or allowances as the President may, from time to time determine.<br><br>**Additional Director.**<br><br>3) the President shall have the power to appoint 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 these Articles.<br><br>**Filling of casual vacancy of Directors.** |

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| | 4) Subject to the provisions of the Act, the Board shall have the power at any time, on nomination by the President, to appoint any person, to be a Director to fill up a casual vacancy. Any persons so appointed shall hold Office only up to the date up to which the Director in whose place he is appointed would have held Office if it had not been vacated by him.<br><br>5) The following shall be the first directors of the Company:<br><br>i. Shri K.G.R. lyer,<br>Joint Secretary to the Govt. of India,<br>Ministry of Irrigation and Power,<br>New Delhi.<br><br>ii. Shri G. A. Narasimha Rao,<br>Chairman, Central Water and Power Commission,<br>New Delhi.<br><br>iii. Shri A.K. Ghose,<br>Vice-Chairman, Central Water and Power Commission,<br>New Delhi. |
| 91. | **Office of Directors.**<br><br>Subject to the provisions of the Act, the Guidelines of the Department of Public Enterprises, all Directors, including Chairman/Part-time Chairman/ Chairman and Managing Director/ Managing Director shall hold office at the pleasure of the President. |
| **RETIREMENT BY ROTATION** | |
| 92. | **Retirement by Rotation.**<br><br>(a) Not less than two-thirds (any fraction to be rounded off to the next number) of the total number of Directors of the Company shall be persons whose period of office shall be liable to determination by retirement by rotation and, save as otherwise expressly provided in the Act, be appointed by the Company in the General Meeting. The Chairman/Part-time Chairman/ Chairman and Managing Director shall not be liable to retire by rotation.<br>(b) At every Annual General Meeting, one-third of such of the Directors for the time being, as are liable to retire by rotation and if their number is neither three nor or a multiple of three, then the number nearest to one-third, shall retire from office.<br>(c) The directors to retire by rotation at every annual general meeting shall be those who have been longest in office since their last appointment, but as between persons who became directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot.<br><br>Explanation.—For the purposes of this Article, “total number of directors” shall not include independent directors, whether appointed under this Act or any other law for the time being in force, on the Board of the Company. |
| 93. | **Delegation of Powers to Chairman/Part-time Chairman etc.**<br><br>Subject to the provisions of Sections 179 and 188 of the Act, the Board may, from time to time, entrust and confer upon Chairman/Part-time Chairman/Chairman and Managing Director/Managing Director, for the time being, such of the powers as they may think fit and may confer such powers for such time to be exercised for such object and purposes and upon such terms and conditions and with such restrictions as they may think expedient and may, from time to time, revoke, withdraw, alter or vary all or any such powers, provided, however, that the ultimate control and authority shall always remain with the Board. |
| 94. | **Vacation to Office of Director**<br><br>The office of a Director shall become vacant in accordance with the provisions set out in Section 167 of the Act. |
| 95. | **Office or place of profit**<br><br>No Director or any other related party, as defined under the Act, shall hold an office or place of profit save as permitted under Section 188 of the Act. |
| 96. | **Appointment of Director as Director of a Company in which the Company is interested** |

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| | A Director of this Company may be or become a Director of any other company promoted by this company or in which it may be interested as a member, shareholder or otherwise. |
| 97. | **Conditions under which Directors may contract with Company.**<br><br>Subject to the provisions of section 188 of the Act, neither shall a Director be disqualified from contracting with the Company either as vendor, purchaser or otherwise for supply of goods, materials or services or for underwriting the subscription of any shares in or debentures of the Company, nor shall any such contract or arrangement entered into by or on behalf of the Company with a relative of such Director, or a firm in which such Director or relative is a partner, or with any other partner in such firm or with a private company of which such Director is a member or director, be avoided, nor shall any director so contracting or being such member or so interested, be liable to account to the Company for any profit realized by any such contract or arrangement by reason of such Director holding office, or of the fiduciary relation thereby established. |
| 98. | **Disclosure of a Director's interest.**<br><br>A Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 184(2) of the Act: provided that it shall not be necessary for a Director to disclose his concern or interest in any contract or arrangement entered into or to be entered into with any other body corporate where the Director of the Company either himself or in association with any other Director hold or holds not more than two per cent of the paidup share capital in such other body corporate. |
| **ALTERNATE DIRECTORS** | |
| 99. | **Power to appoint alternate Director.**<br><br>Subject to the provisions of Section 161(2) of the Act, the President may appoint an Alternate Director to act for a Director (hereinafter called "the Original Director") during his absence for a period of not less than three months from India. An Alternate Director appointed under this Article 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 terms of office of the Original Director are determined before he so returns to India, any provisions in the Act or in these Articles for the automatic reappointment of any retiring Director in default of another appointment shall apply to the Original Director, and not to the Alternate Director.<br><br>For the purpose of absence in the Board meetings in terms of Section 167 (1) (b) of the Act, the period during which an Original Director has an Alternate Director appointed in his place, shall not be considered. |
| **PROCEEDINGS OF DIRECTORS** | |
| 100. | **Meeting of Directors.**<br><br>i. The Company shall hold a minimum number of four meetings of its Board of Directors every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board:<br><br>Provided that the Central Government may, by notification, direct that the provisions of this Article shall not apply in relation to any class or description of companies or shall apply subject to such exceptions, modifications or conditions as may be specified in the notification.<br><br>ii. Notice of every meeting of the Board of Directors of the Company shall be given to every Director in the mode as may be prescribed in the Act and Rules made there under. |
| 101. | **Director may summon meeting.**<br><br>Any Director of a company may, at any time, summon a Meeting of the Board, and the Company Secretary or any person authorised by the Board in this behalf, on the requisition of a Director, shall convene a Meeting of the Board, in consultation with the Chairman or in his absence, the Managing Director or in his absence, the Whole-time Director, where there is any. |
| 102. | **Chairman.**<br><br>The chairman of the Board of Directors shall be appointed by the President. The chairman of the Board shall preside over all meetings of the Board. If no such chairman is appointed or if at any meeting of the Board, the Chairman be not present within 15 minutes after the time appointed for holding the same, the Directors present shall choose one of their number to be Chairman of such meeting. |
| 103. | **Quorum.**<br><br>The quorum for a meeting of the Board shall be determined, from time to time, in accordance with the provisions of Sections 174 of the Act. If a quorum shall not be present within half an hour from the time appointed for holding a meeting of the Board, it shall be adjourned until such date and time as the Chairman of the Board shall appoint. |

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| 104. | **Power of quorum.**<br><br>Subject to Article 109 a meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, power and discretion by or under the article of the Company for the time being vested in or exercisable by the Directors generally. |
| 105. | **How questions to be decided.**<br><br>(a) Questions arising at any meeting shall be decided by a majority of votes and, in case of an equality of votes, the Chairman shall have a second or casting vote.<br>(b) The Chairman shall reserve, for the decision of the President, any proposals or decisions of the Directors in any matter which, in the opinion of the Chairman, is of such importance as to be reserved for the approval of the President. No action shall be taken by the Company, in respect of any proposal or decision of the Directors, reserved for the approval of the President as aforesaid, until his approval to the same has been obtained.<br>(c) Without prejudice to the generality of the above provision, the Directors shall reserve for the decision of the President:<br>***(i)*** Creation of the posts of Managing Director, Functional Directors and/or any other Members of the Board of Directors.<br>***(ii)*** Any matter relating to the sale, lease, exchange, mortgage and/or disposal otherwise of the whole or substantially the whole of undertaking of the Company or any part thereof, the original or book value of which exceeds one crore rupees.<br>***(iii)*** Any matters relating to:<br>(a) formation of joint ventures and subsidiaries abroad and, if such formation is in India, where equity investment exceeds 15% of the net worth of the company limited to Rs. 500 crore in one project or exceeds 30% of the net worth of the company in all projects put together;<br>(b) entering into partnerships and/or arrangements abroad for sharing profits and, if such partnership/arrangement is in India, where it involves capital exceeding 15% of the net worth of the Company limited to Rs.500 crore in one partnership/arrangement or exceeding 30% of the net worth of the Company in all partnerships/ arrangements put together;<br>(c) taking or otherwise acquiring and holding shares in any other company or investment in securities;<br>(d) division of capital into different classes of shares;<br>(e) giving to any persons, employed by the Company, a commission on the profit of any particular business transaction or a share in the general profits of the company and such commission or share or profits being treated as a part of the working expenses of the company;<br>(f) setting aside a portion of the profits of the Company to form a fund to provide for such pensions, gratuities or compensation or to create any provident or benefit fund in such a manner as the Directors may deem fit;<br>(g) winding up of the company; and<br>(h) Incurrence of capital expenditure exceeding the limits prescribed in the Government guidelines, as amended from time to time shall be adhered to.<br><br>(d) subject to the provisions of Article 105(c) above, the Board of Directors of the Company shall exercise full powers:<br>i. to appoint and, at their discretion, remove or suspend such managers, secretaries, officers clerks, agents and servants, for permanent, temporary or special services as they may, from time to time, think fit, and to determine their powers and duties and fix their salaries or emoluments, and to require security in such instances and to such amount as they think fit. and<br>ii. To appoint foreign technical personnel without any ceiling of salary, in broad conformity with the policy of Government in this respect. |
| 106. | **Power to appoint Committee and delegate.**<br><br>The Board may, subject to the provisions of the Act and these Articles, from time to time and at any time, delegate any of its powers to a committee consisting of such Director or Directors as it thinks fit, and may, from time to time, revoke such delegation. Any Committee so formed shall, In the exercise of the powers so delegated, conform to any regulations that may, from time to time, be imposed upon it by the Board. The proceedings of such a Committee shall be placed before the Board of Directors at its next meeting for information. |
| 108. | **When acts of a Director valid not withstanding defective appointment.**<br><br>Act done by a person as a Director shall be valid notwithstanding that it may afterwards be discovered that his appointment was invalid by reason of any defect or disqualification or had terminated by virtue of any provisions contained in the Act or in these Articles. Provided that nothing in this Article shall be deemed to |

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| | give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated. |
| 109. | **Resolution without Board Meeting.**<br><br>Save as otherwise expressly provided in the Act to be passed at a meeting of the Board and subject to Section 175 of the Act or Applicable Law, a resolution shall be as valid and effectual as if it had been passed at a meeting of the Board or Committee of the Board, as the case may be, duly called and constituted, if a draft thereof in writing is circulated, together with the necessary papers, if any, to all the Directors, or to all the members of the Committee of the Board, as the case may be, at their addresses registered with the Company in India (not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may be), and has been approved by a majority of the Directors or members as are entitled to vote on the resolution:<br><br>Provided that, where not less than one-third of the total number of Directors of the Company for the time being require that any resolution under circulation must be decided at a meeting, the Chairman shall put the resolution to be decided at a Board Meeting:<br><br>Provided further that where the resolution has been put to vote at a Board Meeting, the consent or dissent of the Directors obtained by way of resolution by circulation shall be rendered void. |
| | **POWERS OF THE BOARD** |
| 111. | **General powers of Company vested in the Board.**<br><br>Subject to the provisions of the Act, and these Articles, the control of the Company shall be vested in the Board who shall be entitled to exercise all such powers, and to do all such acts and things as the company is authorised to exercise and do. Provided that the Board shall not exercise any power to do any act or thing which is directed or required, whether by the Act or any other statute or by the Memorandum of the Company or by these Articles or otherwise, to be exercised or done by the Company in general meeting. Provided further that in exercising any such power or doing any such act or thing the Board shall be subject to the provisions in that behalf contained in the Act or any other statute or in the Memorandum of the Company or in these Articles or in any regulations not inconsistent there with and duly made there under, including regulation made by the Company in general meeting, but no regulation made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made. |
| 112. | **Specific Powers to Directors.**<br><br>Without prejudice to the general powers conferred by the last preceding Article and the other powers conferred by these Articles but subject to the provisions of Sections 180 and 188 of the Act the Board of Directors shall have the following powers that is to say power:<br><br>a) To act jointly and severally in all or any of the powers conferred on them.<br>b) To make, vary and repeal bye-laws for regulation of business of the Company and duties of officers and servants.<br>c) To appoint any Person (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company, in which it is interested, or for any other purposes; and execute such deeds and do all such things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees.<br>d) To act as trustees in composition of the Company's debtors and/or act on behalf of the Company in all matters relating to bankrupts and insolvents.<br>e) Subject to the provisions of the Act, the Board may pay such remuneration to Chairman/Part-time Chairman of the Board upon such conditions as they may think fit within the permissible limits.<br>f) (i) Subject to the article above, the powers conferred on the Chairman/Part-time Chairman/ CMD/Managing Director shall be exercised for such objects and purpose and upon such terms and conditions and with such restrictions as the Board may think fit and it may confer such powers either collateral with or to the exclusion of and in substitution of all or any of the powers of the Board in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers. Chairman/Part-time Chairman/ CMD/Managing Director shall not exercise any powers under Section 179 of Act except such powers which can be delegated under the Act and specifically delegated by a resolution of the Board.<br><br>(ii) The Board of Directors may, subject to Section 179 of the Act, entrust to and confer upon a CMD/Part-time Chairman/Managing or whole time Director, any of the powers exercisable by them, upon such terms and conditions and with such restrictions, as they may think fit and either collaterally with or to the exclusion of their own powers and may, from time to time, revoke, withdraw or alter or vary all or any of such powers. |
| 113. | **Local Management, Powers of Attorney, seal for use abroad and Foreign Registers.**<br><br>The Board may, subject to the provisions of the Act, make such arrangement as it may think fit for the management of the Company's affairs abroad and for this purpose appoint local bodies, attorneys and agents |

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| | and fix their remuneration and delegate to them such power as the Board may deem requisite or expedient. The Company may exercise all the powers of the Act and the Official Seal shall be affixed by the authority and in the presence of and the instruments sealed there with shall be signed by such persons as the Board shall, from time to time by writing under the Seal, appoint. The Company may also exercise the power of Section 88 of the Act with reference to the keeping of foreign registers. |
| **SEAL** | |
| 116. | **Custody of Seal.**<br><br>i. The Board shall provide for the safe custody of the seal.<br>ii. The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors or secretary and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence. |
| **RESERVES** | |
| 118. | Subject to such directions as may, from time to time, be issued by the President in this behalf, the board may, from time to time, before recommending any dividend, transfer such percentage of its profits for that financial year as it may consider appropriate to the reserves of the Company and may, subject to the provisions of Section 186 of the Act, invest the several sums so set aside upon such investments (other than shares of the Company), as it may think fit, and, from time to time, deal with and very such investments and dispose of all or any part thereof for the benefit of the Company, and may divide the Reserves into such special funds, as it thinks fit, with power to employ the Reserves or any parts thereof in the business of the Company, and that, without being bound to keep the same separate from the other assets. |
| **CAPITALISATION OF RESERVES** | |
| 120. | Any General Meeting may resolve that any moneys, investments or other assets forming part of the undivided profits of the Company standing to the credit of the Reserves, or any Capital Redemption Reserve Account, or in the hands of the Company and available for dividend or representing premiums received on the issue of shares and standing to the credit of the Share Premium Account, be capitalised and distributed amongst such of the shareholders, as would be entitled to receive the same, if distributed by way of dividend, and, in the same proportions on the footing that they become entitled thereto as capital, and, that all or any part of such capitalized fund be applied, on behalf of such shareholders in paying up, in full, any unissued shares, debentures or debenture stock of the Company, which shall be distributed accordingly, or in or towards payment of the uncalled liability on any issued shares, and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalized sum:<br><br>Provided that, any sum, standing to the credit of a Share Premium Account or a Capital Redemption Reserve Account, may, for the purposes of this Article, only be applied in the paying up of unissued Shares to be issued to members of the Company as fully paid bonus shares. Any agreement made under such authority shall be effective and binding upon such members. |
| **DIVIDENDS** | |
| 124. | **How profits shall be divisible.**<br><br>Subject to the rights of Members entitled to shares (if any) with preferential rights attached thereto, the profits of the Company, which it shall, from time to time, be determined to divide in respect of any year or other period, shall be applied in the payment of a dividend on the Equity Shares of the Company, but, so that, a partly paid-up share shall only entitle the holder with respect thereof to such a proportion of the distribution upon a fully paid up share as the amount paid thereon bears to the nominal amount of such share and so that where capital is paid up in advance of calls upon the footing that the same shall carry interest, such capital shall not rank for dividends or confer a right to participate in profits. |
| 125. | **Declarations of dividends.**<br><br>The Company in general meeting may declare a dividend to be paid to the members according to their rights and interest in the profits and may subject to the provisions of the Act, fix the time for payment. |
| 127. | **Dividend.**<br><br>Subject to the provisions of the Act, no dividend shall be payable except out of the profits of the Company of or out of moneys provided by the Central or a State Government for the payment of the dividend in pursuance of any guarantee given by such Government and no dividend shall carry interest against the Company. |
| 128. | **What to be deemed net profits.**<br><br>The net profits of the Company shall be determined in accordance with generally accepted accounting principles. |
| 129. | **Interim dividends.**<br><br>The Board may, from time to time, pay to the members such interim dividends, as appear to the Board to the justified by the profits of the company. |

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| 130. | **Debts may be deducted.**<br><br>The Board may deduct, from any dividend payable to any member, all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company. |
| 132. | **Dividend in cash.**<br><br>No dividend shall be payable except in cash. Provided that nothing in the foregoing shall be deemed to prohibit the capitalization of profits or reserves of the Company for the purpose of issuing fully paid-up bonus shares or paying up any amount for the time being unpaid on the shares held by the members of the Company. |
| 135. | **Dividend to joint-holders.**<br><br>Any one of several persons, who are registered as the joint-holders of any share, may give effectual receipts for all dividends, bonuses and other payments in respect of such share. |
| 136. | **Notice of dividends.**<br><br>Notice of any dividend, whether interim or otherwise, shall be given to the persons entitled to share therein in the manner hereinafter provided. |
| 137. | **Payment by post.**<br><br>Unless otherwise directed, any dividend may be paid by NEFT/RTGS or any other electronic mode or by way of cheque or demand draft or warrant or such other permissible means to the registered address of the member or person entitled or in the case of joint holding, to the registered address of that one whose name stands first in the register in respect of the joint holding and every cheque, demand draft or warrant so sent shall be made payable to the member or to such person and to such address as the shareholder or the joint shareholders in writing may direct. |
| | **BOOKS AND DOCUMENTS** |
| 139. | **Books of account to be kept.**<br><br>The Board shall cause proper books of account to be kept in accordance with Section 128 of the Act. |
| 141. | **Inspections.**<br><br>1) The books of accounts shall be open to inspection by any Director during business hours.<br>2) The Board shall, from time to time, determine whether and to what extent, and at what times and places, and under what conditions or regulations, the books of account and books and documents of the Company, other than those referred to in Articles 110 and 154 or any of them, shall be open to the inspection of the members not being Directors, and no member (not being a director) shall have any right of inspecting any books of account or book or documents of the Company, except as conferred by law, or authorized by the Board, or by the Company in general meeting. |
| | **FINANCIAL STATEMENTS** |
| 142. | **Financial Statements**<br>i. The Financial Statements of the Company shall be laid in the Annual General Meeting in accordance with the Act and Rules made thereunder.<br>ii. The Financial Statements shall be approved by the Board of Directors and signed on behalf of the Board in accordance with the provisions of the Act, before they are submitted to the Auditors for their Report thereon.<br>iii. The Books of Account and all related documents of the Company relating to a period of not less than eight years immediately preceding the current year together with vouchers relevant to any entry in such books of account shall be preserved in good order. |
| 143. | **Annual Report of Directors.**<br><br>There shall be attached to Financial Statements laid before a company in general meeting, a report by its Board of Directors complying with Section 134 of the Act. |
| 144. | **Copies to be sent to members and others.**<br><br>A copy of the Financial Statements, including consolidated Financial Statements, if any, auditor's report and every other document required by law to be annexed or attached to the financial statements, which are to be laid before a Company in its general meeting, shall be sent to every member of the company, to every trustee for the debentureholder of any debentures issued by the Company, and to all persons other than such member or trustee, being the person so entitled, not less than twenty one days before the date of the meeting. |
| 145. | **Copies of Financial Statements.**<br><br>The Company shall comply with Section 137 of the Act as to filing of the Balance Sheet and Profit and Loss Account and documents, required to be annexed or attached thereto, with the Registrar. |
| | **AUDITORS** |
| 146. | **Accounts to be audited annually.** |

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| | Once at least in every year the books of account of the Company shall be examined by one or more Auditor or Auditors. |
| 147. | **Appointment of Auditors.**<br><br>(a) The Auditor/Auditors of the Company shall be appointed or re-appointed by the Central Government on the advice of the Comptroller and Auditor General of India and his/their remuneration, rights and duties shall be regulated by Sections 139 to 148 of the Act.<br><br>**Powers of the Comptroller and Auditor General.**<br><br>(b) The Comptroller and Auditor General of India shall have the power:<br><br>i. to direct the manner in which the Company's accounts shall be audited by the auditor/ auditors and to give such instructions, in regard to any matter relating to the performance of his/their functions as such;<br><br>ii. to conduct a supplementary or test audit of the Company's accounts by such person/persons as he may authorise in this behalf and for the purpose of such audit, to have access, at all reasonable times, to all accounts, Account Books, Vouchers, documents and other papers of the Company, and, to require information or additional information to be furnished to any person or persons and in such form as the Comptroller and Auditor General may, by general or special order, direct.<br><br>(c) The Auditor/Auditors aforesaid shall submit a copy of his/their audit report to the Comptroller and Auditor General of India who shall have the right to comment upon or supplement the audit report in such manner as he may think fit.<br>(d) Any such comment upon or supplement to the Audit Report shall be placed before the annual general meeting of the Company at the same time and in the same manner as the audit report.<br>(e) The Auditors of the Company shall be entitled to receive notice of and to attend any General Meeting of the Company at which any accounts which have been examined or supported on by them are to be laid before the Company and may make any statement or explanation they desire with respect to the accounts. |
| 148. | **Rights of the President.**<br><br>Notwithstanding anything contained in any of these Articles but subject to the provisions of the Act, the President may, from time to time, issue such directives or instructions as he may consider necessary in regard to the conduct of the affairs of the Company and to attain the objects of the Company and in like manner may vary and annul any such directive. The Board of Directors shall give immediate effect to directives or instructions so issued. Under this Article the President has the right:<br><br>(a) to give such directions to the enterprise as to the exercise and performance of its functions in matters involving national security or substantial public interest and to ensure that the enterprise gives effect to such directions; and<br>(b) to call for such returns, accounts and other information with respect to the property and activities of the enterprise and its constituent units as may be required from time to time. |
| 149. | Save with the prior approval of the President, the Company shall not embark upon or incur any liability, or enter into any agreement or arrangements for embarking upon, any objects other than the objects specified in the Clause 3A of the memorandum, except to the extent that the exercise, by the Company, of the powers under the relevant sub-clauses is, in the opinion of the Board of Directors, necessary for furtherance of the objects specified in clause 3A. |
| | **SERVICE OF NOTICES AND DOCUMENTS** |
| 150. | **How notice to be given to members to their given address.**<br><br>A notice or other document may be given by the Company to its members in accordance with Sections 20 and 101 of the Act. |
| 151. | **Transferee, etc. bound by prior notices.**<br><br>Every person who, by operation of law, transfer or other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share, which previously to his name and address being entered on the Register, shall have been duly given to the person, from whom he derives his title to such share. |
| 152. | **Notice valid though member deceased.**<br><br>Subject to the provisions of Article 150, any notice or document delivered or sent by post to or left at the registered address of any member, in pursuance of these Articles, shall, notwithstanding such member be then |

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| | deceased and whether or not the Company have notice of his decease, be deemed to have been duly served in respect of any registered share, whether held solely or jointly with other persons by such member, until some other person be registered in his stead as the holder or joint-holders thereof, and such service shall, for all purposes of these presents, be deemed a sufficient service of such notice or documents on his heirs, executors or administrators and all persons, if any, jointly interested with him in any such share. |
| | **KEEPING OF REGISTER AND INSPECTION** |
| 153. | **Registers, etc. to be maintained by company.**<br><br>The Company shall duly keep and maintain at the office, Registers in accordance with Sections 88, 170, 186, 187 and 189 of the Act or in electronic form subject to approval and as per guidelines and the Companies (Share Capital and Debentures) Rules 2014. |
| 155. | **Inspection of Registers, etc.**<br><br>Where, under any provision of the Act, any person whether a member of the company or not, is entitled to inspect any register, return, certificate, deed, instrument or document required to be kept or maintained by the company, the person, so entitled to inspection, shall be permitted to inspect the same during the hours of 2 p.m. and 4 p.m. on such business days as the Act requires them to be open for inspection. |
| | **SECRECY** |
| 158. | **Secrecy.**<br><br>Every Director, Secretary, Trustee for the Company, its members, or debenture holders, member of a committee, officer, servant, agent, accountant, or other person, employed in or about the business of the Company, shall, if so required by the Board before entering upon his duties, sign a declaration pledging himself to observe a strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals and in matters relating thereto, and shall, by such declaration, pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties, except when required so to do by the Board or by any general meeting or by a court of law and, except so far as may be necessary, in order to comply with any of the provisions in these Articles contained. |
| 159. | **No shareholder to enter premises of the company without permission.**<br><br>No shareholder or other person (not being a Director) shall be entitled to enter upon the property of the Company or to inspect or examine the premises or properties of the Company, without the permission of the Board or, subject to Article 141, to require discovery of any information respecting any detail of the trading of the Company or any matter which is or may be in the nature of a trade secret, mystery of trade, or secret process or of any matter whatsoever which may relate to the nature of a trade secret, mystery of trade, or Secret Process or of any matter whatsoever which may relate to the Conduct of the business of the Company and which, in the opinion of the Board, it will be inexpedient, in the interest of the Company, to communicate. |
| | **WINDING-UP** |
| 160. | **Distribution of assets.**<br><br>If the Company shall be wound up and the assets available for distribution among the members as such, shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up of the shares held by them respectively. And if, in a winding up, the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding-up, the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding-up paid up, or, which ought to have been paid up on the shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions. |
| | **INDEMNITY AND RESPONSIBILITY** |
| 162. | **Indemnity.**<br><br>Subject to the provisions of the Act, every Director, Secretary, Auditors or officer of the Company or any person (whether an officer of the Company or not) employed by the Company, shall be indemnified by the Company against, and it shall be the duty of the Board to pay out of the funds of the Company all costs, losses, damages, and expenses which any such officer may incur or become liable to by reason of any contract entered into or act or thing done by him as such Director, Manager or other officer or servant, or in any way in the discharge of his duties including travelling expenses and in particular and so as not to limit the generally of the foregoing provisions against all liabilities incurred by him as such Director, Manager or other Officer in defending any proceeding whether civil or criminal in which judgment is given in his favour or in which he is acquitted or in connection with any application under the Act in which relief is granted by the Court or Tribunal or Authority as per Law. |
| 163. | **Individual responsibility of the Directors.**<br><br>Subject to the provisions of the Act, no Director, or other officer of the Company shall be liable for the acts, |

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| | receipts, defaults or negligence of any other Director or officer or for joining in any receipt or other act for conformity, or for any loss or expenses happening to the Company through the insufficiency or deficiency of title to any property acquired by the other Directors for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of Company shall be invested, or for any loss of damage arising from the bankruptcy, insolvency or tortuous act of any person with whom any moneys, securities or effects shall be deposited or for any loss occasioned by any error of judgment or oversight on his part or for any other loss, damage or misfortune whatever, which shall happen in the execution of the duties of his office or in relation thereto unless the same happens through his own negligence, default, misfeasance, breach of duty or breach of trust. |
| **REQUIREMENT OF COMPLIANCE WITH THE PROVISIONS OF THE SEBI LISTING REGULATIONS AND THE RULES AND REGULATIONS MADE BY SECURITIES AND EXCHANGE BOARD OF INDIA** | |
| 164. | The Company shall from time to time comply with all the provisions as stipulated under the SEBI Listing Regulations and the Rules and the Regulations made by SEBI. Any provision of these Articles which is contrary to the provisions of the SEBI Listing Regulations or the Rules and Regulations made by SEBI or the provision of the Act, the said provision shall be deemed to be amended to the extent necessary to made it compliant with the said Listing Regulation or the rules and regulations of the SEBI or the Act. In case of any inconsistency between the provisions of these Articles, SEBI Listing Regulations, SEBI Rules and Regulations and the Act, the provision/ compliance which is/are more onerous shall be applicable in such case, and these Articles shall be deemed amended to such extent. |

## SECTION X: 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 (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus which will be delivered to the RoC. Copies of these contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10.00 a.m. and 5.00 p.m. on all Working Days from the date of the Red Herring Prospectus until the Bid/ Offer Closing Date and will also be available at the website of our Company, from date of the Red Herring Prospectus until the Bid/ Offer Closing Date (except for such agreements executed after the Bid/ Offer Closing Date).

**A. Material Contracts to the Offer**

1. Offer Agreement dated September 23, 2022, amongst our Company, the Selling Shareholder and the BRLMs.

2. Registrar Agreement dated September 23, 2022, among our Company, the Selling Shareholder, and the Registrar to the Offer.

3. Cash Escrow and Sponsor Bank Agreement dated [●] amongst our Company, the Selling Shareholder, the Registrar to this Offer, the BRLMs and the Bankers to the Offer.

4. Share Escrow Agreement dated [●] among our Company, the Selling Shareholder and the Share Escrow Agent.

5. Syndicate Agreement dated [●] among our Company, the Selling Shareholder, the BRLMs and the Syndicate Members.

6. Underwriting Agreement dated [●] among our Company, the Selling Shareholder and the Underwriters.

**B. Material Documents**

1. Certified copies of the Memorandum of Association and Articles of Association, as amended from time to time.

2. Certified copy of the certificate of incorporation dated June 26, 1969 issued to our Company by the Registrar of Companies, Delhi under the provisions of the Companies Act, 1956, in the name and style of *"Water and Power Development Consultancy Services (India) Private Limited."*

3. Certificate of incorporation with the noting dated November 21, 1969 by the Registrar of Companies, Delhi consequent upon change of name of our Company from *"Water and Power Development Consultancy Services (India) Private Limited"* to *"Water and Power Development Consultancy Services (India) Limited".*

4. Fresh certificate of incorporation dated February 12, 1980 issued by the Assistant Registrar of Companies, Delhi and Haryana consequent upon change of name of our Company from *"Water and Power Development Consultancy Services (India) Limited"* to *"Water and Power Consultancy Services (India) Limited"*.

5. Fresh certificate of incorporation dated November 3, 2007 issued by the RoC consequent upon change of name of our Company from *"Water and Power Consultancy Services (India) Limited"* to *"WAPCOS Limited"*.

6. Fresh certificate of incorporation dated April 27, 2021 issued by the RoC consequent upon conversion from private company to public company.

7. Letter dated September 23, 2022, issued by MoJS, approving the disinvestment of up to 25 % of the Equity Share capital of our Company, i.e., 32,500,000 Equity Shares, through the Offer.

8. Resolutions of the Board dated August 28, 2022 approving the Offer and other related matters.

9. Resolution of the Board dated September 23, 2022 approving this Draft Red Herring Prospectus.

10. Examination report of the Statutory Auditor, Serva Associates, Chartered Accountants dated September 23, 2022 on the Restated Financial Statements, included in this Draft Red Herring Prospectus.

11. Statement of Possible Special Tax Benefits available to our Company and its Shareholders from Serva Associates, Chartered Accountants dated September 23, 2022 included in this Draft Red Herring Prospectus.

12. Copies of the annual reports of our Company for the Financial Years 2021, 2020, and 2019.

13. Copy of the Restated Financial Statements of our Company.

14. Consent of the Statutory Auditor, Serva Associates, Chartered Accountants to include their name as required under Section 26 of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013, in respect of their: (a) report dated September 23, 2022 on the Restated Financial Statements and (b) report dated September 23, 2022 on the Statement of Possible Special Tax Benefits available for our Company and the Shareholders which have been included in this Draft Red Herring Prospectus.

15. Consents of Directors of our Company, Company Secretary and Compliance Officer, Chief Financial Officer, Bankers to our Company, BRLMs, Registrar to the Offer, Legal Counsel to our Company and the Selling Shareholder as to Indian Law, International Legal Counsel to our Company and the Selling Shareholder and the Legal Counsel to the BRLMs as to Indian Law, in their respective capacities.

16. Consent of the Selling Shareholder to include its shareholding representing 20% of the post Offer paid-up Equity Share capital as minimum promoter's contribution to the Offer, which shall be considered for lock-in for a period of eighteen months from the date of allotment of Equity Shares in the Offer vide its letter dated September 23, 2022.

17. MoJS Order F. No. U-14013/3/2019-PSU dated October 1, 2021 for the appointment of Rajni Kant Agrawal as Chairman-cum-Managing Director and MoJS Order No. U-14013/3/2019-PSU dated November 11, 2021 prescribing the terms and conditions of his employment.

18. MoJS Order No. 14/1/2015-PSU/1184 dated September 29, 2015 for the appointment of Pankaj Kapoor as Director (Finance)/Whole Time Director, MoJS Order No. 14/1/2015-PSU/1460 dated December 15, 2015 prescribing the terms and conditions of his employment and MoJS Order No. 14/1//2015-PSU dated July 27, 2020 for extension of the term of his appointment.

19. MoJS Order F. No. U-23011/2/2018-PSU/724 dated October 29, 2018 for the appointment of Anupam Mishra as Director (Commercial & HRD)/Whole Time Director and MoJS Order No. U-23011/2/2018-PSU/728 dated December 10, 2018 prescribing the terms and conditions of his employment.

20. MoJS Order No.9/3/2014-PSU dated August 10, 2022 and the corrigendum no. 9/3/2014-PSU/439 dated August 12, 2022 for the appointment of Anand Mohan as Government Nominee (Part-Time) Director.

21. MoJS Order F NO. U-14012/10/2021-PSU dated January 19, 2022 for the appointment of Partha Sarathi Ghosh as Non-Official Part-Time (Independent) Director.

22. MoJS Order F. NO. U-14012/10/2021-PSU/541 dated December 22, 2021 for the appointment

of Jasbir Singh Thakur as Non-Official Part-Time (Independent) Director.

23. MoJS Order F. NO. U-14012/10/2021-PSU/39 dated January 12, 2022 for the appointment of Anil Kumar Trigunayat as Non-Official Part-Time (Independent) Director.

24. MoJS Order F NO. U-14012/10/2021-PSU dated January 19, 2022 for the appointment of Lakhan Lal Sahu as Non-Official Part-Time (Independent) Director.

25. Memorandum of understanding dated February 10, 2022, entered between our Company and MoJS for the financial year 2021-22.

26. Industry reports titled *"Industry Research Report on the Consultancy Service Business in India and Global Countries"* from Fitch Solutions dated September 23, 2022.

27. Tripartite Agreement dated August 12, 2021 among our Company, CDSL and the Registrar to the Offer.

28. Tripartite Agreement dated August 12, 2021 among our Company, NSDL and the Registrar to the Offer.

29. Exemption letter dated September 23, 2022, filed by our Company for seeking relaxation from the strict enforcement of certain requirements under the SEBI ICDR Regulations and SEBI LODR Regulations.

30. In principle approvals dated [●] and [●] received from BSE and NSE, respectively.

31. Due Diligence Certificate dated September 23, 2022 addressed to SEBI from the BRLMs.

32. Observation letter dated [●] bearing no. [●] received from SEBI in respect 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 notification to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the guidelines/ regulations issued by the Government of India or the guidelines/ regulations issued by 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 statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

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**Rajni Kant Agrawal**
Chairman-cum-Managing Director

Place:
Date:

## DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the guidelines/ regulations issued by the Government of India or the guidelines/ regulations issued by 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 statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

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**Pankaj Kapoor**
Director (Finance) / Whole time Director and Chief Financial Officer

**SIGNED BY THE CHIEF FINANCIAL OFFICEROF OUR COMPANY**

___________________________________

**Pankaj Kapoor**
Director (Finance) / Whole time Director and Chief Financial Officer

Place:
Date:

# DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the guidelines/ regulations issued by the Government of India or the guidelines/ regulations issued by 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 statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

**Anupam Mishra**
Director (Commercial & HRD)/Whole Time Director

Place:
Date:

## DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the guidelines/ regulations issued by the Government of India or the guidelines/ regulations issued by 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 statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

________________________________

**Anand Mohan**
Government Nominee (Part-time) Director

Place:
Date:

## DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the guidelines/ regulations issued by the Government of India or the guidelines/ regulations issued by 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 statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

________________________________

**Partha Sarathi Ghosh**
Non-Official Part- time (Independent) Director

Place:
Date:

## DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the guidelines/ regulations issued by the Government of India or the guidelines/ regulations issued by 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 statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

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**Jasbir Singh Thakur**
Non-Official Part- time (Independent) Director

Place:
Date:

## DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the guidelines/ regulations issued by the Government of India or the guidelines/ regulations issued by 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 statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

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**Anil Kumar Trigunayat**
Non-Official Part- time (Independent) Director

Place:
Date:

## DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the guidelines/ regulations issued by the Government of India or the guidelines/ regulations issued by 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 statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

________________________________

**Lakhan Lal Sahu**

Non-Official Part- time (Independent) Director

Place:
Date:

## DECLARATION BY THE SELLING SHAREHOLDER

On behalf of the Selling Shareholder, I certify and confirm that all the statements, disclosures and undertakings made in this Draft Red Herring Prospectus about or in relation to the Selling Shareholder and the Equity Shares which are being offered pursuant to this Offer for Sale are true and correct. We assume no responsibility as a Selling Shareholder, for any other statements, including, any of the statements made or confirmed by or relating to the Company or any other person(s) in this Draft Red Herring Prospectus.

**Signed on behalf of the Selling Shareholder**

**Authorised Signatory of the President of India,**

Acting through the Ministry of Jal Shakti, Government of India

**Name:**

**Designation:** Joint Secretary (RH & PP)

**Date:**

**Place:**