**Red Herring Prospectus**
**Dated: September 01, 2023**
**Please read Section 32 of Companies Act, 2013**
**100% Book Built Issue**

(Please scan this QR Code to view the Red Herring Prospectus)

# EMS LIMITED

**CIN: U45205DL2010PLC211609**

| Registered Office | Corporate Office | Contact Person | Email and Telephone | Website |
|---|---|---|---|---|
| 701, DLF Tower A, Jasola New Delhi-110025, India | C-88, Second Floor, Raj Nagar Distt. Centre, Raj Nagar, Ghaziabad-201002, Uttar Pradesh, India | Mr. Deepak Kumar, Company Secretary & Compliance Officer | **Email:** cs@ems.co.in **Tel:** +91 8826696627; 0120 4235555/ 4235559 | www.ems.co.in |

**PROMOTERS OF THE COMPANY**

**MR. RAMVEER SINGH AND MR. ASHISH TOMAR**

**DETAILS OF ISSUE TO PUBLIC**

| Type | Fresh Issue Size (Rs. In Lakhs) | Size of the Offer for Sale (No. of Equity Shares) | OFS Size (Rs. In Lakhs) | Total Issue Size (Rs. In Lakhs) | Eligibility |
|---|---|---|---|---|---|
| Fresh Issue & Offer for Sale | Up to [●] equity shares of face value of Rs. 10 each aggregating upto Rs. 14,624.00 Lakhs | 82,94,118 Equity Shares | Rs. [●] Lakhs | Rs. [●] Lakhs | The Issue is being made pursuant to Regulation 6(1) of the SEBI ICDR Regulations. For further details, please see "Other Regulatory and Statutory Disclosures – Eligibility for the Issue and Transfer Restrictions" on page 460. For details in relation to share reservation among QIBs, NIBs and RIBs, see "Issue Structure" on page 473. |

Our Company has, in consultation with the BRLM, undertaken a Pre-IPO Placement of 16,00,000 Equity Shares at an issue price of Rs. 211 per Equity Share (including a premium of Rs. 201 per Equity Share) aggregating Rs.3,376.00 Lakhs. The size of the Fresh Issue of up to Rs. 18,000.00 Lakhs has been reduced by Rs. 3,376.00 Lakhs pursuant to the Pre-IPO Placement and the revised size of the Fresh Issue is up to Rs.14,624.00 Lakhs. For risk regarding apprehension/concerns of the listing of our Equity Shares on the Stock Exchanges see 'Risk Factors - There is no guarantee that our Equity Shares will be listed on the BSE and the NSE in a timely manner or at all' on page 75.

**DETAILS OF THE OFFER FOR SALE BY THE SELLING SHAREHOLDER AND WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE**

| NAME OF THE SELLING SHAREHOLDER | TYPE | NUMBER OF EQUITY SHARES OFFERED / AMOUNT (Rs. in Lakhs) | WEIGHTED AVERAGE COST OF ACQUISITION (IN Rs. PER EQUITY SHARE)^ |
|---|---|---|---|
| Mr. Ramveer Singh | Promoter Selling Shareholder | Upto 82,94,118 Equity Shares, aggregating upto Rs. [●] Lakhs | Rs. 2.45 |

^ *As certified by Rishi Kapoor & Company, Chartered Accountants pursuant to their certificate dated August 14, 2023.*

**RISKS IN RELATION TO THE FIRST ISSUE**

The face value of the Equity Shares is Rs. 10 each. The Floor Price, the Cap Price and the Issue Price (as determined by our Company, in consultation with the BRLM), on the basis of the assessment of market demand for the Equity Shares by way of the book building process, as stated in "Basis for Issue Price" beginning on page 130, should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISKS**

Investments in Equity and Equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue 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 Red Herring Prospectus. Specific attention of the investors is invited to the section *"Risk Factors"* beginning on page 32.

**COMPANY'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY**

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Issue, that the information contained in this 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 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. Selling Shareholder accepts responsibility for and confirms only such statements made by them in this Red Herring Prospectus to the extent such information specifically pertains to Selling Shareholder and its portion of the Offered Shares and assumes responsibility that such statements are true and correct in all material respects and are not misleading in any material respect. Further, the Selling Shareholder, assumes no responsibility for any other statements made in this Red Herring Prospectus, including any of the statements made by or relating to our Company or Company's business or Selling Shareholder.

**LISTING**

The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges being BSE Limited and National Stock Exchange of India Limited. For the purposes of the Issue, National Stock Exchange of India Limited is the Designated Stock Exchange.

**LEAD MANAGER TO THE ISSUE**

| Name and Logo | Contact Person | Email and Telephone |
|---|---|---|
| SIXTH SENSE analytics ... beyond the obvious<br>**KHAMBATTA SECURITIES LIMITED** | **Mr. Chandan Mishra; Mr. Vipin Aggarwal** | **Email:** ipo@khambattasecurities.com<br>**Tel:** 0120 4415469, 022-66413315 |

**REGISTRAR TO THE ISSUE**

| Name and Logo | Contact Person | Email and Telephone |
|---|---|---|
| KFINTECH EXPERIENCE TRANSFORMATION<br>**KFIN TECHNOLOGIES LIMITED** | **Mr. M Murali Krishna** | **Email:** ems.ipo@kfintech.com<br>**Tel:** +91 40 6716 2222 |

**BID ISSUE PROGRAMME**

| | | | | | |
|---|---|---|---|---|---|
| **ANCHOR INVESTOR BIDDING DATE(1)** | **THURSDAY, SEPTEMBER 07, 2023** | **BID/ ISSUE OPENS ON(1)** | **FRIDAY, SEPTEMBER 08, 2023** | **BID/ ISSUE CLOSES ON(2)** | **TUESDAY, SEPTEMBER 12, 2023(3)** |

*(1)Our Company & the Selling Shareholder, in consultation with the BRLM, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations.*
*(2)Our Company, in consultation with the BRLM, may decide to close the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date, in accordance with the SEBI ICDR Regulations, (3)UPI mandate end time and date shall be at 5:00 pm on the Bid/Offer Closing Date.*

**Red Herring Prospectus**
**Dated: September 01, 2023**
**Please read Section 32 of Companies Act, 2013**
**100% Book Built Issue**

# EMS LIMITED

Our Company was originally incorporated as 'EMS Infracon Private Limited' a private limited company under the Companies Act, 1956 at Delhi, pursuant to a certificate of incorporation dated December 21, 2010 issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana. Thereafter on June 30, 2012, our Company took over the business of partnership firm, M/s Satish Kumar. Thereafter, name of our Company was changed from 'EMS Infracon Private Limited' to 'EMS Private Limited', pursuant to a special resolution passed by the shareholders of our Company on September 30, 2022 and a fresh certificate of incorporation consequent to change of name was issued by the Registrar of Companies, Delhi ("RoC") on October 26, 2022. Subsequently, our Company was converted from private to public company, pursuant to a special resolution passed by the shareholders of our Company on October 27, 2022 and a fresh certificate of incorporation consequent to change of name was issued by the Registrar of Companies, Delhi ("RoC") on November 25, 2022. For further details on the change in the name and the registered office of our Company, see "History and Certain Corporate Matters" beginning on page 272. Our Company's Corporate Identity Number is U45205DL2010PLC211609.

**Registered Office:** 701, DLF Tower A, Jasola New Delhi-110025, India
**Corporate Office:** C-88, Second Floor, Raj Nagar Distt. Centre, Raj Nagar, Ghaziabad-201002, Uttar Pradesh, India
**Tel No.:** +91 8826696627; 0120 4235555/ 4235559; **E-mail:** cs@ems.co.in; **Website:** www.ems.co.in
**Contact Person:** Mr. Deepak Kumar, Company Secretary and Compliance Officer

## PROMOTERS OF OUR COMPANY: MR. RAMVEER SINGH AND MR. ASHISH TOMAR

## DETAILS OF THE ISSUE

**INITIAL PUBLIC OFFER OF UP TO [●] EQUITY SHARES OF FACE VALUE OF Rs.10 EACH ("EQUITY SHARES") OF EMS LIMITED ("COMPANY") FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE (INCLUDING A PREMIUM OF RS. [●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO Rs. [●] LAKHS THROUGH AN OFFER FOR SALE (THE "OFFER") OF UP TO 82,94,118 EQUITY SHARES AGGREGATING UP TO RS. [●] LAKHS BY MR. RAMVEER SINGH (THE "PROMOTER SELLING SHAREHOLDER") AND THE PROMOTER SELLING SHAREHOLDER ARE REFERRED TO AS, THE "SELLING SHAREHOLDER" AND SUCH EQUITY SHARES OFFERED BY THE SELLING SHAREHOLDER, THE "OFFERED SHARES"). THE ISSUE WILL CONSTITUTE [●] % OF THE POST-ISSUE PAID-UP CAPITAL OF OUR COMPANY.**

**OUR COMPANY HAS, IN CONSULTATION WITH THE BRLM, UNDERTAKEN A PRE-IPO PLACEMENT OF 16,00,000 EQUITY SHARES AT AN ISSUE PRICE OF RS. 211 PER EQUITY SHARE (INCLUDING A PREMIUM OF RS. 201 PER EQUITY SHARE) AGGREGATING RS.3,376.00 LAKHS. THE SIZE OF THE FRESH ISSUE OF UP TO RS. 18,000.00 LAKHS HAS BEEN REDUCED BY RS. 3,376.00 LAKHS PURSUANT TO THE PRE-IPO PLACEMENT AND THE REVISED SIZE OF THE FRESH ISSUE IS UP TO RS.14,624.00 LAKHS. FOR RISK REGARDING APPREHENSION/CONCERNS OF THE LISTING OF OUR EQUITY SHARES ON THE STOCK EXCHANGES SEE 'RISK FACTORS - THERE IS NO GUARANTEE THAT OUR EQUITY SHARES WILL BE LISTED ON THE BSE AND THE NSE IN A TIMELY MANNER OR AT ALL' ON PAGE 75.**

**THE FACE VALUE OF EQUITY SHARES IS RS. 10 EACH. THE PRICE BAND AND THE MINIMUM BID LOT SHALL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER ("BRLM") AND WILL BE ADVERTISED IN ALL EDITIONS OF [●], AN ENGLISH NATIONAL DAILY NEWSPAPER AND ALL EDITIONS OF [●], A HINDI NATIONAL DAILY NEWSPAPER, HINDI ALSO BEING THE REGIONAL LANGUAGE OF DELHI, WHERE OUR REGISTERED OFFICE IS LOCATED, WITH WIDE CIRCULATION, AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO THE BSE LIMITED ("BSE") AND THE 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 SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS").**

In case of any revision in the Price Band, the Bid/Issue Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the Bid/Issue Period not exceeding 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/Issue Period for a minimum of three Working Days, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the websites of the Book Running Lead Manager and at the terminals of the Syndicate Members and by intimation to Designated Intermediaries and the Sponsor Bank, as applicable.

The Issue is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended, read with Regulation 31 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations"). The Issue is being made through the Book Building Process, in compliance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers (the "QIBs") (the "QIB Category"), provided that our Company, in consultation with the BRLM, may allocate up to 60% of the QIB Category to Anchor Investors, on a discretionary basis (the "Anchor Investor Portion"). One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is made to Anchor Investors. 5% of the QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Category shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation to Non-Institutional Bidders, of which (a) one-third portion shall be reserved for applicants with application size of more than Rs. 2,00,000 and up to Rs. 10,00,000; and (b) two-thirds portion shall be reserved for applicants with application size of more than Rs. 10,00,000, 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, subject to valid Bids being received at or above the Issue Price and not less than 35% of the Issue will be available for allocation to Retail Individual Bidders, in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. All Bidders, other than the Anchor Investors, are mandatorily required to participate in this Issue only through an Application Supported by Blocked Amount ("ASBA") process, providing details of their respective bank accounts (including UPI ID for UPI Bidders using UPI Mechanism) in which the Bid amount will be blocked by the Self Certified Syndicate Banks or the Sponsor Bank. The Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For further details, please see "Issue Procedure" beginning on page 478.

## RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of Equity Shares by our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is Rs. 10 each. The Issue Price, Floor Price and Price Band 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 and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

## GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue 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 Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue 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 Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" beginning on page 32.

## COMPANY'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Issue, that the information contained in this 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 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. Selling Shareholder accepts responsibility for and confirms only such statements made by them in this Red Herring Prospectus to the extent such information specifically pertains to Selling Shareholder and its portion of the Offered Shares and assumes responsibility that such statements are true and correct in all material respects and are not misleading in any material respect. Further, the Selling Shareholder, assumes no responsibility for any other statements made in this Red Herring Prospectus, including any of the statements made by or relating to our Company or Company's business or Selling Shareholder.

## LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from BSE and NSE for the listing of the Equity Shares pursuant to both letters dated June 07, 2023. For the purposes of the Issue, the Designated Stock Exchange shall be National Stock Exchange of India Limited. A copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus until the Bid/Issue Closing Date, see "Material Contracts and Documents for Inspection" beginning on page 525.

| LEAD MANAGER TO THE ISSUE | REGISTRAR TO THE ISSUE |
|---|---|
| **KHAMBATTA SECURITIES LIMITED**<br>1 Ground Floor, 7/10, Botawala Building, 9 Bank Street, Horniman Circle, Fort, Mumbai, Maharashtra – 400 001, India<br>**Tel:** 011-41645051, 022-66413315<br>**Email:** ipo@khambattasecurities.com<br>**Investor Grievance Email:** mbcomplaints@khambattasecurities.com<br>**Website:** www.khambattasecurities.com<br>**Contact Person:** Mr. Chandan Mishra; Mr. Vipin Aggarwal<br>**SEBI Registration No.:** INM000011914 | **KFIN TECHNOLOGIES LIMITED**<br>Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Gachibowli, Hyderabad – 500 032, India<br>**Tel:** +91 40 6716 2222<br>**Email:** ems.ipo@kfintech.com<br>**Website:** www.kfintech.com<br>**Contact Person:** Mr. M Murali Krishna<br>**SEBI Registration No:** INR000000221 |

## BID ISSUE PROGRAMME

| ANCHOR INVESTOR BIDDING DATE(1) | THURSDAY, SEPTEMBER 07, 2023 | BID/ ISSUE OPENS ON(1) | FRIDAY, SEPTEMBER 08, 2023 | BID/ ISSUE CLOSES ON(2) | TUESDAY, SEPTEMBER 12, 2023(3) |
|---|---|---|---|---|---|

*(1)Our Company & the Selling Shareholder, in consultation with the BRLM, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations.*
*(2)Our Company, in consultation with the BRLM, may decide to close the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date, in accordance with the SEBI ICDR Regulations.*
*(3)UPI mandate end time and date shall be at 5:00 pm on the Bid/Offer Closing Date.*

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## SECTION I – GENERAL

## DEFINITIONS AND ABBREVIATIONS

This Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise implies or requires, or unless otherwise specified, shall have the meaning as assigned below. References to statutes, rules, regulations, guidelines and policies will, unless the context otherwise requires, be deemed to include all amendments, modifications and replacements notified thereto, as of the date of this Red Herring Prospectus, 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 Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the meanings ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder.

Notwithstanding the foregoing, terms used in sections entitled in "Industry Overview", "Key Regulations and Policies in India", "Statement of Tax Benefits", "Financial Information", "Basis for Issue Price", "Outstanding Litigation and Other Material Developments", "Government and other approvals", "Issue Procedure" and "Main Provisions of Articles of Association", on page nos. 144, 265, 139, 318, 130, 440, 452, 478 and 502 respectively, shall have the meaning ascribed to such terms in those respective sections.

**General Terms**

| Term | Description |
|---|---|
| The Company / our Company / The Issuer | EMS Limited is a company incorporated under the Companies Act 1956, having the Registered Office located at 701, DLF Tower A, Jasola, New Delhi-110025, India and Corporate office located at C-88, RDC, Raj Nagar, Ghaziabad – 201001, Uttar Pradesh. The company was originally incorporated as M/s EMS Infracon Private Limited in 2010 with its two directors, i.e., Mr. Ramveer Singh & Mr. Ashish Tomar & had taken over the partnership business of M/s. Satish Kumar in June 30, 2012. |
| "we", "us" or "our" or "Group" | Unless the context otherwise indicates or implies, our Company together with its Subsidiaries, on a Consolidated basis. |

**Company related Terms**

| Term | Description |
|---|---|
| AoA/ Articles / Articles of Association | The Articles of Association of our Company, as amended from time to time |
| Audit Committee | The committee of the Board of Directors reconstituted on March 14, 2023 as our Company's Audit Committee in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements), 2015 |
| Auditors / Statutory Auditors | Rishi Kapoor & Company, Chartered Accountants, being the current Statutory Auditor of our Company. |
| Board of Directors / Board | The Board of Directors of EMS Limited, including all duly constituted Committees thereof. |
| Chief Financial Officer | Chief financial officer of our Company is Mr. Gajendra Parihar |
| Chairman | Mr. Ramveer Singh, the Chairman and Director of our Company. |
| Company Secretary and Compliance Officer | The Company Secretary and Compliance officer of our Company is Mr. Deepak Kumar. |

| Term | Description |
|---|---|
| Corporate Social Responsibility Committee | The committee of the Board of Directors reconstituted on March 14, 2023 as our Company's Corporate Social Responsibility Committee in accordance with Section 135 of the Companies Act, 2013. |
| Corporate Office | C-88, Second Floor, Raj Nagar, Centre, Raj Nagar, Ghaziabad-201002, Uttar Pradesh, India |
| Director(s) | Director(s) of EMS Limited, unless otherwise specified. |
| Equity Shares | Equity Shares of our Company of Face Value of Rs.10 each unless otherwise specified in the context thereof. |
| Equity Shareholders | Person(s) holding Equity Share(s) of our Company. |
| Executive Directors(s) | Executive Directors(s) of our Company. For further details, please refer section titled "Our Management" on page no. 277. |
| Group Companies | Companies (other than our Subsidiaries, if any and joint ventures) with which there were related party transactions as disclosed in the Restated Consolidated Financial Statements as covered under the applicable accounting standards, and as disclosed in "Our Group Companies" on page no. 309. |
| Independent Director(s) | Independent directors on the Board, and eligible to be appointed as an independent director under the provisions of Companies Act and SEBI Listing Regulations. For details of the Independent Directors, please refer chapter titled "Our Management" beginning on page no. 277. |
| ISIN | International Securities Identification Number. In this case being, INE0OV601013. |
| Key Management Personnel / KMP | Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations as disclosed in "Our Management" on page no. 277. |
| Materiality Policy | Policy adopted by our Company, in its Board meeting held on March 14, 2023, for identification of group companies, material creditors and material litigations. |
| MOA / Memorandum / Memorandum of Association | The Memorandum of Association of our Company, as amended from time to time |
| Nomination and Remuneration Committee | The committee of the Board of Directors constituted on March 14, 2023 as our Company's Nomination and Remuneration Committee in accordance with Regulation 19 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013. |
| Promoters / Core Promoters | The Promoters of our Company are Mr. Ramveer Singh and Mr. Ashish Tomar. |
| Promoter Group | Such persons, entities and companies constituting our promoter group pursuant to Regulation 2(1)(pp) of the SEBI (ICDR) Regulations as disclosed in "Our Promoters and Promoter Group" on page no. 298. |
| Promoter Selling shareholder | The Promoter Selling Shareholder is Mr. Ramveer Singh. |
| Registered Office | The Registered Office of our Company situated at 701, DLF Tower A, Jasola New Delhi-110025, India. |
| Registrar of Companies/ RoC | Registrar of Companies, Delhi situated at 4th Floor, IFCI Tower, 61 Nehru Place, New Delhi – 110019, India. |
| Restated Consolidated Financial Statements | The restated consolidated financial information of our Company, along with our joint ventures, comprising of the restated consolidated balance sheet for the Financial Year ended March 31, 2023, March 31, 2022 and March 31, 2021 of the Company together with its notes, annexures and schedules prepared in accordance with Ind AS, and restated in accordance with requirements of Section 26 of Part I of Chapter III of Companies Act, SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectus (Revised 2019)" issued by ICAI. |

| Term | Description |
| --- | --- |
| Stakeholders' Relationship Committee | The committee of the Board of Directors constituted on March 14, 2023 as our Company's Stakeholders' Relationship Committee in accordance with Regulation 20 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013. |

**Issue Related Term**

| Term | Description |
| --- | --- |
| Abridged Prospectus | Abridged prospectus means a memorandum containing such salient features of a Prospectus as may be specified by SEBI in this behalf |
| Acknowledgement Slip | The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Application Form. |
| Allot / Allotment / Allotted | Unless the context otherwise requires, allotment or transfer, as the case may be of Equity Shares offered pursuant to the Fresh Issue and transfer of the Offered Shares by the Selling Shareholder pursuant to the Offer for Sale to the successful Bidders |
| Allotment Advice | A note or advice or intimation of Allotment sent to the Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange. |
| Allottees | The successful Bidder to whom the Equity Shares are being / have been allotted. |
| Anchor Investor | A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus |
| Anchor Investor Allocation Price | The price at which Equity Shares will be allocated to 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 Book Running Lead Manager. |
| Anchor Investor Application Form | The form used by an Anchor Investor to make a Bid in the Anchor Investor portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus. |
| Anchor Investor Bid / Issue Period | One Working Day prior to the Bid/ Issue Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed. |
| Anchor Investor Escrow Account | The account to be opened with the Escrow Collection Bank and in whose favour the Anchor Investors will transfer money through NACH / NECS / direct credit / NEFT / RTGS in respect of the Bid Amount when submitting a Bid. |
| Anchor Investor Issue Price | The final price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price but not higher than the Cap Price.<br><br>The Anchor Investor Issue Price will be decided by our Company and the Selling Shareholder in consultation with the Book Running Lead Manager. |
| Anchor Investor Pay-in Date | With respect to Anchor Investor(s), the Anchor Investor Bid/Issue Period, and in the event the Anchor Investor Allocation Price is lower than the Anchor Investor Issue Price, not later than two Working Days after the Bid/ Issue Closing Date |
| Anchor Investor Portion | Up to 60% of the QIB Portion which may be allocated by our Company and the Selling Shareholder in consultation with the Book Running Lead Manager, to Anchor Investors on a discretionary basis.<br><br>One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. |
| Application Supported by Blocked Amount/ | An application, whether physical or electronic, used by a Bidder (other than Anchor Investors) to make a Bid authorizing an SCSB to block the Application |

| Term | Description |
|---|---|
| ASBA | Amount in the specified Bank Account maintained with such SCSB and will include applications made by RIBs using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by RIBs using the UPI Mechanism. |
| ASBA Account | A bank account maintained by ASBA Bidders with an SCSB and specified in the ASBA Form submitted by such ASBA Bidder in which funds will be blocked by such SCSB to the extent of the specified in the ASBA Form submitted by such ASBA Bidder and includes a bank account maintained by a RIB linked to a UPI ID, which will be blocked in relation to a Bid by a RIB Bidding through the UPI Mechanism |
| ASBA Bidder / Bidder | Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form unless stated or implied otherwise except Anchor Investors. |
| ASBA Form | An application form (with and without the use of UPI, as may be applicable), whether physical or electronic, used by the ASBA Bidders and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus. |
| Banker(s) to the Company | Such banks which are disclosed as Bankers to our Company in the chapter titled "General Information" on page no. 97. |
| Banker(s) to the Issue | Collectively, Escrow Collection Bank, Public Issue Bank, Sponsor Bank and Refund Bank, as the case may be, which are Clearing Members and registered with SEBI as Banker to the Issue with whom the Escrow Agreement is entered and in this case being HDFC Bank Limited and Axis Bank Limited. |
| Basis of Allotment | The basis on which the Equity Shares will be Allotted to successful Bidders under the Issue and which is described in the chapter titled "Issue Procedure" beginning on page no. 478. |
| Bid | Indication to make an issue during the Bid/Issue Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/Issue Period 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. 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 Retail Individual Bidders Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the Bidder, as the case may be, upon submission of the Bid. |
| Bid cum Application Form | The form, whether physical or electronic, used by a Bidder, to make a Bid and which will be considered as a Bid for Allotment in terms of this Updated Red Herring Prospectus, the Red Herring Prospectus and the Prospectus. Anchor Investor Application Form or the ASBA Form, as the context requires |
| Bid Lot | [●] Equity Shares and in multiples of [●] Equity Shares thereafter. |
| Bid / Issue 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 Business Standard and all editions of the Hindi National Daily Newspaper Business Standard (Hindi being the regional language of Delhi where our Registered Office is located) each with wide circulation, and in case of any revision, the extended Bid / Issue Closing |

| Term | Description |
| --- | --- |
| | Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations, 2018 and also intimated to SCSBs, the Sponsor Bank and the Designated Intermediaries. |
| Bid / Issue Opening Date | Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids being Business Standard, and which shall be notified in all editions of the English National Daily Newspaper Business Standard and all editions of the Hindi National Daily Newspaper Pratah Kiran, a local Delhi Hindi newspaper (Hindi being the regional language of Delhi where our Registered Office is located) each with wide circulation, and in case of any revisions, the extended Bid / Issue Closing Date shall also be notified on the websites and terminals of the Syndicate Members and also intimated to the Designated Intermediaries and the Sponsor Bank, as required under the SEBI ICDR Regulations. |
| Bid / Issue Period | Except in relation to Anchor Investors, the period between the Bid / Issue Opening Date and the Bid / Issue Closing Date, inclusive of both days, during which prospective Bidders have submitted their Bids, including any revisions thereof, in accordance with the SEBI ICDR Regulations. |
| Bidder | 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, which includes an ASBA Bidder and an Anchor Investor. |
| Bidding Centres | The centres at which Designated Intermediaries shall accept the ASBA Forms, i.e., Designated Branches for SCSBs, Specified Locations for 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 the Issue is being made. |
| Book Running Lead Manager / BRLM | Khambatta Securities Limited. |
| Broker Centre | The broker centres notified by the Stock Exchanges where Bidders can submit the ASBA Forms (in case of RIBs only ASBA Forms under UPI) to a Registered Broker.<br><br>The details of such Broker Centres, along with the names and contact details of the Registered Broker are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com). |
| CAN / Confirmation of Allocation Note | Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, on/after the Anchor Investor Bidding Date. |
| Cap Price | The higher end of the Price Band, above which the Issue Price and Anchor Investor Issue Price will not be finalised and above which no Bids will be accepted (including any revisions thereof) |
| Cash Escrow and Sponsor Bank Agreement | The agreement dated August 09, 2023 entered into amongst our Company, the Selling Shareholder, the Registrar to the Issue, the BRLM, the Syndicate Members and Banker(s) to the Issue in accordance with the UPI Circulars, collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Issue Account(s) and where applicable remitting refunds, if any, to Bidders, on the terms and conditions thereof. |
| Client ID | Client identification number maintained with one of the Depositories in relation to 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 from relevant Bidders at the |

| Term | Description |
| --- | --- |
| | Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the UPI Circulars issued by SEBI as per the list available on the websites of BSE and NSE. |
| Collecting Registrar and Share Transfer Agents / CRTAs | Registrar and Share Transfer Agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the UPI Circulars issued by SEBI. |
| Cut-off Price | The Issue Price, finalised by our Company and the Selling Shareholder in consultation with the Book Running Lead Manager, which shall be any price within the Price Band. Only Retail Individual Bidders bidding in the Retail Portion are entitled to Bid at the Cut-off Price. QIBs 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 and bank account details and UPI ID wherever applicable. |
| Designated Branches | Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time. |
| Designated CDP Locations | Such locations of the CDPs where Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com). |
| Designated Date | The date on which funds are transferred from the Escrow Account and the amounts blocked by the SCSBs (in case of RIBs using UPI Mechanism, instruction issued through the Sponsor Bank) are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, in terms of the Red Herring Prospectus, and the aforesaid transfer and instructions shall be issued only after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange. |
| Designated Intermediary(ies) | In relation to ASBA Forms submitted by RIBs by authorising 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 RIBs where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such RIB using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, Sub-Syndicate / agents, Registered Brokers, CDPs and CRTAs.<br><br>In relation to ASBA Forms submitted by QIBs and NIBs, Designated Intermediaries shall mean Syndicate, Sub-Syndicate / agents, SCSBs, Registered Brokers, the CDPs and CRTAs. |
| Designated SCSB Branches | Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at 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 Stock Exchange | National Stock Exchange of India Limited. |
| 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 |

| Term | Description |
|---|---|
| | 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). |
| Draft Red Herring Prospectus or RHP | This Red Herring Prospectus dated March 28, 2023 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Issue, including any addenda and corrigenda thereto. |
| Eligible FPI(s) | FPIs that are eligible to participate in this Issue in terms of applicable laws, other than individuals, corporate bodies and family offices. |
| Eligible NRI(s) | NRI(s) from jurisdictions outside India where it is not unlawful to make an Issue or invitation under the Issue and in relation to whom the ASBA Form and the Red Herring Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares. |
| Escrow Account | Account(s) to be opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors, will transfer money through NACH/direct credit/NEFT/RTGS in respect of the Bid Amount when submitting a Bid. |
| Escrow and Sponsor Bank Agreement | The agreement to be entered amongst our Company, the Book Running Lead Manager, the Bankers to the Issue and the Registrar to the Issue, in accordance with the 2018 Circular on Streamlining of Public Issues), for the appointment of the Sponsor Bank, collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Issue Account and where applicable, refunds of the amounts collected from Bidders, on the terms and conditions thereof. |
| Escrow Collection Bank(s) | The bank(s) which is/are clearing members and are registered with SEBI as an escrow bank, with whom the Anchor Escrow Accounts in relation to the Issue for Bids by Anchor Investors will be opened, in this case being Axis Bank Limited. |
| First or Sole Bidder | The Bidder whose name appears first in the Bid cum Application Form or the Revision Form and in case of join 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 Issue Price and the Anchor Investor Issue Price will be finalised and below which no Bids will be accepted and which shall not be less than the face value of the Equity Shares. |
| Fresh Issue | Fresh Issue of up to [●] Equity Shares of face value Rs. 10 each for cash at a price of Rs. [●] per Equity Shares aggregating up to Rs. 14,624.00 lakhs by our Company.<br><br>*Our Company has, in consultation with the BRLM, undertaken a Pre-IPO Placement of 16,00,000 Equity Shares at an issue price of Rs. 211 per Equity Share (including a premium of Rs. 201 per Equity Share) aggregating Rs.3,376.00 Lakhs. The size of the Fresh Issue of up to Rs. 18,000.00 Lakhs has been reduced by Rs. 3,376.00 Lakhs pursuant to the Pre-IPO Placement and the revised size of the Fresh Issue is up to Rs.14,F624.00 Lakhs. For risk regarding apprehension/concerns of the listing of our Equity Shares on the Stock Exchanges see 'Risk Factors - There is no guarantee that our Equity Shares will be listed on the BSE and the NSE in a timely manner or at all' on page 75.* |
| Fugitive Economic Offender | An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018 |
| General Information Document or GID | 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 and the circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, as amended by SEBI |

| Term | Description |
|---|---|
| | from time to time and the UPI Circulars. The General Information Document shall be available on the websites of the Stock Exchanges and the BRLM. |
| IPO Committee | The IPO committee of our Board of Directors. |
| IPO | Initial Public Offer. |
| Issue | The initial public issue of up to [●] Equity Shares of face value of Rs. 10 each for cash at a price of Rs. [●] each (including a securities premium of Rs. [●] per Equity Share), aggregating up to Rs. [●] lakhs. |
| Issue Agreement | The agreement dated March 24, 2023, entered amongst our Company, the Selling Shareholder, and the Book Running Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue. |
| Issue Price | The final price at which Equity Shares will be Allotted to successful Bidders, other than Anchor Investors in terms of the Red Herring Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price in terms of the Red Herring Prospectus. The Issue Price will be decided by our Company in consultation with the Book Running Lead Manager on the Pricing Date in accordance with the Book Building Process and the Red Herring Prospectus. |
| Issue Proceeds | The gross proceeds of the Issue which shall be available to our Company, based on the total number of Equity Shares Allotted at the Issue Price. For further information about use of the Issue Proceeds, see "Objects of the Issue" on page no. 119. |
| Minimum Promoters' Contribution | Aggregate of 20% of the fully diluted Post Issue equity share capital of our Company held by our Promoters which shall be provided towards minimum promoters' contribution and locked in for a period of 18 months from the date of Allotment. |
| Maximum RIB Allottees | Maximum number of RIBs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot, subject to valid Bids being received at or above the Issue Price. |
| Mutual Funds | Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996. |
| Mutual Fund Portion | 5% of the QIB Portion or up to [●] Equity Shares which shall be available for allocation to Mutual Funds only, subject to valid Bids being received at or above the Issue Price. |
| Net Proceeds / Net Issue Proceeds | Proceeds of the Issue that will be available to our Company, i.e. gross proceeds of the Fresh Issue, less Issue expenses to the extent applicable to the Fresh Issue. For further details regarding the use of the Net Proceeds and the Issue expenses, see "Objects of the Issue" beginning on page no. 119. |
| Net QIB Portion | The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors. |
| Non Institutional Bidders | All Bidders that are not Qualified Institutional Buyers (including Anchor Investors) and Retail Individual Bidders and who have Bid for Equity Shares for an amount of more than Rs. 2,00,000 (but not including NRIs other than Eligible NRIs, QFIs other than Eligible QFIs). |
| Non-Institutional Portion | The Portion of the Issue being [●]% (not less than 15%) of the Issue consisting of not less than [●] Equity Shares which shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price. |
| Non-Resident or NR | A person resident outside India, as defined under FEMA and includes a non-resident Indian, FVCIs and FPIs. |
| Offer | The Initial Public Offer of Equity Shares Comprising of Public Issue and Offer for Sale. |

| Term | Description |
|---|---|
| Offer for Sale | Offer of up to 82,94,118 Equity Shares at Rs. [●] aggregating to Rs. [●] lakhs to be offered for sale by the Selling Shareholder pursuant to the Issue. |
| Pre-IPO Placement | Our Company has, in consultation with the BRLM, undertaken a Pre-IPO Placement of 16,00,000 Equity Shares at an issue price of Rs. 211 per Equity Share (including a premium of Rs. 201 per Equity Share) aggregating Rs.3,376.00 Lakhs. The size of the Fresh Issue of up to Rs. 18,000.00 Lakhs has been reduced by Rs. 3,376.00 Lakhs pursuant to the Pre-IPO Placement and the revised size of the Fresh Issue is up to Rs.14,624.00 Lakhs. For risk regarding apprehension/concerns of the listing of our Equity Shares on the Stock Exchanges see 'Risk Factors - There is no guarantee that our Equity Shares will be listed on the BSE and the NSE in a timely manner or at all' on page 75. |
| Peer Reviewed Auditor | Rishi Kapoor & Company, Chartered Accountants, being the Peer Reviewed Auditor of our Company. |
| Price Band | Price band of a minimum price of Rs. [●] per Equity Share (Floor Price) and the maximum price of Rs. [●] per Equity Share (Cap Price) including any revisions thereof.<br><br>The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company and the Selling Shareholder in consultation with the Book Running Lead Manager, and will be advertised, at least two Working Days prior to the Bid/Issue Opening Date, in all editions of the English national daily newspaper Business Standard, all editions of the Hindi national daily newspaper Business Standard, and edition of the Hindi, being the regional language of Delhi, where our Registered Office is located each with wide circulation along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. |
| Pricing Date | The date on which our Company and the Selling Shareholder in consultation with the Book Running Lead Manager, will finalise the Issue Price. |
| Prospectus | The Prospectus to be filed with the RoC after the Pricing Date in accordance with section 26 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, inter alia, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information, including any addenda or corrigenda thereto. |
| Public Issue Account | A bank account to be opened under section 40(3) of the Companies Act, 2013 to receive monies from the Escrow Account and ASBA Accounts on the Designated Date. |
| Public Issue Bank | A bank which is a clearing member and registered with SEBI as a Banker to an Issue and with whom the Public Issue Account will be opened, in this case being HDFC Bank Limited. |
| QIB Portion | The portion of the Issue (including the Anchor Investor Portion) being not more than [●]% (not more than 50%) of the Issue or up to [●] Equity Shares, which shall be available for allocation to QIBs, including the Anchor Investors, subject to valid Bids being received at or above the Issue Price. |
| Qualified Institutional Buyers or QIBs or QIB Bidders | A qualified institutional buyer as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, 2018. |
| Red Herring Prospectus or RHP | The Red Herring Prospectus to be issued in accordance with section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be Issued and the size of the Issue including any addendum or corrigendum thereto. |

| Term | Description |
|---|---|
| | The Bid/Issue Opening Date shall be at least three Working Days after the filing of Red Herring Prospectus with the RoC. The Red Herring Prospectus will become the Prospectus upon filing with the RoC after the Pricing Date, including any addendum or corrigendum thereto. |
| Refund Account | The account to be opened with the Refund Bank, from which refunds, if any, of the whole or part of the Bid Amount to the Anchor Investors shall be made. |
| Refund Bank | The bank which is a clearing member and registered with SEBI as a Banker to an Issue and with whom the Refund Account will be opened, in this case being Axis Bank Limited. |
| Registered Brokers | Stock brokers registered with the stock exchanges having nationwide terminals, other than the Book Running Lead Manager and the Syndicate Members 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 March 24, 2023 entered amongst our Company, the Selling Shareholder and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue. |
| Registrar to the Issue / Registrar | KFIN Technologies Limited |
| Retail Individual Investor(s) / RII(s) | Individual Bidders, who have Bid for the Equity Shares for an amount not more than Rs. 2,00,000 in any of the bidding options in the Issue (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs) |
| Retail Portion | The portion of the Issue being [●] % (not less than 35%) of the Issue consisting of not less than [●] Equity Shares which shall be available for allocation to Retail Individual Bidders (subject to valid Bids being received at or above the Issue Price), which shall not be less than the minimum Bid Lot subject to availability in the Retail Portion, and the remaining Equity Shares to be Allotted on a proportionate basis. |
| Revision Form | The form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s).<br><br>QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can withdraw or revise their Bids until Bid/Issue 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 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 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. |
| Share Escrow Agent | Share Escrow agent appointed pursuant to the Share Escrow Agreement, being Nikunj Stock Brokers Limited |
| Share Escrow Agreement | Agreement dated August 10, 2023 entered into between our Company, the Selling Shareholder, the Share Escrow Agent and the Book Running Lead Manager in connection with the transfer of Equity Shares under the Offer for Sale by the |

| Term | Description |
| --- | --- |
| | Selling Shareholder and credit of such Equity Shares to the demat account of the Allottees in accordance with the Basis of Allotment. |
| Specified Locations | Bidding Centres where the Syndicate shall accept ASBA Forms from Bidders, a list of which is available on the website of SEBI (www.sebi.gov.in) and updated from time to time. |
| Sponsor Bank | HDFC Bank Limited and Axis Bank Limited, being the Banker to the Issue & Cash Escrow Bank, appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and/ or payment instructions of the RIBs using the UPI Mechanism and carry out other responsibilities, in terms of the UPI Circulars. |
| Stock Exchanges | Collectively, BSE Limited and National Stock Exchange of India Limited |
| Syndicate Agreement | The agreement dated August 09, 2023 amongst our Company, the Selling Shareholder, the Syndicate Members and the Registrar to the Issue, in relation to collection of Bids by the members of the Syndicate. |
| Syndicate Members | Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, Nikunj Stock Brokers Limited and Prabhat Financial Services Limited. |
| Syndicate or members of the Syndicate | Book Running Lead Manager 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. |
| UPI | Unified payments interface which is an instant payment mechanism, developed by NPCI. |
| 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, circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI Circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and any subsequent circulars or notifications issued by SEBI in this regard. SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 along with the circular issued by the National Stock Exchange of India Limited having reference no. 25/2022 dated August 3, 2022 and the circular issued by BSE Limited having reference no. 2022080340 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI or the Stock Exchanges 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 RIB by way of a notification on the UPI application and by way of a SMS directing the RIB to such UPI application) to the RIB initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment. |
| UPI Mechanism | The bidding mechanism that may be used by a RIB to make a Bid in the Issue in accordance the UPI Circulars to make an ASBA Bid in the Issue. |
| UPI PIN | Password to authenticate UPI transaction |

| Term | Description |
|---|---|
| Wilful Defaulter | Wilful defaulter 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 are open for business; provided however, with reference to (i) announcement of Price Band; and (ii) Bid / Issue Period, "Working Day" shall mean any day, excluding all Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and with reference to (iii) the time period between the Bid / Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI circular number SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 and the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, including the UPI Circulars. |

**Technical / Industry related Terms**

| Term | Description |
|---|---|
| AMRUT | Atal Mission for Rejuvenation and Urban Transformation |
| BBPS | Bharat Bill Payment System |
| CAGR | Compound Annual Growth Rate |
| C&D | Construction & Demolition |
| CETP | Common Effluent Treatment Plant |
| CPSE | Central Public Sector Enterprises |
| CPWD | Central Public Works Department |
| CRIF | Central Road Infrastructure Fund |
| CWC | Civil Works Contractors |
| DDUGJY | Deen Dayal Upadhyaya Gram Jyoti Yojana |
| DPIIT | Department for Promotion of Industry and Internal Trade Policy |
| EPC | Engineering, Procurement and Construction |
| ETC | Electronic Toll Collection |
| FDI | Foreign Direct Investment |
| GDP | Gross Domestic Product |
| GEC | Green Energy Corridor |
| HAM | Hybrid Annuity Model |
| HSE | Health, Safety and Environmental |
| IIP | Index of Industrial Production |
| ISO | International Organization for Standardization |
| JNNURM | Jawaharlal Nehru National Urban Renewal Mission |
| JV | Joint Venture |
| MoHFW | Ministry of Health and Family Welfare |
| MoHUA | Ministry of Housing and Urban Affairs |
| MRF | Material Recovery Facility |
| MRRDA | Maharashtra Rural Road Development Association |
| MSRDC | Maharashtra State Road Development Corporation |
| MSRTC | Maharashtra State Road Transport Corporation |
| MW | Mega watt |
| NBFID | National Bank for Financing Infrastructure and Development |
| NHDP | National Highways Development Project |

| Term | Description |
|---|---|
| NIP | National Infrastructure Pipeline |
| NIIF | National Investment and Infrastructure Fund |
| NMP | National Monetization Plan |
| OMT | Operate-Maintain-Transfer |
| OHSAS | Occupational Health and Safety Assessment Series |
| PCMC | Pimpri-Chinchwad Municipal Corporation |
| PCNTDA | Pimpri-Chinchwad New Town Development Authority |
| PLI | Production Linked Incentive |
| PPP | Public Private Partnership |
| PPPAC | Public Private Partnership Appraisal Committee |
| PWD | Public Works Department |
| RCC | Reinforced cement concrete |
| RDF | Refuse Derived Fuel |
| RMC | Ready-mix concrete |
| SH | State Highway |
| SWD | Storm Water Drain |
| TOT | Toll-Operate-Transfer |
| TPD | Tone Per Day |
| TPI | Third-Party Inspection |
| QAP | Quality Assurance Plan |
| UIDSSMT | Urban Infrastructure Development Scheme for Small and Medium Towns |
| VGF | Viability Gap Funding |

**Conventional Terms / General Terms / Abbreviations**

| Term | Description |
|---|---|
| A/c | Account |
| AGM | Annual General Meeting |
| AED | United Arab Emirates Dirham |
| AIF | Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012 |
| AS/ Accounting Standards | Accounting Standards as issued by the Institute of Chartered Accountants of India |
| ASBA | Applications Supported by Blocked Amount |
| AY | Assessment Year |
| BSE | BSE Limited |
| CAGR | Compound Annual Growth Rate |
| Category I Alternate Investment Fund/ Category I AIF | AIFs who are registered as “Category I Alternative Investment Funds” under the SEBIAIF Regulations. |
| Category I foreign portfolio investor(s)/ Category I FPIs | FPIs who are registered as “Category I foreign portfolio investors” under the SEBI FPIRegulations |
| Category II Alternate Investment Fund/ Category II AIF | AIFs who are registered as “Category II Alternative Investment Funds” under the SEBIAIF Regulations. |
| Category II foreign portfolio investor(s)/ Category II FPIs | FPIs who are registered as “Category II foreign portfolio investors” under the SEBI FPIRegulations |

| Term | Description |
| --- | --- |
| Category III Alternate Investment Fund/ Category III AIF | AIFs who are registered as "Category III Alternative Investment Funds" under the SEBIAIF Regulations. |
| CDSL | Central Depository Services (India) Limited |
| CIN | Company Identification Number |
| CIT | Commissioner of Income Tax |
| Client ID | Client identification number of the Applicant's beneficiary account |
| Companies Act/Companies Act, 2013 | Unless specified otherwise, this would imply to the provisions of the Companies Act, 2013 (to the extent notified) and /or Provisions of Companies Act, 1956 w.r.t. the sections which have not yet been replaced by the Companies Act, 2013 through any official notification. |
| Companies Act, 1956 | The Companies Act, 1956, as amended from time to time |
| Covid-19 | A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020 |
| CSR | Corporate Social Responsibility |
| CST | Central Sales Tax |
| CY | Calendar Year |
| Depositories Act | Depositories Act, 1996 |
| Depository | A depository registered with the SEBI under the Securities and Exchange Board of India(Depositories and Participants) Regulations, 1996 |
| DIN | Director Identification Number |
| DP | Depository Participant, as defined under the Depositories Act 1996 |
| DP ID | Depository Participant's identification |
| DPIIT | Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India. |
| EBITDA | Earnings before Interest, Taxes, Depreciation and Amortization |
| ECS | Electronic Clearing System |
| EGM | Extraordinary General Meeting |
| EMDEs | Emerging Markets and Developing Economies |
| EPS | Earnings Per Share |
| FCNR Account | Foreign Currency Non-Resident Account |
| FDI | Foreign Direct Investment |
| FEMA | Foreign Exchange Management Act, 1999, read with rules and regulations thereunder |
| FEMA Regulations | Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, as amended from time to time. |
| FIIs | Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India |
| FPIs | Foreign Portfolio Investors as defined under the SEBI FPI Regulations |
| FIPB | Foreign Investment Promotion Board |
| FVCI | Foreign Venture Capital Investors as defined and registered under the SEBI FVCI Regulations |
| FY / Fiscal / Financial Year | Period of twelve months ended March 31 of that particular year, unless otherwise stated |
| GBP | Great Britain Pound |
| GDP | Gross Domestic Product |
| GoI/Government | Government of India |
| GST | Goods & Services Tax |
| HK$ | Hong Kong Dollar |
| HNIs | High Networth Individuals |

| Term | Description |
|---|---|
| HUF | Hindu Undivided Family |
| IAS Rules | Indian Accounting Standards, Rules 2015 |
| ICAI | The Institute of Chartered Accountants of India |
| ICSI | Institute of Company Secretaries of India |
| IFRS | International Financial Reporting Standards |
| Indian GAAP | Generally Accepted Accounting Principles in India |
| INR/Indian Rupee/₹/Rs. | Indian Rupee, the official currency of the Republic of India |
| Ind AS | Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standard) Rules, 2015 |
| I.T. Act | Income Tax Act, 1961, as amended from time to time |
| IPO | Initial Public Offering |
| ISIN | International Securities Identification Number |
| KM / Km / km | Kilo Meter |
| Merchant Banker | Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended from time to time. |
| MoF | Ministry of Finance, Government of India |
| MICR | Magnetic Ink Character Recognition |
| MOU | Memorandum of Understanding |
| NA / N. A. | Not Applicable |
| NACH | National Automated Clearing House |
| NAV | Net Asset Value |
| NBFC | Non-banking financial company |
| NECS | National Electronic Clearing Service |
| NEFT | National Electronic Fund Transfer |
| NOC | No Objection Certificate |
| NPCI | National Payments Corporation of India |
| “NR”/ “Non-resident” | A person resident outside India, as defined under the FEMA and includes an NRI |
| NRE Account | Non-Resident External Account |
| NRIs | 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, 2000 |
| NRO Account | Non-Resident Ordinary Account |
| NSDL | National Securities Depository Limited |
| NSE | National Stock Exchange of India Limited |
| OCB/ Overseas Corporate Body | A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60.00% by NRIs including overseas trusts, in which not less than 60.00% 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 had taken benefits under the general permission granted to OCBs under FEMA |
| p.a. | per annum |
| P/E Ratio | Price/Earnings Ratio |
| Patents Act | The Patents Act, 1970 |
| PAC | Persons Acting in Concert |
| PAN | Permanent Account Number |
| PAT | Profit After Tax |
| PLR | Prime Lending Rate |
| RBI | Reserve Bank of India |
| Regulations | Regulations under the U.S. Securities Act |
| RoC | Registrar of Companies |
| ROE | Return on Equity |

| Term | Description |
|---|---|
| RONW | Return on Net Worth |
| Rupees / Rs. / ` | Rupees, the official currency of the Republic of India |
| RTGS | Real Time Gross Settlement |
| SCRA | Securities Contract (Regulation) Act, 1956, as amended from time to time |
| SCRR | Securities Contracts (Regulation) Rules, 1957, as amended from time to time |
| SCD | Singapore Dollar |
| SEBI | Securities and Exchange Board of India |
| 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 from time to time. |
| SEBI BTI Regulations | Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended from time to time |
| SEBI FII Regulations | Securities and Exchange Board of India (Foreign Institutional Investors) Regulations,<br>1995, as amended from time to time. |
| SEBI FPI Regulations | Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended from time to time. |
| SEBI FVCI Regulations | Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time. |
| SEBI ICDR Regulations | Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time. |
| SEBI Insider Trading Regulations | Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time |
| SEBI LODR Regulations, 2015/ SEBI Listing Regulations | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. |
| SEBI SAST Regulations | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time. |
| SEBI VCF Regulations | Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as repealed by the SEBI AIF Regulations |
| Sec. | Section |
| Securities Act | U.S. Securities Act of 1933, as amended |
| SICA | Sick Industrial Companies (Special Provisions) Act, 1985 |
| STT | Securities Transaction Tax |
| Takeover Regulations | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time. |
| TAN | Tax deduction account number |
| TIN | Taxpayers Identification Number |
| Trademarks Act | The Trademarks Act, 1999 |
| TDS | Tax Deducted at Source |
| UPI | Unified Payments Interface, a payment mechanism that allows instant transfer of money between any two persons bank account using a payment address which uniquely identifies a person’s bank account |
| US/United States | United States of America |
| USD/ US$/ $ | United States Dollar, the official currency of the Unites States of America |
| U.S. Securities Act | United States Securities Act of 1933 |
| VAT | Value Added Tax |
| VCFs / Venture Capital Funds | Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India. |

| Term | Description |
| --- | --- |
| Wilful Defaulter | An entity or person categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in terms of regulation 2(1)(lll) of the SEBI ICDR Regulations. |

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

### Certain Conventions

All references in this Red Herring Prospectus to "India" are to the Republic of India, together with its territories and possessions. All references to the "USA", "US", the "U.S." or the "United States" are to the United States of America, together with its territories and possessions. Further, all references to "Nepal", is to the Federal Democratic Republic of Nepal and its territories and possessions.

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

### Financial Data

Unless stated otherwise, the financial information and financial ratios in this Red Herring Prospectus have been derived from our Restated Consolidated Financial Information. For further information, see "Financial Information" beginning on page no. 318.

The Restated Consolidated Financial Information of our Company, along with our joint ventures, comprises of the restated consolidated summary statement of balance sheet for the financial year ended March 31, 2023, March 31, 2022 and March 31, 2021, and the restated consolidated summary statements of profits and losses (including other comprehensive income), and cash flow statement and changes in equity for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, together with its notes, annexures and schedules are derived from our audited consolidated financial statements for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 prepared in accordance with Ind AS, and restated in accordance with requirements of Section 26 of Part I of Chapter III of Companies Act, SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by ICAI.

In this Red Herring Prospectus, figures for the Fiscals 2023, 2022 and 2021, have been presented.

Our Company's financial year commences on April 01 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the 12-month period ended on March 31 of that year. Unless stated otherwise, or the context requires otherwise, all references to a "year" in this Red Herring Prospectus are to a calendar year.

There are significant differences between Ind AS, U.S. GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, the Companies Act, Ind AS, and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited.

In this Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. Except as otherwise stated, all figures in decimals have been rounded off to the second decimal and all the percentage figures have been rounded off to two decimal places. 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.

Unless the context otherwise indicates, any percentage amounts, as set forth in "Risk Factors", "Our Business" and "Management's Discussion and Analysis of Financial Conditions and Results of Operations" on page nos. 32, 213 and 406 respectively, and elsewhere in this Red Herring Prospectus have been calculated on the basis of the Restated Consolidated Financial Statements of our Company.

**Currency and Units of Presentation**

All references to:

- "Rupees" or "`" or "INR" or "Rs." are to the Indian Rupee, the official currency of India; and
- "USD" or "US$" are to the United States Dollar, the official currency of the United States.

In this Red Herring Prospectus, our Company has presented certain numerical information. All figures have been expressed in lakhs. One lakh represents "1 lakhs" or 1,00,000. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than lakhs in their respective sources, such figures appear in this Red Herring Prospectus expressed in such denominations as provided in such respective sources.

**Definitions**

For definitions, please refer the Chapter titled "Definitions and Abbreviations" on page no. 01. In the Section titled "Main Provisions of Articles of Association" beginning on page no. 502, defined terms have the meaning given to such terms in the Articles of Association.

**Industry and Market Data**

Unless stated otherwise, industry and market data used in this Red Herring Prospectus has been obtained or derived from the report titled "Infrastructure sector in India (Roads, Construction, Water and Power Sector)" dated July, 2023 prepared by CARE Advisory Research and Training Limited ("CareEdge Research"), who was appointed by our Company on November 16, 2022 & March 23, 2023, (the "Care Report") and publicly available information as well as other industry publications and sources. The Care Report has been commissioned by our Company exclusively for the purposes of the Issue for an agreed fee. Further, it is clarified that Care is not related to our Company, our Promoters or our Directors. For further details in relation to risks involving the Care Report, see the chapter titled Risk Factors beginning on page 32. The Company Commissioned Care Report is also available on the website of our Company at www.ems.co.in.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy, adequacy and completeness or underlying assumptions are not guaranteed and their reliability cannot be assured. Accordingly, no investment decisions should be made based on such information, although we are of the view that the industry and market data used in this Red Herring Prospectus is reliable. The excerpts of the Care Report are disclosed in the Issue Documents and there are no parts, information, data (which may be relevant for the proposed Issue), left out or changed in any manner. Data from these sources may also not be comparable. 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 and assumptions that may prove to be incorrect.

The extent to which the market and industry data used in this Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources. Accordingly, investment decisions should not be based solely on such information.

In accordance with the SEBI ICDR Regulations, "*Basis for Issue Price*" on page no. 130 includes information relating to our peer group entities. Such information has been derived from publicly available sources, and neither we, nor the BRLM have independently verified such information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors*" on page no. 32.

**Disclaimer of Care**

This Red Herring Prospectus contains certain data and statistics from the Care Report, which is subject to the following disclaimer given by CARE Advisory Research and Training Limited vide its report dated August 07, 2023:
"This report is prepared by CARE Advisory Research and Training Limited (CareEdge Research). CareEdge Research has taken utmost care to ensure accuracy and objectivity while developing this report based on information available in CareEdge Research's proprietary database, and other sources considered by CareEdge Research as accurate and reliable including the information in public domain. The views and opinions expressed herein do not constitute the opinion of CareEdge Research to buy or invest in this industry, sector or companies operating in this sector or industry and is also not a recommendation to enter into any transaction in this industry or sector in any manner whatsoever.

This report has to be seen in its entirety; the selective review of portions of the report may lead to inaccurate assessments. All forecasts in this report are based on assumptions considered to be reasonable by CareEdge Research; however, the actual outcome may be materially affected by changes in the industry and economic circumstances, which could be different from the projections.

Nothing contained in this report is capable or intended to create any legally binding obligations on the sender or CareEdge Research which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. CareEdge Research is also not responsible for any errors in transmission and specifically states that it, or its Directors, employees, parent company – CARE Ratings Ltd., or its Directors, employees do not have any financial liabilities whatsoever to the subscribers/users of this report. The subscriber/user assumes the entire risk of any use made of this report or data herein. This report is for the information of the authorized recipient in India only and any reproduction of the report or part of it would require explicit written prior approval of CareEdge Research.

CareEdge Research shall reveal the report to the extent necessary and called for by appropriate regulatory agencies, viz., SEBI, RBI, Government authorities, etc., if it is required to do so. By accepting a copy of this Report, the recipient accepts the terms of this Disclaimer, which forms an integral part of this Report."

## FORWARD-LOOKING STATEMENTS

This Red Herring Prospectus contains certain “forward-looking statements”. All statements contained in this 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 include statements with respect to our business strategy, our revenue and profitability, our projects and other matters discussed in this Red Herring Prospectus regarding matters that are not historical facts. Investors can generally identify forward-looking statements by the use of terminology such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “may”, “will”, “will continue”, “will pursue”, “contemplate”, “future”, “goal”, “propose”, “will likely result”, “will seek to” or other words or phrases of similar import. All forward looking statements (whether made by us or any third party) are predictions and 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.

Forward-looking statements reflect our current views with respect to future events 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. Although we believe the assumptions upon which these forward-looking statements arebased are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect.

Further the actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industry 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 overseas which have an impact on our business activities or investments,the monetary and fiscal policies of India and other jurisdictions in which we operate, inflation, deflation, unanticipated volatility 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, changes in competition in our industry and incidence of any natural calamities and/or acts of violence. Other important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- ✓ Changes in laws and regulations relating to the sectors/areas in which we operate;
- ✓ The continuing effect of the COVID-19 pandemic;
- ✓ Inability to identify the new premises may adversely affect the operations, finances and profitability of the Company;
- ✓ Uncertainty regarding the real estate market, land prices, economic conditions and other factors beyond our control;
- ✓ Inability to identify or effectively respond to consumer needs, expectations or trends in a timely manner;
- ✓ Projects assigned to us are primarily through a competitive bidding process, sometimes we may not be able toqualify for and win projects.
- ✓ Our ability to successfully implement our growth strategy and expansion plans, and to successfully launch and implement various projects;
- ✓ Delays in the execution of the projects, premature termination of the projects for which we may not receive the payments
- ✓ Volatility of Loan interest rates and inflation;
- ✓ Our failure to keep pace with rapid changes in technology;
- ✓ Our business is capital intensive and we may experience insufficient cash flows to meet required payments on our working capital requirements;
- ✓ Fluctuations in operating costs;
- ✓ Our ability to attract and retain qualified personnel;
- ✓ Conflict of Interest with affiliated companies, the promoter’s group and other related parties;

- ✓ Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;
- ✓ General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- ✓ Changes in government policies and regulatory actions that apply to or affect our business;
- ✓ The performance of the financial markets in India and globally;
- ✓ The occurrence of natural disasters or calamities; and
- ✓ Failure to successfully upgrade our products and service portfolio, from time to time.

For further discussions of factors that could cause our actual results to differ, please refer the section titled "*Risk Factors*", "*Business Overview*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on page nos. 32, 213 and 406, respectively.

Neither our Company, our Directors, our Promoters, the BRLM 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 SEBI requirements, our Company will ensure that investors in India are informed of material developments from the date of this Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges.

## SUMMARY OF ISSUE DOCUMENT

This section is a general summary of the terms of the Issue, certain disclosures included in this Red Herring Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Red Herring Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Red Herring Prospectus, including the sections titled “Risk Factors”, “The Issue”, “Capital Structure”, “Industry Overview”, “Our Business”, “Objects of the Issue”, “Our Promoters and Promoter Group”, “Financial Statements”, “Outstanding Litigation and Material Developments”, “Issue Structure”, “Management’s Discussions and Analysis of Financial Position and Results of Operations” on pages 32, 88, 108, 144, 213, 119, 298, 318, 440, 473 and 406 respectively.

### A. Primary business of our Company

We are in the business of Sewerage solution provider, Water Supply System, Water and Waste Treatment Plants, Electrical Transmission and Distribution, Road and Allied works, operation and maintenance of Wastewater Scheme Projects (WWSPs) and Water Supply Scheme Projects (WSSPs) for government authorities/bodies. WWSPs include Sewage Treatment Plants (STPs) along with Sewage Network Schemes and Common Effluent Treatment Plants (CETPs) and WSSPs include Water Treatment Plants (WTPs) along with pumping stations and laying of pipelines for supply of water (collectively, “Projects”). The treatment process installed at STPs and CETPs is compliant with Ministry of Environment, Forest and Climate Change of India norms and the treated water can be used for horticulture, washing, refrigeration and other process industries.

Our Company bids for tenders issued by CPWD (Central Public Work Department), State Governments and Urban Local Bodies (“ULBs”) for developing WWSPs and WSSPs on EPC or HAM (Hybrid Annuity Model) basis. 100% revenue of the Company are generated through Government tenders/work/projects only. For further details on our Order Book, see “- Order Book” on page 225 and chapter titled “Risk Factors” beginning on page 32 of Red Herring Prospectus.

We have an in-house team for designing, engineering and construction which makes us self-reliant on all aspects of our business. We have a team of 61 engineers who are supported by third-party consultants and industry experts to ensure compliance and quality standards laid down by the industry and government agencies & departments. We also have our own team for civil construction works thereby reducing dependence on third parties. The scope of our services typically includes design and engineering of the projects, procurement of raw materials, execution at site with overall project management up to the commissioning of projects. Post commissioning, operations and maintenance of these plants for a certain period of time is generally a part of the award in recent times. We have a team of dedicated engineers and personnel focused on operations and maintenance of completed projects. As on July 31, 2023, we are operating 18 projects & 5 O & M projects spread across more than five states.

**Services Offered:**

- Sewerage and their allied works including design, procurement, laying, jointing, testing, commissioning, operation and maintenance of new sewerage network as well as refurbishment of old/existing sewerage network.
- Design, construction, operation and maintenance of Sewage Treatment Plants.
- Design, construction, operation and maintenance of Sewage Pumping Stations.
- Water supply works including design, procurement, laying, jointing, testing, commissioning, operation and maintenance of new water supply and distribution networks as well as construction of reservoir and refurbishment of old/existing water supply infrastructures.
- Road & Allied works including construction of new road networks as well as repair/renovation of existing road networks.
- Design and construction of power transmission and distribution infrastructure.
- Design and construction of buildings and allied works.

- Design, construction, operation and maintenance of public infrastructure facilities & utilities.
- Designing, installing electricity transmissions.
- Construction related work

For further details, please see "Our Business" on page 213.

**B. Industry Overview**

**Water and Wastewater Industry**

India is the world's second most populous country with 1.38 billion people. Out of this, 65% of the population lives in rural area and 35% are connected to the urban centers according to United Nation (2019). The metropolitan cities of the country are seeing major expansion as a result of economic expansions and reforms. This expansion in urban population is unsustainable without efficient planning of cities and provision of utility services especially clean and affordable water. Water allocation in cities are usually done from common pool with multiple sectoral demand.

It is expected that by 2050, about 1450 km3 of water will be required out of which approx. 75% will be used in agriculture, ~7% for drinking water, ~4% in industries, ~9% for energy generation. However, because of growing urbanization, the need for drinking water will take precedence from the rural water requirements. Many of the cities are situated by the bank of rivers from where the fresh water is consumed by the population and the waste water is disposed back into the river, thus contamination of the water source and irrigation water. This has raised serious challenges for urban wastewater management, planning and treatment.

According to the by Central Pollution Control Board (CPCB), the estimated wastewater generation was almost 39,600 million litres per day (MLD) in rural regions, while in urban regions it was estimated to be 72,368 MLD for the year 2020-21. The estimated volume is double in the urban cities is almost double than that of the rural regions because of the availability of more water for sanitation which has increased standard of the living.

**Construction Sector:**

The construction industry in a country is an important indicator of its development. Broadly, the construction sector can be classified into infrastructure, real estate and industrial construction. Wherein, infrastructure can further be spread across different sectors such as roads and highways, telecom, airports, ports, power, oil and gas and railways. The construction sector contributed around 8% to the national GVA (at constant price) in FY22. Increase in Infrastructure demand & Government initiatives shows the potential for catapulting India to the third largest construction market globally.

For further details, please see "Industry Overview" on page 144.

**C. Our Promoters**

Our Company is promoted by Mr. Ramveer Singh and Mr. Ashish Tomar. For further details see "Our Promoters and Promoter Group" on page no. 298.

## D. Size of the Issue

| | |
|---|---|
| **Equity Shares Issued:**<br><br>Fresh Issue of Equity Shares by our Company and Offer for Sale by the Promoter Selling Shareholder | Up to [●] Equity Shares of face value of Rs. 10 each for cash at a price of Rs. [●] per Equity Share aggregating Rs. [●] lakhs |
| *The Issue consists of:* | |
| **Fresh Issue(1)** | Up to [●] Equity Shares of face value of Rs. 10 each for cash at a price of Rs. [●] per Equity Share aggregating Rs. 14,624.00 lakhs. |
| **Offer for Sale(2)** | Up to 82,94,118 Equity Shares of face value of Rs. 10 each for cash at a price of Rs. [●] per Equity Share aggregating Rs. [●] lakhs. |

*The Issue would constitute [●] % of the Post-Issue paid up equity share capital of our Company. For further details, see "The Issue" and "Issue Structure" on pages 88 and 473, respectively.*

(1) *The Issue has been authorised by our Board pursuant to resolution passed on March 14, 2023 and the Issue has been authorized by our Shareholders pursuant to a resolution passed on March 15, 2023. Further, our Company has, in consultation with the BRLM, undertaken a Pre-IPO Placement of 16,00,000 Equity Shares at an issue price of Rs. 211 per Equity Share (including a premium of Rs. 201 per Equity Share) aggregating Rs.3,376.00 Lakhs. The size of the Fresh Issue of up to Rs. 18,000.00 Lakhs has been reduced by Rs. 3,376.00 Lakhs pursuant to the Pre-IPO Placement and the revised size of the Fresh Issue is up to Rs.14,624.00 Lakhs. For risk regarding apprehension/concerns of the listing of our Equity Shares on the Stock Exchanges see 'Risk Factors - There is no guarantee that our Equity Shares will be listed on the BSE and the NSE in a timely manner or at all' on page 75.*

(2) *Selling Shareholder confirm that the Equity Shares being offered by the him are eligible for being offered for sale pursuant to the Offer in terms of Regulation 8 of the SEBI ICDR Regulations.*

## E. Object of the Issue

The Issue comprises of a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholder.

**The Offer for Sale**

The Selling Shareholder proposes to sell upto 82,94,118 Equity Shares held by him, aggregating up to Rs. [●] lakhs. Our Company will not receive any proceeds of the Offer for Sale by the Selling Shareholder.

**Further Details:**

| Sr. No. | Name of Selling Shareholder | Pre-Issue Number of shares | % of Pre-Issue Capital | Number of Shares to be Offered in IPO | Post-Issue Number of shares | % of Post-Issue Capital |
|---|---|---|---|---|---|---|
| 1 | Mr. Ramveer Singh | 4,59,70,000 | 94.59% | 82,94,118 | 3,76,75,882 | To be updated upon finalization of the Issue Price. |

**Utilisation of Net Issue Proceeds:**

We intend to utilise the Net Proceeds of the Fresh Issue ("Net Proceeds") of Rs. [●] lakhs for financing the objects as set forth below:

*(Rs. in Lakhs)*

| Sr. No. | Particulars | Amount |
|---|---|---|
| 1. | Funding of Working Capital requirements | 10,124.00* |
| 2. | General Corporate Purpose[(1)] | [●] |
| Total | | [●] |

*Our Company has, in consultation with the BRLM, undertaken a Pre-IPO Placement of 16,00,000 Equity Shares at an issue price of Rs. 211 per Equity Share (including a premium of Rs. 201 per Equity Share) aggregating Rs.3,376.00 Lakhs. The size of the Fresh Issue of up to Rs. 18,000.00 Lakhs has been reduced by Rs. 3,376.00 Lakhs pursuant to the Pre-IPO Placement and the revised size of the Fresh Issue is up to Rs.14,624.00 Lakhs. Accordingly, the requirement of working capital of Rs. 13,500.00 Lakhs has been reduced by Rs. 3,376.00 Lakhs pursuant to the Pre-IPO Placement and the revised requirement of working capital requirements to be financed by IPO is Rs.10,124.00 Lakhs.*

*[(1)]To be determined on finalisation of the Issue Price and updated in the Prospectus. The amount utilised for General Corporate Purposes shall not exceed 25% of the Gross Proceeds of the Fresh Issue.*

For further details, please see "Objects of the Issue" beginning on page 119.

**F. Aggregate Pre-Issue shareholding of our Promoters and Promoter Group**

| Sr. No. | Name of the Shareholders | No. of Equity Shares held | % of the pre-Issue paid up Equity Share capital |
|---|---|---|---|
| ***Promoters*** | | | |
| 1. | Ramveer Singh | 4,59,70,000 | 94.59% |
| 2. | Ashish Tomar | 10,000 | 0.02% |
| | **Total (A)** | **4,59,80,000** | **94.61%** |
| ***Promoter Group*** | | | |
| 1. | Summit Constructions Private Limited | 10,00,000 | 2.06% |
| 2. | Smt. Nirmala Tomar | 5,000 | 0.01% |
| 3. | Ms. Kritika Tomar | 5,000 | 0.01% |
| 4. | Ms. Sakshi Tomar Parihar | 5,000 | 0.01% |
| 5. | Mr. Gajendra Parihar | 5,000 | 0.01% |
| | **Total (B)** | **10,20,000** | **2.10%** |
| | **Total (A+B)** | **4,70,00,000** | **96.71%** |

*For further details, please see "Capital Structure" beginning on page 108.*

**G. Summary of Restated Financial Information**

*(Rs. in Lakhs)*

| Particulars | For the year ended March 31, | | |
|---|---|---|---|
| | 2023 | 2022 | 2021 |
| Share Capital | 4,700.00 | 1,175.00 | 1,175.00 |
| Reserve & Surplus | 44,083.23 | 36,842.99 | 29,016.46 |
| Net Worth (Equity attributable to owners of the Company)[(1)] | 48,783.23 | 38,017.99 | 30,191.46 |
| Total Income (including other income) | 54,327.71 | 36,309.84 | 33,618.42 |
| Total Comprehensive income/Profit | 10,881.63 | 7,904.62 | 7,195.37 |
| Basic EPS (in Rs.)[(2)] | 23.15 | 67.27 | 61.24 |
| Diluted EPS (in Rs.)[(3)] | 23.15 | 67.27 | 61.24 |
| Net Asset Value per share (in Rs.)[(4)] | 103.79 | 323.56 | 256.95 |
| Total Borrowings[(5)] | 4,539.56 | 371.31 | 316.29 |

1. *"Net Worth is calculated as the sum of equity share capital and other equity attributable to owners of our Company;*
2. *Basic EPS = Total Comprehensive income/Profit divided by weighted average no. of equity shares outstanding during the year/ period*
3. *Diluted EPS = Total Comprehensive income/Profit divided by weighted average no. of diluted equity shares outstanding during the year/ period.*
4. *Net Asset Value per equity share = Net worth Equity attributable to owners of the Company) divided by the weighted average number of equity shares outstanding as at year end.*
5. *Total borrowings is the sum of current borrowings and non-current borrowings.*

*For further details, please see "Restated Consolidated Financial Statements" on page 318.*

**H. Qualification of the Auditors**

The Financial Statements as Restated do not contain any qualification requiring adjustments by the Auditors.

**I. Summary of Outstanding Litigation are as follows**

*(Rs. in Lakhs)*

| Name of Entity | Criminal Proceedings | Tax proceedings | Statutory/ Regulatory proceedings | Disciplinary actions by the SEBI or stock Exchanges against our Promoters | Material civil litigations | Aggregate amount involved (to the extent ascertainable) (Rs. in Lakhs) |
|---|---|---|---|---|---|---|
| **Company** | | | | | | |
| By our Company | Nil | Nil | Nil | Nil | 4 | 13,099.53 |
| Against our Company | Nil | 9 | Nil | Nil | Nil | 155.12 |
| **Directors and Promoters** | | | | | | |
| By our Directors and Promoters | Nil | Nil | Nil | Nil | 2 | Not Ascertainable |
| Against our Directors and Promoters | 1 | Nil | Nil | Nil | Nil | Not Ascertainable |
| **Group Companies including Subsidiaries** | | | | | | |
| Litigation involving our Group Companies affecting business operations of our Company | Nil | Nil | Nil | Nil | Nil | Nil |

*For the details of litigation proceedings, please refer the chapter titled "Outstanding Litigations and Material Developments" on page no. 440.*

## J. Risk Factors

Investors should read chapter titled "*Risk Factors*" beginning on page no. 32 of this Red Herring Prospectus.

## K. Summary of Contingent Liabilities

*(Rs. in Lakhs)*

| Particulars | As at | | | |
|---|---|---|---|---|
| | **Sept 30,2022** | **March 31,2022** | **March 31,2021** | **March 31,2020** |
| A) Disputed claims/levies in respect of Sales Tax: | | | | |
| - Reversal of input tax credit | - | - | - | - |
| - Regular Assessment Order passed | - | - | - | - |
| B) Disputed claims/levies in respect of Excise Duty/Goods and Services Tax: | | | | |
| - Availability of input credit | - | - | - | - |
| - Excise demand on excess / shortages | - | - | - | - |
| - Penalty | - | - | - | - |
| C) Disputed claims/levies in respect of Income Tax | - | - | - | - |
| **Total** | - | - | - | - |

***Contingent Liabilities related to Bank Guarantee:***

*(Rs. In Lakhs)*

| Particulars | As at | | |
|---|---|---|---|
| | **March 31, 2023 (Audited)** | **Fiscal 2022 (Audited)** | **Fiscal 2021 (Audited)** |
| Punjab National Bank | 5,977.26 | 4,529.95 | 5,489.50 |
| Bank of India | 1,742.80 | 2,000.00 | 1,433.16 |
| HDFC Bank | 8,612.65 | 6,126.76 | 6,994.92 |
| Kotak Mahindra Bank | 1,943.37 | 2,628.45 | - |
| Axis Bank Limited | 1,039.82 | 877.29 | - |
| ICICI Bank Limited | 2,144.36 | - | - |
| Indusind Bank | 3,713.37 | 2,603.44 | - |
| **Total** | **25,173.63** | **18,765.89** | **13,917.58** |

*For further information, please see "Financial Information, Annexure 49" beginning on page no. 365.*

## L. Summary of Related Party Transactions

A summary statement of the related party as following:

(Rs. In Lakhs)

| Sr. No. | Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|---|---|
| **A.** | ***Transactions during the year*** | | | |
| **(i)** | **Purchase & Job Work** | | | |
| | Neercare India Private Limited | 10,809.57 | 4,336.15 | 277.58 |
| | Envirocare Engineering Services Private Limited | - | 284.11 | 97.60 |
| | EMS Infrastructure Private Limited | 5,347.22 | 844.76 | 3,345.84 |
| | Mr. Pankaj Kumar Srivastava | 10.00 | - | - |

| | | | | |
|---|---|---|---|---|
| | EMIT Group India (P) Ltd | 2,236.71 | - | - |
| | Neeraj Srivastava | 60.00 | - | - |
| | | | | |
| **(ii)** | **Loan Taken** | | | |
| | Mr. Ashish Tomar | 0.37 | 115.40 | 0.51 |
| | Mr. Ramveer Singh | 0.20 | - | - |
| | Mr. Neeraj Srivastava | - | - | 0.50 |
| | | | | |
| **(iii)** | **Repayment of Loan taken** | | | |
| | Mr. Ramveer Singh | 25.00 | - | - |
| | Mr. Ashish Tomar | 115.00 | - | - |
| | Himal Hydro & General Construction Limited-Partner in EMS Himal Hydro JV | - | - | 3.14 |
| | | | | |
| **(iv)** | **Loan and Advances given** | | | |
| | Mr. Satish Kumar | - | - | - |
| | Primatech Infrastructure Private Limited | - | - | 0.23 |
| | Mr. Ashish Tomar | - | 11.16 | - |
| | Neercare India Private Limited | - | 18.36 | - |
| | EMS Realtors | - | - | - |
| | Envirocare | - | 9.17 | - |
| | Kaushalaya Estate | - | - | 4.08 |
| | | | | |
| **(v)** | **Loans and Advances received back** | | | |
| | Mr. Satish Kumar | - | - | 133.81 |
| | Primatech Infrastructure Private Limited | - | 0.23 | 5.03 |
| | Mr. Ashish Tomar | 11.16 | - | - |
| | | | | |
| **(vi)** | **Salary paid** | | | |
| | Mr. Ashish Tomer | 556.00 | 396.00 | 276.00 |
| | Mr. Ramveer Singh | 556.00 | 396.00 | 276.00 |
| | Mr. Satish Kumar | - | - | 18.00 |
| | Mr. Vaibhav Bhatia | - | 2.40 | 2.40 |
| | Mrs. Nirmla Tomer | 24.00 | 24.00 | 24.00 |
| | Mrs. Vinita Srivastava | 9.84 | 9.84 | - |
| | Mrs. Kritika Tomar | 51.00 | 12.00 | 12.00 |
| | Mr. Gajendra Parihar | 8.00 | - | - |
| | Mr. Anup Kumar Pandey | 1.05 | - | - |
| | | | | |
| **(vii)** | **Lease Rentals Paid** | | | |
| | Mrs. Nirmla Tomer | 9.00 | 9.00 | 9.00 |
| | | | | |
| **(viii)** | **Lease Rentals Received** | | | |
| | Envirocare Engineering Services Private Limited | - | - | 1.80 |
| | | | | |
| **B.** | **Outstanding Payables** | | | |
| **(i)** | **Loan from Related parties** | | | |
| | Mr. Neeraj Srivastava | 0.50 | 0.50 | 0.50 |
| | Himal Hydro & General Construction Limited-Partner in EMS Hinal Hydro JV | - | - | - |
| | Mr. Ashish Tomar | 1.78 | 116.41 | 1.01 |
| | Mr. Ramveer Singh | 37.28 | 62.08 | 62.08 |
| | | | | |
| **(ii)** | **Salary payable** | | | |
| | Mr. Ashish Tomar | 100.15 | - | - |
| | Mr. Ramveer Singh | 2.28 | 40.80 | 18.28 |
| | Mrs. Kritika Tomar | 8.97 | - | - |
| | Mrs. Vinita Srivastava | 0.66 | - | - |

| | | | | |
|---|---|---|---|---|
| | Mr. Satish Kumar | - | 29.74 | 14.70 |
| | Mrs. Nirmala Tomar | 1.20 | 2.24 | 1.65 |
| | Mrs. Gajendra Parihar | 7.15 | - | - |
| | | | | |
| **(iii)** | **Trade Payables** | | | |
| | Neercare India Private Limited | 735.17 | 1,456.50 | - |
| | Envirocare Engineering Services Private Limited | 16.39 | 79.56 | 124.35 |
| | EMS Infrastructure Private Limited | 40.33 | 413.04 | 439.45 |
| | Neeraj Srivastava | 59.80 | - | - |
| | | | | |
| **C.** | **Outstanding Receivables** | | | |
| **(i)** | **Advance to Related parties** | | | |
| | Primatech Infrastructure Private Limited | - | - | 0.23 |
| | EMIT Group India (P) Ltd | 7.26 | - | - |
| | Neercare India Private Limited | - | 18.36 | - |
| | Ashish Tomar | - | 11.16 | - |
| | Envirocare | - | 9.17 | - |
| | Kaushalaya Estate | - | 4.08 | 4.08 |
| | | | | |
| **(ii)** | **Other Receivables** | | | |
| | Neercare India Private Limited | 134.14 | - | - |

*For details of the related party transactions, as per the requirements under Ind-AS see 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India and as reported in the Restated Financial Statements, see "Financial Information – Restated Summary Statement of Related Party Disclosure" beginning on page no. 361.*

**M. Financing Arrangements**

There have been no financing arrangements whereby our Promoters, members of the Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company during a period of six months immediately preceding the date of this Red Herring Prospectus.

**N. Weighted Average Price of the Equity Shares of our Company were acquired by our Promoters and Selling Shareholder in the one year preceding the date of this Red Herring Prospectus**

The weighted average price at which the Equity Shares were acquired by our Promoters in one year preceding the date of this Red Herring Prospectus is as follows:

| Name of Promoters | Number of Equity Shares acquired in one year preceding the date of this Red Herring Prospectus | Weighted average price per Equity Share (in Rs.)* |
|---|---|---|
| Mr. Ramveer Singh | 3,44,77,500 | Nil** |
| Mr. Ashish Tomar | 7,500 | Nil** |

**As certified by the Rishi Kapoor & Co., Chartered Accountants pursuant to their certificate dated August 14, 2023.*
*** Kindly refer the chapter titled 'Capital Structure' beginning on page 108.*

**O. Weighted Average Cost of Acquisition**

The weighted average cost of acquisition per Equity Share to our Promoters in three years preceding the date of this Red Herring Prospectus is:

| Name of the Promoters | No. of Shares | Weighted Average Price (Rs.)* |
|---|---|---|
| Mr. Ramveer Singh | 3,44,77,500 | Nil** |
| Mr. Ashish Tomar | 7,500 | Nil** |

*As certified by Rishi Kapoor & Co., Chartered Accountants vide certificate dated August 14, 2023.*

** *Kindly refer the chapter titled 'Capital Structure' beginning on page 108.*

**P. Weighted Average Cost of Acquisition for our Promoters as on date of this Red Herring Prospectus**

| Name of the Promoters | Number of Equity Shares | Weighted Average Price (Rs.)* |
|---|---|---|
| Mr. Ramveer Singh | 4,59,70,000 | 2.45 |
| Mr. Ashish Tomar | 10,000 | 2.50 |

**As certified by Rishi Kapoor & Co., Chartered Accountants vide certificate dated August 14, 2023.*

**Q. Pre-IPO Placement details**

Our Company has, in consultation with the BRLM, undertaken a Pre-IPO Placement of 16,00,000 Equity Shares at an issue price of Rs. 211 per Equity Share (including a premium of Rs. 201 per Equity Share) aggregating Rs.3,376.00 Lakhs. The size of the Fresh Issue of up to Rs. 18,000.00 Lakhs has been reduced by Rs. 3,376.00 Lakhs pursuant to the Pre-IPO Placement and the revised size of the Fresh Issue is up to Rs.14,624.00 Lakhs. For risk regarding apprehension/concerns of the listing of our Equity Shares on the Stock Exchanges see 'Risk Factors - There is no guarantee that our Equity Shares will be listed on the BSE and the NSE in a timely manner or at all' on page 75.

**Details of Pre-IPO Placement:**

| Particulars | Remarks |
|---|---|
| Number of individual allottees | 91 |
| Number of non-individual allottees | 06 |
| Relationship | None of the allottees are related to the Company, Promoters/Promoter Group/Directors/Group Companies/Subsidiaries/Joint Ventures of the Company. |

**R. Issue of Equity Shares for consideration other than cash in the last one year**

No Equity Shares have been issued by our Company for consideration other than cash in the one year preceding the date of this Red Herring Prospectus except as disclosed.

| Date of Allotment | Reason for Allotment | No. of Equity Shares Allotted | Face value (Rs.) | Issue price (Rs.) |
|---|---|---|---|---|
| March 23, 2023 | Bonus Issue* | 3,52,50,000 | 10 | Nil |

*For further details, please see "Capital Structure" beginning on page 108.*

***Sources for issuance of Bonus Shares:** *Rs. 3,525.00 Lakhs has been utilized from Reserve & Surplus available for distribution to shareholders and no. part of revaluation reserve, if any has been utilized for the purpose.*

**S. Split / Consolidation of Equity Shares in the last one year**

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

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

Our Company has not applied to SEBI for any exemption from complying with any provisions of the securities Laws.

## SECTION II- RISK FACTORS

*An investment in Equity Shares involves a high degree of financial risk. You should carefully consider all information in this Red Herring Prospectus, including the risks described below, before making an investment in our Equity Shares. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Equity Shares. This section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. If any of the following risks, as well as the other risks and uncertainties discussed in this Red Herring Prospectus, could have a material adverse effect on our business and could cause the trading price of our Equity Shares to decline and you may lose all or part of your investment.*

*This Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. We have described the risks and uncertainties that our management believes are material, but these risks and uncertainties may not be the only ones we face. Additional risks and uncertainties, including those we are not aware of or deem immaterial, may also result in decreased revenues, increased expenses or other events that could result in a decline in the value of our Equity Shares. In making an investment decision, prospective investors must rely on their own examination of our Company and the Issue, including the merits and risks involved. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. Investors should not invest in this Issue unless they are prepared to accept the risk of losing all or part of their investment, and they should consult their tax, financial and legal advisors about the particular consequences to you of an investment in the Equity Shares.*

*To obtain a better understanding of our business, you should read this section in conjunction with other chapters of this Red Herring Prospectus, including the chapters titled "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Industry Overview" and "Financial Information" on page nos. 213, 406, 144 and 318 respectively, together with all other financial information contained in this Red Herring Prospectus. 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 Red Herring Prospectus.*

*Unless otherwise stated, the financial data in this chapter is derived from our Restated Consolidated Financial Statements for the year ended on March 31, 2023, March 31, 2022 and March 31, 2021 as included in "Financial Information" on page no. 318.*

*Unless stated otherwise, industry and market data used in this Red Herring Prospectus has been obtained or derived from publicly available information as well as industry publication and sources. Further, the information has also been derived from the report titled 'Infrastructure sector in India (Roads, Construction, Water and Power Sector)' dated August 07, 2023 prepared by Care Edge Research ("Careedge Report") which was appointed by our Company vide engagement letter dated November 16, 2022 & March 23, 2023 and has been exclusively commissioned and paid for by our Company in connection with the Issue. Unless otherwise indicated, all financial, operational, industry and other related information derived from the Careedge Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

1. ***The average price/earnings ("P/E") ratio of the listed industry peer set was 13.86x as on August 10, 2023 while our P/E ratio will be at premium of [●] times at the higher price band and [●] times at the lower price band. The trading price of our Equity Shares may fluctuate based on a comparison of the P/E ratio of the listed industry peer set and our Company.***

   The P/E ratio is a commonly used measure of the relative valuation of a company's shares, based on its current or projected earnings per share. A higher P/E ratio implies that the investors are willing to pay more for each earnings per share, either because they expect higher future earnings growth or because they perceive lower risk or higher quality in the company's business. Whereas a lower P/E ratio implies that the investors have low expectations for future earnings growth of the company, which may reflect the company's weak performance, weak competitive position or declining industry prospectus.

For more information about Peer Group, kindly refer chapter titled "Basis for Issue Price" on page No. 130.

Our P/E ratio at the higher price band of Rs. [●] per Equity Share would be [●] times, representing a premium of [●] times over the average P/E ratio of our listed industry peer set. Similarly, our P/E ratio at the lower price band of Rs. [●] per Equity Share would be [●] times, representing a premium of [●] times over the average P/E ratio of our listed industry peer set.

Our P/E ratio may not be comparable to those of our listed industry peer set, as we operate in a different segments, have a different business model, growth strategy, competitive position, financial performance, and risk profile than our peers. However, our P/E ratio may also reflect the market's perception of our future earnings potential, which may be influenced by various factors, such as our historical and projected growth rates, profitability margins, return on equity, cash flows, dividend policy, industry outlook, macroeconomic conditions, regulatory environment, and investor sentiment. There can be no assurance that we will be able to achieve or sustain the earnings growth rates or profitability levels that are implied by our P/E ratio, or that the market will continue to value our shares at such a high multiple. If our actual or expected earnings fall short of the market's expectations, or if the market's valuation of our Equity Shares declines for any reason, the price of our Equity Shares may decline significantly, and investors may lose all or part of their investment.

2. ***Company is dependent on the Government projects and Changes in government policies related to the environment and water treatment, in particular, may adversely affect our business, financial condition and results of operations, delay in clearance from government.***

As 100% of our projects are works related to tenders floated by government or semi government agencies funded through World Bank. Hence our business is highly dependent on working with government entities or agencies. In addition, we may be subject to additional regulatory or other scrutiny associated with commercial transactions with government owned or controlled entities and agencies.

100% revenue generated through the government tenders so the Company's trade receivables constitute only receivables from governments.

(In Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| Trade Receivables | 12,354.17 | 15,782.27 | 9,328.59 |
| Revenue from Operations | 53,816.17 | 35,985.08 | 33,070.39 |
| % of total revenue | 22.96% | 43.86% | 28.21% |

Environmental protection policies, legislation and regulation greatly influences government expenditures on our water reuse and ZLD ("Zero Liquid Discharge") solutions and are subject to change due to changing political, social and economic factors. Legislative and regulatory changes in connection with the environment, water supplies and water treatment and discharge may change the demand for our services and could have a material adverse impact on our business, financial condition and results of operations.

Further, the realization of payment from the clients taken some time as due to government department, verification of bill is done & demand for the payment is made by the accounts department & then the payment releases so normally the debtors period in this business falls between 90-120 days, however all the payment are totally secured, there are no bad debts as all the projects are world bank funded so payment channel is very secure. Further apart from this in this business, few amounts in respect of the testing and security remains hold by the department for 2-3 years, depending on the tenure of the work allotted because testing is done once the work gets completed, which is also completely secure, only takes more time to release, all of which could have an adverse impact on our income and cash flows.

3. ***If we fail to procure Government projects, our future results of operations and cash flows can fluctuate materially depending on the timing of contract awards.***

As 100% of our projects are works related to tenders floated by government or semi government agencies funded through World Bank. Hence our business is highly dependent on working with government entities or agencies.

WWTPs and WSSPs, whether on EPC or HAM basis, have been awarded to us through competitive bidding processes and satisfaction of prescribed qualification criteria individually or along with our joint venture partners, wherever applicable.

Company has executed 50 projects & 17 projects executed by the proprietorship which businesses was taken over by the Company on June 2012 and currently we are executing 18 ongoing projects aggregating into an Order Book of Rs. 1,774.87 Crores including WWTPs, WSSPs, EPS & HAM projects. Apart from this we are also executing 5 O&M projects of Rs. 99.28 Crores in Uttar Pradesh, Uttarakhand and Bihar. For further information's, kindly refer chapter titled "Our Business" on page 213.

In addition, the government conducted tender processes may be subject to change in qualification criteria, unexpected delays and uncertainties. There can be no assurance that the projects for which we bid will be tendered within a reasonable time or will ever be tendered. In the event that new projects which have been announced and which we plan to bid for are not put up for tender within the announced timeframe, or qualification criteria are modified such that we are unable to qualify, our business, prospects, financial condition, cash flows and results of operations could be materially and adversely affected. We are not in a position to predict whether and when we will be awarded a new contract. Our future results of operations and cash flows can fluctuate materially depending on the timing of contract awards.

Details of number of projects that the Company participated in the bidding process and how many instances it became successful in the past 5 FY are as follows:

| FY | No of tenders applied | No of tenders awarded | % of tender awarded |
|---|---|---|---|
| 2018-19 | 42 | 8 | 19.05 |
| 2019-20 | 24 | 1 | 4.17 |
| 2020-21 | 17 | 2 | 11.76 |
| 2021-22 | 19 | 1 | 5.26 |
| 2022-23 | 39 | 5 | 12.82 |

We bid for selective government projects where we see value and long-term growth prospects. While biding for the potential tenders/opportunities, we usually see the size of the project to enhance our self for bigger projects in future, tenure of the projects for the regular cash flows, project amount & cost to calculate the profit margins.

4. ***Most agreements that we have entered into in connection with our business contain a penalty or liquidated damage clause for delay in the completion of a project that takes effect should the completion of a project be delayed.***

Our projects are typically subject to a completion schedule. We are also required to provide performance guarantees to customers to complete projects on schedule. Any failures to adhere to a contractually agreed schedule for reasons other than the agreed force majeure events could result in our being required to pay liquidated damages, which would usually be a certain percentage of the total project cost, or lead to forfeiture of security deposits or invocation of performance guarantees. Our IT systems are vital to our business operations. We have a customised IT system of enterprise resource planning for our Company, which assists us in various business functions including project management, materials management, inventory management, procurement planning, quality management, plant maintenance, finance and controlling, environment health and safety, and human resources.

We also use Microsoft Project software for project management and implementation. Further, we have also implemented human resource management systems for smooth functioning of our human resource functions. We have implemented multiple reporting systems, visual controls at different sites which support the day to day functions at our various sites. We consistently make efforts to maintain and upgrade our systems to suit our business requirements and improving efficiency in our operations. Any future failures to complete projects on schedule could have a material adverse effect on our results of operations and financial condition. Delays in the completion of projects could also increase our working capital requirements and cause damage to our reputation, which could in turn adversely affect our ability to prequalify for projects. We have not been penalized due to delay in completion of any projects in past and no damages has been paid in last 3 financial year, so there was no material effect on business, financial condition and profitability of our company. Further, no assurance can be given that we will not be penalized in future.

5. ***Our Company has reported certain negative cash flows from its financing activity and investing activity, details of which are given below. Sustained negative cash flow could impact our growth and business***

Our Company had reported certain negative cash flows from our financing activities in previous years as per the restated financial statements and the same are summarised as under:

*(Rs. in Lakhs)*

| **Particulars** | **For the year ended March 31,** | | |
|---|---|---|---|
| | **2023** | **2021** | **2020** |
| Cash flow from Operating Activities | (2,540.12) | 2,263.71 | 3,576.82 |
| Cash flow from Investing Activities | (1,035.67) | (1,477.91) | (847.51) |
| Cash flow from Financing Activities | 5,637.97 | 276.40 | (1,089.80) |

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If our Company is not able to generate sufficient cash flows, it may adversely affect our business and financial operations.

Kindly refer page no. 95 for further details of Cash Flows.

6. ***Our projects are awarded through the competitive bidding process by government authorities/bodies. We may not be able to qualify for, compete and win future projects, which could adversely affect our business and results of operations.***

WWTPs gand WSSPs, whether on EPC or HAM basis, have been awarded to us following competitive bidding processes and satisfaction of prescribed qualification criteria individually or along with our joint venture partners, wherever applicable. Details of number of projects that the Company participated in the bidding process and how many instances it became successful in the past 5 FY are as follows:

| **FY** | **No of tenders applied** | **No of tenders awarded** | **% of tender awarded** |
|---|---|---|---|
| 2018-19 | 42 | 8 | 19.05 |
| 2019-20 | 24 | 1 | 4.17 |
| 2020-21 | 17 | 2 | 11.76 |
| 2021-22 | 19 | 1 | 5.26 |
| 2022-23 | 39 | 5 | 12.82 |

Company has executed 50 projects & 17 projects executed by the proprietorship which businesses was taken over by the Company on June 2012 and currently we are executing 18 ongoing projects aggregating into an Order Book of Rs. 1,74,492.00 Lakhs including WWTPs, WSSPs, EPS & HAM projects. Apart from this we are also executing 5 O&M projects of Rs. 9,928.00 Lakhs in Uttar Pradesh, Uttarakhand and Bihar. For further information's, kindly refer chapter titled "Our Business" on page 213.

We bid for selective government projects where we see value and long-term growth prospects. While biding for the potential tenders/opportunities, we usually see the size of the project to enhance our self for bigger projects in future, tenure of the projects for the regular cash flows, project amount & cost to calculate the profit margins.

While we have the technical and financial qualifications to bid for STP projects, service quality, technological capacity and performance, health and safety records and personnel, as well as reputation and experience are important considerations in the authority's decision. There can be no assurance that we would be able to meet the qualification criteria, particularly for larger projects, whether independently or together with other joint venture partners. Further, once the prospective bidders satisfy the qualification requirements of the tender, the project is usually awarded based on the quote by the prospective bidder. We spend considerable time and resources in the preparation and submission of bids. We cannot assure you that we would bid where we have been prequalified to submit a bid or that our bids, when submitted would be accepted. If we are not able to qualify in our own right to bid for larger projects, we may be required to partner and collaborate with other companies in bids for such projects. If we are unable to partner with other parties or lack the credentials to be the partner-of-choice for other parties, we may lose the opportunity to bid for WWTPs and WSSPs, which could affect our growth plans.

In addition, the government conducted tender processes may be subject to change in qualification criteria, unexpected delays and uncertainties. There can be no assurance that the projects for which we bid will be tendered within a reasonable time or will ever be tendered. In the event that new projects which have been announced and which we plan to bid for are not put up for tender within the announced timeframe, or qualification criteria are modified such that we are unable to qualify, our business, prospects, financial condition, cash flows and results of operations could be materially and adversely affected. We are not in a position to predict whether and when we will be awarded a new contract. Our future results of operations and cash flows can fluctuate materially depending on the timing of contract awards. Although, we have not disqualified in the past by the clients, so there was no material effect on business, financial condition and profitability of the issuer company.

Projects awarded to us may be subject to litigation by unsuccessful bidders. Legal proceedings may result in delay in award of the projects and/or notification of appointed dates, for the bids where we have been successful, which may result in us having to retain unallocated resources and as a result, it would adversely affect our results of operations and financial condition. Further, we may be required to incur substantial expenditure, time and resources in defending such litigation. Any unsuccessful outcome in any such proceedings may lead to termination of a contract awarded to us, which could have a material adverse effect on our future revenues and profits.

There are 2 litigations related to claims & for outstanding dues filed by the issuer Company. Kindly refer page no. 444 for brief details regarding the litigations.

7. ***We have been black-listed in past by the two government bodies, we may face blacklisting in future that will effect our operations & future cashflows.***

We have been black-listed in past. We have been black listed in past by the two government bodies & the same black-listing has been lifted with the retrospective effect.

1. **Reason for blacklisting:** Inadequacy of the safety equipment's/measure provided to the labours pointing towards inferior workmanship and leading to death of five labourers.

**Brief details:** U. P. Jal Nigam passed an order dated December 16, 2019 blacklisting the Petitioner for one year but before doing so, he called for the comments/reports of the chief engineers, Ghaziabad Region/Division, U.P. Jal Nigam in the light of the replies submitted by the Petitioner, who submitted his report/comments vide its letter dated November 22, 2019 wherein he reiterated the inadequacy of the safety equipment's/measure provided to the labours pointing towards inferior workmanship and leading to death of five labourers.

The Writ Petition was filed by our Company ("Petitioner") for quashing the order dated 22.8.2019 passed by the Principal Secretary Urban Development Department, Lucknow and Ors. ("Respondents") for blacklisting the Company and praying for relief in the form of a mandamus commanding the Respondents not to treat the Petitioner as disqualified on account of the order dated 22.8.2019 and to permit the Petitioner to participate in the Tender issued by U.P. Jal Nigam for execution of designing and building a sewage treatment plant and a new sewage network at Jaunpur. The order of blacklisting has been withdrawn on 20.9.2019. However, the Writ Petition is currently pending.

Although, we have executed the project successfully in timely manner.

**Project details:-**

| Sr. No. | Name of the Project | Size of Projects | Date of Start | Date of Completion | Tenure of the Project | State |
|---|---|---|---|---|---|---|
| 1 | Ghaziabad Sewerage Project Package -1 under AMRIT Program at Ghaziabad area | 88.75 Crore | 17.11.2018 | 28.02.2023 | 4 Year | Ghaziabad Uttar Pradesh |

2. **Reason for blacklisting:** Falsely and fraudulently mentioned certain wrong facts in Forms 2 and 3B of the Standard/ Model Bid Documents (SBD), submitted in response to an invitation for bid for the work in question.

**Brief details:** The order of blacklisting has been passed on the allegation that the petitioner has falsely and fraudulently mentioned certain wrong facts in Forms 2 and 3B of the Standard/ Model Bid Documents (SBD), submitted in response to an invitation for bid for the work in question.

A Black listing order dated March 04, 2021 was passed by Bihar Urban Infrastructure Development Corporation Ltd., (BUIDCo) against the Company. The order of blacklisting has been passed on the allegation that the petitioner has falsely and fraudulently mentioned certain wrong facts in Forms 2 and 3B of the Standard/ Model Bid Documents (SBD), submitted in response to an invitation for bid for the work in question. It is the Company's contention that the BUIDCo does not have any jurisdiction to take any final decision on the consequence of any purported incorrect or misleading facts in the tender documents, which is purely within the domain of the World Bank and, therefore, the BUIDCo irresponsibly invoked the provisions of the Rules for the purpose of blacklisting of the contractor, as tender in question is mandatorily governed and funded by the World Bank.

The Court is of the considered opinion that the respondent BUIDCo has acted irresponsibly in passing the impugned order in casual and cavalier manner, which has serious adverse consequence not only in respect of the petitioner's eligibility to participate in the bid with others in Government contracts, but has also adversely affected the progress of the project in question.

Extracts from Court order dated July 19, 2021:

*"The impugned order of black-listing dated 04.03.2021 is hereby set aside for the reasons noted above. It is clarified that the Court is interfering with the impugned order mainly for four reasons. Firstly, it does not duly consider the explanation submitted by the petitioner in response to the show cause notice. Secondly, it has referred to a new fact in relation to Form-3A, which was not part of the show cause notice though there is reference to this information form in the petitioner's reply to the show cause notice. Thirdly, it has completely ignored the observations made by this Court in the order dated 04.02.2021 passed in C.W.J.C. No. 8929 of 2020. Fourthly and the most importantly, the Chief Engineer had an obligation to record a finding on the applicability of Bihar Contractor Registration Rules, which is in the nature of executive instructions for taking action in relation to the bid process in question where tender documents are based on model tender document set by NMCG in funding arrangement of the World Bank, a plea which was specifically taken in the reply to the show cause notice. This aspect goes to the root of the matter, which has been completely ignored."*

For the details of such outstanding litigations, please refer the chapter titled "*Outstanding Litigations and Material Developments*" on page no. 442-443.

Kindly refer the heading "Summary of Financial Statements" on page no. 90.

Further, our Company now following certain measures & steps for such types of occurrences in future.

- Proper due diligence of joint venture partners before entering into joint venture agreement with them, as on July 31, 2023 we have executing 3 projects under Joint Ventures.
- Proper checking & analysing the documents & information to be submitted with the authority under tender process to get the project, as on July 31, 2023, we are executing 18 projects in different status of India, for more information, kindly refer "Order Book" on page no. 225.
- Internal Due diligence of technique, human errors to prevent the mistakes, as on July 31, 2023, we have 61 engineers on permanent basis.
- Financial due diligence of JV partners, internal financial management & bank guarantees.

We cannot assure you that we will not be black list in future & that will not impact our planned business, results of operations and financial condition.

**8.** ***We bid for WWTPs (Water and Waste Treatment Plants) and WSSPs (Water Supply Scheme Projects) mostly funded by the World Bank through Central and State Governments and derive our revenues from the contracts awarded to us. Any reduction in budgetary allocation to this sector may affect the number of projects that the government authorities/bodies may plan to develop in a particular period. Our business is directly and significantly dependent on projects awarded by them.***

WWTPs and WSSPs are mostly funded by world bank through partly funded by the Central Government/State Government under schemes like the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) and National Mission of Clean Ganga (NMCG) for projects in urban areas. Similarly, WSSPs are also partly funded by the Central Government schemes like the Jal Jeevan Mission (JJM) for rural areas of the country. Both WWTPs and WSSPs are also partly funded by the states or Urban Local Bodies (ULBs) under their respective schemes.

Further, we also bid for construction & electricity transmission projects which are again funded by state governments or central government. For the budgetary allocation by the central government which can boost our business, please refer the chapter titled "*Our Business*" on page no. 213.

Any reduction in the budgetary allocation or support by the Central and/or the State Governments may have a significant impact on the number of projects for which tenders may be issued by government authorities/bodies resulting in slowdown or downturn in our business prospects. Our business is directly and significantly dependent on projects awarded by them.

Further, there can be no assurance that the state governments or local bodies will continue to place emphasis on the WWTPs and WSSPs sector. In the event of any adverse change in budgetary allocations for such projects or a downturn in available work in this sector resulting from any change in government policies or priorities, our business prospects and our financial performance, may be adversely affected. The contracts with government entities may be subject to extensive internal processes, policy changes, government or external budgetary allocation, insufficiency of funds and political pressure, which may lead to lower number of contracts available for bidding or increase in the time gap between invitation for bids and award of the contract which may lead to a delay in our business operations.

Details of number of projects that the Company participated in the bidding process and how many instances it became successful in the past 3 FY are as follows:

| FY | No of tenders applied | No of tenders awarded | % of tender awarded |
|---|---|---|---|
| 2020-21 | 17 | 2 | 11.76 |
| 2021-22 | 19 | 1 | 5.26 |
| 2022-23 | 39 | 5 | 12.82 |

With reference to projects where our bids have been successful, there may be delays in award of the projects and/or notification of appointed dates, which may result in us having to retain resources which remain unallocated, thereby adversely affecting our financial condition and results of operations. Any adverse changes in the government authorities/bodies policies may lead to our contracts being foreclosed or terminated which could have an adverse effect on our business, prospects, results of operations, cash flows and financial condition.

**9. *Our Company, our Promoters/Director and our Group Companies are parties to certain legal proceedings. Any adverse decision in such proceedings may have a material adverse effect on our business, results of operations and financial condition.***

Our Company, our Promoters/Director and our Group Companies are parties to certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts, tribunals and forums. Mentioned below are the details of the proceedings involving our Company, our Promoters/Director, and our Group Companies as on the date of this Red Herring Prospectus along with the amount involved, to the extent quantifiable, based on the materiality policy for litigations, as approved by the Company in its Board meeting held on March 14, 2023.

| Name of Entity | Criminal Proceedings | Tax proceedings | Statutory/ Regulatory proceedings | Disciplinary actions by the SEBI or stock Exchanges against our Promoters | Material civil litigations | Aggregate amount involved (to the extent ascertainable) (Rs. in Lakhs) |
|---|---|---|---|---|---|---|
| **Company** | | | | | | |
| By our Company | Nil | Nil | Nil | Nil | 05 | 13,099.53 |
| Against our Company | 03 | 10 | Nil | Nil | 02 | 155.12 |

| | | | | | | |
|---|---|---|---|---|---|---|
| **Directors and Promoters** | | | | | | |
| By our Directors and Promoters | 01 | Nil | Nil | Nil | 02 | Not Ascertainable |
| Against our Directors and Promoters | 01 | Nil | Nil | Nil | Nil | Not Ascertainable |
| **Group Companies including Subsidiaries, Joint Ventures** | | | | | | |
| Litigation involving our Group Companies affecting business operations of our Company | Nil | Nil | Nil | Nil | Nil | Nil |

There can be no assurance that these litigations will be decided in favour of our Company, our Promoters/Director and/or our Group Companies, respectively, and consequently it may divert the attention of our management and Promoters and waste our corporate resources and we may incur significant expenses in such proceedings and may have to make provisions in our financial statements, which could increase our expenses and liabilities. As on the date of this Red Herring Prospectus, our Company has not created any provisions related to the above litigations filed against the Company.

If such claims are determined against us, there could be a material adverse effect on our reputation, business, financial condition and results of operations, which could adversely affect the trading price of our Equity Shares. For the details of such outstanding litigations, please refer the chapter titled "*Outstanding Litigations and Material Developments*" on page no. 440.

10. ***We deploy traditional technologies in the designing and installation of WWTPs (Water and Waste Treatment Plants) and WSSPs (Water Supply Scheme Projects). Any incapability to adopt a new technology or change in the requirement of a particular technology by the government authorities may affect our position to bid for WWTPs or WSSPs.***

The designing and engineering of the WWTPs (Water and Wastewater Treatment Plants) and WSSPs (Water Supply Scheme Projects) is technically complex, time consuming and resource intensive because of unique project requirements. We constantly upgrade our technical abilities to offer our clients the full range of services at lower cost and without compromising on quality.

We use technologies as required by the government authorities/bodies for the relevant project type. In the event of any change in the requirement by the government authorities/bodies of any technology presently used, which we are not able to provide or we lack sufficient expertise in that technology, we will not be in a position to bid for such projects for lack of technical qualification and our competitors may get an advantage due to our incapability in bidding for projects requiring technologies which we are not capable of providing. Further No bids have been rejected due to the traditional technologies in past. Further, no assurance can be given that our bids will not be rejected due to lack of advance technologies in future.

11. **Covid-19 or the outbreak of any other severe communicable disease could have a potential impact on our business, financial condition and results of operations.**

Covid-19 or the outbreak of any other severe communicable disease could adversely affect the overall business sentiment and environment, particularly if such outbreak is inadequately controlled. The spread of any severe communicable disease may also adversely affect the operations of our clients and material suppliers, which could adversely affect our business, financial condition and results of operations. The outbreak of Covid-19 has resulted in authorities implementing several measures such as travel bans and restrictions, quarantines and shutdowns. These measures have impacted and may further impact our workforce and operations. A rapid increase in severe cases of infections and subsequent deaths where measures taken by governments fail or are lifted prematurely, may cause significant economic disruption in India and in the rest of the world. The scope, duration and frequency of such measures and the adverse effects of Covid-19 remain uncertain and could be severe. Our ability to meet our ongoing disclosure obligations might be adversely affected, despite our best efforts. If any of our employees were suspected of contracting Covid-19 or any other epidemic disease, this could require us to quarantine some or all of these employees or disinfect the facilities used for our operations.

In addition, our revenue and profitability could be impacted to the extent that a natural disaster, health epidemic or other outbreak harms the Indian and global economy in general. The outbreak has significantly increased economic uncertainty. The spread of Covid-19 has caused us to modify our business practices (including employee travel, employee work locations, and cancellation of physical participation in meetings, events and conferences), and we may take further actions as may be required by government authorities or steps on what we believe would be in the best interests of our employees, customers, partners, and suppliers. There is no certainty that such measures will be sufficient to mitigate the risks posed by the outbreak, and our ability to perform critical functions could be harmed. The extent to which the Covid-19 further impacts our results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of Covid-19 and the actions taken globally to contain Covid-19 or treat its impact, among others. The degree to which Covid-19 impacts our results will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to, the duration and spread of the outbreak, its severity, the actions taken to contain the outbreak or treat its impact, vaccination across the country and the world in general, and how quickly and to what extent normal economic and operating conditions can normalize. The above risks can threaten the safe operation of our facilities and cause disruption of operational activities, environmental harm, loss of life, injuries and impact the wellbeing of our people. Further, muted economic growth could give rise to a recessionary economic scenario, in India and globally, which could adversely affect the business, prospects, results of operations and financial condition of our Company.

As of the date of the Red Herring Prospectus, we operate different project sites across India, including in the states of Uttarakhand, Uttar Pradesh, Rajasthan, Bihar and Maharashtra. In particular, as of July 31, 2023, we have total 18 projects out of which 6, 6, 4, 1 and 1 of our Project sites, respectively, are located in Rajasthan, Uttar Pradesh, Uttarakhand, Bihar and Maharashtra. Our business is dependent on our ability to manage our project sited, which are subject to various operating risks and factors including, among others, strikes, lock-outs and unexpected breakdown and/or failure of equipment or industrial accidents which may entail significant repair and maintenance costs, increases in manpower costs, disruption in electrical power or water resources, timely grant or renewal of approvals, severe weather conditions, natural disasters and outbreaks of infectious diseases, such as the current COVID-19 pandemic, natural calamities, labor disputes, civil disruptions and changes in the regulations and policies of the states or local governments where our project sites are located.

In addition of the above, we have not availed any moratorium on borrowings in past.

12. **Our inability to respond adequately to increased competition in our business may adversely affect our Margins.**

The company is engaged in contractor business since its inception. The company is experienced in sewerage tenders & also executes mostly sewerage tenders. There are very less no of players in the sewerage contracts business & the government is much focused on sewerage contracts & launching plenty of new sewerage tenders under Jal Jeevan Mission. Further at present the company is having very good experience of more than 13 years of executing these contracts very well. Moreover, as explained above that all the tenders of the company are of government tenders, which are either world bank funded projects and therefore the payment channel is very much secure in these tenders and also as there are a smaller number of players in the market in sewerage contracts & also our company is having good expertise in this filed so there is no risk in respect of the profit margins from these government contracts. All these projects contain very handsome profit realizable profit margin, which can also be analyzed from the financial figures of our company.

We compete with several companies and entities, as well as large domestic companies with larger projects, greater brand recognition, stronger manpower and greater financial resources and experience. We also face competition from new entrants who may have more flexibility in responding to changing business and economic conditions. The basis of competition includes, among other things, pricing, innovation, perceived value and other criteria. We have experienced price competition in the past, and there can be no assurance that such price competition will not recur in the future. Growing competition may force us to reduce our bid for WWTPs or WSSPs, which may reduce revenues and margins and/or decrease our market share, either of which could affect our results of operations. Our competitors may succeed in developing larger projects more efficiently and in time than the ones that we may develop. These developments could render us obsolete or incompetitive, which would harm our business and financial results.

**Year wise our profit margins are as under**:

*(Rs. In Lakhs)*

| Particulars | Fiscal 2023 | Fiscal 2022 | Fiscal 2021 |
|---|---|---|---|
| Revenue from Operations | 53,816.17 | 35,985.08 | 33,070.39 |
| EBITDA | 14,899.95 | 11,251.19 | 9,889.97 |
| EBITDA margin as of revenue from operations (%) | 27.69% | 31.27% | 29.91% |
| PAT | 10,861.63 | 7,904.62 | 7,195.37 |
| PAT margin (%) | 20.18% | 21.97% | 21.76% |

13. **We have certain contingent liabilities, which, if materialized, may affect our financial condition and results of operations.**

Our contingent liabilities as of March 31, 2023 were as follows:

(Rs. In Lakhs)

| Matter | As of March 31, 2023 |
|---|---|
| Corporate Guarantee | 25,173.63 |
| **Total** | **25,173.63** |

For further details of the contingent liabilities and commitments of our Company as on March 31, 2023, see “Restated Financial Information – Contingent Liabilities” on page 365. If a significant portion of these liabilities materialize, it could have an effect on our results of operations and financial condition. Further, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the future.

14. ***The industry in which we operate is capital intensive in nature, and involve relatively long gestation periods. We require substantial financing for our business operations and the failure to obtain additional financing on terms commercially acceptable to us may adversely affect our ability to grow and our future profitability.***

Projects in the sector in which we operate typically are capital intensive, involve relatively long gestation periods, and require us to obtain financing through various means. Whether we can obtain such financing on acceptable terms which is dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investors' confidence, our levels of existing indebtedness and other factors beyond our control as well as on the timely completion of our projects.

The company is engaged in government contractor business wherein realization of payment from the clients taken some time as due to government department, verification of bill is done & demand for the payment is made by the accounts department & then the payment releases so normally the debtors period in this business falls between 90-120 days, however all the payment are totally secured, there are no bad debts as all the projects are world bank funded so payment channel is very secure. Further apart from in this business, few amounts in respect of the testing and security remains hold by the department for 2-3 years, depending on the tenure of the work allotted because testing is done once the work gets completed, which is also completely secure, only takes more time to release.

The actual amount and timing of our future capital requirements may differ from estimates as a result of, among other things, unforeseen delays or cost overruns, changes in business plans due to prevailing economic conditions, unanticipated expenses and regulatory changes. To the extent our planned expenditure requirements exceed our available resources, we will be required to seek additional debt or equity financing. Additional debt financing could increase our interest costs and require us to comply with additional restrictive covenants in our financing agreements. Additional equity financing could dilute our earnings per Equity Share and your interest in the Company, and could adversely impact our Equity Share price.

Our ability to obtain additional financing on favourable terms, if at all, will depend on a number of factors, including our future financial condition, results of operations and cash flows, the amount and terms of our existing indebtedness, general market conditions and market conditions for financing activities and the economic, political and other conditions in the markets where we operate.

We cannot assure you that we will be able to raise additional financing on acceptable terms in a timely manner or at all. Our failure to renew arrangements for existing funding or to obtain additional financing on acceptable terms and in a timely manner could adversely impact our planned capital expenditure, our business, results of operations and financial condition.

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

Our Order Book does not necessarily indicate future earnings related to the performance of that work. Our Order Book refers to expected future revenues under signed contracts or contracts where letters of intent have been received. Order Book projects represent only business that is considered firm, although deferments, withdrawals, cancellations or unanticipated variations or scope or schedule adjustments may occur. Due to changes in project scope and schedule, we cannot predict with certainty when or if our Order Book will be performed. In addition, even where a project proceeds as scheduled, it is possible that contracting parties may default and fail to pay amounts owed. We cannot guarantee that the income anticipated in our Order Book will be realized, or, if realized, will be realized on time or result in profits. Any project cancellations or scope adjustments, which may occur from time to time, could reduce the amount of our Order Book and the income and profits that we ultimately earn from the contracts. Any delay, cancellation or payment default could have a material adverse effect on our business, results of operation and financial condition.

Our Order Book as of July 31, 2023 has been 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 until such date, and estimated contract value of new projects awarded to us. For the purposes of calculating the Order Book value, we do not take into account any escalation or change in work scope of our ongoing projects as of the relevant date. The manner in which we calculate and present our Order Book is therefore not comparable to the manner in which our revenue from operations is accounted, which takes into account revenue from work relating to escalation or changes in scope of work of our projects. The manner in which we calculate and present our Order Book information may vary from the manner in which such information is calculated and presented by other companies, including our competitors. The Order Book information included in this Red Herring Prospectus is not audited and does not necessarily indicate our future earnings. Our Order Book should not be considered as a substitute for performance measures. As of July 31, 2023, our Order Book includes 5 O&M projects of Rs. 9,928.00 Lakhs and 18 other projects with aggregate value of Rs. 1,74,492.00 Lakhs. For further details on our Order Book, see "Our Business – Our Order Book" on page 225.

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 its cancellation, including delays or failure to obtain necessary permits, authorizations, permissions, and other types of difficulties or obstructions. Delays in the completion of a project can lead to clients delaying or refusing to pay the amount, in part or full, that we expect to be paid in respect of such project. Even relatively short delays or surmountable difficulties in the execution of a project could result in our failure to receive, on a timely basis or at all, all payments otherwise due to us on a project. These payments often represent an important portion of the margin we expect to earn on a project. In addition, even where a project proceeds as scheduled, it is possible that the contracting parties may default or otherwise fail to pay amounts owed. Any delay, reduction in scope, cancellation, execution difficulty, payment postponement or payment default in regard to our Order Book projects or any other uncompleted projects, or disputes with clients in respect of any of the foregoing, could materially harm our cash flow position, revenues and earnings.

No material effect on business, financial condition and profitability of the issuer Company for such instances, as these factors are external factors, we have not experienced any delay due to any internal factors in past. Further, no assurance can be given that this will not be happen in future. 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.

**16.** ***100% of our revenue is generated from business transactions with government entities or agencies. Any change in the governments in the markets in which we operate, change in policies and/or our inability to recover payments therefrom in a timely manner or at all, would adversely affect our operations and revenues which in turn would adversely affect our profitability.***

100% of our projects are works related to tenders floated by government or semi government agencies funded through World Bank. Hence our business is highly dependent on working with government entities or agencies. There may be delays associated with collection of receivables from government owned or controlled agencies. Our operations involve significant working capital requirements and delayed collection of our receivables could materially and adversely affect our liquidity, internal cash flows, cost of funding and results of operations. In addition, we may be subject to additional regulatory or other scrutiny associated with commercial transactions with government owned or controlled entities and agencies.

The company is engaged in government contractor business wherein realization of payment from the clients taken some time as due to government department, verification of bill is done & demand for the payment is made by the accounts department & then the payment releases so normally the debtors period in this business falls between 90-120 days, however all the payment are totally secured, there are no bad debts as all the projects are world bank funded so payment channel is very secure. Further apart from in this business, few amounts in respect of the testing and security remains hold by the department for 2-3 years, depending on the tenure of the work allotted because testing is done once the work gets completed, which is also completely secure, only takes more time to release.

As our 100% revenue generated through the government tenders so the Company's trade receivables constitute only receivables from governments:

(In Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| Trade Receivables | 12,354.17 | 15,782.27 | 9,328.59 |
| Revenue from Operations | 53,816.17 | 35,985.08 | 33,070.39 |
| % of total revenue | 22.96% | 43.86% | 28.21% |

In addition to the above, the contracts with Government entities may be subject to extensive internal processes, policy changes, Government or external budgetary allocation and insufficiency of funds, which may lead to lower contracts available for bidding or increase in the time gap invitation for bids and award of the contract. As long as Government entities are responsible for awarding contracts to us and are a critical party to the development and ongoing operations of our projects, our business is directly and significantly dependent on projects awarded by them.

With reference to projects where our bids have been successful, there may be delays in award of the projects and/or notification of appointed dates, which may result in us having to retain resources which remain unallocated, thereby adversely affecting our financial condition and results of operations. Any adverse change in policies by government leading to reduction in capital investment could affect us adversely. Further, if there is any change in the government or in governmental policies that results in a slowdown in infrastructure projects, our business, financial condition and results of operations may be adversely affected.

**17.** ***Failure to increase the size of our projects and pre-qualification may affect our growth prospects.***

We have executed projects in the range of 4-24 MLD in case of STPs, 9 MLD in case of CETPs, 80 MLD in case of WTP, Common Feeder 41 MLD and 17-41 MLD in case of SPSs. Execution of high-capacity projects has lesser competition, better margins, economies of scale and better utilization of sources. We will continue to focus on the designing, construction, operation and maintenance of WWTP projects while seeking opportunities to further increase the size of our projects. We will continue to bid for WWTPs and WSSPs both on EPC and HAM basis. Increase in the size of projects will also lead to our Company becoming pre-qualified for larger projects of higher MLD. For further details of our completed projects, please see "Our Business -Completed Projects" on page 241. Any failure on our part to bid and win larger projects, either independently or alongwith our joint venture partners will affect our future growth prospects. Further, any delay in bidding and executing larger projects could affect our projected growth, financial condition and results of operations.

HAM Projects: Due to subdued private sector participation in the bidding process, the Government opted for advance version of the Hybrid Annuity Model (HAM) in FY2017. It came in the time when private players were highly leveraged and banks were cautious in increasing their lending exposure to private sector players as majority of the projects were getting delayed and stuck in execution. Major BOT project had proven to be bad choice as the main assumption for the returns was traffic was quite aggressive. But in case of HAM, it is a mix of BOT (Annuity) and EPC models. This model safeguards the interest of both the parties i.e., Government and private entity. During the construction period, the private entity is provided 40% grant of the bid project cost by the Government in five equal instalments depending on the physical progress of the project. The remaining 60% of the bid project cost is to be borne by private entity through debt and equity. The Government generates its revenue from the project by way of toll collection. This model has been very successful as the burden of financing of private players has reduced. In the first year of its implementation, Rs 28,000 crores of projects were awarded by the NHAI of which 50% of the projects were under HAM. HAM has not only brought back private participation but it has also safeguarded the banks as the fund disbursed to private players are backed by the Government annuity payments i.e. the traffic risk is taken care by Government itself.

**Number of such projects that the company operates its size:**

We have not executed any HAM Project in past but as on date we are executing 1 (one) HAM Project for Uttar Pradesh Jal Nigam, Varanasi. We have entered into a Joint venture with Ercole Marelli Impianti Tecnologici S.R.L., Italy ("EMIT").

**Further details are as under:**

| Name of the Project | Size of the Project | EMS Shares in JV | EMIT Shares in JV | Tenure of the Project |
|---|---|---|---|---|
| Namami Gange Programme | 29,251.00 Lakhs | 17550.60 Lakhs i.e. 60% of Project value | 11700.40 Lakhs i.e. 40% of Project value | April 10, 2022 to April 09, 2024 |

For the details of project, please refer the heading "*Our Order Book*" on page no. 225.

**18.** ***Failure to achieve financial closures and funding arrangements within a stipulated period for HAM projects may attract penalty and may also lead to termination of the contract.***

We, alongwith our joint venture partner, have been awarded in April 2022 a HAM project by Uttar Pradesh Jal Nigam, under the Namami Gange Programme, for cleaning, rejuvenation and protection of river Ganga at Varanasi, Uttar Pradesh. The consortium partners have incorporated a SPV for the execution of this project. The Design, Build, Rehabilitate, Finance, Operate and Transfer Sewage Treatment Plants (STPs) under "One City One Operator" Concept through Hybrid Annuity Based PPP Model. The HAM concession agreement requires the SPV to install the project within a period of 21 months from the effective date as per the agreement, followed by 3 months trial run and O&M for a period of 15 years. We will be funding this project from internal accruals. The funding and execution of this HAM project will enable our Company to qualify and bid for other HAM projects with larger MLD requiring further funding and technical expertise going forward. The terms of HAM contracts require achievement of financial closures for awarded projects within a stipulated period from the letter of award issued by the government authority. If we are unable to achieve financial closure within the stipulated period or within the extended period allowed by the government authority, the contract may be terminated, and the bid security amount deposited by us may be appropriated as damages by the government authority. The contracts that we may enter into in future may have similar or more stringent terms. We cannot assure you that we will be able to achieve financial closure for the projects awarded to us. Any delay in achieving financial closure could result in us having to pay damages as per the terms of the contract or the contract being terminated in accordance with its terms, thereby adversely affecting our financial condition, cash flows and results of operations.

**19.** ***Our business is working capital intensive. If we experience insufficient cash flows to meet required payments on our working capital requirements, there may be an adverse effect on the results of our operations.***

Our working capital requirements for Financial Year 2024 and 2025 are estimated at Rs. 53,264.97 lakhs and Rs. 66,260.79 lakhs, respectively. An amount of 13,500.00 lakhs in Financial Year 2024 towards working capital requirements will be funded out of the Issue Proceeds & Pre-IPO Proceeds, whereas the balance, if any, would be arranged from our internal accruals and/or loan funds. For details, please see "Objects of the Issue" on page 119.

**Working capital for the last three years of the Company:**

*(Rs. In Lakhs)*

| Particulars | Fiscal 2023 (Audited) | Fiscal 2022 (Audited) | Fiscal 2021 (Audited) |
|---|---|---|---|
| **Current Assets** | | | |
| Inventories | 10,475.91 | 5,412.85 | 3,542.93 |
| Trade Receivables | 12,354.17 | 15,782.27 | 9,328.59 |
| Others Financial Assets | 9863.76 | 8,313.98 | 8,354.14 |
| Other Current Assets | 4066.59 | 2,974.40 | 2,002.26 |
| **Total Current Assets (A)** | **36,760.43** | **32,483.50** | **23,227.92** |
| | | | |
| **Current Liabilities** | | | |
| Trade Payables | 1,540.49 | 4,301.34 | 4,030.25 |
| Lease Liabilities | 0.00 | 6.29 | 35.84 |
| Others Financial Liabilities | 3677.32 | 4,015.22 | 0.00 |
| Short term provisions | 1.62 | 1.86 | 1.54 |
| Liabilities for current tax (Net) | 35.43 | 392.21 | 1,529.29 |
| Other Current Liabilities | 2693.93 | 2,138.41 | 1,011.73 |
| **Total Current Liabilities (B)** | **7,948.79** | **10,855.33** | **6,608.65** |
| **Total Working Capital Requirements (A-B)** | **28,811.64** | **21,628.17** | **16,619.27** |
| **Funding Pattern** | | | |
| **Working Capital Funding from Banks and Financial Institutions** | **-** | **-** | **-** |
| **Internal Accruals and Loans** | 28,811.64 | 21,628.17 | 16,619.27 |

We require a significant amount towards working capital requirements which is based on certain assumptions, and accordingly, any change of such assumptions would result in changes to our working capital requirements. A significant amount of working capital is required to finance the purchase of materials, equipment, mobilization of resources and other work on projects before payment is received from clients. As a result, we will continue to avail debt in the future to satisfy our working capital requirements. Our working capital requirements may increase if we undertake larger or additional projects or if payment terms do not include advance payments or such contracts have payment schedules that shift payments toward the end of a project or otherwise increase our working capital burden.

The working capital requirement involves providing of performance bank guarantees for the work awarded to our Company for which cash margin has to be provided. Apart from that the clients retain certain percentage of the contract value after the completion of the project as retention money. We strive to maintain strong relationships with local and national banks to increase our financing flexibility. Our credit profile often enables us to obtain financing on favourable terms from banks. However, we cannot assure you that our relationships with lenders will not change or that lenders will continue lending practices we are familiar with. Our lenders may implement new credit policies, adopt new pre-qualification criteria or procedures, raise interest rates or add restrictive covenants in loan agreements, some or all of which may significantly increase our financing costs, or prevent us from obtaining financings totally. As a result, our projects may be subject to significant delays and cost overruns, and our business, financial condition and results of operations may be materially and adversely affected. In general, a large part of our working capital is also blocked in trade receivables from our clients, including those arising from progress payments or release of retention money. There can be no assurance that the progress payments and the retention money will be remitted by our clients to us on a timely basis or that we will be able to efficiently manage the level of bad debt arising from such payment practice. Our working capital position also depends on the period of time taken by the government authorities/bodies to certify the invoice issued by us and release payment. All of these factors may result in an increase in the amount of our receivables and short-term borrowings and the continued increase in working capital requirements may have an adverse effect on our financial condition and results of operations.

**20.** ***If the Company fails to capitalize on government policy initiatives in the water and wastewater treatment market, it will affect our business model, profit margins & marketability.***

In order to expand the country's market for water and wastewater treatment, the Indian government has introduced ambitious initiatives including the Jal Jeevan Mission-Har Ghar Jal, AMRUT, NAMAMI Gange Programme, and SWAJAL.

The following major government policy initiatives in the water and wastewater treatment market:-

- **Jal Jeevan Mission - 'Har Ghar Jal'**: Funds allocated, the estimated cost of the mission is Rs 3,60,000.00 crores. The Central and State have a share of Rs 2,08,000.00 crores and Rs 1,52,000.00 crores, respectively of the total cost.
- **Atal Payjal Yojana**: It is a Scheme of the GOI aided by the World Bank with an outlay of Rs 6,000 Crores
- **Jal Sakti Abhiyan:** It was launched in the year 2019 in the stressed districts of the country to promote conservation of water, water resource management, implementing rain water harvesting, renovation of traditional water bodies, reuse of water, recharging water body structures, watershed development and afforestation. The actual expenditure from MGNREGS fund was Rs 18,066.00 crores.
- **Water Vision@2047:** 'Water Vision@2047' conference was held in Bhopal on 6th January,2023 under the Ministry of Jal Sakti.
- **Atal Mission for Rejuvenation and Urban Transformation (AMRUT):** Under the program, 883 sewerage & septage management projects which amounts to Rs 34,081.00 crores have been taken up out of which 370 projects costing Rs 8,258.00 crores have been completed till date. In the Budget FY24, the allocation to AMRUT has increased from Rs 15,300 crores to Rs 16,000 crores.
- **Namami Gange programme:** The Programme has main objectives of Sewerage Treatment Infrastructure, River Surface Cleaning, Afforestation, Industrial Effluent Monitoring, etc. For conservation of rivers, the Ministry of Jal Sakti has been supplementing efforts with the states and Union Territories by providing financial and technical assistance for abatement of pollution under the programme. The National River Conservation Plan has so far covered polluted stretches of 34 rivers across 77 towns and sanctioned cost of Rs 5,961.00 crores and created a sewage treatment capacity of 2,677 Million litres per day.

*(Source: CareEdge Report)*

The Jal Jeevan Mission (JJM) was initiated on August 15, 2019, by the Government of India with the intention to provide Functional Household Tap Connections (FHTC), which have access to safe and adequate drinking water, to every rural household in the country. The programme also includes mandatory source sustainability measures such as recharge and reuse through grey water management, water conservation, and rainwater harvesting to incorporate a community-based approach to water, accounting for expansive knowledge, education, and communication as vital components. The mission has put forth broad objectives as the foundation to ensure implementation of tap water connections, and a regular and long-term access to adequate and good quality drinking water.

We can leverage our existing relationships with States, ULBs and other government authorities for such projects and expand this further to various geographies around the country. Any failure or delay on our part to capitalise on these opportunities due to lack of experience, financial or management ability or capability may adversely affect our growth prospects and plans.

Currently our Company operating only 5 projects under Atal Mission for Rejuvenation and Urban Transformation (AMRUT), 1 Project under Namami Gange Programme.

The details regarding the above projects have disclosed under the titled “Our Order Book” on page no. 225. If we are not able to capitalize on the above-mentioned government initiatives in timely manner, it will affect our business model, profit margins & marketability accordingly.

**21.** ***Our business is substantially dependent on our design and engineering teams to accurately carryout the pre-bidding engineering studies for potential projects. Any deviation during the execution of the project as compared to our pre-bid estimates could have a material adverse effect on our cashflows, results of operations and financial condition.***

The Company have developed their own code of measures, criteria, team of engineers & supervisors to inspect the projects at pre-bid phase that help us to estimate the cost & difficulties, risks involve in that specific project.

Our team inspect the project on different stages i.e. on every stage from digging to laying the pipes lines to check whether there is any risk or difficulties that may arise at the time of execution, team also measure the all the safety terms to safeguard the manpower at the work place.

We rely on our in-house team for timely and efficient execution of our projects. In addition to design and engineering, our teams carry out detailed inspection of the relevant project area to record and highlight important features and identify any issues that may be of importance in terms of implementation and operation of such project. While our teams have the necessary skill and experience in carrying our pre-bidding engineering studies, we may not able to assure the accuracy of such studies. The accuracy of the pre-bidding studies is dependent on the following key elements:

i. preparing a project road map-based investigation of the project site which include amongst others, major water bodies, laying of pipelines, the quality of the sewerage or effluent discharge from the concerned area, technology required to be adopted for the plant;
ii. undertaking engineering surveys and preliminary designs which broadly include carrying out inventory and detailed condition surveys, carrying our preliminary investigations, availability of construction materials and implementing design in accordance with environmental and social concerns; and
iii. Preparation of bills of quantities covering all the items required in the work. Any deterrence or deviation in the estimation and calculation of the key elements may hamper the quality of the pre-bid engineering study, on which we rely before submitting any tenders for the relevant project.

Any deviation during the implementation and operation of the project as compared to our pre-bid estimates or wrong report submitted by our research team on the basis of their inspection could have a material adverse effect on our cash flows, results of operations and financial condition.

**22.** ***Our business is subject to seasonal fluctuations that could result in delays or disruptions to our operations during the critical periods of our projects and cause severe damages to our premises and equipment’s.***

Our business operations may be affected by seasonal factors which may restrict our ability to carry on activities related to our construction projects, laying of water pipes and fully utilize our resources.

The following factors may restrict our ability:

- Heavy or sustained rainfalls
- Flood
- Cyclones or
- Other extreme weather conditions

The above could result in delays or disruptions to our operations during the critical periods of our projects and cause severe damages to our premises and equipment’s.

In particular, the monsoon season may restrict our ability to carry on activities related to our projects and fully utilize our resources and may slow our activities on construction projects, which shifts our revenue and accordingly profit recognition to subsequent quarters. Adverse seasonal developments may also require the evacuation of personnel, suspension or curtailment of operations, resulting in damage to construction sites or delays in the delivery of materials. Such fluctuations may adversely affect our revenues, cash flows, results of operations and financial conditions. We have not experienced any delay of projects or any penalty imposed by the government in past. Further, no assurance can be given that we will not experience such incidents in future.

**23.** ***We require certain approvals and licenses in the ordinary course of business and are required to comply with certain rules and regulations to operate our business, and the failure to obtain, retain and renew such approvals and licences in timely manner or comply with such rules and regulations or at all may adversely affect our operations.***

We require several statutory and regulatory permits, licenses and approvals to operate our business. Many of these approvals are granted for fixed periods of time and need renewal from time to time. Non-renewal of the said permits and licenses would adversely affect our operations, thereby having a material adverse effect on our business, results of operations and financial condition. There can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all.

Following are the registrations for the business of the Company:

| Sr. No. | Registration | Department |
|---|---|---|
| 1. | Certificate of Enlistment – "Class 1 Super" | Central Public Works Department |
| 2. | Certificate of Enlistment – "Class A" | UP Jal Nigam for "Water Supply Works (Pipe Laying) |
| 3. | Certificate of Enlistment – "Class A" | UP Jal Nigam for "Water Supply Works (Reservoirs) |
| 4. | Certificate of Enlistment – "Class A" | Uttarakhand Pey Jal Nigam for "Turnkey Project Sewerage" |
| 5. | Registration for electrical works – GD-666 | Electrical Safety Department |
| 6. | Enlistment in central command | Central Command – HQ |

Further, some of our permits, licenses and approvals are subject to several conditions and we cannot provide any assurance that we will be able to continuously meet such conditions or be able to prove compliance with such conditions to the statutory authorities, which may lead to the cancellation, revocation or suspension of relevant permits, licenses or approvals. Any failure by us to apply in time, to renew, maintain or obtain the required permits, licenses or approvals, or revoke the cancellation or suspension of any of the permits, licenses or approvals may result in the interruption of our operations and may have a material adverse effect on the business.

Currently there are no approvals/licenses are pending which we have applied.

For further details, please see chapters titled "Key Industry Regulations and Policies" and "Government and Other Key Approvals" at pages 265 and 452 respectively.

**24.** ***Bidding for a tender involves various management activities such as detailed project study, cost estimations. Inability to accurately measure the cost may lead to bid amount having margin lower than hurdle rate margin i.e. the expected rate of return.***

For every project, Notice for Invitation of Tender is issued which requests interested infrastructure companies/ contractors/ participants to bid. To evaluate a project tender, we undertake various management discussions, project feasibility study, site study, cost estimations, material and equipment suppliers among others which aids us to calculate the estimated cost of the project on which we add-on our margin, which varies from project to project, the result of which is the tender amount which we bid for any particular project.

The profit margin (before tax) in these government projects generally falls between 25-30%. Government invites the bids and allots the work to the lowest bidder. The price at which work is allotted to the bidder is inclusive of the profit margin as well & the bidder also quotes its price after doing complete analysis of its cost & profit. Further generally our company follows the practice to participate in good margins project, which falls between 25-30%.

Accordingly, all of the bid amounts are based on estimation of the project cost, the fluctuation of which, either marginally or substantially, may impact our margins adversely. Further, we may incorrectly or inadequately estimate the project cost leading to lower bid amount affecting our profitability, in case the project is awarded to us. Excess estimation of costs may lead to higher bid amount by us owing to which, we may not be awarded a contract which may substantially impact our results of operations and financials. Further, as most of the projects are spread over a longer period of time, cost escalations in our industry is a frequent issue, although most of the agreements includes clauses relating to cost escalations, any fluctuations in costs or material availability or any other unanticipated costs will substantially impact the business operations, cash flows and financial conditions.

**25.** ***Our actual cost in executing WWTPs (Water and Waste Treatment Plants) and WSSPs (Water Supply Scheme Projects) may vary substantially from the assumptions underlying our bid or estimates. We may be unable to recover all or some of the additional costs and expenses, which may have a material adverse effect on our results of operations, cash flows and financial condition.***

Under the terms and conditions of agreements for WWTPs and WSSPs with government authorities/bodies, we generally receive an agreed sum of money, subject to contract variations covering changes in the client's project requirements. Our actual expenditure in executing such projects may vary substantially from the assumptions underlying our bid and estimates for various reasons, including, unanticipated increases in the cost of construction materials, fuel, labour or other inputs, unforeseen construction conditions, including the inability of the government authorities/bodies to acquire land and other approvals resulting in delays and increased costs, delays caused by local weather conditions and suppliers' failures to perform.

Our ability to pass on increases in the purchase price or cost of materials, labour and other inputs may be limited in the case of contracts with limited or no price escalation provisions, and we cannot assure you that these variations in cost will not lead to financial losses to us. Further, other risks generally inherent to our industry may result in our profits from a project being less than as originally estimated or may result in us experiencing losses due to cost and time overruns, which could have a material adverse effect on our cash flows, business, financial condition and results of operations.

**26.** ***Our on-going projects are exposed to various implementation risks & uncertainties and may be delayed, modified or cancelled for reasons beyond our control which may materially and adversely affect our business, prospects, reputation, profitability, financial condition and results of operation.***

Our order book sets forth our expected revenues from uncompleted portions of the construction contracts received. However, project delays, modifications in the scope or cancellations may occur from time to time due to either a client's or our default, incidents of force majeure or legal impediments.

For example, in some of our projects, we or our clients are obliged to take certain actions, such as acquiring land, securing right of way, clearing forests, securing required licenses, authorizations or permits, making advance payments or opening of letters of credit or moving existing utilities, which may be delayed due to our client's non-performance, our own breaches or force majeure factors. We may incur significant additional costs due to project delays and our counterparties may seek liquidated damages due to our failure to complete the required milestones or even terminate the contract totally or refuse to grant us any extension. The schedule of completion may need to be reset and we may not be able to recognize revenue if the required percentage of completion is not achieved in the specified timeframe. We may not have the full protection in our contracts / subcontracts against such delays or associated liabilities and/or additional costs. Further, we have escalation clauses in some of our contracts, which, may be interpreted restrictively by our counterparties, who may dispute our claims for additional costs. As a result, our future earnings may be different from the amount in the order book.

We may be further subject to risks such as:

- unforeseen technical problems, disputes with works and labour contractor, force majeure events and unanticipated costs due to defective plans and specifications;
- not being able to obtain adequate capital or other financing at affordable costs or obtain any financing at all to complete construction and installation of any of our projects;
- not being able to provide the required guarantees under project agreements or enter into financing arrangements;
- experiencing shortages of, and price increases in, materials and skilled and unskilled labour, and inflation in key supply markets;
- geological, construction, excavation, regulatory and equipment problems with respect to operating projects and projects under construction;
- the relevant authorities may not be able to fulfil their obligation prior to construction of a project, in accordance with the relevant contracts resulting in unanticipated delays;
- spread of infectious diseases at our project sites, resulting in temporary shutdown of operations at such sites until such sites are successfully decontaminated and the relevant persons are quarantined;
- delays in completion and commercial operation could increase the financing costs associated with the construction and installation and cause our forecast budget to be exceeded;
- risk of equipment failure that may cause injury and loss of life, and severe damage to and destruction of property and equipment; and
- other unanticipated circumstances or cost increases.

There have been certain instances of delay from the government authorities/bodies to provide the land to commence the construction and installation of the WWTPs and WSSPs. If any or all of these risks materialise, we may suffer significant cost overruns or even losses in these projects due to unanticipated increase in costs as a result of which our business, profits and results of operations will be materially and adversely affected.

There are no projects having significant additional costs due to project delays and have not experienced any liquidated damages due to failure to complete the required milestone or even terminate the contracts totally or refuse to grant any extension. Further, no assurance can be given that we will not experience such incidents in future.

**27. *Projects undertaken through a joint venture may be delayed on account of the performance of the joint venture partner, resulting in delayed payments.***

We usually enter into joint ventures to take on projects. In those instances, the completion of the contract for our client depends in part on the performance of our joint venture partners. If the joint venture partner fails to complete its work on time, it could result in delayed payments or in breach of our contract. In such cases, we may be required to pay penalties and liquidated damages, or the client may invoke our performance bond. Further, the liability of joint venture partners is joint and several. Therefore, we would be liable for the completion of the entire project if a joint venture partner were to default on its duty to perform. Failure to effectively protect ourselves against risks for any of these reasons could expose us to substantial costs and potentially lead to material losses, which could adversely affect our business, results of operations and financial condition.

Currently, we are executing 3 (three) projects with the joint venture partners, kindly refer "Our Order Book" on page no. 225. Further, we have not experienced any delayed projects on account of the performance of the joint venture partner, resulting in delayed payments.

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

As part of our business and as is customary, we are required to provide financial and performance bank guarantees in favour of our project clients under the respective contracts for our projects. For our projects, we typically issue bank guarantees to the relevant authority with whom the contractual arrangement has been entered into. We may not be able to continue obtaining new financial and performance bank guarantees in sufficient quantities to match our business requirements. If we are unable to provide sufficient collateral to secure the financial bank guarantees, performance bank guarantees or letters of credit, our ability to enter into new contracts or obtain adequate supplies could be limited and could have a material adverse effect on our business, results of operations and financial condition.

Further, the process of obtaining contracts, financial and performance bank guarantees, tends to increase our working capital requirements. As of March 31, 2023, March 31, 2022 and March 31, 2021, we had issued bank guarantees amounting to Rs. 25,173.63 lakhs, Rs. 18,765.89 lakhs and Rs. 13,917.58 lakhs, respectively, towards securing our financial / performance 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.

**29.** ***Our profitability and results of operations may be adversely affected in the event of any disruption in the supply of materials or increase in the price of materials, fuel costs, labour or other inputs.***

The timely and cost effective execution of our projects is dependent on the adequate and timely supply of key materials, such as Di-Pies, HDP Pipes, Crushed Sand, Dense Bituminous, Pipes, Emulsions Cement, Iron and Steel, etc. Our central procurement team handles the procurement of major raw materials and engineering requirements. Our procurement is centrally handled from our office at Corporate Office, Ghaziabad and we have procurement managers who understand and oversee the local material requirement and report the same to the central office, thereby ensuring a personalized understanding of material requirement on a project to project basis.

We procure these materials from local vendors available at different project sites.

We have not entered into any long-term supply contracts with suppliers for major materials like steel, iron, cement, electrical and mechanical items, machineries and pumps etc., but we do undertake bulk buying of these materials as it maintains vendor relationship and ensures timely availability and delivery of these raw materials.

The Cost of revenue of operations contribution is approximately Rs. 40,941.82 Lakhs, Rs. 24,447.41 Lakhs & Rs. 20,821.59 Lakhs which is 76.08%, 67.93% & 62.96% respectively of our revenue from operations for the fiscals 2023, 2022 and 2021 respectively on a restated basis.

We cannot assure you that we will be able to procure adequate supplies of materials in the future, as and when we need them on commercially acceptable terms. Additionally, we typically use third-party transportation providers for the supply of most of our materials. Transportation strikes could have an adverse effect on our receipt of supplies. If we are unable to procure the requisite quantities of materials in time and at commercially acceptable prices, the performance of our business and results of operations may be adversely affected.

30. ***Trade Receivables and Inventories form a substantial part of our current assets and net worth. Failure to manage the same could have an adverse effect on our net sales, profitability, cash flow and liquidity.***

Our business is working capital intensive and hence, Trade Receivables and Inventories form substantial part of our current assets and net worth. For the fiscal year 2023, 2022 and 2021, the trade receivable and inventories on an aggregate basis constitutes Rs. 22,830.08 Lakhs, Rs. 21,195.12 Lakhs and Rs. 12,871.52 Lakhs, which is 46.70%, 51.10% & 42.93% respectively of total current assets respectively.

The results of operations of our business and our overall financial condition are hence dependent on our ability to effectively manage our inventory and trade receivables. We generally procure materials on the basis of management estimates based on past requirements and future estimates. To effectively manage our supplies inventory, we must be able to accurately estimate customer demand, project requirements, project timelines & supply requirements and purchase new inventory accordingly. However, if our management misjudges expected project timelines and customer demand, it could cause either a shortage of construction materials or an accumulation of excess inventory. Further, if we fail to finish any project within the given timelines, we may be required to carry work-in-progress inventory on our books and pay for fresh supplies on other projects without receiving payment for earlier projects, requiring to create additional vendor financing, all of which could have an adverse impact on our income and cash flows.

To effectively manage our trade receivables, we must be able to accurately evaluate the credit worthiness of our customers, contractors / employers and ensure that suitable terms and conditions are given to them in order to ensure our continued relationship with them. However, if our management fails to accurately evaluate the credit worthiness of our customers, it may lead to bad debts, delays in recoveries and / or write-offs which could lead to a liquidity crunch, thereby adversely affecting our business and results of operations. A liquidity crunch may also result in increased working capital borrowings and, consequently, higher finance cost which will adversely impact our profitability.

31. **We have issued the following shares in the last one year prior to the date of this Red Herring Prospectus, which has been issued at a price lower than the Issue Price.**

The following shares of the Company have been issued in the last one year:

| Date of Allotment | No. of Equity Shares Allotted | Face Value (In Rs.) | Issue Price (In Rs.) | Nature of Allotment | Nature of Consideration |
|---|---|---|---|---|---|
| March 23, 2023 | 3,52,50,000 | 10.00 | - | Bonus Shares | Other than Cash |

The price at which Equity Shares have been issued by our Company in the immediately preceding one year is not indicative of the Issue Price at which the Equity Shares shall be issued and traded (subsequent to listing). For further information, please see section "Capital Structure" beginning on page 108.

32. ***Our operations may be adversely affected in case of industrial accidents at our construction sites.***

Usage of heavy machineries, laying of water pipes, Safety belt with rope, Air-blowers, presence of Toxic gases, handling of sharp parts of machinery by labour during construction activities or otherwise etc. may result in accidents, which could cause indirect injury to our labourers, employees or other persons on the site and may prove fatal which could also damage our properties thereby affecting our operations. While our Company has obtained Contractor's All Risks Insurance Policy, Employees Compensation Insurance Policy, Standard Fire and Special Perils Insurance, Erection All Risk Insurance and there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or in time, or that we have taken out sufficient insurance to cover all material losses which could adversely hamper our cash flows and profitability.

Kindly refer the heading "Insurance" under the chapter titled "Our Business" on page no. 262.

**33. *We cannot assure you that the construction of our projects will be free from any and all defects.***

We cannot assure you that we will always finish the construction or development of our projects in accordance with the requisite specifications or that the construction of our projects will be free from any and all defects. If the work is unsatisfactory, the work has to be redone as per the instructions of site in charge without any extra cost. In the event of discovery of defects/faults in our work, or due to damages to our construction due to factors beyond our control, or any of the other reasons, we may incur significant contractual liabilities and losses under our projects contracts and such losses may materially and adversely affect our financial performance and results of operations.

Further, it may result in cancellation of projects by clients and/ or refund of any advance deposited with us by any customer, dissatisfaction among our customers, resulting in negative publicity, consumer litigation and lack of confidence among clients and all these factors could adversely affect our business, financial condition and results of operations.

**34. *We own traditional equipment, resulting in increased fixed costs to our Company. In the event we are not able to generate adequate cash flows it may have a material adverse impact on our operations.***

We own traditional construction equipments, resulting in increased fixed costs of our Company. In the event, we are unable to generate or maintain adequate revenue by successfully bidding for projects or obtain subcontracts or recover payments from our clients in a timely manner or at all, it could have a material adverse effect on our financial conditions and operations. If our Company does not receive future contract awards or if these awards are delayed, the company could incur significant costs. In case, we do not get the desired number of contracts, our fleet of machines will be under-utilized and we may not be able to keep them in good working condition or we may not be able to manage the up-keep expenses of these equipment's.

The Company has incurred following maintenance cost in last 3 financial years:

(In Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| Repairs & Maintenance Expense related to Plat & Machinery | 51.98 | 45.15 | 35.57 |
| Revenue from Operations | 53,816.17 | 35,985.08 | 33,070.39 |
| % of total revenue | 0.10% | 0.13% | 0.11% |

Further, our fixed cost for traditional construction equipment's are Repair & Maintenance expense, Power & Fuel, Consumptions of spares & Stores which constitutes Rs. 401.36 Lakhs, Rs. 354.13 Lakhs and Rs. 217.74 Lakhs, which is 0.75%, 0.98% & 0.66% respectively of our revenue from operations for the fiscals 2023, 2022 and 2021 respectively on a restated basis.

We do not have modern equipments for our operations, we own only traditional equipments. Due to traditional equipment's, the operations of the Company may lead to delay in projects, less efficiency of work, labour intensive and extra cost. These factors will play the significant role in our future earnings & cashflows.

If our Company does not receive future contract awards or if these awards are delayed due to the traditional equipments, unsuccessfully bidding for projects or recover payments from our clients in a timely manner or at all, it could have a material adverse effect on our financial conditions and operations. Due to the traditional equipments, there are no projects having significant additional costs due to project delays and have not experienced any liquidated damages due to failure to complete the required milestone or even terminate the contracts totally or refuse to grant any extension. Further, no assurance can be given that we will not experience such incidents in future.

**35.** ***We rely on effective and efficient project management. Any adverse change in our project management procedures could affect our ability to complete projects on a timely basis or at all, which may cause us to incur liquidated damages for time overruns pursuant to our contracts.***

Our project-based businesses depend on the proper and timely management of our projects. Although we focus on project management in a number of ways, including by appointing project managers at our sites and by obtaining progress reports periodically, ineffective or inefficient project management could increase our costs and expenses and thus, materially and adversely affect our profitability.

We typically enter into contracts which provide for liquidated damages for time overruns. Additionally, in some contracts, in case of delay, our clients may have the right to appoint a third party to complete the work and to deduct additional costs or charges incurred for completion of the work from the contract price payable to us. In case we are unable to meet the performance criteria as prescribed by the clients and if penalties or liquidated damages are levied, our financial condition and results of operations could be materially and adversely affected. We hereby confirm that the Company have not experienced any instances in which clients of the issuer company appointed a third party to complete the work and deducted additional costs or charges incurred for completion of the work from the contract price payable to the issuer company in the last three years.

**36.** ***If we fail to undertake Operation & Maintenance (O&M) works or if there is any deficiency of service regarding these works in the projects installed by us pursuant to and as per the relevant contractual requirements, we may be subject to penalties or even termination of our contracts, which may have a material adverse effect on our reputation, business, financial condition, results of operations and cash flows.***

Contracts awarded by the Government Authorities/Bodies nowadays include operation and maintenance (O&M) of the installed project for certain number of years. As on July 31, 2023, our O&M Order Book presently has 05 projects of an aggregate value of Rs. 9,928.00 lakhs. For further details of our O&M Order Book, please see "Our Business – Our Order Book" on page 225. O&M is therefore a significant part of our business and operations.

We are required to maintain certain standards as mentioned in the contracts executed by us for the project with the Government Authorities/Bodies. The government authority may periodically carry out tests through one or more consulting firms to assess the quality of water treated by the STPs/CETPS and their maintenance. If we fail to maintain them to the standards set forth in the concession agreement, the government authority may impose penalties, withhold annuity payments and demand remedies within cure periods. If we fail to cure our defaults within such time as may be prescribed under the concession agreement, our concession agreements may be terminated.

In past, we have completed 4 O&M projects, kindly refer page no. 257-258 for further information regarding the more details.

Further, such contracts typically specify certain operation and maintenance standards and specifications to be met by us while undertaking our operation and maintenance activities and develop a maintenance manual. These specifications and standards require us to incur operation and maintenance costs on a regular basis.

37. ***Some of our Promoters Group and Group Companies have objects which would allow them to engage in the line of business similar to our Company. There are no non – compete agreements between our Company and such Promoters Group and Group Companies. We cannot assure that our Promoters will not favor the interests of such Companies over our interest or that the said entities will not expand which may increase our competition, which may adversely affect business operations and financial condition of our Company.***

Some of our promoters group entities and group companies have objects which would allow them to engage in the line of business similar to ours. Further, we have not entered into any non-compete agreement with the any of these entities.

Except EMS Infrastructure Private Limited, Mirzapur Gazipur STPS Private Limited, EMS TCP JV Private Limited, EMS Singh JV and EMS Himal Hydro JV, which is also engaged in the similar line of business as our Company. The main objects of these companies allow them to engage in competing line of businesses. We cannot assure that our Promoters who has common interest in said entities will not favour the interest of the said entities. As a result, conflicts of interests may arise in allocating business opportunities amongst our Company and our promoters group entities in circumstances where our respective interests conflict. In cases of conflict, our Promoters may favour their companies in which our Promoters has interest. There can be no assurance that our Promoters or our Group Companies or members of the Promoters Group will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such present and future conflicts could have a material adverse effect on our reputation, business, results of operations and financial condition which may adversely affect our profitability and results of operations. For further details, please refer to *"Common Pursuits"* in the chapter titled *"Our Group Entities"* beginning on page no. 316.

38. ***Water treatment or reuse and zero liquid discharge technology is subject to rapid change. These changes may affect the demand for our services. If we are unable to keep abreast of the technological changes and new introductions our business, results of operations and financial condition may be adversely affected.***

Water reuse and zero liquid discharge technology is subject to rapid change. These changes may affect the demand for our services and construction activities. Our future performance will depend on the successful installation of WWTPs and WSSPs with updated new, improved and enhanced technology catering to customer requirements and changing market trends. If our clients require a new technology or a technology which we are not able or capable to provide, we may be disqualified from bidding from such projects and if our clients continue to prefer a technology which we are unable to provide, our business, results of operations and financial condition would be adversely affected.

There is possibility that we may miss a market opportunity if we fail to invest, or invest too late, or would be unable to upgrade ourselves or enter into an arrangement with a technology partner. Changes in market demand may also cause us to discontinue existing or planned projects, which can have an adverse effect on our relationships with clients. If we fail to service or construct WWTPs or WSSPs in line with the changing preferences and market trends in our business, results of operations and financial condition could be adversely affected.

39. ***We enter into various contract agreements with our customers for our construction projects. Such agreements contain conditions and requirements, the non-fulfilment of which could result in delays or inability to implement and complete our projects as contemplated.***

Our mostly projects are as a direct contractor from private players and government authorities. The agreement confers the rights on us to construct and develop the said project either for a fixed fee. Such project involves following the drawing plans, architecture designs, timelines, material quality, end finishing of the structure, etc. to be followed strictly as provided by our customer. Though we are generally empowered to make practical operating decisions for development of the project, we may be required to make certain decisions in consultation with the government agencies involved and / or regulatory authorities. These arrangements may limit our flexibility to make certain decisions in relation to the projects. In the event of any delay in the completion of the project within the envisaged time frame, we may be required to indemnify and compensate the employers or contractors with whom we have entered into an agreement with. Any disputes that may arise between us and the parties involved in the agreement may cause delay in completion, suspension or complete abandonment of the projects we undertake. This may have a material adverse effect on our business operations, financial condition and reputation.

**40.** ***Our government contracts usually contain terms that favour government clients. Our ability to negotiate the standard form of Government contracts is limited and we may be required to accept unusual or onerous provisions in such contracts, which may affect the efficient execution and profitability of our projects.***

The counterparties to a number of our construction contracts are government entities and these contracts are usually based on standard terms and conditions set out by the government entities. We thus have had only a limited ability to negotiate the terms of these contracts, which tend to favour our government clients and we may be required to accept unusual or onerous provisions in such contracts in order to be engaged to execute such projects. For example, the terms laying out our obligations as well as operation and maintenance specification for our projects are determined by the Government entities and we are not permitted to amend such terms or specifications. Additionally, our projects provide the Government authority with a right to terminate the contract unilaterally without assigning any reason. These onerous conditions in the Government contracts may affect the efficient execution of these projects and may have adverse effects on our profitability.

**41.** ***This Red Herring Prospectus contains information from an industry report which was prepared by CARE Advisory Research and Training Limited (CareEdge Research), which is paid and commissioned by the Company, pursuant to an engagement with our Company.***

This Red Herring Prospectus includes information that is derived from the industry report dated August 07, 2023, titled "Infrastructure sector in India (Roads, Construction, Water and Power Sector)" ("CARE Report") prepared by CareEdge, an independent consultant, which is paid and commissioned by the Company, pursuant to an engagement with our Company. The Report was prepared by CareEdge for the purpose of confirming our understanding of the business of the Company. Neither we, nor any of the BRLM, nor any other person connected with the Issue has verified the information in the CareEdge Report. The CareEdge Report highlights certain industry and market data. Such data is subject to many assumptions. There are no standard data gathering methodologies in the industries in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Further, such assumptions may change based on various factors. We cannot assure you that CARE's assumptions are correct or will not change and accordingly our position in the market may differ from that presented in this Prospectus. Prospective investors are advised not to unduly rely on the CARE Report when making their investment decisions.

The Industry Report disclosed in this Red Herring Prospectus as it is prepared by CareEdge Report and not parts, data, information has been left out or changed in any manner.

**42.** ***We rely on joint venture partners for selective government projects bids and execution of awarded projects. The failure of a joint venture partner to perform its obligations could impose additional financial and performance obligations resulting in reduced profits or, in some cases, significant losses from the joint venture and may have an adverse effect on our business, results of operations and financial condition.***

We have entered into the following joint ventures as part of our business and operations:

| Sr. No. | Name of Joint Ventures | Company's Share in the JV |
|---|---|---|
| 1 | EMS-TECP JV Private Limited | 73.99% |
| 2 | EMS Himal Hydro JV | 51.00% |
| 3 | Mirzapur Ghazipur STPS Private Limited | 60.00% |

| | | |
|---|---|---|
| 4 | EMS Singh JV | 1.00% |

For further details regarding joint ventures, see "Our Joint Ventures" on page 303.

The success of these joint ventures depends significantly on the satisfactory performance by our joint venture partner and fulfilment of its obligations. If our joint venture partners fail to perform these obligations satisfactorily, the joint venture may be unable to perform adequately or deliver its contracted services. In such cases we may be required to make additional investments and/ or provide additional services to ensure the adequate performance and delivery of the contracted services as we are subject to joint and several liabilities as a member of the joint venture. For further details on our Projects of joint ventures of our Company, see "Our Business – Our Order Book" on page 225.

Such additional obligations could result in reduced profits or, in some cases, significant losses for us. The inability of a joint venture partner to continue with a project due to financial or legal difficulties could mean that we would bear increased and possibly sole responsibility for the completion of the project and bear a correspondingly greater share of the financial risk of the project. Any disputes that may arise between us and our joint venture partners may cause delays in completion or the suspension or abandonment of the project. In the event that a claim, arbitration award or judgement is awarded against the consortium, we may be responsible for the entire claim. While there have experienced no such instances in the past, we cannot assure that our relationships with our joint venture partners in the future will be amicable or that we will have any control over their actions. Further, we may not be successful in finding the required joint venture partners for our bids due to which we may not be able to bid for a selected project.

Moreover, our joint ventures and Subsidiaries are not wholly controlled and managed by us. There are specific risks applicable to the failure to control activities of joint venture partners and these risks, in turn, add potential risks to us. Such risks include greater risk of joint venture partners failing to meet their obligations under related joint ventures or other agreements, conflicts with joint venture partners, the possibility of a joint venture partner taking valuable knowledge from us and the inability of a joint venture entity to access funds, which could lead to resource demands on us in order to maintain or advance our strategy. The realization of any of these risks and other factors may have an adverse effect on our business, results of operations and financial condition. The Company have not experienced any instances in which the joint ventures has failed to perform obligations satisfactorily and the additional cost experienced by the issuer company.

**43. *Our business is largely concentrated in four states ("States") and is affected by various factors associated with these states.***

Our project portfolio has historically been concentrated in projects in Rajasthan, Uttar Pradesh, Bihar and Uttarakhand. Though we have undertaken projects in other parts of India, including Himachal Pradesh and Mumbai. This concentration of our business in Uttar Pradesh subjects us to various risks, including but not limited to:

- regional slowdown in construction activities or reduction of infrastructure projects in states;
- vulnerability to change of policies, laws and regulations or the political and economic environment of States;
- constraint on our ability to diversify across states;
- perception by our potential clients that we are a regional construction company, which hampers us from competing for large and complex projects at the national level; and
- Limitation on our ability to cluster projects in the states where we intend to conduct business.

While we strive to diversify across states and reduce our concentration risk, there is no guarantee that the above factors associated with the states will not continue to have a significant impact on our business. If we are not able to mitigate this concentration risk, we may not be able to develop our business as we planned and our business, financial condition and results of operations could be materially and adversely affected.

As on the date of the Red Herring Prospectus, Company has executed 67 projects out of which 23 projects were executed in Uttar Pradesh & currently the Company are executing 18 projects out of which 17 projects & 5 O & M projects executing in these states.

For further information, kindly refer the "*List of Key Executed Works*" on page no. 241 and "*Our Order Book*" on page no. 225 of the Red Herring Prospectus.

Following are the state wise revenue breakup for the financial year 2022-23:

(Rs. In Lakhs)

| Name of the State | March 31, 2023 | % of total revenue from operations |
|---|---|---|
| Uttar Pradesh | 26,385.76 | 49.03% |
| Rajasthan | 12,436.98 | 23.11% |
| Bihar | 9,406.26 | 17.48% |
| Uttarakhand | 5,382.88 | 10.00% |
| Madhya Pradesh | 160.13 | 0.30% |
| Others | 44.16 | 0.08% |
| **Total** | **53,816.17** | **100.00%** |

For further information in respect of state wise revenue break for the last 5 financial years, kindly refer the "*Expansion of our footprint*" on page no. 220.

**44.** ***Our failure to accurately forecast and manage inventory could result in an unexpected shortfall and/ or surplus of raw materials, equipment and manpower, which could affect our business and financial condition.***

We monitor our inventory levels based on our own projections of future demand. Because of the length of time necessary to develop a particular project, we make decisions well in advance. As of March 31, 2023, 2022 and 2021, our total inventories amounted to Rs. 10,475.91 lakhs, Rs. 5,412.85 lakhs and Rs. 3,542.93, respectively. An underestimated forecast of the raw materials, equipment and manpower for our projects can result in the higher costs or supply deficits of these essentials.

Conversely, an overestimated forecast can also result in an over-supply of these essentials, which may increase costs, negatively impact cash flow, reduce the quality of raw material inventory, erode margins substantially and ultimately create write-offs of inventory or holding of surplus stock which may result in additional storage cost. Any of the aforesaid circumstances could have a material adverse effect on our business, results of operations and financial condition.

**45.** ***Our Company has availed Rs. 39.56 lakhs as unsecured loan which are repayable on demand. Any demand from the lenders for repayment of such unsecured loan may affect our cash flow and financial condition.***

As per the Restated Consolidated Financial Information as on March 31, 2023, our Company has availed a sum of Rs. 39.56 lakhs as unsecured loans which are repayable on demand. Sudden recall may disrupt our operations and also may force us to opt for funding at higher interest rates, resulting in higher financial burden. Further, we will not be able to raise funds at short notice and thus resulting in shortage of working capital fund. For further details, please refer to the section *"Financial Indebtedness"* beginning on page no. 402. Any demand for the repayment of such unsecured loans, may adversely affect our cash flow and financial condition.

**46. *Our Promoters and members of Promoters Group have mortgaged their personal properties and provided personal guarantees for our borrowings to secure our loans. Our business, financial condition, results of operations, cash flows and prospects may be adversely affected by the revocation of all or any of the personal guarantees provided by our Promoters and members of Promoters Group in connection with our Company's borrowings.***

Our Promoters and Managing Director, and our Promoters Group have mortgaged their personal properties and provided personal guarantees for our borrowings to secure our loans as disclosed below:

| Sr. No. | Bank Name | Guarantee |
|---|---|---|
| 1 | Kotak Mahindra Bank Limited | Personal Guarantee given by Mr. Ramveer Singh and Mr. Ashish Tomar |
| 2 | Punjab National Bank Limited | Personal Guarantee given by Mr. Ramveer Singh –<br><br>Residential Property no. 174, Block A, Sector-72, Noida, Uttar Pradesh, India, owned by Mr. Ramveer Singh.<br><br>Commercial Property No. C-88, Raj Nagar district Centre, Ghaziabad, co-owned by Mr. Ramveer Singh. |
| 3 | Axis Bank Limited | Personal Guarantee given by Mr. Ramveer Singh and Mr. Ashish Tomar |
| 4 | Bank of India Limited | Personal Guarantee given by Mr. Ramveer Singh and Mr. Ashish Tomar |
| 5 | ICICI Bank Limited | Personal Guarantee given by Mr. Ramveer Singh and Mr. Ashish Tomar |
| 6 | HDFC Bank Limited | Personal Guarantee given by Mr. Ramveer Singh and Mr. Ashish Tomar |

If any of these guarantees are revoked, our lenders may require alternative guarantees or collateral or cancellation of such facilities, entailing repayment of amounts outstanding under such facilities. If we are unable to procure alternative guarantees satisfactory to our lenders, we may need to seek alternative sources of capital, which may not be available to us at commercially reasonable terms or at all, or to agree to more onerous terms under our financing agreements, which may limit our operational flexibility. Accordingly, our business, financial condition, results of operations, cash flows and prospects may be adversely affected by the revocation of all or any of the personal guarantees provided by our Promoters and Promoters Group in connection with our Company's borrowings.

**47. *In addition to normal remuneration, other benefits and reimbursement of expenses of some of our Directors (including our Promoters) and Key Management Personnel are interested in our Company to the extent of their shareholding and dividend entitlement in our Company.***

Some of our Directors (including our Promoters) and Key Management Personnel are interested in our Company to the extent of their shareholding, loan, commission & dividend entitlement in our Company, in addition to normal remuneration or benefits and reimbursement of expenses. We cannot assure you that our Directors or our Key Management Personnel would always exercise their rights as Shareholders to the benefit and best interest of our Company. As a result, our Directors including our promoters will continue to exercise significant control over our Company, including being able to control the composition of our board of directors and determine decisions requiring simple or special majority voting, and our other Shareholders may be unable to affect the outcome of such voting. Our Directors may take or block actions with respect to our business, which may conflict with our best interests or the interests of other minority Shareholders, such as actions with respect to future capital raising or acquisitions. We cannot assure you that our Directors will always act to resolve any conflicts of interest in our favor, thereby adversely affecting our business and results of operations and prospects.

**48.** ***Some of our borrowings carry restrictive covenants or conditions and could affect our ability to manage our business operations.***

Our borrowings from banks have certain conditions which could affect our operational flexibilities such as:

- The company would have to obtain prior permission of bank for availing credit facilities or operating current account with another bank.
- The company would have to take prior permission for making any adverse changes in its capital structure.
- Implement any scheme of amalgamation, merger or such restructuring.
- Implement any scheme of expansion or diversification or capital expenditure except normal activities indicated in fund flow statements submitted to bank.
- Undertake guarantee obligations on behalf of any other company/firm or person. Declare dividend for any year except out of profit relating to that year after meeting all the financial commitments to the bank and making all due and necessary provisions.
- Make any drastic changes in its management set ups.

Further, we have received NoC from following Bankers to the Company;

| Name of the Bank/Lender | Date of NoC |
|---|---|
| Axis Bank Limited | January 19, 2023 |
| Punjab National Bank Limited | March 21, 2023 |
| Kotak Mahindra Bank Limited | January 20, 2023 |
| ICICI Bank Limited | February 01, 2023 |
| HDFC Bank Limited | January 19, 2023 |
| Bank of India Limited | January 13, 2023 |
| Induslnd Bank Limited | January 24, 2023 |

Our inability to meet these conditions or ensure that compliance of these conditions do not hamper the operational flexibility needed from time to time could materially adversely affect our results of operations and financial conditions.

**49.** ***Any variation in the utilisation of the Net Proceeds of the Fresh Issue as disclosed in this Red Herring Prospectus shall be subject to certain compliance requirements, including prior Shareholders' approval.***

We propose to utilize the Net Proceeds to meet additional working capital requirements. For further details of the proposed objects of the Issue, please refer "*Objects of the Issue*" on page no. 119. In accordance with Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilization of the Net Proceeds from the Fresh Issue as disclosed in this Red Herring Prospectus without obtaining the shareholders' approval through a special resolution. In the event of any such circumstances that requires us to undertake variation in the disclosed utilisation of the Net Proceeds, we may not be able to obtain the Shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such Shareholders' approval may adversely affect our business or operations. Further, our Promoters or controlling shareholders would be required to provide an exit opportunity to the shareholders who do not agree with our proposal to modify the objects of the Issue as prescribed in the SEBI (ICDR) Regulations. If our shareholders exercise such exit option, our business and financial condition could be adversely affected. Therefore, we may not be able to undertake variation of objects of the Issue to use any unutilized proceeds of the Fresh Issue, if any, even if such variation is in the interest of our Company, which may restrict our ability to respond to any change in our business or financial condition, and may adversely affect our business and results of operations. We hereby confirm that there were no such incidents related to destructions, theft or breakdowns of major plant, machinery and equipment etc. and the equipment purchase cost was not increased of the issuer Company for the last three years due to the above incidents.

**50.** ***Obsolescence, destruction, theft, breakdowns of our equipment or failures to repair or maintain the same may adversely affect our business, cash flows, financial condition and results of operations.***

We own number of equipment used in our operations. To maintain our capability to undertake projects, we may have to purchase machines and equipment built with the latest technologies and knowhow and keep them readily available for our construction activities through careful and comprehensive repairs and maintenance. We cannot assure you that we will be immune from the associated operational risks such as the obsolescence of our plants or equipment, destruction, theft or major equipment breakdowns or failures to repair our major plants or equipment, which may result in their unavailability, project delays, cost overruns and even defaults under our construction contracts. The latest technologies used in newer models of construction equipment may improve productivity significantly and render our older equipment obsolete.

Obsolescence, destruction, theft or breakdowns of our major plants or equipment may significantly increase our equipment purchase cost and the depreciation of our plants and equipment, as well as change the way our management estimates the useful life of our plants and equipment. In such cases, we may not be able to acquire new plants or equipment or repair the damaged plants or equipment in time or at all, particularly where our plants or equipment are not readily available from the market or requires services from original equipment manufacturers. Some of our major equipment or parts may be costly to replace or repair. We may experience significant price increases due to supply shortages, inflation, transportation difficulties or unavailability of bulk discounts. Such obsolescence, destruction, theft, breakdowns, repair or maintenance failures or price increases may not be adequately covered by the insurance policies availed by our Company and may have an adverse effect on our business, cash flows, financial condition and results of operations.

There were no such incidents related to destructions, theft or breakdowns of major plant, machinery and equipment etc. and the equipment purchase cost was not increased of the issuer Company for the last three years due to the above incidents.

**51.** ***The completion of our projects can be delayed on account of our dependency on our contracted labour force. Also, our results of operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees or other disputes with our employees or our contractors' employees.***

Our projects require the services of third parties including architects, engineers, labour contractors and suppliers of labour and materials. The contractual construction work of our projects is performed by labour provided by third party labour contractors. The timely and quality construction of our projects depends on availability and skill of such labourers, as well as contingencies affecting them, including labour shortages. Though in many projects which we undertake as sub- contractors the supply of contract labour is the responsibility of the primary contractor, our operations and timelines may be affected by any shortage, delay or incompetence of the contract labour force. Further, since in many cases, we do not directly hire the contract labour, we may face issues with authority and the ability to direct such labourers for a particular work, over time or change in any work schedule. Further, even though, so far there has not been any such material delay in the completion of our projects due to our dependence on contracted labour force; we may, in the future, not be able to identify appropriately experienced third parties and cannot assure you that skilled third parties willcontinue to be available at reasonable rate and in area in which we undertake our present and future projects. As a resultwe may be required to make additional investments or provide additional services to ensure adequate performance and delivery of contracted services. Any consequent delay in project execution could adversely affect our profitability. Further we cannot assure you that the services rendered by these contractors will be satisfactory or match our requirements for quality.

Additionally none of our employees are affiliated with any labour unions. However, there can be no assurance that our employees will not form a union, join any existing union or otherwise organize themselves. India has stringent labour legislations that protect the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. Although, we currently have harmonious relations with our employees and they are not unionized at present, there can be no assurance that we will continue to have such relations. If our relations with our employees are strained, it may become difficult for us to maintain our existing labour policies, and our business may be adversely affected.

**52.** ***Some of our agreements may have certain irregularities, affects the admissibility of these documents as evidence in legal proceedings.***

In the process of due diligence, we have not experienced any irregularities such as inadequate stamping, wrong date and/or non-registration of deeds and agreements and improper execution of deeds, neither any action has been taken any authorities against the Company in past.

In future there are possibilities that some of our agreements and Memorandum of Understandings (MoU) with clients etc. could have certain irregularities such as inadequate stamping, wrong date and/or non-registration of deeds and agreements and improper execution of deeds. Inadequate stamping, mismatch of date of agreement and stamp and non-registration of documents affects the admissibility of these documents as evidence in legal proceedings, and we, as parties to that agreement, may not be able to legally enforce the same, except after paying a penalty for inadequate stamping, non-registration, etc. In the event of any dispute arising out of such unstamped, wrongly dated or inadequately stamped and/or unregistered agreements, we may not be able to effectively enforce our rights arising out of such agreements which may have a material and adverse impact on the business of our Company. Further, no assurance can be given that we will not be penalized in future for the same.

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

We have experienced a steady growth in recent years and expect our businesses to continue to grow significantly. Our future growth is subject to risks arising from a rapid increase in order volume, and inability to retain and recruit skilled staff. Although, we plan to continue to expand our scale of operations through organic growth or investments in other entities, we may not grow at a rate comparable to our growth rate in the past, either in terms of income or profit or work quality. Our future growth may place significant demands on our management and operations and require us to continuously evolve and improve our financial, operational and other internal controls within our Company. In particular, continued expansion may pose challenges in:

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

If we are not successful in managing our growth, our business may be disrupted and profitability may be reduced. Our business, prospects, financial condition and results of operations may be adversely affected.

In respect of our growth, kindly refer headings "Financial Performance of our Company" on page no. 216, "Our Strengths" on page no. 217, "Our Strategies" on page no. 220 & "Our Order Book" on page no. 225 under the chapter titled "Our Business".

**54.** ***The average cost of acquisition of Equity Shares by our Promoters is lower than the floor price.***

Our Promoters average cost of acquisition of Equity Shares in our Company could be lower than the Floor Price of the Price Band as may be decided by the Company in consultation with the Book Running Lead Manager. For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares by our Promoters in our Company, please refer chapter titled "Capital Structure" beginning on page 108.

**55.** ***Any adverse revision to our credit rating by rating agencies may adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such funding is available.***

Currently, our borrowing facilities availed from the bank are rated by ICRA, credit rating agency. The credit ratings assigned to bank facilities availed by our Company are as follows:

| Type of credit rating | March 31, 2023 | March 31, 2022 | March 31, 2021 |
|---|---|---|---|
| Date of Rating | October 28, 2022 | July 05, 2021 | February 10, 2020 |
| Bank Facility | Rs. 280.00 Crores | Rs. 280.00 Crores | Rs. 280.00 Crores |
| Long term rating | BBB+ | BBB+ | BBB |
| Short term rating | A2 | A2 | A3 |

Though the ratings have not been downgraded in the past three years, any downgrade in our credit ratings by rating agencies in future may increase our costs of accessing funds in the capital markets and adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such funding is available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures or other purposes.

**56. This is the first main line IPO of Book Running Lead Manager.**

The Khambatta Securities Limited ("KSL"), Book Running Lead Manager ("BRLM") to the issue have not handled any main line IPO in the past. This is the first mainline IPO, although they have handled 6 SME IPOs in past, for more information, kindly refer page no. 465 of Red Herring Prospectus under the heading "Price Performance of past issues handled by the BRLM". KSL have 8 experienced & qualified team members comprises of Qualified Chartered Accountants, Company Secretaries, MBA Finance etc.

As on the date of this letter, there are no pending litigations involving civil, criminal, economic and no penalty has been imposed by SEBI, RBI, NSE & BSE on the BRLM.

We have applied to BSE and NSE to use its name as the Stock Exchange in this offer document for listing our shares on the BSE and NSE through BRLM. In accordance with Indian law and practice, permission for listing and trading of the Equity Shares issued pursuant to the Issue will not be granted until after the Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a delay in listing the Equity Shares on the BSE and NSE due to any technical errors or any omissions done by the BRLM as this is the first main line IPO for the BRLM. Any delay in obtaining the approval would restrict your ability to dispose of your Equity Shares. Further, no assurance can be given that we will be successful list our Company on NSE & BSE.

**57. The following Risks are also associated with our business:**

**a) Time and cost overrun due to delay in getting clearances**

100% of our projects are works related to tenders floated by government or semi government agencies funded through World Bank. Hence our business is highly dependent on working with government entities or agencies. There may be delays associated with collection of receivables from government owned or controlled agencies. Our operations involve significant working capital requirements and delayed collection of our receivables could materially and adversely affect our liquidity, internal cash flows, cost of funding and results of operations. In addition, we may be subject to additional regulatory or other scrutiny associated with commercial transactions with government owned or controlled entities and agencies.

The company is engaged in government contractor business wherein realization of payment from the clients taken some time as due to government department, verification of bill is done & demand for the payment is made by the accounts department & then the payment releases so normally the debtors period in this business falls between 90-120 days, however all the payment are totally secured, there are no bad debts as all the projects are world bank funded so payment channel is very secure. Further apart from in this business, few amounts in respect of the testing and security remains hold by the department for 2-3 years, depending on the tenure of the work allotted because testing is done once the work gets completed, which is also completely secure, only takes more time to release.

**b) Quality related challenges**

Quality in our industry is an important factor yet it often gets compromised during the initial stage of the life cycle of the project.

We have an in-house team for designing, engineering and construction which makes us self-reliant on all aspects of our business. We have a team of 61 engineers who are supported by third-party consultants and industry experts to ensure compliance and quality standards laid down by the industry and government agencies & departments. We also have our own team for civil construction works thereby reducing dependence on third parties. The scope of our services typically includes design and engineering of the projects, procurement of raw materials, execution at site with overall project management up to the commissioning of projects. Post commissioning, operations and maintenance of these plants for a certain period of time is generally a part of the award in recent times.

We require several statutory and regulatory permits, licenses and approvals to operate our business. Many of these approvals are granted for fixed periods of time and need renewal from time to time. Non-renewal of the said permits and licenses would adversely affect our operations, thereby having a material adverse effect on our business, results of operations and financial condition. There can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all.

For more information about approvals, kindly refer chapter “Government and Other Statutory Approvals” on page no. 452.

We have not experienced any rejection due to quality failure in past, Further, no assurance can be given that this will not be happen in future.

**c) Natural Disaster and Calamities**

The impact of natural disaster and calamities can be huge for our activity. The financial set back faced and rehabilitation work after any such hazards is itself a great challenge for our industry. Thus, it becomes imperative to bring in innovations in construction related technologies to cope with natural disasters.

Kindly refer Risk Factor related to "***Natural or man-made disasters, fires, epidemics, pandemics, acts of war, terrorist attacks, civil unrest and other events could materially and adversely affect our business"*** on page no. 79.

**d) Revenue and operational gap in electricity distribution**

India has one of the highest AT&C losses in the world. As per the Central Electricity Authority of India, over 27% of the total power produced is lost due to either dissipation from wires or theft which impacts the revenue of the discoms. Usually, discoms face a power deficit during the day time and a power surplus during the night. At times of power deficit, the discoms purchase the additional power required from the open market and at time of power surplus, the discoms sell the surplus power on the open market.

We have not entered any Power Supply Agreement with any agency, our power requirement is sourced from the respective state grids. We arrange for a temporary connection during construction of plant.

We have not experienced any delay of project due to failure of power or non-availability of power in past, Further, no assurance can be given that this will not be happen in future.

**e) Environment Preservation**

One of the important aspects of a construction project is preservation of the environment. With problems like soil erosion, air and water pollution, the construction players are obligated to adopt to innovative measures and increase their investment in reducing the negative impact on environment.

Our business is related to the environment and water treatment only.

Environmental protection policies, legislation and regulation greatly influences government expenditures on our water reuse and ZLD ("Zero Liquid Discharge") solutions and are subject to change due to changing political, social and economic factors. Legislative and regulatory changes in connection with the environment, water supplies and water treatment and discharge may change the demand for our services and could have a material adverse impact on our business, financial condition and results of operations.

We have necessary approvals & licenses for the operations of the Company, we have not experienced any penalty & proceedings from the government & environment agency in past. Further, no assurance can be given that this will not be happen in future.

**f) Regulatory challenges:**

Under water supply management, permits and finance are key elements for setting up the project. Different projects might need different permits along with financial sanctions which follow a regulatory process. The process can become time consuming due to delayed submissions, incomplete information, revised project plans. The unexpected changes could lead to extended timelines and delay the project timelines. Also, receiving funds required for implementation and execution of projects takes time, which leads to project execution delay.

We have not experienced any regulatory challenges in past. Further, no assurance can be given that this will not be happen in future.

**g) Financial challenges:**

When the draft for a water supply project is presented, an estimated cost of the project is presented to the authorities as well. The project cost estimates typically get revised as the design gets more specific or the design gets updated due to additions made in the project. Based on the draft design, the authorities sanction the budgeted amount which may get revised due to factors like inflation, change in material cost, economic changes or even inaccurate estimations. These unexpected changes lead to revised project cost which need approval from the authorities again or in some cases the additional construction cost may have to be borne by the construction company assigned.

We bid for selective government projects where we see value and long-term growth prospects. While biding for the potential tenders/opportunities, we usually see the size of the project to enhance our self for bigger projects in future, tenure of the projects for the regular cash flows, project amount & cost to calculate the profit margins.

For more information in respect of our margins, kindly refer chapter titled "Managements Discussion and Analysis of Financials Condition and Results of Operations" on Page no. 406.

We have not experienced any financial challenges in past. Further, no assurance can be given that this will not be happen in future.

**h) Environmental challenges**

Climate change is affecting the environment in a major way. It is impacting rainfall patterns, causing floods and may also lead to long term decline in naturally available sources like groundwater storage. Groundwater availability is closely linked to food security as it has played a vital role in increasing agricultural production over the years. Groundwater contributes nearly 62% in irrigation, 85% in rural water supply and 50% in urban water supply. Even though Groundwater is replenishable but its availability is non-uniform as it is dependent on rainfall. The over exploited groundwater sources are a major challenge as it is a key water supply source for agriculture.

We have necessary approvals & licenses for the operations of the Company, we have not experienced any penalty & proceedings from the government & environment agency in past. Further, no assurance can be given that this will not be happen in future.

**i) Institutional Challenges**

The Urban Local Bodies (ULBs) are responsible for domestic waste water management and treatment. However, there is a lack of planning capacity and project implementation. According to the audit report of Comptroller and Audit General (CAG 2017), there was a shortage of man power in the municipalities for waste water collection, treatment and revenue collection which affected delivery of citizen services. It also exposed deficiencies in planning, financial management, implementation and monitoring of various projects. Similarly, the CAG performance audit (2016) in the state of Jharkhand found that none of the sampled ULBs had a sewage network. In the absence of the same, around 175 MLD of untreated waste water is discharged into open drains polluting nearby water bodies.

The current institutional, legal and policy mechanisms for management and treatment of waste water and control of water pollution in the country is not sufficient to address the looming crisis.

This challenge is a good opportunity for our business as the government now a days more focusing on water treatment initiatives in India and we are in the business of Sewerage solution provider, Water Supply System, Water and Waste Treatment Plants, Electrical Transmission and Distribution, Road and Allied works, operation and maintenance of Wastewater Scheme Projects (WWSPs) and Water Supply Scheme Projects (WSSPs) for government authorities/bodies. WWSPs include Sewage Treatment Plants (STPs) along with Sewage Network Schemes and Common Effluent Treatment Plants (CETPs) and WSSPs include Water Treatment Plants (WTPs) along with pumping stations and laying of pipelines for supply of water (collectively, "Projects"). The treatment process installed at STPs and CETPs is compliant with Ministry of Environment, Forest and Climate Change of India norms and the treated water can be used for horticulture, washing, refrigeration and other process industries.

Currently our Company operating only 5 projects under Atal Mission for Rejuvenation and Urban Transformation (AMRUT), 1 Project under Namami Gange Programme.

The details regarding the above projects have disclosed under the titled "Our Order Book" on page no. 225 of Red Herring Prospectus. If we are not able to capitalize on the above-mentioned government initiatives in timely manner, it will affect our business model, profit margins & marketability accordingly.

**j) Economic Challenges**

The gap between the sewage generation and present treatment capacity is very large in all the classes of cities and towns due to increasing population and urbanization in India. It is difficult for smaller cities and towns in finding necessary resources to set water treatment plants considering high capital expenditure and operation and maintenance cost. Community participation in operation and maintenance is suggested to improve the economic viability of Sewage Treatment Plants (STP). Private sector waste water treatment investments are difficult in India due to high capital investments and unpredictable revenue stream.

Due to the high capital expenditure and operation and maintenance cost, the Government opted for advance version of the Hybrid Annuity Model (HAM) in FY2017. It came in the time when private players were highly leveraged and banks were cautious in increasing their lending exposure to private sector players as majority of the projects were getting delayed and stuck in execution. Major BOT project had proven to be bad choice as the main assumption for the returns was traffic was quite aggressive. But in case of HAM, it is a mix of BOT (Annuity) and EPC models. This model safeguards the interest of both the parties i.e., Government and private entity. During the construction period, the private entity is provided 40% grant of the bid project cost by the Government in five equal instalments depending on the physical progress of the project. The remaining 60% of the bid project cost is to be borne by private entity through debt and equity. The Government generates its revenue from the project by way of toll collection. This model has been very successful as the burden of financing of private players has reduced. In the first year of its implementation, Rs 28,000 crores of projects were awarded by the NHAI of which 50% of the projects were under HAM. HAM has not only brought back private participation but it has also safeguarded the banks as the fund disbursed to private players are backed by the Government annuity payments i.e. the traffic risk is taken care by Government itself.

We have not executed any HAM Project in past but as on date we are executing 1 (one) HAM Project for Uttar Pradesh Jal Nigam, Varanasi. We have entered into a Joint venture with Ercole Marelli Impianti Tecnologici S.R.L., Italy ("EMIT").

**k) Technical Challenges**

There is an overdependence in India on older technologies for waste water treatment due to its high cost. This results in more repair work and less efficiencies of these plants. The limitations lead to poor performance of these plants hence adulteration of sewage and water bodies.

Apart from this the land requirement for STP plants is a big challenge. In urban areas the land availability is a big issue due to limited availability and cost. People usually resist these plants around their society.

Conventionally centralized water waste treatment are designed to remove Nitrogen, Biological Oxygen Demand and Phosphorous but with rapid urbanization and changing type of contamination, technologically advanced plants are needed to be setup to deal with them.

Apart from this the land requirement for STP plants is a big challenge. In urban areas land availability is a big issue due to limited land availability and high cost.

We have not experienced any delay of projects due to any technical challenges in past. Further, no assurance can be given that this will not be happen in future.

**l) Social Challenges**

Social acceptance of treated waste water is a big challenge due to fear and disgust when it comes to reuse. Recycled water is unlikely to be used as drinking water when compared to its use in irrigation etc. The negative attitude towards this has also stemmed from concerns like health risk and aesthetic aspects like colour, odour, taste and cultural and religious background of consumers.

Identifying and obtaining of sites for plant setup is another challenge due to people not preferring to live near these plants. This is because of the reasons like health risks, aesthetic impacts and factors like land depreciation. Solutions like underground plant setup can help eliminate the above stated factors but involves a huge capital expenditure. Also, buffer zones are limited to solid wastes. Conventional systems in India suffers operational costs, management costs, demand of treated water and decentralized systems.

We have not experienced any delay of projects due to any social challenges in past. Further, no assurance can be given that this will not be happen in future.

**58. *We are exposed to the risks of malfunctions or disruptions of information technology systems.***

We depend on information technology systems and accounting systems to support our business processes, including designing, planning, execution, procurement, inventory management, quality control, product costing, human resources and finance. Although these technology initiatives are intended to increase productivity and operating efficiencies, they may not achieve such intended results. These systems may be potentially vulnerable to outages due to fire, floods, power loss, telecommunications failures, natural disasters, computer viruses or malware, break-ins and similar events. Effective response to such disruptions or malfunctions will require effort and diligence on the part of our third-party distribution partners and employees to avoid any adverse effect to our information technology systems.

**59. *Our success depends largely on our senior management and skilled professionals and our ability to attract and retain them.***

As on July 31, 2023, we have 316 permanent employees, in addition to the contract labour engaged by the Company at the project sites and attrition rate approximately is 10% the last three years. Kindly refer page no. 249 of Red Herring Prospectus under the heading '*Human Resources*' for number of permanent employees.

Further, as out projects are currently working in different areas, so when we complete the projects say after 3 years or 5 years as per terms of the projects, the local workers/labours of that particular site change the job. They can not move with us for another project in different area, this is main reason employees attrition.

We are dependent on a highly qualified, experienced and capable management team for design and execution of our WWTPs and WSSPs. Our continued success also depends upon our ability to attract and retain a large group of skilled professionals and staff, particularly project managers, engineers, and skilled workers. Our ability to meet continued success and future business challenges depends on our ability to attract, recruit and retain experienced, talented and skilled professionals. The loss of the services of our senior management or our inability to recruit, train or retain a sufficient number of skilled professionals could have a material adverse effect on our operations and profitability. We may lose skilled workers to competing employers who pay higher wages or be forced to increase the wages to be paid to our employees. If we cannot hire or retain enough skilled professionals or unskilled workers, our ability to apply for and execute new projects or to continue to expand our business will be impaired and consequently, our revenues could decline. Any such loss of the services of our senior management personnel or skilled professionals could adversely affect our business, prospects, financial condition and results of operation. Further, if we cannot hire additional qualified personnel or retain them, our ability to expand our business may be impacted. As we intend to continue to expand our operations and develop new Projects. We will be required to continue to attract and retain experienced personnel. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting suitable employees. There can be no assurance that our competitors will not offer better compensation incentives and other perquisites to such skilled personnel.

**60. *It is difficult to predict our future performance, or compare our historical performance between periods, as our revenue fluctuates significantly from period to period.***

Our revenue depends on the number of projects we obtain from awarding authority based on the tender filled by us. Our results of operations may vary period to period as in some periods, work may be slow or the client would review after only a certain percent of the work is completed. Depending on our operating results in one or more periods, we may experience cash flow problems, thereby resulting in our business, financial condition and results of operations being adversely affected. Such fluctuations may also adversely affect our ability to fund ongoing and future projects. As a result of one or more of these factors, we may record significant turnover or profits during one accounting period and significantly lower turnover or profits during prior or subsequent accounting periods.

(In Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| Revenue from Operations | 53,816.17 | 35,985.08 | 33,070.39 |
| Other Income | 511.54 | 324.76 | 548.03 |
| **Total Revenue** | **54,327.71** | **36,309.84** | **33,618.42** |
| **Change in %** | **49.62%** | **8.01%** | **1.15%** |

The above amount does not reflect the significant fluctuations in revenue but Further, no assurance can be given that we will follow the same trend or our future revenue will not fluctuate significantly.

**61. *We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations.***

We have entered into related party transactions with our Promoters, Promoters Group, Group Entities and Directors. For details of these transactions, please refer "Annexure 45 - Related Party Transactions" under section titled "Financial Statements" on page no. 361. We have taken the permission of Board & shareholders for such transactions under the Companies Act, 2013.

All the related party transactions carried out by the Company in the past are in compliance with the Companies Act, 2013 and other applicable provisions at that time.

Although all related-party transactions that we may enter into are on an arm's length basis and are subject to approval by our Audit Committee, Board or shareholders, as required under the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations"), we cannot assure you that such transactions in the future, individually or in aggregate, will not have an adverse effect on our financial condition and results of operations or that we could not have achieved more favorable terms if such transactions had not been entered into with related parties. Such related-party transactions in the future may potentially involve conflicts of interest which may be detrimental to the interest of our Company and we cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, financial condition, cash flows and results of operations. There can also be no assurance that any dispute that may arise between us and related parties will be resolved in our favor. For details on our related-party transactions, see "Other Financial Information – Related Party Transactions" beginning on page 361.

We cannot assure you that we will be able to maintain the terms of such transactions or in the event that we enter future transaction with related parties, that the terms of the transactions will be favourable to us.

**62. *If we are unable to establish and maintain an effective internal controls and compliance system, our business and reputation could be adversely affected.***

We are responsible for establishing and maintaining adequate internal measures commensurate with the size and complexity of operations. We make an evaluation of the adequacy and effectiveness of internal systems on an ongoing basis so that our operations adhere to our policies, compliance requirements and internal guidelines. We periodically test and update our internal processes and systems and there have been no past material instances of failure to maintain effective internal controls and compliance system. However, we are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to ensure effective internal checks and balances in all circumstances. We take reasonable steps to maintain appropriate procedures for compliance and disclosure and to maintain effective internal controls over our financial reporting so that we produce reliable financial reports and prevent financial fraud. As risks evolve and develop, internal controls must be reviewed on an ongoing basis. Maintaining such internal controls requires human diligence and compliance and is therefore subject to lapses in judgment and failures that result from human error.

Further, our operations are subject to anti-corruption laws and regulations. These laws generally prohibit us and our employees and intermediaries from bribing, being bribed or making other prohibited payments to government officials or other persons to obtain or retain business or gain some other business advantage. We participate in collaborations and relationships with third parties whose actions could potentially subject us to liability under these laws or other local anti-corruption laws. While our code of conduct requires our employees to comply with all applicable laws, and we continue to enhance our policies and procedures in an effort to ensure compliance with applicable anti-corruption laws and regulations, these measures may not prevent the breach of such anti-corruption laws, as there are risks of such breaches in emerging markets, such as India. If we are not in compliance with applicable anti-corruption laws, we may be subject to criminal and civil penalties, disgorgement and other sanctions and remedial measures, and legal expenses, which could have an adverse impact on our business, results of operations and financial condition. Likewise, any investigation of any potential violations of anti-corruption laws by the relevant authorities could also have an adverse impact on our business and reputation.

**63. *Employee misconduct, errors or fraud could expose us to business risks or losses that could adversely affect our business prospects, results of operations and financial condition.***

Employee misconduct, errors or frauds could expose us to business risks or losses, including regulatory sanctions, penalties and serious harm to our reputation. Such employee misconduct includes breach in security requirements, misappropriation of funds, hiding unauthorized activities, failure to observe our stringent operational standards and processes, and improper use of confidential information. It is not always possible to detect or deter such misconduct, and the precautions we take to prevent and detect such misconduct may not be effective. In addition, losses caused on account of employee misconduct or misappropriation of petty cash expenses and advances may not be recoverable, which we may result in write-off of such amounts and thereby adversely affecting our results of operations. Our employees may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions in which case, our reputation, business prospects, results of operations and financial condition could be adversely affected.

**64.** ***Our funding requirements and deployment of the Fresh Issue proceeds are based on management estimates and have not been independently appraised by any bank or financial institution.***

Our funding requirements and the deployment of the Net Proceeds of the Fresh Issue are based on management estimates and our current business plan. The fund requirements and intended use of proceeds have not been appraised by bank or financial institution and are based on our estimates. In view of the competitive and dynamic nature of our business, we may have to revise our expenditure and fund requirements as a result of variations including in the cost structure, changes in estimates and other external factors, which may not be within the control of our management. This may entail rescheduling, revising or cancelling the planned expenditure and fund requirement and increasing or decreasing the expenditure for a particular purpose from its planned expenditure at the discretion of our board. In addition, schedule of implementation as described herein are based on management's current expectations and are subject to change due to various factors some of which may not be in our control.

**65.** ***We procure Projects / Contracts on the basis of pre-qualification criteria and competitive selection processes. We face intense competition from our competitors including on account of competitive proposal quoted by them.***

In selecting contractor for the project, customers generally limit the tender to contractors that prequalifies based on several criterion including project execution experience, technical strength, performance capabilities, quality standards, etc. The construction industry in India is highly competitive. As we work on our strategyto increase our portfolio of direct government contracts, we expect to face increased competition from large domestic infrastructure development companies. We compete for obtaining projects from government authorities and private players through direct tenders or on sub-contract basis. We will compete in terms of various eligibility criteria of different tender bids which several large developers are already well equipped.

If we are not able to outgrow the eligibility standards in comparison with that of our competitors, we may not be successful in bidding for various projects and also disqualification on any of the eligibility grounds will make us ineligible for submitting further proposals. Further, even if we meet the pre-qualification criteria, there is no assurance that we will be able to quote most competitive / lowest proposal amongst all applicants so that we get the contracts. These factors may limit us in getting contracts and resultantly our revenues and profitability may get declined affecting our financial condition adversely.

**66.** ***Any failure to protect or enforce our rights to own or use our trademark could have an adverse effect on our business and competitive position.***

As on the date of this Red Herring Prospectus, we are under the process to file the application for registration under the Trademark Act, 1999 for our logo EMS is under process, hence, we do not enjoy the statutory protection accorded to a registered trademark. Since we have not obtained registration, we may remain vulnerable to infringement and passing-off by third parties and will not be able to enforce any rights against them. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our trademarks. We may also need to change our logo which may adversely affect our reputation and business and could require us to incur additional costs.

Further, if we do not maintain our brand identity, which is an important factor that differentiates us from our competitors, we may not be able to maintain our competitive edge. If we are unable to compete successfully, we could lose our customers, which would negatively affect our financial performance and profitability. Moreover, our ability to protect, enforce or utilize our brand is subject to risks, including general litigation risks. Furthermore, we cannot assure you that our brand will not be adversely affected in the future by actions that are beyond our control, including customer complaints or adverse publicity from any other source. Any damage to our brand identity, if not immediately and sufficiently remedied, could have an adverse effect on our business and competitive position.

Finally, while we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty whether we are infringing any existing third-party intellectual property rights, which may force us to alter our offerings. We may also be susceptible to claims from third parties asserting infringement and other related claims. If similar claims are raised in the future, these claims could result in costly litigation, divert management's attention and resources, subject us to significant liabilities and require us to enter into potentially expensive royalty or licensing agreements. Any of the foregoing could have an adverse effect on our business and competitive position.

**67.** ***Our Promoters and Promoters Group will continue to exercise control post completion of the Issue and will have considerable influence over the outcome of matters.***

Upon completion of this Issue of upto 82,94,118 Equity Shares by way of Offer for Sale and Fresh Issue, our Promoters and Promoters Group will continue to own a majority of our Equity Shares i.e. approximately [●]% of the total Post-Offer paid up capital. As a result, our Promoters will have the ability to exercise significant influence over all matters requiring shareholders' approval. Our Promoters will also be in a position to influence any shareholder action or approval requiring a majority vote, except where they may be required by applicable law to abstain from voting. This control could also delay, defer or prevent a change in control of our Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage a potential acquirer from obtaining control of our Company even if it is in the best interests of our Company. The interests of our Promoters could conflict with the interests of our other equity shareholders, and the Promoters could make decisions that materially and adverselyaffect your investment in the Equity Shares. In addition, for so long as the Promoter Group continues to exercise significant control over the Company, they may influence the material policies of the Company in a manner that could conflict with the interests of our other shareholders. The Promoters Group may have interests that are adverse to the interests of our other shareholders and may take positions with which our other shareholders do not agree.

**68.** ***We benefit from our relationship with our Promoters and our business and growth prospects may decline if we cannot benefit from this relationship in the future.***

We benefit in many ways from our relationship with our Promoters, Mr. Ramveer Singh and Mr. Ashish Tomar as a result of their reputation, experience and knowledge of the construction and infrastructure development & services industry. Mr. Ramveer Singh and Mr. Ashish Tomar, who has been associated with this sector for aggregating over 40 years, has been primarily responsible for the direction and growth of our business and has been instrumental in our strategic planning, including identifying our on-going projects. Our growth and future success is influenced, in part, by our continued relationship with them. We cannot assure you that we will be able to continue to take advantage of the benefits from this relationship in the future. If we lose our relationship with our promoters for any reason, our business and growth prospects may decline and our financial condition and results of operations may be adversely affected.

**69.** ***Our insurance coverage may not be sufficient or may not adequately protect us against any or all hazards, which may adversely affect our business, results of operations and financial condition.***

Our Company believes that its insurance coverage is adequate and consistent with industry standards. Our principal types of coverage include standard perils and fire insurance, vehicle insurance and contractors' plant and machinery insurance. While we believe that the insurance coverage which we maintain is in keeping with industry standards and would be reasonably adequate to cover the normal risks associated with the operation of our businesses, we cannot assure you that any claim under the insurance policies maintained by us will be honored fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. Company have not suffered any losses due to above incidents in last 3 years. As the Company have not suffered any losses in last 3 years so accordingly no insurance has been claimed.

In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all. To the extent that we suffer loss or damage, or successful assertion of one or more large claimsagainst us for events for which we are not insured, or for which we did not obtain or maintain insurance, or which is not covered by insurance, exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, financial performance and cash flows could be adversely affected. For further details on our insurance arrangements, please refer "*Our Business – Insurance*" on page no. 262.

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

There is no guarantee that our Equity Shares will be listed on the BSE and the NSE in a timely manner or at all. In accordance with Indian law, permission for listing and trading of our Equity Shares will not be granted until after certain actions have been completed in relation to this Offer and until Allotment of Equity Shares pursuant to this Offer. In accordance with current regulations and circulars issued by SEBI, our Equity Shares are required to be listed on the BSE and the NSE within such time as mandated under UPI Circulars, subject to any change in the prescribed timeline in this regard. However, we cannot assure you that the trading in our Equity Shares will commence in a timely manner or at all. Any failure or delay in obtaining final listing and trading approvals may restrict your ability to dispose of your Equity Shares

**71.** ***In the event there is any delay in the completion of the Issue, there would be a corresponding delay in the completion of the objects / schedule of implementation of this Issue which would in turn affect our revenues and results of operations.***

The funds that we receive would be utilized for the Objects of the Issue as has been stated in the Chapter "*Objects of the Issue*" on page no. 119. The proposed schedule of implementation of the objects of the Issue is based on our management's estimates. If the schedule of implementation is delayed for any other reason whatsoever, including any delay in the completion of the Issue, we may have to revise our business, development and working capital plans resulting in unprecedented financial mismatch and this may adversely affect our revenues and results of operations.

**72.** ***We have not made any provision in our financial statements for potential decline in value of our investments.***

The investments as on March 31, 2023 includes:

| Particulars | Amount (In Lakhs) | Purpose |
|---|---|---|
| Investment in Gold and related ornaments | 58.79 | Nominal investment since FY 2019-20.<br><br>Value of investment is 0.11% of revenue from operations and 0.54% of profit after tax for the FY 2022-23. |
| Freehold land | 590.00 | Company have acquired this land through auction for any business requirements in future, if any. |

Apart from the above our Company also invested in capital work-in-progress and investments in JV projects. Kindly refer Annexures 7, 10 & 13 of Restated consolidated statement on page no. 344, 347 and 349 of Red Herring Prospectus. We have not made any provision for decline in value of these investments in our financial statements as the same are not expected to have declined in value as on the financial reporting date. If in the future, the value of these investments was to decline significantly, there could be a material adverse effect on our business, financial condition and results of operations.

In past we have not booked any losses in investments; However, no assurance can be given that we will not book any losses in future.

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

We have no experience as a listed company and have not been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public that is associated with being a listed company. As a listed company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the SEBI (LODR) Regulations, which require us to file audited / unaudited reports periodically with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as timely as other listed companies.

As a listed company, we will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, for which significant resources and management overview will be required. As a result, management's attention may be diverted from other business concerns, which could adversely affect our business, prospects, financial condition and results of operations. Further, we may need to hire additional legal and accounting staff with appropriate and relevant experience and technical accounting knowledge and we cannot assure you that we will be able to do so in a timely manner or at all.

**74. *Any future issuance of Equity Shares, or convertible securities or other equity linked securities by us and any sale of Equity Shares by our significant shareholders may dilute your shareholding and adversely affect the trading price of the Equity Shares.***

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by us may dilute your shareholding in the Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. No assurance may be given that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our significant shareholders, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. We cannot assure you that we will not issue Equity Shares or that such shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

**75. *Pursuant to listing of the Equity shares, we may be subject to pre-emptive surveillance measures like additional Surveillance Measures ("ASM") and Graded surveillance Measures ("GSM") by the Stock Exchanges in the order to enhance market integrity and safeguard the interest of the investors.***

On and post the listing of equity shares, we may be subject to ASM and GSM by the Stock Exchange(s) and the Securities and Exchange Board of India. These measures have been introduced in order to enhance market integrity, and safeguard the interest of investors and to alert and advise investors to be extra cautious and carry out necessary due diligence while dealing in such securities. The criteria for shortlisting any scrip trading on the Stock Exchange(s) under the ASM is based on an objective criterion as jointly decided by SEBI and the Stock Exchanges(s) which include market based dynamic parameters such as high low variations, client concentration, close to close price variation, market capitalization, volume variation, delivery percentage, number of unique PAN's and price to equity ratio. A scrip is typically subjected GSM measures where there is an abnormal price rise that is not commensurate with the financial heath and fundamentals of a company which inter alia includes factors like earnings, book value, fixed assets and net worth to the equity ratio etc. The price of our equity shares may also fluctuate after the offer due to several factors such as volatility in the Indian and global securities market, our profitability and performance, the performance of our competitors, change in the estimates of our performance or any other political or economic factor. The occurrence of any of the above-mentioned factors may trigger the parameters identified by SEBI and the Stock Exchange(s) for the placing securities under the GSM and ASM framework. In the event of our Equity Shares are covered under such Pre-emptive surveillance measures implemented by SEBI and the Stock Exchange(s), we may be subject to certain additional restrictions in the relation to trading of our Equity Shares such as limiting trading frequency (for example trading either allowed in a week or a month) higher margin requirements of settlement on a trade for trade basis without netting off requirement of settlement on gross basis or freezing price on upper side of trading which may have an adverse effect on the market price of our Equity Shares or may in general cause disruptions in the development of an active market for and trading and liquidity of our Equity Shares and on the reputation and conditions of our Company.

**76. *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.***

Having our business operations in multiple jurisdictions, we are subject to varying central and state tax regimes. The applicable categories of taxes and tax rates also vary significantly from jurisdiction to jurisdiction, which may be amended from time to time. The final determination of our tax liabilities involves the interpretation of local tax laws and related regulations in each country as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned, and expenditure incurred. Our business and financial performance may be adversely affected by unfavorable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business or the regulator enforcingthem in any one of those countries may adversely affect our results of operations.

To the extent that we are entitled to certain tax benefits in India which are available for a limited period of time, our profitability will be affected if such benefits will no longer be available, or are reduced or withdrawn prematurely or if we are subject to any dispute with the tax authorities in relation to these benefits or in the event we are unable to comply with the conditions required to be complied with in order to avail ourselves of each of these benefits. Please see *"Statement of Special Tax Benefits"* on page 139 for details in relation to possible tax benefits available to our Company. In the event that any adverse development in the law or the manner of its implementation affects our ability to benefit from these tax incentives, our business, results of operations, financial condition and prospects may be adversely affected.

Changes in the operating environment, including changes in tax law, could impact the determination of our tax liabilities for any given tax year. Taxes and other levies imposed by the Government of India that affect our industry include income tax, goods and services tax and other taxes, duties or surcharges introduced from time to time. The tax scheme in India is extensive and subject to change from time to time and any adverse changes in any of the taxes leviedby the Government of India may adversely affect our competitive position and profitability.

We cannot assure you that the Government of India may not implement new regulations and policies which will require us to obtain approvals andlicenses from the Government of India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment to, or change to governing laws, regulation or policy in the countries in which we operate may materially and adversely affect our business, results of operations and financial condition. In addition, we may have to incur expenditure to comply with the requirements of any new regulations, which may also materially harm our results of operations. We are also subject to these risks in all our overseas operations depending on each specific country. Any unfavorable changes to the laws and regulations applicable to us could also subject us to additional liabilities. As a result, any such changes or interpretations may adversely affect our business, financial condition and financial performance. Further, changes in capital gains tax or tax on capital market transactions or sale of shares may affect investor returns.

**77. *"Delays in the completion of construction of current and future projects could lead to termination of engineering, procurement and construction ("EPC") agreements or cost overruns, which could have an adverse effect on our cash flows, business, results of operations and financial condition."***

Due to our business operations in multiple jurisdictions, there may be delays in the completion of construction of current and future projects could lead to termination of engineering, procurement and construction ("EPC") agreements or cost overruns, which could have an adverse effect on our cash flows, business, results of operations and financial condition. As of now we have not defaulted in any completion of projects except otherwise disclosed.

**78. *Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures and there can be no assurance that we will be able to pay dividends in the future.***

We currently intend to invest our future earnings, if any, to fund our growth. The amount of our future dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures. Hence, there can be no assurance that we will be able to pay dividends in the future.

**EXTERNAL RISKS**

***Risks relating to India***

**79. *Changing regulations in India could lead to new compliance requirements that are uncertain.***

The regulatory and policy environment in which we operate are evolving and are subject to change. The GoI may implement new laws or other regulations and policies that could affect our business in general, which could lead to new compliance requirements, including requiring us to obtain approvals and licenses from the Government and other regulatory bodies, or impose onerous requirements. For instance, the GoI has 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 and increase our expenses. In another example, the GoI has made it mandatory for business establishments with turnover above a certain size to offer digital modes of payment from November 2019, with no charges being levied on the customers or the merchants by banks and payment service providers. Such measures could adversely impact our income streams in the future and adversely affect its financial performance.

Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations, financial condition and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future. For instance, the Supreme Court of India has in a decision clarified the components of basic wages which need to be considered by companies while making provident fund payments, which resulted in an increase in the provident fund payments to be made by companies. Any such decisions in future or any further changes in interpretation of laws may have an impact on our results of operations.

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

While we are incorporated in India, and our operations are based in India. As a result, we are highly dependent on prevailing economic conditions in India and other economies and our results of operations and cash flows are significantly affected by factors influencing the Indian and global economies. Other factors that may adversely affect the economy, and hence our results of operations and cash flows, may include: high rates of inflation in India, any slowdown in economic growth or financial instability in India, any scarcity of credit or other financing, resulting in an adverse impact on economic conditions and scarcity of financing for our expansions, prevailing income conditions among customers, volatility in, and actual or perceived trends in trading activity on, the relevant market's principal stock exchanges, changes in existing laws and regulations in India, political instability, terrorism or military conflict in the region or globally, including in various neighbouring countries, occurrence of natural or man-made disasters, any downgrading of debt rating of India by a domestic or international rating agency and instability in financial markets.

81. ***Natural or man-made disasters, fires, epidemics, pandemics, acts of war, terrorist attacks, civil unrest and other events could materially and adversely affect our business.***

Natural disasters (such as typhoons, flooding and earthquakes), epidemics, pandemics such as COVID-19 and man- made disasters, including acts of war, terrorist attacks and other events, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn materially and adversely affect our business, financial condition and results of operations. Our operations may be adversely affected by fires, natural disasters and/or severe weather, which can result in damage to our property or inventory and generally reduce our productivity and may require us to evacuate personnel and suspend operations. 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. A worsening of the current outbreak of COVID-19 pandemic or future outbreaks of COVID-19 or a similar contagious disease could adversely affect the global economy and economicactivity in the region. As a result, any present or future outbreak of a contagious disease could have a material adverse effect on our business and the trading price of the Equity Shares. India has from time-to-time experienced instances of social, religious and civil unrest and hostilities between neighboring countries. Recently there has been ongoing mass protest by farmers, against three farm acts which were passed by the Parliament of India in September 2020. The introduction of the law caused protests in several parts of the country like Delhi, Haryana and Punjab. In case there are mass protests leading to civil unrest, such incidents could impact both our operations and adversely affect our business, financial condition and results of operations. Present relations between India and Pakistan continue to be fragile on the issues of terrorism, armaments and Kashmir. In April 2019, skirmishes along India's border with Pakistan and the downing of an Indian military jet fighter plane significantly escalated tensions between the two countries. India has also experienced terrorist attacks in some parts of the country. In November 2008, several coordinated shooting and bombing attacks occurred across Mumbai, India's financial capital. These attacks resulted in loss of life, property and business. Military activity or terrorist attacks in the future could influence the Indian economy by disrupting communications and making travel more difficult and such political tensions could create a greater perception that investments in Indian companies involve higher degrees of risk. Events of this nature in the future, as well as social andcivil unrest within other countries in Asia, could influence the Indian economy and could have a material adverse effecton the market for securities of Indian companies.

82. ***A downgrade in ratings of India and other jurisdictions in which we operate may affect the trading price of the Equity Shares.***

Our borrowing costs and our access to the debt capital market depend significantly on the credit ratings of India. Any further adverse revisions to credit ratings for India and other jurisdictions we operate in by international rating agencies may adversely impact our ability to raise additional financing. This could have an adverse effect on our ability to fund our growth on favorable terms and consequently adversely affect our business and financial performance and the price of the Equity Shares.

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

The Competition Act, 2002, of India, as amended ("**Competition Act**"), regulates practices having an appreciable adverse effect on competition in the relevant market in India ("**AAEC**"). Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an AAEC is considered void and may result in the imposition of substantial penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or the provision of services or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or number of customers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an AAEC and is considered void. The Competition Act also prohibits abuse of a dominant position by any enterprise. If it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be also guilty of the contravention and may be punished. The Competition Act aims to, among other things, prohibit all agreements and transactions, which may have an AAEC on competition in India and all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an AAEC in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. However, since we pursue an acquisition driven growth strategy, we may be affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, results of operations, cash flows and prospects.

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

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe and certain emerging economies in Asia. Financial turmoil in the United States, Asia 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 around the terms of their future relationship with the European Union including trade agreements between the United Kingdom and European Union and, more generally, 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. 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. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. Any significant financial disruption could have a material adverse effect on our business, financial condition and results of operation. These developments or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. Thiscould have a material adverse effect on our business, financial condition and results of operations and reduce the price of the Equity Shares. Since December 2019, the ongoing outbreak of COVID-19 has affected countries globally, with the World Health Organization declaring the outbreak as a pandemic in March 2020. There have been border controls, lockdowns and travel restrictions imposed by various countries, as a result of the COVID-19 outbreak. Such an outbreak of an infectious disease together with the resulting restrictions on travel and/or imposition of lockdown measures have resulted in protracted volatility in domestic and international markets has resulted in a global slowdown and crisis. In particular, the COVID-19 outbreak has caused stock markets worldwide to fluctuate significantly in value and has impacted global economic activity. A number of governments have revised gross domestic product growth forecasts for 2020 and 2021 downwards in response to the economic slowdown caused by the spread of COVID-19, and it is possible that the outbreak of COVID-19 will cause a prolonged global economic crisis or recession. If we are unable to successfully anticipate and respond to changing economic and market conditions, our business, results of operations and financial condition and prospects may be adversely affected.

**85.** ***The Indian tax regime has undergone substantial changes which could adversely affect our business and the trading price of the Equity Shares.***

Any change in Indian tax laws could have an effect on our operations. For instance, the Taxation Laws (Amendment) Act, 2019, prescribes certain changes to the income tax rate applicable to companies in India. According to this Act, companies can henceforth voluntarily opt in favour of a concessional tax regime (subject to no other special benefits/exemptions being claimed), which would ultimately reduce the effective tax rate (on gross basis) for Indian companies from 34.94% to approximately 25.17%. Any such future amendments may affect our ability to claim exemptions that we have historically benefited from, and such exemptions may no longer be available to us. The Government of India has also implemented two major reforms in Indian tax laws, namely the GST, and provisions relating to general anti-avoidance rules ("**GAAR**"). The indirect tax regime in India has undergone a complete overhaul. The indirect taxes on goods and services, such as central excise duty, service tax, central sales tax, state value added tax, surcharge and excise have been replaced by Goods and Service Tax with effect from July 1, 2017. The GST regime is relatively new and therefore is subject to amendments and its interpretation by the relevant regulatory authorities. GAAR became effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement may result in, among others, a denial of tax benefit to us and our business. In the absence of any precedents on the subject, the application of these provisions is subjective. If the GAAR provisions are made applicableto us, it may have an adverse tax impact on us. Further, if the tax costs associated with certain of our transactions are greater than anticipated because of a particular tax risk materializing on account of new tax regulations and policies, it could affect our profitability from such transactions. The Finance Act, 2020 has, amongst others things, provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime. For instance, dividend distribution tax ("**DDT**") will not be payable by a domestic company in respect of dividends declared, distributed or paid by the company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident and are likely be subject to tax deduction at source. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source from such dividend. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares. Further, the Government of India has notified the Finance Act, 2021 ("**Finance Act**") which has introduced various amendments to taxation laws in India. 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. In addition, unfavorable 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 an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current businessor restrict our ability to grow our business in the future. 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. Further, any adverse order passed by the appellate authorities/ tribunals/ courts would have an effect on our profitability. Due to COVID -19 pandemic, the Government of India had also passed the Taxation and Other Laws (Relaxation of Certain Provisions) Act, 2020, implementing relaxations from certain requirements under, amongst others, the Central Goods and Service Tax Act, 2017 and Customs Tariff Act, 1975. In addition, we are subject to tax related inquiries and claims. We may beparticularly 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. For further details, see "Outstanding Litigation and Other Material Developments" on page 440.

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

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of wages and other expenses relevant to our business. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our customers, whether entirely or in part, and may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase the price of our products to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected. Further, theGovernment of India 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.

**87.** ***A third-party could be prevented from acquiring control of us post this Issue, because of anti-takeover provisions under Indian law.***

As a listed Indian entity, there are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company. Under the Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company subsequent to completion of the Issue. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial toour shareholders, such a takeover may not be attempted or consummated because of Takeover Regulations.

**88.** ***Foreign Investors may have difficulties in enforcing judgments against us or our management.***

Our Company is incorporated under the laws of India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce against them judgments obtained in courts outside India, including judgments predicated on the civil liability provisions of foreign securities laws.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. India has reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions, which includes the United Kingdom, United Arab Emirates, Singapore and Hong Kong. The United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in a non-reciprocating territory, such as the United States, for civil liability, whether or not predicated solely upon the general securities laws of the United States, would not be enforceable in India under the Civil Code as a decree of an Indian court.

The United Kingdom, Singapore, UAE and Hong Kong have been declared by the Government of India to be reciprocating territories for purposes of Section 44A of the Code of Civil Procedure, 1908 ("CPC"). A judgment of a court of a country which is not a reciprocating territory may be enforced in India only by a suit on the judgment under Section 13 of the CPC, and not by proceedings in execution. The Civil Code only permits the enforcement of monetary decrees, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us, our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. However, the party in whose favor 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 or other such jurisdiction within three years of obtaining such final judgment. It is unlikely that an Indian court would award damages on the same basis as a foreign court if an action is brought in India. Moreover, it is unlikely that an Indian court would award damages to the extent awarded in a final judgment rendered outside India if it believes that the amount of damages awarded were excessive or inconsistent with Indian practice. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI to repatriate any amount recovered.

**RISKS RELATING TO THE EQUITY SHARES AND THE ISSUE**

**89.** ***The Issue Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Issue.***

Prior to this Issue, there has been no public market for the Equity Shares of our Company, 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 amarket for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Issue Price, Floor Price/Cap Price of the Equity Shares will be determined by our Company and the Selling Shareholder in consultation with the BRLM through the Book Building Process. This price will be based on numerous factors, as described under *"Basis for the Issue Price"* on page 130 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, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, problems such as temporary closure, broker default and settlement delays experienced by the Indian Stock Exchanges, strategic actions by us or our competitors, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors. Consequently, the price of our Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Offer Price, or at all. There has been significant volatility in the Indian stock markets in the recent past, and our Equity Share price could fluctuate significantly because of market volatility. A decrease in the market price of our Equity Shares could cause investors to lose some or all of their investment.

**90.** ***Investors may be subject to Indian taxes arising out of income arising on the sale of the Equity Shares.***

Under current Indian tax laws, unless specifically exempted, a capital gain arising from the sale of equity shares in an Indian company is generally taxable in India. A securities transaction tax ("**STT**") is levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realized on the sale of listed equity shares held for more than 12 months may be subject to long-term capital gains tax in India at the specified rates depending on certain factors, such as STT paid, the quantum of gains and any available treaty exemptions. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares heldfor more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of our Equity Shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. While non-residents may claim tax treaty benefits in relation to such capital gains income, generally, Indian tax treaties do not limit India's right to impose tax on capital gains arising from the sale of shares of an Indian company. Further, the Finance Act, 2020 ("**Finance Act 2020**"), passed by the Parliament of India. The Finance Act 2020 stipulates the sale, transfer and issue of certain securities through exchanges, depositories or otherwise to be charged with stamp duty. The Finance Act 2020 has also clarified that, in theabsence 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, and 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. The Government of India announced the union budget for Fiscal 2022, following which the Finance Bill, 2021 ("**Finance Bill**") was introduced in the Lok Sabha on February 1, 2021. Subsequently, the Finance Bill received assent from the President of India on March 28, 2021 and became the Finance Act, 2021 ("**Finance Act 2021**"). There is no certainty on the impact of Finance Act 2021 on tax laws or other regulations, which may adversely affect the Company's business, financial condition, and 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.

**91.** ***Investors will not be able to sell immediately on an Indian stock exchange any of the Equity Shares they purchase inthe Issue.***

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

92. ***Any future issuance of Equity Shares, or convertible securities or other equity linked instruments by us may dilute your shareholding and sale of Equity Shares by shareholders with significant shareholding 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, includinga primary offering of Equity Shares, convertible securities or securities linked to Equity Shares including through exercise of employee stock options, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by our shareholders 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. Any disposal of Equity Shares by our major shareholders or the perception that such issuance or sales may occur, including to comply with the minimum public shareholding norms applicable to listed companies in India 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 the Equity Shares or incurring additional debt. There can be no assurance that we will not issue Equity Shares, convertible securities or securities linked to Equity Shares or that our Shareholders will not dispose of, pledge or encumber their Equity Shares in the future. Any future issuances could also dilute the value of your investment in the Equity Shares. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares.

93. ***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 Non- debt Rules, all investments under the foreign direct investment route by entities of a country or where the beneficial owner of the Equity Shares is situated in or is a citizen of any such country, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy dated October 15, 2020 and 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 neither 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. Further, there is uncertainty regarding the timeline within which the said approval from the GoI may be obtained, if at all. 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 500 of this Red Herring Prospectus.

94. ***Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition.***

Our Restated Consolidated Financial Statements for the period ended September 30, 2022 and Fiscal 2022, 2021 and 2020, have been prepared and presented in conformity with Ind AS. Ind AS differs in certain significant respects from IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. If our financial statements were to be prepared in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. Prospective investors should review the accounting policies applied in the preparation of our financial statements, and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. Any reliance by person not familiar with Indian accounting practices on the financial disclosures presented in this Red Herring Prospectus should be limited accordingly.

**95.** ***The determination of the Price Band is based on various factors and assumptions and the Issue Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Issue. Further, the current market price of some securities listed pursuant to certain previous issues managed by the BRLM is below their respective issue prices.***

The determination of the Price Band is based on various factors and assumptions and will be determined by our Company and Selling Shareholders in consultation with the BRLM. Furthermore, the Issue Price of the Equity Shares will be determined by our Company and Selling Shareholders in consultation with the BRLM through the Book Building Process. These will be based on numerous factors, including factors as described under "Basis for the Issue Price" on page 130 and may not be indicative of the market price for the Equity Shares after the Issue. In addition to the above, the current market price of securities listed pursuant to certain previous initial public offerings managed by the BRLM is below their respective issue price. For further details, see "Other Regulatory and Statutory Disclosures – Price information of past issues handled by the BRLM" on page 465 of this Red Herring Prospectus. The factors that could affect the market price of the Equity Shares include, among others, broad market trends, financial performance and results of our Company post-listing, and other factors beyond our control. We cannot assure you that an active market will develop or sustained trading will take place in the Equity Shares or provide any assurance regarding the price at which the Equity Shares will be traded after listing.

**96.** ***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 the submission of their Bid, and Retail Individual Investors are not permitted to withdraw their Bids after closure of the Bid/ Issue Closing Date.***

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/ Issue Period and withdraw their Bids until the Bid/ Issue Closing Date. 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 Working Days from the Bid/ Issue Closing Date or such other period as may be prescribed by the SEBI, events affecting the investors' decision to invest in the Equity Shares, including adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows or financial condition may arise between the date of submission of the Bid and Allotment. We may complete the Allotment of the Equity Shares even if such events occur, and such events may limit the Investors' ability to sell the Equity Shares Allotted pursuant to the Issue or cause the trading price of the Equity Shares to decline on listing.

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

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

**98.** ***Rights of shareholders of our Company under Indian law may be more limited than under the laws of other jurisdictions.***

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

**99.** ***Compliance with provisions of Foreign Account Tax Compliance Act may affect payments on the Equity Shares.***

The U.S. "Foreign Account Tax Compliance Act" (or "FATCA") imposes a new reporting regime and potentially, imposes a 30% withholding tax on certain "foreign pass thru payments" made by certain non-U.S. financial institutions (including intermediaries). If payments on the Equity Shares are made by such non-U.S. financial institutions (including intermediaries), this withholding may be imposed on such payments if made to any non-U.S. financial institution (including an intermediary) that is not otherwise exempt from FATCA or other holders who do not provide sufficient identifying information to the payer, to the extent such payments are considered "foreign pass thru payments". Under current guidance, the term "foreign pass thru payment" is not defined and it is therefore not clear whether and to what extent payments on the Equity Shares would be considered "foreign pass thru payments". The United States has entered into intergovernmental agreements with many jurisdictions (including India) that modify the FATCA withholding regime described above. It is not yet clear how the intergovernmental agreements between the United States and these jurisdictions will address "foreign pass thru payments" and whether such agreements will require us or other financial institutions to withhold or report on payments on the Equity Shares to the extent they are treated as "foreign pass thru payments". Prospective investors should consult their tax advisors regarding the consequences of FATCA, or any intergovernmental agreement or non-U.S. legislation implementing FATCA, to their investment in Equity Shares.

**100.** ***U.S. holders should consider the impact of the passive foreign investment company rules in connection with an investment in our Equity Shares.***

A foreign corporation will be treated as a passive foreign investment company ("**PFIC**") for U.S. federal income tax purposes for any taxable year in which either: (i) at least 75% of its gross income is "passive income" or (ii) at least 50% of its gross assets during the taxable year (based on of the quarterly values of the assets during a taxable year) are "passive assets," which generally means that they produce passive income or are held for the production of passive income.

There can be no assurance that our Company will or will not be considered a PFIC in the current or future years. The determination of whether or not our Company is a PFIC is a factual determination that is made annually after the end of each taxable year, and there can be no assurance that our Company will not be considered a PFIC in the current taxable year or any future taxable year because, among other reasons, (i) the composition of our Company's income and assets will vary over time, and (ii) the manner of the application of relevant rules is uncertain in several respects. Further, our Company's PFIC status may depend on the market price of its Equity Shares, which may fluctuate considerably.

## SECTION III: INTRODUCTION

### THE ISSUE

The following table summarizes details of the Issue:

| | |
|---|---|
| **Equity Shares Issued**[1][2] | Up to [●] Equity Shares of face value of Rs. 10 each for cash at a price of Rs. [●] per Equity Share aggregating Rs. [●] lakhs |
| | |
| *The Issue consists of:* | |
| **Fresh Issue**[3] | Up to [●] Equity Shares of face value of Rs. 10 each for cash at a price of Rs. [●] per Equity Share aggregating up to Rs. 14,624.00 lakhs |
| **Offer for Sale** | Up to 82,94,118 Equity Shares of face value of Rs. 10 each for cash at a price of Rs. [●] per Equity Share aggregating Rs. [●] lakhs |
| *Which Comprises:* | |
| **A) QIB Portion**[4][5] | Up to [●] Equity Shares (not more than 50%) |
| *of which:* | |
| 1. Anchor Investor Portion | |
| 2. Balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed) | Up to [●] Equity Shares |
| *of which:* | |
| 1. Available for allocation to Mutual Funds only (5% of the QIB Portion, excluding the Anchor Investor Portion) | Up to [●] Equity Shares |
| 2. Balance for all QIBs including Mutual Funds | Up to [●] Equity Shares |
| | |
| **B) Non-Institutional Portion**[4] [5] | Up to [●] Equity Shares |
| | |
| **C) Retail Portion**[6] | Up to [●] Equity Shares |
| | |
| **Pre and Post Issue Equity Shares** | |
| Equity shares outstanding prior to the Issue | 4,86,00,000 Equity Shares of face value of Rs. 10 each |
| Equity shares outstanding after the Issue | [●] Equity Shares of face value of Rs. 10 each |
| **Use of Net Proceeds** | Please refer to the section titled "*Objects of the Issue*" beginning on page no. 119. |

[1]*The present Issue has been authorised by a resolution of the Board of Directors, dated March 14, 2023 and by a resolution of the shareholders of our Company in the Extra Ordinary General Meeting held on March 15, 2023. Further, the Board of our Company has taken on record the approval for the Offer for Sale by the Selling Shareholder pursuant to the consent dated March 14, 2023.*

[2]*The Offer for Sale has been authorised by the Selling Shareholder by his consent letter dated March 14, 2023. The Equity Shares being offered by the selling shareholder has been held for the period of atleast one year immediately preceeding the date of this Red Herring Prospectus and are eligible for being offered for sale pursuant to the Issue in the terms of the SEBI ICDR Regulations and the no. of Equity Shares offered are as follows:*

| ***Name of the Selling Shareholder*** | ***No. of Equity Shares Offered*** |
|---|---|
| *Mr. Ramveer Singh* | *Upto 82,94,118* |
| ***TOTAL*** | ***Upto 82,94,118*** |

*The Selling Shareholder has confirmed that the Equity Shares proposed to be offered and sold in the Issue is eligible in term of SEBI (ICDR) Regulations and that he has not been prohibited from dealings in securities market and the Equity Shares offered and sold are free from any lien, encumbrance or third-party rights. The Selling Shareholder has also confirmed that he is the legal and beneficial owner of the Equity Shares being offered by him under the Offer for Sale.*

*[3]Our Company has, in consultation with the BRLM, undertaken a Pre-IPO Placement of 16,00,000 Equity Shares at an issue price of Rs. 211 per Equity Share (including a premium of Rs. 201 per Equity Share) aggregating Rs.3,376.00 Lakhs. The size of the Fresh Issue of up to Rs. 18,000.00 Lakhs has been reduced by Rs. 3,376.00 Lakhs pursuant to the Pre-IPO Placement and the revised size of the Fresh Issue is up to Rs.14,624.00 Lakhs. For risk regarding apprehension/concerns of the listing of our Equity Shares on the Stock Exchanges see 'Risk Factors - There is no guarantee that our Equity Shares will be listed on the BSE and the NSE in a timely manner or at all' on page 75.*

*[4]Our Company and the Selling Shareholder may, in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of undersubscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. In case of non-Allotment in the Anchor Investor Portion, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the 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 Issue Price. However, if the aggregate demand from Mutual Funds is less than [●] Equity Shares, 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 see "Issue Procedure" on page no. 478.*

*[5]Not less than 15% of the Issue shall be available for allocation to Non-Institutional Bidders, of which (a) one-third portion shall be reserved for applicants with application size of more than Rs. 200,000 and up to Rs. 10,00,000; and (b) two-thirds portion shall be reserved for applicants with application size of more than Rs. 10,00,000, 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, subject to valid Bids being received at or above the Issue Price and not less than 35% of the Issue will be available for allocation to Retail Individual Bidders, in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. All Bidders, other than the Anchor Investors, are mandatorily required to participate in this Issue only through an Application Supported by Blocked Amount ("ASBA") process, providing details of their respective bank accounts (including UPI ID for UPI Bidders using UPI Mechanism) in which the Bid amount will be blocked by the Self Certified Syndicate Banks or the Sponsor Bank. The Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For further details, please see "Issue Procedure" on page 478.*

*Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange, subject to applicable laws. For further details, please see the section entitled "Issue Procedure" on page 478.*

*[6]Allocation to Bidders in all categories except the Anchor Investor Portion, if any and the Retail Portion and Non-Institutional Bidder, shall be made on a proportionate basis subject to valid Bids received at or above the Issue Price. The allocation to each Retail Individual Bidders and Non-Institutional Bidders shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the Non-Institutional Category and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. Allocation to Anchor Investors shall be done on a discretionary basis in accordance with the SEBI ICDR Regulations. For further details, see "Issue Procedure" beginning on page 478.*

*For details of the terms of the Issue, see "Terms of the Issue", beginning on page 467.*

## SUMMARY FINANCIAL INFORMATION

The summary financial information presented below are derived from our Restated Consolidated Financial Statements for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 and should be read in conjunction with "Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 318 and 406, respectively

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**RESTATED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES**

*(Rs. In Lakhs)*

| Particulars | Annexure | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Non-current Assets** | | | | |
| Property, Plant and Equipment | 7 | 1,794.37 | 1,817.45 | 930.47 |
| Capital work in progress | **8** | 402.81 | 30.32 | 275.42 |
| Right of Use Asset | **9** | 2,059.66 | 1,879.13 | 1,930.11 |
| Investment Property | **10** | 957.80 | 768.06 | 685.52 |
| Goodwill | **11** | 583.01 | 589.69 | 7.21 |
| Other Intangible Assets | **12** | - | - | 0.09 |
| Financial Assets | | | | |
| (i) Investments | **13** | 122.07 | 50.96 | 43.94 |
| (ii) Others | **14** | 4,416.36 | 3,598.72 | 3,932.62 |
| (iii)Trade Receivables | **15** | 4,620.27 | - | - |
| Other Non-Current Assets | - | - | - | - |
| Deferred tax assets (Net) | **16** | 32.76 | 45.16 | 46.51 |
| **Total non-current assets(A)** | | **14,989.11** | **8,779.49** | **7,851.89** |
| | | | | |
| **Current Assets** | | | | |
| Inventories | **17** | 10,475.91 | 5,412.85 | 3,542.93 |
| Financial Assets | | | | |
| (i) Trade receivables | **18** | 12,354.17 | 15,782.27 | 9,328.59 |
| (ii) Cash and cash equivalent | **19** | 8,167.47 | 6,105.29 | 5,043.09 |
| (iii) Bank Balances other than Cash and Cash Equivalents | **20** | 3,954.68 | 2,887.06 | 1,708.42 |
| (iv) Others | **21** | 9,863.76 | 8,313.98 | 8,354.14 |
| Other current assets | **22** | 4,066.59 | 2,974.40 | 2,002.26 |
| **Total Current assets(B)** | | **48,882.60** | **41,475.85** | **29,979.43** |
| **TOTAL ASSETS(A+B)** | | **63,871.71** | **50,255.34** | **37,831.32** |
| | | | | |
| **EQUITY AND LIABILITIES** | | | | |
| **Equity** | | | | |
| Equity share capital | **23** | 4,700.00 | 1,175.00 | 1,175.00 |
| Other equity | **24** | 44,083.23 | 36,842.99 | 29,016.46 |
| **Equity attributable to owners of the company** | | **48,783.23** | **38,017.99** | **30,191.46** |
| Non - Controlling Interest | | 210.66 | 94.27 | 16.18 |
| **Total equity(A)** | | **48,993.89** | **38,112.26** | **30,207.64** |
| | | | | |
| **Liabilities** | | | | |
| **Non-current liabilities** | | | | |
| Financial liabilities | | | | |
| (i) Borrowings | **25** | 4,539.56 | 371.31 | 316.29 |
| (ii) Lease Liabilities | **9** | - | - | 6.29 |
| (iii) Others | **26** | 2,365.30 | 889.22 | 665.41 |
| Long term provisions | **27** | 24.17 | 27.22 | 27.04 |
| Deferred tax liabilities (Net) | | - | - | - |
| **Total non-current liabilities(B)** | | **6,929.03** | **1,287.75** | **1,015.03** |

| | | | | |
|---|---|---|---|---|
| **Current liabilities** | | | | |
| Financial liabilities | | | | |
| (i) Borrowings | **28** | **-** | **-** | **-** |
| (ii) Lease Liabilities | **9** | **-** | 6.29 | 35.84 |
| (iii) Trade Payables | **29** | 1,540.49 | 4,301.34 | 4,030.25 |
| (iv) Others | **30** | 3,677.32 | 4,015.22 | **-** |
| Other current liabilities | **31** | 2,693.93 | 2,138.41 | 1,011.73 |
| Short term provisions | **32** | 1.62 | 1.86 | 1.54 |
| Liabilities for current tax (Net) | **33** | 35.43 | 392.21 | 1,529.29 |
| **Total current liabilities(C)** | | **7,948.79** | **10,855.33** | **6,608.65** |
| **Total liabilities(B+C)** | | **14,877.82** | **12,143.08** | **7,623.68** |
| **TOTAL EQUITY AND LIABILITIES(A+B+C)** | | **63,871.71** | **50,255.34** | **37,831.32** |
| The above statement should be read with the Annexure 5: Company Overview & Significant Accounting policies and explanatory notes to the Restated Ind AS Summary Statement, Annexure 6: Statement of Restated Adjustments to audited financial statements and Annexures 7-63: Notes to Restated Ind AS Summary Statements. | | | | |

**RESTATED CONSOLIDATED STATEMENT OF PROFIT AND LOSS**

*(Rs. In Lakhs)*

| Particulars | Annexure | Year Ended March 31,2023 | Year Ended March 31,2022 | Year Ended March 31, 2021 |
|---|---|---|---|---|
| **Revenue:** | | | | |
| Revenue from Operations (Net) | **34** | 53,816.17 | 35,985.08 | 33,070.39 |
| Other income | **35** | 511.54 | 324.76 | 548.03 |
| **Total revenue (I)** | | **54,327.71** | **36,309.84** | **33,618.42** |
| | | | | |
| **Expenses:** | | | | |
| Cost of Revenue of Operations | **36** | 40,941.82 | 24,447.41 | 20,821.59 |
| Changes in inventories of Work in Progress | **37** | (5,062.13) | (1,866.67) | 747.56 |
| Employee benefit expenses | **38** | 1,402.19 | 1,064.84 | 785.11 |
| Finance costs | **39** | 384.13 | 574.59 | 445.25 |
| Depreciation and Amortization | **40** | 339.95 | 252.06 | 173.50 |
| Other expenses | **41** | 1,634.34 | 1,088.31 | 826.17 |
| **Total Expenses (II)** | | **39,640.30** | **25,560.54** | **23,799.18** |
| | | | | |
| **Restated Profit before Exception Items and Taxes (III)=(I)-(II)** | | **14,687.41** | **10,749.30** | **9,819.24** |
| | | | | |
| **Exceptional Items (IV)** | | **-** | **-** | **-** |
| | | | | |
| **Restated Profit before Tax (V)** | | **14,687.41** | **10,749.30** | **9,819.24** |
| | | | | |
| **Tax Expense (VI)** | **42** | | | |
| Current Taxes | | 3,812.94 | 2,859.09 | 2,628.34 |
| Deferred taxes expense/(credit) | | 7.49 | (2.62) | (0.23) |
| | | | | |
| **Restated Profit for the period/ year (VII)= (V)-(VI)** | | **10,866.98** | **7,892.83** | **7,191.14** |
| | | | | |
| **Other Comprehensive Income (OCI) (VIII)** | | **-** | **-** | **-** |
| **Items not to be reclassified to profit or loss in subsequent period:** | | **-** | **-** | **-** |
| Remeasurement gain/ (loss) on defined benefit plan (net of Tax) | | 8.78 | 6.53 | 3.48 |
| Gain/(Loss) on Investments through OCI | | 5.86 | 5.26 | 0.75 |
| | | | | |
| **Restated Total Comprehensive Income for the period/year, net of tax (IX) (VII+VIII)** | | **10,881.63** | **7,904.62** | **7,195.37** |
| | | | | |
| **Profit for the year attributable to** | | | | |
| Shareholders of the company | | 10,750.59 | 7,814.74 | 7,188.36 |
| Non-Controlling Interest | | 116.39 | 78.09 | 2.78 |
| | | **10,866.98** | **7,892.83** | **7,191.14** |
| **Other Comprehensive income for the year attributable to** | | | | |

| | | | | |
|---|---|---|---|---|
| Shareholders of the company | | 14.65 | 11.79 | 4.22 |
| Non-Controlling Interest | | - | - | - |
| | | **14.65** | **11.79** | **4.22** |
| **Total Comprehensive income for the year attributable to** | | | | |
| Shareholders of the company | | 10,765.24 | 7,826.53 | 7,192.59 |
| Non-Controlling Interest | | 116.39 | 78.09 | 2.78 |
| | | **10,881.63** | **7,904.62** | **7,195.37** |
| | | | | |
| **Restated Earnings per Equity Share (Face Value: Rupees 10)** | | | | |
| - Basic | | 23.15 | 67.27 | 61.24 |
| - Diluted | | 23.15 | 67.27 | 61.24 |

The above statement should be read with the Annexure 5: Company Overview & Significant Accounting policies and explanatory notes to the Restated Ind AS Summary Statement, Annexure 6: Statement of Restated Adjustments to audited financial statements and Annexures 7-63: Notes to Restated Ind AS Summary Statements.

## RESTATED CONSOLIDATED STATEMENT OF CASH FLOWS

*(Rs. In Lakhs)*

| Particulars | Year Ended March 31,2023 | Year Ended March 31,2022 | Year Ended March 31, 2021 |
|---|---|---|---|
| **A. CASH FLOW FROM OPERATING ACTIVITIES** | | | |
| Profit/ (Loss) before Exceptional items and Tax | 14,687.41 | 10,749.30 | 9,819.24 |
| **Non-cash adjustments:** | | | |
| Depreciation and amortisation expenses | 257.54 | 215.12 | 173.50 |
| Interest Expense | 0.07 | 2.43 | 44.45 |
| Loss/ (Gain) on Sale of Property, Plant and Equipment | (5.99) | (0.15) | - |
| Remeasurement gain/ (loss) on defined benefit plan | 11.74 | 8.72 | 4.65 |
| Gain/(Loss) on Investments through OCI | 7.83 | 7.03 | 1.00 |
| **Operating profit before working capital changes** | **14,958.61** | **10,982.45** | **10,042.85** |
| Changes in working capital: | | | |
| (Increase)/ Decrease in Inventories | (5,063.06) | (1,869.92) | 747.54 |
| (Increase)/Decrease in Trade Receivables | (1,192.18) | (6,453.68) | (5,392.61) |
| (Increase)/Decrease in Other Current Assets | (2,713.81) | (3,238.28) | 3,486.72 |
| (Increase)/Decrease in Other Financial Assets | (3,132.87) | 88.55 | (2,098.14) |
| Increase/(Decrease) in other current liabilities | 555.52 | 1,120.47 | (94.62) |
| Increase/(Decrease) in Trade Payables | (2,760.84) | 271.08 | 108.23 |
| Increase/(Decrease) in other Financial Liabilities | (337.90) | 3,985.67 | (648.28) |
| Increase/(Decrease) in Provisions | (2,837.62) | (2,604.47) | (2,551.43) |
| **Cash generated from operations** | | | |
| Income tax (Refund)/ paid during the year | (15.96) | (18.15) | (23.44) |
| **Net cash from operating activities (A)** | **(2,540.12)** | **2,263.71** | **3,576.82** |
| | | | |
| **B. CASH FLOW FROM INVESTING ACTIVITIES** | | | |
| Purchase of Property, Plant and Equipment and Capital Work in Progress | (878.58) | (845.44) | (829.16) |
| Sale of Property, Plant and Equipment | 91.09 | 39.41 | 0.29 |
| Loss / (Gain) on Fair Valuation of Investments | (71.11) | (7.03) | (1.00) |
| Increase in Investment Property | (189.74) | (82.54) | (10.96) |
| Increase in Intangible Assets | 6.68 | (582.48) | (6.68) |
| (Gain)/Loss on Sale of Fixed Assets | 5.99 | 0.15 | - |
| **Net cash from investing activities (B)** | **(1,035.67)** | **(1,477.91)** | **(847.51)** |
| | | | |
| **C. CASH FLOW FROM FINANCING ACTIVITIES** | | | |
| Contribution from Non-Controlling Interests | - | - | 13.41 |
| Interest paid on borrowings | (0.07) | (2.43) | (44.45) |
| Increase/ (Decrease) in other Long-term liabilities | 1,476.08 | 223.82 | 154.03 |
| Proceeds/(Repayment) from Short-Term Borrowings | - | - | (204.56) |
| Proceeds/(Repayment) of Long-term Borrowings | 4,168.25 | 55.02 | (958.87) |
| Proceeds/(Repayment) of Lease Liability | (6.29) | - | (49.36) |
| **Net cash from financing activities (C)** | **5,637.97** | **276.40** | **(1,089.80)** |
| **Net increase in cash and cash equivalents (A+B+C)** | **2,062.18** | **1,062.20** | **1,639.51** |

| | | | |
|---|---|---|---|
| **Cash and cash equivalents at the beginning of the year** | 6,105.29 | 5,043.09 | 3,403.58 |
| **Cash and cash equivalents at the end of the year** | **8,167.47** | **6,105.29** | **5,043.09** |
| The above statement should be read with the Annexure 5: Company Overview & Significant Accounting policies and explanatory notes to the Restated Ind AS Summary Statement, Annexure 6: Statement of Restated Adjustments to audited financial statements and Annexures 7-63: Notes to Restated Ind AS Summary Statements. | | | |

## GENERAL INFORMATION

Our Company was originally incorporated as 'EMS Infracon Private Limited' a private limited company under the Companies Act, 1956 at Delhi, pursuant to a certificate of incorporation dated December 21, 2010 issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana. Thereafter on June 30, 2012, our Company took over the business of partnership firm, M/s Satish Kumar. Thereafter, name of our Company was changed from 'EMS Infracon Private Limited' to 'EMS Private Limited', pursuant to a special resolution passed by the shareholders of our Company on September 30, 2022 and a fresh certificate of incorporation consequent to change of name was issued by the Registrar of Companies, Delhi ("RoC") on October 26, 2022. Subsequently, our Company was converted from private to public company, pursuant to a special resolution passed by the shareholders of our Company on October 27, 2022 and a fresh certificate of incorporation consequent to change of name was issued by the Registrar of Companies, Delhi ("RoC") on November 25, 2022. For further details on the change in the name and the registered office of our Company, see "History and Certain Corporate Matters" beginning on page 272.

Our Company's Corporate Identity Number is U45205DL2010PLC211609.

**Company registration number and corporate identity number**

The registration number and corporate identity number of our Company are as follow:

**Corporate identity number:** U45205DL2010PLC211609
**Company registration number:** 211609

**REGISTERED OFFICE OF OUR COMPANY**

**EMS Limited**

701, DLF Tower A, Jasola,

New Delhi-110025, India.

**Tel. No.:** +91 8826696627, 011-46067666/46068666

**E-mail:** cs@ems.co.in

**Website:** www.ems.co.in

**CORPORATE OFFICE OF OUR COMPANY**

**EMS Limited**

C-88, Second Floor, Raj Nagar Distt. Centre,

Raj Nagar, Ghaziabad-201002,

Uttar Pradesh, India

**Tel. No.:** +91 8826696627, 0120 4235555/ 4235559

**E-mail:** cs@ems.co.in

**Website:** www.ems.co.in

**ADDRESS OF THE REGISTRAR OF COMPANIES**

**Registrar of Companies, Delhi**

4th Floor, IFCI Tower, 61,

Nehru Place, New Delhi – 110019, India

**Tel. No.:** 011-26235703

**E-mail:** roc.delhi@mca.gov.in

**Website**-www.mca.gov.in

**BOARD OF DIRECTORS OF OUR COMPANY**

| Sr. No. | Name | Age | DIN | Address | Designation |
|---|---|---|---|---|---|
| 1. | Mr. Ramveer Singh | 60 | 02260129 | R-14/120, Raj Nagar, Ghaziabad, Uttar Pradesh, India | Chairman & Director |
| 2. | Mr. Ashish Tomar | 33 | 03170943 | R-14/120, Raj Nagar, Ghaziabad, Uttar Pradesh, India | Managing Director |
| 3. | Ms. Kritika Tomar | 29 | 09777840 | R-14/120, Raj Nagar, Ghaziabad, Uttar Pradesh, India | Whole-time Director |
| 4. | Mr. Neeraj Srivastava | 55 | 05309378 | H. No – S-485, Third Floor, GK – II, New Delhi - 110048, India | Executive Director |
| 5. | Mr. Mukesh Kumar Garg | 64 | 08936325 | Flat No-2714, Eternia Tower, Mahagun Mezzaria, Sector-78, Noida, Gautam Buddha Nagar, Uttar Pradesh-201301, India | Independent Director |
| 6. | Ms. Chetna | 32 | 08981045 | House No-138, Village Rithala, New Delhi-110085, India | Independent Director |
| 7. | Mr. Achal Kapoor | 35 | 09150394 | House No-126, New Gandni Nagar, Ghaziabad-201001, Uttar Pradesh, India | Independent Director |
| 8. | Ms. Swati Jain | 31 | 09436199 | 3-A, 118/8, Nehru Nagar, Near Nasirpur Fhatak, Nehru Nagar Ghaziabad-201001, Uttar Pradesh, India | Independent Director |

For further details of our Directors, please refer to the chapter titled "*Our Management*" beginning on page 277.

**CHIEF FINANCIAL OFFICER**

**Mr. Gajendra Parihar**
**EMS Limited**
C-88, Raj Nagar Distt. Centre,
Raj Nagar, Ghaziabad,
Uttar Pradesh, India
**Tel. No.:** +91 8826696627, +91-120-4235555/4235559
**E-mail:** cfo@ems.co.in
**Website:** www.ems.co.in

**COMPANY SECRETARY AND COMPLIANCE OFFICER**

**Mr. Deepak Kumar**
**EMS Limited**
C-88, Raj Nagar Distt. Centre,
Raj Nagar, Ghaziabad,
Uttar Pradesh, India
**Tel. No.:** +91 8826696627, +91-120-4235555/4235559
**E-mail:** cs@ems.co.in
**Website:** www.ems.co.in

**INVESTOR GRIEVANCES**

**Investors may contact the Company Secretary and Compliance Officer and /or the Registrar to the Issue and/or BRLM in case of any Pre-Issue or Post-Issue related grievances, such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders, non-receipt of funds by electronic mode, etc. For all Issue related queries and for redressal of complaints, investors may also write to the BRLM.**

Our Company has obtained authentication on the SCORES in compliance with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013, SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 and SEBI circular (SEBI/HO/OIAE/IGRD/CIR/P/2021/642) dated October 14, 2021 in relation to redressal of investor grievances through SCORES.

All issue-related grievances, other than of Anchor Investors, may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary(ies) with whom the Bid cum Application Form was submitted, giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, address of Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for UPI Bidders who make the payment of Bid Amount through the UPI Mechanism), date of Bid cum Application Form and the name and address of the relevant Designated Intermediary(ies) where the Bid was submitted. Further, the Bidder shall enclose the Acknowledgment Slip or the application number from the Designated Intermediaries in addition to the documents or information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Issue.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, 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. In terms of the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SCSBs are required to compensate the investor immediately on the receipt of complaint. Further, the post issue book running lead manager is required to compensate the investor for delays in grievance redressal in accordance with the circulars.

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

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

**Filing**

A copy of this Red Herring Prospectus has been filed with SEBI electronically through the SEBI Intermediary Portal at https://siportal.sebi.gov.in, as specified in Regulation 25(8) of the SEBI (ICDR) Regulations and the SEBI circular bearing reference SEBI/HO/CFD/DIL1/CIR/P/2018/ 011 dated January 19, 2018 and 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 required to be filed, will be filed with the RoC in accordance with Section 32 of the Companies Act, 2013, and a copy of the Prospectus required to be filed under Section 26 of the Companies Act, 2013 will be filed with the RoC at its office, and through the electronic portal at http://www.mca.gov.in/mcafoportal/loginvalidateuser.do,

**BOOK RUNNING LEAD MANAGER**

**Khambatta Securities Limited**
#1, Ground Floor, 7/10, Botawala Building,
9, Bank Street, Horniman Circle, Mumbai-400001, India
**Contact person:** Mr. Chandan Mishra, Mr. Vipin Aggarwal
**Telephone:** 9953989693, 022 66413315,
**E-mail:** ipo@khambattasecurities.com
**Website:** www.khambattasecurities.com
**SEBI Registration Number:** INM000011914

**REGISTRAR TO THE ISSUE**

**KFin Technologies Limited**
Selenium, Tower B, Plot No. 31&32, Financial District,
Nanakramguda, Serilinigampally, Hyderabad,
Rangareddi - 500 032, Telangana, India
**Telephone:** +91 40 6716 2222
**E-mail:** ems.ipo@kfintech.com
**Website:** www.kfintech.com
**Contact person:** M Murali Krishna
**SEBI registration no:** INR000000221

**LEGAL ADVISORS TO THE ISSUER**

**Legacy Law Offices LLP**
Legacy House, D 18, Kalkaji,
New Delhi-110019, India
**Telephone:** 011 41752507, 41752508
**E-mail:** anand@legacylawoffices.com
**Website:** www.legacylawoffices.com
**Contact person:** Mr. Gagan Anand

**STATUTORY & PEER REVIEW AUDITOR OF OUR COMPANY**

**M/s. Rishi Kapoor & Co.**
**Chartered Accountants**
Plot No. 10, RDC, Raj Nagar, Opposite Telephone Exchange,
Ghaziabad-201001, Uttar Pradesh, India
**Contact person:** Ms. Jyoti Arora

**Telephone:** 9213529347
**E-mail:** carishikapoor@yahoo.co.in
**Firm Registration Number:** 06615C
**Peer Review Certificate Number:** 014978
**BANKERS TO THE COMPANY**

| | |
|---|---|
| **Axis Bank Limited**<br>WBC Noida, B21 & B22,<br>Sector 16, Noida-20130, Uttar Pradesh, India<br>**Contact person:** Shreya Jain<br>**Telephone:** 9910399466<br>**E-mail:** ccsuhead.noida@axisbank.com<br>**Website:** www.axisbank.com | **ICICI Bank Limited**<br>R1/88, Raj Nagar<br>Ghaziabad, Uttar Pradesh, India<br>**Contact person:** Varun Gulati<br>**Telephone:** 120-4344643<br>**E-mail:** gulati.varun@icicibank.com<br>**Website:** www.icicibank.com |
| **Bank of India Limited**<br>59-60, GT Road<br>Ghaziabad-201001, Uttar Pradesh, India<br>**Contact person:** Sandeep Rawat<br>**Telephone:** 0120-2851728<br>**E-mail:** Ghaziabad.ghaziabad@bankofindia.co.in<br>**Website:** www.bankofindia.co.in | **Induslnd Bank Limited**<br>Dilshad Garden Office, Unit No.64,<br>Ground Floor, Dilshad Garden Metro Station Building<br>New Delhi-110095, India<br>**Contact person:** Sahyog Saxena<br>**Telephone:** 9540045991<br>**E-mail:** cad.north@indusind.com<br>**Website:** www.indusind.com |
| **HDFC Bank Limited**<br>D-44, RDC, Raj Nagar,<br>Ghaziabad-201001, Uttar Pradesh, India<br>**Contact person:** Garima Saxena<br>**Telephone:** 9953611449<br>**E-mail:** Garima.saxena@hdfcbank.com<br>**Website:** www.hdfcbank.com | **Kotak Mahindra Bank Limited**<br>1/11, Opposite Metro Pillar No. 175<br>East Patel Nagar, New Delhi-110008, India<br>**Contact person:** Faizan Ahmad<br>**Telephone:** +91 93500 30503<br>**E-mail:** faizan.ahmad@kotak.com<br>**Website:** www.kotak.com |
| **Punjab National Bank Limited**<br>Large Corporate Branch,<br>Sector-1, Noida, Uttar Pradesh, India<br>**Contact person:** Durgesh Kumar<br>**Telephone:** 0120 2427156/ 9889023905<br>**E-mail:** bo6420@pnb.co.in<br>**Website:** www.pnbindia.in | |

**Public Offer Account Bank**

**HDFC Bank Limited**
**Telephone:** +91 22 3075 2927/28/2914
**Contact person:** Siddharth Jadhav, Eric Bacha, Vikas Raha, Tushar Gavankar
**Website:** www.hdfcbank.com
**Email:** Siddharth.Jadhav@hdfcbank.com ; eric.bacha@hdfcbank.com ;
vikas.rahate@hdfcbank.com ; tushar.gavankar@hdfcbank.com
**Address:** HDFC Bank Limited, FIG- OPS Department- Lodha,

I Think Techno Campus O-3 Level, Next to Kanjurmarg Railway Station,
Kanjurmarg (East), Mumbai – 400 042, Maharashtra, India
**SEBI Registration No.:** INBI00000063

**Escrow Collection Bank(s)/ Refund Bank(s)**

**Axis Bank Limited**
Axis House, 6th Floor, C-2, Wadia International Centre,
Pandurang Budhkar Marg,
Worli, Mumbai-400025, India
**Contact person:** Mr. Vishal M. Lade
**Telephone:** 022 24253672
**E-mail:** vishal.lade@axisbank.com
**Website:** www.axisbank.com
**SEBI Registration Number: INBI00000017**

**Sponsor Banks**

**HDFC Bank Limited**
**Telephone:** +91 22 3075 2927/28/2914
**Contact person:** Siddharth Jadhav, Eric Bacha, Vikas Raha, Tushar Gavankar
**Website:** www.hdfcbank.com
**Email:** Siddharth.Jadhav@hdfcbank.com ; eric.bacha@hdfcbank.com ;
vikas.rahate@hdfcbank.com ; tushar.gavankar@hdfcbank.com
**Address:** HDFC Bank Limited, FIG- OPS Department- Lodha,
I Think Techno Campus O-3 Level,
Next to Kanjurmarg Railway Station,
Kanjurmarg (East), Mumbai – 400 042
Maharashtra, India
**SEBI Registration No.:** INBI00000063

**Axis Bank Limited**
Axis House, 6th Floor, C-2, Wadia International Centre,
Pandurang Budhkar Marg,
Worli, Mumbai-400025, India
**Contact person:** Mr. Vishal M. Lade
**Telephone:** 022 24253672
**E-mail:** vishal.lade@axisbank.com
**Website:** www.axisbank.com
**SEBI Registration Number: INBI00000017**

**Syndicate Members**

**Prabhat Financial Services Limited**
205, Navjeevan Complex, 29, Station Road,
Jaipur-302006, Rajasthan, India
**Contact person:** Mr. Adheesh Kabra
**Telephone:** 0141-4162083, 4162099, 8696266661
**E-mail:** pfslindia@hotmail.com
**Website:** www.pfslindia.co.in
**SEBI Registration Number: INZ000169433**

**Nikunj Stock Brokers Limited**
A-92, Ground Floor, Left Portion,

Kamla Nagar, New Delhi-110007, India
**Contact person:** Mr. Anupam Suman
**Telephone:** 9999492292
**E-mail:** complianceofficer@nikunjonline.com
**Website:** www.nikunjonline.com
**SEBI Registration Number: INZ000169335**

**IPO Grading**

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

**Statement of inter-se allocation of responsibilities**

Khambatta Securities Limited being the sole Book Running Lead Manager will be responsible for all the responsibilities related to co-ordination and other activities in relation to the Issue. Hence, a statement of inter se allocation of responsibilities is not required.

**Monitoring Agency**

Our Company has in compliance with Regulation 41 of the SEBI ICDR Regulations, appointed ICRA Limited as the Monitoring Agency for monitoring the utilization of the Net Proceeds. For further details in relation to the proposed utilisation of the Net Proceeds, see 'Objects of the Offer' on page 119.

Details of ICRA Limited are set out below:

**ICRA Limited**
Electric Mansion, 3F, Appasaheb Marathe Marg,
Prabhadevi, Mumbai-400025, India
**Contact person:** Mr. L. Shivakumar
**Telephone:** 022 61693300
**Fax No:** 022 24331390
**E-mail:** shivakumar@icraindia.com
**Website:** www.icra.in
**SEBI Registration Number: INZ000169335**

**Appraising Entity**

None of the objects for which the Net Proceeds will be utilised have been appraised by any agency.

**Credit Rating**

As this is an Issue of Equity Shares, there is no credit rating required for the Issue.

**Debenture Trustee**

As this is an Issue of Equity Shares, the appointment of a debenture trustee is not required.

**Green Shoe Option**

No green shoe option is contemplated under the Issue.

**Changes in auditors**

There have been no changes in our statutory auditor in the three years preceding the date of this Red Herring Prospectus.

**Designated Intermediaries**

***Self-Certified Syndicate Banks***

The banks registered with SEBI, which offer the facility of ASBA services 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?doRecognised=yes and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.

A list of the Designated SCSB Branches with which an ASBA Bidder (other than a RII using the UPI Mechanism), not Bidding through Syndicate / Sub Syndicate or through a Registered Broker, RTA or CDP may submit the ASBA Forms, is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and at such other websites as may be prescribed by SEBI from time to time.

Further, the branches of the SCSBs where the Designated Intermediaries could submit the ASBA Form(s) of Bidders (other than RIBs) is provided on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 which may be updated from time to time or at such other website as may be prescribed by SEBI from time to time. Details of nodal officers of SCSBs, identified for Bids made through the UPI Mechanism, are available at www.sebi.gov.in.

***Self-Certified Syndicate Banks eligible as Issuer Banks for UPI Mechanism***

The list of SCSBs through which Bids can be submitted by RIBs using the UPI Mechanism, including details such as the eligible Mobile Apps and UPI handle which can be used for such Bids, is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43, which may be updated from time to time or at such other website as may be prescribed by SEBI from time to time.

Applications through UPI in the Issue 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 appearing in the “list of mobile applications for using UPI in public issues” displayed on the SEBI website. Details of nodal officers of SCSBs, identified for Bids made through the UPI Mechanism, are available at www.sebi.gov.in.

***Syndicate SCSB Branches***

In relation to Bids (other than Bids by Anchor Investor) submitted under ASBA process to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) as updated 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 (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) or any such other website as may be prescribed by SEBI from time to time.

***Registered Brokers***

The list of the Registered Brokers eligible to accept ASBA forms, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com, respectively, 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?and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, 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? and on the website of NSE at http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, as updated from time to time.

***Experts***

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

Our Company has received written consent dated March 14, 2023 from M/s. Rishi Kapoor & Co., Chartered Accountants, holding a valid peer review certificate from ICAI, to include their name as required under Section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditor, and in respect of their (i) examination report on our Restated Consolidated Financial Statements dated July 27, 2023 on our Restated Consolidated Financial Statements; and (ii) the statement of special tax benefits available to the Company and its shareholders dated July 27, 2023, included in this Red Herring Prospectus and such consent has not been withdrawn as on the date of this Red Herring Prospectus.

The term "experts" and consent thereof does not represent an expert or consent within the meaning under the U.S. Securities Act.

**Book Building Process**

The book building, in the context of the Issue, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus and the Bid cum Application Forms and the Revision Forms within the Price Band. The Price Band and the minimum Bid Lot will be decided by our Company and selling shareholder, in consultation with the Book Running Lead Manager, and shall be advertised in all editions of Business Standard, an English national daily newspaper and all editions of Business Standard, a Hindi national daily newspaper, Pratah Kiran, a local daily newspaper in Delhi, where our Registered Office is located, each with wide circulation, at least two Working Days prior to the Bid/Issue Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Issue Price shall be determined by our Company in consultation with the BRLM after the Bid/ Issue Closing Date. For details, see "Issue Procedure" beginning on page 478.

**All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Issue by providing details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by SCSBs. In addition to this, the RIBs 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 Issue through the ASBA process.**

**In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Investors Bidding in the Retail Portion can revise their Bids during the Bid/Issue Period and withdraw their Bids until the Bid/Issue Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/ Issue Period. Allocation to QIBs (other than Anchor Investors) and Non-Institutional Bidders will be on a proportionate basis while Allocation to the Anchor Investors will be on a discretionary basis.**
**The process of Book Building under the SEBI ICDR Regulations and the Bidding Process are subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to submitting a Bid in the Issue.**

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

For Further details on the method and procedure for Bidding see "Issue Structure" and "Issue Procedure" beginning on pages 473 and 478 respectively.

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

For further details on the method and procedure for Bidding and book building process and the price discovery process, see "Issue Structure" and "Issue Procedure" beginning on pages 473 and 478, respectively.

**Underwriting Agreement(s)**

After the determination of the Issue Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company shall enter into an Underwriting Agreement with the Underwriters for the Equity Shares offered in the Issue. The extent of underwriting obligations and the Bids to be underwritten in the Issue shall be as per the Underwriting Agreement. The Underwriting Agreement will be dated [●]. 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 Underwriters have indicated their intention to underwrite the following number of Equity Shares:

*(This portion has been intentionally left blank and will be completed before filing the Prospectus with the RoC.).*

*(Rs. In Lakhs)*

| Name, address, telephone and e-mail of Underwriters | Indicative number of Equity Shares to be Underwritten | Amount Underwritten |
|---|---|---|
| [●] | [●] | [●] |

The above-mentioned underwriting commitments are indicative and will be finalised after determination of Issue Price and Basis of Allotment and subject to the provisions of Regulation 40(2) of the SEBI ICDR Regulations.

In the opinion of our Board (based on representations made to our Company by the Underwriters), the resources of the aforementioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The aforementioned Underwriters are merchant bankers registered with our Board or stock brokers registered with the Stock Exchanges. Our Board, 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 commitment 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 Red Herring Prospectus and will be executed after determination of the Issue 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 Red Herring Prospectus, is set forth below:

*(Rs. In lakhs except share data)*

| Sr. No | Particulars | Aggregate Value | |
|---|---|---|---|
| | | Face Value | Issue Price |
| A | **Authorised Share Capital** | | |
| | 6,00,00,000 Equity Shares of face value of Rs. 10/- each | 6,000.00 | - |
| | | | |
| B | **Issued, Subscribed and Paid Up Share Capital before the Issue** | | |
| | 4,86,00,000 fully paid up Equity Shares of face value of Rs. 10/- each | 4,860.00 | - |
| | | | |
| C | **Present Issue in terms of this Red Herring Prospectus*** | | |
| | [●] Equity Shares of face value of Rs. 10/- each at a premium of Rs. [●]/- per Equity Share(1)(2) | [●] | [●] |
| | ***Of which:*** | | |
| | Fresh Issue of up to [●] Equity Shares of face value of Rs. 10/- each at a premium of Rs. [●]/- per Equity Shares | [●] | [●] |
| | Offer for Sale of up to 82,94,118(3) Equity Shares of face value of Rs. 10/- each at a premium of Rs. [●]/- per Equity Share | 829.41 | [●] |
| | | | |
| D | **Issued, Subscribed and Paid Up Share Capital after the Issue*** | | |
| | [●] Equity Shares of face value of Rs. 10/- each | [●] | |
| | | | |
| E | **Securities Premium Account** | | |
| | Before the Issue as of March 31, 2023 | 75.00 | |
| | After the Issue | [●] | |

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

*(1)The Issue has been authorized pursuant to a resolution of our Board dated March 14, 2023 and by Special Resolution passed under Section 62 (1) (c) of the Companies Act, 2013 at an Extra-Ordinary General Meeting of our shareholders held on March 15, 2023.*

*(2)Our Company has, in consultation with the BRLM, undertaken a Pre-IPO Placement of 16,00,000 Equity Shares at an issue price of Rs. 211 per Equity Share (including a premium of Rs. 201 per Equity Share) aggregating Rs.3,376.00 Lakhs. The size of the Fresh Issue of up to Rs. 18,000.00 Lakhs has been reduced by Rs. 3,376.00 Lakhs pursuant to the Pre-IPO Placement and the revised size of the Fresh Issue is up to Rs.14,624.00 Lakhs. For risk regarding apprehension/concerns of the listing of our Equity Shares on the Stock Exchanges see 'Risk Factors - There is no guarantee that our Equity Shares will be listed on the BSE and the NSE in a timely manner or at all' on page 75.*

*(3)The Selling Shareholder has consented to participate in the Offer for Sale pursuant to his consent letter, dated March 14, 2023 for 82,94,118 Equity Shares. For further details of authorizations received for the Offer for Sale, see "Other Regulatory and Statutory Disclosures" on page 456.*

**Class of Shares**

The Company has single classes of share capital i.e. Equity Shares of face value of Rs. 10/- each. All Equity Shares issued are fully paid-up. Our Company does not have any outstanding convertible instruments as on the date of this Red Herring Prospectus.

**Changes in the authorised share capital of our Company**

For details of the changes to the authorised share capital of our Company in the past 10 years, see "History and Certain Corporate Matters-Amendments to our Memorandum of Association" on page 273.

1. **Notes to the Capital Structure:**

**a) Equity Share Capital History:**

The following table sets forth details of the history of the Equity Share capital of our Company:

| Date of Allotment | No. of Shares Allotted | Face Value | Issue Price | Nature of Allotment | Nature of Consideration | Cumulative No. of Shares | Cumulative Paid up Capital |
|---|---|---|---|---|---|---|---|
| Upon Incorporation# | 10,000 | 10 | 10 | Subscription to MOA(1) | Cash | 10,000 | 1,00,000 |
| July 01, 2012 | 49,90,000 | 10 | 10 | Further Issue(2) | Acquisition of Partnership firm | 50,00,000 | 5,00,00,000 |
| March 30, 2013 | 50,00,000 | 10 | 10 | Further Issue(3) | Cash | 1,00,00,000 | 10,00,00,000 |
| March 31, 2014 | 15,00,000 | 10 | 10 | Further Issue(4) | Cash | 1,15,00,000 | 11,50,00,000 |
| March 31, 2017 | 2,50,000 | 10 | 40 | Further Issue(5) | Cash | 1,17,50,000 | 11,75,00,000 |
| March 23, 2023 | 3,52,50,000$ | 10 | - | Bonus Issue(6) | Consideration other than cash | 4,70,00,000 | 47,00,00,000 |
| July 18, 2023 | 16,00,000 | 10 | 211 | Private Placement(7) | Cash | 4,86,00,000 | 48,60,00,000 |

*#Shares was subscribed to Initial Subscriber to Memorandum of Association on incorporation.*
*$As on March 23, 2023, the Company has issued bonus shares to the existing shareholders of the Company in the ratio of 3:1.*

All the above-mentioned shares are fully paid up since the date of allotment.

**Notes:**

(1) *Allotment of 7,500 Equity Shares to Ramveer Singh, 2,500 Equity Shares to Ashish Tomar.*

(2) *Allotment of 47,40,500 Equity Shares to Ramveer Singh, 2,49,500 Equity Shares to Satish Kumar upon acquisition of partnership firm namely "Satish Kumar" vide business agreement dated June 30, 2012.*

(3) *Allotment of 50,00,000 Equity Shares to Ramveer Singh.*

(4) *Allotment of 15,00,000 Equity Shares to Ramveer Singh.*

(5) *Allotment of 2,50,000 Equity Shares to Sumit Construction Private Limited.*

(6) *Allotment of 3,44,77,500 Equity Shares to Ramveer Singh, 7,500 Equity Shares to Ashish Tomar, 7,50,000 Equity Shares to Sumit Construction Private Limited, 3,750 Equity Shares to Kritika Tomar, 3,750 Equity Shares to Gajendra Parihar, 3,750 Equity Shares to Sakshi Tomar Parihar and 3,750 Equity Shares to Nirmala Tomar.*

(7) *Allotment of 10,000 Equity Shares to Ravindra Kumar HUF, 25,000 Equity Shares to V. Nitin, 10,000 Equity Shares to U Anuradha, 10,000 Equity Shares to Hulas Chand Lalwani, 10,000 Equity Shares to Sushil Kumar Chhajed, 10,000 Equity Shares to Rishab Kankaria HUF, 10,000 Equity Shares to Rajni Madanlal Bothra, 40,000 Equity Shares to Amita Jain, 30,000 Equity Shares to Muskan Kankaria, 25,000 Equity Shares to Nikita Katta, 10,000 Equity Shares Arvind Lalwani HUF, 10,000 Equity Shares to Hulaschand Rajesh Kumar HUF, 10,000 Equity Shares to Santosh Devi Lalwani, 23,000 Equity Shares to Manojkumar Ashokkumar Kankaria, 20,000 Equity Shares to Akshat S Luniya, 25,000 Equity Shares to Abhishek Premnarayan Parwal HUF, 25,000 Equity Shares to Shaleen Khemani, 10,000 Equity Shares to Harshika Jain, 10,000 Equity*

*Shares to Rajesh Lalwani, 10,000 Equity Shares Nilesh Lalwani, 12,500 Equity Shares to Vrinda Aggarwal, 12,500 Equity Shares to Trisha Aggarwal,10,000 Equity Shares to Ankur Bhupendra Shah, 20,000 Equity Shares to Anila Jain, 20,000 Equity Shares to Arun Kumar Jain, 10,000 Equity Shares Sumit Kumar Gupta, 25,000 Equity Shares to Rajesh Kumar Jain, 10,000 Equity Shares to Kshitiz Jain, 10,000 Equity Shares to Sangeetha Jain, 25,000 Equity Shares to Priti Gupta, 10,000 Equity Shares to Rajeev Kohli, 10,000 Equity Shares to Gaurav Shanker, 10,000 Equity Shares to Rachna Kohli, 10,000 Equity Shares to Naresh Kumar Bansal, 50,000 Equity Shares to Vikas Gupta, 20,000 Equity Shares to Ritu Goel, 10,000 Equity Shares to Bal Kishan Saraf, 10,000 Equity Shares to Aakash Agarwal. 15,000 Equity Shares to Umesh Aggarwal, 25,000 Equity Shares to Mukesh Jain, 21,000 Equity Shares to Kapil Garg, 10,000 Equity Shares to Baij Nath Gupta, 10,000 Equity Shares to Anuradha Gupta, 10,000 to Equity Shares to Capriso Finance Limited, 10,000 Equity Shares to Pooja Rajgarhia, 10,000 Equity Shares to Tribhuwan Nath Chaturvedi, 10,000 Equity Shares to Kaushal Bindlish, 12,500 Equity Shares to Mukesh Goel, 25,000 Equity Shares to Sunil Jain, 10,000 Equity Shares to Chaturbhuj Bardia, 11,000 Equity Shares to Nidhi Agarwal, 50,000 Equity Shares to Shikha Garg, 22,000 Equity Shares to Sangitha, 10,000 Equity Shares to Manjula Bhansali, 15,000 Equity Shares to Premlatha P, 30,000 Equity Shares to Manish Garg, 10,000 Equity Shares to Nilesh V Parekh, 10,000 Equity Shares to Niraj Lalwani, 27,500 Equity Shares to Saroj Devi Mandholia, 10,000 Equity Shares to Devika Garg, 10,000 Equity Shares to Arya Gupta, 25,000 Equity Shares to Sygnific Corporate Solutions Pvt Ltd, 17,500 Equity Shares to Jagdish Prasad Mandholia, 25,000 Equity Shares to Utsav Kumar Mandholia, 35,000 Equity Shares to Ritika Mandholia, 10,000 Equity Shares to Priyanka Kumari, 13,000 Equity Shares to Arpit Dokania, 12,500 Equity Shares to IESOUS Marketing Private Limited, 10,000 Equity Shares to Jambukumar, 10,000 Equity Shares to Misthy Garg, 12,000 Equity Shares to Ajay Kumar Gupta, 10,000 Equity Shares to Anuj Anand, 10,000 Equity Shares to Ram Niwas Saini, 10,000 Equity Shares to Amit Saini, 11,000 Equity Shares to Naresh J Shroff HUF, 10,000 Equity Shares to Ekta Shukla, 11,000 Equity Shares to Amita N Shroff, 11,000 Equity Shares to Neeta Pradeep Shroff, 11,000 Equity Shares to Naresh Jaiprakash Shroff, 10,000 Equity Shares to Daksh Agarwal, 10,000 Equity Shares to Ankita Mantri, 10,000 Equity Shares to Gunjan Daga, 10,000 Equity Shares to Anuj Rathi, 10,000 Equity Shares to Urban Botanics Private Limited, 10,000 Equity Shares to Suraj Jain, 72,000 Equity Shares to Mandholia Developers Private Limited, 10,000 Equity Shares to Dilipkumar Shah HUF, 10,000 Equity Shares to Mohit Goel, 10,000 Equity Shares to Mayank Aggarwal, 5,000 Equity Shares to Ashish Garg, 10,000 Equity Shares to Sonika Chauhan, 50,000 Equity Share to Gauravrajsingh Vijaysingh Rathore, 10,000 Equity Shares to Nirmala Devi Lalwani, 10,000 Equity Share to Anita Bansal, 10,000 Equity Shares to Anuj Sahny, 80,000 Equity Shares to Bima Pay Technology Pvt Ltd and 17,000 Equity Shares to Kanhaiya Lal Rathi.*

**b) Preference Share Capital**

As on the date of this Red Herring Prospectus, our Company does not have any Preference Share Capital.

2. **Issue of Equity Shares for consideration other than cash:**

Except as set out below, our Company has not issued Equity Shares for consideration other than cash.

| Date of Allotment | Reason of Allotment | No. of Equity Shares Allotted | Face Value (Rs. | Issue Price (Rs.) | Benefits accrued to our Company |
|---|---|---|---|---|---|
| March 23, 2023 | Bonus issue in the ratio of 3:1*[(1)] | 3,52,50,000 | 10 | - | - |

**These allotment of equity shares has been made out of reserves & surplus available for distribution to shareholders and no part of revaluation reserve has been utilized for the purpose.*

***Notes:***

*[(1)]Allotment of 3,44,77,500 Equity Shares to Ramveer Singh, 7,500 Equity Shares to Ashish Tomar, 7,50,000 Equity Shares to Sumit Construction Private Limited, 3,750 Equity Shares to Kritika Tomar, 3,750 Equity Shares to Gajendra Parihar, 3,750 Equity Shares to Sakshi Tomar Parihar and 3,750 Equity Shares to Nirmala Tomar.*

3. **Issue of Equity Shares for consideration other than cash:**

   Except for the allotment of 3,52,50,000 Equity Shares through bonus issue made on March 23, 2023, Our Company has not issued any Equity Shares at a price which may be lower than the Offer Price in the one year preceding the date of this Red Herring Prospectus.

4. Our Company has not issued any Equity Shares out of its revaluation reserves since incorporation.

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

6. Our Company has not issued any shares pursuant to an Employee Stock Option Scheme.

7. All transactions in Equity Shares by our Promoters and members of our Promoter group between the date of filing of this Red Herring Prospectus and the date of closing of the Issue shall be reported to the Stock Exchanges within 24 hours of such transactions.

8. **History of build-up, Promoters' contribution and lock-in of Promoters' shareholding.**

   **a) Build-up of the shareholding of our Promoters in our Company**

   As on the date of this Red Herring Prospectus, our Promoters, along with our Promoter Group hold 4,70,00,000 Equity Shares, equivalent to 96.71% of the issued, subscribed and paid-up Equity Share capital of our Company. The details regarding the shareholding of our Promoters since incorporation of our Company is set forth in the table below.

- **Mr. Ramveer Singh**

| Date of Allotment /Transfer | Reason/Nature of Allotment | Number of Equity Shares | Nature of Consideration | Face Value (Rs.) | Issue Price (Rs.) | % of Pre-Issue Capital | % of Post-Issue Capital$ |
|---|---|---|---|---|---|---|---|
| Upon Incorporation | Initial Subscribers to the MOA | 7,500 | Cash | 10 | 10 | 0.02 | [●] |
| July 01, 2012 | Further issue pursuant to takeover of existing business of partnership firm "M/s Satish Kumar" | 47,40,500 | Other than Cash | 10 | 10 | 9.75 | [●] |
| March 30, 2013 | Further Issue | 50,00,000 | Cash | 10 | 10 | 10.29 | [●] |
| March 31, 2014 | Further Issue | 15,00,000 | Cash | 10 | 10 | 3.09 | [●] |
| October 10, 2022 | Transfer of Equity Shares to Ms. Kritika Tomar | (1,250) | Gift | 10 | - | Negligible | [●] |
| October 10, 2022 | Transfer of Equity Shares to Mr. Gajendra Parihar | (1,250) | Gift | 10 | - | Negligible | [●] |
| October 10, 2022 | Transfer of Equity Shares to Ms. Sakshi Tomar Parihar | (1,250) | Gift | 10 | - | Negligible | [●] |
| October 10, 2022 | Transfer of Equity Shares to Ms. Nirmala Tomar | (1,250) | Gift | 10 | - | Negligible | [●] |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| November 14, 2022 | Transfer of Equity Shares from Ms. Ram Kali | 2,49,500 | Gift | 10 | - | 0.51 | [●] |
| March 23, 2023 | Bonus Issue in the ratio of 3:1 i.e. three (3) Equity Shares for one (1) Equity Share | 3,44,77,500 | Other than Cash | 10 | Nil | 70.94 | [●] |
| **Total** | | **4,59,70,000** | | | | **94.59** | [●] |

$Subject to finalisation of Basis of Allotment.*

- **Mr. Ashish Tomar**

| Date of Allotment /Transfer | Reason/Nature of Allotment | Number of Equity Shares | Nature of Consideration | Face Value (Rs.) | Issue Price (Rs.) | % of Pre-Issue Capital | % of Post-Issue Capital$ |
|---|---|---|---|---|---|---|---|
| Upon Incorporation | Initial Subscribers to the MOA | 2,500 | Cash | 10 | 10 | Negligible | [●] |
| March 23, 2023 | Bonus Issue in the ratio of 3:1 i.e. three (3) Equity Shares for one (1) Equity Share | 7,500 | Other than Cash | 10 | Nil | 0.02 | [●] |
| **Total** | | **10,000** | | | | **0.03** | [●] |

$Subject to finalisation of Basis of Allotment.*

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares. Further, none of the Equity Shares held by our Promoters are pledged. As of the date of this Red Herring Prospectus, 100% of Equity shares of our Promoters and members of Promoter Group are dematerialized. None of the Promoters, members of the Promoter Group or the Directors and their relatives have purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Red Herring Prospectus.

There have been no financing arrangements whereby our Promoters, members of the Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company during a period of six months immediately preceding the date of this Red Herring Prospectus.

**b) Shareholding of our Promoters and Promoter Group**

The table below presents the current shareholding pattern of our Promoters and Promoter Group.

| Sr. No. | Name of the Shareholder | Pre – Issue | | Post – Issue | |
|---|---|---|---|---|---|
| | | No. of Equity Shares | % of Pre-Issue Capital | No. of Equity Shares | % of Post-Issue Capital* |
| (I) | (II) | (III) | (IV) | (V) | (VI) |
| | **Promoters** | | | | |
| 1 | Ramveer Singh | 4,59,70,000 | 94.59% | 3,76,75,882* | [●] |
| 2 | Ashish Tomar | 10,000 | 0.02% | 10,000 | [●] |
| | **Promoters Group** | | | | |
| 1 | Sumit Construction Private Limited | 10,00,000 | 2.06% | 10,00,000 | [●] |
| 2 | Kritika Tomar | 5,000 | 0.01 | 5,000 | [●] |
| 3 | Gajendra Parihar | 5,000 | 0.01 | 5,000 | [●] |
| 4 | Sakshi Tomar Parihar | 5,000 | 0.01 | 5,000 | [●] |
| 5 | Nirmala Tomar | 5,000 | 0.01 | 5,000 | [●] |
| | **Total** | **4,70,00,000** | **96.71%** | **3,87,5,882** | [●] |

**excluding offer for sale portion of 82,94,118, subject to finalisation of basis of allotment.*

**c) Details of Promoter's contribution and lock-in for 18 months**

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

The Net Proceeds are not proposed to be utilized for capital expenditure.

II. Details of the Equity Shares to be locked-in for 18 months from the date of Allotment in the Issue as Minimum Promoter's Contribution are set forth in the table below:

**Name of Promoter: Mr. Ramveer Singh**

| Number of Equity Shares locked-in | Date of allotment/transfer of Equity Shares* | Nature of Transaction | Face Value (Rs.) | Issue Price (Rs.) | % of Pre-Issue Capital | % of Post-Issue Capital$ | Date up to which Equity Shares are subject to lock-in |
|---|---|---|---|---|---|---|---|
| [●] | [●] | [●] | [●] | [●] | [●] | [●] | [●] |

**Equity Shares allotted / transferred to our Promoter were fully paid-up at the time of allotment /transfer.*
*$ Subject to finalisation of Basis of Allotment.*

Our Promoters have given consent to include such number of Equity Shares held by them as may, constitute 20% of the post-Issue Equity Share capital of our Company as Minimum Promoter's Contribution and has agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner the Minimum Promoter's Contribution from the date of filing this Red Herring Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

III. Our Company undertakes that the Equity Shares that are being locked-in are not and will not be, ineligible for computation of Minimum Promoter's Contribution in terms of Regulation 15 of the SEBI ICDR Regulations. In this connection, our Company confirms the following:

a) The Equity Shares offered for Minimum Promoter's Contribution do not include Equity Shares acquired during the three immediately preceding years (i) for consideration other than cash, and revaluation of assets or capitalisation of intangible assets, (ii) pursuant to a bonus issue out of revaluation reserves or unrealised profits of our Company or from a bonus issue against Equity Shares, which are otherwise ineligible for computation of Minimum Promoter's Contribution;

b) The Minimum Promoter's Contribution does not include any Equity Shares acquired during the immediately preceding one year at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;

c) Our Company has not been formed by the conversion of one or more partnership firms or a limited liability partnership firm except we have acquired the partnership business of partnership firm namely "Satish Kumar" vide business takeover agreement dated June 30, 2012.

d) The Equity Shares forming part of the Minimum Promoter's Contribution are not subject to any pledge;

e) All the Equity Shares held by our Promoters & Promoter Group are in dematerialised form.

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

In addition to the 20% of the fully diluted post-Issue shareholding of our Company held by the Promoters and locked in for eighteen months as specified above and Equity Shares offered by the Selling Shareholder as part of the Offer for Sale, the entire pre-Offer Equity Share capital of our Company will be locked-in for a period of six months from the date of Allotment, including any unsubscribed portion of the Offer for Sale, in accordance with Regulations 16(b) and 17 of the SEBI ICDR Regulations.

V. Details of Equity Shares locked-in for Anchor Investors:

There shall be a lock-in of 90 days on 50% of the Equity Shares allotted to the Anchor Investors from the date of Allotment, and a lock-in of 30 days on the remaining 50% of the Equity Shares allotted to the Anchor Investors from the date of Allotment.

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

Equity Share capital of our Company will be locked-in for a period of six months from the date of Allotment as prescribed under the SEBI ICDR Regulations, except for (i) the Equity Shares transferred pursuant to the Offer for Sale; (ii) any Equity Shares allotted to the employees of our Company, whether currently employees or not and including the legal heirs or nominees of any deceased employees or ex-employees, under the ESOP Scheme prior to the Offer; and (iii) any Equity Shares held by a VCF or Category I AIF or Category II AIF or FVCI, as applicable, provided that such Equity Shares shall be locked in for a period of at least one year from the date of purchase by such shareholders. Further, any unsold portion of the Equity Shares offered pursuant to the Offer for Sale will be locked-in as required under the SEBI ICDR Regulations.

In terms of Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by the Promoters, which are locked-in may be transferred to and amongst the members of the Promoter Group or to any new promoter or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Regulations, as applicable.

The Equity Shares held by the Promoters which are locked-in for a period of six months from the date of Allotment as prescribed under the SEBI ICDR Regulations may be pledged only with scheduled commercial banks or public financial institutions or Systemically Important NBFCs or housing finance companies, as collateral security for loans granted by such banks or public financial institutions or Systemically Important NBFCs or housing finance companies in terms of Regulation 21 of the SEBI ICDR Regulations.

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, the Equity Shares held by persons other than the Promoters and locked-in for a period of six months from the date of Allotment as prescribed under the SEBI ICDR Regulations in the Issue may be transferred to any other person holding the Equity Shares which are locked-in, subject to continuation of the lock-in in the hands of transferees for the remaining period and compliance with the Takeover Regulations.

Any unsubscribed portion of the Offered Shares would also be locked-in as required under the SEBI ICDR Regulations.

9. 9Shareholding Pattern of our Company:

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

| Category Code | Category of shareholder | No. of shareholders | No. of fully paid up equity shares held | No. of Partly paid up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities* | | | | No. of Shares Underlying Outstanding convertible securities (including Warrants) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share Capital) As a % of (A+B+C2) | Number of locked in Shares** | | Number of Shares pledged or otherwise encumbered | | Number of shares held in dematerialized form |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | No. of Voting Rights | | | 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) | |
| | | | | | | | | Class-(Equity) | Class-(Preference) | Total | | | | | | | | |
| I | II | III | IV | V | VI | VII=IV+V+VI | VIII | IX | | | | X | XI=VII+X | XII | | XIII | | XIV |
| (A) | Promoters and Promoter Group | 07 | 4,70,00,000 | - | - | 4,70,00,000 | 96.71% | 4,70,00,000 | - | 4,70,00,000 | 96.71% | - | 96.71% | - | - | - | - | 4,70,00,000 |

| | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| (B) | Public | 97 | 16,00,000 | - | - | 16,00,000 | 3.29% | 16,00,000 | - | 16,00,000 | 3.29% | - | 3.29% | - | - | - | - | 16,00,000 |
| (C) | Non Promoter- Non Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (C1) | Shares underlying DRs | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (C2) | Shares held by Employee Trusts | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | **Total** | **104** | **4,86,00,000** | **-** | **-** | **4,86,00,000** | **100.00%** | **4,86,00,000** | **-** | **4,86,00,000** | **100.00%** | **-** | **100.00** | **-** | **-** | **-** | **-** | **4,86,00,000** |

**As on the date of this Red Herring Prospectus 1 Equity Share holds 1 vote. There is no voting right on the preference shares issued by our company.*
***Shall be locked-in on or before filing of Prospectus with NSE, SEBI & RoC*

10. The BRLM and their respective associates (as defined under the SEBI Merchant Bankers Regulations) do not hold any Equity Shares as on the date of this Red Herring Prospectus. The BRLM and their respective affiliates may engage in 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.

11. Except for Mr. Ramveer Singh, Mr. Ashish Tomar, Ms. Kritika Tomar & Mr. Gajendra Parihar none of our Directors or Key Managerial Personnel hold shares in our Company. For more details on shareholding, see "Capital Structure – Shareholding of our Promoter and Promoter Group" on page 111-112.

12. **Details of shareholding of the major Shareholders of our Company.**

    a. As on the date of this Red Herring Prospectus, our Company has One Hundred Four (104) equity shareholders.

    b. Set forth below are details of shareholders holding 1% or more of the pre-Issue paid-up Equity Share capital of our Company as on the date of filing of this Red Herring Prospectus:

| **Name of Shareholders** | **Pre-issue** | |
|---|---|---|
| | **No. of Equity Shares** | **% of Equity Shares Capital** |
| Mr. Ramveer Singh | 4,59,70,000 | 94.59 |
| Sumit Constructions Private Limited | 10,00,000 | 2.06 |

    c. Set forth below are details of shareholders holding 1% or more of the pre-Issue paid-up Equity Share capital of our Company as on 10 days prior to the date of filing of this Red Herring Prospectus:

| **Name of Shareholders** | **Pre-issue** | |
|---|---|---|
| | **No. of Equity Shares** | **% of Equity Shares Capital** |
| Mr. Ramveer Singh | 1,14,92,500 | 94.59 |
| Sumit Constructions Private Limited | 2,50,000 | 2.06 |

    d. Set forth below are details of shareholders holding 1% or more of the pre-Issue paid-up Equity Share capital of our Company as on the date one year prior to the date of filing of this Red Herring Prospectus:

| **Name of Shareholders** | **Pre-issue** | |
|---|---|---|
| | **No. of Equity Shares** | **% of Equity Shares Capital** |
| Mr. Ramveer Singh | 1,12,48,000 | 95.73 |
| Sumit Constructions Private Limited | 2,50,000 | 2.13 |

    e. Set forth below are details of shareholders holding 1% or more of the pre-Issue paid-up Equity Share capital of our Company as on the date two years prior to the date of filing of this Red Herring Prospectus:

| **Name of Shareholders** | **Pre-issue** | |
|---|---|---|
| | **No. of Equity Shares** | **% of Equity Shares Capital** |
| Mr. Ramveer Singh | 1,12,48,000 | 95.73 |
| Sumit Constructions Private Limited | 2,50,000 | 2.13 |

13. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, Right issue or in any other manner during the period commencing from the date of the Red Herring Prospectus until the Equity Shares of our Company have been listed or application money unblocked on account of failure of Issue. Further, except for the allotment of Equity Shares pursuant to the Issue and the Pre-IPO Placement, if any, our Company does not intend to alter its capital structure within six months from the date of opening of the Issue, by way of split / consolidation of the denomination of Equity Shares. However, our Company may further issue Equity shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the date of the listing of equity shares to finance an

acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as our Board of Directors may deem fit, if an opportunity of such nature is determined by the Board of Directors to be in the interest of our Company.

14. There are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into our Equity Shares as on the date of this Red Herring Prospectus.

15. Our Company, Directors, and the BRLM have not entered any buy-back arrangement for the purchase of Equity Shares of our Company.

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

17. No person connected with the Issue, including but not limited to, our Company, the members of the Syndicate, our Directors, Promoters or the members of our Promoter Group, shall offer in any manner whatsoever any incentive, whether direct or indirect, in cash, in kind or in services or otherwise to any Bidder for making a Bid.

18. As on the date of this Red Herring Prospectus none of the Equity Shares held by our Promoters and other members of our Promoter Group are pledged or otherwise encumbered. Further, none of the Equity Shares being offered for sale through the Offer for Sale are pledged or otherwise encumbered, as on the date of this Red Herring Prospectus.

19. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Red Herring Prospectus.

20. The Equity Shares issued pursuant to the issue shall be fully paid-up at the time of Allotment, failing which, no Allotment shall be made.

21. There are no outstanding warrants, options or rights to convert debentures, loans or other convertible instruments into Equity Shares as on the date of this Red Herring Prospectus.

22. There will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of this Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges.

23. None of our Promoters and members of our Promoter Group will submit Bids or otherwise participate in the Offer.

24. Our Company shall ensure that any transactions in the Equity Shares by our Promoters and our Promoter Group during the period between the date of filing of this Red Herring Prospectus with the Registrar of Companies and the date of closure of the Offer shall be reported to the Stock Exchanges within 24 hours of the transactions.

25. Our Company has not undertaken any public issue of securities or any rights issue of any kind or class of securities since its incorporation.

26. There are no shareholders entitled with rights to nominate Directors or any other special rights.

27. As per AOA of the issuer Company, there are no special rights for nominee/nomination rights and information rights are available to Promoters/Promoter Group/Shareholders that would continue post listing except Promoters/Promoter Group/Shareholders may be deemed to be interested in rights attached to the extent of their shareholding in the Company and there are no special rights available to the Promoters/Shareholders which require any further action.

## OBJECTS OF THE ISSUE

The Issue comprises of a Fresh Issue of [●] Equity Shares, aggregating up to Rs. 14,624.00 lakhs by our Company and an Offer for Sale of up to 82,94,118 Equity Shares, aggregating up to Rs. [●] lakhs by Mr. Ramveer Singh ("Promoter Selling Shareholder"). For details, please refer to the section entitled "The Issue" on page 88.

***Offer for Sale***

Our Company will not receive any proceeds from the Offer for Sale by the Promoter Selling Shareholder and the proceeds received from the Offer for Sale will not form part of the Net Proceeds. The Promoter Selling Shareholder will be entitled to the proceeds of the Offer for Sale after deducting his proportion of Issue expenses and relevant taxes thereon.

Except for (i) listing fees and stamp duty payable on issue of Equity Shares pursuant to Fresh Offer which shall be borne solely by the Company, (ii) the stamp duty payable on transfer of Offered Shares which shall be borne solely by the Selling Shareholder, our Company and the Selling Shareholder shall share the costs and expenses (including all applicable taxes in relation to such costs and expenses) directly attributable to the Offer (including fees and expenses of the BRLM, legal counsel to the Company and other intermediaries, advertising and marketing expenses (other than corporate advertisements expenses undertaken in the ordinary course of business by our Company), printing, underwriting commission, procurement commission (if any), brokerage and selling commission and payment of fees and charges to various regulators in relation to the Offer in proportion to the number of Equity Shares issued and allotted by the Company through the Fresh Offer and sold by the Selling Shareholder through the Offer for Sale.

**Fresh Issue**

The net proceeds of the Fresh Issue, i.e. gross proceeds of the Fresh Issue less the issue expenses apportioned to our Company ("Net Proceeds") are proposed to be utilised in the following manner:

i. Funding of working capital requirements of our Company; and
ii. General corporate purposes.

*(Collectively referred as the "**Objects**")*

The main objects and objects incidental and ancillary to the main objects set out in our Memorandum of Association enables us to (i) undertake our existing business activities; and (ii) to undertake activities proposed to be funded from the Net Proceeds. Further, our Company expects to receive the benefits of listing of the Equity Shares, including to enhancement of our visibility and our brand image among our existing and potential customers as well as vendors and creation of a public market for our Equity Shares in India.

***Fresh Net Issue Proceeds***

The details of the proceeds of the Fresh Issue are set forth in the table below:

| Sr. No. | Particulars | Amount (Rs. In Lakhs) |
|---|---|---|
| 1 | Gross Proceeds of the Fresh Issue[1] | Upto 14,624.00 |
| 2 | Company's share of Issue related Expenses | [●] |
| | **Net Proceeds of the Fresh Issue*** | **[●]** |

*[1]Our Company has, in consultation with the BRLM, undertaken a Pre-IPO Placement of 16,00,000 Equity Shares at an issue price of Rs. 211 per Equity Share (including a premium of Rs. 201 per Equity Share) aggregating Rs.3,376.00 Lakhs. The size of the Fresh Issue of up to Rs. 18,000.00 Lakhs has been reduced by Rs. 3,376.00 Lakhs pursuant to the Pre-IPO Placement and the revised size of the Fresh Issue is up to Rs.14,624.00 Lakhs. For*

*risk regarding apprehension/concerns of the listing of our Equity Shares on the Stock Exchanges see 'Risk Factors - There is no guarantee that our Equity Shares will be listed on the BSE and the NSE in a timely manner or at all' on page 75.*
**To be finalised upon determination of the Issue Price and to be updated in the Prospectus prior to filing with the RoC.*

**Utilisation of Net Proceeds**

We intend to utilise the Net Proceeds of the Fresh Issue ("Net Proceeds") of Rs. [●] lakhs for financing the objects as set forth below:

*(Rs. In lakhs)*

| Sr. No. | Particulars | Amount |
|---|---|---|
| 1 | Funding working capital requirements of our Company | 10,124.00 |
| 2 | General Corporate Purpose(1)(2) | [●] |
| | **Total** | [●] |

*(1)To be determined on finalisation of the Issue Price and updated in the Prospectus. The amount utilised for General Corporate Purposes shall not exceed 25% of the Gross Proceeds of the Fresh Issue.*
*(2)Our Company has, in consultation with the BRLM, undertaken a Pre-IPO Placement of 16,00,000 Equity Shares at an issue price of Rs. 211 per Equity Share (including a premium of Rs. 201 per Equity Share) aggregating Rs.3,376.00 Lakhs. The size of the Fresh Issue of up to Rs. 18,000.00 Lakhs has been reduced by Rs. 3,376.00 Lakhs pursuant to the Pre-IPO Placement and the revised size of the Fresh Issue is up to Rs.14,624.00 Lakhs. For risk regarding apprehension/concerns of the listing of our Equity Shares on the Stock Exchanges see 'Risk Factors - There is no guarantee that our Equity Shares will be listed on the BSE and the NSE in a timely manner or at all' on page 75.*

**Proposed schedule of implementation and deployment of Net Proceeds**

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

*(Rs. in Lakhs)*

| Particulars | Total Deployment | Amount incurred till August 14, 2023 | Balance deployment during FY 2023-24** |
|---|---|---|---|
| Working capital requirements including margin money | 10,124.00 | - | 10,124.00 |
| General Corporate Purpose# | [●] | - | [●] |
| **Total$** | [●] | - | [●] |

*# To be finalised upon determination of Issue Price and updated in the Prospectus prior to filing with the RoC. The amount shall not exceed 25% of the Net Proceeds.*
***To the extent our Company is unable to utilize any portion of the Net Proceeds towards the Object, as per the estimated schedule of deployment specified above; our Company shall deploy the Net issue Proceeds in the subsequent Financial Years towards the Object.*
*$Our Company has, in consultation with the BRLM, undertaken a Pre-IPO Placement of 16,00,000 Equity Shares at an issue price of Rs. 211 per Equity Share (including a premium of Rs. 201 per Equity Share) aggregating Rs.3,376.00 Lakhs. The size of the Fresh Issue of up to Rs. 18,000.00 Lakhs has been reduced by Rs. 3,376.00 Lakhs pursuant to the Pre-IPO Placement and the revised size of the Fresh Issue is up to Rs.14,624.00 Lakhs. For risk regarding apprehension/concerns of the listing of our Equity Shares on the Stock Exchanges see 'Risk Factors - There is no guarantee that our Equity Shares will be listed on the BSE and the NSE in a timely manner or at all' on page 75.*

**Means of Finance**

We propose to fund the requirements of the objects detailed above entirely from the Net Proceeds. Accordingly, there is no requirement to make firm arrangements of finance to be made through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Fresh Issue and the proceeds from the Pre-IPO Placement and existing identifiable internal accruals as required under Regulation 7(1)(e) the SEBI ICDR Regulations.

In the event of the estimated utilisation of the Net Proceeds in a scheduled Fiscal being not undertaken in its entirety, the remaining Net Proceeds shall be utilised in subsequent Fiscals, as may be decided by our Company, in accordance with applicable laws. Further, if the Net Proceeds are not completely utilised for the objects during the respective periods stated above due to factors such as economic and business conditions, timely completion of the Issue, market conditions outside the control of our Company, and any other commercial considerations, the remaining Net Proceeds shall be utilised (in part or full) in subsequent periods as may be determined by us, in accordance with applicable laws.

The deployment of funds indicated above is based on internal management estimates, pending order book, prevailing circumstances of our business, prevailing market conditions and other commercial factors, which are subject to change. The deployment of funds described herein has not been appraised by any bank or financial institution or any other independent agency. Our Company proposes to deploy the entire Net Proceeds towards the aforementioned objects during Fiscal 2024. We may have to revise our funding requirements and deployment from time to time on account of various factors, such as financial and market conditions, competition, business and strategy, progress of projects, interest, fluctuations in the price of materials, and other external factors, which may not be within the control of our management. This may entail rescheduling the proposed utilisation of the Net Proceeds and changing the deployment of funds from its planned deployment at the discretion of our management, subject to compliance with applicable law.

Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and may be subject to change based on various factors, some of which are beyond our control. Any variation in the utilization of the Net Proceeds or in the terms of the conditions as disclosed in this Red Herring Prospectus would be subject to certain compliance requirements, including prior shareholders' approval.

In case of any surplus after utilisation of the Net Proceeds towards the aforementioned objects, we may use such surplus towards general corporate purposes, provided that the total amount to be utilised towards general corporate purposes does not exceed 25% of the gross proceeds of the Issue, in accordance with applicable law. Subject to applicable laws, in the event of any variations in the actual utilisation of funds earmarked towards the objects set forth above, any increased fund requirements for a particular object may be financed by surplus funds, if any, available in respect of the other objects for which funds are being raised pursuant to The Issue. In case of a shortfall in the Net Proceeds or any increase in the actual utilisation of funds earmarked for the Objects, our Company may explore a range of options including utilizing our internal accruals and/or seeking additional debt from existing and/or other lenders, subject to compliance with applicable law. Such alternate arrangements would be available to fund any such shortfalls.

**DETAILS OF THE FUND REQUIREMENTS**

The details in relation to objects of the Fresh Issue are set forth herein below:

1. **Funding working capital requirements of our Company**

Our business is working capital intensive and we fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals, net worth, financing from various banks and unsecured loans, if any. As on March 31, 2023, our Company has total sanctioned limit of working capital facilities of fund-based of Rs. 2,600.00 Lakhs and Non Fund-based limits of Rs.34,650.00 Lakhs, and has utilized only Non Find-based limits of Rs. 25,173.00 Lakhs on a Consolidated basis. For further details, please refer to the chapter titled "Financial Indebtedness" beginning on page 402.

The details of our Company's consolidated working capital requirements, based on audited financial for the Fiscals 2023, Fiscal 2022 & Fiscal 2021 and based on projected financial for the Fiscal 2024 & Fiscal 2025. Further the source of funding of the same are provided in the table below:

**A) Existing Working Capital:**

The details of the Company's working capital as at March 31, 2023, March 31, 2022 and March 31, 2021 and the source of funding, derived from the restated consolidated audited financial statements of our Company, on the basis of Certificate dated August 14, 2023 issued by our Statutory Auditor M/s Rishi Kapoor & Company, Chartered Accountants, are provided in the table below:

*(Rs. In Lakhs)*

| Particulars | Fiscal 2023 (Audited) | Fiscal 2022 (Audited) | Fiscal 2021 (Audited) |
|---|---|---|---|
| **Current Assets** | | | |
| Inventories | 10,475.91 | 5,412.85 | 3,542.93 |
| Trade Receivables | 12,354.17 | 15,782.27 | 9,328.59 |
| Others Financial Assets | 9863.76 | 8,313.98 | 8,354.14 |
| Other Current Assets | 4066.59 | 2,974.40 | 2,002.26 |
| **Total Current Assets (A)** | **36,760.43** | **32,483.50** | **23,227.92** |
| | | | |
| **Current Liabilities** | | | |
| Trade Payables | 1,540.49 | 4,301.34 | 4,030.25 |
| Lease Liabilities | 0.00 | 6.29 | 35.84 |
| Others Financial Liabilities | 3677.32 | 4,015.22 | 0.00 |
| Short term provisions | 1.62 | 1.86 | 1.54 |
| Liabilities for current tax (Net) | 35.43 | 392.21 | 1,529.29 |
| Other Current Liabilities | 2693.93 | 2,138.41 | 1,011.73 |
| **Total Current Liabilities (B)** | **7,948.79** | **10,855.33** | **6,608.65** |
| **Total Working Capital Requirements (A-B)** | **28,811.64** | **21,628.17** | **16,619.27** |
| **Funding Pattern** | | | |
| **Working Capital Funding from Banks and Financial Institutions** | - | - | - |
| **Internal Accruals and Loans** | 28,811.64 | 21,628.17 | 16,619.27 |

**Holding Period (Number of Days)**

| Particulars | Fiscal 2023 (Audited) | Fiscal 2022 (Audited) | Fiscal 2021 (Audited) |
|---|---|---|---|
| Inventories | 93 | 81 | 62 |
| Trade Receivables | 84 | 160 | 103 |
| Trade Payables | 14 | 64 | 71 |

**B) Estimated Working Capital Requirements**

Our Company proposes to utilize Rs. 10,124.00 lakhs of the Net Proceeds for our estimated working capital requirements. The Rs. 10,124.00 lakhs will be utilized during in Fiscal 2024. The balance portion of our Company working capital requirement, if any, shall be met from the working capital facilities availed/ to be availed and internal accruals. The estimated working capital requirements, as approved by the Board pursuant to a resolution dated August 14, 2023, and key assumptions with respect to the determination of the same are mentioned below. Our Company's estimated working capital requirements for Fiscal 2024 and Fiscal 2025 and the proposed funding of such working capital requirements are as set out in the table below:

(Rs. in Lakhs)

| Particulars | Fiscal 2024 (Projected) | Fiscal 2025 (Projected) |
|---|---|---|
| **Current Assets** | | |
| Inventories | 12,873.19 | 17,012.98 |
| Trade Receivables | 23,013.70 | 29,589.04 |
| Other Financial Assets | 12,500.00 | 12,500.00 |
| Other Current Assets | 9500.00 | 12,500.00 |
| **Total Current Assets (A)** | **57,886.89** | **71,602.02** |
| | | |
| **Current Liabilities** | | |
| Trade Payables | 2,021.92 | 2,671.23 |
| Liabilities for current tax (Net) | 100.00 | 120.00 |
| Others Financial Liabilities | 500.00 | 500.00 |
| Short term provisions | 1.50 | 1.50 |
| Other Current Liabilities | 1998.50 | 2048.50 |
| **Total Current Liabilities (B)** | **4,621.92** | **5,341.23** |
| **Total Working Capital Requirements (A-B)** | **53,264.97** | **66,260.79** |
| **Funding Pattern** | | |
| **Working Capital Funding from Banks and Financial Institutions** | 2,700.00 | 2,700.00 |
| **Pre-IPO Proceeds** | 3,376.00 | |
| **Proposed Working Capital to be funded from IPO** | 10,124.00 | **-** |
| **Internal Accruals and Net-Worth** | **37,064.97** | **63,560.79** |

**Internal accruals and equity as per the audited consolidated financials of the Company for the Fiscal ended is Rs. 48,993.89 Lakhs.*

*Pursuant to the certificate dated August 14, 2023 issued by the Statutory Auditor M/s Rishi Kapoor & Company, Chartered Accountants on the working capital projections vide UDIN number 23455362BGURTS1823.*

**The working capital projections made by the Company are based on certain key assumptions, as set out below:**

**Estimated Holding period (Number in Days):**

| Particulars | Fiscal 2024 (Projected) | Fiscal 2025 (Projected) |
|---|---|---|
| Inventories | 95 | 95 |
| Trade Receivables | 120 | 120 |
| Trade Payables | 15 | 15 |

**Key justifications for holding levels:**

| Sr. No. | Particulars | Assumptions |
|---|---|---|
| **Current Assets** | | |
| 1 | Inventories | Inventories include raw materials and work in progress. The historical holding days of inventories (calculated as closing inventory on balance sheet date divided by revenue from operations over 365 days) has been in range 62 to 93 days during the last three financial years. Company estimates inventories holding days to be around 95 days in Fiscal 24 and Fiscal 25. |
| 2 | Trade Receivables | The historical holding days of trade receivables (calculated as closing trade receivables divided by revenue from operations over 365 days) has been in the range of 103 days in Fiscal 2021 to 84 days in Fiscal 2023. As per the current credit terms of the company & prevalent trend in business of the company, the holding level for debtors anticipated at 120 days of total revenue from operations during Fiscal 24 and Fiscal 25. |
| 3 | Other current assets | Other current assets majorly comprise of earnest money deposit, security deposits, prepaid expenses, advance to suppliers and balances with statutory/governmental authorities. We expect the growth in other assets to be in line with the expected growth in business. |
| **Current Liabilities** | | |
| 5 | Trade Payables | Past trend of trade payable holding days (calculated as closing trade payables as on balance sheet date divided by cost of revenue from operations over 365 days) has been in the range of 71 days in the Fiscal 2021 to 14 days in Fiscal 2023. However, our Company intends to maintain trade payable in the range of 15 days for Fiscal 2024 and Fiscal 2025. |
| 6 | Other current liabilities | Other liabilities primarily include creditors other than suppliers, interest accrued but not due, employee related liabilities, other expenses payable, provision for expenses, current tax liabilities (net), advance received from customers, and statutory dues. We expect the growth in other liabilities to be in line with the expected growth in business. |

**Key Justification for the projected Working Capital Requirements:**

Our working capital requirements for the Fiscal 2023, 2022 & 2021 was Rs. 28,811.64 lakhs, Rs. 21,628.17 lakhs & Rs. 16,619.27 lakhs, respectively and for the same period & fiscals our revenue has also increased.

The working capital has also increased by Rs. 24,453.33 lakhs or by 84.87% from Rs. 28,811.64 lakhs in March 31, 2023 to Rs. 53,264.97 lakhs in March 31, 2024, the main reason for increase in working capital requirements is expected increase in revenue as per the robust order book of the Company, for the 'order book', kindly refer page no. 225.

Now, we have estimated our working capital requirements for the Rs. 53,264.97 lakhs for March 31, 2024 and Rs. 66,260.79 lakhs for the fiscal 2025 on basis of following assumptions:

- Robust Order Book: As on July 31, 2023, we are executing 18 ongoing projects aggregating into an Order Book of Rs. 1,74,492.00 lakhs & 5 O&M projects aggregating into an Order Book of Rs. 9,928.00 Lakhs together total order book of Rs. 1,87,415.00 lakhs.

The above information also disclosed under the heading "Our Order Book" on the page no. 225.

- To use margin money for guarantees: As part of our business and as is customary, we are required to provide financial and performance bank guarantees in favour of our project clients under the respective contracts for our projects. For our projects, we typically issue bank guarantees to the relevant authority with whom the contractual arrangement has been entered into.

We require to lien some margin amount for guarantees to be issued in favour of our project clients under the respective contracts for our projects.

- Future Order Book: we are continuously working on to increase our order book & for that we need working capital to execute those projects, in case of allotment of LOI. Available working capital will also provide us an strength to bid for major projects.

- Receivables: The company is engaged in government contractor business wherein realization of payment from the clients taken some time as due to government department, verification of bill is done & demand for the payment is made by the accounts department & then the payment releases so normally the debtors period in this business falls between 90-120 days, however all the payment are totally secured, there are no bad debts as all the projects are world bank funded so payment channel is very secure. Further apart from this in this business, few amounts in respect of the testing and security remains hold by the department for 2-3 years, depending on the tenure of the work allotted because testing is done once the work gets completed, which is also completely secure, only takes more time to release.

**2. General Corporate Purpose**

Our We propose to utilise upto Rs. [●] Lakhs of the Net Proceeds towards general corporate purposes and the business requirements of our Company as approved by the Board, from time to time, subject to such utilisation for general corporate purposes not exceeding 25% of the gross proceeds from the Fresh Issue, in compliance with the SEBI ICDR Regulations.

The general corporate purposes for which our Company proposes to utilise the Net Proceeds include, strategic initiatives/ funding growth opportunities i.e. to enter any joint venture/partnership for any specific project, meeting ongoing general corporate contingencies, capital expenditure in the ordinary course of business, business development initiatives i.e. one time expenditure, research and development related to treatment of wastewater, as may be approved by the Board & shareholders or a duly constituted committee thereof from time to time, subject to compliance with applicable law, including provisions of the Companies Act. In the event our Company is unable to utilise the Net Proceeds towards any of the objects of the Issue for any of the reasons as aforementioned, our Company may utilise such Net Proceeds towards general corporate purposes, provided that the aggregate amount deployed towards general corporate purposes shall not exceed 25% of the gross proceeds from the Fresh Issue.

The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount available under this head and the business requirements of our Company, from time to time. Our Company's management, in accordance with the policies of the Board, shall have flexibility in utilising surplus amounts, if any. In the event that we are unable to utilise the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilise such unutilised amount(s) in the subsequent Fiscals.

**Issue Related Expenses**

The total expenses of the Issue are estimated to be approximately Rs. [●] Lakhs. The expenses of this Issue include, listing fees, fees payable to the Book Running Lead Manager, legal counsel, Registrar to the Issue, Bankers to the Issue, processing fee to the SCSBs brokerage and selling commission payable to the Syndicate, Registered Brokers, SCSBs, RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental expenses for listing the Equity Shares on the Stock Exchanges.

Subject to applicable law, other than (a) the listing fees, audit fees of statutory auditors (to the extent not attributable to the Issue), and expenses in relation to services or corporate advertisements, i.e., any corporate advertisements consistent with past practices of the Company (other than the expenses relating to marketing and advertisements undertaken in connection with the Issue), each of which will be borne solely by our Company; and (b) the stamp duty payable on transfer of Offered Shares shall be borne solely by the Selling Shareholder (c) all costs, fees and expenses with respect to the Issue will be shared amongst our Company and the Selling Shareholder, on a pro-rata basis, in proportion to the number of Equity Shares, Allotted by the Company in the Fresh Issue and sold by the Selling Shareholder in the Offer for Sale, upon the successful completion of the Issue. Upon commencement of listing and trading of the Equity Shares on the Stock Exchanges pursuant to the Issue, the Selling Shareholder shall, reimburse the Company for any expenses in relation to the Issue paid by the Company on behalf of the Selling Shareholder. However, in the event that the Issue is withdrawn or not completed for any reason whatsoever, all Issue related expenses will be borne by our Company.

**The estimated Issue expenses are as under:**

*(Rs. in Lakhs)*

| Expenses | Estimated Expenses* | As a % of total estimated Issue expenses* | As a % of total Gross Issue Proceeds* |
|---|---|---|---|
| Fees payable to BRLM (including underwriting commission) | [●] | [●] | [●] |
| Advertising and marketing expenses | [●] | [●] | [●] |
| Fees payable to the Legal Advisors to the Issue | [●] | [●] | [●] |
| Fees to the Registrar to the Issue | [●] | [●] | [●] |
| Fees payable to the Regulators including stock exchanges | [●] | [●] | [●] |
| Printing and distribution of Issue stationary | [●] | [●] | [●] |
| Brokerage and selling commission payable to Syndicate[2] | [●] | [●] | [●] |
| Brokerage and selling commission payable to Registered Brokers(2)(3)(4) | [●] | [●] | [●] |
| Processing fees to SCSBs for ASBA Applications procured by the members of the Syndicate or Registered Brokers and submitted with the SCSBs(2)(3)(4) | [●] | [●] | [●] |
| Processing fees to Issuer banks for UPI Mechanism w.r.t application Forms procured by the members of the Syndicate, Registered Brokers, RTAs or the CDPs and submitted to them(2)(3)(4) | [●] | [●] | [●] |
| Others (bankers to the Issue, auditor's fees etc.) | [●] | [●] | [●] |
| **Total Estimated Issue Expenses** | **[●]** | **[●]** | **[●]** |

**To be determined on finalization of the Issue Price and updated in the Prospectus prior to filing with the RoC.*

***For Sub-Syndicate Members, RTAs and CDPs***

1. *Selling commission payable to the SCSBs on the portion, RIBs and Non-Institutional Bidders which are directly procured and uploaded by the SCSBs, would be as follows:*

   *Portion for RIBs: 0.35% of the Amount Allotted* (plus applicable taxes)*
   *Portion for Non-Institutional Bidders: 0.15% of the Amount Allotted* (plus applicable taxes)*

   **Amount Allotted is the product of the number of Equity Shares Allotted and the Issue) 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 to the SCSBs on the applications directly procured by them.*

*Processing fees payable to the SCSBs on the RIB and Non-Institutional Bidders (excluding UPI Bids) 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 and Non-Institutional Bidders* | *Rs. 10/- per valid application (plus applicable taxes)* |

*Notwithstanding anything contained above the total processing fee payable under this clause will not exceed Rs. 5.00 Lakhs (plus applicable taxes) and in case if the total processing fees exceeds Rs. 5.00 Lakhs (plus applicable taxes) then processing fees will be paid on pro-rata basis.*

2. *The processing fees for applications made by Retail Individual Bidders, Eligible Employees and Non Institutional Investors using the UPI Mechanism would be as follows:*

| | |
|---|---|
| *Members of the Syndicate / RTAs / CDPs (uploading charges)* | *Rs. 30 per valid application (plus applicable taxes)* |
| *Sponsor Bank- HDFC Bank Limited* | *Rs. 7.50 per valid application form* (plus applicable taxes).*<br><br>*The Sponsor bank shall be responsible for making payments to the third parties such as remitter company, NPCI and such other parties as required in connection with the performance of its duties under applicable SEBI circulars, agreements and other Applicable Laws* |
| *Sponsor Bank- Axis Bank Limited* | *Rs. 7.50 per valid application form* (plus applicable taxes).*<br><br>*The Sponsor bank shall be responsible for making payments to the third parties such as remitter company, NPCI and such other parties as required in connection with the performance of its duties under applicable SEBI circulars, agreements and other Applicable Laws* |

**For each valid application by respective Sponsor Bank.*

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

*Notwithstanding anything contained above in this clause the total Uploading charges/ Processing fees for applications made by RIBs (up to Rs. 200,000), Non-Institutional Bidders (for an amount more than Rs. 200,000 and up to Rs. 500,000) using the UPI Mechanism and Eligible Employee(s) using the UPI Mechanism would not exceed Rs. 20,00,000 (plus applicable taxes) and in case if the total uploading charges/ processing fees exceeds Rs. 20,00,000 (plus applicable taxes) then uploading charges/ processing fees using UPI Mechanism will be paid on pro-rata basis (plus applicable taxes).*

*Uploading/Processing fees payable to the SCSBs for capturing Syndicate Member/Subsyndicate(Broker)/Sub-broker code on the ASBA Form for Non-Institutional Bidders and Qualified Institutional Bidders with bids above Rs. [●] would be Rs. [●] plus applicable taxes, per valid application. In case the total ASBA processing charges payable to SCSBs exceeds Rs. [●] lakhs, the amount payable to SCSBs would be proportionately distributed based on the number of valid applications such that the total ASBA processing charges payable does not exceed Rs. [●] lakhs.*

3. *Selling commission on the portion for RIBs, Non-Institutional Bidders, 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 & company account provided by some of the brokers which are members of Syndicate (including their Sub-Syndicate Members) would be as follows:*

1. *Portion for RIBs: 0.35% of the Amount Allotted* (plus applicable taxes)*
2. *Portion for Non-Institutional Bidders: 0.15% of the Amount Allotted* (plus applicable taxes)*

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

4. *Uploading Charge/processing Charges:*

I. *payable to members of the Syndicate (including their sub-Syndicate Members), on the applications made using 3-in-1 accounts, would be: Rs. 10 plus applicable taxes, per valid application bid by the Syndicate member (including their sub-Syndicate Members).*

II. *Bid Uploading charges payable to the SCSBs on the portion of Non-Institutional Bidders (excluding UPI Bids) which are procured by the members of the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSB for blocking and uploading would be: Rs. 10 per valid application (plus applicable taxes).*

*Notwithstanding anything contained above the total uploading charges payable under this clause will not exceed Rs. 2,00,000 (plus applicable taxes) and in case if the total uploading charges exceeds Rs 2,00,000 (plus applicable taxes) then uploading charges will be paid on pro-rata basis.*

*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.*

*Bidding Charges payable to members of the Syndicate (including their sub-Syndicate Members), on the portion for RIBs, Eligible Employees and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking, would be as follows: Rs. 10 plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members.*

*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.*

*All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Escrow and Sponsor Bank Agreement. Further, the processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and SEBI Master Circular no. SEBI/HO/MIRSD/POD1/P/CIR/2023/70 dated May 17, 2023 (to the extent applicable).*

*The Issue expenses shall be payable in accordance with the arrangements or agreements entered into by our Company with the respective Designated Intermediary.*

**Interim Use of Proceeds**

Pending utilization of the Issue Proceeds for the Objects of the Issue described above, our Company shall deposit the funds only in Scheduled Commercial Banks included in the Second Schedule of Reserve Bank of India Act, 1934. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that, pending utilisation of the proceeds of the Issue as described above, it shall not use the funds from the Issue Proceeds for any investment in equity and/or real estate products and/or equity linked and/or real estate linked products.

**Bridge Financing Facilities**

Our Company has not raised any bridge loans from any banks or financial institutions as on the date of this Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds.

**Monitoring Utilization of Funds**

In terms of Regulation 41 of the SEBI ICDR Regulations, prior to filing the Red Herring Prospectus with RoC, we will appoint a monitoring agency to monitor the utilization of the Net Proceeds. Our Audit Committee and the Monitoring Agency will monitor the utilisation of the Net Proceeds and the Monitoring Agency shall submit the report required under Regulation 41(2) of the SEBI ICDR Regulation. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. Our Company will disclose the utilisation of the Net Proceeds, including interim use under a separate head in its balance sheet until such time as the Net Proceeds remain unutilized, clearly specifying the purposes for which the Net Proceeds have been utilised. Our Company will also, in its balance sheet for the applicable fiscal periods, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such currently unutilised Net Proceeds.

Pursuant to Regulation 32(3) and Part C of Schedule II, of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Red Herring Prospectus and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilised. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the statutory auditors of our Company. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Fresh Offer from the objects of the Fresh Offer as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Fresh Offer from the objects of the Fresh Offer as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Directors report, after placing the same before the Audit Committee. This information will also be uploaded onto our website.

**Variation in Objects**

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013 and applicable rules, our Company shall not vary the Objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the "Postal Ballot Notice") shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where the Registered Office is situated. Our Promoters or controlling Shareholders will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the Objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

**Appraisal by Appraising Agency**

None of the objects of the Fresh Issue for which the Net Proceeds will be utilized have been appraised by any bank/ financial institution/any other agency.

**Other Confirmations**

No part of the Net Proceeds will be utilized by our Company as consideration to the Promoters, members of the Promoter Group, the Directors, or Key Managerial Personnel. Our Company has not entered into or is not planning to enter into any arrangement / agreements with the Promoter, the Directors, the Key Managerial Personnel in relation to the utilization of the Net Proceeds of the Issue. Further, except in the ordinary course of business, there is no existing or anticipated interest of such individuals and entities in the objects of the Fresh Issue as set out above.

We confirm that the audited consolidated financial statements of our Company for past three full financial years immediately preceding the date of filing of offer document have been provided on our website in accordance with the ICDR Regulations.

## BASIS OF ISSUE PRICE

The Price Band, Floor Price and Offer Price will be determined by our Company and the Selling Shareholder, in consultation with the Book Running Lead Manager, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of the quantitative and qualitative factors described below. Investors should also refer to "Our Business", "Risk Factors", "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 213, 32, 318 and 406, respectively, to have an informed view before making an investment decision.

**Qualitative Factors**

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

- In house designing, engineering and execution team;
- Strong order book of projects across India;
- Strong execution capabilities with industry experience and established track record;
- Experienced Promoters and Management Team
- Strong Financial Performance for the last 3 years:

*(Rs. In Lakhs)*

| Particulars | Fiscal 2023 | Fiscal 2022 | Fiscal 2021 |
|---|---|---|---|
| Revenue from Operations | 53,816.17 | 35,985.08 | 33,070.39 |
| EBITDA(1) | 14,900.95 | 11,251.19 | 9,889.97 |
| EBITDA margin as of revenue from operations (%)(2) | 27.69 | 31.27 | 29.91 |
| PAT | 10,861.63 | 7,904.62 | 7,195.37 |
| PAT margin (%)(3) | 20.18 | 21.97 | 21.76 |

*(1) EBITDA has been calculated as Restated profit before tax + finance cost + depreciation and amortization less other income.*
*(2) EBITDA Margin = EBITDA/ Revenue from operations.*
*(3) PAT Margin=PAT/Revenue from operations.*

For more details on qualitative factors, refer to chapter "Our Business-Our Strengths" on page no. 217.

**Quantitative Factors**

Some of the information presented below relating to our Company is derived from the Restated Consolidated Financial Statements. For more details on financial information; investors please refer the chapter titled "Financial Information" on page no. 318.

Investors should evaluate our Company taking into consideration its earnings and based on its growth strategy. Some of the quantitative factors which may form the basis for calculating the Issue Price are as follows:

**1) Basic and Diluted Earnings / Loss per Share ("EPS") as adjusted for changes in capital:**

| For the Fiscal | Basic & Diluted | |
|---|---|---|
| | EPS (in Rs.) | Weights |
| 2023 | 23.15 | 3 |
| 2022 | 62.27 | 2 |
| 2021 | 61.24 | 1 |
| **Weighted Average** | **42.54** | |

**Notes:**

a) *The face value of each Equity Share is Rs. 10 each.*

b) *Basic Earnings per share = Restated Consolidated total comprehensive income / Weighted average number of equity shares outstanding during the period/year.*

c) *Diluted Earnings per share = Restated Consolidated total comprehensive income / Weighted average number of potential equity shares outstanding during the period/year.*

d) *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.*

e) *The above statement should be read in conjunction with Significant Accounting Policies and Notes to Restated Consolidated Financial Statement of the "Financial Information" beginning on page no. 318.*

**2) Price/Earning ("P/E") ratio in relation to price band of Rs. [●] to Rs. [●] per Equity Share:**

| Particulars | P/E at the lower end of the Price Band (no. of times) | P/E at the higher end of the Price Band (no. of times) |
|---|---|---|
| Based on basic and diluted EPS for Fiscal 2023 | [●] | [●] |
| Based on Weighted Average EPS | [●] | [●] |

**3) Industry Peer Group P/E ratio**

| Particulars | P/E Ratio |
|---|---|
| **Highest** | 13.86 |
| **Lowest** | 13.86 |
| **Average** | 13.86 |

***Note:*** *The highest and lowest industry P/E shown above is based on the peer set provided below under "Comparison with listed industry peers", listed peer includes VA Tech Wabag Limited only, which have been identified by our Company.*

*P/E Ratio has been computed based on the closing market price of the equity shares of the peer group identified above, as on August 11, 2023, on www.nseindia.com, divided by the Diluted EPS as on March 31, 2023.*

**4) Return on Net worth (RoNW)**

| For the Fiscals | RoNW (%) | Weight |
|---|---|---|
| 2023 | 22.31 | 3 |
| 2022 | 20.79 | 2 |
| 2021 | 23.83 | 1 |
| **Weighted Average** | 22.06% | |

**Notes:**

a) Weighted average = Aggregate of year-wise weighted Net Worth divided by the aggregate of weights i.e. [(Net Worth x Weight) for each year] / [Total of weights].

b) Return on Net Worth (%) = Total comprehensive income as restated /Net worth as restated as at period/year end.

c) "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, miscellaneous expenditure not written off, as per the restated balance sheet, but does not include reserves created out of revaluation of assets, capital reserve, foreign currency translation reserve, write-back of depreciation as on March 31, 2023, 2022 and 2021.

**5) Net Asset Value (NAV) (Face value of Rs. 10/-)**

| Financial Year | NAV (Rs.) |
|---|---|
| NAV as at March 31, 2023 | 103.80 |
| After the Offer: | |
| - At the Floor price | [●] |
| - At the Cap Price | [●] |

**Notes:**

a. Offer Price per Equity Share will be determined on conclusion of the Book Building Process.

b. Net asset value per share = Net worth as restated / Number of Equity Shares as at period/ year end

**6) Comparison with Industry Peers**

| Particulars | Total income (Rs. in Lakhs ) | Face Value (Rs.) | EPS Basic (Rs.) | EPS Diluted (Rs.) | P/E Ratio(2) | RON (%)(4) | NAV Per Share (Rs.)(5) |
|---|---|---|---|---|---|---|---|
| **Peer Group*(1)*** | | | | | | | |
| VA Tech Wabag Limited | 3,01,408 | 2.00 | 36.87 | 36.87 | 13.86 | 0.69 | 253.20 |
| **The Issuer Company** | | | | | | | |
| EMS Limited$ | 54,327.71 | 10.00 | 23.15 | 23.15 | [●] | 22.31 | 103.80 |

*$Restated Consolidated Financial Statement of our Company as on March 31, 2023, as disclosed on page no. 318.*

***Note:***

1. The peer group figures based on audited consolidated financials as on and for the year ended March 31, 2023.

2. P/E figures for the peer is computed based on closing market price as on August 11, 2023, of relevant peer companies as available at NSE, (available at www.nseindia.com) divided by Basic EPS for FY 2023 reported in the filings made with stock exchanges.

3. Based on the Offer Price to be determined on conclusion of book building process and the basic EPS of our Company

4. Return on net worth (%) = Net profit after tax * 100 / Net worth at the end of the year

5. Net Asset value per share = Net worth at the end of the year / No. of shares outstanding at the end of year

The Issue Price of Rs. [●] has been determined by our Company and the Selling Shareholder, in consultation with the BRLM, on the basis of the demand from investors for the Equity Shares through the Book-Building Process. Our Company and the Selling Shareholder, in consultation with the BRLM, is justified of the Issue Price in view of the above qualitative and quantitative parameters. Investors should read the abovementioned information along with "Risk Factors", "Our Business" and "Financial Information" beginning on pages 32, 213 and 318 respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in "Risk Factors" or any other factors that may arise in the future and you may lose all or part of your investments.

**7) Key Operational and Financial Performance Indicators:**

The KPIs disclosed below have been used historically by our Company to understand and analyze the business performance, which in result, help us in analyzing the growth of various verticals in comparison to our peers.

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated August 11, 2023 and the members of the Audit Committee have verified the details of all KPIs pertaining to our Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of this RHP. Further, the KPIs herein have been certified by Statutory Auditors, by their certificate dated August 14, 2023.

The KPIs of our Company have been disclosed in the sections titled "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators" on pages 213 and 406, respectively. We have described and defined the KPIs, as applicable, in "Definitions and Abbreviations" on page 01.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchanges or till the completion of the proceeds of the Fresh Issue as per the disclosure made in the Objects of the Issue Section, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations. Further, the ongoing KPIs will continue to be certified by a member of an expert body as required under the SEBI ICDR Regulations.

**Financial KPIs of our Company: EMS Limited**

(Rs In Lakhs)

| Key Financial Performance | For the year ended March 31st | | |
|---|---|---|---|
| | 2022-2023 | 2021-2022 | 2020-2021 |
| Revenue from operations(1) | 53,816.17 | 35,985.08 | 33,070.39 |
| Total Income(2) | 54,327.71 | 36,309.84 | 33,618.42 |
| EBITDA(3) | 14,899.95 | 11,251.19 | 9,889.97 |
| EBITDA Margin(4) | 27.69% | 31.27% | 29.91% |
| PAT | 10,861.63 | 7,904.62 | 7,195.37 |
| PAT Margin(5) | 20.18% | 21.97% | 21.76% |
| Operating cash flow | (2,540.12) | 2,263.71 | 3,576.82 |
| Net worth(6) | 48,783.23 | 38,017.99 | 30,191.46 |
| Net Debt(7) | (3,627.91) | (5,733.98) | (4,726.80) |
| Debt Equity Ratio(8) | 0.09 | 0.01 | 0.01 |
| ROCE (%)(9) | 28.26% | 29.50% | 33.65% |
| ROE (%)(10) | 22.27% | 20.79% | 23.83% |

1) *Revenue from operation means revenue from sales and other operating revenues.*

2) *Total Income represents the total turnover of our business i.e., Revenue from Operations and Other Income, if any.*

3) *EBITDA means Profit before depreciation, finance cost, tax and amortization & less other income.*

4) *'EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations.*

5) *'PAT Margin' is calculated as PAT for the period/year divided by revenue from operations.*

6) *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 balance sheet, but does not include reserves created out of revaluation of assets, capital reserve arising on consolidation, capital redemption reserve, write-back of depreciation and amalgamation.*

7) *Net debt = non-current borrowing + current borrowing – Cash and Cash Equivalent.*

8) *Debt equity ratio means ratio of total debt (long term plus short-term including current maturity of long-term debt) and Equity Share capital plus other equity.*

9) *Return on Capital Employed is ratio of EBIT and Capital Employed. Capital Employed is Total Shareholder's Equity, Non-Current Borrowing and Short-Term Borrowing.*

10) *Return on Equity is ratio of Profit after Tax and Average Shareholder Equity.*

***Explanation for KPI metrics***

| KPI | Explanations |
|---|---|
| ***Revenue from Operations*** | *Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps assess the overall financial performance of our Company and size of our business.* |
| ***Total income*** | *Total income is used by the management to track revenue from operations and other income.* |
| ***EBITDA*** | *EBITDA provides information regarding the operational efficiency of the business.* |
| ***EBITDA Margin (%)*** | *EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business.* |
| ***PAT*** | *Profit after tax provides information regarding the overall profitability of the business.* |
| ***PAT Margin (%)*** | *PAT Margin (%) is an indicator of the overall profitability and financial performance of our business.* |
| ***Operating Cash Flows*** | *Operating cash flows activities provides how efficiently our company generates cash through its core business activities.* |
| ***Net Worth*** | *Net worth is used by the management to ascertain the total value created by the entity and provides a snapshot of current financial position of the entity.* |
| ***Net Debt*** | *Net debt helps the management to determine whether a company is overleveraged or has too much debt given its liquid assets* |
| ***Debt-equity ratio (times)*** | *The debt to equity ratio compares an organization's liabilities to its shareholder's equity and is used to gauge how much debt or leverage the organization is using.* |
| ***ROE (%)*** | *ROE provides how efficiently our Company generates profits from shareholders' funds.* |
| ***ROCE (%)*** | *ROCE provides how efficiently our Company generates earnings from the capital employed in the business.* |

**Comparison with listed industry peer on consolidated basis: VA Tech Wabag Limited ("VA Tech)**

(Rs In Lakhs)

| Key Financial Performance | EMS | VA Tech | EMS | VA Tech | EMS | VA Tech |
|---|---|---|---|---|---|---|
| | 2023 | | 2022 | | 2021 | |
| **Revenue from operations[(1)]** | 53,816.17 | 2,96,048 | 35,985.08 | 2,97,930 | 33,070.39 | 2,83,449 |
| **Total Income[(2)]** | 54,327.71 | 3,01,408 | 36,309.84 | 3,01,169 | 33,618.42 | 2,84,270 |
| **EBITDA[(3)]** | 14,899.95 | 3,784 | 11,251.19 | 23,383 | 9,889.97 | 22,451 |
| **EBITDA Margin[(4)]** | 27.69% | 1.28% | 31.27% | 7.85% | 29.91% | 7.92% |
| **PAT** | 10,861.63 | 1,093 | 7,904.62 | 13,206 | 7,195.37 | 10,082 |
| **PAT Margin[(5)]** | 20.18% | 0.37% | 21.97% | 4.43% | 21.76% | 3.56% |
| **Operating cash flow** | (2,540.12) | 8,498 | 2,263.71 | 1,164 | 3,576.82 | 13,532 |
| **Net worth[(6)]** | 48,783.23 | 1,57,489 | 38,017.99 | 1,53,912 | 30,191.46 | 1,40,977 |
| **Net Debt[(7)]** | (3,627.91) | 3,266 | (5,733.98) | 10,748 | (4,726.80) | 4,575 |
| **Debt Equity Ratio[(8)]** | 0.09 | 0.14 | 0.01 | 0.28 | 0.01 | 0.25 |
| **ROCE (%)[(9)]** | 28.26% | 4.62% | 29.50% | 13.02% | 33.65% | 12.54% |
| **ROE (%)[(10)]** | 22.27% | 0.69% | 20.79% | 8.58% | 23.83% | 7.15% |

1) *Revenue from operation means revenue from sales and other operating revenues.*

2) *Total Income represents the total turnover of our business i.e., Revenue from Operations and Other Income, if any.*

3) *EBITDA means Profit before depreciation, finance cost, tax and amortization & less other income.*

4) *'EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations.*

5) *'PAT Margin' is calculated as PAT for the period/year divided by revenue from operations.*

6) *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 balance sheet, but does not include reserves created out of revaluation of assets, capital reserve arising on consolidation, capital redemption reserve, write-back of depreciation and amalgamation.*

7) *Net debt = non-current borrowing + current borrowing – Cash and Cash Equivalent.*

8) *Debt equity ratio means ratio of total debt (long term plus short-term including current maturity of long-term debt) and Equity Share capital plus other equity.*

9) *Return on Capital Employed is ratio of EBIT and Capital Employed. Capital Employed is Total Shareholder's Equity, Non-Current Borrowing and Short-Term Borrowing.*

10) *Return on Equity is ratio of Profit after Tax and Average Shareholder Equity.*

8) **Weighted average cost of acquisition**

a) **The price per share of our Company based on the primary/ new issue of shares (equity / convertible securities)**

Except as stated below, our Company has issued any Equity Shares or convertible securities during the 18 months preceding the date of this Red Herring Prospectus.

| Date of allotment | No. of Equity Shares allotted | Face value per Equity Share (Rs.) | Issue price per Equity Share | Nature of allotment | Nature of consideration | Total Consideration (in Rs. lakhs) |
|---|---|---|---|---|---|---|
| March 23, 2023 | 3,52,50,000 | 10.00 | Nil | Bonus Issue* | - | Nil |
| July 18, 2023 | 16,00,000 | 10.00 | 211.00 | Private Placement$ | Cash | Rs. 3,376.00 |
| **Weighted average cost of acquisition per Equity Share (excluding Bonus Shares)** | | | | | | **Rs. 211.00** |

**As on March 23, 2023, the Company has issued bonus shares to the existing shareholders of the Company in the ratio of 3:1.*

*$Our Company has, in consultation with the BRLM, undertaken a Pre-IPO Placement of 16,00,000 Equity Shares at an issue price of Rs. 211 per Equity Share (including a premium of Rs. 201 per Equity Share) aggregating Rs.3,376.00 Lakhs. The size of the Fresh Issue of up to Rs. 18,000.00 Lakhs has been reduced by Rs. 3,376.00 Lakhs pursuant to the Pre-IPO Placement and the revised size of the Fresh Issue is up to Rs.14,624.00 Lakhs. For risk regarding apprehension/concerns of the listing of our Equity Shares on the Stock Exchanges see 'Risk Factors* - *There is no guarantee that our Equity Shares will be listed on the BSE and the NSE in a timely manner or at all' on page 75.*

b) **The price per share of our Company based on the secondary sale / acquisition of shares (equity / convertible securities)**

Except inter-se transfer between promoter group as gift as stated below, there have been no secondary sale / acquisitions of Equity Shares or any convertible securities, during the 18 months preceding the date of this Red Herring Prospectus:

| Date of Allotment /Transfer | Reason/Nature of Allotment | Number of Equity Shares | Nature of Consideration | Face Value (Rs.) | Transfer Price (Rs.) |
|---|---|---|---|---|---|
| October 10, 2022 | Transfer of Equity Shares by way of gift from Mr. Ramveer Singh to Ms. Kritika Tomar | 1,250 | Gift | 10 | - |
| October 10, 2022 | Transfer of Equity Shares by way of gift from Mr. Ramveer Singh to Mr. Gajendra Parihar | 1,250 | Gift | 10 | - |
| October 10, 2022 | Transfer of Equity Shares by way of gift from Mr. Ramveer Singh to Ms. Sakshi Tomar Parihar | 1,250 | Gift | 10 | - |
| October 10, 2022 | Transfer of Equity Shares by way of gift Mr. Ramveer Singh to Ms. Nirmala Tomar | 1,250 | Gift | 10 | - |

| | | | | | |
|---|---|---|---|---|---|
| November 14, 2022 | Transfer of Equity Shares by way of gift from Ms. Raj Kali to Mr. Ramveer Singh | 2,49,500 | Gift | 10 | - |
| **Weighted average cost of acquisition per Equity Share** | | | | | **NIL** |

**c) Price Per Share based on last five primary or secondary transactions:**

Since there are no such transactions to report to under (a) and (b) therefore, information based on last 5 primary or secondary transactions (secondary transactions where Promoter / Promoter Group entities or Selling Shareholder or shareholder(s) having the right to nominate director(s) in the Board of our Company, are a party to the transaction), not older than 3 years prior to the date of this RHP irrespective of the size of transactions, is as below.

**Primary transactions:**

Except as disclosed below, there have been no primary transactions in the last three years preceding the date of this RHP

| Date of allotment | No. of Equity Shares allotted | Face value per Equity Share (Rs.) | Issue price per Equity Share | Nature of allotment | Nature of consideration | Total Consideration (in Rs. lakhs) |
|---|---|---|---|---|---|---|
| October 10, 2022 | 5,000 | 10.00 | - | Gift | Nil | Nil |
| November 14, 2022 | 2,49,500 | 10.00 | - | Gift | Nil | Nil |
| March 23, 2023 | 3,52,50,000 | 10.00 | - | Bonus Issue | Nil | Nil |
| July 18, 2023 | 16,00,000 | 10.00 | 211.00 | Private Placement | Cash | Rs. 3,376.00 |
| **Weighted average cost of acquisition per Equity Share (excluding Gifts & Bonus Shares)** | | | | | | **Rs. 211.00** |

**d)** Weighted average cost of acquisition, floor price and cap price

| Types of transactions | Weighted average cost of acquisition (Rs. per Equity Share) | Floor price* (i.e. Rs. [●]) | Cap price* (i.e. Rs. [●]) |
|---|---|---|---|
| Weighted average cost of acquisition of primary / new issue as per paragraph 8(a) above. | 211.00 | **[●]** | **[●]** |
| Weighted average cost of acquisition for secondary sale / acquisition as per paragraph 8(b) above. | NA | **[●]** | **[●]** |
| Weighted average cost of acquisition of primary issuances / secondary transactions as per paragraph 8(c) above | 211.00 | **[●]** | **[●]** |

**e)** Explanation for Issue Price / Cap Price being [●] price of weighted average cost of acquisition of primary issuance price / secondary transaction price of Equity Shares (set out in [●] above) along with our Company's key performance indicators and financial ratios for the Fiscals 2023, 2022 and 2021.

[●]*

* *To be included upon finalisation of the Price Band and updated in the Prospectus*

**f)** Explanation for Issue Price / Cap Price being [●] price of weighted average cost of acquisition of primary issuance price / secondary transaction price of Equity Shares (set out in [●] above) in view of the external factors which may have influenced the pricing of the Issue.

[●]*

* *To be included upon finalisation of the Price Band and updated in the Prospectus*

The Issue Price will be [●] times of the face value of the Equity Shares. The Issue Price of Rs. [●] has been determined by our Company in consultation with the Selling Shareholder and the BRLM, on the basis of the demand from investors for the Equity Shares through the Book Building Process. Our Company in consultation with the Selling Shareholder and the BRLM, is justified of the Offer Price in view of the above qualitative and quantitative parameters. The trading price of the Equity Shares could decline due to the factors mentioned in the section titled "Risk Factors" on page 32 or any other factors that may arise in the future and you may lose all or part of your investments.

## STATEMENT OF SPECIAL TAX BENEFITS

**STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE DIRECT AND INDIRECT TAX LAWS, IN INDIA.**

To,

**The Board of Directors**
**EMS Limited**
701, DLF Tower A,
Jasola New Delhi-110025, India

**Dear Sirs,**

**Re: Statement of possible special tax benefits ("the Statement") available to EMS Limited ("the Company") and its Shareholders prepared in accordance with the requirement under Schedule VI – Part A –Clause (9)(L) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("the ICDR Regulations").**

This report is issued in accordance with the terms of our engagement letter dated March 14, 2023.

**We, Rishi Kapoor & Company the Statutory Auditors of the Company, have been requested by the Company to certify Statement of Special Tax benefits available to the Company and its Shareholders under the applicable laws of India.**

1. The accompanying statement of possible special tax benefits (as Annexure I) available to the Company and its shareholders (hereinafter referred to as the "Statement") under the direct tax laws including the Income Tax Act, 1961 as amended by the Finance Act, 2022, and the indirect tax laws including the Central Goods and Services Tax Act, 2017 (read with Central Goods and Services Tax Rules, circulars, notifications and schemes), respective State Goods and Services Tax Act, 2017 (read with respective State Goods and Services Tax Rules, circulars, notifications and schemes), respective Union Territory Goods and Service Tax Act, 2017 (read with respective Union Territory Goods and Services Tax Rules, circulars, notifications and schemes), Integrated Goods and Services Tax Act, 2017 (read with Integrated Goods and Services Tax Rules, circulars, notifications), presently in force in India as on the date of this Statement (hereinafter referred to as the "Indian Tax Regulations") has been prepared by the management of the Company ("Management") in connection with the proposed Issue, which we have initialled for identification purposes.

**Management's Responsibility**

2. The preparation of this Statement as of the date of our report which is to be included in the Red Herring Prospectus/Red Herring Prospectus is the responsibility of the management of the Company and has been approved by the Board of Directors of the Company at its meeting held on August 11, 2023 for the purpose set out in paragraph 9 below. The management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

**Auditor's Responsibility**

3. Our work has been carried out in accordance with the Standards on Auditing, the "Guidance Note on Reports or Certificates for Special Purposes (Revised 2019)" and other applicable authoritative pronouncements

issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Service Engagements.

4. Pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended, (the "ICDR Regulations") and the Companies Act 2013 ("Act"), it is our responsibility to report whether the Statement prepared by the Company, presents, in all material respects, the possible special tax benefits available to the Company and its shareholders of the Company in accordance with Indian Income Tax Regulations.

5. Our work is performed solely to assist the Management in meeting their responsibilities in relation to compliance with the Act and the Regulations in connection with the offering.

**Inherent Limitations**

6. We draw attention to the fact that the Statement includes certain inherent limitations that can influence the reliability of the information.

The Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the 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 Issue.

Further, we give no assurance that the Revenue Authorities/ Courts will concur with our views expressed herein. Our views are based on the existing provisions of Indian Income Tax Regulations and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

We shall not be liable to the Company for any claims, liabilities or expenses arising from facts and disclosure in statement of tax benefits determined to have resulted primarily from bad faith or intentional misrepresentation. We will not be liable to any other person in respect of this Statement.

**Opinion**

7. In our opinion, the Statement prepared by the Company presents, in all material respects, the possible special tax benefits available as on the date of signing of this report, to the Company and its shareholders in accordance with the Indian Income Tax Regulations. Considering the matter referred to in point no. 6 above, we are unable to express any opinion or provide any assurance as to whether:

    - The Company or its shareholders will continue to obtain the benefits as per the Statement in future; or
    - The conditions prescribed for availing the benefits per the Statement have been/ would be met with.

**Restriction on Use**

8. This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the Red Herring Prospectus prepared in connection with the Offering to be filed by the Company with the Securities and Exchange Board of India, concerned stock exchanges and Registrar of Companies, Delhi. Accordingly, this report should not be reproduced or used for any other purpose without our prior written consent.

**For Rishi Kapoor & Company**
*Chartered Accountants*
**Firm Registration Number:** 006615C

Sd/-
**Jyoti Arora**
Partner
**Membership Number:** 455362

**UDIN: 23455362BGURTR9204**

**Place:** Ghaziabad
**Date:** August 14, 2023

## ANNEXURE I

**STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO ENVIRO INFRA ENGINEERS LIMITED (“THE COMPANY”) AND ITS SHAREHOLDERS UNDER THE APPLICABLE INDIAN TAX REGULATIONS (“TAX LAWS”) IN INDIA**

**UNDER THE DIRECT TAX LAWS**

**1. Special tax benefits available to the Company**

**i. Lower corporate tax rate - Section 115BAA of the Act**

Section 115BAA of the Act has been inserted by the Taxation Laws (Amendment) Act 2019 (“the Amendment Act, w.e.f. April 1, 2020 (assessment year) granting an option to domestic companies to compute corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and cess of 4%), provided such companies do not avail the deductions/exemptions as specified in the section (e.g. additional depreciation, deductions under chapter VI-A other than provisions of Section 80JJAA and 80M, Investment allowance in backward areas, expenditure on skill development etc.)

In case a company opts for section 115BAA of the Act, provisions of Minimum Alternate Tax [“MAT”] under section 115JB of the Act would not be applicable and MAT credit of the earlier year(s) will not be available for set-off. The option needs to be exercised on or before the due date of filing the tax return. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year.

Provided further that, where the company fails to satisfy the conditions mentioned in the section in any previous year, the option shall become invalid in respect of the assessment year relevant to the previous year and subsequent assessment years and other provisions of the Act shall apply, as if the option had not been exercised for the assessment year relevant to that previous year and subsequent assessment years.

**2. Special tax benefits available to Shareholders**

Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. However, in case of domestic corporate shareholders, deduction under Section 80M of the Act would be available on fulfilling the conditions prescribed in section read with rules thereon.

In respect of non-resident shareholders, 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.

**UNDER THE INDIRECT TAX LAWS**

**1. Special tax benefits available to the Company**

There are no special indirect tax benefits available to the Company under Indirect Tax Laws

**2. Special tax benefits available to the Shareholders**

Shareholders of the Company are not eligible to special tax benefits under the provisions of the Central Goods and Services Tax Act,2017 (read with Central Goods and Services Tax Rules, circulars, notifications and schemes), respective State Goods and Services Tax Act, 2017 (read with respective State Goods and Services Tax Rules, circulars, notifications and schemes), Integrated Goods and Services Tax Act, 2017 (read with Integrated Goods and Services Tax Rules, circulars, notifications).

Noted:

- The Statement is prepared based on information available with the management of the Company and there is no assurance that:
- the Company or its shareholders will continue to obtain these benefits in future.
- the conditions prescribed for availing the benefits have been/ would be met with; and
- the revenue authorities/courts will concur with the view expressed herein.

The above views are based on the existing provisions of law and its interpretation, which are subject to change from time to time.

The above Statement of Special Tax Benefits sets out the provisions of law in a summarized manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership, and disposal of shares.

**For Rishi Kapoor & Company**
*Chartered Accountants*
**Firm Registration Number:** 006615C

Sd/-
**Jyoti Arora**
Partner
**Membership Number:** 455362

**UDIN: 23455362BGURTR9204**

**Place:** Ghaziabad
**Date:** August 14, 2023

## SECTION IV – ABOUT THE COMPANY

## INDUSTRY OVERVIEW

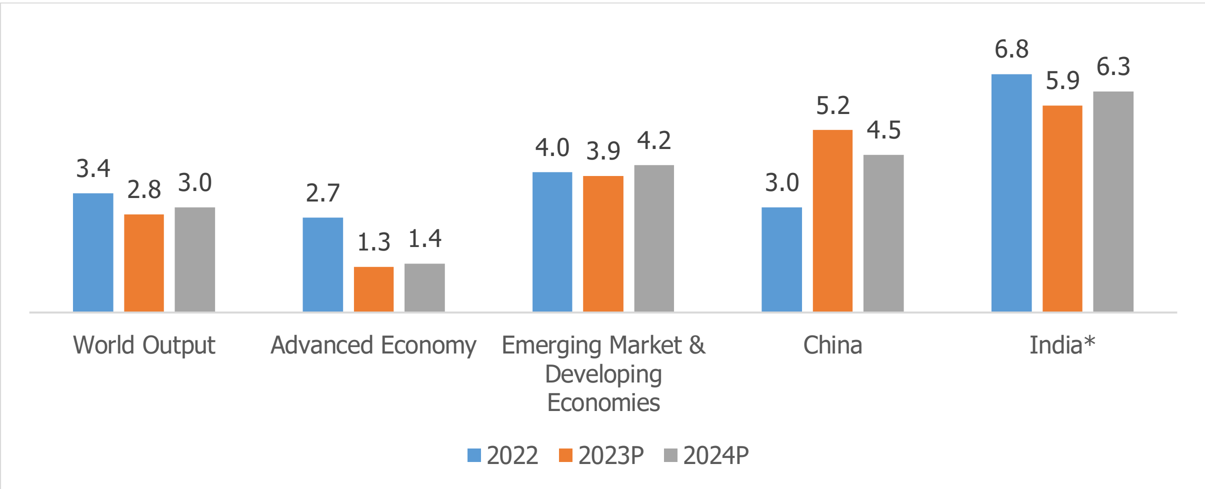
*The information contained in this section is prepared by CARE Advisory Research and Training Limited (CareEdge Research) which was appointed by our Company vide engagement letter dated November 16, 2022 and March 23, 2023 has been exclusively commissioned and paid for by our Company in connection with the Issue. CARE Advisory Research and Training Limited is an independent agency and has no relationship with our Company, its Subsidiary, Promoters, Directors, or the Book Running Lead Manager as on the date of this Red Herring Prospectus. For risks in relation to commissioned reports, see the chapter titled Risk Factors beginning on page 32.*

### 1. Economic Outlook

### 1.1 Global economy outlook

As per the International Monetary Fund (IMF)'s World Economic Outlook growth projections released in April 2023, global economic growth for CY22[1] was estimated at 3.4% on year on year (y-o-y) basis, down from 6.3% in CY21 due to disruptions resulting from the Russia-Ukraine conflict and higher-than-expected inflation worldwide. The global economic growth for CY23 is projected to slow down further to 2.8% mainly due to tightening global financial conditions, expectations of steeper interest rate hikes by major central banks to fight inflation and spillover effects from the war between Russia and Ukraine with gas supplies from Russia to Europe expected to remain tightened. Growth in CY24 is projected to marginally improve to 3.0% with expected gradual recovery from the effects of the war and subsiding of inflation. For the next 5 years, the IMF projects world economic growth in the range of 3.0%-3.2% on a y-o-y basis.

**Chart 1: Global Growth Outlook Projections (Real GDP, Y-o-Y change in %)**




Notes: P-Projection
*For India, data and forecasts are presented on a fiscal year basis and GDP from 2011 onward is based on GDP at market prices with fiscal year 2011/12 as a base year
Source: IMF – World Economic Outlook, April 2023

***IMF revises the GDP growth outlook considering uncertainties relating to global inflation***

**Advanced Economies Group**

For major advanced economies, the GDP growth was estimated to be 2.7% in CY22, down from 5.4% in CY21, which is further projected to decline to 1.3% in CY23. This forecast of low growth reflects rise in central bank interest rates to fight inflation and the impacts of Russia- Ukraine war. About 90% of advanced economies are projected to see decline in growth in CY23. This growth is expected to increase slightly to 1.4% in CY24.

One of the major countries from this group is **United States**. The growth for United States is estimated to be 2.1% for CY22 compared to 5.9% in CY21. Whereas, growth for CY23 and CY24 is projected at 1.6% and 1.1%, respectively. This is reflective of declining real disposable income impacting consumer demand with higher interest rates taking toll on spending.

The growth for CY22 in **Euro Area** is estimated to be 3.5% compared to 5.4% in CY21. However, the boost from reopening of economy after pandemic appears to be fading. For CY23 and CY24, the growth is projected at 0.8% and 1.4%, respectively. With inflation at about 7%-8% in several Euro Area countries and the United Kingdom, household budgets will remain stretched. Further, the accelerated pace of rate increases by the Bank of England and the European Central Bank is tightening financial conditions and cooling demand in the housing sector and beyond.

**Emerging market and developing economies group**

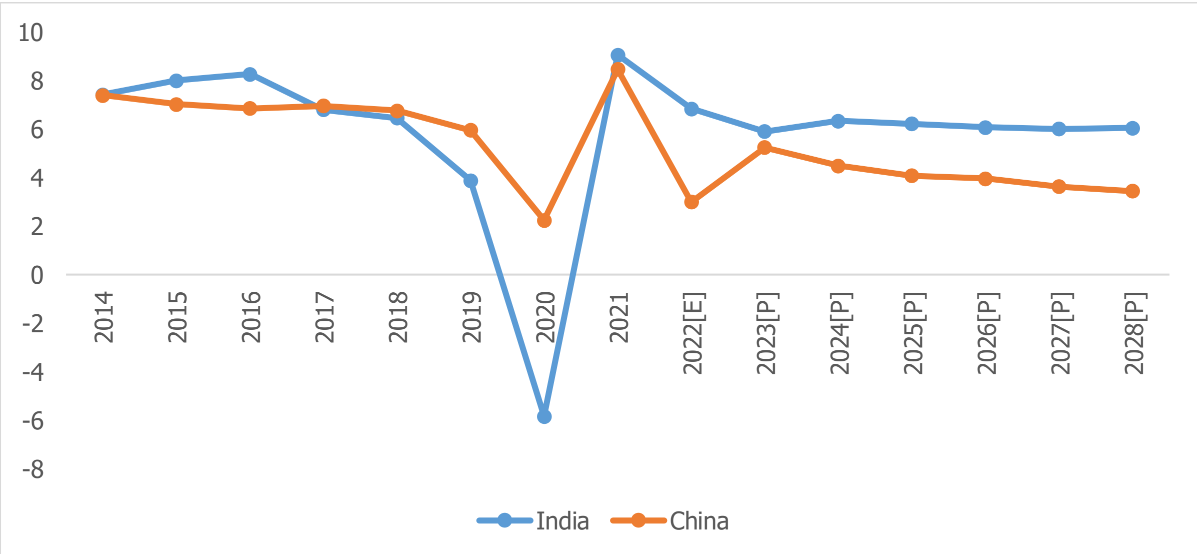
For the emerging market and developing economies group, GDP growth is estimated at 4.0% in CY22, compared to 6.9% in CY21. This growth is further projected at 3.9% in CY23 and 4.2% in CY24. This expected improvement in GDP growth in CY24 is on account of anticipation of gradual recovery.

In **China**, growth is expected to pick up to 5.2% with the full reopening in CY23. Whereas, **India**'s GDP projection for CY23 and CY24 stand at 5.9% and 6.3%, respectively with resilient domestic demand despite external headwinds.

***India to remain fastest growing economy transcending China***

Despite the turmoil in last two-three years, India bears good tidings for becoming USD 5 trillion economy by CY27. According to the IMF dataset on Gross Domestic Product (GDP) at current prices for India, the GDP is estimated to be at USD 3.4 trillion for CY22 and projected to reach USD 5.2 trillion by CY27. The expected GDP growth rate of India for coming years is almost double compared to the world economy.

**Chart 2: GDP growth trend comparison - India and China (Real GDP, Y-o-Y change in %)**




P- Projections; Source: IMF, World Economic Outlook Database (April 2023)

Besides this, India stands out as the fastest growing economy amongst the major economies. Outshining the growth rate of China, the Indian economy is expected to grow at more than 6% in the period of CY24-CY28.

Indian economy is paving its way towards becoming largest economy in the world. Currently, India is the third largest economy globally in terms of Purchasing Power Parity (PPP) with ~7% share in global economy with China [~18%] on the top and United states [~15%] being second. Purchasing Power Parity is an economy performance indicator denoting relative price of an average basket of goods and services that a household needs for livelihood in each country. Despite the impact of the pandemic, high inflationary and interest rate environment globally and the geo-political tensions in Europe, India has been one of the major contributors to world economic growth.

## 1.2 Indian Economy Outlook

### *1.2.1 GDP growth and Outlook*

***Resilience to external shocks remains critical for near-term outlook***

India's GDP grew by 9.1% in FY22 and stood at Rs. 149.3 trillion despites of some spillovers of the pandemic and geo-political Russia-Ukraine. In Q1FY23, India recorded 13.2% y-o-y growth in GDP which can largely be attributed to better performance by agriculture and services sectors. Following this double-digit growth, Q2FY23 witnessed 6.3% y-o-y growth, while, Q3FY23 registered 4.5% y-o-y growth. This slowdown in growth during Q2FY23 and Q3FY23 compared to the Q1FY23 can be attributed to normalization of the base and a contraction in the manufacturing sector's output. Subsequently, Q4FY23 registered broad-based improvement across sectors compared to Q3FY23 with growth of 6.1% y-o-y. The investments as announced in the Union Budget 2022-23 on boosting public infrastructure through enhanced capital expenditure has augmented growth and encouraged private investment through large multiplier effects in FY23. Supported by fixed investment and higher net exports, GDP for full-year FY23 was valued at Rs. 160.1 trillion registering an increase by 7.2% y-o-y.

**GDP growth outlook**

During FY24, strong prospects for agricultural and allied activities are likely to boost rural demand. Rebound in contact-intensive sectors and discretionary spending is expected to support urban consumption. Strong credit growth, resilient financial markets, and the government's continued thrust on capital spending and infrastructure are likely to create a congenial environment for investments.

However, El Nino is being predicted in the current fiscal which may lead to deficit rainfall in the country and impact agricultural output. Further, external demand is likely to remain subdued with slowdown in global activity, thereby indicating adverse implications for exports. Additionally, heightened inflationary pressures and resultant policy tightening may pose risk to the growth potential.

Taking all these factors into consideration, in June 2023, the RBI in its bi-monthly monetary policy meeting estimated the real GDP growth of 6.5% y-o-y for FY24.

**GDP growth outlook**

**Table 1: RBI's GDP Growth Outlook (Y-o-Y %)**

| FY24 (Complete year) | Q1FY24 | Q2FY24 | Q3FY24 | Q4FY24 |
|---|---|---|---|---|
| 6.5 | 8.0 | 6.5 | 6.0 | 5.7 |

Source: Reserve Bank of India

### *1.2.2 Gross Value Added (GVA)*

Gross value added (GVA) is the measure of the value of goods and services produced in an economy. GVA gives a picture of supply side whereas GDP represents consumption.

*Industry and Services sector leading the recovery charge*

• The gap between GDP and GVA growth turned positive in FY22 (after a gap of two years) as a result of robust tax collections. Of the three major sector heads, service sector has been fastest growing sector in the last 5 years.

• **Agriculture sector** was holding growth momentum till FY18. In FY19, the acreage for rabi crop was marginally lower than previous year which affected the agricultural performance. FY20 witnessed growth on account of improved production. During the pandemic impacted period of FY21, agriculture sector was largely insulated as timely and proactive exemptions from covid-induced lockdowns to the sector facilitated uninterrupted harvesting of rabi crops and sowing of kharif crops. However, supply chain disruptions impacted the flow of agricultural goods leading to high food inflation and adverse initial impact on some major agricultural exports. However, performance remained steady in FY22.

In Q1FY23 and Q2FY23, the agriculture sector recorded a growth of 2.4% and 2.5%, respectively, on a y-o-y basis. Due to uneven rains in the financial year, the production of some major Kharif crops such as rice and pulses was adversely impacted thereby impacting agriculture sector's output. In Q3FY23 and Q4FY23, the sector recorded a growth of 4.7% and 5.5%, respectively, on a y-o-y basis.

Overall, the agriculture sector performed well despite weather-related disruptions such as uneven monsoon and unseasonal rainfall impacting yields of some major crop and clocked a growth of 4% y-o-y in FY23 and stood at Rs. 22.3 trillion. Going forward, rising bank credit to the sector, increased exports and higher sowing of rabi crop will be the drivers for agriculture sector. However, performance of the sector will depend on the spatial and temporal distribution of rainfall. A downside risk exists in case the intensity of El Nino is significantly strong.

• **Industrial sector** witnessed CAGR of 4.7% for the period FY16 to FY19. From March 2020 onwards, nation-wide lockdown due to the pandemic had a significant impact on industrial activity. In FY20 and FY21, this sector felt turbulence due to the pandemic and recorded decline of 1.4% and 0.9%, respectively, on a y-o-y basis. With the opening up of economy and resumption of industrial activity, it registered 11.6% y-o-y growth in FY22, albeit on a lower base.

The industrial output in Q1FY23 jumped 9.4% on y-o-y basis. However, in the subsequent quarter, the sector witnessed a sharp contraction of 0.5% due to lower output across mining, manufacturing and construction sectors. This was mainly because of the poor performance by the manufacturing sector which was marred by high input costs. In Q3FY23, the sector grew modestly by 2.3% y-o-y. The growth picked-up in Q4FY23 to 6.3% y-o-y owing to a rebound in manufacturing activities and healthy growth in the construction sector. Overall, industrial sector is estimated to be valued at Rs. 45.2 trillion registering 4.4% growth in FY23.

• **Services sector** recorded CAGR of 7.1% for the period FY16 to FY20, which was led by trade, hotels, transport, communication and services related to broadcasting and finance, real estate & professional service. This sector was the hardest hit by the pandemic and registered 8.2% y-o-y decline in FY21. The easing of restrictions aided a fast rebound in this sector, with 8.8% y-o-y growth witnessed in FY22.

In Q1FY23 and Q2FY23, this sector registered y-o-y growth of 16.3% and 9.4%, respectively, on a lower base and supported by revival in contact intensive industries. The services sector continued to witness buoyant demand and recorded a growth of 6.1% y-o-y in Q3FY23. On the back of robust discretionary demand Q4FY23 registered 6.9% growth largely driven by trade, hotel and transportation. Overall, benefitting from the pent-up demand, service sector was valued at Rs. 20.6 trillion and registered growth of 9.5% y-o-y in FY23. Healthy growth in various service sector indicators like air passenger traffic, port cargo traffic, GST collections and retail credit is expected to support service sector going ahead.

**Table 2: Sectoral Growth (Y-o-Y % Growth) - at Constant Prices**

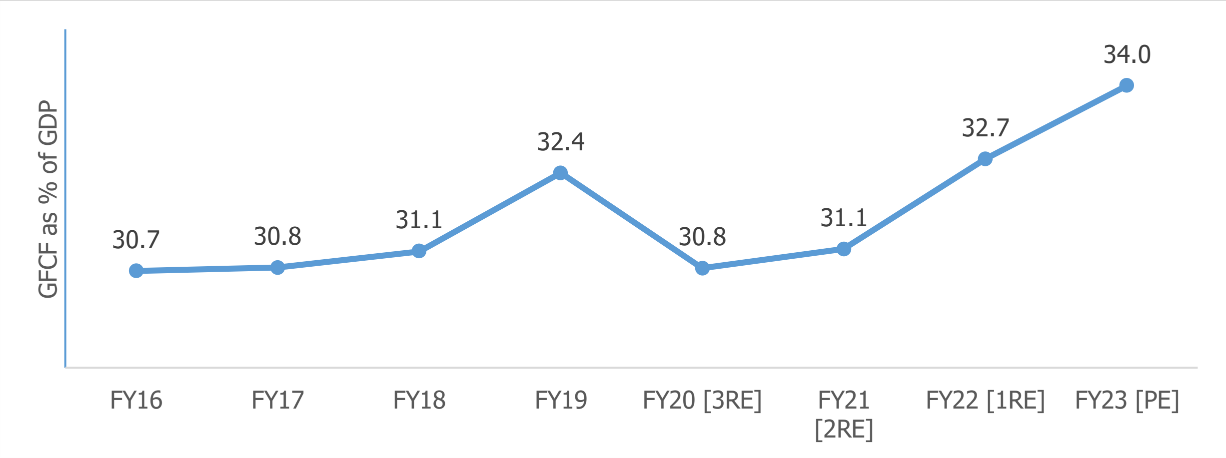
| At constant Prices | FY18 | FY19 | FY20 (3RE) | FY21 (2RE) | FY22 (1RE) | FY23 (PE) |
|---|---|---|---|---|---|---|
| **Agriculture, forestry & fishing** | **6.6** | **2.1** | **6.2** | **4.1** | **3.5** | **4.0** |
| **Industry** | **5.9** | **5.3** | **-1.4** | **-0.9** | **11.6** | **4.4** |
| Mining & quarrying | -5.6 | -0.8 | -3.0 | -8.6 | 7.1 | 4.6 |
| Manufacturing | 7.5 | 5.4 | -3.0 | 2.9 | 11.1 | 1.3 |
| Electricity, gas, water supply & other utility services | 10.6 | 7.9 | 2.3 | -4.3 | 9.9 | 9.0 |
| Construction | 5.2 | 6.5 | 1.6 | -5.7 | 14.8 | 10.0 |
| **Services** | **6.3** | **7.2** | **6.4** | **-8.2** | **8.8** | **9.5** |
| Trade, hotels, transport, communication & broadcasting | 10.3 | 7.2 | 6.0 | -19.7 | 13.8 | 14.0 |
| Financial, real estate & professional services | 1.8 | 7 | 6.8 | 2.1 | 4.7 | 7.1 |
| Public administration, defence and other services | 8.3 | 7.5 | 6.6 | -7.6 | 9.7 | 7.2 |
| **GVA at Basic Price** | **6.2** | **5.8** | **3.9** | **-4.2** | **8.8** | **7.0** |

3RE – Third Revised Estimate, 2RE – Second Revised Estimates, 1RE – First Revised Estimates, 2AE – Second Advanced Estimate; Source: MOSPI

### *1.2.3 Investment Trend in infrastructure*

Gross Fixed Capital Formation (GFCF), which is a measure of the net increase in physical assets, witnessed an improvement in FY22. As a proportion of GDP, it is estimated to be at 32.7%, which is the second highest level in 7 years (since FY15). In FY23, the ratio of investment (GFCE) to GDP inched up to its highest in the last decade at 34% as per the advanced estimate released by the Ministry of Statistics and Programme Implementation (MOSPI).

**Chart 3: Gross Fixed Capital Formation (GFCF) as % of GDP (At constant prices):**




PE: Provisional Estimates, RE: Revised Estimate, AE: Advanced Estimate; Source: MOSPI

Overall, support of public investment in infrastructure is likely to gain traction due to initiatives such as of Atmanirbhar Bharat, Make in India, Production-linked Incentive (PLI) scheme announced across various sectors etc.

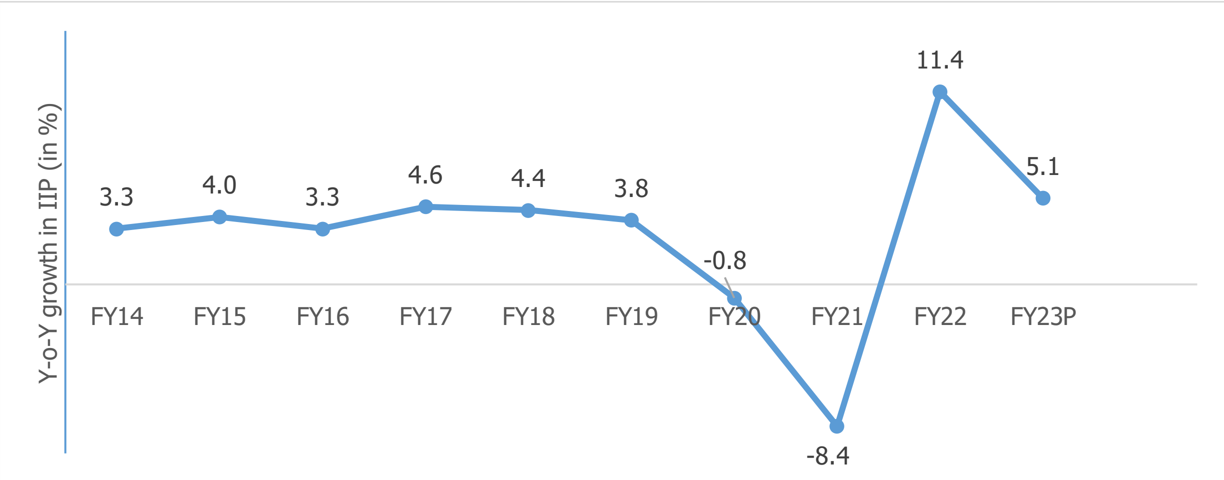
### 1.2.4 Industrial Growth

***Improved core and capital goods sectors helped IIP growth momentum***

Index of Industrial production (IIP) is an index to track manufacturing activity in an economy. On a cumulative basis, IIP grew by 11.4% y-o-y in FY22 post declining by 0.8% y-o-y and 8.4% y-o-y, respectively, in FY20 and FY21. This high growth was mainly backed by low base of FY21. FY22 IIP was higher by 2.0% when compared with the pre-pandemic level of FY20, indicating that while economic recovery was underway, it was still at very nascent stages.

During FY23, the industrial output has recorded a growth of 5.1% y-o-y supported by a favourable base and a rebound in economic activities. During April 2023, IIP grew by 4.2% y-o-y, whereas May 2023 registered 5.2% y-o-y growth. This growth was aided by mining and manufacturing sectors encouraging performance.

**Chart 4: Y-o-Y growth in IIP (in %)**




Source: MOSPI; P-Provisional

Going forward, it will be critical to maintain the current growth momentum in the industrial sector. In the environment of global slowdown, maintaining growth in industrial output will depend on the resilience and momentum of domestic demand. Healthy credit growth and moderating inflation in the economy is likely to be supportive of domestic consumption in the current fiscal. Pick-up in the investment demand is also expected to support segments like capital goods and infrastructure. However, challenges from an uncertain global economic scenario and weak external demand are likely to persist.

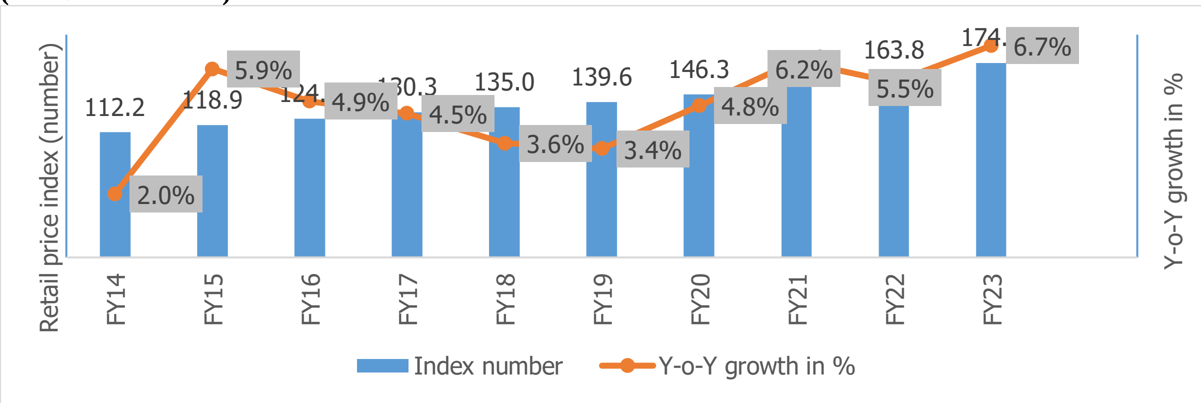
### 1.2.5 Consumer Price Index

India's consumer price index (CPI), which tracks the retail price inflation, stood at an average of 5.5% in FY22 which was within RBI's targeted tolerance band of 6%. However, the consumer inflation started to upswing from October 2021 onwards and reached the tolerance level of 6% in January 2022. Following this, CPI reached 6.9% in March 2022.

CPI remained elevated at an average of 6.7% in FY23, above the RBI's tolerance level. However, some relief was seen towards the end of the fiscal wherein the retail inflation stood at 5.7% in March 2023 tracing back to the RBI's tolerance band. Apart from a favourable base effect, the relief in retail inflation came from a moderation in food inflation. In the current fiscal FY24, the CPI moderated for two consecutive month to 4.7% in April 2023 and 4.3% in May 2023. This trend was snapped in June 2023 with CPI rising to 4.8% largely due to rise in food inflation.

**Chart 5: Retail Price Inflation in terms of index numbers and Y-o-Y Growth in %**

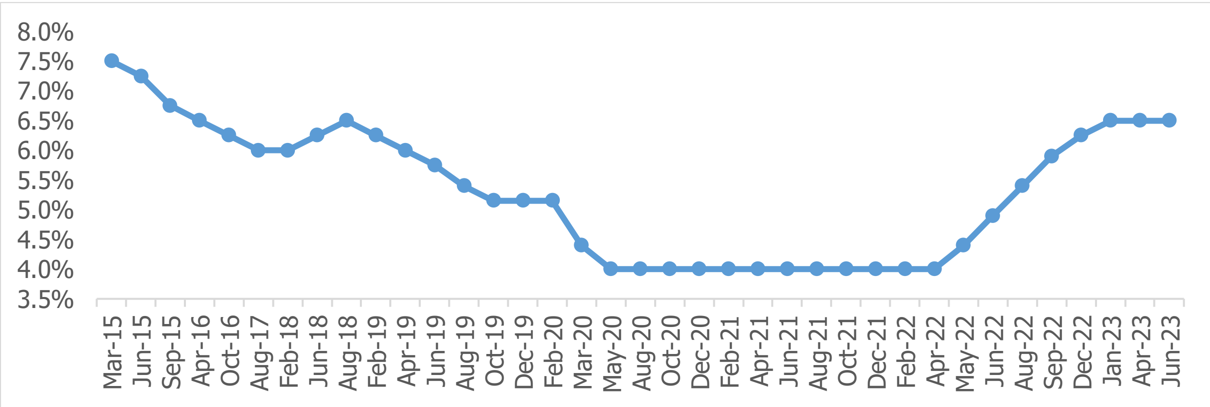
**(Base: 2011-12=100)**




Source: MOSPI

The CPI is primarily factored in by RBI while preparing their bi-monthly monetory policy. The RBI has increased the repo rates with the rise in inflation in the past year from 4% in April 2022 to 6.5% in January 2023.

**Chart 6: RBI historical Repo Rate**




Source: RBI

However, with the inflation easing over the last few months, RBI has kept repo rate unchanged at 6.5% in the last two meetings of the Monetary Policy Committee. At the bi-monthly meeting held in June 2023, RBI projected inflation at 5.1% for FY24 - Q1FY24 is projected at 4.6%, Q2FY24 at 5.2%, Q3FY24 at 5.4% and Q4FY24 at 5.2%.

In a meeting held in June 2023, RBI also maintained the liquidity adjustment facility (LAF) corridor by adjusting the standing deposit facility (SDF) rate of 6.25% as the floor and the marginal standing facility (MSF) at the upper end of the band at 6.75%.

The central bank continued to maintain its stance as accommodative. With domestic economic activities gaining traction, RBI has shifted gear to prioritize controlling inflation. While RBI has paused on the policy rate front, it has also strongly reiterated its commitment to bringing down inflation close to its medium-term target of 4%. Given the uncertain global environment and lingering risks to inflation, Central Bank has kept the window open for further monetary policy tightening in the future, if required.

### *1.2.6 Key Demographic drivers for Economic Growth*

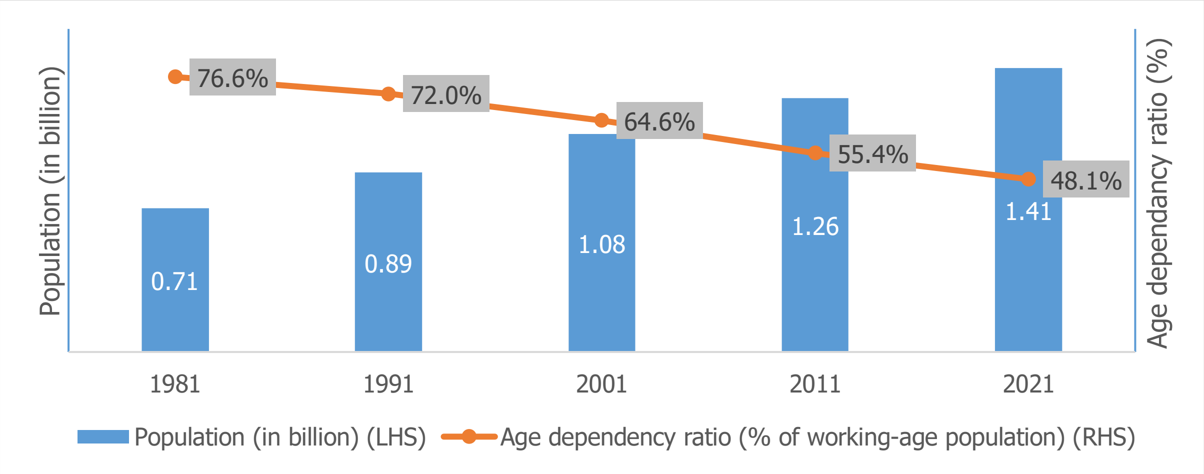
The trajectory of economic growth of India and private consumption is also driven by socio-economic factors such as demographics and urbanization. Some of the key demographic drivers are:

- **Growing Population and Declining Dependency Ratio:**

With 1.41 billion people, India is the second most populous country in the world. The population has witnessed significant growth in the past few decades.

Age Dependency Ratio is the ratio of dependents to the working age population i.e. 15 to 64 years, wherein dependents are population younger than 15 and older than 64. This ratio has been on a declining trend. It was as high as 76.6% in 1981, which has reduced to 48.1% in 2021. In the year 2022, the dependency ratio has further declined to 47.5%. Declining dependency means the country has improving share of working age population generating income, which is a good sign for the economy. Lower dependency ratio implies fewer dependents on individuals with income which will allow them to spend their income more on discretionary items likes hobbies, entertainment, electronics and furniture etc.

**Chart 7: Trend of Population vis-à-vis dependency ratio**

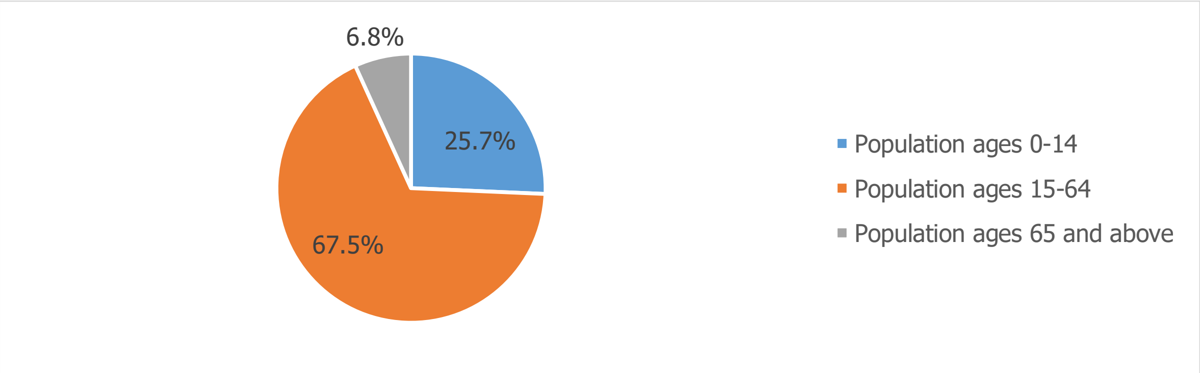



Source: World Bank Database

- **Young Population:**

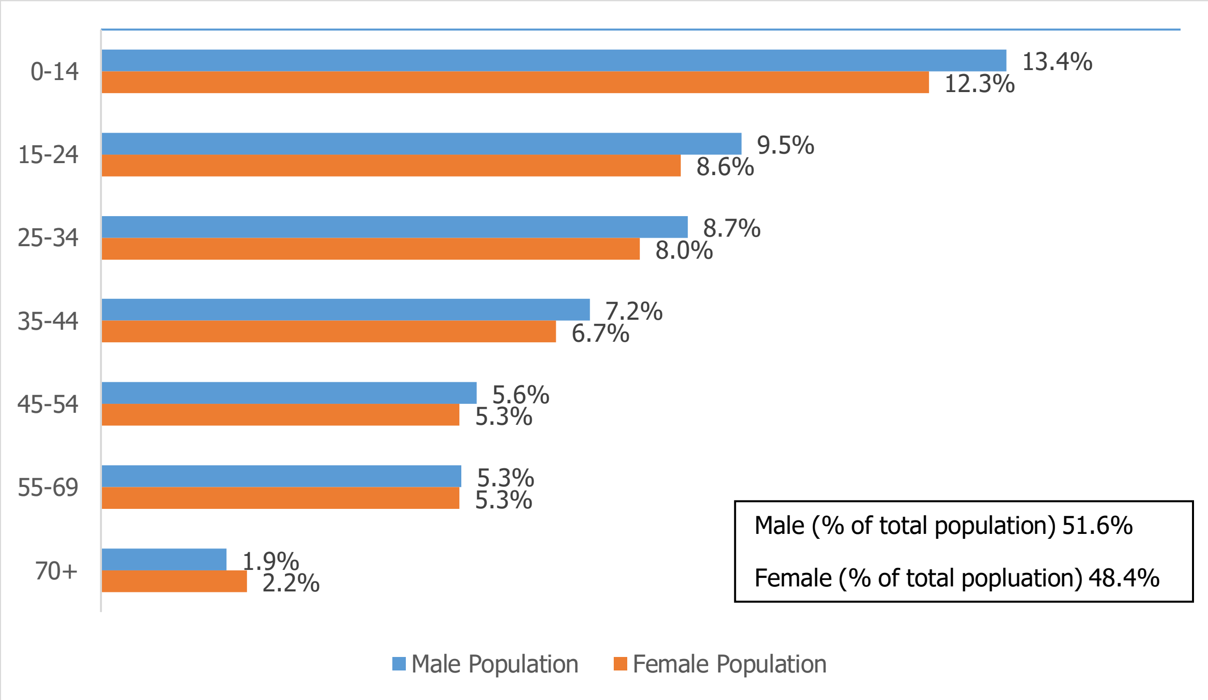
With an average age of 29, India has one of the youngest populations globally. As a vast resource of young citizens enters the workforce every year, it could create a ‘demographic dividend’. India is home to a fifth of the world’s youth demographic and this population advantage will play a critical role in economic growth.

**Chart 8: Age-wise break up of population**




Source: World Bank Database

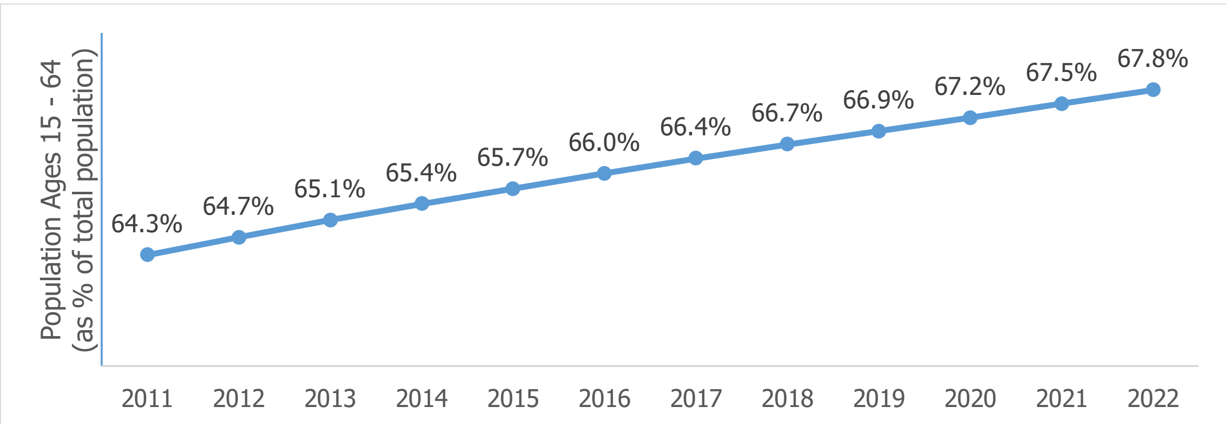
**Chart 9: Age-wise break up of male and female population**




Source: World Bank Database

With the rise in number of working women, increasing proportion of working population and younger age group amongst the urban population in India, the consumer demand is expected to grow in the future. The increasing focus on education among the youth will lead to a decline in dependency ratio and enhanced lifestyles. This, in turn would enhance consumer spending.

**Chart 10: Yearly Trend - Young Population as % of Total Population**




Source: World Bank database

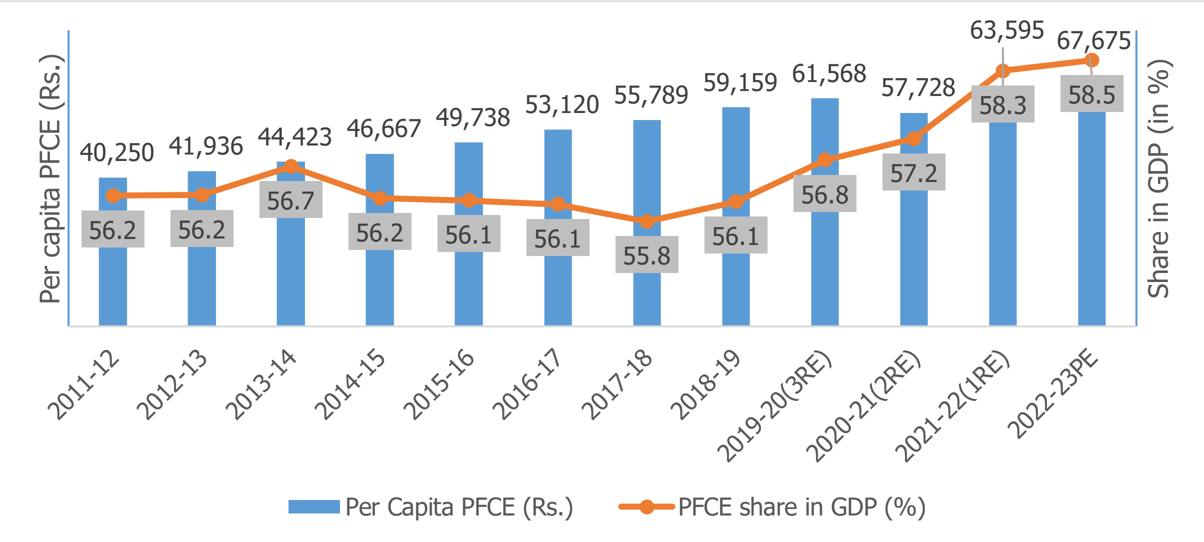
- **Growing Middle-Class**

According to the estimate of People Research on India's Consumer Economy (PRICE), the share of the middle class with an annual household income of Rs. 5-30 lakh, more than doubled from 14% in FY05 to 31% in FY21. It is projected to rise to 63% by FY47.

- **Consumer Spending**

There has been a gradual change in consumer spending behaviour. Private Final Consumption Expenditure (PFCE) which is measure of consumer spending has showcased growth in the past decade. Following chart depicts the trend of per capita PFCE:

**Chart 11: Trend of Per Capita Private Final Consumption Expenditure**

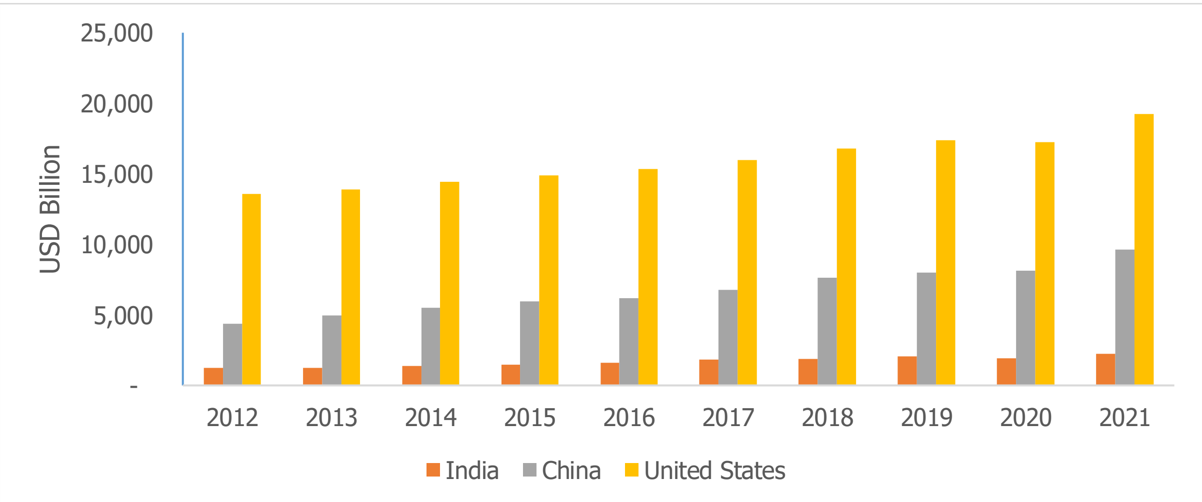



Note: 3RE – Third Revised Estimate, 2RE – Second Revised Estimates, 1RE – First Revised Estimates, PE – Provisional Estimate; Source: MOSPI

The consumption pattern trend is also gradually moving towards higher spend on branded products and purchase from organised retail. This includes discretionary spending on food and beverages, apparel, accessories, jewellery, luxury products, consumer durables and across other discretionary categories.

When compared to the other global economies like China and United States, consumption expenditure by China accounted for about 14% of total consumption expenditure of the world in 2021, while, United States accounted for about 28% and India about 3%. The world's total consumption expenditures were valued at USD 69,472 billion in the year 2021.

**Chart 12: Global Consumption Expenditure Trend**



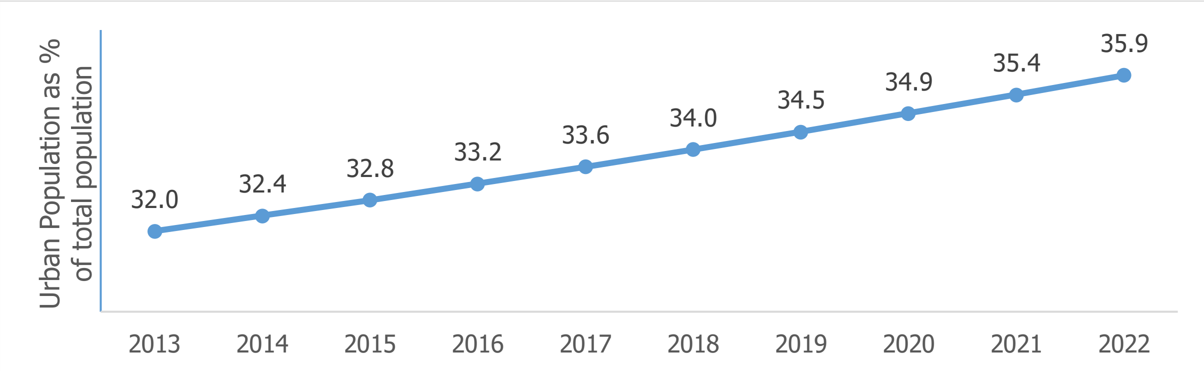

Source: World Bank Database

In the coming years, the private consumption in India is expected to be driven by revival in rural demand, the sustained buoyancy in services, especially contact-intensive sectors, and moderating inflationary pressures.

- **Urbanization**

Urbanization of India's population is growing on a larger population base. The urban population in India is estimated to have increased from 403 million (31.6% of total population) in the year 2012 to 498 million (35.4% of total population) in the year 2021. People living in tier-2 and tier-3 cities have greater purchasing power parity, high internet penetration, and increasingly brand-conscious young population. Due the rapid urbanization, there have been changes in lifestyle and working styles which has led to shift in buying behavior pattern as well.

**Chart 13: Trend of urbanisation in India**

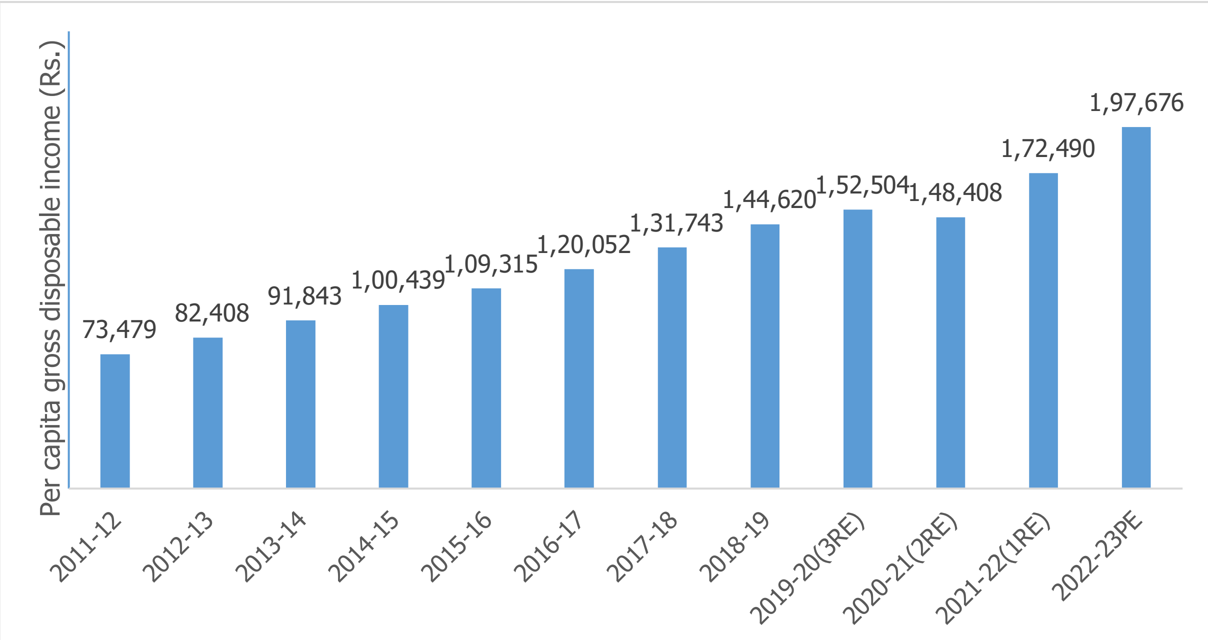



Source: World Bank Database

- **Increasing per capita disposable income**

Gross National Disposable Income (GNDI) is measure to arrive at the income available to the nation for final consumption and gross saving. Between the period fiscal 2012 to fiscal 2023, per capita GNDI registered CAGR of 9.4%. More disposable income, in turn drives more consumption, thus economic growth. Below chart depicts the trend of per capita GNDI in past 12 years:

**Chart 14: Trend of Per Capita Gross National Disposable Income**




Note: 3RE – Third Revised Estimate, 2RE – Second Revised Estimates, 1RE – First Revised Estimates, PE – Provisional Estimate; Source: MOSPI

### 1.2.7 *Concluding Remarks*

Despite the global growth uncertainties, Indian economy is relatively better placed. The major headwinds to economic growth are escalating geopolitical tensions, volatility in global commodity prices and shortages of key inputs. However, the bright spots for the economy are continued healthy domestic demand, support from government towards capital expenditure, moderating inflation and improving business confidence. Various high-frequency growth indicators including purchasing managers index, auto sales, bank credit, GST collections have shown improvement in the FY23. Moreover, normalizing employment situation after the opening up of economy is expected to improve and provide support to consumption expenditure.

The IMD forecasts a normal monsoon despite El Nino which bodes well for the agricultural sector's outlook however, a lot will depend on the spatial and temporal distribution of rainfall. A downside risk exists in case the intensity of El Nino is significantly strong.

Public investment is expected to exhibit healthy growth as the government has budgeted for strong capital expenditure in FY24. Private sector's intent to invest is also showing improvement as per the data announced on new project investments. However, the volatility in commodity prices and the economic uncertainties emanating from global turbulence may slow down the improvement in private capex and investment cycle.

Among sectors, the industrial segment is expected to be perform better as the input costs are now moderating. With flagship programmes like 'Make in India' and the PLI schemes, the government is continuing to provide the necessary support to boost the industrial sector. Service sector is expected to see continued growth in FY24 with healthy economic growth. However, some segments like information technology in the services sector would feel the pinch of slowdown in the US and European economies.

## 2. Roads and Highway Industry Overview

Robust infrastructure is an essential sign of a developing nation. Development of roads, bridges, airports and railways is crucial for economic development of the country. Out of all modes of transport, road is the only mode which has the ability of last mile connectivity.

Transportation of freight as well as of passengers by road is one of the most cost-effective modes of transport. With a total 63.32 lakh kilometres (kms) of road network, India ranks second in the world after USA. This road network supports movement of 60% of freight traffic in the country and 87% of the total India's passenger traffic. The Indian road network comprises of National Highways, Expressways, State Highways, Major District Roads, Other District Roads and Village Roads. To get the country in fast forward mode, development of National Highways has been the key focus area, however state highways, district and rural roads continue to be a large part of overall road network.

**Table 3: Breakup of Road Network**

| | Lakh kms | % |
|---|---|---|
| National Highways | 1.45 | 2% |
| State Highways | 1.67 | 3% |
| Other Roads | 60.20 | 95% |
| **Total** | **63.32** | **100%** |

Source: MoRTH & Xxxx Research

With improvement in road connectivity over the years between cities, towns and villages, transportation by way of road has gradually increased over the years. Development and maintenance of roads in India are undertaken by various agencies of both Central and State Governments. The primary agency responsible for the development and maintenance of National highways is the Ministry of Road Transport & Highways (MORTH) and it executes the same through the agency of National Highways Authority of India Ltd (NHAI), National Highway

Infrastructure Development Corporation Ltd (NHIDCL) and State Public Works Department (PWDs) & Border Roads Organizations etc.

India's road infrastructure has seen consistent improvement in the last few years. Connectivity has improved and road transportation has become a focus of rapid development. Roads are providing better access to services, ease of transportation and movement to people. Recognizing the significance of a reliable and swift road network in the country and the role it plays in influencing its economic development, MoRTH has taken up the responsibility of building quality roads and highways across the country. Road Transport emerged as the dominant segment in India's transportation sector with a share of 4.5% in India's GDP in FY06. As per the Economic Survey, road transport is the dominant mode of transportation in terms of its contribution to Gross Value Added (GVA). In FY18 the share of transport sector in the GVA was about 4.77% of which the share of road transport is 3.06% followed by Railways (0.75%), air transport (0.15%) and water transport (0.06%). Total investment in the roads and highways sector has gone up more than 3 times in five-year period of FY15 to FY19.

Road construction trends in the recent years also give optimism of achieving high targets during next few years, in spite the sector badly hit by the COVID – 19 pandemic and partial lockdowns at various states across India. The sector has clearly shown focus on Bharatmala Pariyojana with added emphasis on multimodal integration, road safety, increasing use of Information Technology applications, augmentation of existing funding sources and emphasis on green initiatives.

**Impact of COVID – 19**

The Road transport acted as the backbone of the country in difficult pandemic times. It was an enabler of smooth movement of essential goods to various parts of the country.

On the other hand, due to COVID - 19 pandemic, the construction activities took a temporary halt throughout the country. The awarding activity slowed down leading to halt in construction. Construction moved slowly in first half of FY21 and picked up in the latter half of the year. The rate of construction activity dropped to 28km per day in FY20 in the last month of the year, as the lockdown was imposed. However, this rate picked up when lockdown impositions were lifted in a phased manner in FY21. As per MoRTH presentation showing the works being carried during the lockdown period, 1,315 projects covering 49,238 kms worth Rs 5,89,648 crores were under progress, of which 819 projects covering 30,301 kms costing about Rs 3,06,250 crores were delayed. It also showed State-specific issues like pending land acquisition, environment clearance etc. which had been delaying the project implementation.

However, the impact of COVID - 19 was reversed by the Government's relentless focus on infrastructure spending which led to a sharp growth in highway construction in FY21.

**2.1 Institutional framework for Roads at Central level**

MoRTH is an apex organisation under the Central Government. It is entrusted with the task of formulating and administering, in consultation with other Central Ministries/Departments, State Governments/UT Administrations, organisations and individuals, policies for Road Transport, National Highways and Transport Research. MORTH's overall objective it to increase mobility and efficiency of the road transport system in the country. The Ministry has two wings:

- **Roads wing** responsible for development and maintenance of National Highways in the country
- **Transport wing** responsible for matter relating to Road Transport.

**Main Responsibilities of Road wing are**:

- Planning, development and maintenance of National Highways in the country

- Extending technical and financial support to the State Governments for the development of state roads and the roads of inter-state connectivity and economic importance
- Evolving standard specifications for roads and bridges in the country
- Serves as a repository of technical knowledge on roads and bridges

**Main Responsibilities of Transport Wings are**:

- Motor Vehicle legislation
- Administration of the Motor Vehicles Act, 1988
- Taxation of motor vehicles
- Compulsory insurance of motor vehicles
- Administration of the Road Transport Corporations Act, 1950
- Promotion of Transport co-operatives in the field of motor transport
- Evolving road safety standards in the form of a National Policy on Road Safety, and preparing and implementing the Annual Road Safety Plan.
- Collecting, compiling and analysing road accident statistics and taking steps for developing a Road Safety Culture in the country by involving the members of public and organising various awareness campaigns.
- Providing grants-in-aid to Non-Governmental Organisations in accordance with the laid down guidelines.

Various institutes with various responsibilities make the functioning of MoRTH smooth. An autonomous body **NHAI** is responsible for development and maintenance of National Highways. A societies/associations **National Academy of Highway Engineers** (formerly National Institute of Training for Highway Engineers) is responsible for sharing of knowledge and pooling of experience on subjects dealing with the construction and maintenance of roads, bridges, tunnels and road transportation including technology, equipment, research, planning, finance, taxation, organization and all connected policy issues. A fully owned company of MoRTH, **NHIDCL** is responsible for promoting, surveying, establishing, designing, building, operating, maintains and upgradation of National Highways and Strategic Roads including interconnecting roads in parts of the country which share international boundaries with neighbouring countries.

**2.2 National Highways Development Project (NHDP)**

NHDP was launched in 1999-2000 to achieve a turn-around in the road sector in phased manner. Under first and second phase, four laning of 6,359 km and 6,359 km was approved on 12th January 2000 and 18th December 2003 at the cost of Rs 30,300 crores and Rs 34,339 crores. These two phases comprise of Golden Quadrilateral (GQ), North-South and East-West Corridors (NS-EW), Port Connectivity and other projects. The GQ (5,846 km) connects the four major cities of Delhi, Mumbai, Chennai and Kolkata. The NS-EW Corridors (7,300 km) connect Srinagar in the North to Kanyakumari in the South, including a spur from Salem to Kochi and Silchar in the East to Porbandar in the West.

Under third phase, upgradation of 12,109 km was approved on 12th April 2007 at the estimated cost of Rs 80,626 crores. Under fourth phase, upgradation/strengthening of 20,000 km of national highways to 2/4 lane with paved shoulders on EPC/ BOT (Toll/Annuity) basis was approved on 18th June 2008. Under fifth phase, six laning of 6,500 km of national highways comprising 5,700 km of GQ and balance 800 km of other sections were approved on 5th October 2006 at the cost of Rs 41,210 crores. Under sixth phase, construction of 1,000 km of expressways with full access control on new alignments at a cost of Rs. 16,680 crores was approved in November 2006. Under seventh phase, construction of ring roads, bypasses, grade separators, flyovers, elevated roads and tunnels at a cost of Rs. 16,680 crores were approved in December 2007. Below table explains the status of completion of various phases of NHDP, which have been subsumed under the umbrella programme of Bharatmala Pariyojana, Phase-I:

**Table 4: Completion status of NHDP Phases December 2020**

| NHDP Phases | Length completed up to 31.12.2020 in km |
|---|---|
| I+II+III+IV: GQ, Port connection & Up-gradation with 2/4/6-laning / North-South & East West Corridor | 38,685 |
| V: 6-laning of GQ and High-density corridor | 4,088 |
| VI: Expressways | 219 |
| VII: Ring Roads, Bypasses and flyovers and other structures | 181 |

Source: MoRTH

### *2.2.1 NHAI – Authority in Charge for National Highways*

NHAI as the name goes, is the authority responsible for the development of National Highways in India. It came in to existence by passing of NHAI Act 1988 in Parliament. It was formed with the vision to meet the need of provision and maintenance of National Highway networks to global standards. Its mission is to develop, maintain and manage National Highways vested in it by the Government, to collect fees on National Highways, regulate and control the plying of vehicles on National Highways for its proper management, to develop and provide consultancy and construction services in India and abroad and carry on research activities in relation to the development, maintenance and management of highways or any other facilities, to advise the Central Government on matters relating to highways, to assist on such terms and conditions as may be mutually agreed upon, any State Government in the formulation and implementation of schemes for highway development. It has tried to achieve its mission by bringing innovative ways of construction so as to increase private sector participation.

**NHAI receives its funding through:**

- Government support in form of capital base, cess funds, additional budgetary support, capital grant, maintenance grant, ploughing back of toll revenue and Toll Operate & Transfer (TOT) proceeds
- Loan from multilateral agencies
- Market borrowings
- Borrowing from International market through Masala Bonds by Inaugural international debt offering
- Asset Monetisation though InvIT

**Table 5: NHAI Source of Funds (in Rs. Billion)**

| Sources of Funds | FY19-20 | FY20-21 |
|---|---|---|
| Receipts of Cess | 111 | 239 |
| Plough Back of Toll Revenue | 106 | 115 |
| Plough Back TOT Remittance | 50 | 73 |
| Additional Budgetary Support | 10 | 28 |
| Capital Grant (JICA &WB) | 2 | 1 |
| Capital Gain Tax Exemption Bonds | 45 | 34 |
| Taxable Bonds | 495 | 458 |
| Loan from National Small Saving Fund | 100 | - |
| Term loan | 110 | 159 |
| Other Sources (DME, Interest, Capital Receipts, Maintenance) | 4 | 136 |
| Utilisation of Opening Balance | 8 | 11 |
| **Total** | **1,041** | **1,254** |

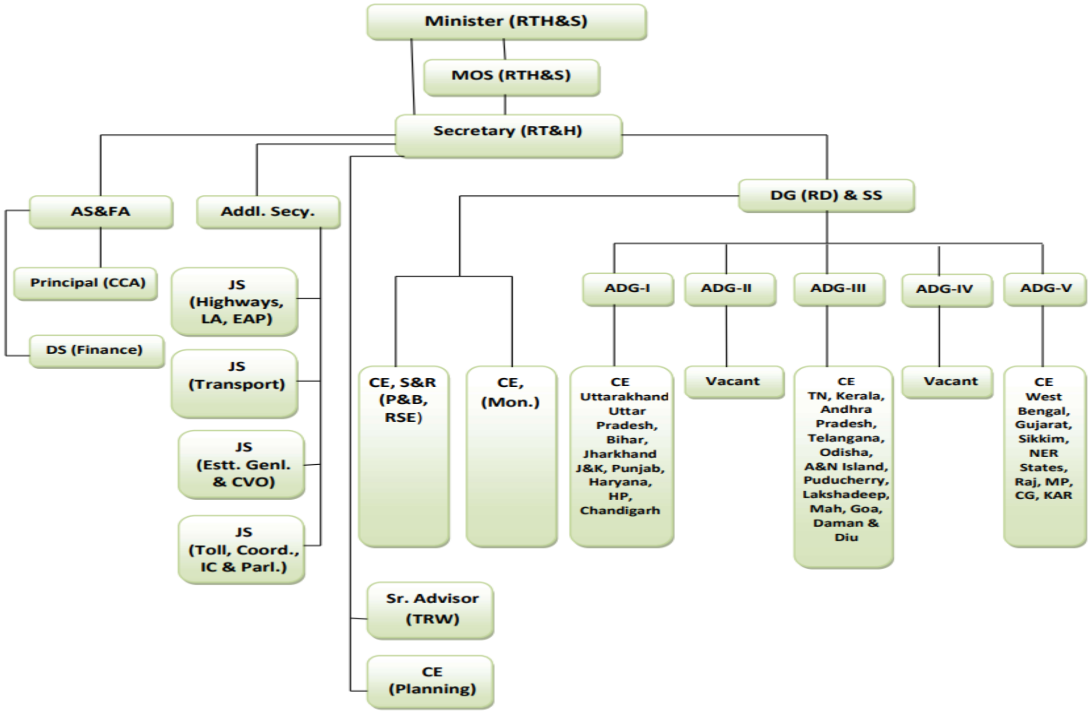
Source: NHAI

**Table 6: NHAI Application of Funds (in Rs. Billion)**

| Application of Funds | FY19-20 | FY20-21 |
|---|---|---|
| Land Acquisition | 285 | 359 |
| Project Expenditure | 498 | 615 |
| Repayment of Loans and Interest thereon | 194 | 256 |
| Other Outflow | 63 | 24 |
| **Total** | **1,041** | **1,254** |

Source: NHAI

**Organisation Chart of MoRTH:**




Note:- The matters relating to Vigilance, Land Acquisition, International Cooperation and Parliament shall be submitted directly to Secretary (RT&H) by the concerned Joint Secretary

**Institutional framework for Roads at State level**

1) Gujarat: Road and Building (R&B) department is a governing body in the State of Gujarat and it is responsible for the R&B Department is in charge of all activities pertaining to planning, construction and maintenance of all categories of roads and all Government owned Buildings in the State of Gujarat. These activities constitute a vital component of developmental work in the State.

2) Maharashtra: PWD is the authority that is responsible for the development of roads and highways in the state of Maharashtra. It is mainly entrusted with the construction and maintenance of roads, bridges, and Government buildings. The department also acts as the technical advisor to the State Government.

3) Uttar Pradesh: PWD is the authority that is responsible for the development of roads and highways in the state of Uttar Pradesh. It is mainly entrusted with the construction and maintenance of roads, bridges, and Government buildings. The department undertakes the maintenance of National Highways passing through Uttar Pradesh which are not covered by the National Highways Authority for which funds are provided by the Government of India. UP State Bridge Corporation, U.P. Rajkiya Nirman Nigam Ltd and U.P. State Highway Authority are the corporation and authorities working under UP PWD.

4) Madhya Pradesh: PWD is an authority in Madhya Pradesh. The main activities of the PWD are construction, upgradation and maintenance of National Highways, Major District Roads, Other District Roads, Village Roads and Construction of Bridges, Fly Overs and ROB's in the State. The total length of Road network under PWD is about 61,616.00 kms. The PWD undertakes construction of buildings in the state in project mode. Public Works Department is Nodal Agency for e - registration of Contractors of all Works Department in the State.

### *2.2.2 Policy framework for the infrastructure sector*

To develop infrastructure, there should be certain policies to understand its need and also know its development stage. If there is any delay in the execution of projects then the reason for it can be known only if there is some policy. Hence, NITI Aayog had brought in the National Program and Project Management Policy Framework for sweeping reforms in the way infrastructure projects were executed in India with an action plan to:

1. Adopt a program and project management approach to infra development
2. Institutionalize and promote the profession of program and project management and build a workforce of such professionals
3. Enhance institutional capacity and capability of professionals

**Major functions of the Infrastructure Policy & Planning Division are:**

- Matters relating to the Harmonized List of Infrastructure Sub-sectors
- All policy related issues in infrastructure sectors including those concerning road, ports, shipping, railways, inland water transport, urban development, power, new and renewable energy, railways and telecommunication sector referred to Department of Economic Affairs by the Administrative Ministries concerned
- Examination of proposals requiring the approval of EFC/PIB/CCEA/COS/CCI in above sectors for viability and justification. In addition, all matters relating to Delhi Mumbai Industrial Corridor Trust
- Matters relating to infrastructure financing and promotion of investments in infrastructure sectors and credit enhancement
- All international interface on infrastructure policy issues and infrastructure financing
- Matters relating to the Infrastructure and Investment Working Group (IIWG) of G-20
- All policy related issues pertaining to energy sector, viz., Petroleum & Natural Gas, Coal, Atomic Energy and New & Renewable Energy
- Examination of proposals for grant of viability gap funding (VGF) under the National Clean Energy Fund (NCEF), matters relating to OPEC Fund for International Development (OFID) and Committee on Allocation of Natural Resources (CANR)
- Policy matters related to Public Private Partnerships (PPPs). The Public Private Partnership (PPP) Cell is responsible for matters concerning Public Private Partnerships, including policy, schemes and programmes and all other matters relating to mainstreaming PPPs
- Matters and proposals relating to the scheme for Financial support to Public Private Partnerships in Infrastructure [Viability Gap Funding (VGF)] Scheme and the India Infrastructure Project Development Fund

**These major functions were further allocated Subject/Section wise work**

**1. Infrastructure (policy) Cell:**

- All policy related issues in infrastructure sector including those concerning roads, ports, shipping, railways, inland water transport, urban development, power and telecommunication sector referred to the Department of Economic Affairs (DEA) by the concerned administrative Ministries or identified and examined by DEA

- Examination of proposals in above sectors requiring the approval of EFC/PIB/CCEA/COS/CCI for their viability and justification

- Sectoral Charge – Ministry of Road Transport & Highways, Ministry of Shipping including Ports and Inland Water Transport, Ministry of Urban Development, Ministry of Railways, Ministry of Civil Aviation, Department of Telecommunication, Department of Post

- All matters relating to Roads projects (PPP and non-PPP) including EFC/SFC/PPPAC and EI/EC under the Government of India VGF Scheme

- Matters relating to Delhi Mumbai Industrial Corridor Trust

- Development of Smart Cities

- Atal Mission for Rejuvenation & Urban Transformation (AMRUT)

- Institutional Mechanism (IM) for Harmonized Master List of Infrastructure Sub-sectors

- Telecom Commission

- National Highway Authority of India

- External charge – China, South Korea and North Korea

- India Korea Macro-economic and Financial Dialogue and

- India – China Financial Dialogue

**2. Infrastructure Finance Section:**

- Matters related to infrastructure financing and promotion of investments in infrastructure sectors

- Matters relating to Infrastructure Debt Funds (IDFs), Real Estate Investment Trusts (REITs)/Infrastructure Investment Trust InvITs, Tax Free Bonds, Municipal Bonds and other instruments meant for infrastructure financing and credit enhancements

- All international interfaces on infrastructure financing (other than PPPs)

- Model Tripartite Agreements (MTA) for sectors such as Road, Ports, etc.

- External charge- Bahrain, Oman, Saudi Arabia, Qatar, Kuwait, UAE, Yemen, Israel, Jordan and Lebanon

- Matters relating to Infrastructure and Investment Working Group (IIWG) of G-20

- India - Saudi Joint Investment Fund, Indo-Israeli R & D Fund

- Examination of proposals in above sectors requiring the approval of EFC/PIB/CCEA/COS/CCI for their viability and justification
- All policy matters relating to Project Monitoring Group (PMG)
- India Saudi Arabia Joint Commission for Technical and Economic Cooperation
- Matters relating to meetings of Board of Directors of ONGC-Videsh Limited (OVL), IIFCL and IRFC as Government nominee on the Board of Directors
- Coordination and general matters pertaining to the Division

**3. Public Private Partnership (PPP) Cell**

- Matters relating to appraisal and approval of Central sector PPP projects, as per the Cabinet approved "Compendium of Guidelines for Central Sector PPPs" and the Delegation of Powers assigned from time to time except those in Road Sector
- Matters and proposals relating to clearance by Public Private Partnership Appraisal Committee (PPPAC) except those in Road Sector
- Matters and proposals relating to the scheme for Financial support to Public Private Partnerships in Infrastructure Viability Gap Funding (VGF) Scheme except those in Road Sector
- Matters and proposals relating to the scheme for India Infrastructure Project Development Fund (IIPDF)
- Developing Multi-pronged and innovative interventions and support mechanisms for facilitating PPPs in the country, including Technical Assistance and programmes from bilateral/multilateral agencies on mainstreaming PPPs and support to State and local Governments
- Managing training programs, strategies, exposures for capacity building for PPPs and other matters relating to institution building for mainstreaming PPPs
- All International interfaces on PPPs & other matters concerning PPPs

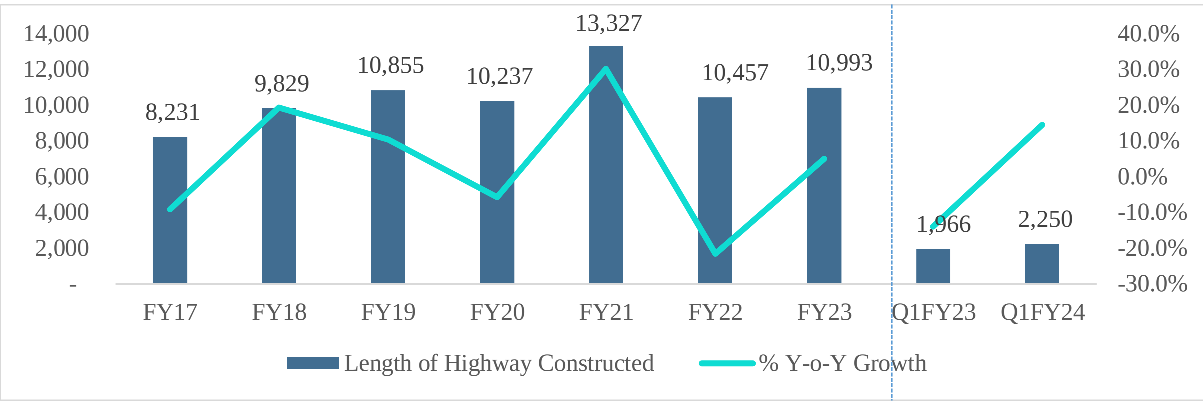
**3. National Highway**

**Recovery Mode on – Highway construction pace returned to pre Covid level**

Total Highways Construction in India grew at a CAGR of 13% between FY16-FY21. Despite the challenges amid COVID - 19, the Government's relentless focus on infrastructure spending, supported a sharp growth in highway construction in FY21. After a slow growth in the first half of FY21, the pace of highway construction picked up in the second half of FY21, specifically months of February and March 2021 registered a record high construction at a pace of over 70 kms a day.

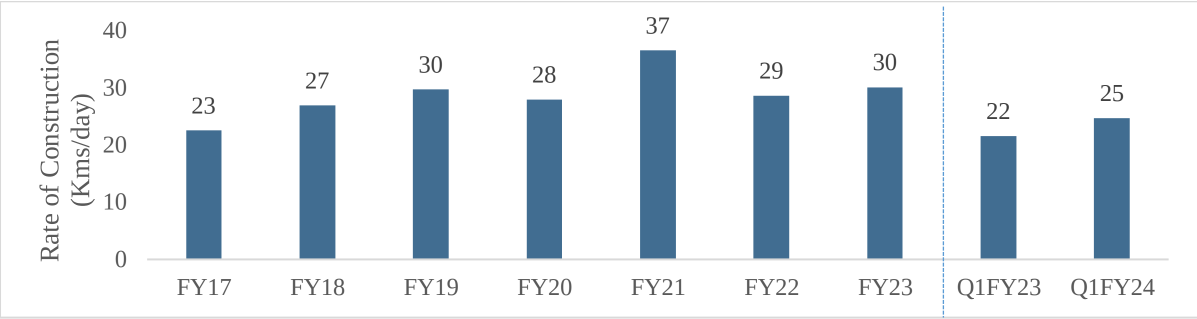
In FY22, the construction slowed down by 21.5% y-o-y after record highway construction in FY21, however, the awarding increased by 16.1% y-o-y. The pace of road construction picked up in FY23 with 10,993 km of construction, a growth of 5.1% y-o-y, however, the projects awarded were 12,375 km, a marginal decline of 2.8% as compared to the previous financial year. The pace of awarding has slowed by 36.9% y-o-y in Q1FY24 with 611 kms of highways awarded, however, construction activity increased up by 14.4% y-o-y with 2,250 Kms of highways constructed during the quarter.

**Chart 15: Length of Highway constructed in India**




Source: MoRTH & Xxxx Research

**Chart 16: Rate of Highway construction per day**




Source: MoRTH & Xxxx Research

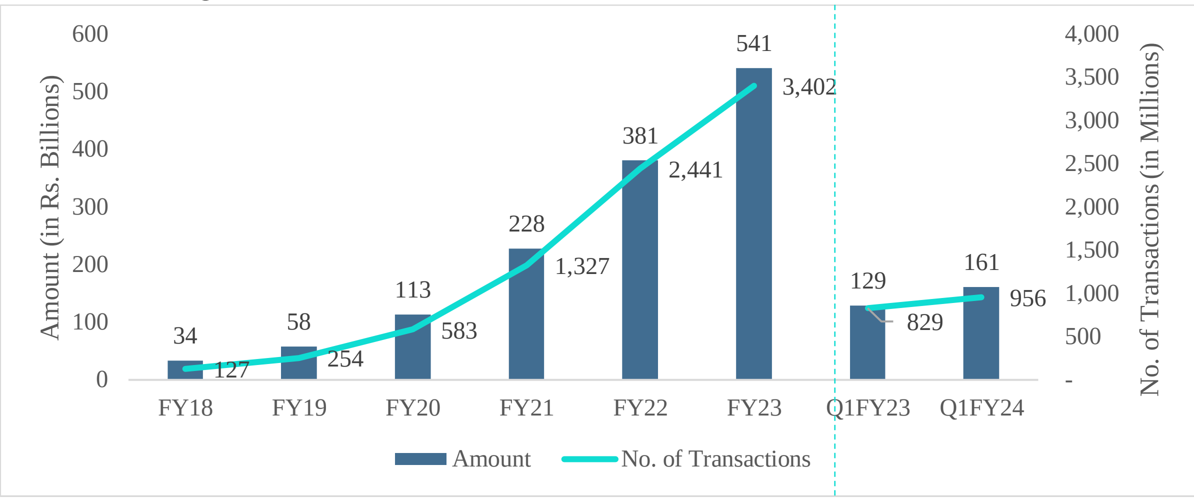
**3.1 Electronic Toll Collection**

**FASTag is proving an effective and time saving mode of Toll Collection**

Electronic toll collections have soared since the introduction of FASTag. FASTag toll collection for the Q1FY24 stood at Rs. 161 Billion from 956 Million transactions compared to Rs 129 Billion from 829 Million transaction in Q1FY23 a growth of 25% y-o-y, making it highest ever collection during the first quarter of financial year. FY23 has seen record high toll collection of Rs 541 Billion a growth of 42% from 3402 Million transaction. This record high toll collection was achieved due to declaration of all lanes on national highway as FASTag lanes, increased economic and transportation activities across India especially during the festive season.

FASTag comes as a part of the Government of India’s initiative to enhance digital transactions across various sectors in the country. It was first introduced in India in 2014 and was made mandatory from February 2021. It has transformed the way toll tax is collected in the country. It is a Radio Frequency Identification (RFID) technology enabled card that allows drivers to pay their toll tax electronically at the toll booth reducing long vehicle queues and waiting times and at the same time saving time and fuel.

**Chart 17: FASTag Toll Collection continues to rise**



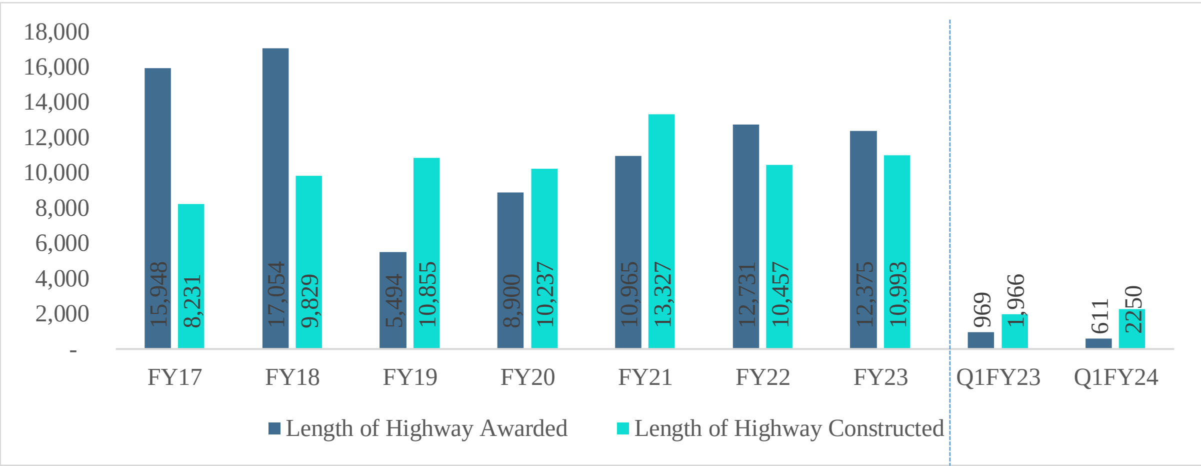

Source: National Payments Corporation of India

## 3.2 Key Drivers of the sector

**Firing the fuel that lead to achieve pre Covid levels**

The national highway projects had witnessed decline in awarding activity due to lower participation from private players. However, with increased focus towards Engineering, Procurement and Construction (EPC) and Hybrid Annuity Model (HAM) models, the pace of awards of NH projects grew at a strong pace of 11.41% CAGR over the past 4 years (Refer chart below). The project awarding has remained strong during FY22 and FY23 at an average of 12,553 Km per year and the construction pace has also been maintained. Project awarding and execution is expected to continue its momentum in FY24 on back of various Government initiatives such as Gati Shakti, Bharatmala Pariyojana, National Infrastructure Pipeline.

**Chart 18: Road Projects Awarded and Constructed**




Source: MoRTH & Xxxx Research

**Government's infrastructure focus to support growth in the medium term**

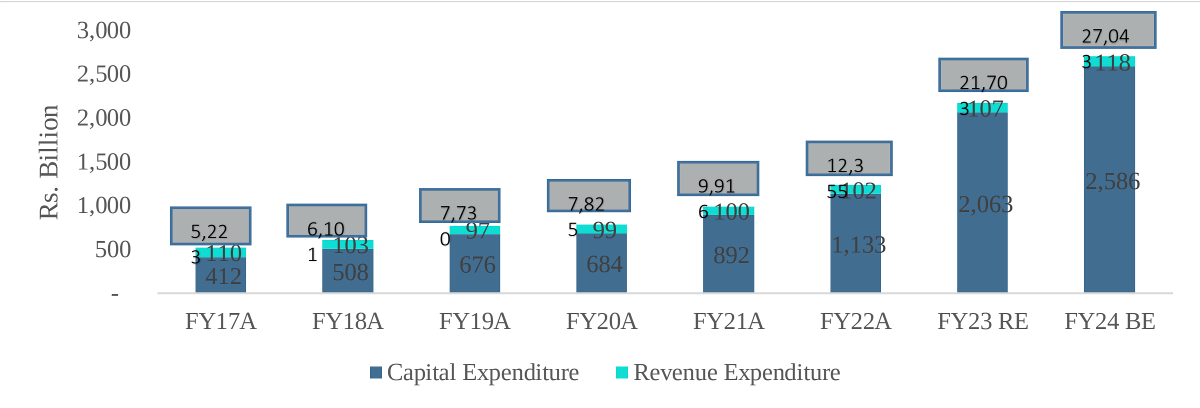
Road construction is amongst the critical sub-segments of infrastructure development, economic growth as well as for employment creation. Infrastructure is a major focus of the Government currently.

In the Union budget 2023-24, the Government budgeted to incur higher expenditure towards road construction, wherein, the Central Government made the highest ever outlay of Rs. 2,704 Billion (compared to the estimated expenditure of Rs. 2,170 Billion for 2022-23).

Overall, the Union Budget for 2023-24 emphasized on infrastructure development. The budget plan aims for multi-modal logistics facilities and connectivity systems under the PM Gati Shakti. For infra push, financial assistance of Rs.1,300 Billion in interest free loans for 50 years has been allocated to states from the Centre. Through this, the Government is planning to generate employment opportunities and augurs well for the roads sector.

In addition to the above, Rs. 1,11,000 Billion of investments have been projected in infrastructure projects during FY20-FY25 by the Task Force on National Infrastructure Pipeline (NIP), with ~18% of the targeted investment expected to be made in the road sector in India. Also, under the recently announced National Monetization Pipeline, around Rs.1,600 Billion are to be raised through monetization of roads over FY22-25.

**Chart 19: Budget Allocation for the Ministry of Road Transport and Highways**




Source: MoRTH
RE – Revised Estimates; A – Actual; BE – Budgeted Estimates

**Private sector participation sees a gradual uptick**

Despite the ambitious targets set for the construction of national highways, the private sector participation has remained constrained since FY16, primarily due to challenges faced by developers in the projects bid under the erstwhile BOT mode between FY11 and FY12.

However, there has been a gradual shift towards EPC and HAM projects which has again gradually revived the interest and investments of private sector players. Interest in BOT (Toll) projects has reduced. Projects have been primarily bid out in HAM and EPC mode.

Under Bharatmala Pariyojana, a total number of 604 road projects with an aggregate length of 20,965 km have been approved and awarded with a total capital cost of Rs. 6,417 Billion. Out of the total approved projects, 389 projects have been awarded under EPC mode (56%), 209 projects have been awarded under HAM mode (42%) and 6 projects have been awarded under BOT (Toll) mode (2%).

**Table 7: Bharatmala Pariyojana Projects Approved and Awarded as on December 2021**

| Sr. No | Mode of Implementation | Bharatmala & Residual NHDP – Awarded (A) | | Bharatmala & Residual NHDP – Approved - To be Awarded (B) | | Bharatmala & Residual NHDP – Total (A+B) | | Capital Cost (Rs. in Billion) | % Length |
|---|---|---|---|---|---|---|---|---|---|
| | | No. of Projects | Length (km) | No. of Projects | Length (km) | No. of Projects | Length (km) | | |
| 1. | EPC | 373 | 11,288 | 16 | 423 | 389 | 11,710 | 2,995 | 56% |
| 2. | HAM | 197 | 8,298 | 12 | 483 | 209 | 8,781 | 3,296 | 42% |
| 3. | BOT Toll | 4 | 341 | 2 | 133 | 6 | 473 | 126 | 2% |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | **Total** | 574 | 19,926 | 30 | 1,038 | 604 | 20,965 | 6,417 | 100% |

Source: MoRTH

### 3.3 Key budget announcements for road sector in 2023-24 Budget

The 2023-24 budget by the Government highlights the impetus for growth by focusing on big public investment for modern infrastructure, which shall be guided by PM Gati Shakti and benefited by the synergy of multi-modal approach.

- It's a step towards economic growth as well as sustainable development and is driven by seven engines, namely, Roads, Railways, Airports, Ports, Mass Transport, Waterways, and Logistics Infrastructure. Rs 150 Billion has been set aside under Pradhan Mantri PVTG Development Mission to improve socio-economic conditions of the particularly vulnerable tribal groups (PVTGs) by way of providing basic facilities such as safe housing, clean drinking water and sanitation, improved access to education, health and nutrition, road and telecom connectivity, and sustainable livelihood opportunities.

- 100 critical transport infrastructure projects have been identified at an investment of Rs 750 Billion including Rs 150 Billion from private players.
- For the urban infrastructure in Tier – II and Tier – III cities, a corpus of Rs 100 Billion has been set aside via establishment of Urban Infrastructure Development Fund.

### 3.4 Government Initiatives for Development of Road Infrastructure

Government of India has introduced a number of policy initiatives to ensure an enabling environment for various stakeholders involved.

The initiatives are broadly categorized as follows:

**1. Development Initiatives by Government of India**

- **Bharatmala Pariyojana**
  The Ministry of Road Transport and Highways has envisaged an ambitious highway development program Bharatmala Pariyojana which includes the development of 65,000 km of national highways. The key objective of the programme is to optimize the efficiency of freight and passenger movement – this would be achieved by bridging critical infrastructure gaps through the development of Greenfield expressways, economic corridors, inter-corridors and feeder routes. Under Phase-I of Bharatmala Pariyojana, the ministry has approved implementation of 34,800 km of National highways in 5 years with outlay of Rs 5,350 Billion. NHAI has been mandated the development of about 27,500 km of National Highways under Bharatmala Pariyojana Phase-I.

- **Connectivity in LWE Area**
  The Government has approved a scheme for development of about 1,177 km of NHs and 4,276 km of State Roads in Left Wing Extremism (LWE) affected areas as a Special Project with an estimated cost of about Rs. 73 Billion. This Scheme is being implemented by Ministry of Road Transport & Highways for improving road connectivity in 34 LWE affected districts in 8 States i.e. Andhra Pradesh, Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Maharashtra, Odisha and Uttar Pradesh. The detailed estimates for 5,422 km length have been sanctioned at an estimated cost of Rs. 87 Billion. Development in 4,792 km length has been completed up to March, 2019 and cumulative expenditure incurred so far is Rs. 73 Billion.

- **Char Dham Pariyojana**
  The Ministry has taken up separate programme for connectivity Improvement for Char-Dham (Kedarnath, Badrinath, Yamunothri & Gangothri) in Uttarakhand. Out of total 53 civil works covering

the entire length of 889 km under Chardham project, 40 civil works of total project cost amounting to Rs. 95 Billion (including cost of pre-construction works amounting to Rs. 5 Billion) and length of 673 km has been sanctioned.

- **Special Accelerated Road Development Programme (SARDP) including Arunachal Pradesh Package**

  The scheme has been envisaged to be taken up under three phases. In first phase, improvement of about 4,099 km length of roads (3,014 km of NH and 1,085 km of State roads). Out of these, 3,213 km roads have been approved for execution and balance 886 km has been approved 'In-Principle'. 3,333 km of length has been awarded and 2,101 km of roads have been completed till March, 2019. The SARDP-NE first phase is expected to be completed by 2023-24. Second phase of SARDP-NE, covers 3,723 km (2,210 km NHs and 1,513 km of State roads) of road and shall be taken up after completion of first phase.

  The Arunachal Pradesh Package for Road & Highways involving development of about 2,319 km length of road (2,205 km of NHs & 114 km of State / General Staff / Strategic Roads) has also been approved by the Government. Projects on 776 km are to be taken up on BOT (Annuity) mode and the remaining are to be developed on EPC mode / Item Rate Contract as per Ministry's extant policy. Projects of 2,047 km length have been awarded and 928 km of road has been completed till March, 2019. The entire Arunachal Pradesh package is targeted for completion by 2023-24. An amount of about Rs 30,315 crores has been spent in SARDP including Arunachal Pradesh Package.

- **State PWD and Border Road Organization (BRO)**

  An amount of about Rs. 310 Billion have been earmarked during the year 2022-23, for the development of NH entrusted to State PWDs. States have spent Rs. 182 Billion till 31$^{st}$ December 2022. An amount of about Rs. 5 Billion crores was earmarked during the year 2022-23, for the development of NH entrusted to BRO. BRO has spent Rs 3 Billion till 31$^{st}$ December 2022. An amount of about Rs 13 Billion was earmarked during the year 2022-23, for the maintenance of NH entrusted to State PWDs. States have spent Rs. 3 Billion till 31$^{st}$ December 2022. An amount of about Rs. 2 Billion has been earmarked during the year 2022-23, for the maintenance of NH entrusted to BRO. BRO has spent Rs. 1 Billion till 31$^{st}$ December 2022.

- **FDI Investment in Roads and Highways**

  Government has permitted 100% FDI investment in roads and highways projects by automatic route. This has attracted many international institutes to invest in projects. Some of the investments are as follows:

  - Australia-based Macquarie Infrastructure and Real Assets' second pan-Asian infrastructure fund, Macquarie Asia Infrastructure Fund 2 (MAIF 2), in association with Ashoka Buildcon, has bagged contract for the first bundle of nine highway stretches measuring 680 km in Andhra Pradesh and Gujarat

  - Canada Pension Plan Investment Board (CPPIB) and Allianz Capital Partners (ACP) acting as anchor investors in India's first private infrastructure investment trust, namely, IndInfravit Trust, which is sponsored by L&T Infrastructure Development Projects Ltd (L&T IDPL). Under this, CPPIB's investment of Canadian $200 Million fetched it 30% of IndInfravit units with ACP and L&T IDPL accounting for 25% and 15%, respectively. The remaining units were subscribed by other institutional investors.

## 2. Various Operational Initiatives to smoothen construction

Process streamlining is being increasingly taken up by the ministry to ensure smooth appraisal and approval of road sector projects. Some of the major steps for process streamlining are:

- **Mode of Delivery:** MoRTH is empowered by a Cabinet Committee on Economic Affairs (CCEA) decision on mode of delivery of projects.

- **Increased threshold for project appraisal and approval:** MoRTH was authorized through a CCEA decision to appraise and approve projects up to Rs. 100 Billion.

In addition to this many technological initiatives have been adopted by the ministry to aid the execution and operation of a road projects. Some of technological initiatives are:

- **Use of Bhoomirashi:** The ministry has corroborated with the National Informatics Centre, to create Bhoomirashi, a web portal which digitizes the cumbersome land acquisition process and also helps in processing notifications relating to land acquisition process and also helps in processing notifications relating to land acquisition online. Processing time, which was earlier two or three months, has come down to one to two weeks now.

- **E-procurement System:** NHAI is using the e-procurement portal for tendering of all kinds of goods and services. This has led to greater transparency. The system currently in use by NHAI is the Central Public Procurement Portal by National Informatics Centre (NIC).

- **Implementation of FASTag:** Introduced in 2014, the RFID-based FASTags affixed on vehicle windscreens would enable toll to be debited from a linked account, without requiring vehicles to stop for transactions. However, it did not pick up until a transport ministry directive in July 2019 called for equipping all toll lanes barring one across National highways in the country with electronic toll collection (ETC) infrastructure.

- **Bidder Information Management System (BIMS):** This system aims to simplify the qualification process of bidders for road construction contracts. This helps in faster evaluation of technical information provided by the bidders.

- **Interlinked between various platforms:** The two IT initiatives Bhoomirashi and BIMS, have now been integrated with the Public Financial Management System (PFMS). PFMS allows for the compensation amount to be paid to the concerned person directly rather than being deposited with CALA (Competent Authority for Land Acquisition).

- **mVahan:** mVahan has been envisaged as a convenient mobile solution for managing various VAHAN services by Department Officers at the RTOs and other stakeholders like Dealers. The current version, facilitates a number of processes including automation of Vehicle Inspection and Fitness, facilitation of documents uploads by Dealer/RTO during vehicle registration and other services like processing requests for change of address etc. The Government is further working to expand to cover the full range of RTO operations.

## 3. Revival of Languishing Projects

Projects which were languishing for a number of years have been attempted to be revived with the help of number of policy measures taken by the Government. Some of the policy measures have been discussed below:

- **100% equity divestment two years post COD –** The policy enables private developers to take out their entire equity and exit all operational BOT projects two years from commercial operation date.

- **Premium deferment in stressed projects –** The policy permits rescheduling of premium committed by concessionaires during bid stage for awarded projects.

- **Rationalized compensation to concessionaires for languishing NH projects in BOT mode for delays not attributable to concessionaires –** The policy enables extension of concession period for languishing BOT projects to the extent of delay provided. The original operation period remains unchanged.

- **One-time fund infusion –** The policy enables revival and physical completion of languishing BOT projects that have achieved at least 50% physical progress, through one-time fund infusion by NHAI, subject to adequate due diligence on a case to case basis.

**4. Amicable Dispute Resolution**

To enable time-bound resolution in an affordable manner, efforts have been made by NHAI for dispute resolution through the established mechanism of alternate dispute resolution through the three-tier stage of:

- 3-CGM committee
- Independent Settlement Advisory Committee (ISAC) and
- Executive Committee/Board of NHAI for Settlement of disputes

In 2017, NHAI has also established Conciliation through Committee of Independent Experts (CCIE) Society of Affordable Redressal of Disputes (SOROD) was formed in 2013 by NHAI to reduce cost and time overruns due to the arbitration process and for fast dispute redressal. The main objectives of SAROD were to reduce cost due to the arbitration process and pendency of disputes, efficient disposal of disputes and to develop experts for the arbitration process 347 arbitrators have already been empanelled.

### 3.5 PPP models

### To boost the Private participation, Government has come up with various models

### Overview

Connectivity has been priority of the Government and making last mile connectivity road is the best and cheapest way of increasing connectivity. Construction of roads in every corner of the country by only Government agency is difficult as it will increase time and cost both. To achieve complete connectivity by way of roads, Government partnered with the private players and it came to be known as Public Private Partnership (PPP). Initially, PPP road projects broadly fell in one of the two categories of toll or annuity. However private sector participation gradually subdued post 2012 due to various issues including aggressive bidding and over-leveraged balance sheet of developers, shortcomings in project preparation activities and land acquisition issues. To attract PPP participation in the road sector, Government introduced the Hybrid Annuity Model (HAM). It focused on proper allocation of risk amongst the partners. Further, operational asset monetization model has gained prominence recently with the advent of the Toll-Operate-Transfer (TOT). Other asset monetization options like use of Infrastructure Investment Trusts (InvIT) and Securitization of toll revenues are also in various stages of implementation.

### Key types of PPP models in India

- **Build Operate and Transfer (BOT)**
  This is a simple and conventional PPP model where the private partner is responsible to design, build, operate (during the concession period) and transfer back the facility to the public sector. Role of the private sector partner is to bring finance for the project and take the responsibility to construct and maintain it. In return,

the public sector will allow it to collect revenue from the users by way of Toll. A number of BOT variants are depending on the allocation of roles and risks - these include DBO, DBFOT, BOOT, DBOOT, BOO, etc.

- **BOT (Annuity)**
  In the BOT (Annuity) mode, the private partner is responsible for building, operating and transferring the road at the end of the agreement period to the public sector. The toll collection is however undertaken by the Government agency and the payment is made on semi-annual basis to the private players.

- **Engineering, Procurement and Construction (EPC)**
  In the EPC mode, the cost is completely borne by the Public Sector Government. Public sector invites bids for engineering knowledge from the private players. Procurement of raw material and construction costs are met by the public player. The private sector's participation is minimum and is limited to the provision of engineering expertise.

- **Management Contract**
  The private promoter has the responsibility for a full range of investment, operation and maintenance functions. He has the authority to make daily management decisions under a profit sharing or fixed-fee arrangement. Variants include basic management for fee contract, management contract with performance incentives, management and finance contract with some rehabilitation and expansion.

- **Lease Contract**
  In this approach, the Government gives a concession to a private entity to build a facility (and possibly design it as well), own the facility, lease the facility to the public sector and then at the end of the lease period transfer the ownership of the facility to the Government. Usually, the private partner in such cases would require an assurance in terms of tariff levels, increases over term of lease and compensation and review mechanism in case the tariff levels do not meet the estimates. Variants include BLT, BOLT, and BTL.

- **Service contract**
  In this approach, the private promoter performs a particular operational or maintenance function for a fee over a specified period of time. In addition, there are modes such as TOT and Operate-Maintain-Transfer (OMT) for monetizing future toll earnings of completed projects.

- **Hybrid Annuity Model (HAM)**
  Due to subdued private sector participation in the bidding process, the Government opted for advance version of the Hybrid Annuity Model (HAM) in FY2017. It came in the time when private players were highly leveraged and banks were cautious in increasing their lending exposure to private sector players as majority of the projects were getting delayed and stuck in execution. Major BOT project had proven to be bad choice as the main assumption for the returns was traffic was quite aggressive. But in case of HAM, it is a mix of BOT (Annuity) and EPC models. This model safeguards the interest of both the parties i.e., Government and private entity. During the construction period, the private entity is provided 40% grant of the bid project cost by the Government in five equal instalments depending on the physical progress of the project. The remaining 60% of the bid project cost is to be borne by private entity through debt and equity. The Government generates its revenue from the project by way of toll collection. This model has been very successful as the burden of financing of private players has reduced.

  In the first year of its implementation, Rs 28,000 crores of projects were awarded by the NHAI of which 50% of the projects were under HAM. HAM has not only brought back private participation but it has also safeguarded the banks as the fund disbursed to private players are backed by the Government annuity payments i.e. the traffic risk is taken care by Government itself,

### 3.6 Challenges faced by the roads sector

**Despite Government's continuous support by way of Finance and tweaking PPP models many challenges still persist for the sector**

- **Land Acquisitions:** Post Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2003, many land owners demand for higher compensation and refuse to hand over possession of their land. With the Act coming into effect, cost of land has increased and in some case land cost is higher than the project cost.

- **Mismatch between project cashflows and debt repayment tenure:** Revenue from large infrastructure projects is spread over 20-30 years whereas the loan for the same project is for the period of 10-15 years. This results into cashflow mismatches in the initial years of operations till the project stabilizes and also overall tenure mismatch between project cashflows and debt repayment, thereby resulting in private players to fund cashflow mismatches from their own sources.

- **Projects Delays Impact on Financial Institutions:** As the debt are on the rise due to push for road projects, many projects which get stuck or delayed result in loans turning into NPAs which leads to contraction in the lending capacity of the banks.

- **Financial Stress:** Due to failed BOT projects on account of lower than estimated traffic or delays in project completion due to approvals/ land acquisition, private players have come under financial stress due to significantly leveraged balance sheets in anticipation of high levels of project revenue growth. Due to slowdown in economic activity due to COVID - 19, revenue realisation has also been much lower rate than anticipated.

- **Highly stressed Loan portfolios:** With lower than anticipated revenues, the private players' debt servicing capacity has been impacted. To mitigate the risk of failure of the company, restructuring of loan has been opted by the private players. Restructuring of loans for the first time does not impact asset classification but subsequent restructuring leads to NPA recognition in the books of financial institutions.

### 3.7 SWOT Analysis

In broader sense, following is the SWOT Analysis of Roads and Highway sector:

| STRENGTH | WEAKNESS |
|---|---|
| • India ranks second in the world with the road network of 63.32 lakh Kilometres.<br>• State and National Highways form backbone of the country.<br>• It is most cost-effective way of linking the Urban and Rural areas.<br>• Government initiatives such as Gati Shakti, Bharatmala Pariyojana, National Infrastructure Pipeline etc.<br>• Development of Roads and Highways with the help of Private Players. | • Fund set aside for the maintenance and expansion of road network have been insufficient.<br>• National highways represent only 2% of the total network length and major traffic by road is handled by National Highways.<br>• Lower Private players participation on account of unfavourable PPP models, delay in construction work due to land acquisition. |
| **OPPORTUNITY** | **THREAT** |
| • With National Highways and State Highways accounting to 5% of the total road network, there is still an opportunity of expanding them. | • Decrease or stagnant Private participation in road construction will lead to delayed development resulting to higher cost of construction. |

| | |
|---|---|
| • Conversion of state roads from 2 lane to 4 lane and 4 lanes to 6 lane gives an added opportunity of development.<br>• Budgetary allocation has been increased from Rs 522 Billion in FY17 to Rs 2,704 Billion in FY24 giving a Government seriousness to the connectivity by road.<br>• To mitigate the difficulty of land acquisition, NHAI has decided to allot project post 90% of land acquisition.<br>• Government has come up with Bhoomirashi, a web portal, for the faster acquisition of land. | • Protest by landowners for higher compensation for their surrendered land result into delay and higher cost of construction.<br>• Default of private player due to failed project under PPP model will further reduce private participation.<br>• Reduction in Budgetary allocation will take back the sector as private players too will think twice before placing bids.<br>• Development of Border roads may face off from neighbouring countries which will lead to delay and higher cost of construction. |

### 3.8 Outlook

Connectivity has always been the backbone of any economy as it not only reduces the overall cost of logistics but also reduces the overall cost of production. To achieve last mile connectivity, roads and highways pave the way as they are cost effective way of connectivity. Over the years budgetary allocation has been increased from Rs 522 Billion in FY17 to Rs 2,704 Billion in FY24 proving the Government's high focus on infrastructure sector. India has second largest road network in world with 63.32 lakh kilometres of roads and highways of which 5% falls under Highways. For better connectivity and faster movement of goods, Government is expanding 2 lane highways to 4 lanes and 4 lanes to 6 lanes. Sector has higher opportunities as the connectivity of ports and other key locations such as consumption centres, metros, Tier-2 cities and strategic importance is still under developed. To achieve the complete connectivity, private player participation is a must and to attract the investment of private players, Government has brought into several Public-Private Partnership (PPP) models which has attracted significant investment over the past decade. Of all the PPP models, HAM has proven to be a successful. It has given favourable condition for the participation of private players. Government is looking forward to bring in more projects under HAM followed by EPC. Lower participation for private players has at some point hampered the overall development of roads and highway sector. Issues of delay in project completion, due to land unavailability has been dealt by NHAI's decision to allot project, post completion of 90% of land acquisition. Also, the Government has allowed 100% FDI in the sector and allowed asset monetisation for private players post construction is complete.

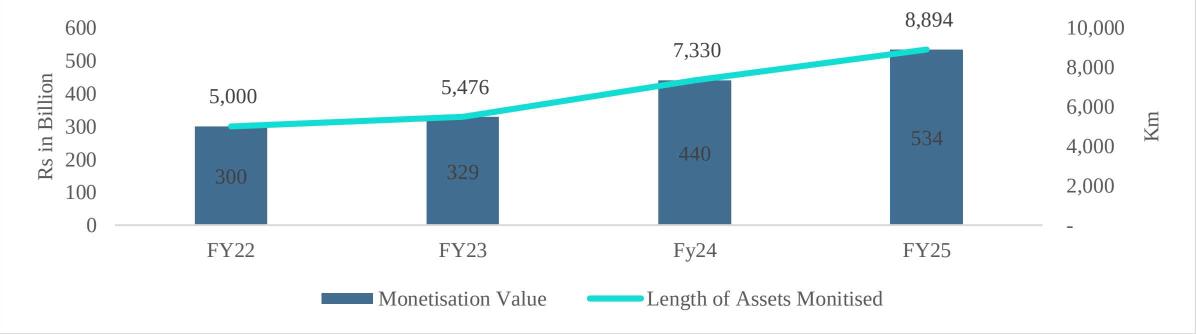
Further, to set a clear view of development, Government has set up National Infrastructure Pipeline. Under the National Infrastructure Pipeline (NIP), 18% of the Rs. 1,11,000 Billion investment targeted over FY20-FY25 is expected to be made in the roads sector. Majority of it is targeted towards improving road length and safety features. A total of 1815 national highway projects spanning 87,612 kms and 5 expressway projects spanning 2,142 kms have been identified under the pipeline with a capital expenditure of Rs. 1,38,000 Billion over the fiscals 2020 to 2025. Delhi-Mumbai expressway and Chennai-Bengaluru Expressway have been identified as the marquee projects.

To finance the NIP, several innovative financial avenues would have to be looked at, such as asset monetization, increased implementation of de-risked models such as Hybrid Annuity Model (HAM) and introduction of investment platforms such as Infrastructure Investment Trusts (InvITs) apart from monetization planned through the National Monetization Plan (NMP).

**National Monetization Plan**

The National Monetization Plan (NMP) announced by the Government has identified the road sector having the maximum potential at Rs. 1,60,200 crores which constitutes 27% share in the overall NMP. Around 26,700 km of road assets are to be monetized under NMP which makes around 20% of the total asset length. The chart below shows the phasing planned under NMP.

**Chart 20: Phasing Under NMP**




Source: National Monetization Pipeline, Volume II

NHAI announced InvIT as a mode to monetize road projects under NMP. The InvIT will initially have a portfolio of five operating toll roads with an aggregate length of 390 kilometres. These roads are located across the states of Gujarat, Karnataka, Rajasthan, Maharashtra, Andhra Pradesh, Madhya Pradesh and Telangana. NHAI's first InvIT raised more than Rs 50 Billion in November 2021 and second InvIT raised Rs 15 Billion in October 2022.

TOT projects covered under InvITs are Kotha Kota Kurnool Project Highway, Chittorgarh Kota Project Highway, Maharashtra Belgaum Project Highway, Abu Road Swaroopganj Project Highway and Palanpur Abu Road Project Highway. The Government plans to add more national highways to the InvIT portfolio as the long-term revenue generating assets such as toll roads provide stable and long-term yields under the InvIT structure. With InvIT coming into picture, burden on budget will be lowered as monetization of assets through InvIT will generate cash flows for investment in ongoing and future projects. Further, this will also result in reduction in debt of NHAI.

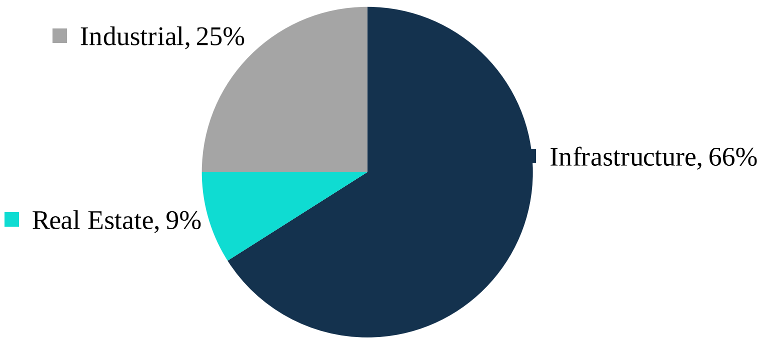
## 4. Construction Sector

### 4.1 Overview

The construction industry in a country is an important indicator of its development. Broadly, the construction sector can be classified into infrastructure, real estate and industrial construction. Wherein, infrastructure can further be spread across different sectors such as roads and highways, telecom, airports, ports, power, oil and gas and railways.

The construction sector contributed around 8.4% to the national GVA (at constant price) in FY23. Increase in Infrastructure demand & Government initiatives shows the potential for catapulting India to the third largest construction market globally.

**Chart 21 : Share of key segments that contribute to construction spending**



Source: Department of Industrial Policy and Promotion (DIPP)

**Key indicators of raw material consumption in construction sector:**

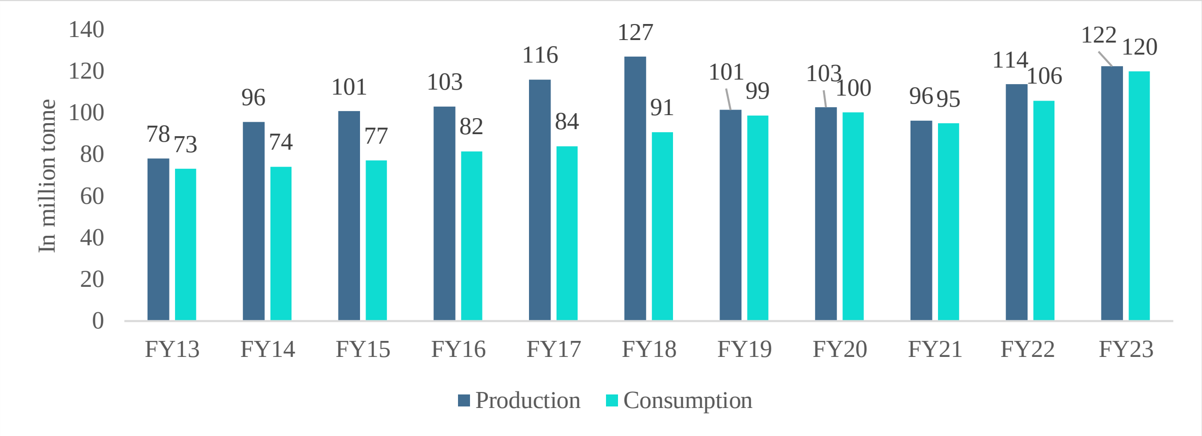
**Steel industry**

India is the second largest steel producer in the world. The Indian steel sector has been able grow over the years due to domestic availability of raw material such as iron ore and cost-effective labour.

**Trend in India's finished steel production and consumption**

In the last 11 years, finished steel production increased at a CAGR of 4.9% from 78 MT in FY13 to 126 MT in FY23. The growth in production is backed by a rise in domestic steel consumption on account of growing economic activities in the country like increase in infrastructure and construction spending by the Government, improved automobile and consumer durable demand among others. During these years, finished steel consumption in India has increased at a CAGR of 5.1% from 73 MT in FY13 to 120 MT in FY23.

**Chart 22: India's finished steel production and consumption**




Source: CMIE

The domestic steel production in FY23 was 122 Million tonnes up from 114 Million tonnes in FY22, an increase of 8% y-o-y. India's steel consumption was at 120 Million tonnes in FY23, up from 106 Million tonnes in FY22, an increase of 13% y-o-y on account of increased consumption by the Government on developing infrastructure as well as the resumption of real estate and construction activities.

**Cement industry**

Cement industry forms part of the core industrial sectors in the country and in terms of production, India is the second largest producer of the cement. For a developing and transitioning economy such as India, cement as a commodity holds significant value given the immense infrastructure requirements of a growing and urbanizing country, as well as its contributions by way of direct and indirect employment. The GoI has time and again emphasized its focus on infrastructure development with the announcement of several schemes such as Housing for All and NIP to name a few schemes. Growth in the cement industry is indicative of the overall growth in the economy.

Even though India is the 2nd largest producer of cement in the world, the market is highly underpenetrated. The per capita consumption of cement is only between 200-250 kg/per capita compared to the world average of 500-550 kg/per capita.

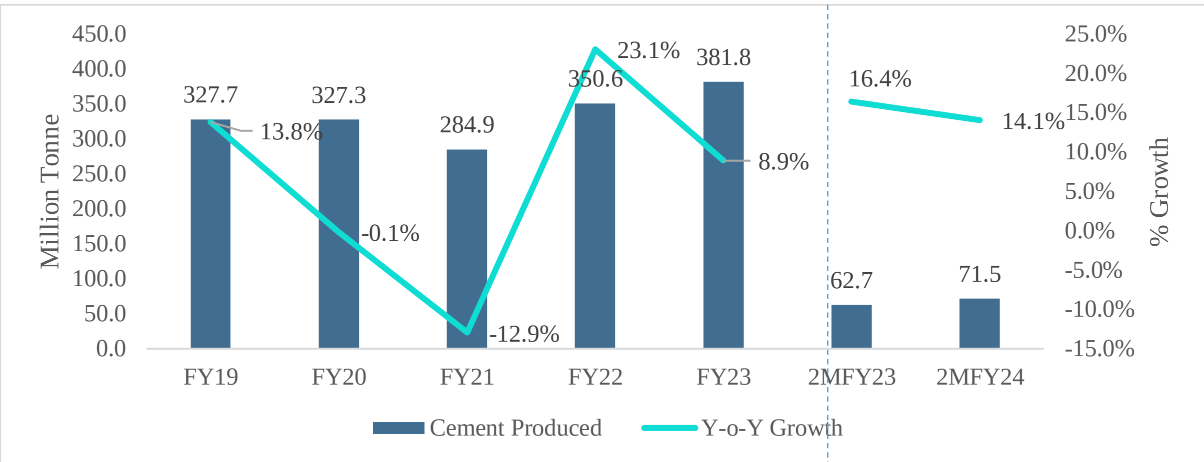
**Trend in production**

In FY22, production of cement at 350.6 Million tonnes (MT) surpassed the pre-pandemic levels, growing by 23.1% as compared with 285 MT of cement produced in FY21 aided by a low base of FY21 and pent up demand from the previous years.

In FY23, there was an 8.9% increase in production on a year-on-year basis to 381.8 MT driven by increase in Government push for infrastructure development especially in the rural segment, urban housing and construction activities like metros, highways, smart cities etc. in different regions of India.

There is a cyclical trend in the cement production/consumption where-in the same is low during April to October mainly on account of monsoons and picks up subsequently over November to March as the monsoons subside and construction activity increases across the country. As a result, the production declines in the 1st and 2nd quarter of any financial year compared to previous half year, but it soon picks up after the festive season and usually see a significant growth in 3rd and 4th quarters of a financial year.

**Chart 23: Cement production**




Source: CMIE, Xxxx Research

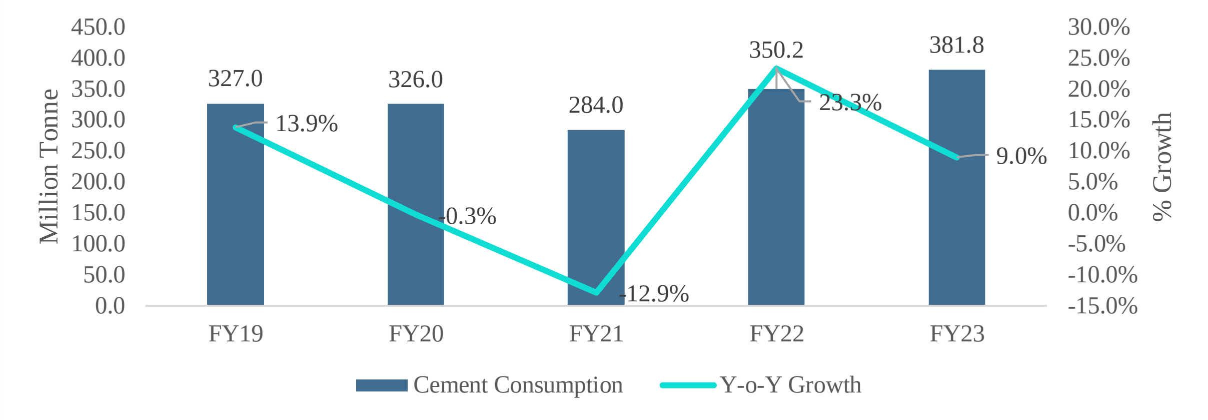
**Cement consumption:**

There was a major decline in cement consumption to 284 MT (13% y-o-y) in FY21, which can be attributed to the challenging environment witnessed by the industry on account of Covid-19 pandemic outbreak. The end user industries of cement such as real estate sector and infrastructure sectors were severely impacted. The persisting liquidity crunch in the sector worsened, and restrictions imposed by the Government to arrest the spread of Covid-19 led to many developers postponing completion of their projects. The industry had to also grapple with issues such as reverse migration and disruption is supply chain.

In FY22, after opening of the economy, the real estate industry is demonstrated signs of recovery. Reopening of the property markets in India led to an uptick in buyers. The second half of FY22 saw improvements in the real estate capital flow even with emergence of Omicron though not to the pre-Covid levels. The cement consumption stood at 350.2 MT in FY22 and continued to increase backed by growth in demand from end user industries such as construction of public infrastructure and real estate. The demand growth continued in FY23 backed by fast paced construction of roads, railways and other infrastructure projects across the country.

In FY23, there was an 9% increase in consumption on a year-on-year basis to 381.8 Million Tonnes due to increased demand and increase in infrastructure activity across India.

**Chart 24: Cement consumption**




Source: CMIE, Xxxx Research

### 4.2 PPP models for enabling infrastructure growth

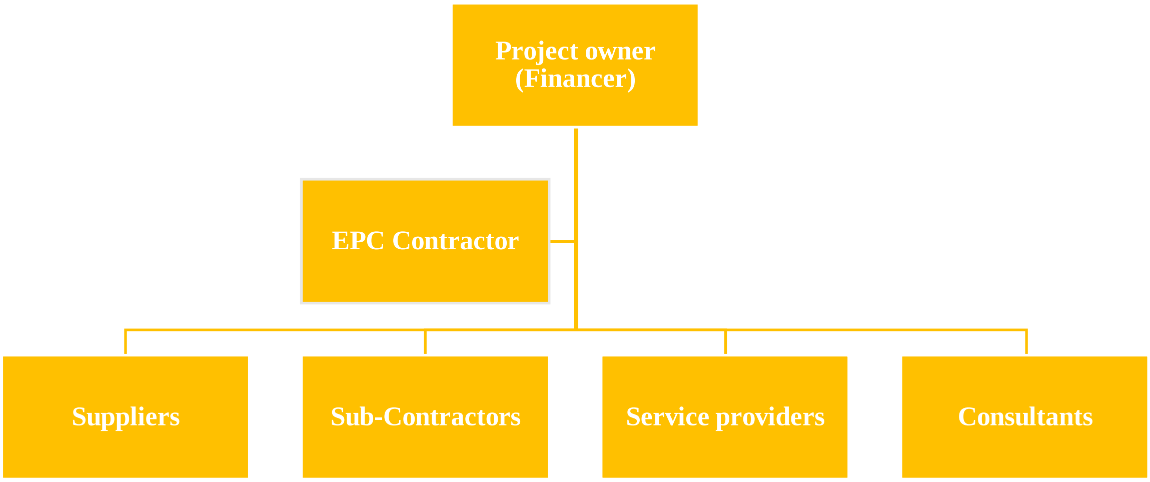
The Government has taken constant steps for encouraging strong private participation in infrastructure sector, particularly from the perspective of the NIP. Hence, the focus has been on building a robust enabling environment with a well-thought policy framework and a well-developed public authority for encouraging PPPs.
The different types of PPP models are as follows:

- Build – Operate – Transfer (BOT)
- Build – Own – Operate (BOO)
- Build – Own – Operate – Transfer (BOOT)
- Design – Build (DB)
- Design – Build – Operate (DBO)
- Design – Build – Finance (DBF)
- Lease – Renovate – Operate – Transfer (LROT)
- Engineering, Procurement and Construction (EPC)

### 4.3 Construction EPC in India

EPC stands for **'Engineering, Procurement and Construction'**. EPC entails the contractor build the project by designing, installing and procuring necessary labour and land to construct the infrastructure, either directly or by subcontracting. The EPC contract is a type of construction contract between parties where the contractor is responsible for all the engineering, procurement, and construction activities to deliver the completed project to the employer or owner. In addition to the delivery of the complete facility, the EPC contractor must deliver it within a guaranteed time.

**Chart 25: Key Stakeholders of EPC Contract**




Source: Xxxx Research

**Basic Features of an EPC Contract**

- Single point responsibility
- Fixed contract price
- Fixed completion date
- Performance guarantee
- Caps on liability
- Security
- Liquidated damage
- Defect liability period
- Force majeure

EPC companies are generally responsible for design, procurement, construction, commissioning, and handover of the project to the project owner. An EPC contract is a project document that binds the owner and contractor into a contractual framework by clearly transferring the risk responsibility related to designing, procuring, and constructing to the contractor. It also documents the performance standards the completed project is required to meet. EPC contractor then uses various suppliers, sub-contractors, engineers, and consultants to execute the project.

EPC contracts are of various types including turnkey contracts or contracts with fixed prices.

**EPC companies can be classified based on their area of operation/specialization as below:**

- General Contracting/Infrastructure
- Building construction – Residential and Commercial segments
- Oil & Gas EPC
- Power EPC: General Power EPC and Power Transmission, Solar Power
- Specialized EPC: Marine, Industrial, Railways, Tunnelling, Mining etc.

## 4.4 Key Infrastructure Segments

### *4.4.1 Roads and Highways outlook*

India's road infrastructure has seen consistent improvement in the last few years. Connectivity has improved and road transportation has become a focus of rapid development. In current fiscal till the month of August 2022, the pace of construction slowed to 18 km/day. Overall, till August 2022, 2,912 Kms of highways were constructed and 2,706 kms were awarded as compared to 3,355 Kms constructed and 3,261 Kms awarded in the previous year. This slowdown can be attributed to increase in cost of input materials, longer-than-usual monsoon and problems related to land acquisition and environmental clearance.

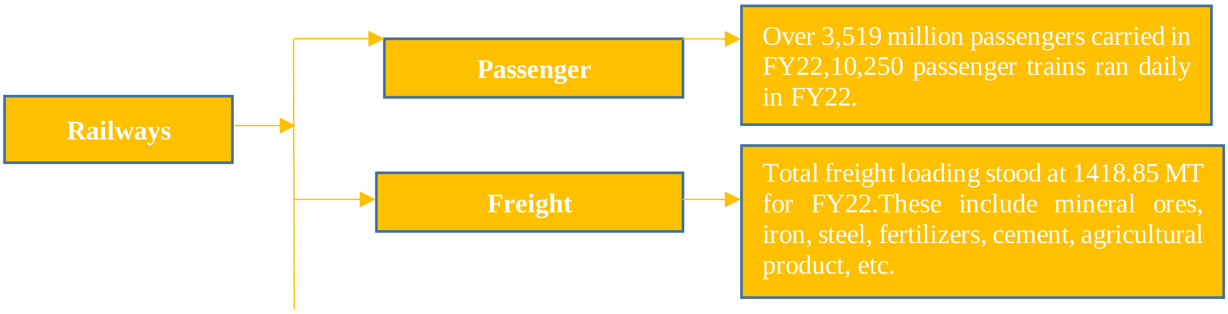
### *4.4.2 Railways outlook*

The Indian Railways is the largest rail network in the World and is a regulated body under Government of India and is the backbone of the Indian economy. It is also the fourth largest national railway system in the world. It consists of a total track length of over 1,28,305 km with route consisting of more than 7,000 stations. Indian railways run about 9,164 good trains and over 10,250 passenger trains daily. Around 9.64 million passengers are carried daily by the railways and the freight carried daily stands at 3.88 million tonnes for the year FY22. It is also the largest employer in India and contributes to about 1.5% of the GDP as it supports about 45% share of the modal freight of India. It is the driver of India's economic growth and is considered safe, viable and environment friendly mode of transport in India.

The Railways operations can be divided into passenger and freight segments.

Owning to customer centric approach and business development units backed by strong policies, the Railways breached the 1,400 Million Tonne (MT) Freight loading Mark for the first time in FY22.The originating freight loading of the Indian Railways stood at 1512 MT in FY23 as compared to 1,418 MT in FY22.

**Figure 1: Railway Operation**




Indian Railways recorded a revenue of Rs 2,400 billion for the FY23. This was mainly supported by improvement in passenger earnings through introduction of new trains and special trains or premium special trains etc. increase in freight earnings like rationalizing merry-go-round policy, reducing distance in mini rakes, leasing of parcel space to private parties and liberalization of parcel policy.

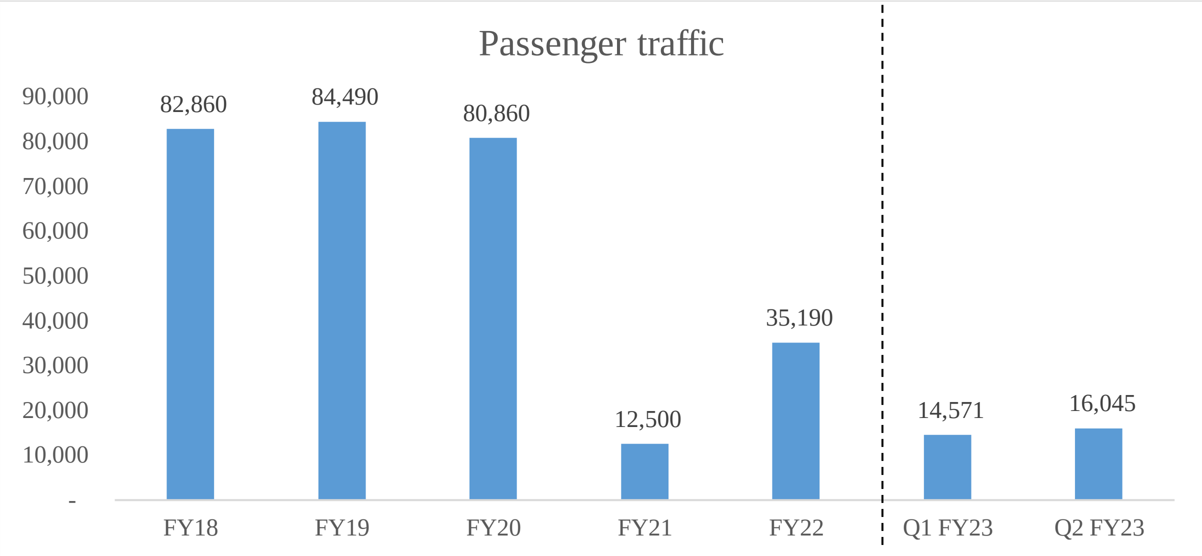
Apart from this, Indian railways is also considering to explore areas like changing coaches' composition, having additional streams by monetizing traffic on digital booking through IRCTC.

**Passenger Earnings**

Train travel is the preferred means of transport for long-distance travel for majority of Indians. Passenger traffic is broadly divided into two categories i.e. suburban and non-suburban traffic. Suburban trains usually cover small distances like 150 kms and carries the passenger within the cities whereas non-suburban trains cover larger distances and covers inter cities or states. Majority of the revenue i.e. 94% comes from non-suburban trains. In FY22, there was a 61% growth in passenger revenue Y-o-Y according to the provisional reports and it was majorly because of low base effect due to the lockdown in COVID – 19 pandemic.

In H1FY23, the passenger traffic has already reached 3,062 million and is expected to cross pre-covid level in the coming years. The increase in the demand for passenger trains is supported by return of normalcy after the blow of pandemic, urbanization, improving income standards, etc.

**Chart 26: Passenger Traffic**



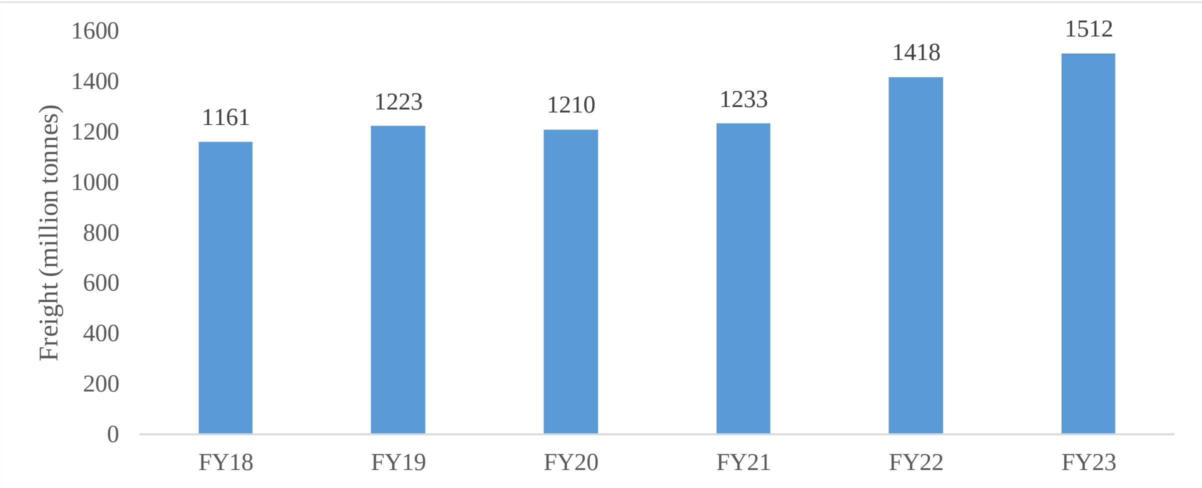

P- Provisional; Source: Ministry of Railways, Xxxx Research

**Freight Traffic**

The freight traffic in India mainly consists of 9 commodities - coal, steel, iron ore, food grains, petroleum products, amongst others. Coal has accounted for major freight volume at 728 MT in FY23. Along with coal, increase in automobile loading has been a highlight of the freight business of the FY23. Despite of the passenger traffic being lower than the pre-covid levels, the freight traffic was 6.6% higher in FY23. The Indian Railways has recorded for the best freight business in history in the FY23 with 1512 MT freight loading.

The government is also heavily investing in rail infrastructure to improve freight transport. Due to favorable policy measures and increasing private participation, continued healthy growth in freight traffic is expected in the medium to long term.

**Chart 27: Freight Traffic**




Source: Ministry of Railways, Xxxx Research

**Current Handling Capacity**

The freight loading during FY22 was 1512 MT as against last year's loading of 1418 MT registering growth of 6.6% year – on – year over last year loading. Freight revenue of Indian railways grew by 16% in FY23 and reached 16,20,000 million vis-à-vis 13,92,870 in FY22.

The Mantra, "Hungry for Cargo" has been followed by the Indian Railways owing to which sustained efforts have been made to improve the ease of doing business and to improve the service delivery at competitive prices. This has resulted into new conventional and non-conventional commodity streams traffic coming to railways. Strong policy making and customer centric approach has helped Railways to achieve this landmark.

Commodity wise the Railways has achieved an incremental loading of 75 MT in Coal, followed by 11 MT in balance of other goods, 6 MT in cement & clinker and 7 MT in Fertilizer. FY23. Apart from this, increase in automobile loading has also improved the freight traffic in FY23 and 5,527 rakes have been loaded in FY23 as compared to 3,344 rakes in FY23 showing a growth of 65%. The freight ecosystem is also expected to grow from the present level of 4,700 MT to 8,200 by 2030.

The sustained efforts of Indian Railways to increase supply of coal to power houses, in close coordination with Ministries of Power and Coal, has again been one of the key features of the freight performance for FY23. The loading of coal (both domestic and imported) to power houses has increased by 84 MT in FY23, with 569 MT coal being moved to Power houses as against 485 MT last year, i.e. a growth of 17.3%.

**Capacity Expansion Plans and Investments**

Being the third largest network in the world under single management and over 68,000 route km Indian Railways is known to provide safe, efficient, competitive transport system. On an average 1,835 km of track per year track km per year of new track length has been added via new-line and multi-tracking projects during the period of 2014 to 2021, as compared to the average of 720 track kms per day during the period of 2009 to 2014. Indian Railways is adopting new technology such as KAVACH, Vande Bharat trains and redevelopment of stations to have safe and better journey experience for the passengers.

Capex has been added substantially during 2009-14 at an average of Rs 4,59,800 million to Rs 21,50,580 million during 2021-22. Indian Railways is also targeting for 100% electrification of its network by December 2023. In addition to the above, projects connecting difficult terrain such as Rishikesh - Karnaprayag line is also laid to connect all capitals of north east states. Further, a number of infrastructure development initiatives are taken under the National Rail Plan (NRP) prepared by Indian Railways.

The National Rail Plan is the road map for capacity expansion of the railway network by 2030 to cater to growth up to 2050. It has been incorporated to take care of the demand and expectation of passengers and also increase the modal share of railways in freight to 40-45% from the present level of 26-27%. The target of 40-45% modal share for railways is necessary from the perspective of sustainability and also from the national commitments made globally for reducing emission levels.

**Government regulations and initiatives**

**PM- GatiShakti**

PM Gati-Sakti is a national master plan for multi-modal connectivity across the country. It is a digital platform to bring 16 ministries including railways, roadways together with an integrated plan to coordinate the implementation of infrastructure connectivity projects.

Under PM-Gatisakti, the concept of ‘One Station- one product’ concept is to be popularized to help the local businesses and supply chain. About 2,000 kms of network will be brought under Kavach as a part of Atmanirbhar Bharat. Kavach is indigenous world-class technology for safety and capacity augmentation in 2022-23.

Under this scheme, a total of 400 new-generation Vande Bharat Trains with greater energy efficiencies and passenger experience are to be developed and manufactured and 100 cargo terminals for multimodal facilities are to be setup in the next three years.

**National Rail Plan**

Indian Railways prepared a National Rail Plan for India-2030. This plan is to make railway system future ready by 2030. The plan will be aimed to formulate strategies based on operational capacities and commercial policy initiatives to improve the modal share of the railways to 45% in freight.

As per the National Rail Plan, the freight ecosystem is expected to grow from the present level of 4,700 MT to 8,200 MT by 2030. At present the railway capacity is barely able to carry 1,220 MT which is around 26-27% of the modal share. The Plan provides a pipeline of projects, which on completion will increase railway capacity to capture 45% of freight traffic. Since the railways is already having a large number of sanctioned projects that need to be completed before taking up new projects, it has been planned to increase railway capacity in two surges. The first surge is to be provided by the Vision 2024 plan to prioritize and complete sanctioned projects so that railway capacity does not fall far behind the targeted modal share such that by the time capacity is finally created, the traffic would have shifted to another mode. To prevent further bleeding away of modal share, railway capacity enhancing projects have been categorized as Super Critical and Critical. 58 projects have been identified as Super Critical and are targeted for completion by December 2022 and 68 projects have been identified as Critical and have been targeted for completion by March 2024. These projects are focused at increasing capacity on routes that serve major mineral, industrial hubs along with ports and major consumption centres.

**Dedicated Freight Corridor (DFC)**

Dedicated Freight Corridor Corporation of India Ltd. (DFCCIL) is already building two freight corridors - Eastern Freight Corridor from Ludhiana to Dankuni (1,856 km), and Western Freight Corridor from Dadri to Jawaharlal Nehru Port (1,504 km), at a total cost of Rs 8,10,000 million.

DFCCIL, a special purpose vehicle, was set up for implementing the DFC project under the administrative control of Ministry of Railways.

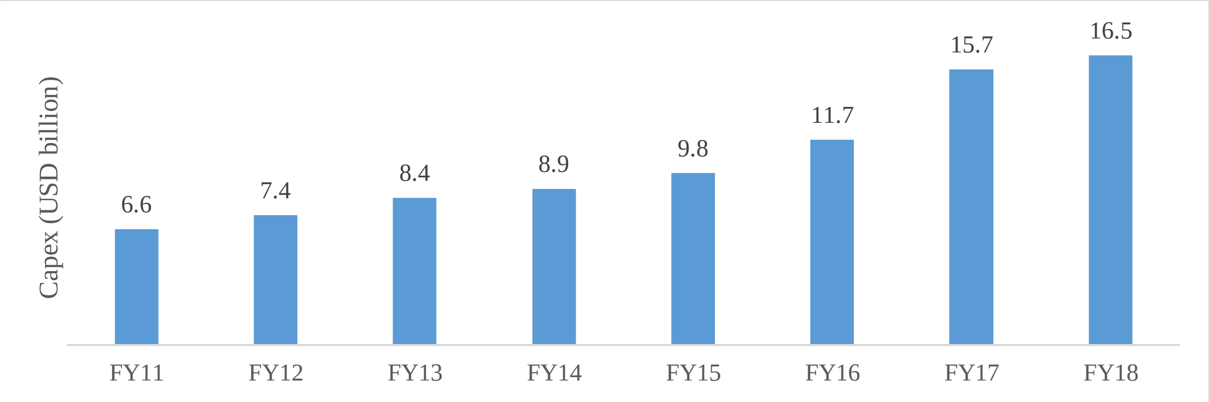
- The plan is to construct dedicated freight lines along the eastern (1,856 km route length) and western (1,504 km route length) parts of India
- Total length: 2,8243 kms, total estimated cost: USD 11.66 billion as on September 2019 and financial progress stands at 63.6% and physical progress stands 67.5%.
- The eastern wing of the DFC is being funded by the World Bank and western wing is being financed by the Japanese International Cooperation Agency.
- The Japanese International Cooperation Agency has granted Rs 85,530 million (USD 1,167.68 million) for phase 1 of the DFC
- The World Bank granted loan of USD 1,100 million for EDFC-2 and sanctioned loan of USD 650 million for EDFC-3 in October, 2016

### *4.4.3 Urban Infrastructure*

India is the second largest urban system in the world with almost 11% of the total global urban population living in Indian cities. With growing population and major contribution by urban, development of urban infrastructure remains a key focus of the Government. It is an important element in infrastructural development of the nation. The urban infrastructure mainly consists of drinking water, sanitization, sewage systems, electricity and gas distribution, urban transport, primary health services and environmental regulation.

The investments in urban infrastructure has been growing steadily over the years. While most investment in this period has been in basic municipal services (around 0.48% of GDP), investment in metro-rail infrastructure has witnessed stronger growth. This growth can also be attributed to higher allocations and fiscal transfers under the Government of India's flagship programs namely Smart Cities and Atal Mission for Rejuvenation and Urban Transformation (AMRUT) missions.

**Chart 28: Trend in investment in urban infrastructure in India**




Source: World Bank report

**Need for Urban Infrastructure Development**

Some of the issues like lack of availability of serviced land, traffic congestion, pressure on basic infrastructure, extreme air pollution, urban flooding, water scarcity and droughts generate the need of infrastructural development.

Some of the key pointers focusing on the needs of urban infrastructure development are listed below:

- **Growing urbanization**
  India is in the process of transitioning from mostly rural to a quasi-urban country. This offers great opportunity for leveraging the benefits of urbanization with robust system in place. There is immense scope in infrastructure development of many Indian cities and town with the help of technology and planning. The census indicates 30% of net increase in urban population between 2001 and 2011 indicating the nature of transformation that is taking place in the rural areas. Along with this, the United Nations also estimates addition to urban population of around 416 million people between 2018 and 2050. This highlights the need of constant urban infrastructural development.

- **Contribution to the economic growth**
  According to NITI Ayog, urbanization contributes to about 60% to India's GDP. India being one of the fastest growing economies in the world, cities plays vital role in economic growth and innovation. Cities are where productive firms, better paying jobs and key institutions are located. There are some studies that attest linkages between urbanisation and per capita GDP. Furthermore, there also exist large, untapped economies of scale. This needs effective interventions incorporating urban planning, development and governance. Several growth targets of India reflect the need for concerted action for fulfilling the full potential of the urban economy.

- **Need to ensure Multi-sector convergence**
  There are multi-sectoral schemes that directly-indirectly impact the urban landscape in India, for instance, Smart Cities Mission, Ministry of Housing and Urban Affairs, National Mission on Electric Mobility and Green city. This is not possible without adequate technical knowhow and planning capacities at the local level. Thus, it necessitates a stronger demand in infrastructure segment of construction industry.

**Flagship government schemes for urban development**

- **Smart cities mission**

  Smart cities mission (SCM) is launched by the Government with an objective of promoting cities that provide core infrastructure and give a decent quality of life to its citizens, a clean and sustainable environment and application of 'Smart' solutions. The strategic components of Smart Cities' initiative are Area-Based Development (ABD) involving city improvement (retrofitting), city renewal (redevelopment) and city extension (Greenfield development) and a pan city development in which Smart Solutions are applied covering larger parts of the city.

The expected impact outreach under smart cities program is as below:

**Table 8: Impact outreach under smart cities program as on 24.11.2022**

| Particulars | Impact |
|---|---|
| No. of cities | 100 |
| No. of projects | 5,151 |
| Project amount (Rs. million) | 20,50,180 |
| Projects tendered | 7,757 projects amounting to Rs. 18,47,270 million |
| Work orders issued | 7,656 projects amounting to Rs. 18,25,430 million |
| Works completed | 4,436 projects amounting to Rs. 7,58,270 million |

Source: Ministry of Housing and Urban Affairs

- **Atal Mission for Rejuvenation and Urban Transformation (AMRUT)**

  The Atal Mission for Rejuvenation and Urban Transformation (AMRUT) was launched on 25th June, 2015 covering 500 cities. Thrust areas of the Mission are water supply, sewerage & septage management, storm water drainage, green spaces & park, non-motorized urban transport and capacity building. Mission focuses on development of basic urban infrastructure with the following intended outcomes:

  i. Universal coverage for access to potable water for every household
  ii. Substantial improvement in coverage and treatment capacities of sewerage
  iii. Developing green spaces and parks
  iv. Reform implementation and
  v. Capacity building

**Table 9: Overall progress of implementation till January 2023 - Sector wise:**

| Sector | Projects completed | | Projects ongoing | | Total projects grounded | |
|---|---|---|---|---|---|---|
| | No. | Amount (in Mn) | No. | Amount (in Mn) | No. | Amount (in Mn) |
| Water supply | 934 | 1,75,976 | 407 | 250,401 | 1341 | 4,26,378 |
| Sewage and septage management sector | 507 | 1,21,637 | 357 | 218,209 | 864 | 3,39,846 |
| Storm water drainage sector | 682 | 13,589 | 118 | 16,186 | 800 | 29,775 |
| Parks and Green spaces | 2,312 | 13,651 | 209 | 2,326 | 2,521 | 15,978 |
| Urban transport | 265 | 5,460 | 83 | 4,788 | 348 | 10,248 |
| **Total** | **4,700** | **3,30,313** | **1174** | **4,91,912** | **5874** | **8,22,226** |

Source: Ministry of Housing and Urban Affairs

### *4.4.4 Irrigation*

Water is a critical input for agriculture which accounts for about 80% of the current water use in the country. The share of net irrigated area accounts for about 49% of the total net sown area in the country and out of the net irrigated area, about 40% is irrigated through canal systems and 60% through groundwater. Micro Irrigation systems paves the way for highest and efficient use of our water resources. Micro irrigation is a modern method of irrigation; by this method water is irrigated through drippers, sprinklers, foggers and by other emitters on surface or subsurface of the land.

On the other hand, there are large and complex irrigation projects that have transformed the landscape in many parts of India. These include dams, barrages, and networks of major / minor canals and lift irrigation projects.

Some of the measures which are seen as major reform areas within the irrigation sector include effective water pricing, addressing the deficiencies of canal supplies, modernization of canals and canal controls, reclamation of waterlogged and saline/alkaline soils, increasing farm-water use efficiencies, and making command area development programs more effective. A number of reforms in the agriculture sector are also envisaged to enhance production, productivity, and the farmer's income and livelihood.

**Some of the recent major government initiatives under irrigation segments are as below:**

**Micro Irrigation Fund Scheme**

With the objective of facilitating the States in mobilizing resources for expanding coverage of micro irrigation, a Micro Irrigation Fund (MIF) with corpus of Rs 50,000 million were created with National Bank for Agriculture and Rural Development (NABARD) during FY19. As per NABARD, 14 projects have been sanctioned to 08 States (Andhra Pradesh, Gujarat, Haryana, Punjab, Rajasthan, Tamil Nadu, Uttarakhand and West Bengal) under MIF as on 31 December 2022. The total loan sanctioned to 8 states stands at 47,109 million as on 31 December 2022.

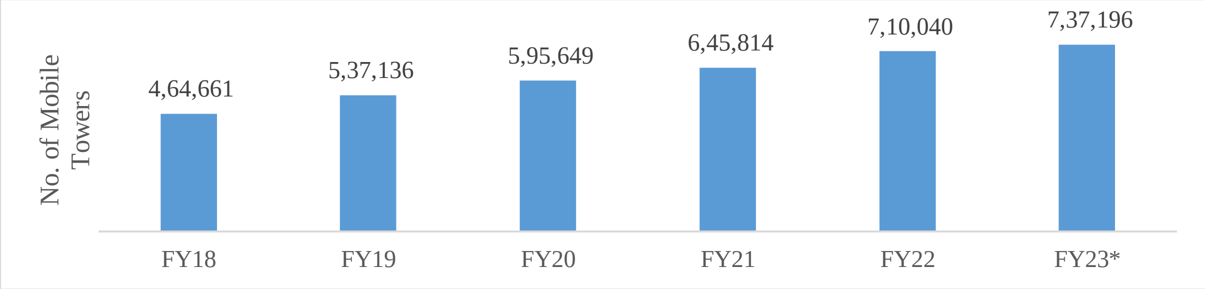
**Pradhan Mantri Krishi Sinchayee Yojana**

The Government of India is promoting micro irrigation viz. Drip and Sprinkler Systems in the Country for enhancing water use efficiency at farm level under the Per Drop More Crop component of Pradhan Mantri Krishi Sinchayee Yojana (PMKSY-PDMC) from FY16. Under PMKSY-PDMC, as on 14.12.2021, total area of 59.37 lakh hectare has been covered under micro irrigation in the country from FY16.

### *4.4.5 Other Sector*

**Telecom -** The growth of telecom sector is largely backed by in proliferation of broadband subscribers and data consumption. Evidently, growth of telecom industry has high dependency on robust and ubiquitous infrastructure. Over the last few years, telecom sector in India has become data driven and reducing costs of data due to the fierce competition in the sector. With this, the number of telecom towers has also increased substantially over the years. This reflects infrastructure built up that is going to boost the government's digital campaign. The number of mobile towers installed stands as 7,37,196 as on October 2022.

**Chart 29: Number of mobile towers (Cumulative)**




Note: FY23 is as on 31.10.2022; Source: Department of Telecommunication

Overall, telecom infrastructure providers play a key role in transformative initiatives of the Government of India like Smart City Mission and BharatNet to enhance connectivity by robust telecom infrastructure. Under the flagship BharatNet Project, 6.03 lakh kms Optical Fiber Cables were laid as on 10.10.2022. A total of 1.9 lakh Gram Panchayats have already been connected with Optical Fibre Cables. The scope of BharatNet has also been extended to cover all inhabited villages beyond Gram Panchayats.

Furthermore, the Government of India is implementing a Comprehensive Telecom Development Plan (CTDP) for the North-Eastern Region and Comprehensive Telecom Development Plan for Islands to provide mobile connectivity in the uncovered villages and along National Highways in the North-east. These initiatives reflect the thrust towards expansion in telecom infrastructure.

### 4.5 Government initiatives

The Indian government has enacted several development schemes. Some of the major Government initiatives relating to construction sector are listed as below:

- **Atal Mission for Rejuvenation and Urban Transformation (AMRUT) -** AMRUT aims to enhance the quality of life for Indian citizens by providing services such as water supply and sewerage

- **Deen Dayal Upadhyay Gram Jyoti Yojana (Ddugjy) -**DDUGJY aims to provide continuous power supply to India's rural areas

- **Pradhan Mantri Krishi Sinchai Yojana -** National mission to improve farm productivity and ensure better utilization of the resources in the country

- **Railways Station Redevelopment Program -** National program to redevelop 400 railway stations through PPP mode

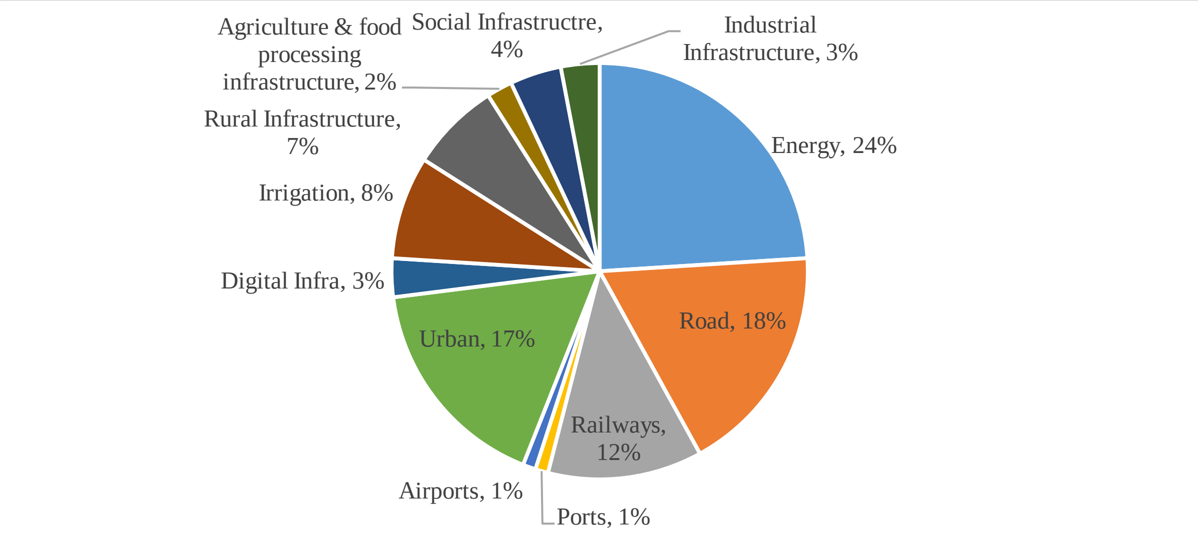
- **Smart City Mission -** Enhancing quality of life by enabling local development and creating smart solutions

### 4.6 Opportunities in NIP for the construction segment

Before the onset of the pandemic the Government of India had unveiled the National Infrastructure Policy (NIP) covering various sectors and regions indicating that it is relying on an 'infrastructure creation' led revival of the country's economy. The NIP which covered rural and urban infrastructure entailed investments to the tune of Rs.1 billion to be undertaken by the Central Government, State Governments and the private sector during FY20-25. This in turn is expected to offer significant opportunities to construction players in India.

In order to achieve the GDP of USD 5 trillion by FY25, India needs to spend about USD 1.4 trillion over these years on infrastructure. During FYs 2008-17, India invested about USD 1.1 trillion on infrastructure. However, the challenge is to step up infrastructure investment substantially. Keeping this objective in view, National Infrastructure Pipeline (NIP) was launched with projected infrastructure investment of around Rs 1 billion (USD 1.5 trillion) during FY 2020-2025 to provide world-class infrastructure across the country, and improve the quality of life for all citizens. It also envisages to improve project preparation and attract investment, both domestic and foreign in infrastructure. NIP was launched with 6,835 projects, which has expanded to over 9,000 projects covering 34 infrastructure sub-sectors.

**Chart 30: Sector-wise break-up of capital expenditure of Rs. 1 billion during fiscal 2020-25**




Source: NIP

During the fiscals 2020 to 2025, sectors such as energy (24%), roads (18%), urban infra (17%), and railways (12%) amount to around 70% of the projected capital expenditure in infrastructure in India. NIP has involved all the stakeholders for a coordinated approach to infrastructure creation in India to boost short-term as well as the potential GDP growth.

Further, the number of projects and the total cost as per NIP for different sectors are as follows:

| Sector | No. of projects | Value of projects (Rs. billion) |
|---|---|---|
| Roads & bridges | 3,564 | 400.2 |
| Railways | 679 | 208.36 |
| Power and others | 325 | 153.8 |
| Urban Infra | 227 | 115.13 |

Source: Department of Economic Affairs

### 4.7 Opportunities in the construction industry

- **Continued Government spending -** Over the long term, the outlook for construction sector is favorable supported by continued Government spending on infrastructure. The Government has expanded the National Infrastructure Policy (NIP) during the Budget to 7,400 projects from 6,835 projects and announced plans for the National Monetization Pipeline and Development Finance Institution (DFI) to improve the financing of infrastructure projects. The NIP covers various sectors and regions indicating that it is relying on an 'infrastructure creation' led revival of the country's economy. The NIP covering rural and urban infrastructure entailed investments to the tune of Rs.1 billion will be undertaken by the Central Government, State Governments and the private sector during FY20-25.

- **Growth in road construction -** Road construction in India is expected to grow with new funding mechanisms by NHAI, such as ToT (Toll Operate Transfer) and InvITs (Infrastructure Investment Trust) and interest from international funds (both for equity as well as debt).

- **Strengthening real estate developments -** Real Estate has the potential for catapulting India to the third largest construction market globally. The sector is expected to contribute 15% to the Indian economy by 2030. The recent policy reforms such as the Real Estate Act, GST and REITs are steps to reduce approval delays and are only going to strengthen the real estate and construction sector.

- **Development in Railways -** Indian Government is taking several initiatives to upgrade aging of railway infrastructure and its quality of service. The upgrades include 100% electrification of railways, upgrading existing lines with more facilities and higher speeds, expansion of new lines, upgrading railway stations, introducing and eventually developing a large high-speed train network interconnecting major cities in different parts of India and development of various dedicated freight corridors to cut down cargo costs within the country. These developments augurs well for growth in construction segment.

- **Growing focus towards renewable energy and rural electrification -** The demand for electricity in the country has increased rapidly and is expected to increase further. Increasing Government focus towards renewable energy sector as well as rural electrification are also expected to drive the investments in the Power sector.

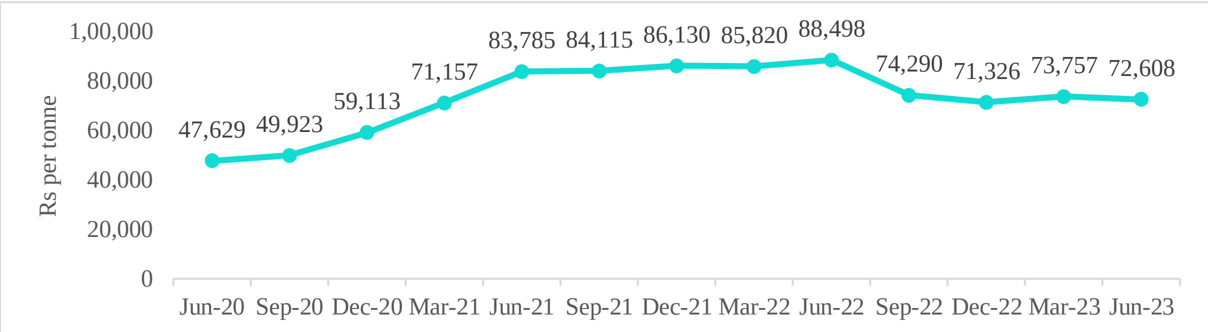
- **Adoption to Electric Vehicle -** Several nationwide initiatives and state EV policies are enabling an ecosystem for accelerated deployment of Electric vehicles (EV). The estimated future growth of EVs in India is estimated due to faster and higher penetration and to achieve the leading position in cutting edge technology, India has set ambitious target of 30@30 goals. As EV adoption grows, readiness of the electricity grid to EV charging demand offers opportunity for innovative infrastructural development.

### 4.8 Challenges in the construction sector

- **Volatility in raw material prices -** The rising cost of steel and cement, two major raw materials consumed by the construction industry saw a sharp rise during the second half of FY21. Raw material cost of different construction companies ranges in 30-50% of the total cost. Any variation in the prices of raw materials during the construction period of the project has a direct impact on total cost of the project. The average domestic steel prices surged 26% y-o-y in FY21. In FY22 as well, the average price of domestic steel and cement increased by 45% and 8% respectively. Here, increased international steel prices led to significantly higher export volumes, which in turn led to an increase in domestic steel prices. Whereas, the rise in cement prices was primarily on account of rising input and fuel costs pressure due to geopolitical tensions. The volatile commodity prices are expected to impact margins of construction players.

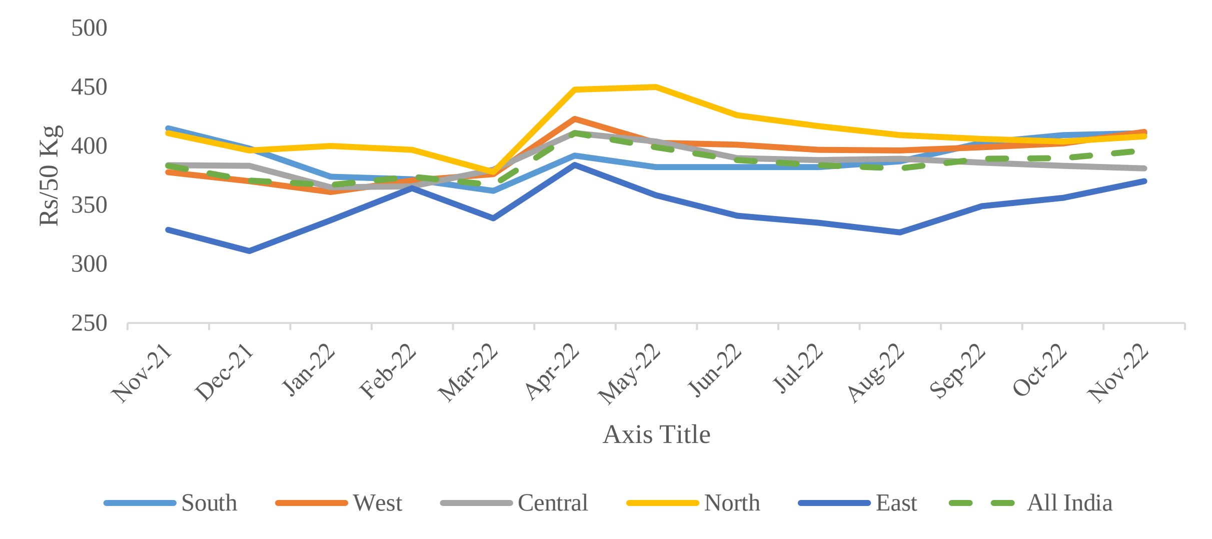
**Chart 31: Movement in raw material prices**

**Steel: Domestic average finished steel prices**




*Source: CMIE*

**Cement: All India price per 50 kg bag of cement is depicted in the chart below:**




*Source: Industry Sources, Xxxx Research*

- **Time and cost overrun due to delay in getting clearances -** Construction sector has witnessed many consistent changes over the past few years. Delay in project completion is one of the major challenges for the construction market in India. Construction projects are large scale, time and cost sensitive. The gestation period of project also increases because of factors such as political risks in the country, liquidity crunch, and delay in getting environmental clearance, forest clearance, defence land handovers etc. Time overrun and project inflationary cost escalations plague many large Government-based projects. All projects have to be time bound to be profitable, however, the market still suffers from inherent delays owing to these reasons.

- **Environment Preservation -** One of the important aspects of a construction project is preservation of the environment. With problems like soil erosion, air and water pollution, the construction players are obligated to adopt to innovative measures and increase their investment in reducing the negative impact on environment.

- **Quality related challenges -** Quality in construction industry is an important factor yet it often gets compromised during the initial stage of the life cycle of the project. That is at the design and the construction stage. Some of the factors affecting the quality of construction are design changes during construction stage, poor supervision and project management on construction site and inadequate contractor experience.

- **Natural Disaster and Calamities -** The impact of natural disaster and calamities can be huge for any construction activity. The financial set back faced and rehabilitation work after any such hazards is itself a great challenge for the construction industry. Thus, it becomes imperative to bring in innovations in construction related technologies to cope with natural disasters.

- **Revenue and operational gap in electricity distribution -** India has one of the highest AT&C losses in the world. As per the Central Electricity Authority of India, over 27% of the total power produced is lost due to either dissipation from wires or theft which impacts the revenue of the discoms. Usually, discoms face a power deficit during the day time and a power surplus during the night. At times of power deficit, the discoms purchase the additional power required from the open market and at time of power surplus, the discoms sell the surplus power on the open market.

## 4.9 SWOT Analysis

In broader sense, following is the SWOT analysis of construction industry covering all the key segments:

| STRENGTH | WEAKNESS |
|---|---|
| • Growing urbanization<br>• Availability of labour force<br>• Continuous Government support<br>• Better economic growth rate | • Lack of clearly defined processes and procedures<br>• Issues relating to funding<br>• Unskilled labour force<br>• Ageing Infrastructure |
| **OPPORTUNITY** | **THREAT** |
| • Continued Government spending<br>• Growth in road construction<br>• Strengthening real estate developments<br>• Development in railways<br>• Growing focus towards renewable energy and rural electrification<br>• Adoption to Electric Vehicles | • Volatility in raw material prices<br>• Time and cost overrun due to delay in getting clearances<br>• Environment Preservation<br>• Quality related challenges<br>• Natural Disaster and Calamities<br>• Revenue and operational gap in electricity distribution |

# 5. Water and Wastewater Industry

## 5.1 Overview

India is the world's second most populous country with 1.38 billion people. Out of this, 65% of the population lives in rural area and 35% are connected to the urban centers according to United Nation (2019). The metropolitan cities of the country are seeing major expansion as a result of economic expansions and reforms. This expansion in urban population is unsustainable without efficient planning of cities and provision of utility services especially clean and affordable water. Water allocation in cities are usually done from common pool with multiple sectoral demand.

It is expected that by 2050, about 1450 km$^3$ of water will be required out of which approx. 75% will be used in agriculture, ~7% for drinking water, ~4% in industries, ~9% for energy generation. However, because of growing urbanization, the need for drinking water will take precedence from the rural water requirements. Many of the cities are situated by the bank of rivers from where the fresh water is consumed by the population and the waste water is disposed back into the river, thus contamination of the water source and irrigation water. This has raised serious challenges for urban wastewater management, planning and treatment.

According to the by Central Pollution Control Board (CPCB), the estimated wastewater generation was almost 39,600 million litres per day (MLD) in rural regions, while in urban regions it was estimated to be 72,368 MLD for the year 2020-21. The estimated volume is double in the urban cities is almost double than that of the rural regions because of the availability of more water for sanitation which has increased standard of the living.

**Water supply management**

With increasing population of the country, the need for water and its management is ever increasing. Water availability is projected to become a major concern in the future. In addition to that, the damage to water resources done by pollution is yet another concern. Releasing industrial waste, discharge of untreated or partly treated municipal waste water through drains, discharge of industrial effluent, improper solid waste management, illegal ground water abstraction, encroachments in flood plains/ river banks, deforestation, improper water shade management and non-maintenance of e-flows and agriculture run off etc. are some of the major reasons for pollution of water bodies. The GoI has come up with various schemes that emphasizes on water conservation and restoration. As a result, the number of polluted river stretches has reduced from 351 in 2018 to 311 in 2022 and improvement in water quality has been observed in 180 out of 351 Polluted River Stretches (PRS) during the year 2018. As per a report by Ministry of Jal Shakti, assessment of water quality over the years discloses that in the year 2015, 70% of rivers monitored were identified as polluted, whereas in the year 2022 only 46% of rivers monitored are identified as polluted. The water requirement is only estimated to grow higher in the coming years.

**Market size for water requirement for different uses (in Billion Cubic Meters) in coming years:**

| Sr No. | Uses | Scenario (2025) | Scenario (2050) |
|---|---|---|---|
| 1 | Irrigation | 611 | 807 |
| 2 | Domestic | 62 | 111 |
| 3 | Industries | 67 | 81 |
| 4 | Power | 33 | 70 |
| 5 | Others | 70 | 111 |
| | **Total** | **843** | **1,180** |

Source: Xxxx Research

Providing clean drinking water is the main focus of the Government. Over the years, the drinking water quality has become a major concern in the rural areas.

Central Water Commission (CWC) periodically assesses country's overall water resources and it has accorded water supply for drinking purpose as the top most priority under water allocation.

To address the present and future food and water security concerns, the GoI has been implementing various schemes. Following are some of the priority areas, focusing on water resources development, that have been identified by the GoI:

- Improving the overall water use efficiency in irrigation and drinking water supply system
- Adoption of piped distribution system in place of open canal system to reduce the conveyance water loss
- Command area development by implementing more micro irrigation system and participatory irrigation management
- Dam safety, dam rehabilitation and performance improvement
- Repair, renovation and restoration of existing water bodies for irrigation, drinking water supply, cultural activities, etc.
- Improving the rural drinking water supply system and sanitation

**Impact of COVID – 19**

COVID – 19 restated the importance of sanitation and water availability to the world. It made the need for water management more prominent than it was before the pandemic.

The Government has in the past five years introduced a number of schemes to streamline water supply and waste water management. However, COVID - 19 impacted the construction activities across sectors due to labor shortage and material shortage. With the support of the Government, majority sectors were able to sail through the tough times.

Although, it was challenging for the department to ensure testing of water sources during COVID-19, 12,000 Self-Employed Mechanics (SEMs) & more than 11,000 members of women Self-Help Groups (SHGs) were trained & provided with 7,000 Field Test Kits to act as water warriors. COVID - 19 did slowdown the speed of the project execution, however, the execution pace has picked up since fiscal 2023.

In Dam Rehabilitation and Improvement Project, due to the COVID - 19 pandemic, Ministry of Jal Shakti initiated some urgent actions to facilitate the partner agencies to compensate for the loss of time and complete the ongoing rehabilitation activities. The Scheme was extended by additional nine months i.e. up to March 31, 2021. Also, the loan amount of US$ 101 Million was surrendered in 2020 to avoid the commitment charges on undisbursed loan amount. Phase I of project closed successfully on March 31, 2021.

After the successful implementation of Jal Shakti Abhiyan in 2019, Ministry of Jal Shakti planned to take up the Jal Shakti Abhiyan-II (JSA-II), covering all blocks of all districts of the country but it could not be taken up due to COVID - 19 pandemic imposed restrictions. However, to keep its continuity, National Water Mission, launched a campaign “Catch the Rain” with the tag line “Catch the rain, where it falls, when it falls” to nudge the states and all stakeholders to create Rain Water Harvesting Structures (RWHS) suitable to the climatic conditions.

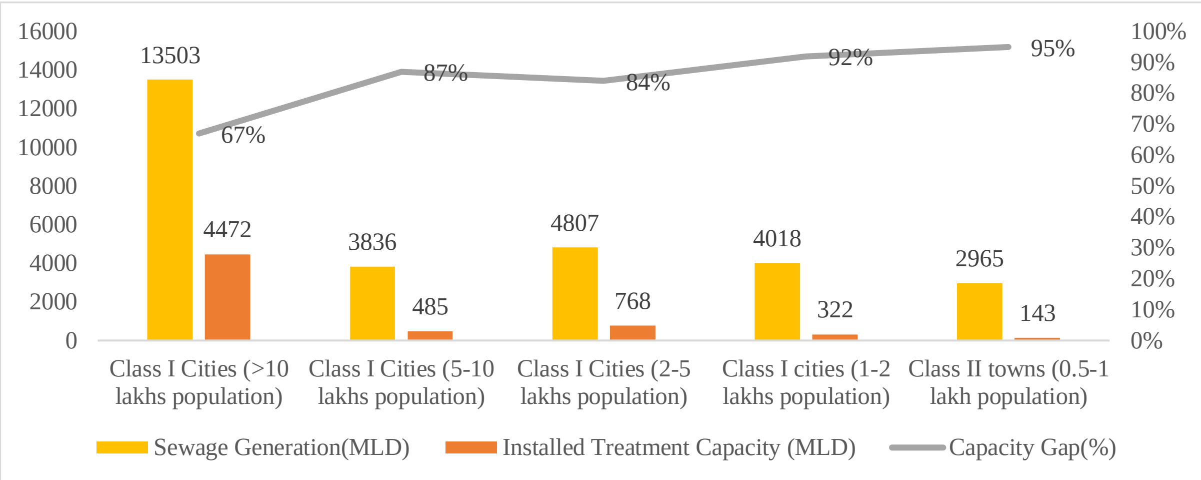
**Urban Waste Generation and Treatment**

In India, the sewage generation in the urban region was 72,368 MLD for the year 2020-21, while the installed sewage treatment capacity is 31,841 MLD. The operational capacity is on 26,869 MLD, which is very low than the load generation.

Of the total sewage generation only 28% i.e. 20,236 MLD was treated which implies that 72% of the waste water is left untreated and is disposed in the various water bodies like river, lakes or underground water. There is some capacity addition like 4,827 MLD sewage treatment has been added but a gap between the waste water generation and treatment of 35,700 MLD i.e. 49% still remains.

In the city-scale assessments, the wastewater generation from Class I cities and Class II towns (as per the 2001 census) is estimated as 29,129 MLD, and under the assumption of a 30% decadal increase in urban population, it is expected to be 33,212 MLD at the current time. Against this, the existing capacity of sewage treatment is only 6,190 MLD. There is still a 79% (22,939 MLD) capacity gap between sewage generation and existing sewage treatment capacity. Another 1742.6 MLD wastewater treatment capacity is being planned or built. Even with this added to the current capacity, there is still a sewage treatment capacity shortfall of 21,196 MLD.

**Chart 32: Sewage generation and treatment capacities (MLD)**




Source- Central Pollution Control Board, as on March 2021
Note- Performance of 115 sewage treatment plants studied by Central Pollution Control Board

## 5.2 Government Initiatives

**Water supply**

**Jal Jeevan Mission - ‘Har Ghar Jal’**

JJM is a Central Government initiative undertaken by Ministry of Jal Shakti. It aims to ensure piped water access to every household in India. The initiative was launched on 15th August 2019 by the Prime Minister of India.
The program is implemented in partnership with States to assure tap water supply in adequate quantity, prescribed quality, adequate pressure, on a regular and long-term basis in all rural households and public institutions, which

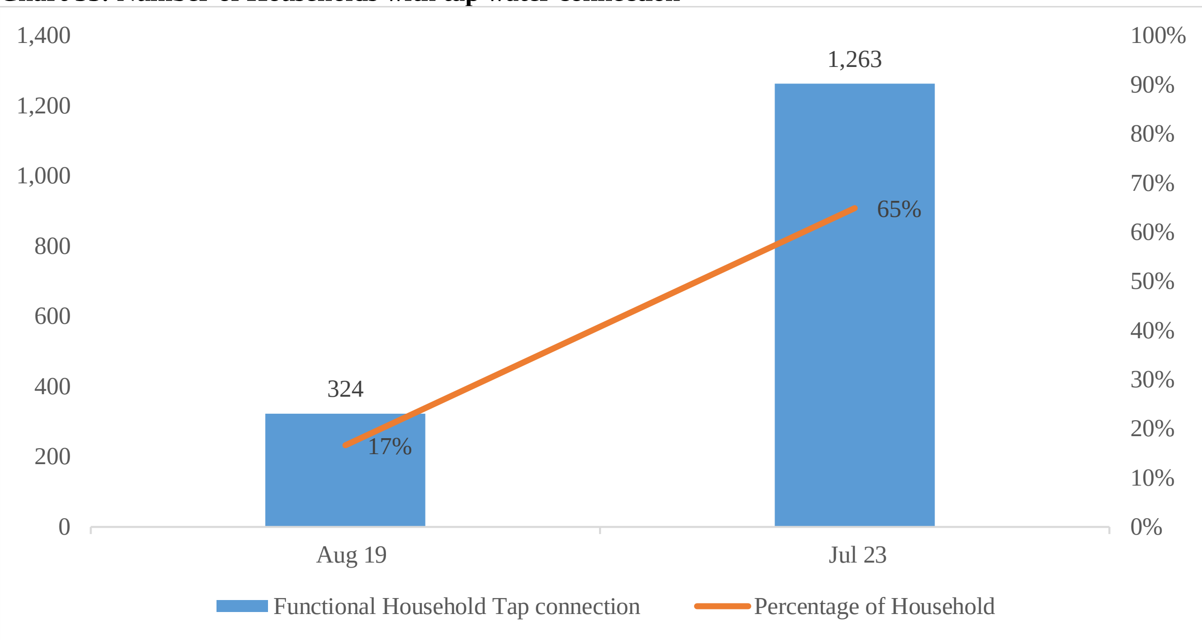
includes anganwadi, schools, ashramshalas, public/ community health centres, sub-centres, wellness centres, community centres, gram panchayat buildings, etc., by the year 2024.

Under JJM, 30% weightage was assigned for difficult terrains which inter alia include areas under Desert Development Programme (DDP) and Drought Prone Area Programme (DPAP) while allocating the fund, to prioritize the coverage in these areas. Further, provisions have been made in the operational guidelines for planning and implementation of bulk water transfer from long distances and regional water supply schemes for ensuring tap water supply in drought-prone & water-scarce areas/ areas with inadequate rainfall or dependable ground water sources. In addition, provisions have also been made for source recharging, viz. dedicated bore well recharge structures, rain water recharge, rejuvenation of existing water bodies, etc., in convergence with other schemes such as the Mahatma Gandhi National Rural Employment Guarantee Act 2005 (MGNREGA), Integrated Watershed Management Programme (IWMP), 15th Finance Commission tied grants to Rural Local Bodies (RLB)/ Panchayat Raj Institutions (PRI), State schemes, Corporate Social Responsibility funds, etc.

For villages in water-scarce areas, in order to save the precious fresh water, states are also being encouraged to plan new water supply scheme with dual piped water supply system, i.e. supply of fresh water in one and treated grey/ waste water in another pipe for non-potable/ gardening/ toilet flushing use. Moreover, the households in these areas are to be encouraged to use the faucet aerators that save a significant amount of water, in multiple taps that they may be using inside their house.

**Functional Household tap connection under Jal Jeevan Mission – Status of tap water connection in rural homes:**

**Chart 33: Number of Households with tap water connection**




Source: Jal Jeevan Mission, Xxxx Research

**Funds allocated for Jal Jeevan Mission:**

The estimated cost of the mission is Rs 36,00,000 million. The Central and State have a share of Rs 20,80,000 million and Rs 15,20,000 million, respectively of the total cost.

The 15th Finance Commission has identified water supply and sanitation as a national priority and allocated funds of Rs 23,60,000 million to Rural Local Bodies/Panchayat Raj Institutions (RLBs/PRIs) for the period 2021-22 to 2025-26. Accordingly, 60% of the fund, i.e., Rs 14,20,000 million provided as Tied Grants are meant to be utilized exclusively for the drinking water, rainwater harvesting and sanitation & maintenance of open-defecation free

(ODF) village. This huge investment in rural areas across the country is accelerating economic activities and boosting the rural economy, as well as creating employment opportunities in villages. This is a progressive step to ensure that villages have potable water supply with improved sanitation for transforming the villages into 'Water Sanitation and Hygiene (WASH) enlightened ' villages. In 2022-23, the GoI has released Rs 2,29,750 million to 21 eligible States for the implementation of JJM. In FY24 Budget, the allocation for JJM has increased to Rs 7,00,000 million, an increase of 27% from Rs 5,50,000 million in FY23. The Central funds are released by the GoI based on the utilization of available Central funds and matching State share. For online monitoring, Integrated Management Information System (IMIS) and JJM–Dashboard have been put in place. Provision has also been made for transparent online financial management through Public Financial Management System (PFMS).

The details of Central funds allocated, funds drawn, and funds utilization reported in the year 2019-20, 2020-21, 2021-22, and 2022-23 under JJM is as below:

**Fund allocation for Jal Jeevan Mission: (in Rs million)**

| Year | Funds allocated | Funds drawn by State/UT | Reported Utilization |
|---|---|---|---|
| **2019-20** | 1,00,006 | 99,518 | 59,988 |
| **2020-21** | 1,10,000 | 1,09,178 | 1,25,420 |
| **2021-22** | 4,50,110 | 4,00,097 | 2,55,243 |
| **2022-23 *** | 5,50,000 | 4,19,194 | 4,17,964 |

*As on 22.03.2023

**Use of technology:** JJM is focusing on using various technologies for the community-led implementation of:
• Source sustainability measures such as aquifer recharge, rainwater harvesting, increased storage capacity of water bodies, reservoirs, de-silting, etc. to improve the lifespan of water supply systems
• Water budgeting and audits
• Operation and maintenance
• Grey water management
• Water quality monitoring and surveillance
• Pre-positioned emergency water supply kits to provide transitional services in camps
• Solar based water supply schemes using solar energy which are steps intended to reduce the carbon footprints
• Technologies like Internet of Things (IoT) for Supervisory Control and Data Acquisition (SCADA), remote sensing & Geographic Information System (GIS), design software has been used in building climate resilience through water accounting, water quality control, water use efficiency, water resource planning, and impact assessment. IoT Pilots are being implemented in 118 villages in 14 States/UTs. 25 innovative projects related to water are recommended by Technical Committee for water treatment, water quality & monitoring, IoT-based battery vehicles, and software for the hydraulic design of water treatment plants in rural India.

**Reducing Non – revenue water:** The community - led water audits and water security planning is crucial to reduce the real and apparent losses in the water supply distribution system and non-revenue water.

Measures like IoT-based technology, water metering, installation of flow control valves in water connection, water budgeting, community surveillance, water conservation measures and convergence with various water-related programs, etc. are being taken up to further strengthen the water supply management for all.

**Status of tap water connections provided under JJM:**

**Households: State/UTs with 100% tap water connection (in lakhs):**

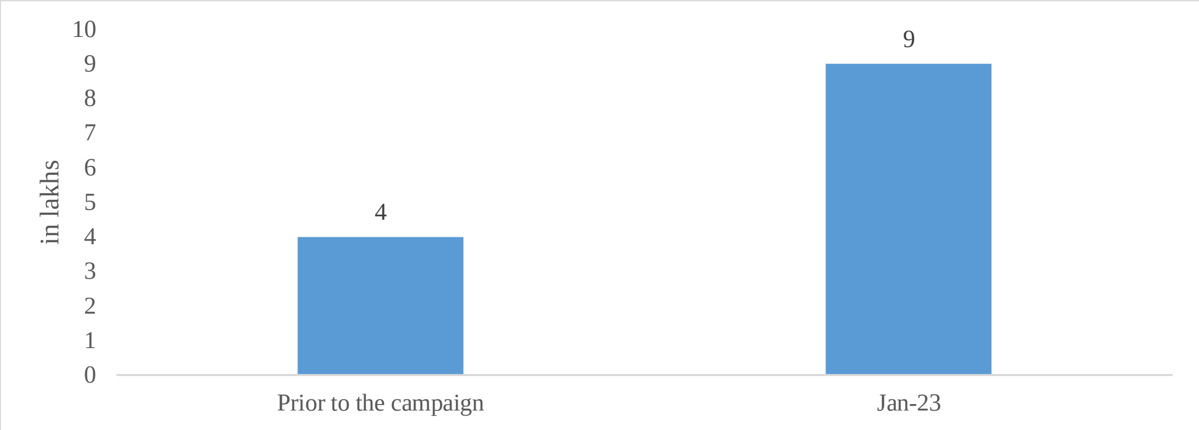
| State/UT | Remaining households as on 15/8/2019 | Progress till date | Progress % |
|---|---|---|---|
| Goa | 0.60 | 0.60 | 100% |
| A&N Islands | 0.30 | 0.30 | 100% |

| | | | |
|---|---|---|---|
| D&NH and D&D | 0.90 | 0.90 | 100% |
| Haryana | 12.70 | 12.70 | 100% |
| Gujarat | 26.00 | 26.00 | 100% |
| Puducherry | 0.20 | 0.20 | 100% |
| Telangana | 38.30 | 38.30 | 100% |
| Punjab | 34.26 | 34.26 | 100% |
| Himachal Pradesh | 17.09 | 17.09 | 100% |

Source: Jal Jeevan Mission, Xxxx Research

**Schools:**

**Chart 34: Schools provided with tap water connection**




Source: Jal Jeevan Mission, Xxxx Research

**Schools with 100% water supply:**

| State/UT | Total schools | Schools with tap water supply | Schools with tap water supply (%) |
|---|---|---|---|
| Andaman & Nicobar Islands | 368 | 368 | 100% |
| Dadra & Nagar Haveli and Daman & Diu | 411 | 411 | 100% |
| Goa | 1,098 | 1,098 | 100% |
| Haryana | 12,818 | 12,818 | 100% |
| Kerala | 10,877 | 10,877 | 100% |
| Lakshadweep | 33 | 33 | 100% |
| Puducherry | 390 | 390 | 100% |

Source: Jal Jeevan Mission, Xxxx Research

**Atal Bhujal Yojana**

Atal Bhujal Yojana was launched in 2019 to undertake community-led sustainable ground water management of the stressed areas identified. It was launched to strengthen institutional framework and monitoring ground water data and improve planning and implementation of the water management interventions.

It is a Scheme of the GOI aided by the World Bank with an outlay of Rs 60,000 million and is implemented to focus on community participation and sustain ground water level in identified water stressed areas during five-year duration. The schemes currently are taken up in seven states of Haryana, Gujarat, Karnataka, Madhya Pradesh, Maharashtra, Rajasthan and Uttar Pradesh.

It is the world's largest community-led ground water management program which is helping villagers understand the water availability and usage pattern in their areas.

**Jal Sakti Abhiyan (JSA)**

Jal Sakti Abhiyan **-** I was launched in the year 2019 in the stressed districts of the country to promote conservation of water, water resource management, implementing rain water harvesting, renovation of traditional water bodies, reuse of water, recharging water body structures, watershed development and afforestation. The actual expenditure from MGNREGS fund was Rs 1,80,660 million.

JSA is expanded to 'Jal Sakti Abhiyan: Catch the Rain' to cover all the blocks of the districts across the country to focus on –

1) Rainwater harvesting & water conservation
2) Enumerating, geo tagging & making inventory of all water bodies
3) Setting up Jal Shakti Kendras
4) Afforestation
5) Generation of awareness

The progress of the Jal Shakti Abhiyan: Catch the Rain campaign of 2021 as uploaded on the portal from 22.3.2021 to 28.03.2022 are as follows: **-**

- Water Conservation & Rainwater Harvesting Structures: 16.20 lakhs
- Renovation of Traditional Water Bodies: 3.00 lakhs
- Reuse and Recharge Structures: 8.30 lakhs
- Watershed Development: 19.20 lakhs
- Intensive Afforestation: 3,675.70 lakhs
- and Training Programmes/ Kisan Melas: 0.43 lakhs

The above details include completed as well as ongoing works. Actual expenditure from MGNREGS fund was Rs 6,56,660 million. States/UTs have also been directed to utilize their own resources.

**Water Vision@2047**

'Water Vision@2047' conference was held in Bhopal on 6th January,2023 under the Ministry of Jal Sakti. In this conference different ways of increasing water availability and efficient utilization of water resources and their development was discussed. Challenges of water conservation, increasing population, climate change, rapid industrialization and urbanisation, and economic boom which will lead to increase in demand of water were discussed. It was also stated that the harvestable component of water resources is to be surpassed and planning is to be done towards 2047 to achieve the water conservation goals were discussed. Water quality was also discussed and the vision was set to creating over 2,000 water quality testing laboratories, training 4 lakh women for using Field Testing Kits to testing water using Internet of Things based on sensor.

**Atal Mission for Rejuvenation and Urban Transformation (AMRUT)**

The Atal Mission for Rejuvenation and Urban Transformation was launched in June 2015 under GoI. It is the first focused national water mission and was launched in 500 cities and covers 60% of the urban population. In the Budget of FY24, the allocation to AMRUT has increased from Rs 1,53,000 million to Rs 1,60,000 million.
The program focuses on basic urban infrastructure in water supply system and access to potable water for every household.

Universal coverage of water supply is the priority under the Mission, under which 228 million tap connections have been provided. The total plan size of all State Annual Action Plan (SAAPs) was Rs 7,76,400 million out of which Rs 3,90,110 million i.e. 50% has been allocated to water supply.

**Waste water management:**

**Jawaharlal Nehru National Urban Renewal Mission**

This scheme was launched in December 2005 and is the largest national urban initiative to encourage reforms and fast track planned development of 63 identified cities. The focus is improving efficiencies of the urban infrastructure and services. It consists of two sub-missions - Urban Infrastructure & Governance and Basic Services to the Urban Poor.

It focuses on many aspects of urbanization like redevelopment, water supply, sewage and solid waste management, urban transport including roads, high ways, metro projects, parking lots, heritage area development, prevention of soil erosion, preservation of water bodies etc.

**Atal Mission for Rejuvenation and Urban Transformation (AMRUT)**

The Atal Mission for Rejuvenation and Urban Transformation was launched in June 2015 under the GoI. It is the first focused national water mission and was launched in 500 cities and covered 60% of the urban population.

Under the program, 883 sewerage & septage management projects which amounts to Rs 3,40,810 million have been taken up out of which 370 projects costing Rs 82,580 million have been completed till date. In the Budget FY24, the allocation to AMRUT has increased from Rs 1,53,000 million to Rs 1,60,000 million.

**Namami Gange programme**

It is an integrated Conservation Mission approved as 'Flagship Programme' by the Union Government in June 2014 with budget outlay of Rs 2,00,000 million to accomplish the twin objectives of:

I. effective abatement of pollution
II. conservation and rejuvenation of National River Ganga

The Programme has main objectives of Sewerage Treatment Infrastructure, River Surface Cleaning, Afforestation, Industrial Effluent Monitoring, etc. For conservation of rivers, the Ministry of Jal Sakti has been supplementing efforts with the states and Union Territories by providing financial and technical assistance for abatement of pollution under the programme. The National River Conservation Plan has so far covered polluted stretches of 34 rivers across 77 towns and sanctioned cost of Rs 59,610 million and created a sewage treatment capacity of 2,677 Million litres per day.

Under the Namami Gange programme, so far, a total of 352 projects have been sanctioned. 157 sewage treatment projects of 4,900 million litres per day, sewer network of 5,212 kms have been taken up with a sanctioned amount of Rs 3,04,580 million for all projects.

**Swachh Bharat Mission (Urban)**

Swachh Bharat Mission (SBM) (Urban) was launched by GoI with the vision of ensuring hygiene, waste management and sanitation across the country in 2019. The SBM (Urban) was implemented under the Ministry of Housing and Urban Affairs. The key focus area under this are eliminating open defecation, eradication of manual scavenging by converting insanitary toilets to sanitary, solid waste manager, behavioural change, general sanitation awareness etc.

Under Swachh Bharat Mission (Urban) 2.0 launched on October, 2021 an amount of Rs 1,58,830 million has been allocated to states and union territories for waste water management including setup of sewage treatment plants and faecal sludge treatment plants.

## 5.3 Key drivers

Use of technologies and innovative waste water treatment play an important role in improving urban sanitation and enhancing water security. The implementation of reuse of treated wastewater is still an issue in India despite the known benefits of water waste treatment and reuse technologies.

**Water supply management:**

- **Mission on making water available to all**

The focus of the GoI in the past few years has been to make potable water available to all the households in the country. For the same reason, a number of schemes have been established by the GoI. The per capita water availability in the country is decreasing due to increasing population. As per a NITI Aayog report, India is facing water crisis with around 50% population experiencing high-to-extreme water shortage.
The Government has introduced schemes like 'Jal Jeevan Mission' to execute the mission of providing safe and adequate water to all. Under JJM, the tap connections in rural households have increased to 55% as of December 2022.

- **Focus on improving water availability**

Based on the study of "Reassessment of Water Availability in India using Space Inputs" (CWC, 2019), the average annual per capita water availability for the year 2031 has been assessed as 1,367 cubic meters. The Government is coming up with measures to improve availability of water by building and maintaining natural resources of water. Below schemes have been set up by the GoI to tackle the declining availability of water:

- Atal Bhujal Yojana (Atal Jal): Sustainable groundwater management
- Jal Shakti Abhiyan: "Jal Shakti Abhiyan: Catch the Rain" focuses on creating Rainwater Harvesting Structures

The thrust areas for these schemes will be rain water harvesting, rejuvenation of water bodies.

On the other hand, the Department of Water Resources and other schemes aim to ensure maintenance and efficient use of water resources to match the continuously growing demand of water.

- **Rejuvenation of urban water bodies**

Water bodies in urban areas such as lakes, ponds, step-wells, and baolis have traditionally served the function of meeting water requirements of various needs like washing, agriculture or religious/cultural purposes. Surface water bodies and traditional water harvesting structures in numerous cities have either dried up, or disappeared due to encroachment, dumping of garbage, and entry of untreated sewage. These water bodies can store water and recharge ground water if revived thus helping in meeting the increased requirement of water.

**Key drivers for waste water treatment:**

**Central Government policies push for wastewater treatment and use**

Under the National Sanitation Policy, water waste treatment and reuse of water to enhance alternative water supplies and conservation are promoted. Initiatives like National Lake Conservation Plan, National Wetland Conservation Program are taken to identify lakes and wetlands across the country and undertake various conservation, water waste treatment, pollution abatement, education and awareness creation etc.

Central Government has also implemented National River Conservation Plan for abatement of pollution across stretches of various rivers and undertaking conservation plan, sewage systems construction, sewage treatment plant construction, electric crematoria and river front development.

Financial assistance for treatment plants installation are also provided to small scale industries. Apart from this, the Central Government has also issued directions for zero liquid discharge implementation.

**Development plans to clean River Ganga and improve wastewater treatment and management**

There are two flagship programs the Government of India launched to clean the River Ganga namely Ganga Action Plan (GAP) (1985) and the current Namami Gange Programme (2014). The Government has also initiated sectorial plans to improve un sewered and sewered sanitation like Swachh Bharat Mission, AMRUT, Smart City initiatives etc. Under these initiatives, the State Government and municipal and private sector applicants are given grants and subsidies for the construction of sewage treatment plants and water treatment plants.

**Agricultural water reuse**

Low quality water is traditionally not conventionally used in agricultural production. The two sources of non-conventional water (NCW) are – wastewater used for domestic, municipal and industrial and saline water from underground, drainage or surface sources. But many countries are using the NCW sources for agricultural uses as the fresh water sources are limited. The NCW is primarily treated and blended with other water to produce desired quality and quantity. In India, under GAP-I, to improve the water quality, diversion and treatment of domestic sewage and industrial wastes are taken place. If not properly treated the low-quality irrigation water might cause severe water and soil contamination. To tackle this, India needs water treatment plants with advanced technology and increased volume across the country.

**Industrial water reuse**

Industrial water can be reused and recycled in which the waste water produced can be treated and reused in same or a different process. Various methods are used to perform this depending of the quality of the waste water requirements, space constraints, and budget. Benefit of this is reduction of fresh water cost and reduce in the water footprint. The operational and sustainability of the industries can also be improved with improved water treatment process and production capacity.

## 5.4 Challenges

**Water Supply:**

- **Regulatory challenges:**

Under water supply management, permits and finance are key elements for setting up the project. Different projects might need different permits along with financial sanctions which follow a regulatory process. The process can become time consuming due to delayed submissions, incomplete information, revised project plans. The unexpected changes could lead to extended timelines and delay the project timelines. Also, receiving funds required for implementation and execution of projects takes time, which leads to project execution delay.

- **Financial challenges:**

When the draft for a water supply project is presented, an estimated cost of the project is presented to the authorities as well. The project cost estimates typically get revised as the design gets more specific or the design gets updated due to additions made in the project. Based on the draft design, the authorities sanction the budgeted amount which may get revised due to factors like inflation, change in material cost, economic changes or even inaccurate estimations. These unexpected changes lead to revised project cost which need approval from the authorities again or in some cases the additional construction cost may have to be borne by the construction company assigned.

- **Environmental challenges**

Climate change is affecting the environment in a major way. It is impacting rainfall patterns, causing floods and may also lead to long term decline in naturally available sources like groundwater storage. Groundwater availability is closely linked to food security as it has played a vital role in increasing agricultural production over the years. Groundwater contributes nearly 62% in irrigation, 85% in rural water supply and 50% in urban water supply. Even though Groundwater is replenishable but its availability is non-uniform as it is dependent on rainfall. The over exploited groundwater sources are a major challenge as it is a key water supply source for agriculture.

**Waste water management:**

**Institutional Challenges**

The Urban Local Bodies (ULBs) are responsible for domestic waste water management and treatment. However, there is a lack of planning capacity and project implementation. According to the audit report of Comptroller and Audit General (CAG 2017), there was a shortage of man power in the municipalities for waste water collection, treatment and revenue collection which affected delivery of citizen services. It also exposed deficiencies in planning, financial management, implementation and monitoring of various projects. Similarly, the CAG performance audit (2016) in the state of Jharkhand found that none of the sampled ULBs had a sewage network. In the absence of the same, around 175 MLD of untreated waste water is discharged into open drains polluting nearby water bodies.

The current institutional, legal and policy mechanisms for management and treatment of waste water and control of water pollution in the country is not sufficient to address the looming crisis.

**Economic Challenges**

The gap between the sewage generation and present treatment capacity is very large in all the classes of cities and towns due to increasing population and urbanization in India. It is difficult for smaller cities and towns in finding necessary resources to set water treatment plants considering high capital expenditure and operation and maintenance cost. Community participation in operation and maintenance is suggested to improve the economic viability of Sewage Treatment Plants (STP). Private sector waste water treatment investments are difficult in India due to high capital investments and unpredictable revenue stream.

**Technical Challenges**

There is an overdependence in India on older technologies for waste water treatment due to its high cost. This results in more repair work and less efficiencies of these plants. The limitations lead to poor performance of these plants hence adulteration of sewage and water bodies.

Apart from this the land requirement for STP plants is a big challenge. In urban areas the land availability is a big issue due to limited availability and cost. People usually resist these plants around their society. Conventionally centralized water waste treatment are designed to remove Nitrogen, Biological Oxygen Demand and Phosphorous but with rapid urbanization and changing type of contamination, technologically advanced plants are needed to be setup to deal with them.

Apart from this the land requirement for STP plants is a big challenge. In urban areas land availability is a big issue due to limited land availability and high cost.

**Social Challenges**

Social acceptance of treated waste water is a big challenge due to fear and disgust when it comes to reuse. Recycled water is unlikely to be used as drinking water when compared to its use in irrigation etc. The negative attitude towards this has also stemmed from concerns like health risk and aesthetic aspects like colour, odour, taste and cultural and religious background of consumers.

Identifying and obtaining of sites for plant setup is another challenge due to people not preferring to live near these plants. This is because of the reasons like health risks, aesthetic impacts and factors like land depreciation. Solutions like underground plant setup can help eliminate the above stated factors but involves a huge capital expenditure. Also, buffer zones are limited to solid wastes. Conventional systems in India suffers operational costs, management costs, demand of treated water and decentralized systems.

### 5.5 SWOT Analysis

Waste water management is crucial to the development of an economy. More than 70% of the used water is disposed directly into the sources. There are many factors contributing to the need for efficient water treatment plants. Following is a SWOT analysis on the sector:

| STRENGTH | WEAKNESS |
|---|---|
| • Increased Urbanization, hence the increasing need for water and food<br>• Reduced contamination of water resources<br>• Treated waste water is not limited to irrigation, it has other economic benefits like toilet flushing, fish rearing and industrial uses<br>• Introduction of Government run programmes like Namami Gange program and Jal Jeevan Mission | • There is a lack of planning, financial management, implementation and monitoring of various projects across India<br>• Centralization of Sewage Treatment Plants is difficult considering the population growth and land use pattern<br>• Large initial investments are required in installation of STPs<br>• In treated water, high concentrations of Urea might be a major concern |
| **OPPORTUNITY** | **THREAT** |
| • Availability of advanced engineering and technology benefits.<br>• Increasing awareness about water conservation and reuse in the society.<br>• Government's focus to fund more STP projects for river water conservation and treatment.<br>• Development in green economy to conserve water bodies.<br>• Emergence of mega cities and hence demand for water and sanitation. | • Low efficiency and outdated technological use in the overall infrastructure.<br>• No proper sewage line to carry the waste water to a common centralized Sewage Treatment Plant.<br>• People unwilling to live near the treatment plants due to the odour and possible health risks to operators, neighbours, farmers and consumers. |

### 5.6 Outlook

About 35% of the Indian population lives in urban centers according to census 2011 and the number is expected to go up rapidly leading to increased demand of fresh water. The generation of waste water is double in cities as compared to rural India because of availability of more water in urban cities due to increased living standards and the urbanization pace.

Rapid urbanization has also added pressure on the food and fresh water requirement. This is also responsible for consuming large water quantities and discharging the wastewater back into the source. Due to increased use of water for various household uses, industrial and agricultural purposes, waste water management and treatment is very important. Of the total sewage generated in FY21 only 28% i.e. 20,236 MLD was treated which implies that

72% of the waste water is left untreated and is disposed in the various water bodies like river, lakes or underground water. This is a huge opportunity of development in this sector.

Government has allocated major projects of waste water treatment plants under schemes like Namami Gange Programme and Swatch Bharat Mission (Urban). These initiatives are focused on reducing the contamination in the water bodies and reuse of treated water for purposes like toilet flushing, industrial use, irrigation etc.

## 6. Power sector

### 6.1 Overview

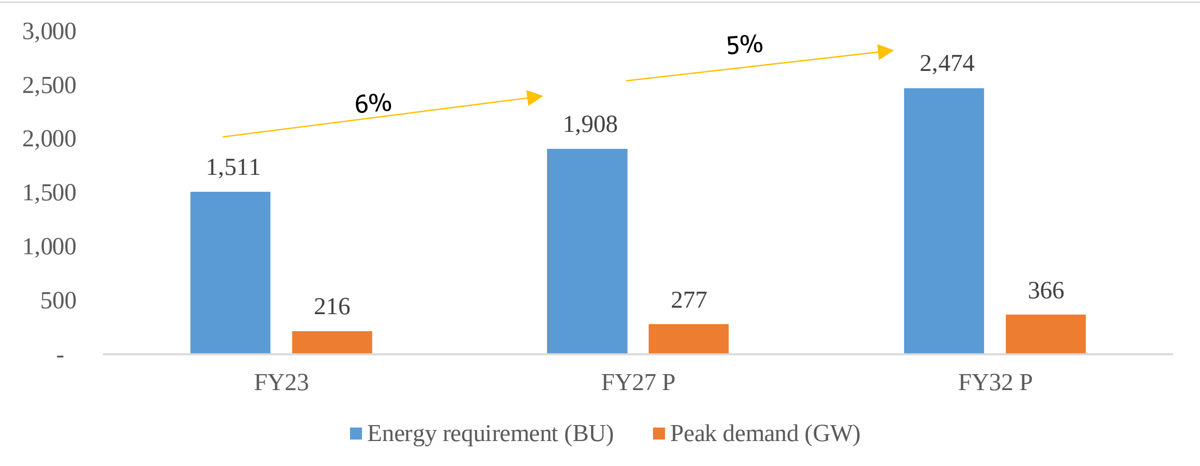
Power is one of the most critical components of infrastructure which is crucial for the economic growth and well-being of nation. The existence and development of adequate infrastructure is essential for the sustained growth of the Indian economy.

The power industry is divided into three segments:
- Generation
- Transmission
- Distribution

The Industrial sector accounts for majority of the power consumption in India followed by the domestic sector. The industrial sector had a CAGR of 4% between FY12 and FY21 whereas the domestic sector has a CAGR of 7% over the same period indicating an increase in power consumption from the domestic sector as more and more households gets access to electricity.

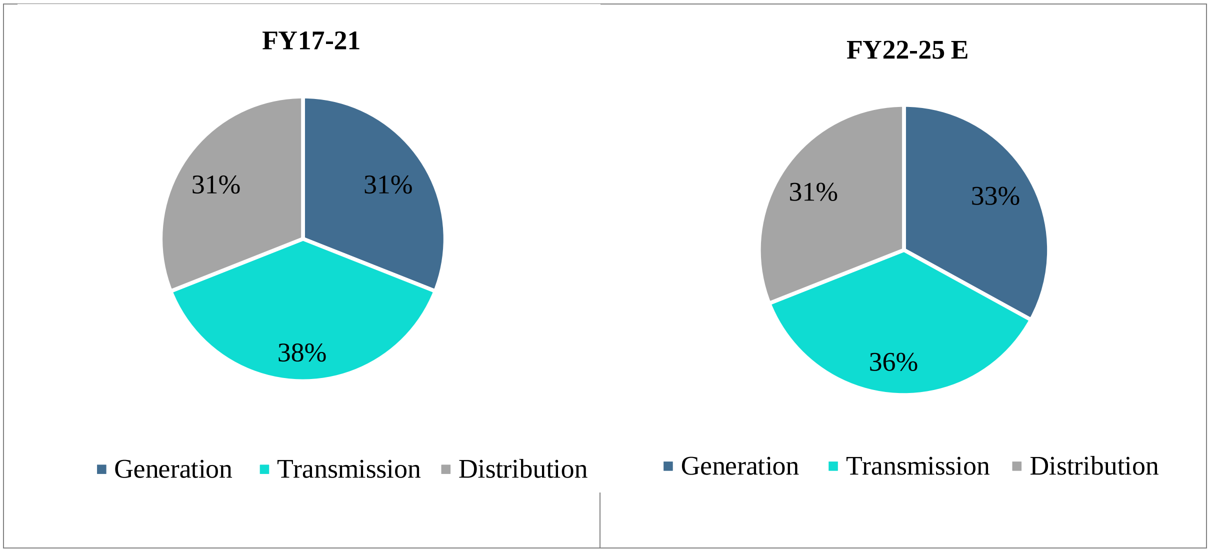
The demand for electricity in the country has increased rapidly and is expected to increase further. There has been steady decrease in the power deficit of the country, supported by improving supply. Going forward, the power demand is further expected to rise with rise in population and increased economic activity. The power demand forecast using Peak Demand (highest energy consumption) and total energy requirement is shown in the chart below:

**Chart 35: Projected All India Peak Demand and Energy Requirement**




Source: CEA

**Investments across the power value-chain**
**Chart 36: Investments in the Power Sector**




Source: Sterlite Power Annual Report, Xxxx Research

Between FY17 and FY21, transmission took the largest share of investments made in the sector (38%) followed by generation and distribution at 31% each. It is estimated that another Rs. 10-11 trillion would be invested in the sector over the next five years, where again transmission would be the major focus (36%) followed by generation (33%) and distribution (31%).

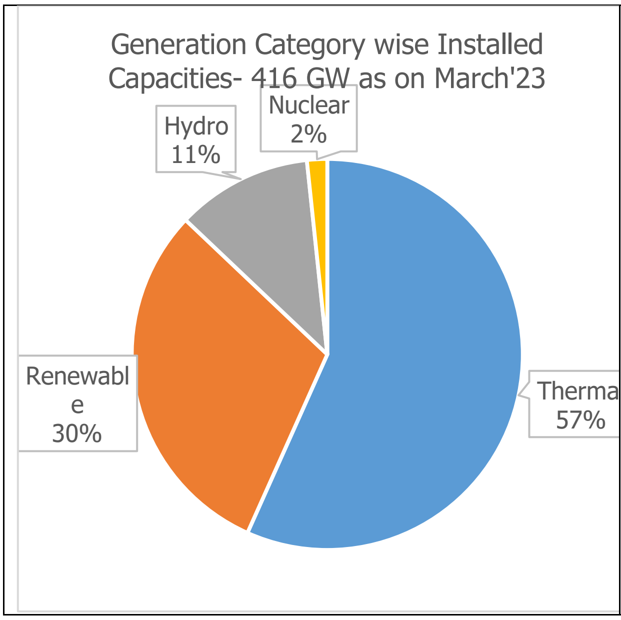
**Power Generation**

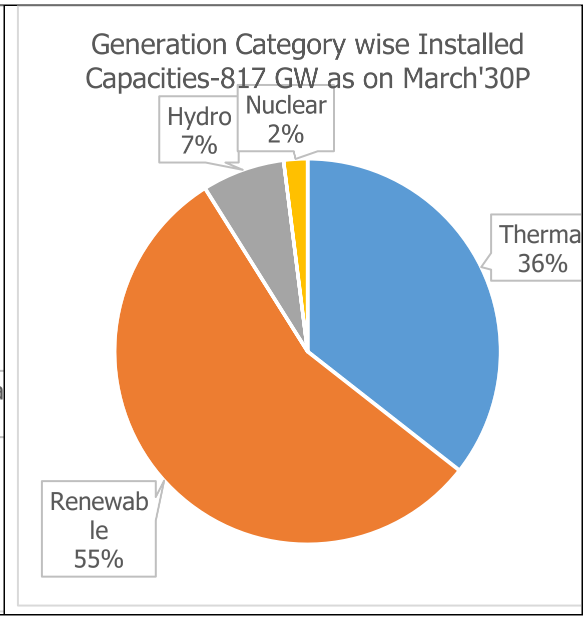
India's electricity sector is one of the most diversified in the world. India’s power generation sources range from conventional sources such as coal, lignite, natural gas, oil, nuclear and hydro power to viable unconventional sources such as wind, solar, agricultural and household waste.

Electricity generation in India increased from 1,372 BU in FY19 to 1,618 BU in FY23, implying a compounded annual growth rate (CAGR) of 4.2%. Thermal power forms the largest source of power in the country. About 75% of the electricity consumed in India is generated by thermal power plants with renewables quickly gaining pace.

With the Government of India's ambitious projects and targets, power generated from Renewable Energy Sources (RES), which currently accounts for 27%, is expected to quickly overtake conventional sources. With consistent focus on renewable sector, the percentage share of installed capacity is expected to shift towards renewable capacity.

**Chart 37: Share of Installed Capacity as on March’23**




Source: CEA, Xxxx Research

The total installed power generation capacity is expected to reach 817 GW as on March 2030. The share of renewable energy is expected to increase from 30% as on March 2023 to 55% in March 2030 while the share of thermal power is expected to reduce from 57% to 36% over the same period.

**Power Transmission and Distribution (Check latest PNB)**

Transmission and distribution (T&D) sector plays a vital role in the power system value chain. Increase in generation capacity, integration of renewable energy and focus of Government on providing electricity to rural areas, has led to an extensive expansion of the country's T&D system across the country.

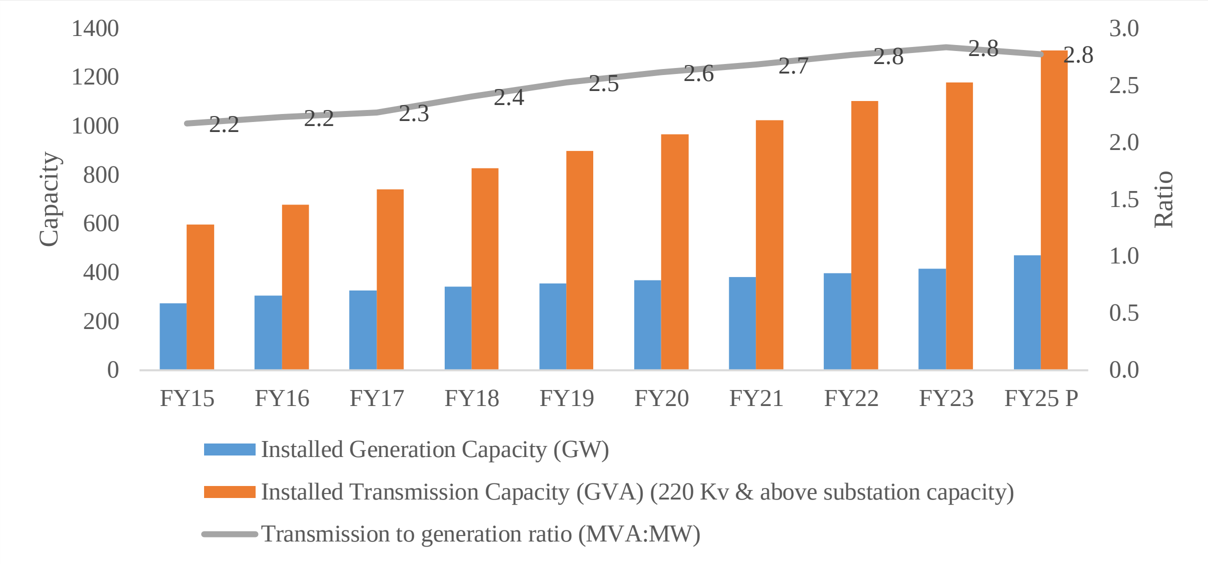
Along with this, there has also been an increase in demand for transmission networks to carry bulk power over longer distances, and at the same time optimize losses and improve grid connectivity.
The transmission line network grew at a CAGR of approximately 6% to 4.56 lakh circuit km as on March 2022 from 3.13 lakh circuit km as on March 2015. This growth trend and country's vision of achieving 445 GW by 2030 offers enormous growth opportunities for addition of transmission capacity both at interstate and intra-state levels.

Investments in the transmission sector are expected to reach Rs. 40,00,000 million by FY25. Investments in the sector are backed by a large power generation installed base and the need to further strengthen the transmission system to meet the increasing demand.

Historically, investments in the transmission sector have been low compared to the generation sector, but with increased private participation, the average growth in the transmission sector has been on par with the average growth in the generation capacity for the past five years.

The transmission to generation ratio was 2.2 times as on March 2015 and improved to 2.7 times as on March 2022. The consequence of having a lower ratio leads to line congestion especially in the case of inter-state transmission lines. The ratio is expected to improve further with the government's focus on improving connectivity and reducing congestion.

**Chart 38: Trends in Transmission to Generation Ratio**




Source: CEA, Xxxx Research

Furthermore, increasing Government focus towards renewable energy sector as well as rural electrification are also expected to drive the investments in the sector. The investment in coal-fired plants has fallen in recent years while the attractiveness for renewable has increased. This is due to low operating costs and priority access to networks. The push from Government to increase the share of renewable for power generation has also led to interest by private players.

In FY22, there were investments worth USD 14.5 billion in renewable sector, increasing at 125% from the previous year. Currently, the investments in the sector are on a rising trend due to revival of energy demand and commitments by various organizations to exit the fossil fuel investments.

### 6.2 Key growth drivers for the infrastructural development in power sector

- **Rising gap between interregional power demand and supply**

It is estimated that the generation capacity addition will not be evenly spread across India. Majority of the upcoming renewable capacity is expected to be concentrated in the western and southern regions of India, while thermal capacity is expected to be focused close to the coal mines in the eastern region of India. This would result in increase in interregional import/export demands, which will have to be catered through interregional transmission corridors.

- **Government support**

The Power sector has been supported by the Government through various measures such as increasing the concession period of a transmission asset, relaxing norms to speed up project construction and introduction of the various scheme. The Government introduced a Revamped Distribution Scheme with an outlay of Rs. 30,40,000 million over a period of five years from FY2021-22 to FY2025-26. The objective of the scheme is to improve the quality, reliability and affordability of power supply to consumers through a financially sustainable and operational efficient distribution sector. Improvement in the financials along with anticipated demand has resulted in various intra-state transmission projects undertaken by the state utilities, which further presents investment opportunities.

- **Upgradation of existing lines**

Upgrading efforts for existing lines can augment capacity without the need for heavy investments and are less likely to give rise to right of way issues. Upgrading transmission networks to higher voltage also increases the power handling capacity of the system and the gestation period for upgrading a line is much less as compared to erecting a new line. Power transmission lines have reaped huge benefits in terms of increased power transmission capacity with such upgrade efforts.

- **Strong renewable energy capacity additions**

Power generation in India is dominated by coal-based generation. The use of other resources, such as renewable energy, is experiencing a staggering growth in installed capacity. Going forward, it is expected that the growth in renewable energy capacity additions will be healthy. Such expansion plans require large scale development in the transmission sector.

- **Cross border power trading in South Asian countries**

Power deficit in India has been on a declining trajectory. India is expected to further expand its generation capacity (conventional power). India is also evaluating opportunities to tap neighboring countries such as Nepal, Bangladesh, Sri Lanka, Maldives and Bhutan for better integration and synergies by interlinking electricity transmission systems and allowing surplus power to be exported to other grids. These capacity expansion plans are expected to provide opportunities for private players in the transmission sector.

- **Charging Infra for Electric Vehicle**

The global market for electric vehicles (EVs) is growing. As EV adoption grows, readiness of the electricity grid to EV charging demand is critical to achieve rapid and large-scale transition to EVs. Application of smart charging measures can help manage EV charging loads to a certain degree without the need for grid upgrades.

### 6.3 Challenges pertaining to Power Transmission and Distribution Sector

There are three main heads of challenges faced by the distribution utilities: Operational & Managerial, Regulatory & Political, and Technology.

| Operational & Managerial | Regulatory & Political | Technology |
|---|---|---|
| •Power purchase agreements<br>•Theft<br>•Inadequate demand side management | •Political will<br>•Dependence on state subsidies | •Inadequate capacity utilization<br>•Billing and collection effiencies |

**Operation & Managerial Challenges**

- **Power purchase agreements (PPAs)**

PPAs are bilateral contracts between the discoms and the generators. PPAs have a specific set of terms and conditions setting out the rights and obligations of the generators and the discoms. This includes the price at which electricity would be bought, conditions for adjusting tariffs for select events, mutually agreed conditions for sharing and termination of the PPAs. Generally, the PPAs are long term in nature i.e. around 20-25 years

Power procurement is one of the critical components to be considered by the discoms and makes almost 80% of the discom's expenses. Discoms generally enter into PPAs with the generation companies to avoid variability in the tariff structure. The tariffs rates especially for renewable power have come down considerably in the last 5-7 years, which means that the discoms that had already entered into PPAs at a higher tariff in the past are at a disadvantage.

- **Theft**

India has one of the highest AT&C losses in the world. As per the Central Electricity Authority of India, over 27% of the total power produced is lost due to either dissipation from wires or theft. Meter tampering by households, electricity theft by industrial companies, tapping into bare wires are some of the methods of theft.

- **Inadequate demand side management**

Usually, discoms face a power deficit during the day time and a power surplus during the night. At times of power deficit, the discoms purchase the additional power required from the open market and at time of power surplus, the discoms sell the surplus power on the open market. However, the cost of power sold on the exchange is significantly lower compared to the cost of purchase.

**Regulatory & Political Challenges**

- **Political will**

There have been several reforms brought in from time to time to improve the commercial viability of the discoms but are yet to make a long lasting impact. The political aspect is visible in the rural areas where the powerful farmer's lobby is hard for the politicians to ignore in a country where majority of the population still makes its living from agriculture. Even now, the discoms continue to make losses due to lack of political will among the State Governments to come out with a strong solution for the problem.

- **Dependence on state subsidies**

Discoms dependency on state subsidies has been rising over the years due to lack of change in tariffs even though the cost of supply has increased. Majority of the agriculture sector and certain section of the domestic consumers are supplied power which is highly subsidized. This exposes the discoms to delays and shortfall of subsidy payments from the State Governments, which results in an increase in subsidy receivables.

**Technological Challenges**

- **Inadequate capacity utilization of thermal power plants**

Firstly, even though there is enough generation capacity, the distressed condition of the discoms result in suppressed demand for power, which leads to underutilization of capacities. Secondly, substantial fall in solar tariff and a low gestation period possess threat to the economic viability of the thermal power plants. While, growth in solar energy is a positive sign for the country, thermal energy will continue to remain an important source of energy in the future.

- **Billing and collection efficiencies**

Collection efficiency is the measure of proportion of amount that has been collected from consumers w.r.t. amount billed to them. All the consumers are billed on the basis of energy consumed by them which is obtained from meter reading and assessment of unmetered energy of consumers. The billed amount is computed on the basis of tariff fixed by regulatory commission for applicable customer category. However, there are quite a few consumers who have tendency to default in their payments for various reasons. Thus utility is not able to recover entire amount billed by it, resulting in commercial losses.

## 6.4 Government policies and regulations

**Overview**

In India, the Electricity Act, 2003 governs the generation, transmission, distribution, exchange, and use of electricity. It also establishes a complex system of bodies to administer the Electricity Act's functions. The Electricity Act, among other things, delicensed all generation activities except hydropower.

**Regulatory Capabilities of different bodies:**

| | **Centre** | | **State/Private** | | |
|---|---|---|---|---|---|
| **Policy** | Ministry of Power | | State Government | | |
| **Plan** | CEA | | | | |
| **Regulations** | CERC ; MNRE | | SERC | | |
| **System Operations** | National Load Dispatch Centre, Regional Load Dispatch Centre | | State Load Dispatch Centre | | |
| **Generation** | Central Generation Stations, MNRE, Department of Atomic Energy | | State Gencos | CPPs, IPP | Private Licensees in Ahmedabad, Kolkata, Mumbai, Surat, Delhi, Noida |
| **Transmission** | Central Transmission Utility (PGCIL) | Transmission Licensee | State Transmission Utility | Transmission Licensee | |
| **Distribution** | - | | State Distribution Company | | Private Discoms |
| **Trading** | Trading Licensee | Power Exchanges | Bilateral Markets | | |
| **Appeal** | Appellate Tribunal (APTEL) | | | | |

Electricity generation, distribution, and transmission are regulated and overseen by regulatory bodies at the federal and state levels. They are self-contained entities with responsibilities outlined in the Electricity Act.

**Key Policy initiatives for development of power transmission sector:**

- **National Electricity Policy**

Some of transmission related provisions of the National Electricity Policy, which have implication with regard to the National Electricity Plan, are:

(i) Adequate and timely investments and also efficient and coordinated action to develop a robust and integrated power system for the country.

(ii) Augmenting transmission capacity keeping in view the massive increase in generation and also for development of power market.

(iii) While planning new generation capacities, requirement of associated transmission capacity would need to be worked out simultaneously in order to avoid mismatch between generation capacity and transmission facilities.

The policy emphasizes the following to meet the above objective:

(i) The Central Government would facilitate the continued development of the National Grid for providing adequate infrastructure for inter-state transmission of power and to ensure that underutilized generation capacity is facilitated to generate electricity for its transmission from surplus regions to deficit regions.

(ii) The Central Transmission Utility (CTU) and State Transmission Utility (STU) have the key responsibility of network planning and development based on the National Electricity Plan in coordination with all concerned agencies as provided in the Act. The CTU is responsible for the national and regional transmission system planning and development. The STU is responsible for planning and development of the intra-state transmission system. The CTU would need to coordinate with the STUs for achievement of the shared objective of eliminating transmission constraints in cost effective manner.

(iii) Open access in transmission has been introduced to promote competition amongst the generating companies who can now sell power to different distribution licensees across the country. This should lead to availability of cheaper power.

- **Tariff Policy**

(i) Objective:

The tariff policy, as transmission is concerned, seeks to achieve the following objectives:

a. Ensuring optimal development of the transmission network ahead of generation with adequate margin for reliability and to promote efficient utilization of generation and transmission assets in the country;

b. Attracting the required investments in the transmission sector and providing adequate returns.

(ii) Transmission Pricing

a. A suitable transmission tariff framework for all inter-State transmission, including transmission of electricity across the territory of an intervening State as well as conveyance within the State which is incidental to such interstate transmission, has been implemented with the objective of promoting effective utilization of all assets across the country and accelerated development of new transmission capacities that are required.

b. The National Electricity Policy mandates that the national tariff framework implemented should consider the factors distance, direction and quantum of power flow. This has been developed by CERC taking into consideration the advice of the CEA. Sharing of transmission charges shall be done in accordance with such tariff mechanism as amended from time to time.

c. Transmission charges, under this framework, can be determined on MW per circuit kilometre basis, zonal postage stamp basis, or some other pragmatic variant, the ultimate objective being to get the transmission system users to share the total transmission cost in proportion to their respective utilization of the transmission system. The 'utilization' factor should duly capture the advantage of reliability reaped by all. The spread between minimum and maximum transmission rates should be such as not to inhibit planned development/augmentation of the transmission system but should discourage non-optimal transmission investment.

(iii) CERC Regulations

Central commission has issued regulations which entitle distribution licensees, generators, electricity traders and permitted open access customers to seek access to the inter-state transmission system. As per the present regulations access to the transmission system can be sought on short, medium- or long-term basis. The Central Transmission Utility (CTU) is the nodal agency for providing medium term (for a period equal to or exceeding 3 months but not exceeding 5 years) and long term (period exceeding 7 years) access that are typically required by a generating station or a trader on its behalf. The Long Term Access (LTA) is to be granted through the transmission planning route. The nodal agency for grant of short term open access (for a period less than 3 months) is the Regional Load Dispatch Centre. The nodal agency for providing transmission access to the power exchanges is the National Load Dispatch Centre. The Medium Term Open Access (MTOA) and Short Term Open Access (STOA) are to be granted using margins in the system and as such no additional transmission envisaged for this purpose as per the regulation.

**Key Policy initiatives for development of power distribution sector:**

- **Revamped Distribution Sector Scheme (RDSS)**

The Ministry of Power (MoP) in June 2021 came out with the RDSS scheme in line with the announcement made by the finance minister in the recent union budget. The scheme is aimed at improving the operational efficiency and financial sustainability of the state discoms and power departments. The reforms based and results linked RDSS has an outlay of Rs. 30,37,600 million including an estimated Central Government grant of Rs. 9,76,300 million.

The implementation of the scheme would be based on the action plan designed for each state instead of a "one-size-fits-all" approach. Assistance would be provided on the basis of an agreed upon evaluation framework tied to the financial performance of the discoms (excluding private sector power distribution companies). REC and PFC have been designated as the nodal agencies for facilitating the scheme.

The scheme would be made up of two parts: Part A, consisting of metering and distribution infrastructure works, and Part B, consisting of training and capacity building as well as other enabling and supporting activities. All ongoing approved projects under schemes such as the Integrated Power Development Scheme (IPDS), the Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) and the Prime Minister's Development Package (PMDP)-2015 (for the union territories [UTs] of Jammu & Kashmir and Ladakh) would be subsumed in this scheme.

The five-year scheme, i.e. FY 21-22 to 2025-26 has the following key objectives:

a. Reduction in AT&C losses to pan-Indian levels of 12-15 per cent by 2024-25
b. Reduction in the ACS-ARR gap to zero by 2024-25
c. Developing institutional capabilities for modern discoms
d. Improvement in the quality, reliability and affordability of power supply to consumers through a financially sustainable and operationally efficient distribution segment.

- **Integrated Power Development Scheme (IPDS)**

The scheme launched in 2014 was aimed at providing quality and reliable power supply in the urban areas. As of July 2021, projects worth Rs. 3,13,140 million have been sanctioned under IPDS, against which, Rs. 159,160 million have been released towards projects and Rs. 2,190 million released for enabling activities. The objectives of the scheme were:

a. Strengthening of sub-transmission and distribution networks in urban areas.
b. Metering of distribution transformers/feeders/consumers in urban areas.
c. IT enablement of the distribution sector
d. Strengthen the distribution networks to achieve the targets mentioned under the RAPDRP

- **Rural Electrification:**

The government of India has taken joint initiative with the state governments for providing Power for All (PFA) to all households/homes, industrial and commercial consumers including supply of power to agricultural consumers. PFA initiative along with rural electrification across various states aims to ensure 24X7 electricity access, enhance the satisfaction levels of the consumers, improve quality of life of people and increase economic activities resulting in development. This is one of the key drivers for the growing power demand.

Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) was launched in December 2014 with the objective of electrification of all un-electrified villages as per Census 2011 by the Government of India. Similarly, Pradhan Mantri Sahak Bijli Har Ghar Yojana- SAUBHAGYA was launched in October 2017 for electrification of rural and urban poor households in the country.

Following have been achieved so far:

1. All 5,97,464 (Census 2011) inhabited villages stood electrified as on 28.04.2018
2. SAUBHAGYA Scheme:

a. Under this scheme, projects worth Rs. 1,40,820 million were sanctioned with a closure cost of Rs. 92,460 million. Against this central grant of Rs. 63,050 million were released up to March 2022.
b. Under the SAUBHAGYA scheme as on March 2019, all households were reported electrified by the states except 18,734 households in Left Wing Extremists (LWE) affected areas of Chhattisgarh.
c. Subsequently the seven states namely Assam, Chhattisgarh, Jharkhand, Karnataka, Manipur, Rajasthan and Uttar Pradesh had reported 19.09 lakh unelectrified household that were unwilling, later as on March 2021 these households expressed willingness and the states reported 100% electrification.
d. Post March 2021, around 11.84 lakh households remain to be electrified as reported by the states against which 4.43 lakh households have been electrified.
e. Under the SAUBHAGYA scheme, a total of 28 million households were electrified as on March 2021 and as on March 2022, the schemes stand closed.

3. For 24X7 power supply:

- In Urban areas, 20 states comprising of 24 DISCOMs having more than 20 average hours of power supply in a day has been achieved.
- In Rural areas, 17 states and 1 union territory (UT) comprising of 35 DISCOMs having more than 20 hours of power supply in a day has been achieved.

4. The present status of power availability has reached 22 ½ hours on average in rural areas and 23 ½ hours in urban areas.

Schemes like Integrated Power Development Scheme (IPDS) with an outlay of Rs. 3,26,120 million including a budgetary support of Rs. 2,53,540 million from the Government of India have been approved. Other schemes like Deendayal Upadhyaya Gram Jyoti Yojana, Pradhan Mantri Sahaj Har Ghar Yojana, etc. have also been announced.

## 7. Peer Comparison

For peer comparison, xxxx has considered infrastructure companies operating under various business segments similar to EMS Limited. However, it may be noted that these peers are not exclusive to the segments under which they are mentioned. They do operate under other segments as well.

**Companies considered for comparison under Water supply and waste water treatment**

*Amount in Rs Million*

| **Particulars** | **VA Tech Wabag Ltd** | **JWIL Infra Limited** |
|---|---|---|
| | **Consolidated (FY23)** | **Standalone (FY22)** |
| Net Sales | 29604.8 | 7894.0 |
| *Y-o-Y Growth (%)* | -0.6% | 28.4% |
| *Net Sales 5 Year CAGR (%)* | -3.1% | 19.5% |
| EBITDA | 3714.2 | 796.0 |
| *Y-o-Y Growth (%)* | 37.9% | 11.0% |
| *EBITDA Margin (%)* | 12.5% | 10.1% |
| *EBIT Margin (%)* | 2.8% | 9.9% |
| PBT | 168.3 | 494.0 |
| PBT Margin (%) | 0.6% | 6.3% |
| Profit After Tax | 109.3 | 330.0 |
| PAT 5 Year CAGR (%) | -40.3% | Not Applicable |
| PAT Margin (%) | 0.4% | 4.2% |

| | | |
|---|---|---|
| ROE (%) | 0.7% | 16.7% |
| ROCE (%) | 4.4% | 21.2% |
| Asset Turnover (times) | 0.7 | 1.3 |
| Current Ratio (times) | 1.3 | 2.1 |
| Total Debt/Equity (times) | 0.1 | 0.9 |
| Interest Coverage (times) | 1.3 | 2.7 |
| Debtors Day | 174.6 | 127 |
| Inventory Days | 4.5 | 1.1 |
| Payable Days | 299.6 | 141.4 |
| Net Working Capital Days | -120.5 | -13.3 |
| Gross Block | 1298.5 | 135.0 |
| Gross block T/O | 0 | 0.0 |
| Total Debt/EBITDA | 0.6 | 2.3 |

**Companies considered for comparison under Roads, Urban infrastructure, Power and Railway sector**

*Amount in Rs Million*

| Particulars | Simplex Infrastructures Limited | RPP Infra Projects Limited | IVRCL Infrastructures & Projects Limited |
|---|---|---|---|
| | **Consolidated (FY23)** | **Consolidated (FY22)** | |
| Net Sales | 18,738.3 | 8,017.0 | 8,846.0 |
| *Y-o-Y Growth (%)* | -8.4% | 56.2% | 16.4% |
| *Net Sales 5 Year CAGR (%)* | -20.1% | 17.0% | -19.4% |
| EBITDA | 194.8 | 404.0 | 1,940.0 |
| *Y-o-Y Growth (%)* | 15.5% | -16.3% | -119.6% |
| *EBITDA Margin (%)* | 1.0% | 5.0% | 21.9% |
| *EBIT Margin (%)* | -0.04% | 4.0% | 0.5% |
| PBT | -8245.6 | 112 | -22,696.8 |
| PBT Margin (%) | -44.0% | 1.0% | -257% |
| Profit After Tax | -4709.8 | 54.0 | -22709 |
| PAT 5 Year CAGR (%) | Not Applicable | -25.1% | 21.9% |
| PAT Margin (%) | -25.1% | 0.7% | -256.7% |
| ROE (%) | -159.5% | 1.8% | 0.0% |
| ROCE (%) | 3.8% | 7.9% | 0.5% |
| Asset Turnover (times) | 0.2 | 1.2 | 0.1 |
| Current Ratio (times) | 0.9 | 1.6 | 0.1 |
| Total Debt/Equity (times) | 19.8 | 0.3 | -1 |
| Interest Coverage (times) | 0 | 1.5 | 0 |
| Debtors Day | 267.9 | 84.9 | 324.9 |
| Inventory Days | 69.5 | 6.8 | 426.9 |
| Payable Days | Not available | 244.8 | 0 |

| | | | |
|---|---|---|---|
| Net Working Capital Days | Not available | -153.1 | 751.8 |
| Gross Block | Not available | 1,145 | 40,893 |
| Gross block T/O | Not available | 0.1 | 4.6 |
| Total Debt/EBITDA | 59.6 | 2.3 | 8.2 |

# 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" on page 21 for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Also read "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 32 and 406, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our fiscal year ends on March 31 of each year, and references to a particular fiscal year are to the twelve months ended March 31 of that year.*

*We have, in this Red Herring Prospectus, included various operational and financial performance indicators, some of which may not be derived from our Restated Financial Information, and may not have been subjected to an audit or review by our Statutory Auditor. For further information, see "Financial Information" on page 318. 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 should consult their own advisors and evaluate such information in the context of the Restated Consolidated Financial Information and other information relating to our business and operations included in this Red Herring Prospectus.*

*Unless otherwise indicated or the context otherwise requires, the financial information for the Fiscal 2023, 2022 and 2021, included herein is derived from the Restated Consolidated Financial Information, included in this Red Herring Prospectus. Unless otherwise indicated or the context otherwise requires, in this section, references to "we" or "us" mean EMS Limited For further information relating to various defined terms used in our business operations, see "Definitions and Abbreviations" on page 01.*

*Unless stated otherwise, industry and market data used in this section has been obtained or derived from publicly available information as well as industry publications and other sources for more information, see "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data" on page 18.*

## OVERVIEW

We are in the business of Sewerage solution provider, Water Supply System, Water and Waste Treatment Plants, Electrical Transmission and Distribution, Road and Allied works, operation and maintenance of Wastewater Scheme Projects (WWSPs) and Water Supply Scheme Projects (WSSPs) for government authorities/bodies. WWSPs include Sewage Treatment Plants (STPs) along with Sewage Network Schemes and Common Effluent Treatment Plants (CETPs) and WSSPs include Water Treatment Plants (WTPs) along with pumping stations and laying of pipelines for supply of water (collectively, "Projects"). The treatment process installed at STPs and CETPs is compliant with Ministry of Environment, Forest and Climate Change of India norms and the treated water can be used for horticulture, washing, refrigeration and other process industries.

Our Company bids for tenders issued by CPWD, State Governments and Urban Local Bodies ("ULBs") for developing WWSPs and WSSPs on EPC or HAM basis. For further details on our Order Book, see "- Order Book" on page 225 and "Risk Factors – Our Order Book may not be representative of our future results and our actual income may be significantly vary than the estimates reflected in our Order Book, which could adversely affect our results of operations." on page 42.

We have an in-house team for designing, engineering and construction which makes us self-reliant on all aspects of our business. We have a team of 61 engineers who are supported by third-party consultants and industry experts to ensure compliance and quality standards laid down by the industry and government agencies & departments.

We also have our own team for civil construction works thereby reducing dependence on third parties. The scope of our services typically includes design and engineering of the projects, procurement of raw materials, execution at site with overall project management up to the commissioning of projects. Post commissioning, operations and maintenance of these plants for a certain period of time is generally a part of the award in recent times. We have a team of dedicated engineers and personnel focused on operations and maintenance of completed projects. As on July 31, 2023, we are operating and maintaining 18 projects including WWSPs, WSSPs, STPs & HAM aggregating of Rs. 1,74,492.00 lakhs & 5 O&M projects aggregating to Rs. 9,928.00 lakhs.

In addition to the execution of projects independently, we also enter into joint ventures with other infrastructure and construction companies to jointly bid and execute projects. Joint ventures or partnerships enable us to achieve pre-qualification, both technical and financial, with our joint venture partner at the time of the bid and where the bid is successful, we also execute the project with our joint venture partner considering the technical skill and qualification of the joint venture partner required to execute a particular project.

For more details in respect of Joint Ventures, kindly refer chapter titled "Our Joint Ventures" on page no. 303.

In the past, Company has executed 50 projects & 17 projects executed by the proprietorship which businesses was taken over by the Company on June 2012. EMS has provided quality services to various government bodies and municipalities since 2010 and has successfully completed these projects.

**Services Offered:**

- Sewerage and their allied works including design, procurement, laying, jointing, testing, commissioning, operation and maintenance of new sewerage network as well as refurbishment of old/existing sewerage network.
- Design, construction, operation and maintenance of Sewage Treatment Plants.
- Design, construction, operation and maintenance of Sewage Pumping Stations.
- Water supply works including design, procurement, laying, jointing, testing, commissioning, operation and maintenance of new water supply and distribution networks as well as construction of reservoir and refurbishment of old/existing water supply infrastructures.
- Road & Allied works including construction of new road networks as well as repair/renovation of existing road networks.
- Design and construction of power transmission and distribution infrastructure.
- Design and construction of buildings and allied works.
- Design, construction, operation and maintenance of public infrastructure facilities & utilities.
- Designing, installing electricity transmissions.
- Construction related works

**4 MLD STP, Tonk**

**80 MLD WTP, Unnao**

**9 MLD CETP, Haridwar**

**16 MLD STP, Tonk**

**17 MLD SPS, Ghaziabad**

**24 MLD STP, Etah**

**41 MLD SPS, Ghaziabad**

**Sewer Laying, Mirzapur**

**Registrations:**

| Sr. No. | Registration | Department |
|---|---|---|
| 1. | Certificate of Enlistment – "Class 1 Super" | Central Public Works Department |
| 2. | Certificate of Enlistment – "Class A" | UP Jal Nigam for "Water Supply Works (Pipe Laying) |
| 3. | Certificate of Enlistment – "Class A" | UP Jal Nigam for "Water Supply Works (Reservoirs) |
| 4. | Certificate of Enlistment – "Class A" | Uttarakhand Pey Jal Nigam for "Turnkey Project Sewerage" |
| 5. | Registration for electrical works – GD-666 | Electrical Safety Department |
| 6. | Enlistment in central command | Central Command – HQ |

**COVID 19 EFFECT OF OUR BUSINESS:**

We have not experienced any major effect on the businesses, performance and financials of the Company due to COVID-19.

Due to lockdown imposed by the government of India, we have not affected so much except our projects got delayed by 6-7 months due to shortage of labours & lockdown but our position & financials was affected neither any penalty was imposed on us by our clients on delay of projects as the reason was nationwide lockdown.

**The financial performance of our Company for the Fiscals 2023, 2022 and 2021, are as follows:**

*(Rs. In Lakhs)*

| Particulars | Fiscal 2023 | Fiscal 2022 | Fiscal 2021 |
|---|---|---|---|
| Revenue from operations | 53,816.17 | 35,985.08 | 33,070.39 |
| Total Income | 54,327.71 | 36,309.84 | 33,618.42 |
| EBITDA | 14,899.95 | 11,251.19 | 9,889.97 |
| EBITDA Margin | 27.69% | 31.27% | 29.91% |
| PAT | 10,861.63 | 7,904.62 | 7,195.37 |
| PAT Margin | 20.18% | 21.97% | 21.76% |
| Operating cash flow | (2,540.12) | 2,263.71 | 3,576.82 |
| Net worth | 48,783.23 | 38,017.99 | 30,191.46 |
| Net Debt | (3,627.91) | (5,733.98) | (4,726.80) |
| Debt Equity Ratio | 0.09 | 0.01 | 0.01 |
| ROCE (%) | 28.26% | 29.50% | 33.65% |
| ROE (%) | 22.27% | 20.79% | 23.83% |

*(1) EBITDA has been calculated as Restated profit before tax + finance cost + depreciation and amortization less other income.*
*(2) EBITDA Margin = EBITDA/ Revenue from operations.*
*(3) Net debt = non-current borrowing + current borrowing – Cash and Cash Equivalent.*
*(4) ROE = Restated profit for the year /Average Shareholder's equity.*
*(5) ROCE = Earnings before interest and taxes (EBIT) / Capital employed*
*(6) Debt equity ratio means ratio of total debt (long term plus short term including current maturity of long-term debt) and equity share capital plus other equity.*

**Explanation for KPI metrics**

| KPI | Explanations |
|---|---|
| **Revenue from Operations** | Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps assess the overall financial performance of our Company and size of our business. |
| **EBITDA** | EBITDA provides information regarding the operational efficiency of the business. |

| | |
|---|---|
| **EBITDA Margin (%)** | EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business. |
| **Operating Cash Flows** | Operating cash flows activities provides how efficiently our company generates cash through its core business activities. |
| **PAT** | Profit after tax provides information regarding the overall profitability of the business. |
| **PAT Margin (%)** | PAT Margin (%) is an indicator of the overall profitability and financial performance of our business. |
| **Net Debt** | Net debt helps the management to determine whether a company is overleveraged or has too much debt given its liquid assets |
| **Total Equity** | Total Equity is used by the management to ascertain the total value created by the entity and provides a snapshot of current financial position of the entity. |
| **Inventories** | Inventories provides information regarding the overall closing finished/work-in-progress material in hand. |
| **Trade Receivables** | Trade Receivables provides information regarding the overall debtors of the Company. |
| **ROE (%)** | ROE provides how efficiently our Company generates profits from shareholders' funds |
| **ROCE (%)** | ROCE provides how efficiently our Company generates earnings from the capital employed in the business. |
| **Debt-Equity Ratio (times)** | The debt to equity ratio compares an organization's liabilities to its shareholders' equity and is used to gauge how much debt or leverage the organization is using. |

**Our Strengths:**

1. **In house designing, engineering and execution team.**

   We have been focusing on design capabilities for complex and critical projects such as process description, process calculations, hydraulic calculations, design codes and standards, master drawing schedule, drainage design, STP facilities layout, process flow diagram, hydraulic flow diagram, mass balance diagram, process & instrumentation diagram, tentative single line diagram and electrical load list. This capability enable us to correctly bid with project specifications and provide quality services in a timely and cost-effective manner. Our engineering expertise and technology driven processes has enabled us to deliver on the projects in accordance with the designs and specifications of the particular project whether it's a WWSP or WSSP.

   Our in-house engineering and design team of 61 engineers have the necessary skills and expertise in preparing detailed architectural and /or structural designs based on the conceptual requirements of our clients. Our engineering and design team reduces our dependence on outsourcing engineering and design work to third party consultants. Our quality control managers are responsible for conducting regular inspection and tests at every project site for quality control monitoring and management.

2. **Strong execution capabilities with industry experience.**

   Since incorporation, our Company has completed 67 projects. For the list of executed works by our Company, kindly refer "List of Key Executed Works" on page no. 241. Apart from this, currently we are handling 18 Projects & 5 O&M Projects together 23 projects, for information, kindly refer "Our Order Book" on the Page no. 225.

   Our focus is to leverage our strong project management and execution capabilities to complete projects in a timely manner while maintaining high quality of engineering and execution. Our Company has three important ingredients required by any Sewerage Infrastructure company i.e., an in-house design and engineering team, a fleet of traditional machinery and equipment to ensure high quality execution and skilled manpower to execute projects in a timely manner. Our in-house engineering and design team of 61 engineers have the necessary skills and expertise in preparing detailed architectural and /or structural designs based on the conceptual requirements of our contract. Our in-house engineering and design team reduces our dependence on outsourcing engineering and design work to third party consultant and are supported by the third party consultants in EPC contracts. Our quality control managers and quality surveyors are responsible for conducting regular inspection and tests at every project site and publishing reports on the status of compliance with contractual requirements and quality control monitoring.

**3. Use of traditional technologies in the construction and installation of WWSP or WSSP.**

The designing and engineering of projects is technically complex, time consuming and resource intensive because of unique project requirements. We constantly upgrade our technical abilities to offer our clients the full range of services at lower cost and without compromising on quality. Treatment process at most of the STPs and CETPs installed by us are compliant with Ministry of Environment, Forest and Climate Change of India norms and the treated water can be used for horticulture, washing, refrigeration or other process industries.

Our Company intends to invest in the latest technologies to provide added value to its customers and concentrate on receiving big orders from clients. Emphasis will be placed on process, work innovation and value engineering solutions in order to meet the requirements of a wider range of work, applications, geographies and customization requests, in order to diversify the customer base, address emerging demand, and provide unique value-added services. Further we can hire the technologies whenever required to compete with peer industry & their technologies.

**4. World Bank Funded Projects.**

Our country has 18 percent of the world's population, but only 4 percent of its water resources, making it among the most water-stressed in the world. A large number of Indians face high to extreme water stress, according to a recent report by the government's policy think tank, the NITI Aayog. India's dependence on an increasingly erratic monsoon for its water requirements increases this challenge. Climate change is likely to exacerbate this pressure on water resources, even as the frequency and intensity on floods and droughts in the country increases.

The World Bank is engaged in different aspects of water resource management and the supply of drinking water and sanitation services across the country. Here are some of the ways how.

i. Stemming groundwater depletion: The World Bank is helping the supporting the government's national groundwater program, the Atal Bhujal Yojana, to help improve groundwater management. Implemented in 8,220 gram panchayats across seven Indian states, this is the world's largest community-led groundwater management program.
ii. Reaching the underserved in India's villages
iii. Reliable water supply to cities

Over the last decade, the World Bank has supported the government's efforts to bring clean drinking water to rural communities. A range of projects with a total financing of $1.2 billion have benefitted over 20 million people.

(*Source: The World Bank, how is India addressing its water needs, February 24, 2023)*

Almost all of our projects are world bank funded through local state government bodies. This is the main reason of our robust cash flows/timely payments, no bed debts, which helps us to take more projects with the help of internal accruals only & help us to save the finance cost & to increase our profit margins.

In the near future, the awareness about clean water & government initiatives to supply clean water to every village in India, will also provide us good opportunities.

**5. Experienced Promoters and senior management team.**

Our Promoters, Mr. Ram Veer Singh and Mr. Ashish Tomar are qualified professionals with an individual experience of more than 3 & 1 decades respectively in the water & waste-water treatment industry and have been instrumental in driving our growth since inception of our business. Our senior management team is well qualified and experienced in the execution of WWSP & WSSP projects and has been responsible for the growth of our business. Our motivated senior management team and our internal process systems complement each other in delivering high levels of client satisfaction. For details on the qualifications and experience of our Promoters and senior management team, please refer to section titled "Our Management" beginning on page 277.

**6. Robust Order Book.**

As on July 31, 2023, we are operating and maintaining 18 projects including WWSPs, WSSPs, STPs & HAM aggregating of Rs. 1,74,492.00 lakhs & 5 O&M projects aggregating to Rs. 9,928.00 lakhs. We believe that consistent growth in our Order Book has materialized due to our continued focus on Projects and our ability to successfully bid and win new Projects. We believe that our experience in designing, engineering, construction, operations and maintenance of Projects, technical capabilities, timely performance, reputation for quality and timely delivery, financial strength as well as the price competitiveness has enabled us to successfully bid and win projects. Our capabilities as an established player allows us to focus on Projects with EPC/ HAM and O&M components. Post the commissioning of the project, O&M provide steady cash flows and add significantly to our Company’s margins.

**7. Scalable and Asset Light Business Model supported by our Strong Financial Position**

Our business model relies on the strength of our brand, project execution and management capabilities as well as our well-established relationships with our clients, architects and contractors. Leveraging these capabilities and relationships, we seek to transition to a combination of Designing and execution based business model. As part of this model, we focus on development management or joint development agreements or joint ventures, which requires lower upfront capital expenditure compared to direct approach.

We believe our asset light business model result in efficient utilisation of capital resulting in lower debt and regular income, allowing us to have higher return on capital employed. For example, as on March 31, 2023, we have total borrowing Rs. 4,500.00 Lakhs for HAM Project of Mirzapur Ghazipur apart from this we do not have any borrowings, net of cash and cash equivalents, other bank balances as on March 31, 2023 was Rs. 12,122.15 Lakhs, allowing us to seek further debt financing, as and when required for big projects. We also expect the asset light nature of our business model to allow us to minimize costs incurred initially. We believe that our focus on our development management model and commitment to leverage our brand, project execution and management capabilities, will continue to contribute to the growth and development of our business.

**Our Strategies:**

1. **Increasing the size of projects and our pre-qualification.**

   Our primary focus is to strengthen our prospects in executing WWSP and WSSP projects. We have started with 4 MLD size of project & increased our capacity to 60 MLD i.e. the maximum capacity of Minimal Liquid Discharge for STPs. We will continue to focus on the designing, construction, operation and maintenance of Projects while seeking opportunities to further increase the size of our projects. We will continue to bid for WWSPs and WSSPs both on EPC and HAM basis. Execution of high capacity projects has lesser competition, better margins, economies of scale and better utilization of sources. We intend to capitalize on our experience and project execution expertise and continue to selectively pursue larger Projects, both independently and in partnership with other players in the industry. Increase in the size of projects will also lead to our Company becoming pre-qualified for larger projects of higher MLD. Large sized projects will require requisite higher level of competencies in designing and execution of such projects.

2. **Expansion of our footprint.**

   We have successfully completed 67 projects as on July 31, 2023 including partnership firm namely M/s Satish Kumar which was taken over by this company on June 30, 2012. across states of Bihar, Uttarakhand, Madhya Pradesh, Rajasthan, Haryana. We gradually intend to expand our business operations to other regions of the country, especially the North-East and South India. We plan to continue our strategy of diversifying and expanding our presence in these regions for the growth of our business. We are selective in expanding to new locations and look at new geographies where we can deliver quality services without experiencing significant delays and interruptions due of local considerations. Through further diversification of our operations geographically, we hope to hedge against risks of operations in only specific areas and protection from fluctuations resulting from business concentration in limited geographical areas.

   **The state wise revenue generated in last 3 financial years:**

**(Rs. In Lakhs)**

| Name of the State | March 31, 2023 | % of total revenue from operations | March 31, 2022 | % of total revenue from operations | March 31, 2021 | % of total revenue from operations |
|---|---|---|---|---|---|---|
| Uttar Pradesh | 26,385.76 | 49.03% | 13,279.93 | 36.90% | 25,983.14 | 78.57% |
| Rajasthan | 12,436.98 | 23.11% | 13,068.73 | 36.32% | 408.46 | 1.24% |
| Bihar | 9,406.26 | 17.48% | 7,039.82 | 19.56% | 5,159.78 | 15.60% |
| Uttarakhand | 5,382.88 | 10.00% | 2,080.51 | 5.78% | 1,121.95 | 3.39% |
| Madhya Pradesh | 160.13 | 0.30% | 494.62 | 1.37% | 383.48 | 1.16% |
| Others | 44.16 | 0.08% | 21.48 | 0.06% | 13.58 | 0.04% |
| **Total** | **53,816.17** | **100.00%** | **35,985.09** | **100.00%** | **33,070.39** | **100.00%** |

3. **Capitalize on Government policy initiatives in WWTP and WSSP sectors.**

   India is the world's second most populous country with 1.38 billion people. Out of this, 65% of the population lives in rural area and 35% are connected to the urban centers according to United Nation (2019). The metropolitan cities of the country are seeing major expansion as a result of economic expansions and reforms. This expansion in urban population is unsustainable without efficient planning of cities and provision of utility services especially sewerage, clean and affordable water. Water allocation in cities are usually done from common pool with multiple sectoral demand. It is expected that by 2050, about 1450 km3 of water will be required out of which approx. 75% will be used in agriculture, ~7% for drinking water, ~4%

in industries, ~9% for energy generation. However, because of growing urbanization, the need for drinking water will take precedence from the rural water requirements. Many of the cities are situated by the bank of rivers from where the fresh water is consumed by the population and the waste water is disposed back into the river, thus contamination of the water source and irrigation water. This has raised serious challenges for urban wastewater management, planning and treatment. According to the by Central Pollution Control Board (CPCB), the estimated wastewater generation was almost 39,600 million liters per day (MLD) in rural regions, while in urban regions it was estimated to be 72,368 MLD for the year 2020-21. The estimated volume is double in the urban cities is almost double than that of the rural regions because of the availability of more water for sanitation which has increased standard of the living.

**Government Initiatives:**

- Jawaharlal Nehru National Urban Renewal Mission
- Namami Gange programme
- Atal Mission for Rejuvenation and Urban Transformation (AMRUT)
- Swachh Bharat Mission (Urban)
- Jal Jeevan Mission (JJM)

Currently our Company operating 5 projects under Atal Mission for Rejuvenation and Urban Transformation (AMRUT), 1 Project under Namami Gange Programme. The details regarding the above projects have disclosed under the titled “Our Order Book” on page no. 225.

**4. Continue to enhance our core strengths by attracting, retaining and training qualified personnel.**

We believe that our ability to effectively execute and manage projects is crucial to our continued success. We understand that maintaining quality, minimising costs and ensuring timely completion of our projects depends largely on the skill and workmanship of our employees. As competition for qualified personnel increases among engineering and construction companies in India, we seek to improve competitiveness by increasing our focus on training our staff. We offer our engineering and technical personnel a wide range of work experience and learning opportunities by providing them with continuous training in latest systems, techniques and knowledge upgradation.

**SWOT ANAYLSIS**

**Our Strengths**

✓ ***World Bank Funded Projects through Local/ State governments.***

Scheme like Atal Bhujal Yojana launched by Government of India are been aided by the World Bank. The Scheme outlay is about Rs. 6,000 Crore which is focused on community participation and sustain ground water level in identified water stressed areas during five-year duration. Our Company has participated in such projects. We are participating in other Government Schemes such as Atal Mission for Rejuvenation and Urban Transformation (AMRUT), Namami Gange Programme etc.

➢ ***More than 3 decades of experience in the industry.***

Our Company incorporated on December 21, 2010 having business of Sewerage solution provider, Water Supply System, Water and Waste Treatment Plants, Electrical Transmission and Distribution, Road and Allied works, operation and maintenance of Wastewater Scheme Projects (WWSPs) and Water Supply Scheme Projects (WSSPs) for government authorities/bodies. Our Promoters, Mr. Ram Veer Singh and Mr. Ashish Tomar are qualified professionals with an individual experience of more than 3 & 1 decades respectively in the water & waste-water treatment industry and have been instrumental in driving our growth since inception of our business.

➢ ***Professionally managed & experienced leadership.***

Our Company is managed by our Promoters including our Top Management has wide experience in the infrastructure sector. Our promoter and Chairman, Mr. Ramveer Singh has more than Thirty-five years of experience in in the water & waste-water treatment industry, civil, construction industry and business development. Also, our Promoter and Managing Director, Mr. Ashish Tomar is a Civil Engineer having vast knowledge and experience in the field of projects like Sewerage work, Electricity Transmission & Distribution work. He is currently looking after Projects execution areas of our Company. Likewise, our top leadership has good experience and expertise.

➢ ***Updated and well-trained Human Resource***

As our Company is in the business of water management and infrastructure, we require skilled and experienced human resource. Our Company successful and glorious past is the evidence of well-trained and updated human resource. Our Company give great emphasis to train our human resourses.

➢ ***Organizational Setup***

Our company has well-defined and managed organizational setup. The role and responsibility for every layer in the Company is fixed. The well-defined organizational setup helps our Company to execute the projects smoothly on time.

➢ ***Ease in accessibility of funding due to good credit rating from banks and other financial agencies.***

Our Company has never defaulted in principal and interest payment in the past. Also, financial ratios reflect the healthy financial position. We have good and trusted relations with the financial institutions which gives our confidence accessibility of funds as and when we require.

➢ ***Well-known name in the market.***

We are reputed and well-known name in the market. We have executed many projects awarded by the Government bodies such as Uttar Pradesh Jal Nigam (UPJN), Construction and Design Services (C&DS), Military Engineering Services (MES), Indian Railway Construction Limited (IRCON) etc.

➢ ***Limited Experienced Players in Sector***

In the area where we work there are few well-known names such as Va Tech Wabag Limited, Enviro Infra Engineers Limited etc. There are few players in our industry which have reached the reasonable scale as the business of water and waste management require specialized knowledge and experience.

**Our Weaknesses**

➢ ***Dependence on Union & State Government policies***

As we are 100% dependent on government projects, our company is mainly in the business of government contracts like Sewerage solution provider, Water Supply System, Water and Waste Treatment Plants, Electrical Transmission and Distribution, Road and Allied works, operation and maintenance of Wastewater Scheme Projects (WWSPs) and Water Supply Scheme Projects (WSSPs). WWSPs include Sewage Treatment Plants (STPs) along with Sewage Network Schemes and Common Effluent Treatment Plants (CETPs) and WSSPs include Water Treatment Plants (WTPs) along with pumping stations and laying of pipelines for supply of water (collectively, “Projects”) which are acquired largely from the government tenders, therefore, due to changes in government policies it may have impact on the delay or completion of the projects which in turn have impact on the profitability of our company and in non-compliances thereof it may bring penalties as well.

- ***Core focus on limited segment***

We have an in-house team for designing, engineering and construction which makes us self-reliant on all aspects of our business. We have a team of 61 engineers who are supported by third-party consultants and industry experts to ensure compliance and quality standards laid down by the industry and government agencies & departments, therefore main focus of our company is on Water Supply System and Water and Waste Treatment Plants. They are areas where our company needs to improve to remain competitive.

- ***Limitation to practice bigger projects***

Due to the Peers, as prescribed in the RHP on page no. 132, in the similar business we might not be able to take the bigger projects and our competition depends on various factors, such as the type of project, total contract value, potential margins, complexity, location of the project and risks relating to revenue generation. While service quality, technical ability, performance record, experience, health and safety records and the availability of skilled personnel are key factors in client decisions among competitors, price often is the deciding factor in most tender awards. We believe our main competitors are various small and mid-sized companies listed and unlisted companies.

- ***Company's business is working capital intensive due to which high liquidity is required***

Issues relating to funding has been a major problem in this industry, as our business is working capital intensive due to which liquidity is major concern. Funds are required to carry on and complete the projects and government tender on time. In case timely payments are not received due to change in government or any other issues we may not be able to timely and effectively complete the projects tendered.

- ***Unable to deal with multidisciplinary assignments because of size or lack of ability***

Construction sector has witnessed many consistent changes over the past few years. Delay in project completion is one of the major challenges for the construction market in India. Construction projects are large scale, time and cost sensitive. The gestation period of project also increases because of factors such as political risks in the country, liquidity crunch, and delay in getting environmental clearance, forest clearance, defence land handovers etc. Time overrun and project inflationary cost escalations plague many large Government-based projects. All projects have to be time bound to be profitable, however, the market still suffers from inherent delays owing to these reasons. Therefore, we may not be able to take multidisciplinary assignments.

**Our Opportunities**

- ***Increasing in Government expenditure:***

A policy decision being ensured that whenever there is an expansion of the Government, there should be a commensurate increase in the Opportunities for organization as well.

*The budgetary allocation by the central government which can boost our business is as under:*

1. Budgetary allocation has been increased from Rs 52,000 Cr in FY17 to Rs 182,000 Cr in FY23 giving a government seriousness to the connectivity by road.;
2. Under PM Gati Shakti, the National Highways network will be expanded by 25,000 km in 2022-23 and Around Rs 20,000 Cr will be mobilized through innovative ways of financing to complement the public resources.

3. Deendayal Upadhyaya Gram Jyoti Yojana.
4. Continued government spending in construction industry, The NIP covering rural and urban infrastructure entailed investments to the tune of Rs.111 lakh crores will be undertaken by the central government, state governments and the private sector during FY20-25.
5. Government spend to fund more STP projects for river water conservation and treatment.
6. Central government policies push for wastewater treatment and use.
7. Development plans to clean River Ganga and improve wastewater treatment and management.
8. Agricultural 7 Industrial water reuse.
9. Namami Gange programme.
10. Atal Mission for Rejuvenation and Urban Transformation (AMRUT).
11. Swachh Bharat Mission (Urban)

*(Source: CareEdge Report)*

- ***Development in rural infrastructure:***

Rural infrastructure has the potential to provide basic amenities to people that can improve their quality of life which encompasses rural canal works for irrigation and drainage, rural housing, rural water supply etc. for betterment of people which is playing the pivotal role for generating the opportunities.

- ***Strict awareness on pollution control and waste water management:***

Conducting different activities and programmes through various platforms to generate awareness and information for public at large.

- ***Government initiative in eco-projects like Clean Ganga Project, etc.:***

A series of activities such as events, workshops, seminars and conferences and numerous eco-projects activities were organized to make a strong pitch for public outreach and community participation which generates the number of opportunities.

**Our Threats**

- ***Increase in Competition and entry of new market players.***

As the Government spending on infrastructure sector is increasing in unprecedented way new players are invited. The entry of new players will increase the competition and eventually affect our top and bottom line negatively.

- ***Certain big players in market like L & T (only water segment) specifically in similar segment of our business***

The presence of big player like L&T having big size and financial power may make acquiring big projects difficult. Also, there may be stress in the margins as we need to spend more financial resources to acquire projects

- ***Delay in projects due to Lock out, Strikes, Management Lay-outs.***

Any delay due Lock out, Strikes, Management Lay-outs any impede our project which may hurt us financially and otherwise. However, so far, we have not witnessed any Lock out, Strikes, Management Lay-outs.

- ***Delay in completion of projects due to change in government.***

Any change in Government may result in the priority of the Government. The new Government may change the terms and conditions retrospectively and may shift its focus to different areas which may affect us negatively.

**Our Order Book**

Our Order Book as on a particular date consists of contract value of unexecuted projects or uncompleted portions of our Ongoing Projects, i.e., the total contract value of ongoing projects work billed till July 31, 2023.

Our Order Book for Ongoing Projects is Rs. 1,74,492.00 Lakhs unbilled amount as on July 31, 2023. The following table sets forth the break-up of our Order Book for all the Ongoing Projects:

| Sr. No. | Work Details | Region & Client Name | Total Value including O&M in Lakhs | Work to be done by EMS as per Mutual Understanding | | Period | Work Done till 31.07.2023 in Lakhs | Balance Work in Lakhs | LOI Date | Performance Bank Guarantee in lakhs. |
|---|---|---|---|---|---|---|---|---|---|---|
| **Sewerage Work** | | | | | | | | | | |
| 1 | "Construction of New RCC & Bricks Drains, Repair of Drains, Laying of 600 Mm DIA DI K-9 Rising Main, 1 No. Storm Water Pumping Station & Appurtenant Works" Under Storm Water Drainage Scheme Goverdhan" | Region: Mathura<br><br>Client Name: Project Manager, Drainage & Sewerage Unit, U.P. Jal Nigam, Mathura. | 2,283.00 | N. A | 2,283.00 | December 14, 2016 to September 30, 2023 | 2,260.00 | 23.00 | November 08, 2016 | 69.00 |
| 2 | I) Survey, Design and Redesign Where Necessary and Build Intercepting Sewer Lines Of About 32.40 Km Length Of Interception And Diversion Work Of Bindal River, Nalas / Drains And Open House Hold Outlets On Both Banks Of Rivers Rispana Including Survey, Design, Construction Of 3.5 Mtr. Dia S.P.S. and All Appurtenant Structures and | Region: Dehradun<br><br>Client Name: Executive Engineer, Dehradun Division, U.K.P.J.N., Dehradun | 5,781.00 | N. A. | 5,781.00 | June 05, 2020 to October 10, 2023 | 3,700.00 | 2,081.00 | March 20, 2020 | 197.00 |

| Sr. No. | Work Details | Region & Client Name | Total Value including O&M in Lakhs | Work to be done by EMS as per Mutual Understanding | | Period | Work Done till 31.07.2023 in Lakhs | Balance Work in Lakhs | LOI Date | Performance Bank Guarantee in lakhs. |
|---|---|---|---|---|---|---|---|---|---|---|
| | Allied Works Including 3 Months Trial & Run Of Complete System And Operation & Maintenance Of The Intercepting Sewer Line, Nala / Drain Interception And Diversion Works And Sps For A Period Of 15 Years In Dehradun City Of District Dehradun, State Of Uttarakhand, India". | | | | | | | | | |
| 3 | "Design, Build, Rehabilitate, Finance, Operate and Transfer Sewage Treatment Plants (STPs) of capacities as set out below along with associate infrastructure, with operation and maintenance period of 15 years under "One City One Operator" Concept through Hybrid Annuity Based PPP Model in Mirzapur and Ghazipur Uttar Pradesh, India under the Namami Gange Programme". | Region: Mirzapur & Ghazipur<br><br>Name: General Manager, Ganga Pollution Prevention Unit, U.P. Jal Nigam, Varanasi. | (21,762.00 +7,489.00) Lakhs (Considering 60% share in JV), | 60% | 17,551.00 (60% of Rs. 21,762.00 + Rs. 7489.00) | April 10, 2022 to April 09, 2024 | 5,200.00 | 12,351.00 | February 20, 2021 | 2,159.00 |

| Sr. No . | Work Details | Region & Client Name | Total Value including O&M in Lakhs | Work to be done by EMS as per Mutual Understanding | | Period | Work Done till 31.07.2023 in Lakhs | Balance Work in Lakhs | LOI Date | Performance Bank Guarantee in lakhs. |
|---|---|---|---|---|---|---|---|---|---|---|
| 4 | "Design and build Sewage Treatment Plant of capacity 30Mld including MPS (45 MLD) and all appurtenant structures and allied works; (ii) survey, review the designs, redesign where necessary, and build new underground sewerage network of about 167.23 km length including trenchless & survey, design, construction of 5 No. pumping stations and all appurtenant structures and allied works; and (iii) operation & maintenance of the complete works of sewage treatment plant, sewerage network and pumping stations at Munger, State of Bihar, India. ". | Region: Munger<br><br>Client Name: Managing Director, Buidco, Patna | 35,078.00 Lakhs (Considering 76% share in JV), | 100 % work will be done by the company and payment will route from us | 35,078.00 | November 15, 2021 to November 14, 2023 | 18,050.00 | 17,028.00 | September 14, 2021 | 2,726.00 |
| 5 | Development of Sewerage and storm water drainage system with 5 Years Operation and Maintenance, at THDC and Yamuna Colony, in Uttarakhand | Region: Dehradun<br><br>Client Name: Program Director, Uttarakhand Urban Sector Development Agency | 7,235.00 | N. A. | 7,235.00 | December 01, 2021 to March 31, 2024 | 3,237.00 | 3,998.00 | October 07, 2021 | 1,023.00 |

| Sr. No. | Work Details | Region & Client Name | Total Value including O&M in Lakhs | Work to be done by EMS as per Mutual Understanding | | Period | Work Done till 31.07.2023 in Lakhs | Balance Work in Lakhs | LOI Date | Performance Bank Guarantee in lakhs. |
|---|---|---|---|---|---|---|---|---|---|---|
| | | (UUSDA), Government of Uttarakhand, Rajendra Nagar, Dehradun-248001 | | | | | | | | |
| 6 | Sewerage Works in Mirzapur Zone of Mirzapur Nagar Palika Parishad for abatement of River Ganga, District Mirzapur under Amrut Scheme" | Region: Mirzapur<br><br>Client Name: General Manager, Ganga Pollution Control Unit, U.P. Jal Nigam (Urban), Allahabad | 21,715.00 | N. A. | 21,715.00 | December 30, 2021 to December 29, 2023 | 14,900.00 | 6,815.00 | December 27, 2021 | 651.00 |
| 7 | Providing, laying, jointing, testing and commissioning of sewer system and all ancillary works along with Design, construction, supply, installation, testing and commissioning (Civil, Mechanical, electrical, instrumentation & other necessary works) of STPs based on SBR Process/ construction of SPS including provision for treated waste water reuse | Region: Sikar, Rajasthan<br><br>Client Name: Executive Director, RUDSICO, Old Working Women's Hostel, Near Police Headquarters, Lal Kothi, Jaipur | 15,666.00 | N.A. | 15,666.00 | March 23, 2023 to March 28, 2025 | 700.00 | 14,966.00 | February 13, 2023 | 425.00 |

| Sr. No. | Work Details | Region & Client Name | Total Value including O&M in Lakhs | Work to be done by EMS as per Mutual Understanding | | Period | Work Done till 31.07.2023 in Lakhs | Balance Work in Lakhs | LOI Date | Performance Bank Guarantee in lakhs. |
|---|---|---|---|---|---|---|---|---|---|---|
| | including 1 year defect liability and there after 10 years O&M for following towns under Package (AMRUT-2.0/RAJ/SEWERAGE-05) a) Sikar : Sewer System with 02 STPs b) Nagaur : Sewer System with 01 STP & 1 SPS] | | | | | | | | | |
| 8 | Providing, laying, jointing, testing and commissioning of sewer system and all ancillary works along with Design, construction, supply, installation, testing and commissioning (Civil, Mechanical, electrical, instrumentation & other necessary works) of STPs based on SBR Process/ construction of SPS including provision for treated waste water reuse including 1 year defect liability and there after 10 years O&M for following towns under Package (AMRUT-2.0/RAJ/SEWERAGE-05) a) Sikar : Sewer System with 02 | Region: Nagaur, Rajasthan<br><br>Client Name: Executive Director, RUDSICO, Old Working Women's Hostel, Near Police Headquarters, Lal Kothi, Jaipur | 5,525.00 | N.A. | 5,525.00 | March 23, 2023 to March 28, 2025 | 300.00 | 5,225.00 | February 13, 2023 | 146.00 |

| Sr. No. | Work Details | Region & Client Name | Total Value including O&M in Lakhs | Work to be done by EMS as per Mutual Understanding | | Period | Work Done till 31.07.2023 in Lakhs | Balance Work in Lakhs | LOI Date | Performance Bank Guarantee in lakhs. |
|---|---|---|---|---|---|---|---|---|---|---|
| | STPs b) Nagaur : Sewer System with 01 STP & 1 SPS] | | | | | | | | | |
| 9 | Providing, laying, jointing, testing and commissioning of sewer system and all ancillary works along with Design, construction, supply, installation, testing and commissioning (Civil, Mechanical, electrical, instrumentation & other necessary works) of SPS/MWPS (if any) & STPs based on SBR Process with provision for treated waste water reuse including 1 year defect liability and there after 10 years O&M for following towns under Package (AMRUT-2.0/RAJ/SEWERAGE-06) (a) Churu : Sewer System with 01 STP (b) Sujangarh : Sewer System with 01 STP (c) Hanumangarh : Sewer System with 01 STP | Region: Sujangarh, Rajasthan<br><br>Client Name: Executive Director, RUDSICO, Old Working Women's Hostel, Near Police Headquarters, Lal Kothi, Jaipur | 5,094.00 | N. A. | 5,094.00 | March 16, 2023 to March 15, 2025 | 93.00 | 5,001.00 | February 14, 2023 | 139.00 |

| Sr. No. | Work Details | Region & Client Name | Total Value including O&M in Lakhs | Work to be done by EMS as per Mutual Understanding | | Period | Work Done till 31.07.2023 in Lakhs | Balance Work in Lakhs | LOI Date | Performance Bank Guarantee in lakhs. |
|---|---|---|---|---|---|---|---|---|---|---|
| 10 | Providing, laying, jointing, testing and commissioning of sewer system and all ancillary works along with Design, construction, supply, installation, testing and commissioning (Civil, Mechanical, electrical, instrumentation & other necessary works) of SPS/MWPS (if any) & STPs based on SBR Process with provision for treated waste water reuse including 1 year defect liability and there after 10 years O&M for following towns under Package (AMRUT-2.0/RAJ/SEWERAGE-06) (a) Churu : Sewer System with 01 STP (b) Sujangarh : Sewer System with 01 STP (c) Hanumangarh : Sewer System with 01 STP | Region: Churu, Rajasthan<br><br>Client Name: Executive Director, RUDSICO, Old Working Women's Hostel, Near Police Headquarters, Lal Kothi, Jaipur | 7,796.00 | N. A. | 7,796.00 | May 02, 2023 to April 30, 2025 | 300.00 | 7,496.00 | February 14, 2023 | 211.00 |

| Sr. No. | Work Details | Region & Client Name | Total Value including O&M in Lakhs | Work to be done by EMS as per Mutual Understanding | | Period | Work Done till 31.07.2023 in Lakhs | Balance Work in Lakhs | LOI Date | Performance Bank Guarantee in lakhs. |
|---|---|---|---|---|---|---|---|---|---|---|
| 11 | Providing, laying, jointing, testing and commissioning of sewer system and all ancillary works along with Design, construction, supply, installation, testing and commissioning (Civil, Mechanical, electrical, instrumentation & other necessary works) of SPS/MWPS (if any) & STPs based on SBR Process with provision for treated waste water reuse including 1 year defect liability and there after 10 years O&M for following towns under Package (AMRUT-2.0/RAJ/SEWERAGE-06) (a) Churu : Sewer System with 01 STP (b) Sujangarh : Sewer System with 01 STP (c) Hanumangarh : Sewer System with 01 STP | Region: Hanumangar, Rajasthan<br><br>Client Name: Executive Director, RUDSICO, Old Working Women's Hostel, Near Police Headquarters, Lal Kothi, Jaipur | 5,040.00 | N. A. | 5,040.00 | March 17, 2023 to March 16, 2025 | 90.00 | 4,950.00 | February 14, 2023 | 135.00 |

| Sr. No. | Work Details | Region & Client Name | Total Value including O&M in Lakhs | Work to be done by EMS as per Mutual Understanding | | Period | Work Done till 31.07.2023 in Lakhs | Balance Work in Lakhs | LOI Date | Performance Bank Guarantee in lakhs. |
|---|---|---|---|---|---|---|---|---|---|---|
| 12 | Confirmatory Survey, Design, Construction & laying of sewer line, testing and commissioning (with one year defect liability period) with all appurtenant works on item rate contract basis including supply of all material, labour T&P for (Leftover works of Smart City Ltd.) from Agrawal Dharamshala (Prince Chowk) to Pathri Bagh Chowk at Saharanpur Road, Dehradun Under Deposit Programme". | Region: Dehradun<br><br>Client Name: Superintending Engineer, Construction Circle, Uttarakhand Peyjal Nigam, Dehradun | 2,044.00 | N. A. | 2,044.00 | February 26, 2023 to August 15, 2023 | 217.00 | 1,827.00 | February 02, 2023 | 111.00 |
| 13 | S-DDN-01 - Development of Sewerage System for Raipur (Zone C, Zone D and Zone E), with 5 years O and M, in Dehradun, Uttarakhand. DBO - 01 | Region: Dehradun<br><br>Uttarakhand Urban Sector Development Agency IPMU | 35,228.00 | - | 35,228.00 | LOI Awaited | - | 35,228.00 | LOI Awaited | 670.00 |
| **Sewerage and Water Works** | | | | | | | | | | |
| 14 | Balance Work of RUSDP/Tonk/01 i.e. Construction of Work of Water Supply Distribution Network Improvement with house service connections for Non | Region: Tonk<br><br>Client Name: The Project Director, Rajasthan Urban Infrastructure | 39,670.00 Lakhs (Considering EMS share - 74% i.e Rs | 100% Work will be done by us and payment will be | 39,670.00 | December 16, 2020 to September 30, 2023 | 31,500.00 | 8,170.00 | November 05, 2020 | 3,828.00 |

| Sr. No . | Work Details | Region & Client Name | Total Value including O&M in Lakhs | Work to be done by EMS as per Mutual Understanding | | Period | Work Done till 31.07.2023 in Lakhs | Balance Work in Lakhs | LOI Date | Performance Bank Guarantee in lakhs. |
|---|---|---|---|---|---|---|---|---|---|---|
| | Revenue Water reduction and continuous water supply and providing Sewer Network with house connections, construction of Sewage Treatment Plant & allied works and Operation services of the entire system for 10 years at Tonk. | Development Project First Floor, AVS Building, Jawahar Circle, JLN Marg, Malviya Nagar, Jaipur, | 29,356.00 Lakhs & JV Partner - Tirupati Cement Products share - 26% | received in JV Company namely M/s EMS TCP JV (p) Ltd. | | | | | | |
| **CETP Work** | | | | | | | | | | |
| 15 | "Selection of EPC Contractor for Engineering, Procurement, Construction, Commissioning, Testing, Trial Run, Operation & Maintenance For Upgradation Of 4.5 Mld Common Effluent Treatment Plant (Cetp) For Tanneries With Soak Stream Treatment, Common Chrome Recovery System, Composite Stream Treatment On Zld Technology). | Region: Unnao<br><br>Client Name: Banthar Industrial Pollution Control Company (Bipcc), Cetp Complex, Upsidc Leather Technology Park, Banthar, Unnao, Uttar Pradesh | 11,100.00 | N.A. | 11,100.00 | February 07, 2022 to February 06, 2024 | 2,600.00 | 8,500.00 | January 06, 2022 | 1,387.00 |

| Building Work | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| 16 | Construction of 354 nos. staff Quarters Hostel Building Academic Block, for Reserve Bank of India at Plot No. 1, Sector 7, CBD Belapur (Kharghar), Navi Mumbai. Package 1:- C/o 1 No Grade D tower(19 quarters, G+10), 4 Nos Grade B/C tower (quarters 159 G+10) 4 Nos Grade A tower(176 quarters, G+11), ZTC Hostel Building(82Rooms,G+8), Academic Block (G+2), Club House With Swimming Pool, Caretaker, Security And commercial building and Sanitary Installations, Drainage, Internal Electrical Installations, Lifts, Fire-Fighting and Fire-Fighting Alarms, D.G Sets, STP, Substation and Pump House, Rainwater Harvesting System, and development work for Reserve Bank of India at Plot No. 1, Sector 7, CBD Belapur (Kharghar), Navi Mumbai. | Region: Mumbai<br><br>Client Name: EE & SM-II, O/o CE cum ED, Mumbai, CPWD, Navi Mumbai (Maharashtra) | 31,974.00 | N. A. | 31,974.00 | February 23, 2023 to June 22, 2025 | 1,760.00 | 30,214.00 | February 13, 2023 | 4,479.00 |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| 17 | Confirmatory Survey, Design, Construction & laying of sewer line, testing and commissioning (with one year defect liability period) with all appurtenant works on item rate contract basis including supply of all material, labour T&P for (Leftover works of Smart City Ltd.) from Agrawal Dharamshala (Prince Chowk) to Pathri Bagh Chowk at Saharanpur Road, Dehradun Under Deposit Programme". | Region: Aligarh<br><br>Client Name: Project Manager, U.P. Projects Corporation Ltd, Unit-32, Aligarh, | 641.00 | - | 641.00 | October 14, 2022 to April 14, 2025 | 265.00 | 376.00 | October 11, 2022 | 38.00 |
| 18 | Construction of Group Housing VVIP NAMAH Tower A, B & C at Plot no. GH-3/4, VVIP NAMAH NH-24, Village Mahrauli & Shahpur-Bamheta | Region: Ghaziabad<br><br>Client Name: VVIP EMS Infrahome | 12,443.00 | - | 12,443.00 | February 02, 2023 to February 01, 2025 | 2,200.00 | 10,243.00 | February 02, 2023 | - |
| **Total** | | | | | **2,61,867.00** | | **873.72** | **1,74,492.00** | **-** | **18,394.00** |

Our O & M Order Book for Ongoing Projects is Rs. 9,928.00 Lakhs as on July 31, 2023. The following table sets forth the break-up of our Order Book for all the Ongoing Projects:

| S.N. | Work Details | Region | Client Name | Total Value in Lakhs | Start Date | END Date | Actual Date of Completion | EMS Share |
|---|---|---|---|---|---|---|---|---|
| 1 | Survey, review the designs, redesign where necessary and build new sewerage network of about 215 km length including survey, design, construction of 2 nos. pumping stations and all appurtenant structures, and operation & maintenance of sewerage network and pumping stations for a period of 10 years in sewerage district-B of Allahabad, State of Uttar Pradesh, India | Allahabad, State of Uttar Pradesh, India | Office of the Project Manager, Ganga Pollution Control Unit(I), U.P. Jal Nigam (Rural), Prayagraj | 1,324.00 | 31.12.20 | 30.12.30 | 30.12.30 | 74% |
| 2 | Survey, Review the Designs, Redesign where necessary and build new sewerage network of about 88 KM Length including Survey, Design, Construction of 01 No. of Pumping Station and All Appurtenant Structures, And Operation & Maintenance of Sewerage Network And Pumping Station For a Period of 15 Years at Pahari (Zone-IVA-(S)) in Patna, State of Bihar, India | Patna, State of Bihar, India | Bihar Urban Insfrastructure Development Coprporation Ltd. Saidpur STP (Milla Tanki), Patna-800004 | 2,294.00 | 29.11.21 | 28.01.36 | 28.01.36 | 74% |
| 3 | Design and build Sewage Treatment plant of capacity 60 Mld including MAIN PUMPING STATION (83 MLD) and all appurtenant structure and allied works; (ii) survey , review the designs, redesign where necessary, and build new underground sewage network of about 55km length including survey, design and all appurtenant structure and allied works and (iii) operation & maintenance of the complete works of Sewage Treatment Plant and Sewerage Network at Saidpur in patna, state of Bihar, India | Saidpur in patna, state of Bihar, India | Bihar Urban Insfrastructure Development Coprporation Ltd. Saidpur STP (Maila Tanki), Patna-800004 | 4,584.00 | 01.04.21 | 30.03.31 | 30.03.31 | 40% |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **4** | Sewerage treatment plant of installed capacity 4.0 mld and all appurtenant structures and allied works: (ii) Survey, review the designs, redesign where necessary, a nd build new underground sewerage network of about 21.03 km length including survey, design construction of 3 (three) nos. Pumping station and all appurtenant structures and allied works and (iii) operation & maintenance of the complete works of sewerage treatment plant, sewerage network and pumping statins in Narora town, Distt. Bulandshahar, State of Uttar Pradesh India. | Narora town, Distt. Bulandshahar, State of Uttar Pradesh India. | Project Manager Yamuna Pollution Control Unit -Ist, U.P. Jal Nigam Ghaziabad, Sec-1, Raj Nagar Ghaziabad (U.P.)-201001 | 646.00 | 02.03.20 | 01.03.30 | 01.03.30 | 51% |
| **5** | Designed, Build and commissioned CETP, IIE, SIIDCUL-Haridwar (Uttarakhand) and Providing services more than 500 occupants of Integrated Industrial Estate Haridwar The Plant is in successful Operation and Maintenance | Haridwar Uttarakhand India | State Infrastructure & Industrial Development Corporation of Uttarakand Ltd. 29, IIE, Sahastradhara Road (IT Park) Dehradun | 1,080.00 | 2005 | 2035 | 2035 | 100% |
| **Total** | | | | **9,928.00** | | | | |

**Common Effluent Treatment Plant at Sidcul, Haridwar**

EMS Limited owns a Common Effluent Treatment Plant (CETP) of 4.5 MLD capacity (expandable upto 9 MLD) in SIDCUL, Haridwar on Build, Operate, Own and Transfer (BOOT) model under Public Private Partnership with State Industrial Development Corporation of Uttarakhand Limited. Under this project, the industrial units located in the SIDCUL, Haridwar discharge their industrial waste into the metered collection network laid by the company which then is treated at the CETP and discharged after proper treatment and filtration. The industrial units are charged as per volume of the effluent released by them. The concession period of the CETP is till the year 2035.

**Clients**

EMS has implemented projects for a national network of clients, ranging from state and central governments to national companies across India. Below is a partial list of clients that EMS has worked on various projects.

| |
|---|
| Uttar Pradesh Jal Nigam (UPJN) |
| Construction and Design Services (C&DS) |
| Uttarakhand Peyjal Nigam (UPN) |
| Uttarakhand Urban Sector Development Agency (UUSDA) |
| State Infrastructure and Industrial Development Corporation of Uttarakhand Ltd. (SIIDCUL) |
| Military Engineering Services (MES) |
| Pashchimanchal Vidyut Vitaran Nigam Ltd. (PVVNL) |
| Uttar Pradesh Rajkiya Nirman Nigam Ltd. (UPRNN) |
| Ghaziabad Development Authority (GDA) |
| Agra Development Authority (ADA) |
| New Okhla Industrial Development Authority (NOIDA) |

| |
|---|
| Greater Noida Industrial Development Authority (GNIDA) |
| Madhyaanchal Vidyut Vitaran Nigam Ltd. (MVVNL) |
| Bihar Urban Infrastructure Development Corporation Ltd. (BUIDCO) |
| Poorvanchal Vidyut Vitaran Nigam Ltd. (PuVVNL) |
| Rajasthan Urban Infrastructure Development Program (RUIDP) |
| Indore Municipal Council |
| Hindustan Steelworks Construction Ltd. (HSCL) |
| Central Public Works Department (CPWD) |
| Indian Railway Construction Limited (IRCON) |
| Bangalore Water Supply and Sewerage Board (BWSSB) |
| Uttar Pradesh State Industrial Development Corporation (UPSIDC) |

**List of Key Executed Works since incorporation of the Company, which also includes work executed for above mentioned clients.**

In the past, Company has executed 67 projected including 50 projects under the name EMS Limited & 17 projects executed by the proprietorship which businesses was taken over by the Company on June 2012.

| Sr. No. | Name of the Project | Project Value | Date of Start | Date of Completion | Tenure of the Project | State | Client Name |
|---|---|---|---|---|---|---|---|
| 1 | Survey, Soil Testing, Design, Supply, Construction, Installation, Testing, Commissioning & Trial Run of RCC Conduit Channel from River Intake to Raw Water Pump House, Raw Water Intake Cum Pump House, Raw Water Rising Main From Intake to W.T.P (80 MLD Capacity), C.P. Tank 850 Kl Capacity, Main Clear Water Reservoir 7000 Kl Capacity & Related Work, Clear Water Feeder Main, Clear Water Reservoir Cum Pump House (17nos.) Of Different Capacity Including Panel Room, Over Head Tank of Different Capacity, Laying and Jointing of Rising Mains (C.W.R. To O.H.T.) Boundary Wall With Gate And Drainage System, Approach Road, Rain Water Harvesting, Pumping Plants & Related Work, Electric Sub Station, Lighting Works, Automation & Scada System Including Supply Of all Materials, Labour and T&P etc all complete works. | 106.08 Crores | 02.07.2018 | 31.03.2023 | 5 Years | Unnao, Uttar Pradesh | Uttar Pradesh Jal Nigam (UPJN) |
| 2 | Bulandshahr Sewerage Project Package -2 Under AMRIT Program | 148.64 Crore | 08.02.2018 | 07.08.2021 | 3.5 Year | Bulandshahar Uttar Pradesh | Uttar Pradesh Jal Nigam (UPJN) |
| 3 | Ghaziabad Sewerage Project Package -1 under AMRIT Program at Ghaziabad area | 88.75 Crore | 17.11.2018 | 28.02.2023 | 4 Year | Ghaziabad Uttar Pradesh | Uttar Pradesh Jal Nigam (UPJN) |
| 4 | Supply, Laying, Jointing, Testing, & Commissioning of PCCP Pipe of 1500 mm dia in Ganga Barga to Bheroghat Pumping Station | 7.57 Crore | 10.12.2018 | 09.06.2021 | 2.5 Year | Kanpur Uttar Pradesh | Uttar Pradesh Jal Nigam (UPJN) |
| 5 | Sewerage Project in Moradabad Mahanagar under Namami Gange/NGRBA Program laying of 150 mm dia to 1200 mm dia sewer line with Trenchless method | 31.46 Crore | 07.12.2018 | 06.10.2021 | 3 year | Mordabad Uttar Pradesh | Uttar Pradesh Jal Nigam (UPJN) |
| 6 | Survey, Review the Designs, Redesign where necessary and build new sewerage network of about 88 KM Length including Survey, Design, Construction of 01 No. of Pumping Station and All Appurtenant Structures, And Operation & Maintenance of Sewerage Network And Pumping Station For a Period of 15 Years at Pahari (Zone-IVA-(S)) in Patna, State of Bihar, India | 230 Crore | 30.05.2018 | 31.10.2021 | 3 year | Patna, Bihar | Bihar Urban Infrastructure Development Corporation Ltd. (BUIDCO) |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **7** | Design and build Sewage Treatment plant of capacity 60 Mld including MAIN PUMPING STATION (83 MLD) and all appurtenant structure and allied works; (ii) survey, review the designs, redesign where necessary, and build new underground sewage network of about 55km length including survey, design and all appurtenant structure and allied works and (iii) operation & maintenance of the complete works of Sewage Treatment Plant and Sewerage Network at Saidpur in patna, state of Bihar, India | 167.85 Crore | 06.04.2017 | 30.03.2021 | 4 year | Saidpur Bihar | Bihar Urban Infrastructure Development Corporation Ltd. (BUIDCO) |
| **8** | Servey Investgation Soil testing design, supply construction, instollation commisiong & testing of sewerage works in sewerage District-F Phase-I in Allahabad City | 31.27 Crore | 21.05.2018 | 30.04.2021 | 3 Year | Allahabad Uttar Pradesh | Uttar Pradesh Jal Nigam (UPJN) |
| **9** | Servey Investgation Soil testing design, supply construction, instollation commisiong & testing of sewerage works in sewerage District-F Phase-II in Allahabad City | 32.72 Crore | 21.05.2018 | 30.01.2021 | 3 Year | Allahabad Uttar Pradesh | Uttar Pradesh Jal Nigam (UPJN) |
| **10** | Survey, review the designs, redesign where necessary and build new sewerage network of about 215 km length including survey, design, construction of 2 nos. pumping stations and all appurtenant structures, and operation & maintenance of sewerage network and pumping stations for a period of 10 years in sewerage district-B of Allahabad, State of Uttar Pradesh, India | 276.64 Crore | 25.06.2016 | 31.12.2020 | 4.5 year | Allahabad Uttar Pradesh | Uttar Pradesh Jal Nigam (UPJN) |
| **11** | Construction, Erection , Testing including required survey & Design Work, Commissioning, Start-up, Operation & Maintenance including monitoring & Performance Run of 24 MLD Sewage Treatment Plant, Main Sewage Pumping Station, Intermediate Pumping Station Zone-3, sewerage Network of Zone-3 and trunk main with appurtenant works under trail run concept including of 5 year O&M and handing over to Nagar Palika Parishad at Etah City Etah | 92.16 Crore | 22.01.2018 | 31.07.2021 | 3.5 year | Etah Uttar Pradesh | Uttar Pradesh Jal Nigam (UPJN) |
| **12** | Construction of RCC OHT Pump House Cum Choloronome, Boundry Wall etc, Supply, Laying, Jointing of Rising Main and Distribution System including House Connection and construction of Tube Well, Supply and Installation of Pumping plant | 22.86 Crore | 11.12.2018 | 10.12.2020 | 2 Year | Saharanpur Uttar Pradesh | Uttar Pradesh Jal Nigam (UPJN) |
| **13** | Construction of33/11 KV New S/S, 33KV Line & 1lKV Line on turnkey basis in Phoolpur Parliamentary Constituency of Purvanchal Vidyut Vihan Nigam Ltd. Varanasi. | 14.05 Crore | 21.04.2018 | 20.04.2020 | 2 year | Phoolpur Allahabad U.P. | Poorvanchal Vidyut Vitaran Nigam Ltd. (PuVVNL) |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **14** | Construction of House Connecting Chambers & making house sewer connections with existing lines in ward No. 10-Civil Lines area-1, 45 – Civil Lines area-II and 32-Ganga Nagar (Package-5) of Sewerage District-D in Allahabad Under Amrut Scheme. | 12.92 | 15.03.2017 | 31.03.2019 | 2 year | Allahabad Uttar Pradesh | Uttar Pradesh Jal Nigam (UPJN) |
| **15** | Survey, Review the Designs and Build new Sewerage Network of About 42 Km Length including All Appurtenant Structures in Sewerage District-E of Allahabad, U.P. | 43.56 Crore | 03.01.2017 | 31.03.2019 | 2 year | Allahabad Uttar Pradesh | Uttar Pradesh Jal Nigam (UPJN) |
| **16** | State Sector program saharanpur nagar nigam area interspection diversation phase-1 package -1 | 15.05 Crore | 02.01.2017 | 01.01.2018 | 1 year | Saharanpur Uttar Pradesh | Uttar Pradesh Jal Nigam (UPJN) |
| **17** | Electrical Work Under work of Rural Electrification work in under Gram Jyoti Yojna in MVVNL Lucknow | 77.64 Crore | 15.11.2016 | 14.11.2018 | 2 year | Lucknow Uttar Pradesh | Madhyaanchal Vidyut Vitaran Nigam Ltd. (MVVNL) |
| **18** | Procurement of works for Sewerage System for Un sewered Area of Kargi Zone in Dehradun Package no. WWM02D (RT) | 69.21 Crore | 23.01.2014 | 31.08.2017 | 3.5 year | Dehradun Uttarakhand | Uttarakhand Urban Sector Development Agency (UUSDA) |
| **19** | Procurement of works for Sewerage System for Sewered Area (sub-zone E1 & E2) of Kargi Zone in Dehradun, Package no. WWM03D (RT | 21.11 Crore | 23.01.2014 | 31.08.2017 | 3.5 year | Dehradun Uttarakhand | Uttarakhand Urban Sector Development Agency (UUSDA) |
| **20** | Construction of KLP Phase-I,of 1 STC at Jabalpur M.P. under MES Project | 20.15 Crore | 12.05.2015 | 11.06.2017 | 2 Year | Jabalpur M.P. | Military Engineering Services (MES) |
| **21** | Work of Construction of "A" Type School Building, 09 Units Staff Quarters Etc, for Kendriya Vidyalaya Hanumangarh (Rajasthan) | 12.19 Crore | 19.10.2016 | 18.10.2017 | 1 year | Hanumangarh Rajasthan | Rajasthan Urban Infrastructure Development Program (RUIDP) |
| **22** | Balance work of Population Research Centre Cum Department of Education building at Dr. Hari Singh Gour Central University Sagar (M.P.) | 3.26 Crore | 19.09.2016 | 31.03.2017 | 6 months | Sagar Madhay Pradesh | Military Engineering Services |
| **23** | 33 KV Substation and related 33 K.V. Line work in Turnkey basis in Kakor in Meerut District | 4.74 Crore | 10.04.2015 | 11.05.2016 | 1 year | Meerut Uttar Pradesh | Pashchimanchal Vidyut Vitaran Nigam Ltd |

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|---|---|---|---|---|---|---|---|
| **24** | 34 KV Substation and related 33 K.V. Line work in Turnkey basis in Sabaga in Meerut District | 4.24 Crore | 10.04.2015 | 17.05.2016 | 1 year | Meerut Uttar Pradesh | Pashchimanchal Vidyut Vitaran Nigam Ltd |
| **25** | 35 KV Substation and related 33 K.V. Line work in Turnkey basis in Udyog Puram inn Meerut District | 6.67 Crore | 13.08.2015 | 30.06.2016 | 1 year | Meerut Uttar Pradesh | Pashchimanchal Vidyut Vitaran Nigam Ltd |
| **26** | Design, Build, Operate and Transfer STP, Sewerage Network, Pumping Stations, all appurtenant structures and allied works in Narora town (design and build Sewage Treatment Plant of installed capacity 4.0 MLD STP and all appurtenant structures and allied works;(ii) Survey, Review the designs, redesign where necessary, and build new Underground Sewerage Network of about 21.03 km length including Survey, Design, Construction of 3 nos. Pumping Stations and all appurtenant structures and allied works. | 44.87 Crore | 06.05.2015 | 05.05.2016 | 1 Year | Narora Uttar Pradesh | Uttar Pradesh Jal Nigam (UPJN) |
| **27** | Confirmiatory survey, design construction testing and commissioing with one year defect liblility period of following works with all appurtenant works on Item Rate contract basis including supply of all material, labour t & p at zone M,C and L, Part of Dehradun Sewerage zone 60 KM sewer line of size of 150 mm dia to 1400 mm di DI K-7, S&S RCC Pipe NP3 & NP 4 ase requirments of works | 75.41 Crore | 12.06.2015 | 11.06.2016 | 1 Year | Dehradun Uttarakhand | Uttarakhand Urban Sector Development Agency (UUSDA) |
| **28** | Survey, investigation, soil testing, design, supplying, laying, jointing, testing & commissioning of sewer network consisting of 150-250 mm GRP Pipes & 300-1600 mm RCC NP3 Pipes of about 109 kms length in sewerage District-E of Allahabad city. | 125.04 Crore | 07.12.2011 | 30.06.2016 | 4.5 Year | Allahabad Uttar Pradesh | Uttar Pradesh Jal Nigam (UPJN) |
| **29** | Rural Electrification Works of G.B. Nagar District in Uttar Pradesh under Rajiv Gandhi Grameen Vidyutikaran Yojna (RGGVY)-12th Plan. | 27.60 Crore | 31.12.2014 | 30.12.2016 | 02 year | Noida G.B. Nagar | Greater Noida Industrial Development Authority (GNIDA) |
| **30** | House Connection Works in Dithori Mohal Under Package no-4, at Varanasi | 11.07 Crore | 02.01.2017 | 01.05.2018 | 1 Year | Varanasi Uttar Pradesh | Uttar Pradesh Jal Nigam (UPJN) |
| **31** | House Connection work in Padiya Varanasi under Packege no -7 | 12.26 Crore | 02.01.2017 | 01.05.2018 | 1 Year | Varanasi Uttar Pradesh | Uttar Pradesh Jal Nigam (UPJN) |
| **32** | House Connection in Sarsholi Varansi Under Package no-10 | 9.98 Crore | 02.01.2017 | 01.05.2018 | 1 Year | Varanasi Uttar Pradesh | Uttar Pradesh Jal Nigam (UPJN) |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **33** | Shamshabad Sewerage Project at Agra in state of Uttar Pradesh | 17.76 Crore | 27.02.2014 | 26.02.2015 | 1 Year | Agra Uttar Pradesh | Uttar Pradesh Jal Nigam (UPJN) |
| **34** | Provn of OTM accn for certain EME Unit at Lucknow under MES Project | 9.61 Crore | 04.12.2014 | 03.12.2016 | 2 Year | Lucknow Uttar Pradesh | Military Engineering Services (MES) |
| **35** | ID-P164: Ganga Action Plan Project (Varanasi) Sewerage work and Pumping Mains (Pakage-01) | 150.30 Crore | 09.01.2013 | 10.02.2019 | 6 year | Varanasi Uttar Pradesh | Uttar Pradesh Jal Nigam (UPJN) |
| **36** | Laying & Jointing 300 mm to 500 mm dia DI K7 rising mains & distribution network 150 mm to 250 mm dia HDPE pipe line works of about 82 Kms. Water Supply and Distribution Work U.P. Jal Nigam, Ghaziabad | 10.20 Crore | 18.11.2014 | 17.11.2015 | 1 Year | Ghaziabad Uttar Pradesh | Uttar Pradesh Jal Nigam (UPJN) |
| **37** | 33/11 K.V. (1x5 MVA) 1x5 MVA & 2x5 MVA Substation Sardhana & its 33 KV line Distt Meerut | 3.81 Crore | 03.10.2013 | 21.02.2015 | 1 year | Meerut Uttar Pradesh | Pashchimanchal Vidyut Vitaran Nigam Ltd. (PVVNL) |
| **38** | 33/11 K.V. (1x5 MVA) 1x5 MVA & 2x5 MVA Substation Mawana & its 33 KV line Distt Merut Substation | 3.13 Crore | 03.10.2013 | 06.12.2014 | 1 year | Meerut Uttar Pradesh | Pashchimanchal Vidyut Vitaran Nigam Ltd. (PVVNL) |
| **39** | 33/11 K.V. (1x5 MVA) 1x5 MVA & 2x5 MVA Substation Kharkhoda & its 33 KV line Distt Meerut | 2.82 Crore | 03.10.2013 | 02.12.2014 | 1 year | Meerut Uttar Pradesh | Pashchimanchal Vidyut Vitaran Nigam Ltd. (PVVNL) |
| **40** | 33/11 K.V. (1x5 MVA) 1x5 MVA & 2x5 MVA Substation Chandpur & its 33 KV line Distt Meerut | 5.70 Crore | 21.10.2013 | 08.12.2014 | 1 year | Meerut Uttar Pradesh | Pashchimanchal Vidyut Vitaran Nigam Ltd. (PVVNL) |
| **41** | Construction of Children School at Mathura | 11.75 Crore | 17.09.2012 | 22.07.2015 | 2 year | Mathura Uttar Pradesh | Military Engineering Services (MES) |
| **42** | Construction of Provision of OTM accommodation for Engineers Regiment | 8.48 Crore | 24.01.2012 | 12.08.2014 | 2.5 year | Mathura Uttar Pradesh | Military Engineering Services (MES) |
| **43** | Laying Of Trunk/ Lateral / Branch and sewage pumping station and its allied works in Zone 9,10,and 11, of Sewerage District-III, Part I, at Lucknow, Under J.N.N.U.R.M. Program on Turnkey Basis | 141 Crore | 04.05.2010 | 31.03.2014 | 4 Year | Lucknow Uttar Pradesh | Uttar Pradesh Jal Nigam (UPJN) |

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|---|---|---|---|---|---|---|---|
| **44** | Design, Supply of all materials, Labour, T&P for construction, Erection, Testing, Commissioning and Trial run of Sewerage Works along with Road Cutting and Reinstatement. No-02 & Contract No-103/G.M./2008-09 U.P. Jal Nigam Kanpur | 19.37 Crore | 06.10.2008 | 26.11.2012 | 4 Year | Kanpur Uttar Pradesh | Uttar Pradesh Jal Nigam (UPJN) |
| **45** | Design, Supply of all materials, Labour, T&P for construction, Erection, Testing, Commissioning and Trial run of Sewerage Works along with Road Cutting and Reinstatement Package No- 03 & Contract No- 94/G.M./2008-09 | 13.68 Crore | 06.10.2008 | 05.04.2010 | 1.5 year | Kanpur Uttar Pradesh | Uttar Pradesh Jal Nigam (UPJN) |
| **46** | Carting, Laying & Jointing of GRP Pipe of (1400mm dia to 1800 mm dia for feeder main) with its appurtenant JNNURM work in Kanpur City. U.P.Jal Nigam, Kanpur | 20.90 Crore | 25.08.2013 | 30.06.2015 | 2 year | Kanpur Uttar Pradesh | Uttar Pradesh Jal Nigam (UPJN) |
| **47** | 600 mm dia DI Pipe Line K-9, in Shahsjmahal Nai Eadgah area in District Aligarh | 4.71 Crore | 7.12.2010 | 06.06.2011 | 6 months | Aligarh Uttar Pradesh | Uttar Pradesh Jal Nigam (UPJN) |
| **48** | Construction of 36 MLD STP based on SBR Technology with including Building works of STP in Agra | 43.70 Crore | 30.03.2011 | 01.04.2014 | 3 Year | Agra Uttar Pradesh | Construction and Design Services (C&DS)& Uttar Pradesh Jal Nigam (UPJN) |
| **49** | Construction of Over Head Tank & Laying and Distribution of Drinking Water Line under Asara Drinking Water Scheme in District Bagpat | 1.45 Crore | 25.08.2010 | 24.08.2011 | 1 Year | Bhagapat Uttar Pradesh | Uttar Pradesh Jal Nigam (UPJN) |
| **50** | Laying of 150 mm to 200 mm dia Sewer line 21 K.M. in Agra | 5.54 Crore | 16.11.2009 | 17.01.2011 | 1 Year | Agra Uttar Pradesh | Uttar Pradesh Jal Nigam (UPJN) |
| **51** | Electrification work of 65 Nos Village with 11 KV & Construction &Installatiion of 10 KVA Transformer in JP Nagar Uttar Pradesh | 5.25 Crore | 21.02.2006 | 26.10.2009 | 3.5 Year | JP Nagar Uttar Pradesh | Pashchimanchal Vidyut Vitaran Nigam Ltd. (PVVNL) |
| **52** | Electrification work of 72 Nos Village with 11 KV & Construction of 110.53 K.M. Electrical Line in JP Nagar Uttar Pradesh | 6.87 Crore | 21.02.2006 | 30.06.2009 | 3 Year | JP Nagar Uttar Pradesh | Pashchimanchal Vidyut Vitaran Nigam Ltd. (PVVNL) |
| **53** | Sewerage work under JNNURM Scheme laying of upto 1600 mm dia RCC NP3 Pipes | 5.90 Crore | 26.01.2009 | 26.12.2009 | 1 Year | Kanpur Uttar Pradesh | Uttar Pradesh Jal Nigam (UPJN) |
| **54** | Construction of Under Ground Water Tank Phase-II, at NBRC Manesar. | 2.00 Crore | 15.12.2008 | 16.12.2009 | 1 Year | Manesar Gurgon | Uttar Pradesh Jal Nigam (UPJN) |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **55** | Under Project of JNNURM laying of 19 K.M. Sewerage Pipe line work in Agra City | 3.60 Crore | 12.05.2007 | 13.05.2009 | 2 Year | Agra Uttar Pradesh | Uttar Pradesh Jal Nigam (UPJN) |
| **56** | Providing & laying of Sewer Line along the Express Highway Noida Right Hand Side | 37.57 Lakh | 03.02.2003 | 25.09.2007 | 4.5 Year | Noida G.B. Nagar | Greater Noida Industrial Development Authority (GNIDA) |
| **57** | Laying of 600 mm dia RCC NP3 pipe Line for Domestic sewerage scheme at Kanpur U.P. | 15.05 Lakh | 16.11.2006 | 17.11.2007 | 2 Year | Kanpur Uttar Pradesh | Uttar Pradesh Jal Nigam (UPJN) |
| **58** | Construction of Vikash Bhawan Building in Surajpur District Gautam Budha Nagar | 3.00 Crore | 2004-05 | 2008-2009 | 5 Year | G.B. Nagar Noida | Greater Noida Industrial Development Authority (GNIDA) |
| **59** | Development work of Pratap Vihar X Project Pocket B, work under of Ghazibabad Development Athority | 83.59 Lakh | 19.12.2003 | 15.04.2005 | 1.5 Year | Ghaziabad Uttar Pradesh | Ghaziabad Development Authority (GDA) |
| **60** | Construction of Work Ground reservoir and provding laying of C.I. Line | 2.25 Lakhs | 12.02.2001 | 31.03.2005 | 4 Year | Noida G.B. Nagar | Greater Noida Industrial Development Authority (GNIDA) |
| **61** | Construction of 44 Vahini PAC Residential Building in Meerut | 3.02 Crore | 2003-2004 | 2007-2008 | 5 Year | Meerut Uttar Pradesh | Military Engineering Services (MES) |
| **62** | Construction of Calctrate Residential Building at District Bagpat | 4.52 Crore | 2003-2004 | 2007-2008 | 5 Year | Bhagapat Uttar Pradesh | Military Engineering Services (MES) |
| **63** | Construction of DRM Office Building for Agra Division, Land Scaping and Development Works Water Supply and Sewerage Disposal System. | 4.43 Crore | 02.02.2005 | 02.09.2006 | 1.5 Year | Agra Uttar Pradesh | Indian Railway Construction Limited (IRCON) |
| **64** | Construction of trade tax check post Kotwan including of Electrical & Road Works at Mathura | 0.45 Crore | 2002-2003 | 2003-2004 | 1 Year | Mathura Uttar Pradesh | Uttar Pradesh Jal Nigam (UPJN) |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **65** | Executed the Development Work of Sect- 105 & 108, in Noida. | 2.39 Crore | 30.11.2002 | 30.10.2003 | 1 Year | Noida G.B. Nagar | New Okhla Industrial Development Authority (NOIDA) |
| **66** | Construction of Under Ground Water at Noida, G.B. Nagar | 2.06 Crore | 2001-2002 | 2002-2003 | 1 Year | Noida G.B. Nagar | New Okhla Industrial Development Authority (NOIDA) |
| **67** | Laying of varius dia pipe line in Shastripuram Sewarage Scheme phase-I & II in Agra City | 2.67 Crore | 2002-2003 | 2003-2004 | 2 Year | Agra Uttar Pradesh | Uttar Pradesh Jal Nigam (UPJN) |

### Joint Ventures

We enter into joint ventures with other parties mainly for larger projects where we do not individually fulfil the technical and/or financial qualification requirements at the time of bidding for WWSPs and WSSPs. Our Company is a focused player in the construction of WWSPs and WSSPs. Certain projects require the contractor to construct drainage lines or undertake micro tunnelling which is specialized jobs. We therefore enter into joint ventures with third parties having these capabilities to jointly bid and execute projects requiring these technical and execution capabilities. Our joint venture agreements inter alia set-out the scope of work for each party that is required to be executed in a particular project and the profit/loss sharing ratio as may be agreed by the parties.

**Name of joint ventures:**

| Sr. No. | Name of Joint Ventures | Company's Share in the JV |
|---|---|---|
| 1 | EMS-TECP JV Private Limited | 73.99% |
| 2 | EMS Himal Hydro JV | 51.00% |
| 3 | Mirzapur Ghazipur STPS Private Limited | 60.00% |
| 4 | EMS Singh JV | 1.00% |

For further details, kindly refer chapter titled "Our Joint Ventures" on page no. 303.

### Human Resources

We are having strong HR department, as on July 31, 2023, we had 316 permanent employees, in addition to the contract labour engaged by us at our project sites. We undertake selective and need-based recruitment every year to maintain the size of our workforce, which may otherwise decline as a result of attrition and retirement of employees. Each of our projects has different manpower requirements. Based on the type of the project, the manpower is provided by our Human resource (HR) department. We appoint project manager for each of our projects for timely execution of the project. Most of the other workers are supervised by the project manager except for certain staff which is monitored by separate department's viz. quality control department and safety department.

The following table illustrates the department wise numbers of our employees as July 31, 2023.

| Department | Number of Employees |
|---|---|
| Management | 08 |
| Accounts & Finance | 25 |
| Secretarial | 01 |
| Human Resources and Administration | 01 |
| Engineers | 61 |
| Site Supervisors | 55 |
| Purchase & Marketing | 13 |
| IT | 18 |
| Support Staff | 32 |
| Miscellaneous Labours | 102 |
| **TOTAL** | **316** |

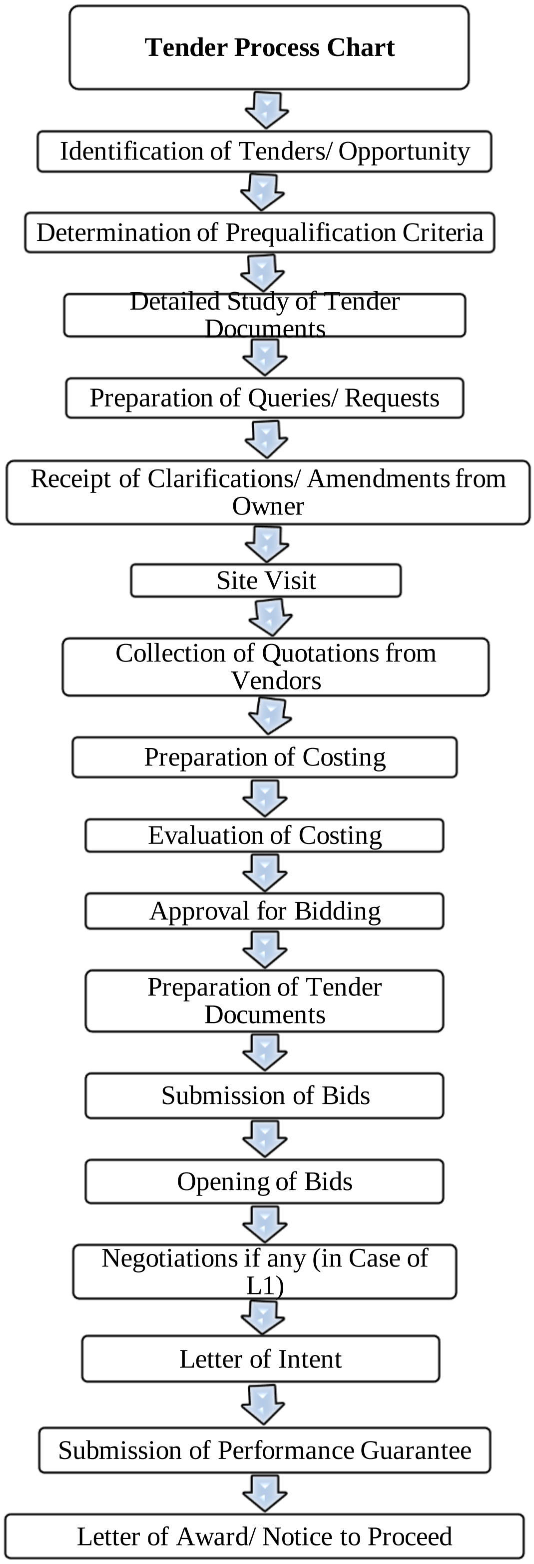
**Attrition rate:** As on July 31, 2023, we have 316 permanent employees, in addition to the contract labour engaged by the Company at the project sites and attrition rate approximately is 10% the last three years.

Further, as out projects are currently working in different areas, so when we complete the projects say after 3 years or 5 years as per terms of the projects, the local workers/labours of that particular site change the job. They cannot move with us for another project in different area, this is main reason for employee's attrition.

**Our Operations:**

**Project Cycle**

We set out below the flow chart explaining various steps involved in the life cycle of constructing and commissioning WWSPs and WSSPs:



## A. Pre-Bidding Stage:

We enter into contracts primarily through a competitive bidding process. Government authorities/bodies advertise potential projects on their websites and in national newspapers. Accordingly, our tender department does a regular review of national newspapers and relevant websites to identify projects that could be potentially viable for us. After such projects are identified, the tender department seeks approval of the management to determine if the identified projects should be pursued. These discussions are based on various factors which include the geographic location of the project and the degree of complexity in executing the project in such location, our current and projected workload, the likelihood of additional work, the project cost and profitability estimates and our competitive advantage relative to other likely bidders. Thereafter, we submit bids for the projects that have been identified.

Our Company has a dedicated tender department that is responsible for bidding and pre-qualifications. The tender department evaluates our Company's credentials in light of the stipulated eligibility criteria. While we endeavour to meet eligibility criteria for projects on our own, in the event we are unable to meet the criteria, we look to form project specific joint ventures with other qualified partners to strengthen our chances of pre-qualifying and winning the bid for the project. Notices inviting bids may either involve pre-qualification, or short listing of contractors, or a post qualification process. Pre-qualification applications generally require us to submit details about our organizational set-up, financial parameters (such as turnover, net worth and profit &loss history), employee information, machinery and equipment, portfolio of executed and ongoing projects and details in respect of litigations and arbitrations in which we are involved. In order to submit a financial bid, our Company conducts an in-depth study of the proposed project, which inter alia includes,

(i) selection of the project based on eligibility criteria and requirement of funds for the project; (ii) thorough study of the tender documents; (iii) site visit; (iv) preparation of queries encountered, either to clarify our understanding, and to correct the details in tender documents, which aid in the better understanding of the documents; (v) attending the pre-bid meeting as per time and schedule fixed in the tender documents; (vi) preparation of preliminary designs and drawings for the project; (vii) working out the costs of different units; (viii) seeking quotations of various mechanical, electrical and instrumentation and automation equipment vendors; and (ix) clubbing of entire costs to submit a competitive bid for the project.

In selecting contractors for major projects, government authorities/bodies generally limit the opening of technical bids only to the potential bidders who pre-qualify the technical and financial requirements of the bid document. However, price competitiveness still is a significant selection criterion. After we pre-qualify for a technical bid, the financial bids are opened.

### Types of Tender

### EPC Tender

EPC stands for Engineering, Procurement and Construction and is a prominent form of contracting agreement in the engineering contracting industry. The engineering and construction contractor carries out the detailed engineering design of the project, construction of different water retaining structures and buildings, procuring and supplying all the equipment and materials, installation, testing and commissioning of the project and O&M works. Entities that deliver EPC Projects are commonly referred to as EPC Contractors. The price of an EPC contract normally does not change, except where there is a change in scope.

Most of our EPC contracts are design and build contracts which provide for a single price for the total amount of work, subject to variations pursuant to changes in the client's project requirements. In design and build contracts, the client supplies conceptual information pertaining to the project and sets-out the project requirements and specifications. We are required to (i) design the proposed structure, (ii) estimate the quantities of various items that would be needed to complete the project based on the designs and drawings prepared by our design and engineering team, and (iii) prepare our own bill of quantities (“BOQ”) to arrive at the price to be quoted. We are responsible for the execution of all aspects of the project based on the above at our quoted price.

On successful bidding and award of any project, we are required to provide performance security aggregating which is in the range of 5% to 10% of the contract value by way of bank guarantees and retention money from running account bills. Thereafter, while executing the project, we are also require to avail insurance of works, materials and plants. for our projects. Post commissioning of the project, we are usually required to cure construction defects at our own risks and costs. We are usually responsible for curing the defects during the defect liability period which is usually for a period of 12-60 months after completion of work. Further, during the operation and maintenance period, a failure to repair or rectify defects or deficiency within the prescribed period entitles the government authority to reduce the monthly lump sum amounts payable for maintenance. We are usually required to indemnify the client and its members, officers and employees against all actions, proceedings, claims, liabilities, damages, losses and expenses due to failure or negligence on our part to perform our obligations under the EPC contract. We are also required to pay liquidated damages for delays in completion of project milestones, which are often specified as a fixed percentage of the contract price. Our clients are entitled to deduct the amount of damages from the payments due to us.

***EPC contracts executed under the above business models fall into the following two categories:***

i. Lumpsum Contracts: In this type of contract, the project is implemented for a fixed fee, irrespective of the changes in the bills of quantity (“BOQ”). Some of our EPC contracts provide a price adjustment formula for escalation if the prices of raw materials, equipment, labour and other inputs increase/decrease.

ii. Item Rate Contracts: In this type of contract, the bidding is on price per unit of each of the BOQ items. Therefore, whenever there are changes in BOQ, the contractor is paid based on the unit rate quoted.

***O&M contracts executed under the above business models fall into the following two categories:***

i. Fixed Price: In this type of contract, the services are billed at a fixed rate, irrespective of the changes in quality or quantity of water/wastewater treated.

ii. Variable Price: In this type of contract, the billed value is variable depending on the quantity or quality of the water/wastewater treated.

iii. Combination of both: Certain O&M contracts provide for both fixed and variable components like the chemicals required to be used during the operation and maintenance of the Project is chargeable on a variable basis whereas the other items like employees costs are on a fixed fee basis.

**Bids related to HAM projects**

Due to subdued private sector participation in the bidding process, the Government opted for advance version of the Hybrid Annuity Model (HAM) in FY2017. It came in the time when private players were highly leveraged and banks were cautious in increasing their lending exposure to private sector players as majority of the projects were getting delayed and stuck in execution. Major BOT project had proven to be bad choice as the main assumption for the returns was traffic was quite aggressive. But in case of HAM, it is a mix of BOT (Annuity) and EPC models. This model safeguards the interest of both the parties i.e., Government and private entity. During the construction period, the private entity is provided 40% grant of the bid project cost by the Government in five equal instalments depending on the physical progress of the project. The remaining 60% of the bid project cost is to be borne by private entity through debt and equity. The Government generates its revenue from the project by way of toll collection. This model has been very successful as the burden of financing of private players has reduced. In the first year of its implementation, Rs 28,000 crores of projects were awarded by the NHAI of which 50% of the projects were under HAM. HAM has not only brought back private participation but it has also safeguarded the banks as the fund disbursed to private players are backed by the Government annuity payments i.e. the traffic risk is taken care by Government itself.

The above information has been disclosed on page no. 225, we hereby confirm we will incorporate the brief regarding HAM Projects in Business Chapter also before filing of RHP/RHP.

**Number of such projects that the company operates its size:**

We have not executed any HAM Project in past but as on date we are executing 1 (one) HAM Project for Uttar Pradesh Jal Nigam, Varanasi. We have entered into a Joint venture with Ercole Marelli Impianti Tecnologici S.R.L., Italy ("EMIT").

**Further details are as under:**

| Name of the Project | Size of the Project | EMS Shares in JV | EMIT Shares in JV | Tenure of the Project |
|---|---|---|---|---|
| Namami Gange Programme | 29,251.00 Lakhs | 17550.60 Lakhs i.e. 60% of Project value | 11700.40 Lakhs i.e. 40% of Project value | April 10, 2022 to April 09, 2024 |

**B. Post-Award Stage:**

Once the government authority/bodies declare our Company as the lowest bidder, generally a work order is issued in favour of our Company to begin work on the project. For EPC based projects, our engineering and design department and consultants submit the working drawings and design calculations for approval with the government authority/bodies and its consultants. For projects that are mainly construction contracts, the tender department forwards all documents and other necessary details to the technical and execution team. The technical and execution team prepares the works plans and estimates of materials, equipment and manpower to be deployed at the project site and forward them further to the procurement department. The procurement department proceeds to procure the material, manpower and equipment for the project from both internal and external sources as per the schedule of the project.

We begin the project by mobilizing manpower and equipment resources and the setting up of site offices, stores and other ancillary facilities. A detailed schedule of construction activities is prepared to ensure optimum project management at every stage of the project. Additionally, the senior management of our Company follow a hands-on approach with respect to project execution. Joint survey with the government authority/bodies representatives are taken on a periodic basis and interim and final invoices are prepared and issued on the basis of completed works as per the milestones agreed in the award. These invoices are sent to the government authority/bodies along with various certifications for release of payments. The billing department is also responsible for certifying the bills prepared by our vendors and sub-contractors for further processing.

**C. Completion**

Upon completion of construction of a project, trials of individual equipment are carried out. Once the trials are completed, the commissioning of the plant is initiated, which involves development of bacterial culture in the biological system of the plant. The performance of individual treatment processes is monitored to check the efficiency of the treatment at each point. The stabilization of plant takes around two months after which the performance guarantee test of the plant is conducted as per the terms of the contract. On the successful completion of the performance guarantee test, the plant is declared commissioned by issue of commercial operation date by the government authority/bodies. Depending on the scope of work for a project, operation and maintenance is required to be carried out by us upon completion of construction. The retention money, which is typically five percent (5%) of the contract value, is returned by the government authority/bodies upon completion of the defect liability period.

**Design and Engineering**

We have an in-house team for designing and engineering for the projects we undertake. Government authority/bodies typically provide the scope of the project and specifications, based on which, we are required to provide structural/architectural designs and detailed project plans, for the approval of the government authority/bodies.

At the pre-bid stage, our design and engineering team undertakes detailed study of the tender issued by the concerned authority or client and prepares certain design options for the clients. Along with the particular design options, BOQ (Bill of Quantity) for all possible design options is prepared. The General Arrangement Drawing (GAD) and the BOQ is submitted to the tender department for further work. Post award of the contract, the design and engineering team further prepares the multi-dimensional and structural drawings along with detailed design calculations for submission to the government authority/bodies for approval. The government authority/bodies appoint a PMC for review of designs and technical support during the construction phase of the project, along with an engineering college from where the designs are vetted prior to the issue of approvals. Post approval, the design and engineering team educates the execution team on the drawings and various calculations. Prototypes are at times prepared for final approval and also to ensure the smooth functioning of the proposed designs of a particular project.

Once the designs are approved, the civil construction of various water retaining structures and buildings is commenced, vendors are selected and quotations are procured from them for the delivery of certain equipment like screens, gates, pumps, blowers, diffusers, decanters, clarifiers, thickeners, sludge dewatering equipment, chlorination equipment, DG, transformer, electrical panel, PLC panel etc. required for the project. The material and equipment quality is checked by our quality engineer during the fabrication process by our vendors. After the final approval from the project manager, the fabricated materials and equipment are transported to the respective site.

Upon receipt of the award, we begin mobilizing manpower and equipment resources and the setting up of site offices, stores and other ancillary facilities. Construction activity typically commences once the government authority/bodies approve working designs and issues drawings. Our planning and monitoring team immediately identifies and works with the procurement department to procure the key construction materials and equipment as per our designs. Based on the contract documents, a detailed schedule of construction activities is prepared. Additionally, the senior management of our Company follow a hands-on approach with respect to the project execution.

Raw materials comprise a significant portion of the total project cost. Consequently, success in any project would depend on the adequate supply of requisite raw materials during the tenure of the contract. We have a separate department, which is responsible for procurement and logistics to ensure timely availability of raw materials at each of our project sites.

The ability to cost-effectively procurement of material, services and equipment, and meeting quality specifications for our projects is essential for the successful execution of such projects. We continually evaluate our existing vendors and also attempt to develop additional sources of supply for most of the materials, services and equipment needed for our projects. Further, we selectively sub-contract certain ancillary functions, such as pipelines, certain specialized civil works like piling, jack pushing, micro tunnelling. We at times sub-contract the installation of smaller capacity plants at certain locations where we don’t have any significant presence at present.

We also own specialized construction equipment such as batching plants, concrete pumps, excavators, self-designed shuttering material, shuttering material from the renowned suppliers.

**Procurement**

Our central procurement team handles the procurement of major raw materials and engineering requirements like cement, steel, construction chemicals, pumps, blowers, diffusers, screens, chlorination/ UV, sludge dewatering equipment, chemicals for water/sewage/effluent treatment and such other materials. Our procurement is centrally handled from our office at Corporate Office, Ghaziabad and we have procurement managers who understand and oversee the local material requirement and report the same to the central office, thereby ensuring a personalized understanding of material requirement on a project to project basis.

We procure these materials from local vendors available at different project sites.

We have not entered into any long-term supply contracts with suppliers for major materials like steel, iron, cement, electrical and mechanical items, machineries and pumps etc., but we do undertake bulk buying of these materials as it maintains vendor relationship and ensures timely availability and delivery of these raw materials.

The Cost of revenue of operations contribution is approximately Rs. 40,941.82 Lakhs, Rs. 24,447.41 Lakhs & Rs. 20,821.59 Lakhs which is 76.08%, 67.93% & 62.96% respectively of our revenue from operations for the fiscals 2023, 2022 and 2021 respectively on a restated basis.

**Project Monitoring**

Our planning and monitoring team are responsible for ensuring that we execute the project in a systematic and cost-effective manner by monitoring operational costs, administrative costs and finance costs at every stage of the project cycle and applying checks and controls to avoid any cost and time overruns.

Our engineering and management teams are responsible for preparing reports with respect to daily activities such as raw material consumption rate, requirement and procurement of raw materials. Our mechanical department is responsible for handling of machinery breakdowns and preparing idle status reports and captive production reports about machinery and equipment. Our planning and monitoring team prepare monthly reports by comparing the target program and the progress achieved program revision to cover slippages, if any, review status of project design and drawing, reconcile raw materials, prepare an action plan for bottlenecks and provide reports of physical site visits.

We also have a technology based project management system that helps us track the physical and financial progress of work vis-à-vis the project schedule. A project planning is done on the Microsoft Project software and based on the same requirement of resources, manpower requirements, construction machinery requirements are assessed and finalised. The project progress monitoring is further divided in monthly targets and further into weekly targets. All sites are required to send its daily progress report to head office, which includes all developments at site, including the progress of works done during the day, various materials consumed during the day, fresh material received at site. Based on this, a weekly compliance report and monthly progress report comes from the site. The weekly compliance report is analysed to assess the progress of project, the events which have led to spill overs, the actions taken to mitigate the spill overs. Static cameras are installed at the site entrance and 360-degree rotating cameras to have a real time view of entire site at any point of time sitting in the head office.

The billing department is responsible for preparing and dispatching periodic invoices to the client. Joint measurements with the government authority/bodies officials are taken on a periodic basis and interim invoices prepared on the basis of such measurements are sent to the client for certification and release of interim payments. The billing department is also responsible for certifying the bills prepared by our vendors and sub-contractors for particular projects and forwarding the same to our head office for further processing.

**Our Operations**

**1. Sewage treatment plants and Sewage Schemes**

The objective of the sewerage scheme is to aid the collection of the sewage or domestic wastewater from each household through pipelines, and intermediate pumping stations, to take it to a common facility which is called a Sewage Treatment Plant where this sewage water is treated upto the current stringent norms prescribed by the NGT or upto the standards to reuse this treated water in horticulture, refrigeration and processing industries.

**Sewerage Schemes –** The sewerage schemes in India are of two types. The first where the sewerage flowing into river(s) or any water body is diverted to an STP in certain cities where sewer lines have not been laid. The second one is in which the sewer line are already laid connecting to the STP before disposal into water body or its reuse. Since the flow through sewer lines is by gravity, utmost care is required to be taken to design the system to be hydraulically correct and at the same time the sewer system is designed in order to have self-cleaning velocities to prevent any choking in sewer lines. For sewerage scheme projects we begin with the survey of the entire area where sewer is to be laid, design of the sewerage system, design of STP, providing and laying of sewerage pipes, civil construction, supply, erection, testing and commissioning of STP, followed by operation and maintenance for the designated period as per the work order.

**2. Common Effluent Treatment Plants (CETPs)**

We provide specialized tailor-made solutions for recycling and reuse of contaminated wastewater produced by different industries. These solutions include:

Physico Chemical Treatment, Neutralization and primary sedimentation and grit removal, Biological anaerobic treatment and Tertiary treatment.

**3. Water Treatment Plants and Water Supply Schemes**

Our capabilities in this segment include:

i. Raw water pre-treatment which includes cascade aeration and pre-chlorination;
ii. Clarification which provides sedimentation time so that the solids get settles at the floor and clarified water flows through launders at the top of clarifiers;
iii. Filtration plants which include rapid sand gravity filters and pressure sand filters (for smaller plants);
iv. Disinfection, which is generally done through chlorination; and v. The other available technologies include UV treatment.

A water supply scheme is a complete scheme where water is drawn from a river or water body through an intake well. Pumps are installed in the intake well which pumps raw water from intake well to a Water Treatment Plant through DI pipelines which is called raw water rising main. This water is treated in a WTP as per process explained above and then is pumped through the Clear Water Rising Mains to the overhead reservoirs/ underground reservoirs. The distribution pipelines are laid to carry the water from these reservoirs to individual households. The housing connections are provided to individual consumers from these distribution lines. The distribution lines are laid in DI, HDPE or PVC. For WSSPs we firstly survey the entire area and consider where the intake WWTP is to be installed and where the elevated/ underground reservoirs are to be constructed, entire route of pipelines, complete design of all components, providing and laying of water pipes, civil construction, supply, erection testing and commissioning of the WWTP, elevated/ underground reservoirs, followed by operation and maintenance for the designated period as per the work order.

**4. Operations & Maintenance**

Bids for almost all turnkey projects in the field of WWSPs and WSSPs are being invited along with O&M for a period depends on the requirements of customers. O&M contracts generally include operations, maintenance and supply of consumables and spares providing continuous revenue. As on date of this RHP, we are operating and maintaining 13 projects. The O&M team at site consists of chemist, fitter, electrician, operators and supporting staff. Routine drills are conducted to take up the preventive maintenance of different equipment, as per recommendations of OEMs. In the event of a breakdown, the O&M team undertakes break down maintenance to ensure the use of the equipment. Major breakdowns are handled by the OEMs within the warranty period of the equipment wherein our responsibility is to ensure that the equipment is either repaired or replaced by the OEM on behalf of our clients.

Bids for almost all turnkey projects in the field of WWSPs and WSSPs are being invited along with O&M for a period depends on the requirements of customers. O&M contracts generally include operations, maintenance and supply of consumables and spares providing continuous revenue. We have completed 4 O & M in last 4 years, details are as under:

| Sr. No. | Name of the Project | Amounting of Projects/Revenue generated | Date of Start | Date of Completion | Tenure of the Project | State |
|---|---|---|---|---|---|---|
| 1 | Survey, Review the Designs, Redesign where necessary and build new sewerage network of about 88 KM Length including Survey, Design, Construction of 01 No. of Pumping Station and All Appurtenant Structures, And Operation & Maintenance of Sewerage Network And Pumping Station For a Period of 15 Years at Pahari (Zone-IVA-(S)) in Patna, State of Bihar, India | 22.94 Crores | 30.05.2018 | 31.10.2021 | 3 year | Patna, Bihar |
| 2 | Design and build Sewage Treatment plant of capacity 60 Mld including MAIN PUMPING STATION (83 MLD) and all appurtenant structure and allied works; (ii) survey, review the designs, redesign where necessary, and build new underground sewage network of about 55km length including survey, design and all appurtenant structure | 45.84 Crore | 06.04.2017 | 30.03.2021 | 4 year | Saidpur Bihar |

| | | | | | | |
|---|---|---|---|---|---|---|
| | and allied works and (iii) operation & maintenance of the complete works of Sewage Treatment Plant and Sewerage Network at Saidpur in patna, state of Bihar, India | | | | | |
| 3 | Survey, review the designs, redesign where necessary and build new sewerage network of about 215 km length including survey, design, construction of 2 nos. pumping stations and all appurtenant structures, and operation & maintenance of sewerage network and pumping stations for a period of 10 years in sewerage district-B of Allahabad, State of Uttar Pradesh, India | 13.24 Crore | 25.06.2016 | 31.12.2020 | 4.5 year | Allahabad Uttar Pradesh |
| 4 | Construction, Erection, Testing including required survey & Design Work, Commissioning, Start-up, Operation & Maintenance including monitoring & Performance Run of 24 MLD Sewage Treatment Plant, Main Sewage Pumping Station, Intermediate Pumping Station Zone-3, sewerage Network of Zone-3 and trunk main with appurtenant works under trail run concept including of 5 year O&M and handing over to Nagar Palika Parishad at Etah City Etah | 10.00 Crore | 22.01.2018 | 31.07.2021 | 3.5 year | Etah Uttar Pradesh |

Further, as on date of this RHP, we are also executing 5 O & M projects, kindly heading “Our O&M Orders Book” refer page no. 237.

## Utilities & Infrastructure Facilities

### *Water*

Water requirement for each of our project is fulfilled from the nearby local area and is generally arranged by the government authorities/bodies for which the water charges are deducted from the running bills issued by us.

### *Power*

Power requirement is sourced from the respective state grids. We arrange for a temporary power connection during construction of the plant.

## Quality Management

We endeavour to ensure that we maintain stringent quality standards at all stages of our project. Our aim is to reduce cost and cycle times through effective and efficient use of resources. We have a team of engineers and professionals responsible for ensuring quality standards. In executing the projects, we monitor and test all materials for conformity, track non-conformities and make rectifications to ensure client satisfaction.

## Health, Safety and Environment

We are committed to globally accepted best practices and compliance with applicable health, safety and environmental legislation and other requirements in our operations. In order to ensure effective implementation of our practices, we have implemented a safety, health and environment policy wherein we have committed to, inter alia, the maintenance of a safe workplace and providing the necessary training to employees at our workplace. We undertake induction training, emergency preparedness and job specific training of employees & contractors, in addition to the provision of protective equipment to ensure safety of equipment and manpower. We believe that we comply in all material respects with applicable occupational health and safety laws, regulations and other contractual requirements relevant to health and safety of employees at our project sites.

We are also committed to follow the safety code issued by different state bodies & central bodies such as:

i. Safety belt with rope should be provided to the workers.
ii. Gas masks with Oxygen Cylinder should be kept at site for use in emergency.
iii. Air-blowers should be used for flow of fresh air through the manholes.
iv. Presence of Oxygen should be verified by lowering a detector lamp into the manhole.
v. Before entry, presence of Toxic gases should be tested by inserting wet lead acetate paper which changes colour in the presence of such gases and gives indication of their presence.
vi. At least 5 to 6 manholes upstream and downstream should be kept open for at least 2 to 3 hours before any man is allowed to enter into the manhole for working inside.
vii. Entry for workers into the line shall not be allowed except under supervision of the JE or any other higher officer.
viii. The area should be barricaded or cordoned off by suitable means to avoid mishaps of any kind.
ix. Proper warning signs should be displayed for the safety of the public whenever cleaning works are undertaken during night or day.
x. No smoking or open flames shall be allowed near the blocked manhole being cleaned.
xi. The malba obtained on account of cleaning of blocked manholes and sewer lines should be immediately removed to avoid accidents on account of slippery nature of the malba.
xii. The workers engaged for cleaning the manholes/sewers should be properly trained before allowing to work in the manhole.
xiii. No paint containing lead or lead products shall be used except in the form of paste or readymade paint.

xiv. Mouth of pipe or sewer shall be properly capped with end caps or steel plates to avoid entry of soil/mud/water, before leaving the site at the end of days work and as for as possible no trench shall be left open at the end of days work or shall be left unguarded.

**Information Technology**

Our IT systems are vital to our business operations. We have a customised IT system of enterprise resource planning for our Company, which assists us in various business functions including project management, materials management, inventory management, procurement planning, quality management, plant maintenance, finance and controlling, environment health and safety, and human resources.

We use computer aided design and 3D tools for design. We also use Microsoft Project software for project management and implementation. Further, we have also implemented human resource management systems for smooth functioning of our human resource functions. We have implemented multiple reporting systems, visual controls at different sites which support the day to day functions at our various sites. We consistently make efforts to maintain and upgrade our systems to suit our business requirements and improving efficiency in our operations.

IPS Control Panels, Ghaziabad

**Competition**

Our competition depends on various factors, such as the type of project, total contract value, potential s, complexity, location of the project and risks relating to revenue generation. While service quality, technical ability, performance record, experience, health and safety records and the availability of skilled personnel are key factors in client decisions among competitors, price often is the deciding factor in most tender awards. We believe our main competitors are various small and mid-sized companies listed and unlisted company margins.

Key Indian participants in the water and wastewater treatment market which constitutes majority of our revenue are VA Tech Wabag, L & T (only water segment).

**Typical Terms of our Contracts:**

For certain project contracts, we are primarily responsible for the implementation of all design, engineering, procurement, construction, operation and maintenance, in compliance with the specifications and standards, and other terms and conditions of the contract, in a timely manner and to the satisfaction of our clients. In the event of our failures or delays, we may be required to pay liquidated damages as per the terms of the contract. Our contracts are usually for a fixed-sum turnkey basis and on an item rate basis and we bear the risk of any incorrect estimation of the amount of work, materials or time required for the job. Escalation clauses may exist in some cases to cover cost overruns. The typical clauses generally forming a part of our contracts include one on (i) Indemnities; (ii) Restrictions on sub-contracting; (iii) Performance Security and Defect Liability; (iv) Retention Money; (v) Liquidated Damages; (vi) Insurance; (vii) Events of Default; and (viii) Termination.

**Corporate Social Responsibility**

Our Company has adopted a CSR policy in compliance with the requirements of the Companies Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014. Our Company has contributed towards Corporate Social Responsibility during last three years financial years, details of which are as under:-

| S. No. | FY | Amount Spend | Remarks |
|---|---|---|---|
| 1. | 2020-21 | Rs. 14.00 Lakhs | Paid to Pacific Creative Society to help the poor people |
| | | Rs. 250.00 Lakhs | Paid to M/s Yashoda Foundations, Charitable Trust for its project to establish Multi speciality hospital at Shakti Khand-II, Indirapuram, Ghaziabad, UP in the name of Yashoda Medicity Centre |
| 2. | 2021-22 | Rs. 15.37 Lakhs | Paid to Gram Panchayat Kumrao Danpur to help the villagers |
| | | Rs. 1.00 Lakhs | Paid to Saraswati Vidya Mandir for the education of poor students |
| 3. | 2022-23 | Rs. 20.00 Lakhs | Paid to Cancer Charitable Trust, which is running cancer hospital, situated at NH-58, NH 34, Duhai, Ghaziabad, Uttar Pradesh 201206. |
| | | Rs. 360.00 Lakhs | Paid to BHMS course. Prathibha Samvardhan Nyas. |

**Intellectual Property Rights:**

| Sr. No. | Trademark | Status |
|---|---|---|
| **1.** | EMS | We are under the process of filing of application under Trademark Act, 1999.<br>Current Status: Accepted & Advertised. |

**Immovable Properties:**

As mentioned below, Company is not using any property on lease and there is no conflict between the lessor & lessee.

| Sr. No. | Particulars | Nature | Status |
|---|---|---|---|
| 1. | 701, DLF Tower A, Jasola, Delhi | Registered Office of the Company | Owned |
| 2. | C-88, Raj Nagar Distt. Centre, Raj Nagar, Ghaziabad-201002, Uttar Pradesh | Corporate Office of the Company | Rented |
| 3. | R-5/42, Raj Nagar, Ghaziabad | Under construction | Owned |
| 4. | Land at Merrut Road, Ghaziabad | As Investment | Owned |

**Insurance**

| Sr. No. | Description | Registration / Approval / Certificate Number | Issuing Authority | Date of Issue | Date of Expiry | Sum Insured (In Lakhs) | Sum Insured as a % of total revenue as on March 31, 2023 |
|---|---|---|---|---|---|---|---|
| 1. | Contractor's All Risks Insurance Policy | 2222204676893300000 | HDFC ERGO General Insurance Company Ltd | May 26, 2022 | December 29, 2023 | Rs. 21,715.87 | 40.35% |
| 2. | Contractor's All Risks Insurance Policy | 2222204539272200000 | HDFC ERGO General Insurance Company Ltd | February 28, 2022 | May 31, 2024 | Rs. 6,395.89 | 11.88% |
| 3. | Employees Compensation Insurance Policy | 3114205031640000000 | HDFC ERGO General Insurance Company Ltd | November 03, 2022 | November 02, 2023 | - | - |
| 4. | Standard Fire and Special Perils Insurance | 1001/102158915/00/000 | ICICI Lombard General Insurance Company Ltd. | May 05, 2015 | May 04, 2025 | Rs. 221.00 | 0.41% |
| 5. | Contractors All Risk Policy | | The Oriental Insurance Company Limited | November 18, 2021 | November 11, 2023 | Rs. 26,453.97 | 49.16% |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 6. | Erection All Risk Insurance | 2220205453337200000 | HDFC ERGO General Insurance Company Limited | March 16, 2023 | March 15, 2025 | Rs. 464.07 | 0.86% |
| 7. | Erection All Risk Insurance | 2220205454000700000 | HDFC ERGO General Insurance Company Limited | March 29, 2023 | March 28, 2025 | Rs. 14,167.05 | 26.32% |
| 8. | Erection All Risk Insurance | 2220205454005600000 | HDFC ERGO General Insurance Company Limited | March 23, 2023 | March 22, 2025 | Rs. 4,872.69 | 9.05% |
| 9. | Erection All Risk Insurance | 2220205458710600000 | HDFC ERGO General Insurance Company Limited | March 17, 2023 | March 16, 2025 | Rs. 4,505.27 | 8.37% |
| 10. | Erection All Risk Insurance | 2220205459828100000 | HDFC ERGO General Insurance Company Limited | May 02, 2023 | April 30, 2025 | Rs. 7,797.15 | 14.49% |
| 11. | Erection All Risk Insurance | 2220205374775000000 | HDFC ERGO General Insurance Company Limited | February 16, 2023 | February 15, 2024 | Rs. 2,082.81 | 3.87% |
| 12. | Contractor's All Risks Insurance | 2222205351513000000 | HDFC ERGO General Insurance Company Limited | February 23, 2023 | June 22, 2025 | Rs. 39,966.97 | 74.27% |
| 13. | Employees Compensation Insurance Policy | 3114205443069000000 | HDFC ERGO General Insurance Company Limited | May 19, 2023 | May 18, 2024 | - | - |
| 14. | Employees Compensation Insurance Policy | 3114205441928000000 | HDFC ERGO General Insurance | May 19, 2023 | November 18, 2023 | - | - |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | Company Limited | | | | |
| 15. | Employees Compensation Insurance Policy | 3114205443408000000 | HDFC ERGO General Insurance Company Limited | May 19, 2023 | November 18, 2023 | - | - |
| 16. | Employees Compensation Insurance Policy | 3114205441922100000 | HDFC ERGO General Insurance Company Limited | May 19, 2023 | May 18, 2024 | - | - |
| 17. | Employees Compensation Insurance Policy | 3114205368016700000 | HDFC ERGO General Insurance Company Limited | April 12, 2023 | April 11, 2024 | - | - |
| 18. | Employees Compensation Insurance Policy | 3114205443052600000 | HDFC ERGO General Insurance Company Limited | May 19, 2023 | May 18, 2024 | - | - |
| 19. | Employees Compensation Insurance Policy | 3114205444406600000 | HDFC ERGO General Insurance Company Limited | May 19, 2023 | May 18, 2024 | - | - |
| 20. | Employees Compensation Insurance Policy | 1304223271100047856 | Reliance General Insurance Company Limited | April 01, 2023 | March 31, 2024 | - | - |
| 21. | Employees Compensation Insurance Policy | 3114205441690100000 | HDFC ERGO General Insurance Company Limited | May19, 2023 | May 18, 2024 | - | - |
| 22. | Employees Compensation Insurance Policy | 3114205444405500000 | HDFC ERGO General Insurance Company Limited | May 19, 2023 | May 18, 2024 | - | - |

## KEY REGULATIONS AND POLICIES

*Given below is a summary of certain relevant laws and regulations applicable to the business and operations of our Company. The information detailed in this chapter has been obtained from publications available in the public domain. The description of the applicable regulations as given below has been set out in a manner to provide general information to the investors and is not exhaustive and shall not be treated as a substitute for professional legal advice. The statements below are based on the current provisions of applicable law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.*

*Under the provisions of various Central Government and State Government statutes and legislations, our Company is required to obtain, and periodically renew certain licenses or registrations and to seek statutory permissions to conduct our business and operations. For details, see "Government and Other Approvals" on page 452.*

*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.*

### Industry Specific Regulations

**The National Building Code, 2016**

The National Building Code of India, 2016 (NBC), a comprehensive building code prepared by the Bureau of Indian Standards, is a national instrument that provides guidelines for regulating building construction activities across the country. It serves as a Model Code to be adopted by all agencies involved in building construction works, public works departments, other government construction departments, local bodies or private construction agencies. The Code mainly contains administrative regulations, development control rules and general building requirements, fire safety requirements, stipulations regarding materials, structural design and construction (including safety, building and plumbing services; approach to sustainability; and asset and facility management).

**The Real Estate (Regulation and Development) Act, 2016**

The Act was notified by the Parliament on 25th March, 2016 and extends to the whole of India. It requires the appropriate government to establish the Real Estate Regulatory Authority responsible for regulation and promotion of a healthy, transparent, efficient and competitive real estate sector and to ensure that the sale of plots, apartments or buildings, as the case may be, or sale of real estate projects, is done in an efficient and transparent manner, meanwhile ensuring the protection of the interest of consumers in the real estate sector. It also stipulates the establishment of an adjudicating mechanism for speedy dispute redressal along with the establishment of the Appellate Tribunal to hear appeals from the decisions, directions or orders of the Real Estate Regulatory Authority and the adjudicating officer and for matters connected therewith or incidental thereto.

### Environment Laws

**The Environment (Protection) Act, 1986**

The Environment (Protection) Act, 1986 was enacted as a general legislation to safeguard the environment from all sources of pollution. The Act seeks to fulfil its objectives by enabling coordination of the activities of the various regulatory agencies concerned. The Act prohibits persons carrying on business, operation or process from discharging or emitting any environmental pollutant in excess of such standards as may be prescribed.

**The Environmental Impact Assessment Notification, 2006 (“EIA Notification”)**

The Environment Protection (EP) Rules specifies, inter alia, the standards for emission or discharge of environmental pollutants, prohibitions and restrictions on the location of industries as well as on the handling of hazardous substances in different areas. For contravention of any of the provisions of the Environmental Protection Act or the rules framed thereunder, the punishment includes either imprisonment or fine or both. Additionally, under the EIA Notification and its subsequent amendments, projects are required to mandatorily obtain environmental clearance from the concerned authorities depending on the potential impact on human health and resources.

**The Water (Prevention and Control of Pollution) Act, 1974**

The Water (Prevention and Control of Pollution) Act, 1974 [“Water Act”] aims to prevent and control water pollution as well as restore water quality by establishing and empowering the Central Pollution Control Board and the State Pollution Control Board. Under the Water Act, any person establishing any industry, operation or process, any treatment or disposal system, use of any new or altered outlet for the discharge of sewage or new discharge of sewage, must obtain the consent of the relevant State Pollution Control Board, who is empowered to establish standards and conditions that are required to be complied with.

**The Air (Prevention and Control of Pollution) Act, 1981**

The Air (Prevention and Control of Pollution) Act, 1981 [“Air Act”] aims at the prevention, control and abatement of air pollution. Pursuant to the provisions of the Air Act, any person, establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant State Pollution Control Board before establishing or operating such industrial plant. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the State Pollution Control Board.

**The Hazardous and Other Wastes (Management, Handling and Transboundary Movement) Rules, 2016**

Hazardous and Other Wastes (Management, Handling and Transboundary Movement) Rules, 2016 [“Hazardous Management Rules”] came into force from April 04, 2016, superseding the Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008. The Hazardous Management Rules were notified to ensure safe handling, generation, processing, treatment, package, storage, transportation, use reprocessing, collection, conversion, and offering for sale, destruction and disposal of hazardous waste. “Hazardous Waste” means any waste, which by reason of characteristics, such as physical, chemical, biological, reactive, toxic, flammable, explosive or corrosive, causes danger to health, or environment. It comprises the waste generated during the manufacturing processes of the commercial products such as industries involved in petroleum refining, production of pharmaceuticals, petroleum, paint, aluminium, electronic products etc.

**The Public Liability Insurance Act, 1991 (“PLI Act”) & the Public Liability Insurance Rules, 1991**

The PLI Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the government by way of a notification. Under the PLI Act, the owner or handler is also required to take out an insurance policy insuring against liability. The Rules made under the PLI Act mandate the employer to contribute towards the Environmental Relief Fund a sum equal to the premium paid on the insurance policies.

**Labour Laws**

Certain other laws and regulations that may be applicable to the operations of our Company include:

- The Contract Labour (Regulation and Abolition) Act, 1970

- The Employees’ Compensation Act, 1923
- The Employees’ Provident Funds and Miscellaneous Provisions Act, 1952
- The Employees’ State Insurance Act, 1948
- The Child Labour and Adolescent (Prohibition and Regulation) Act, 1986
- Maternity Benefit Act, 1961
- The Apprentices Act, 1961
- The Payment of Gratuity Act, 1972
- The Payment of Bonus Act, 1965
- The Minimum Wages Act, 1948
- Payment of Wages Act, 1936
- The Equal Remuneration Act, 1976
- The Trade Unions Act, 1926
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- The Unorganised Workers Social Security Act, 2008

**Code on Wages, 2019**

The Code on Wages, 2019 amalgamates, simplifies and rationalises the relevant provisions of the following four central labour enactments relating to wages, namely, (a) The Payment of Wages Act, 1936; (b) The Minimum Wages Act, 1948; (c) The Payment of Bonus Act, 1965; and (d) The Equal Remuneration Act, 1976. It is an Act to amend and consolidate the laws relating to wages and bonus and matters connected therewith or incidental thereto. The Code received the assent of the President of India on August 8, 2019 and is published in the official gazette. The Code applies to the covered employees and allows the Central Government to set a fixed floor wage taking into account minimum living standards of a worker. The Code will come into force on the date to be notified by the Government.

**The Occupational Safety, Health and Working Conditions Code, 2020**

Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020 and was published in the official gazette. The Act consolidates and amends the laws regulating the occupational safety, health and working conditions of the persons employed in an establishment. The Code amalgamates, simplifies and rationalises the relevant provisions of the following thirteen Central labour enactments namely, 1. The Factories Act, 1948; 2. The Plantations Labour Act, 1951; 3. The Mines Act, 1952; 4. The Working Journalists and other Newspaper Employees (Conditions of Service and Miscellaneous Provisions) Act, 1955; 5. The Working Journalists (Fixation of Rates of Wages) Act, 1958; 6. The Motor Transport Workers Act, 1961; 7. The Beedi and Cigar Workers (Conditions of Employment) Act, 1966; 8. The Contract Labour (Regulation and Abolition) Act, 1970; 9. The Sales Promotion Employees (Condition of Service) Act, 1976; 10. The Inter-State Migrant workmen (Regulation of Employment and Conditions of Service) Act, 1979; 11. The Cine Workers and Cinema Theatre Workers Act, 1981; 12. The Dock Workers (Safety, Health and Welfare) Act, 1986; and 13. The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The Code extends to the whole of India and covers all employees. The Code will come into force on the date to be notified by the Government.

**The Code on Social Security, 2020**

The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020 and was published in the official gazette. The objective of the Code is to amend and consolidate the laws relating to social security, with the primary goal to extend social security to all employees and workers. The Code on Social Security, 2020, amalgamates, simplifies and rationalises the relevant provisions of the following nine(9) central labour enactments relating to social security, namely, (i) The Employees' Compensation Act, 1923; (ii) The Employees' State Insurance Act, 1948; (iii) The Employees' Provident Funds and Miscellaneous Provisions Act, 1952; (iv) The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959; (v) The Maternity Benefit Act, 1961; (vi) The Payment of Gratuity Act, 1972; (vii)The Cine Workers Welfare Fund Act, 1981; (viii) The Building and Other Construction Workers Welfare Cess Act, 1996; and (ix) The Unorganised Workers' Social Security Act, 2008. The Code will come into force on the date to be notified by the Government.

**The Industrial Relations Code, 2020**

The Industrial Relations Code, 2020 is an Act to consolidate and amend the laws relating to Trade Unions, conditions of employment in an industrial establishment or undertaking, investigation and settlement of industrial disputes. The Industrial Relation Code 2020 amalgamates, simplifies and rationalises the relevant provisions of (a) the Trade Unions Act, 1926; (b) the Industrial Employment (Standing Orders) Act, 1946; and (c) the Industrial Disputes Act, 1947. The Code will come into force on the date to be notified by the Government.

**Child and Adolescent Labour (Prohibition and Regulation) Act, 1986**

The Child Labour Prohibition and Regulation Act, 1986 prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes. The Act regulates the conditions of work of adolescents.

**The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 provides for protection against sexual harassment at the workplace to women and prevention and redressal of complaints of sexual harassment. The Act defines "Sexual Harassment" to include any unwelcome sexually determined behaviour (whether directly or by implication). "Workplace" under the Act has been defined widely to include government bodies, private and public sector organizations, non-governmental organizations, organizations carrying on commercial, vocational, educational, entertainment, industrial, financial activities, hospitals and nursing homes, educational institutes, sports institutions and stadiums used for training individuals. The Act requires an employer to set up an "Internal Complaints Committee" at each office or branch of an organization employing at least 10 employees. The Government in turn is required to set up a "Local Complaint Committee" at the district level to investigate complaints regarding sexual harassment from establishments where internal complaints committee has not been constituted.

**Intellectual Property Laws**

Intellectual Property in India enjoys protection under both common law and statute.

**The Trade Marks Act, 1999**

The Trade Marks Act, 1999 ("Trademarks Act") governs the statutory protection of trademarks and prevents the use of fraudulent marks in India. An application for registration of a trademark may be made by an individual or joint applicants and can be made on the basis of either use or intention to use a trademark in the future. Once granted, trademark registration is valid for ten years, unless cancelled. If not renewed after ten years, the mark lapses and the registration has to be restored. The Trademarks Act has been amended to enable Indian nationals as well as foreign nationals to secure simultaneous protection of trademark in other countries. The Trade Marks Act also seeks to simplify the law relating to transfer of ownership of trademarks by assignment or transmission and to align the law with international practice.

**The Copyright Act, 1957**

The Copyright Act ("Act") governs and deals with copyright protection in India. Under Act, a copyright may subsist in original literary, dramatic, musical or artistic works, cinematograph film and sound recordings. While copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, such copyright registration constitutes *prima facie* evidence of the particulars entered therein and may expedite infringement proceedings. Once the copyright has been registered, copyright protection of a work lasts for a period of sixty years from the demise of the author. Reproduction of a copyrighted work for sale or hire, issuing of copies to the public, performance or exhibition in public, making a translation of the copyrighted work, making an adaptation of the work and making a cinematograph film of the work without consent of the owner of the copyright are all acts which amount to an infringement of copyright.

**The Patents Act, 1970**

The Patents Act, 1970 ("Patents Act") governs the registration and protection of patents in India. In addition to broad requirement that an invention satisfy the requirements of novelty, utility and non-obviousness in order for it to avail patent protection, the Patents Act further provides that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy the above criteria. The Patents Act prohibits any person resident in India from applying for patent for an invention outside India without making an application for the invention in India. The term of a patent granted under the Patents Act is for a period of twenty years from the date of filing of the application for the patent.

**Regulations Related to Foreign Trade**

**Foreign Exchange Regulations**

Foreign investment in Indian securities is governed by the provisions of the Foreign Exchange Management Act, 1999, as amended ("FEMA") and the FDI policy of the Government of India. FEMA replaced the erstwhile Foreign Exchange Regulation Act, 1973. Foreign investment is permitted (except in the prohibited sectors) in Indian companies, either through the automatic route or the government approval route, depending upon the sector in which foreign investment is sought to be made. Therefore, the regulatory framework, over a period of time consists of acts, regulations, press notes, press releases, and clarifications among other amendments.

**Laws in relation 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, and 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; and
d) State-wise professional tax legislations.

**Income Tax Act, 1961**

The Income Tax Act, 1961 ("IT Act") is applicable to every domestic/ foreign company whose income is taxable under the provisions of the IT Act or the rules made under it, depending upon the status of its registration and the type of income involved. The IT Act provides for taxation of a person resident in India on their income and person not resident in India, on their income received, accruing or arising in India or deemed to have been received, accrued or arising in India. Every Company assessable to income tax under the IT Act is required to comply with the provisions thereof.

**Goods and Services Tax Act, 2017**

Goods and Services Tax Act, 2017 ("GST") is an indirect tax applicable throughout India which has replaced multiple cascading taxes levied by the Central and State Governments. The application of GST is governed primary by the Central Goods and Services Tax Act, 2017; the Integrated Goods and Services Tax Act, 2017. The Parliament has the exclusive power to levy integrated GST (IGST) on Inter-State trade or commerce (including imports)in goods or services. GST is governed by a GST Council, with its Chairman being the Finance Minister of India.

**General Laws**

**Companies Act, 2013**

The Companies Act, 2013, has been introduced to replace the existing Companies Act, 1956 in a phased manner. The Ministry of Corporate Affairs vide its notification dated September 12, 2013 has notified 98 sections of the Companies Act, 2013 and the same are applicable from the date of the aforesaid notification. Further 183 sections have been notified on March 26, 2014 and have become applicable from April 1, 2014. The Ministry of Corporate Affairs, has also issued rules complementary to the Companies Act, 2013 establishing the procedure to be followed by companies in order to comply with the substantive provisions of the Companies Act, 2013.

**Competition Act, 2002**

The Competition Act, 2002 aims to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect interest of the consumers and to ensure freedom of trade in India. The Competition Act deals with prohibition of anti-competitive agreements. No enterprise or group shall abuse its dominant position in various circumstances as mentioned under the Act. The Act establishes the Competition Commission of India ("Commission").

The prima facie duty of the Commission is to eliminate practices having adverse effect on competition, promote and sustain competition, protect interest of consumer and ensure freedom of trade.

**The Indian Contract Act, 1872**

The Indian Contract Act, 1872 occupies the most important place in Commercial Law. The objective of the Contract Act is to ensure that the rights and obligations arising out of a contract are honored and that legal remedies are made available to those who are affected due to violation of such rights and obligations.

**Indian Stamp Act, 1899**

The Indian Stamp Act, 1899 prescribes the rates for the stamping of documents and instruments by which any right or liability is, or purports to be, created, transferred, limited, extended, extinguished or recorded. Under the Indian Stamp Act, 1899, an instrument not 'duly stamped' cannot be accepted as evidence by civil court, an arbitrator or any other authority authorized to receive evidence.

**The Negotiable Instruments Act, 1881**

In India, the laws governing monetary instruments such as cheques are contained in the Negotiable Instruments Act, 1881 ("NI Act"). The NI Act provides effective legal provision to restrain persons from issuing cheques without having sufficient funds in their account and any stringent provision to punish them in the event of such cheque not being honoured by their bankers and returned unpaid. Section 138 of the NI Act, creates statutory offence in the matter of dishonour of cheques on the ground of insufficiency of funds in the account maintained by a person with the banker.

**The Registration Act, 1908**

The Registration Act, 1908 was introduced to provide for the public registration of documents so as to give information to people regarding legal rights and obligations arising or affecting a particular property, and to perpetuate documents which may afterwards be of legal importance, and also to prevent fraud.

**The Bureau of Indian Standards Act, 2016 and BIS Rules 2018**

The Bureau of Indian Standards Act, 2016 (the "BIS Act") establishes the Bureau of Indian Standards as the National Standards Body of India, with an aim to bring more services, products and processes under the mandatory standardized regime. The BIS Act seeks to bring about a compulsory certification for all products covered under its ambit, while also containing enabling provisions to implement mandatory hallmarking of precious metal articles. The BIS Act further strengthens penal provisions for better and effective compliance, while laying down provisions for compounding of offences for repeated or multiple violations. The BIS Act provides for the establishment of Bureau for the harmonious development of the activities of standardisation, marking and quality assurance of goods, articles, processes, system, services and for matters connected therewith or incidental thereto.

**Delhi Shops and Establishments Act, 1954 ("Shops and Establishments Act")**

Under the provisions of the Shops and Establishments Act, applicable in the state of Delhi, establishments are required to be registered. The Shops and Establishments Act regulates the working and employment conditions of the workers employed in shops and establishments and provide for fixation of working hours, rest intervals, leave, termination of service, and other rights and obligations of the employers and employees.

# HISTORY AND CERTAIN CORPORATE MATTERS

## BRIEF HISTORY OF OUR COMPANY

Our Company was originally incorporated as 'EMS Infracon Private Limited' a private limited company under the Companies Act, 1956 at Delhi, pursuant to a certificate of incorporation dated December 21, 2010 issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana. Thereafter on June 30, 2012, our Company took over the business of partnership firm, M/s Satish Kumar. Thereafter, name of our Company was changed from 'EMS Infracon Private Limited' to 'EMS Private Limited', pursuant to a special resolution passed by the shareholders of our Company on September 30, 2022 and a fresh certificate of incorporation consequent to change of name was issued by the Registrar of Companies, Delhi ("RoC") on October 26, 2022. Subsequently, our Company was converted from private to public company, pursuant to a special resolution passed by the shareholders of our Company on October 27, 2022 and a fresh certificate of incorporation consequent to change of name was issued by the Registrar of Companies, Delhi ("RoC") on November 25, 2022. For further details on the change in the name and the registered office of our Company, see "History and Certain Corporate Matters" beginning on page 272.

Our Company's Corporate Identity Number is U45205DL2010PLC211609.

Our Company has 07 Shareholders as on the date of filing of this Red Herring Prospectus. For further information, please see the chapter titled "Capital Structure" on page no. 108.

## CORPORATE PROFILE OF OUR COMPANY

For information on our Company's business profile, activities, services and managerial competence, please see "Our Management", "Our Business" and "Industry Overview" on page nos. 277, 213 and 144, respectively.

## CHANGES IN THE REGISTERED OFFICE OF THE COMPANY SINCE INCORPORATION

Except as provided below, there have been no changes in the registered office of our Company:

| Effective Date | Details of change in the address of the Registered Office | Reason for change |
|---|---|---|
| July 01, 2012 | The registered office of our Company was changed from B-46, East Jyoti Nagar Delhi, Delhi-110093, India to 701, DLF Tower A, Jasola, New Delhi-110025, India | For operational efficiency |

## MAIN OBJECTS OF OUR COMPANY

The main objects of our Company as set forth in the Memorandum of Association of our Company are as follows:

1. To carry on the business of real estate, builders, contractors, colonizers, centre, resorts, construction engineers, designers, Interior decorators, town and country planners, furnishers and commission agents. To undertake or direct the construction and the management of the property, building, land and estates (of any tenure and any kind) of any person, whether member of the company or not, in the capacity of stewards or receive or otherwise so as to serve the society and nation as a whole.

2. To carry on the business of construction of residential houses, commercial buildings, flats & and factory's sheds and buildings in or out side of India and to act as builders, colonizers and civil and constructional contractors.

3. To purchase, or in exchange, hire or sell any estates, lands, agricultural lands, buildings easements or such other interest in any immovable property and to develop and turn to account by laying out, plotting and preparing the same for building purposes, constructing building, furnishing, Fitting up and improving buildings and by paying, draining and building on lease.

4. To buy, exchange or an interest in any immovable property such as houses buildings and lands within or outside the limits of Municipal Corporation or such other local bodies and to provide roads, drains, water supply electricity and lights within these areas to divide the same into suitable plots and rent or sell the plots to the people for building, houses, bungalows and colonies for workmen according to schemes approved by improvement Trusts Development Boards and Municipal Boards thereon and to rent or sell the same to the public and realize cost in lump sum or on installments or by hire purchase system or otherwise to start any housing scheme in India or abroad.

5. To act as an agent for purchasing, selling and letting on hire, land, and houses whether multi storied, commercial and/or residential buildings on commission basis.

6. To construct, maintain, erect and lay out roads, sewers drains, electric lines, cables and gas lines, in over and under the Company's estate or the estate of any other Company or person or body-corporate.

**AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY IN LAST 10 YEARS**

The following changes have been made in the Memorandum of Association of our Company in last ten (10) years:

| Date of Meeting | Type of Meeting | Nature of Meeting |
|---|---|---|
| June 29, 2012 | Extraordinary General Meeting | **Alteration of the Capital Clause**<br>Clause V of the Memorandum of Association was amended to reflect the increase in the Authorized Share Capital of our Company from Rs.5,00,000 divided into 50,000 Equity Shares of Rs.10 each to Rs.5,00,00,000 divided into 50,00,000 Equity Shares of Rs.10 each. |
| March 20, 2013 | Extraordinary General Meeting | **Alteration of the Capital Clause**<br>Clause V of the Memorandum of Association was amended to reflect the increase in the Authorized Share Capital of our Company from Rs.5,00,00,000 divided into 50,00,000 Equity Shares of Rs.10 each to Rs.10,00,00,000 divided into 1,00,00,000 Equity Shares of Rs.10 each. |
| March 26, 2014 | Extraordinary General Meeting | **Alteration of the Capital Clause**<br>Clause V of the Memorandum of Association was amended to reflect the increase in the Authorized Share Capital of our Company from Rs. 10,00,00,000 divided into 1,00,00,000 Equity Shares of Rs.10 each to Rs.15,00,00,000 divided into 1,50,00,000 Equity Shares of Rs.10 each. |
| September 30, 2022 | Extraordinary General Meeting | **Change in Name of Company**<br>The name of our Company was changed from “EMS Infracon Private Limited” to “EMS Private Limited” pursuant to special resolution passed by the members. |
| October 27, 2022 | Extraordinary General Meeting | **Change in Status of the Company**<br>Clause I of the Memorandum of Association of the Company was amended upon conversion from Private Limited Company to Limited Company. |

| | | |
|---|---|---|
| December 31, 2022 | Extraordinary General Meeting | **Alteration of the Capital Clause**<br>Clause V of the Memorandum of Association was amended to reflect the increase in the Authorized Share Capital of our Company from Rs.15,00,00,000 divided into 1,50,00,000 Equity Shares of Rs.10 each to Rs.20,00,00,000 divided into 2,00,00,000 Equity Shares of Rs.10 each. |
| March 15, 2023 | Extraordinary General Meeting | **Alteration of the Capital Clause**<br>Clause V of the Memorandum of Association was amended to reflect the increase in the Authorized Share Capital of our Company from Rs.20,00,00,000 divided into 2,00,00,000 Equity Shares of Rs.10 each to Rs.60,00,00,000 divided into 6,00,00,000 Equity Shares of Rs.10 each. |

**MAJOR EVENTS IN THE HISTORY OF OUR COMPANY**

| Year | Major Events/ Milestone Achievement |
|---|---|
| 2012 | Acquisition of partnership firm namely "Satish Kumar". |
| 2012 | Achieved turnover More than Rs. 100 Crores |
| 2013 | Started Operations of BOOT CETP in SIDCUL, Haridwar |
| 2014 | Awarded Asian Development Bank Funded Sewerage Project in Dehradun |
| 2015 | Awarded World Bank Funded Project of Sewerage Scheme in Narora |
| 2016 | Awarded World Bank Funded Project of Sewerage Scheme in Allahabad |
| 2016 | Awarded Electrification Work of 4 Districts in Uttar Pradesh |
| 2017 | First Project in State of Bihar, Awarded World Bank Funded Project of Sewerage Scheme in Patna |
| 2018 | Achieved turnover in excess of Rs. 200 Crores |
| 2018 | Awarded Water Supply Scheme of Unnao and Shuklaganj In Uttar Pradesh |
| 2019 | Achieved turnover in excess of Rs. 300 Crores |
| 2020 | First Project in State of Rajasthan, Awarded Asian Development Bank Funded Project of Sewerage and Water Supply Scheme in Tonk |
| 2021 | Awarded Sewerage Scheme in Mirzapur and Ghazipur on Hybrid Annuity Model by Namami Gange |
| 2022 | Awarded Project for Zero Liquid Discharge CETP in Banthar, Unnao by Namami Gange |
| 2023 | Awarded CPWD Building Project for RBI Colony in Navi Mumbai |

*For the orders executed by our Company in past, kindly refer chapter titled "Our Business" beginning on page no. 241.*

**LOCK-OUT AND STRIKES**

There have been no instances of strikes or lock-outs at any time in our Company as on the date of this Red Herring Prospectus. For more details please see "Risk Factors" beginning on page no 32.

**SIGNIFICANT FINANCIAL OR STRATEGIC PARTNERSHIPS**

Our Company has not entered into any Significant Financial or Strategic Partnerships except as entered in its normal course of business. We have entered in Joint Venture for the projects. For more details please refer "Joint Ventures" beginning from page no. 303.

**TIME/COST OVERRUN IN SETTING UP PROJECTS**

There has been no material time and cost overrun in relation to the capital expenditure projects as on the date of this Red Herring Prospectus. For more details please refer Risk Factors – "Delays in the completion of construction of current and future projects could lead to termination of engineering, procurement and construction ("EPC") agreements or cost overruns, which could have an adverse effect on our cash flows, business, results of operations and financial condition." on page no. 78.

**LAUNCH OF KEY SERVICES, ENTRY INTO NEW GEOGRAPHIES OR EXIT FROM EXISTING MARKETS**

For details of key products or services launched by our Company, entry into new geographies or exit from existing markets, see "*Major Events / Milestone / Achievements*" on page no. 274.

**DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS/ BANKS**

There have not been any defaults or rescheduling of borrowings from financial institutions/banks by our Company.

**CHANGES IN THE ACTIVITIES OF OUR COMPANY DURING THE LAST FIVE YEARS**

There have been no changes in the activities of our Company since its date of incorporation which may have had a material adverse effect on the profits and loss account of our Company, including discontinuance of lines of business, loss of agencies or markets and similar factors.

**MATERIAL ACQUISITIONS OF BUSINESSES OR DIVESTMENT OF BUSINESS / UNDERTAKINGS, MERGERS, AMALGAMATION OR REVALUATION OF ASSETS, IF ANY IN LAST 10 YEARS**

There are no mergers, amalgamation, revaluation of assets etc. with respect to our Company in the last 10 (ten) years. Further we had not acquired / sold any businesses / undertakings in last 10 (ten) years from the date of this Red Herring Prospectus.

**OUR HOLDING COMPANY**

We do not have a holding company as on the date of this Red Herring Prospectus.

**OUR JOINT VENTURES**

As on the date of this Red Herring Prospectus, our Company has entered into few joint venture agreements pursuant to which, our Company has joint ventures ("Joint Ventures"). For more details please refer *"Our Joint Ventures"* beginning on page no. 303.

**OUR SUBSIDIARIES**

As on the date of this Red Herring Prospectus, our Company has some subsidiaries. For more details please refer *"Our Subsidiaries"* beginning on page no. 306

**AGREEMENTS WITH KEY MANAGERIAL PERSONNEL OR A DIRECTOR OR PROMOTERS OR ANY OTHER EMPLOYEE OF THE COMPANY**

Except as following, there are no agreements entered into by key managerial personnel or a Director or Promoters 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.

| Name of the Director | Date of Agreement | Remarks |
|---|---|---|
| Mr. Ramveer Singh | December 23, 2022 | Service Agreement between Chairman & Company. |
| Mr. Ashish Tomar | December 23, 2022 | Service Agreement between Managing Director & Company. |
| Ms. Kritika Tomar | December 23, 2022 | Service Agreement between Whole time Director & Company. |

**GUARANTEES GIVEN BY PROMOTERS**

As on the date of this Red Herring Prospectus, no guarantee has been issued by Promoters except as disclosed in the "*Financial Indebtedness*" on page no. 402.

**AGREEMENTS WITH STRATEGIC PARTNERS, JOINT VENTURE PARTNERS AND/OR FINANCIAL PARTNERS AND OTHER AGREEMENTS**

Our Company has not entered into any other subsisting material agreements including with strategic partners, joint venture partners, and/or financial partners other than in the ordinary course of business of our Company**.** For details on the joint ventures of our Company, please refer page no. 303.

**ARTICLE OF ASSOCIATION**

None of the "Article of Association" are contrary to the Securities Laws and Companies Act, 2013.

**SPECIAL RIGHTS**

None of the special rights available to the Promoters/Shareholders (except for nominee/nomination rights and information rights) would survive post listing of the Equity Shares of the Company and same shall cease to exit or shall expire/waived off immediately before or on the date shares are allotted to public shareholders in IPO, without requiring any further action.

**INTER-SE AGREEMENTS /ARRANGEMENTS**

There are no inter-se agreements / arrangements and clauses / covenants which are material and are adverse / pre-judicial to the interest of the minority / public shareholders entered into by the Company, Promoters and Shareholders with respect to the Company. Further, there are no other agreements, deed of assignments, acquisition agreements, shareholders' agreements, inter-se agreements, agreements of like nature entered into by the Company, Promoters and Shareholders with respect to the Company.

## OUR MANAGEMENT

### BOARD OF DIRECTORS

In terms of our Articles of Association, our Company is required to have not less than 3 directors and not more than 15 directors. As on the date of this Red Herring Prospectus we have 8 (Eight) Directors on our Board.

The following table sets forth details regarding our Board of Directors as on the date of this Red Herring Prospectus:

| # | Name, Father's/Husband`s Name, Designation, Address, Occupation, Nationality, Term and DIN | Date of Appointment / Change in Current Designation | Other Directorships |
|---|---|---|---|
| 1 | **Name:** Mr. Ramveer Singh<br>**Age:** 60 years<br>**Father's Name:** Late Shri Babu Ram<br>**Designation:** Chairman cum Executive Director<br>**Address:** R-14/120, Raj Nagar, Ghaziabad, Uttar Pradesh, India<br>**Term:** 5 years<br>**Nationality:** Indian<br>**Occupation:** Business<br>**DIN:** 02260129 | Originally appointed as Executive Director on December 21, 2010.<br>Further Re-designated as Chairman cum Executive Director for a term of 5-year w. e. f. December 23, 2022 | 1. Brijbihari Pulp and Paper Private Limited.<br>2. EMS Green Energy Private Limited<br>3. SK UEM Water Projects Private Limited<br>4. Canary Infrastructure Private Limited<br>5. Krishna Landcon Private Limited<br>6. Primatech Infrastructure Private Limited<br>7. Eminence Realtech Private Limited<br>8. EMS Infrastructure Private Limited<br>9. Trident Infracon Private Limited<br>10. EMS Infratech Private Limited<br>11. Pollux Realtech Private Limited<br>12. EMS Realtech Private Limited<br>13. EMS-TCP JV Private Limited<br>14. Sumit Construction Private Limited |
| 2 | **Name:** Mr. Ashish Tomar<br>**Age:** 34 years<br>**Father's Name:** Mr. Ramveer Singh<br>**Designation:** Managing Director<br>**Address:** R-14/120, Raj Nagar, Ghaziabad, Uttar Pradesh, India<br>**Term:** 5 Years<br>**Nationality:** Indian<br>**Occupation:** Business<br>**DIN:** 03170943 | Originally appointed as Executive Director w.e.f. December 21, 2010<br>Further Re-appointed as Managing Director for a term of 5-year w. e. f. December 23, 2022 | 1. EMS Green Energy Private Limited<br>2. SK UEM Water Projects Private Limited<br>3. Canary Infrastructure Private Limited<br>4. Krishna Landcon Private Limited<br>5. Primatech Infrastructure Private Limited<br>6. Eminence Realtech Private Limited<br>7. EMS Infrastructure Private Limited<br>8. Trident Infracon Private Limited<br>9. EMS Infratech Private Limited<br>10. Pollux Realtech Private Limited<br>11. EMS Realtech Private Limited<br>12. Summit Constructions Private Limited<br>13. EMS-TCP JV Private Limited |

| | | | |
|---|---|---|---|
| 3 | **Name:** Ms. Kritika Tomar<br>**Age:** 29 years<br>**Husband's Name:** Mr. Ashish Tomar<br>**Designation:** Whole-time Director<br>**Address:** R-14/120, Raj Nagar, Ghaziabad, Uttar Pradesh, India<br>**Term:** 5 Years<br>**Nationality:** Indian<br>**Occupation:** Business<br>**DIN:** 09777840 | Originally appointed as Executive Director w.e.f. October 17, 2022<br>Further Re-appointed as Whole Time Director for ~~a~~ term of 5-year w. e. f. December 31, 2022 | NIL |
| 4. | **Name:** Mr. Neeraj Srivastava<br>**Age:** 55 years<br>**Father's Name:** Mr. Prakash Chandra Srivastava<br>**Designation:** Executive Director<br>**Address:** H. No – S-485, Third Floor, GK – II, New Delhi - 110048, India<br>**Term:** Retire By Rotation<br>**Nationality:** Indian<br>**Occupation:** Business<br>**DIN:** 05309378 | Originally appointed as Executive Director w.e.f. June 15, 2021 | 1. Agro Next Ventures LLP<br>2. Neercare Agro Private Limited<br>3. Neercare India Private Limited<br>4. Ozone Media.Net Private Limited<br>5. Envirocare Engineering Services Private Limited<br>6. SK UEM Water Projects Private Limited<br>7. UEM Gayespur Project Private Limited<br>8. Desihandi Foods Private Limited<br>9. Legaltech Media Private Limited<br>10. Ozone Media.Comm Private Limited<br>11. Mirzapur Ghazipur Stps Private Limited |
| 5. | **Name:** Mr. Mukesh Kumar Garg<br>**Age:** 63 years<br>**Father's Name:** Late Shri Ved Prakash Garg.<br>**Designation:** Independent Director<br>**Address:** Flat No-2714, Eternia Tower, Mahagun Mezzaria, Sector-78, Noida, Gautam Buddha Nagar, Uttar Pradesh-201301, India<br>**Term:** 5 years<br>**Nationality:** Indian<br>**Occupation:** Business<br>**DIN:** 08936325 | Originally appointed as Independent Director w.e.f. March 10, 2023 | 1. Salasar Techno Engineering Limited<br>2. Hi-Tech Pipes Ltd |

| | | | |
|---|---|---|---|
| 6. | **Name:** Ms. Chetna<br>**Age:** 32 years<br>**Father's Name** Mr. Krishan<br>**Designation:** Independent Director<br>**Address:** House No-138, Village Rithala, New Delhi-110085, India<br>**Term:** 5 years<br>**Nationality:** Indian<br>**Occupation:** Professional<br>**DIN:** 08981045 | Originally appointed as Independent Director w.e.f. March 10, 2023 | 1. AKG Exim Limited<br>2. ANG Life Sciences India Limited<br>3. Esquire Money Guarantees Ltd<br>4. Best Agrolife Limited<br>5. Valecha Engineering Limited<br>6. Sah Polymers Limited<br>7. Plaza Wires Limited<br>8. Ansal Hi-Tech Townships Limited<br>9. RKB Towel Manufacturing Company Limited<br>10. Prosper Housing Finance Limited<br>11. 31 Dynamics Research Private Limited<br>12. Lotte Engineering and Construction India Private Limited |
| 7. | **Name:** Mr. Achal Kapoor<br>**Age:** 35 years<br>**Father's Name** Mr. Umesh Kapoor<br>**Designation:** Independent Director<br>**Address:** House No-126, New Ghandi Nagar, Ghaziabad-201001, Uttar Pradesh, India<br>**Term:** 5 years<br>**Nationality:** Indian<br>**Occupation:** Professional<br>**DIN:** 09150394 | Originally appointed as Independent Director w.e.f. March 10, 2023 | 1. Adishakti Loha and Ispat Limited<br>2. Kotia Enterprises Limited<br>3. Valecha Engineering Limited<br>4. Goyal Aluminiums Limited<br>5. Associated Electronics Research Foundation<br>6. Golden Biofuels Limited<br>7. RKB Towel Manufacturing Company Limited<br>8. Lemon Electronics Limited<br>9. Akiko Global Services Limited |
| 8. | **Name:** Ms. Swati Jain<br>**Age:** 31 years<br>**Father's Name** Mr. Prabhat Kumar Jain<br>**Designation:** Independent Director<br>**Address:** 3-A, 118/8, Nehru Nagar, Near Nasirpur Fhatak, Nehru Nagar Ghaziabad-201001, Uttar Pradesh, India<br>**Term:** 5 years<br>**Nationality:** Indian<br>**Occupation:** Professional<br>**DIN:** 09436199 | Originally appointed as Independent Director w.e.f. March 10, 2023 | 1. Adishakti Loha and Ispat Limited<br>2. Valecha Engineering Limited<br>3. Plaza Wires Limited<br>4. Golden Bio Energy Limited<br>5. Ispatika International Limited<br>6. Rajnish Wellness Limited<br>7. Goalpost Industries Limited |

## BRIEF BIOGRAPHIES OF OUR DIRECTORS

**Mr. Ramveer Singh,** aged 60 years is the founding Promoter and is currently designated as Chairman and Director of our Company. He was appointed as the First Director on the Board of our Company at the time of incorporation of our Company on December 21, 2010.

He is an Engineer by qualification. He has more than Thirty-five years of experience in civil, construction industry and business development. In past he has joined the partnership firm M/s Satish Kumar after taking VRS from Uttar Pradesh Jal Nigam in 2006 & later incorporated a private limited company in the year 2010, named EMS Infracon Private Limited. Under his leadership. in the year of 2012, the partnership firm M/s Satish Kumar has been taken over by the EMS Infracon Private Limited. He is looking after Projects biding, Marketing, overall management and financials areas of our Company. Under his experience our Company has successfully completed cost effective projects. His such vast & great experience has grown the company at very large level & made very reputed & believable image of the company.

**Mr. Ashish Tomar,** aged 34 years is the also founding Promoter and is currently designated as Managing Director of our Company. He was appointed as the First Director on the Board of our Company at the time of incorporation of our Company on December 21, 2010. He is a Civil Engineer. He is also having vast knowledge and experience in the field of projects like Sewerage work, Electricity Transmission & Distribution work. He is currently looking after Projects execution areas of our Company.

**Ms. Kritika Tomar,** aged 29 years and is currently designated as Whole Time Director of our Company. She is a postgraduate in MSc. Biotech from Mody University, Rajasthan. She is associated with the company from October 17, 2022 & looks after the administrative work of the company.

**Mr. Neeraj Srivastava,** aged 55 years and is currently designated as Executive Director of our Company. He is also an Engineer & is associated with the company since June 15, 2021. He is also having vast technical knowledge in respect of Engineering Management services. He is currently looking after technical part of projects of our Company.

**Mr. Mukesh Kumar Garg,** aged 64 years and is currently designated as Non-Executive Independent Director of our Company. He is a M.Tech from Indian Institute of Technology & also hold Post Graduate Diploma in International Marketing & Post Graduate Diploma in Financial Management from IGNOU. He joined Indian Railway as Indian Railway Services of Engineers (IRSE) Officer in July 1984 and retired from Railways on June 30, 2019 & worked on several posts over Northern and North Central Railway, involving Railway Construction projects as well as Railway tracks/building/bridges maintenance works. s Ex (IRSE officer), retired as Chief Administrative Officer (Const)/North Central Railway, Prayagraj on June 30, 2019. He is export in Tender evaluation, contract management, project planning & execution and Budgeting & financial controlling. Currently working as Consultant for Railway Track Construction/Design with ICT since March 28, 2022.

**Ms. Chetna,** aged 32 years and is currently designated as Non-Executive Independent Director of our Company. She is a young and dynamic professional with highly efficient management skills. She is a Qualified Associate member of the Institute of Company Secretaries of India (ICSI), a Post Graduate in Management in Finance (MBA-Finance) from IGNOU, a Law Graduate from Jaipur College of Law and a Graduate in Commerce (B.Com.) from Delhi University. She has more than 4 years of experience in the field of Corporate Laws, Securities Law, SEBI Compliances, Financial Management, Accounts and Taxation etc. in a Listed Companies, Public and Private Companies.

**Mr. Achal Kapoor,** aged 35 years and is currently designated as Non-Executive Independent Director of our Company. He is a young and dynamic professional with highly efficient management skills. He is a Qualified Associate member of the Institute of Company Secretaries of India (ICSI), a Post Graduate Diploma in Business Management in Finance from Symbiosis Centre for Distance Learning, a Law Graduate from Bhagwati College f

Law, CCS University (Meerut). He has more than 10 years of experience as on Legal Manager Level in the field of Corporate Laws, Securities Law, SEBI Compliances, Financial Management, Accounts and Taxation etc. in a Listed Companies, Public and Private Companies.

**Ms. Swati Jain,** aged 31 years and is currently designated as Non-Executive Independent Director of our Company. She is a young and dynamic professional with highly efficient management skills. She is a Qualified Associate member of the Institute of Company Secretaries of India (ICSI), a Master Graduate from CCS University (Meerut). She has more than 7 years of experience in the field of Corporate Laws, Securities Law, SEBI Compliances. Companies Act etc. in a Listed Companies, Public and Private Companies.

**RELATIONSHIP BETWEEN OUR DIRECTORS**

There is no relationship between Promoter of our Company with other Directors except as described below:

| Name of Director | Designation | Relation |
|---|---|---|
| Mr. Ramveer Singh | Chairman cum Executive Director | Father of our Promoter cum Managing Director – Mr. Ashish Tomar |
| Mr. Ashish Tomar | Managing Director | Son of our Promoter, Chairman cum Executive Director – Mr. Ramveer Singh |
| Ms. Kritika Tomar | Whole Time Director | Wife of our Promoter cum Managing Director – Mr. Ashish Tomar |

## CONFIRMATIONS

As on the date of this Red Herring Prospectus:

1. There are no arrangements or understanding with major shareholders, customers, suppliers or any other entity, pursuant to which any of the Directors were selected as a director or member of senior management.
2. The directors of our Company have not entered into any service contracts with our Company which provides for benefits upon termination of employment.
3. None of the Directors are categorized as a wilful defaulter or fraudulent borrower, as defined under Regulation 2(1)(lll) of SEBI ICDR Regulations.
4. None of our Directors have interest in any property acquired by our Company within two years of the date of this Red Herring Prospectus.
5. None of our Directors are or were directors of any listed Company whose shares have been/were suspended from trading by any of the stock exchange(s) during his/her tenure in that Company in the last five years or delisted from the stock exchange(s) during the term of their directorship in such companies.
6. None of our Directors have been 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.
7. None of the Promoter or Directors has been or is involved as a promoter or director of any other Company which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.

## REMUNERATION / COMPENSATION OF DIRECTORS

The compensation package payable to the Directors from F.Y. 2022-23 onwards as resolved in the Extra-Ordinary General Meeting held on December 31, 2022 is stated hereunder:

**Mr. Ramveer Singh: -**

The total remuneration payable to Mr. Ramveer Singh, Promoter and Chairman cum Executive Director, shall be a sum of Rs. 50.00 Lakhs per month w.e.f. December 23, 2022.

**Mr. Asish Tomar: -**

The total remuneration payable to Mr. Asish Tomar, Promoter and Managing Director, shall be a sum of Rs. 50.00 Lakhs per month w.e.f. December 23, 2022.

**Ms. Kritika Tomar: -**

The total remuneration payable to Ms. Kritika Tomar, Whole Time Director, shall be a sum of Rs. 10.00 Lakhs per month as approved by the time of her appointment w.e.f. December 23, 2022

No remuneration is paid to the Non-Executive Directors.

Remuneration paid to the Directors during the previous F.Y is as follows:

*(Rs. In Lakhs)*

| Sr. No. | Name | Designation | Remuneration Paid for FY 2022-23 |
|---|---|---|---|
| 1. | Mr. Ramveer Singh | Chairman cum Executive Director | 520.00 |
| 2. | Mr. Ashish Tomar | Managing Director | 520.00 |
| 3. | Ms. Kritika Tomar | Whole Time Director | 42.00 |
| 4. | Mr. Neeraj Srivastava | Executive Director | - |

Our Company has not paid and will not be paying any remuneration to the Independent Directors of our company except the applicable sitting fee and reimbursement of expenses as per the Companies Act, 2013.

Pursuant to the resolution passed by the Board of Directors of our Company on March 10, 2023, the Non-Executive Independent Directors of our Company would be entitled to a sitting fee of Rs. 10,000 for attending every meeting of Board and committee meeting with reimbursement of travelling expenses.

## SHAREHOLDING OF OUR DIRECTORS IN OUR COMPANY

As per the Articles of Association of our Company, a Director is not required to hold any qualification shares.

The following table details the shareholding of our Directors as on the date of this Red Herring Prospectus:

| Sr. No. | Name of the Director | No. of Equity Shares | % of Pre-Issue Equity Share Capital | % of Post Issue Equity Share Capital* |
|---|---|---|---|---|
| 1. | Mr. Ramveer Singh | 4,59,70,000 | 94.59% | [●] |
| 2. | Mr. Ashish Tomar | 10,000 | 0.02% | [●] |
| 3. | Ms. Kritika Tomar | 5,000 | 0.01% | [●] |

**will be updated prior filing the Prospectus with RoC.*

## INTERESTS OF DIRECTORS

All of our Directors may be deemed to be interested to the extent of fees payable, if any to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable, if any to them under our Articles of Association, and/or to the extent of remuneration paid to them for services rendered as an officer or employee of our Company. Some of our Directors may be deemed to be interested to the extent of interest paid on any loan or advances provided to our company, any Body corporate including companies and firms and trusts, in which they are interested as directors, members, partners or trustees.

Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or that may be subscribed by and allotted to the companies, firms, and trusts, if any, in which they are interested as directors, members, Promoter, and /or trustees pursuant to this Issue. All of our Directors may also be deemed to be to them interested to the extent of any dividend payable and other distributions in respect of the said Equity Shares, if any.

Except as stated in this chapter "Our Management" described herein to the extent of shareholding in our Company, if any, our Directors do not have any other interest in our business.

Our Directors are not interested in the appointment of or acting as Book Running Lead Manager, Registrar and Bankers to the Issue or any such intermediaries registered with SEBI.

No sum has been paid or agreed to be paid to our directors or to firms or companies in which they may be members, in cash or shares or otherwise by any person either to induce them to become, or to qualify them as, a director, or otherwise for services rendered by them by such firm or company, in connection with the promotion or formation of our Company.

Except Mr. Ramveer Singh and Mr. Ashish Tomar, who are the Promoters of our Company, none of the other Directors are interested in the promotion of our Company.

No loans have been availed by our Directors from our Company.

## INTEREST IN THE PROMOTION AND FORMATION OF OUR COMPANY

As on the date of this Red Herring Prospectus, except for Mr. Ramveer Singh and Mr. Ashish Tomar, who are the Promoters of our Company, none of our other Directors and Key Managerial Personnel are interested in the promotion of our Company. For further details, see "Our Promoters and Promoter Group" on page 298.

## PROPERTY INTEREST

Except as stated/referred to in the heading titled "*Land & Properties*" mentioned in the chapter "*Our Business*" beginning on page 262, our Directors have not entered into any contract, agreement or arrangements during the preceding two years from the date of this Red Herring Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

## INTEREST OF OUR DIRECTORS IN ACQUISITION OF LAND, CONSTRUCTION OF BUILDING OR SUPPLY OF MACHINERY

Our Directors do not have any interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

## CHANGES IN OUR BOARD OF DIRECTORS

The Changes in the Board of Directors of our Company in the three years preceding the date of this Red Herring Prospectus are as follows:

| Name | Date of event | Nature of event | Reason |
|---|---|---|---|
| Mr. Neeraj Srivastava | June15, 2021 | Appointed as Executive Director | To ensure better Corporate Governance and compliance with Companies Act, 2013 |
| Mr. Satish Kumar | October 10, 2022 | Resignation | Due to some Personal Reason |
| Ms. Kritika Tomar | October 17, 2022 | Originally Appointed as Executive Director | To ensure better Corporate Governance and compliance with Companies Act, 2013 |
| Mr. Ramveer Singh | December 23, 2022 | Re-designated as Chairman cum Executive Director | To ensure better Corporate Governance and compliance with Companies Act, 2013 |
| Mr. Ashish Tomar | December 23, 2022 | Re-appointed as Managing Director | To ensure better Corporate Governance and compliance with Companies Act, 2013 |
| Ms. Kritika Tomar | December 23, 2022 | Re-Appointed as Whole Time Director | To ensure better Corporate Governance and compliance with Companies Act, 2013 |
| Mr. Achal Kapoor | December 23, 2022 | Appointment as Independent Director | To ensure better Corporate Governance and compliance with Companies Act, 2013 |

| | | | |
|---|---|---|---|
| Ms. Chetna | December 23, 2022 | Appointment as Independent Director | To ensure better Corporate Governance and compliance with Companies Act, 2013 |
| Ms. Swati Jain | December 23, 2022 | Appointment as Independent Director | To ensure better Corporate Governance and compliance with Companies Act, 2013 |
| Mr. Mukesh Garg | December 23, 2022 | Appointment as Independent Director | To ensure better Corporate Governance and compliance with Companies Act, 2013 |
| Mr. Achal Kapoor | January 01, 2023 | Resignation | Due to some Technical Reasons |
| Ms. Chetna | January 01, 2023 | Resignation | Due to some Technical Reasons |
| Ms. Swati Jain | January 01, 2023 | Resignation | Due to some Technical Reasons |
| Mr. Mukesh Garg | January 01, 2023 | Resignation | Due to some Technical Reasons |
| Mr. Achal Kapoor | March 10, 2023 | Re-Appointment | To ensure better Corporate Governance and compliance with Companies Act, 2013 |
| Ms. Chetna | March 10, 2023 | Re-Appointment | To ensure better Corporate Governance and compliance with Companies Act, 2013 |
| Ms. Swati Jain | March 10, 2023 | Re-Appointment | To ensure better Corporate Governance and compliance with Companies Act, 2013 |
| Mr. Mukesh Garg | March 10, 2023 | Re-Appointment | To ensure better Corporate Governance and compliance with Companies Act, 2013 |

## BORROWING POWERS OF THE BOARD

Pursuant to a special resolution passed at Extra-Ordinary General Meeting of our Company held on December 16, 2022 consent of the members of our Company was accorded to the Board of Directors of our Company pursuant to Section 180 (1)(c) of the Companies Act, 2013 for borrowing, from time to time, any sum or sums of money on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business) may exceed in the aggregate, the paid-up capital of our Company and its free reserves, provided however, the total amount so borrowed in excess of the aggregate of the paid-up capital of our Company and its free reserves shall not at any time exceed Rs. 600.00 Crores.

## CORPORATE GOVERNANCE

In addition to the applicable provisions of the Companies Act with respect to corporate governance, provisions of SEBI LODR Regulations to the extent applicable to the entity whose shares are listed on Stock Exchange and shall be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchange. We are in compliance with the requirements of the applicable regulations, including SEBI LODR Regulations, SEBI ICDR Regulations and the Companies Act in respect of corporate governance including constitution of the Board and committees thereof.

Our Board has been constituted in compliance with the Companies Act and SEBI LODR Regulations. The Board functions either as a full board or through various committees constituted to oversee specific functions.

Our Company stands committed to good Corporate Governance practices based on the principles such as accountability, transparency in dealing with our stakeholders, emphasis on communication and transparent report.

Our Board functions either as a full Board or through the various committees constituted to oversee specific operational areas. As on the date of this Red Herring Prospectus, our Company has Eight (8) Directors, one (1) is Managing Director, One (1) is Chairman cum Executive Director, One (1) is Women Whole time Director. One (1) is Executive Director, Two (2) are Independent Woman Director and Two (2) are Independent Directors.

**Committees of the Board**

In addition to the committees of our Board detailed below, our Board may from time to time, constitute committees for various functions.

Following are the details of various committees of the Board:

A. Audit Committee
B. Stakeholders Relationship Committee
C. Nomination and Remuneration Committee
D. CSR Committee
E. IPO Committee
F. Risk Management Committee

***A) Audit Committee***

The Audit Committee (the "Committee") has constituted by the Board of Directors at their meeting held on March 14, 2023 in accordance with the Section 177 of the Companies Act, 2013 and Rule 6 of the Companies (Meeting of board and its powers) Rule, 2014.

**Composition of Audit Committee:**

| Name of the Director | Status | Nature of Directorship |
|---|---|---|
| Ms. Chetna | Chairman | Independent Director |
| Mr. Mukesh Kumar Garg | Member | Independent Director |
| Mr. Ashish Tomar | Member | Managing Director |

The Company Secretary of our Company shall serve as the secretary of the Audit Committee.

**Meeting of the Audit Committee and relevant quorum**

1. The Audit Committee shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between two meetings.
2. The quorum for meetings of the committee shall either be two members or one third of the members of the audit committee, whichever is greater, with at least two independent directors.
3. The audit committee at its discretion shall invite the finance director or head of the finance function, head of internal audit and a representative of the statutory auditor and any other such executives to be present at the meetings of the committee.

**The scope of Audit Committee shall include but shall not be restricted to the following:**

1. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
2. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
3. Examination of the financial statement and the auditors' report thereon;
4. Approval or any subsequent modification of transactions of the company with related parties;
5. Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
6. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
7. Formulation of a policy on related party transactions, which shall include materiality of related party transactions and making of omnibus approval of related party transactions;
8. Reviewing, with the management, the annual financial statements and auditors report thereon before submission to the board for approval, with particular reference to:
   i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
   ii. Changes, if any, in accounting policies and practices and reasons for the same;
   iii. Major accounting entries involving estimates based on the exercise of judgment by management;

iv. Significant adjustments made in the financial statements arising out of audit findings;
v. Compliance with listing and other legal requirements relating to financial statements;
vi. Disclosure of any related party transactions;
vii. Modified opinion(s) in the draft audit report;

9. Reviewing, with the management, the quarterly, half yearly and Annual financial statements before submission to the Board for approval;
10. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
11. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
12. Approval or any subsequent modification of transactions of the listed entity with related parties includes omnibus approval for related parties transactions subject to conditions as specified under rules;
13. Scrutiny of inter-corporate loans and investments;
14. Valuation of undertakings or assets of the Company, wherever it is necessary;
15. Evaluation of internal financial controls and risk management systems;
16. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
17. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
18. Discussion with internal auditors of any significant findings and follow up there on;
19. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
20. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
21. 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;
22. To oversee and review the functioning of the vigil mechanism pursuant the provisions of Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 read with sub-section 9 and 10 of Section 177 of the Companies Act, 2013, which shall provide for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee in appropriate and exceptional cases
23. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
24. To investigate any other matters referred to by the Board of Directors;
25. Carrying out any other function as is mentioned in the terms of reference of the audit Committee.
26. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding Rs.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.
27. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

**The Audit Committee enjoys following powers:**

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise if it considers necessary.

**The Audit Committee shall mandatorily review the following information:**

i) Management discussion and analysis of financial condition and results of operations;
ii) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
iii) Management letters / letters of internal control weaknesses issued by the statutory auditors;
iv) Internal audit reports relating to internal control weaknesses; and
v) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
vi) Statement of deviations: (a) half yearly statement of deviation(s) submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI ICDR Regulations. (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI ICDR Regulations.

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

The Chairman of the committee has to attend the Annual General Meetings of the Company to clarifications on matters relating to the audit.

***B)*** **Stakeholders Relationship Committee**

The Stakeholders Relationship Committee has constituted by the Board of Directors at their meeting held on March 14, 2023 in accordance with the Section 178(5) of the Companies Act 2013.

**Composition of Stakeholders Relationship Committee**

| Name of the Director | Status | Nature of Directorship |
| --- | --- | --- |
| Ms. Swati Jain | Chairman | Independent Director |
| Ms. Kritika Tomar | Member | Whole-time Director |
| Mr. Ashish Tomar | Member | Managing Director |

The Company Secretary of the Company will act as the Secretary of the Committee.

**Meetings of the Stakeholders Relationship Committee**

1. The Committee is required to meet at least once a year.
2. The quorum necessary for a meeting shall be two members present.

**SCOPE OF THE STAKEHOLDERS RELATIONSHIP COMMITTEE**

This committee will address all grievances of Shareholders/Investors and its terms of reference include the following:

1. Resolving the grievances of the security holders of the Company, 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 rendered by the registrar and share transfer agent and to recommend measures for overall improvement in the quality of investor services;

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; and
5. Formulate procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
6. Approve, register, refuse to register transfer or transmission of shares and other securities;
7. Sub-divide, consolidate and or replace any share or other securities certificate(s) of the Company;
8. Allotment and listing of shares;
9. Authorise affixation of common seal of the Company;
10. Issue duplicate share or other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company;
11. Approve the transmission of shares or other securities arising as a result of death of the sole/any joint shareholder;
12. Dematerialize or rematerialize the issued shares;
13. Ensure proper and timely attendance and redressal of investor queries and grievances;
14. Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
15. Advising for giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;
16. Carry out any other functions contained in the Companies Act, 2013 (including Section 178) and/or equity listing agreements (if applicable), as and when amended from time to time;
17. Further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s); and
18. Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority.

***C)* Nomination and Remuneration Committee**

The Nomination and Remuneration Committee has constituted by the Board of Directors at their meeting held on March 14, 2023 in accordance with the Section 178 of the Companies Act 2013.

**Composition of Nomination and Remuneration Committee**

| Name of the Director | Status | Nature of Directorship |
|---|---|---|
| Mr. Mukesh Kumar Garg | Chairman | Independent Director |
| Mr. Achal Kapoor | Member | Independent Director |
| Ms. Swati Jain | Member | Independent Director |

The Company Secretary of our Company acts as the Secretary to the Committee.

**Meeting of Nomination and Remuneration Committee and Relevant Quorum**

1. The Committee is required to meet at least once a year.
2. The quorum necessary for a meeting of the Corporate Social Responsibility Committee shall be two members or one third of the members, whichever is greater.

**Role of Nomination and Remuneration Committee are:**

The scope of Nomination and Remuneration Committee shall include but shall not be restricted to the following:

1. 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;

2. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
    a. Use the services of an external agencies, if required;
    b. Consider candidates from a wide range of backgrounds, having due regard to diversity; and
    c. Consider the time commitments of the candidates.
3. Formulation of criteria for evaluation of Independent Directors and the Board;
4. Devising a policy on Board diversity;
5. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
6. 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;
7. To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks
8. Perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 to the extent notified and effective, as amended or by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or by any other applicable law or regulatory authority.

***D)* CSR Committee**

The Corporate Social Responsibility Committee was constituted by a meeting of our Board held on March 14, 2023. The members of the Corporate Social Responsibility Committee are:

| Name of Director | Position in the Committee | Designation |
|---|---|---|
| Ms. Kritika Tomar | Chairman | Whole-time Director |
| Mr. Neeraj Srivastava | Member | Non-Executive Director |
| Mr. Achal | Member | Independent Director |

The scope and functions of the Corporate Social Responsibility Committee of our Company are in accordance with Section 135 of the Companies Act, 2013 and the applicable rules thereunder, and have been set out below:

1) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII of the Act;
2) formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely:
    a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
    b) the manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4;
    c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
    d) monitoring and reporting mechanism for the projects or programmes; and e. details of need and impact assessment, if any, for the projects undertaken by the company;
3) recommend the amount of expenditure to be incurred on the CSR activities; and
4) monitor the Corporate Social Responsibility Policy of the company from time to time.

### *E)* IPO Committee

The IPO Committee was constituted by a meeting of our Board held on March 14, 2023. The members of the IPO Committee are:

| Name of Director | Position in the Committee | Designation |
|---|---|---|
| Mr. Ashish Tomar | Chairman | Managing Director |
| Ms. Kritika Tomar | Member | Whole Time Director |
| Mr. Achal | Member | Independent Director |

The scope and functions of the IPO Committee are as follows:

1. to decide, negotiate and finalise the pricing, the terms of the issue of the Equity Shares and all other related matters regarding the Pre-IPO Placement, if any, including the execution of the relevant documents with the investors, in consultation with the book running lead managers appointed in relation to the Issue ("**BRLM**");
2. to decide in consultation with the BRLM the actual size of the Issue and taking on record the number of equity shares (the "Equity Shares"), and/or reservation on a competitive basis, and/or any rounding off in the event of any oversubscription and/or any discount to be offered to retail individual bidders or eligible employees participating in the Issue and all the terms and conditions of the Issue, including without limitation timing, opening and closing dates of the Issue, price band, allocation/allotment to eligible persons pursuant to the Issue, including any anchor investors, and to accept any amendments, modifications, variations or alterations thereto;
3. to appoint, instruct and enter into agreements with the BRLM, and in consultation with BRLM appoint and enter into agreements with intermediaries, co-managers, underwriters, syndicate members, brokers, escrow collection bankers, auditors, independent chartered accountants, refund bankers, registrar, grading agency, industry expert, legal counsels, depositories, printers, monitoring agency advertising agency(ies), and any other agencies or persons (including any successors or replacements thereof) whose appointment is required in relation to the Issue and to negotiate and finalize the terms of their appointment, including but not limited to execution of the mandate letters and offer agreement with the BRLM, and the underwriting agreement with the underwriter, and to terminate agreements or arrangements with such intermediaries;
4. to make any alteration, addition or variation in relation to the Issue, in consultation with the BRLM or SEBI or such other authorities as may be required, and without prejudice to the generality of the aforesaid, deciding the exact Issue structure and the exact component of issue of Equity Shares;
5. to finalise, settle, approve, adopt and arrange for submission of the Red Herring Prospectus ("RHP"), the red herring prospectus ("RHP"), the Prospectus, the preliminary and final international wrap and any amendments, supplements, notices, clarifications, reply to observations, addenda or corrigenda thereto, to appropriate government and regulatory authorities, respective stock exchanges where the Equity Shares are proposed to be listed ("Stock Exchanges"), the Registrar of Companies, West Bengal at Kolkata ("Registrar of Companies"), institutions or bodies;
6. to invite the existing shareholders of the Company to participate in the Issue and offer for sale of the Equity Shares held by them at the same price as in the Issue;
7. to take all actions as may be necessary and authorised in connection with the offer for sale and to approve and take on record the approval of the selling shareholder for offering their Equity Shares in the offer for sale and the transfer of Equity Shares in the offer for sale;
8. to issue advertisements in such newspapers and other media as it may deem fit and proper, in consultation with the relevant intermediaries appointed for the Issue in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations"), Companies Act, 2013, as amended and other applicable laws;
9. to decide the total number of Equity Shares to be reserved for allocation to eligible categories of investors, if any, and on permitting existing shareholders to sell any Equity Shares held by them;

10. to open separate escrow accounts as the escrow account to receive application monies from anchor investors/ underwriters in respect of the bid amounts and a bank account as the refund account for handling refunds in relation to the Issue and in respect of which a refund, if any will be made;
11. to open account with the bankers to the Issue to receive application monies in relation to the Issue in terms of Section 40(3) of the Companies Act, 2013, as amended;
12. to negotiate, finalise, sign, execute and deliver or arrange the delivery of the offer agreement, syndicate agreement, share escrow agreement, escrow and sponsor bank agreement, underwriting agreement, agreements with the registrar to the Issue, monitoring agency and the advertising agency(ies) and all other agreements, documents, deeds, memorandum of understanding and other instruments whatsoever with the registrar to the Issue, legal advisors, auditors, Stock Exchanges, BRLM and other agencies/ intermediaries in connection with Issue with the power to authorize one or more officers of the Company to execute all or any of the aforesaid documents;
13. to make any applications, seek clarifications, obtain approvals and seek exemptions, if necessary, from the Stock Exchange, the Securities and Exchange Board of India ("SEBI"), the Reserve Bank of India ("RBI"), Registrar of Companies, and such other statutory and governmental authorities in connection with the Issue, as required by applicable law, and to accept, on behalf of the Board, such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, exemptions, permissions and sanctions as may be required, and wherever necessary, incorporate such modifications / amendments as may be required in the RHP, RHP and the Prospectus;
14. to make in-principle and final applications for listing and trading of the Equity Shares on one or more stock exchanges, to execute and to deliver or arrange the delivery of the equity listing agreement(s) or equivalent documentation to the Stock Exchanges and to take all such other actions as may be necessary in connection with obtaining such listing;
15. to determine and finalize, in consultation with the BRLM, the price band for the Issue and minimum bid lot for the purpose of bidding, any revision to the price band and the final Issue price after bid closure, and to finalize the basis of allocation and to allot the Equity Shares to the successful allottees and credit Equity Shares to the demat accounts of the successful allottees in accordance with applicable laws and undertake other matters in connection with or incidental to the Issue, including determining the anchor investor portion, in accordance with the SEBI ICDR Regulations;
16. to issue receipts/allotment advice/confirmation of allocation notes either in physical or electronic mode representing the underlying Equity Shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more stock exchange(s), with power to authorise one or more officers of the Company to sign all or any of the aforementioned documents;
17. to approve the code of conduct, suitable insider trading policy, whistle blower/vigil mechanism policy, risk management policy and other corporate governance requirements considered necessary by the Board or the IPO Committee or as required under applicable law;
18. to seek, if required, the consent and waivers of the parties with whom the Company has entered into various commercial and other agreements such as Company's lenders, joint venture partners, all concerned governmental and regulatory authorities in India or outside India, and any other consents that may be required in connection with the Issue in accordance with the applicable laws;
19. to determine the price at which the Equity Shares are offered, allocated, transferred and/or allotted to investors in the Issue in accordance with applicable regulations in consultation with the BRLM and/or any other advisors, and determine the discount, if any, proposed to be offered to eligible categories of investors;
20. to settle all questions, difficulties or doubts that may arise in relation to the Issue, as it may in its absolute discretion deem fit;
21. to do all acts and deeds, and execute all documents, agreements, forms, certificates, undertakings, letters and instruments as may be necessary for the purpose of or in connection with the Issue;
22. to authorize and approve the incurring of expenditure and payment of fees, commissions, brokerage and remuneration in connection with the Issue;
23. to withdraw the RHP or RHP or to decide not to proceed with the Issue at any stage, in consultation with the BRLM and in accordance with the SEBI ICDR Regulations and applicable laws;

24. to submit undertaking/certificates or provide clarifications to the SEBI, Registrar of Companies and the relevant stock exchange(s) where the Equity Shares are to be listed; and
25. to authorize and empower officers of the Company (each, an "Authorized Officer(s)"), for and on behalf of the Company, to execute and deliver, on a several basis, any agreements and arrangements as well as amendments or supplements thereto that the Authorized Officer(s) consider necessary, appropriate or advisable, in connection with the Issue, including, without limitation, engagement letter(s), memoranda of understanding, the listing agreement(s) with the stock exchange(s), the registrar agreement and memorandum of understanding, the depositories' agreements, the offer agreement with the BRLM (and other entities as appropriate), the underwriting agreement, the syndicate agreement with the BRLM and syndicate members, the stabilization agreement, the share escrow agreement, the cash escrow and sponsor bank agreement, confirmation of allocation notes, allotment advice, placement agents, registrar to the Issue, bankers to the Company, manager, underwriters, escrow agents, accountants, auditors, legal counsel, depositories, advertising agency(ies), syndicate members, brokers, escrow collection bankers, auditors, grading agency, monitoring agency and all such persons or agencies as may be involved in or concerned with the Issue, if any, and to make payments to or remunerate by way of fees, commission, brokerage or the like or reimburse expenses incurred in connection with the Issue by the BRLM and to do or cause to be done any and all such acts or things that the Authorized Officer(s) may deem necessary, appropriate or desirable in order to carry out the purpose and intent of the foregoing resolutions for the Issue; and any such agreements or documents so executed and delivered and acts and things done by any such Authorized Officer(s) shall be conclusive evidence of the authority of the Authorized Officer and the Company in so doing.

***F)* Risk Management Committee**

The Risk Management Committee was constituted by a meeting of our Board held on March 14, 2023. The members of the Risk Management Committee are:

| Name of Director | Position in the Committee | Designation |
|---|---|---|
| Mr. Ashish Tomar | Chairman | Managing Director |
| Mr. Ramveer Singh | Member | Chairman & Director |
| Ms. Swati | Member | Independent Director |

The scope and functions of the Risk Management Committee of our Company are in accordance with Regulation 21 of the SEBI Listing Regulations and the applicable rules thereunder, and have been set out below:

1) To formulate a detailed risk management policy which shall include:

   a) A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, environmental social and governance related risks), information, cyber security risks or any other risk as may be determined by the Committee.
   b) Measures for risk mitigation including systems and processes for internal control of identified risks.
   c) Business continuity plan.

2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3) To co-ordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per framework laid down by the board of directors;
4) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
5) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
6) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

7) To approve major decisions affecting the risk profile or exposure and give appropriate directions;
8) To consider the effectiveness of decision-making process in crisis and emergency situations;
9) To balance risks and opportunities;
10) To generally, assist the Board in the execution of its responsibility for the governance of risk;
11) To seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary;
12) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee; and
13) Any other similar or other functions as may be laid down by Board from time to time and/or as may be required under applicable law, as and when amended from time to time, including the SEBI Listing regulations.

The quorum of the Risk Management Committee is either two members or one-third of the members of the Risk Management Committee, whichever is higher, including at least one member of the Board of Directors, being in attendance.

The Risk Management Committee is required to meet at least twice in a year and not more than 180 days may elapse between the two meetings.

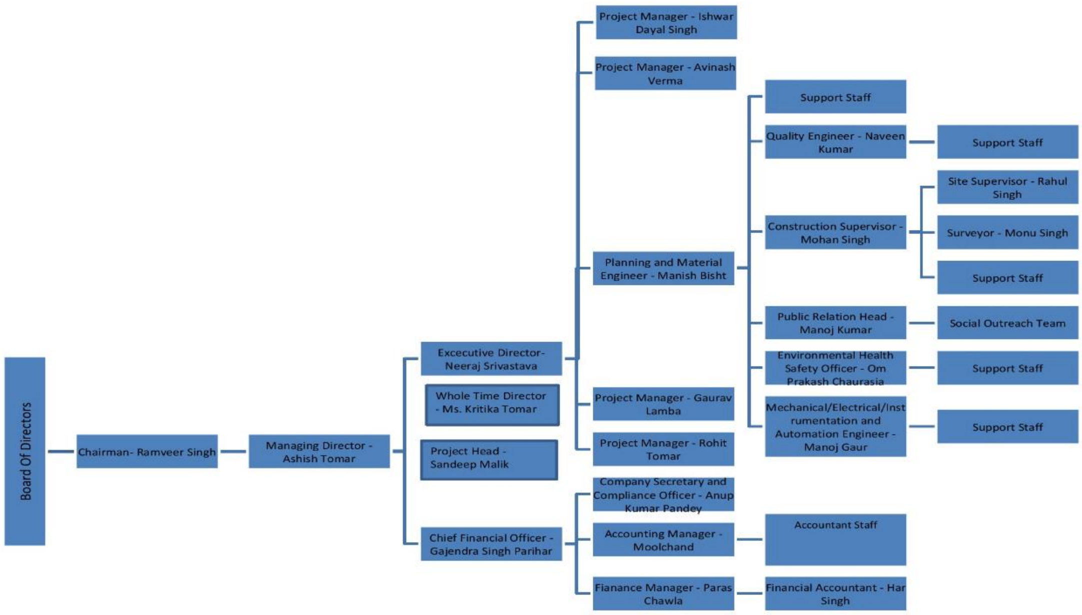
The Risk Management Committee has powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

Provided that u/s 134(3)(n) of the Companies Act, 2013, the Board Report must contain a statement indicating the development and implementation of a Risk Management Policy for the company, including the identification of risks that may pose a threat to the existence of company. Further u/s 177(4)(vii) of the Companies Act, 2013 the Audit Committee has an obligation to evaluate the company's internal financial controls and risk management systems. In addition to this, Part II of Schedule IV of the Companies Act, 2013 requires an Independent director of a company to bring an independent judgment to the board deliberations regarding the risk management systems of the company.

## POLICY ON DISCLOSURES AND INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING

The provisions of Regulation 9(1) of the SEBI PIT Regulations will be applicable to our Company immediately upon the listing of its Equity Shares on the NSE Emerge. We shall comply with the requirements of the SEBI PIT Regulations on listing of Equity Shares on stock exchange. Further, Board of Directors on their meeting dated March 14, 2023 have formulated and adopt the code of conduct to regulate, monitor and report trading by its employees and other connected persons. The Company Secretary & Compliance Officer will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the board.

## ORGANISATIONAL STRUCTURE




## KEY MANAGERIAL PERSONNEL

Our Company is managed by our Board of Directors, assisted by qualified and experienced professionals, who are permanent employees of our Company. Below are the details of the Key Managerial Personnel of our Company:

### Details of Key Managerial Personnel of our Company as per the Companies Act 2013 -

**Mr. Ashish Tomar (Managing Director)**

His age is 34 years is the also founding Promoter and is currently designated as Managing Director of our Company. He was appointed as the First Director on the Board of our Company at the time of incorporation of our Company on December 21, 2010. He is a Civil Engineer. He is also having vast knowledge and experience in the field of projects like Sewerage work, Electricity Transmission & Distribution work. He is currently looking after Projects execution areas of our Company.

**Mr. Gajendra Parihar (Chief Financial Officer)**

As a highly accomplished and well-rounded executive, our CFO brings to the table a unique combination of technical expertise and business acumen. With a Master's degree in Business Administration and a background in Electrical Engineering, he has honed his skills in supply chain management, logistics, material management, and retail, making him an invaluable asset to our organization.

His previous experience as a System Engineer at Infosys has also equipped him with exceptional analytical abilities, allowing him to excel in business analysis, requirements gathering, configuration, and design.

As Chief Financial Officer at EMS, he is responsible for overseeing all financial aspects of the company, including tracking cash flow and analyzing the company's financial strengths and weaknesses. With his extensive background in finance and business, he is well-equipped to provide strategic guidance that will drive the company's growth and success.

Overall, our CFO's unique blend of technical and business skills, combined with his deep experience in finance and supply chain management, make him an exceptional leader who is well-suited to guide our organization through the challenges and opportunities of the business landscape.

**Mr. Deepak Kumar (Company Secretary & Compliance Officer)**

Mr. Deepak Kumar is the Company Secretary & Compliance Officer of our Company. He holds a Master's degree & Graduation in commerce from CCS University, Meerut. He is also a member of the Institute of Company Secretaries of India. He has over 5 years of experience in Secretarial, Legal and Listed Compliances. Prior to joining our Company, he was working with CCL International Limited.

**Remuneration paid to the KMPs during the previous F.Y is as follows:**

*(Rs. In Lakhs)*

| Sr. No. | Name | Designation | Remuneration Paid for FY 2022-23 |
|---|---|---|---|
| 1. | Mr. Ashish Tomar | Managing Director | 520.00 |
| 2. | Mr. Gajendra Parihar | Chief Financial Officer | 8.00 (appointed w.e.f. December 23, 2022) |
| 3. | Mr. Anup Kumar Pandey | Company Secretary & Compliance Officer (Resigned w.e.f. from July 05, 2023) | 1.05 (appointed w.e.f. August 01, 2022) |
| 4. | Mr. Deepak Kumar | Company Secretary & Compliance Officer | Since he was appointed as on July 05, 2023, no remuneration has been paid for the said period. |

## RELATIONSHIP BETWEEN KEY MANAGERIAL PERSONNEL

There is no family relationship between the Key Managerial Personnel except as described below:

| Name of Director | Designation | Relation |
|---|---|---|
| Mr. Ashish Tomar | Promoter & Managing Director | Brother-in-Law of our Chief Financial Officer – Mr. Gajendra Parihar |
| Mr. Gajendra Parihar | Chief Financial Officer | Brother-in-Law of our Promoter cum Managing Director – Mr. Ashish Tomar |

## FAMILY RELATIONSHIPS OF DIRECTORS WITH KEY MANAGERIAL PERSONNEL

There is no family relationship between the Directors of our Company and the Key Managerial Personnel of our Company except as described below:

| Name of Director | Designation | Relation |
|---|---|---|
| Mr. Ramveer Singh | Promoter & Chairman cum Executive Director | Father of our Promoter cum Managing Director – Mr. Ashish Tomar |
| Mr. Gajendra Parihar | Chief Financial Officer | Son-in-Law of our Promoter cum Managing Director – Mr. Ashish Tomar |
| Ms. Kritika Tomar | Whole time Director | Wife of our Promoter cum Managing Director – Mr. Ashish Tomar |

## SHAREHOLDING OF THE KEY MANAGERIAL PERSONNEL

None of the KMPs hold any Equity shares of our Company as on the date of this Red Herring Prospectus except the following:

| Sr. No. | Name of the Shareholder | Designation | No. of Shares held |
|---|---|---|---|
| 1. | Mr. Asish Tomar | Managing Director | 10,000 |
| 2. | Mr. Gajendra Parihar | Chief Financial Officer | 5,000 |
| 3. | Mr. Deepak Kumar | Company Secretary & Compliance Officer | - |

## BONUS OR PROFIT-SHARING PLAN OF THE KEY MANAGERIAL PERSONNEL

Our Company has not entered into any bonus or profit-sharing plan with any of the Key Managerial Personnel.

## LOANS TO KEY MANAGERIAL PERSONNEL

No loans and advances have been given to the Key Managerial Personnel as on the date of this Red Herring Prospectus.

## INTEREST OF KEY MANAGERIAL PERSONNEL

The key managerial personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and to the extent of Equity Shares held by them in our Company, if any.

Except as disclosed in this Red Herring Prospectus, none of our key managerial personnel have been paid any consideration of any nature from our Company, other than their remuneration, reimbursement of expenses, lease rent on vehicles and interest on loan, if any.

Our Key Managerial Personnel have no interest in any property acquired by our Company within two years of the date of this Red Herring Prospectus.

## CHANGES IN KEY MANAGERIAL PERSONNEL DURING LAST THREE (3) YEARS

The changes in the key managerial personnel in the last three years are as follows:

| Name of Key Managerial Personnel | Designation | Date of Event | Reason |
|---|---|---|---|
| Mr. Gajendra Parihar | Chief Financial Officer | December 23, 2022 | Appointment of Chief Financial Officer |
| Mr. Anup Kumar Pandey | Company Secretary & Compliance Officer | December 23, 2022 | Appointment of Company Secretary and Compliance Officer |
| Mr. Ashish Tomar | Managing Director | December 23, 2022 | Change in Designation as Managing Director |
| Mr. Anup Kumar Pandey | Company Secretary & Compliance Officer | July 05, 2023 | Resignation from the post of Company Secretary and Compliance Officer |
| Mr. Deepak Kumar | Company Secretary & Compliance Officer | July 5, 2022 | Appointment of Company Secretary and Compliance Officer |

Other than the above changes, there have been no changes to the key managerial personnel of our Company that are not in the normal course of employment.

## ESOP/ESPS SCHEME TO EMPLOYEES

Presently, our company does not have any ESOP/ESPS Scheme for employees.

## PAYMENT OR BENEFIT TO OUR OFFICERS

Except as disclosed in the chapter titled "*Financial Statements*" beginning on page 318, 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 officers except the normal remuneration for services rendered as officers or employees.

## FRAUDULENT BORROWERS

Our Directors and promoters / promoter group are not declared as "Fraudulent Borrowers" by the lending banks or financial institutions or consortium, in terms of RBI master circular dated July 01, 2016.

## STRUCK-OFF COMPANIES BY ROC

We hereby confirm that none of the directors, promoter and promoter group persons is appearing in the list of directors of struck-off companies by ROC/ MCA and neither the promoter group companies and group companies is appearing in the list of struck-off companies by ROC/ MCA except as follows:

**For Issuer Company:** EMS Limited

| Name | Category | Name of Companies Strike-off |
|---|---|---|
| Mr. Neeraj Srivastava | Executive Director | UEM Gayespur Project Private Limited |

**For Group Entity:** Mirzapur Ghazipur STPS Private Limited

| Name | Category | Name of Company Strike-off |
|---|---|---|
| Mr. Ashhu Garg | Director | Mosinzhstroi India Private Limited |

**For Group Entity:** Brijbihari Pulp and Paper Private Limited

| Name | Category | Name of Company Strike-off |
|---|---|---|
| Ms. Rita Kapoor | Director | Transparency Media Private Limited |

# OUR PROMOTERS AND PROMOTERS GROUP

## OUR PROMOTERS

Mr. Ramveer Singh and Mr. Ashish Tomar is the Promoters of our Company. Our Promoters are currently holding an aggregate of 4,59,80,000 Equity Shares, aggregating to 94.61% of the pre-Issue issued, subscribed and paid-up Equity Share capital of our Company. For further details, see “Capital Structure” on page no. 108.

The details of our Promoters is as under:

| **Mr. Ram Veer Singh** | |
|---|---|
|  | **Ramveer Singh**, aged 60 years is the Promoter and Chairman of our Company.<br><br>For details of his educational qualifications, experience, other directorships, positions / posts held in the past and other directorships and special achievements, see the chapter titled “Our Management” on page no. 277.<br><br>Date of Birth: August 06, 1952<br><br>Permanent Account Number: AIUPS2465F<br><br>Address: R-14/120, Raj Nagar, Ghaziabad, Kavi Nagar, Uttar Pradesh – 201002, India |
| **Mr. Ashish Tomar** | |
|  | **Ashish Tomar**, aged 34 years is the Promoter and Managing Director of our Company.<br><br>For details of his educational qualifications, experience, other directorships, positions / posts held in the past and other directorships and special achievements, see the chapter titled “Our Management” on page no. 277.<br><br>Date of Birth: October 02, 1988<br><br>Permanent Account Number: AHGPT4972R<br><br>Address: R-14/120 Raj Nagar Ghaziabad, New Raj Nagar, Uttar Pradesh – 201002, India |

### Change in Control of our Company

There has not been any change in the control of our Company in the five years immediately preceding the date of this Red Herring Prospectus.

### Experience of our Promoters in the business of our Company

For details in relation to experience of our Promoters in the business of our Company, please see “Our Management” on page no. 277.

**Material Guarantees**

Except as disclosed below, Other than the guarantees provided by our Promoters in relation to certain of our borrowings as and when required, our Promoters have not given any material guarantees to any third parties as on the date of this Red Herring Prospectus. For details of our borrowings see, “Financial Indebtedness” and “Restated Consolidated Financial Statements” beginning on pages no. 402 and 318.

| Sr. No. | Bank Name | Guarantee |
|---|---|---|
| 1 | Kotak Mahindra Bank Limited | Personal Guarantee given by Mr. Ramveer Singh and Mr. Ashish Tomar |
| 2 | Punjab National Bank Limited | Personal Guarantee given by Mr. Ramveer Singh –<br><br>Residential Property no. 174, Block A, Sector-72, Noida, Uttar Pradesh, India, owned by Mr. Ramveer Singh.<br><br>Commercial Property No. C-88, Raj Nagar district Centre, Ghaziabad, co-owned by Mr. Ramveer Singh. |
| 3 | Axis Bank Limited | Personal Guarantee given by Mr. Ramveer Singh and Mr. Ashish Tomar |
| 4 | Bank of India Limited | Personal Guarantee given by Mr. Ramveer Singh and Mr. Ashish Tomar |
| 5 | ICICI Bank Limited | Personal Guarantee given by Mr. Ramveer Singh and Mr. Ashish Tomar |
| 6 | HDFC Bank Limited | Personal Guarantee given by Mr. Ramveer Singh and Mr. Ashish Tomar |

There are no any other clauses/covenants in the guarantee agreements, which are material as on the date of Red Herring Prospectus.

**Interest of our Promoters**

Our Promoters are interested in our Company to the extent that he has promoted our Company and to the extent of his shareholding in our Company, his directorship in our Company and the dividends payable and any other distributions in respect of their respective shareholding in our Company. Our Promoters are also interested to the extent of shareholding of his relatives in our Company. For further details of the shareholding of our Promoters in our Company, see “Capital Structure - Build-up of the Promoters’ shareholding in our Company” beginning on page 111-112.

Additionally, our Promoters may be interested in transactions entered into by our Company with other entities (i) in which our Promoters hold shares, or (ii) controlled by our Promoters.

For further details of interest of our Promoters in our Company, see “Financial Information” – “Related party transactions” on page 361.

Our Promoters may also be deemed to be interested to the extent of the remuneration, benefits and reimbursement of expenses payable to them as Directors on our Board. For further details, see “Our Management” on page 277. Except Mr. Ramveer Singh and Mr. Ashish Tomar who are the Promoters of our Company, none of our other Directors or Group Companies has any interest in the promotion of our Company.

Our Promoters are not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to our Promoters or to any firm or company in cash or shares or otherwise by any person either to induce him to become, or to qualify him as a directors, promoters or otherwise for services rendered by such Promoters or by such firm or company, in connection with the promotion or formation of our Company.

Except to the extent of their Directorship and shareholding in our Group Companies, our Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by our Company. For further details, see “Our Management” beginning on page 277.

Except as disclosed in Intellectual property under chapter titled “Our business” on page no. 213. Our Promoter is not interested in any other entity which holds any intellectual property rights that are used by our Company.

**Interest of Promoters in the Property, land, construction of building and supply of machinery**

Except as stated in the section “Our Business” and “Financial Information”, beginning on page nos. 213 and 318, respectively, our Promoters are not interested in the properties acquired by our Company within the preceding three years from the date of this Red Herring Prospectus or proposed to be acquired by it, or in any transaction by our Company with respect to the acquisition of land, construction of building or supply of machinery, other than in the normal course of business.

**Payment of Amounts or Benefits to the Promoters or Promoters Group During the last two years**

Except as stated in the section “Related Party Transactions - Financial Information” on page no. 361, there has been no payment of benefits paid or given to our Promoters or Promoters Group during the two years preceding the date of this Red Herring Prospectus nor is there any intention to pay or give any amount or benefit to our Promoters or members of our Promoters Group. The remuneration to the Promoters is being paid in accordance with their respective terms of appointment.

**OUR PROMOTERS GROUP**

In addition to our Promoters, the following individuals, companies, partnerships and HUFs, etc. form part of our Promoters Group in terms of Regulation 2(1) (pp) of the SEBI ICDR Regulations:

***A. Natural Persons who are Part of the Promoters Group***

The following individuals form part of our Promoters Group:

| Sr. No. | Name of the Promoters | Name of the Relative | Relationship with the Promoters |
|---|---|---|---|
| 1. | Mr. Ramveer Singh | Ashish Tomar | Father |
| 2. | Mr. Ashish Tomar | Ram Veer Singh | Son |

***B. Individuals forming part of our Promoter Group***

The individuals forming a part of our Promoter Group are as follows:

| Sr. No. | Relationship | Mr. Ashish Tomar | Mr. Ramveer Singh |
|---|---|---|---|
| 1. | Father | Ramveer Singh | Late Shri Babu Ram |
| 2. | Mother | Nirmala Tomar | Late Smt. Parwati Devi |
| 3. | Spouse | Kritika Tomar | Nirmala Tomar |
| 4. | Brother | NA | NA |
| 5. | Sister | Sakshi Tomar Parihar | Smt. Rajkali, Smt. Choto, Smt. Kamlesh, Smt. Anita |

| | | | |
|---|---|---|---|
| 6. | Children | Arjun Tomar, Aditya Tomar, Ananya Tomar | Ashish Tomar, Sakshi Tomar Parihar |
| 7. | Spouse Father | Akhlesh Kumar | Late Shri Dharam Pal |
| 8. | Spouse Mother | Devmala | Late Smt. Braham Kaur |
| 9. | Spouse Brother | Kunal Singh | Shri Bikram Singh, Late Shri Ranbir Singh |
| 10. | Spouse Sister | NA | Late Smt. Urmila, Smt. Suresh |

### *C. Companies / Corporate Entities Forming Part of the Promoters Group*

The following Companies/ JV/ Trusts/ Partnership firms/HUFs or Sole Proprietorships are forming part of our Promoters Group.

***Indian Companies (Body Corporate, Trust, LLP, HUF, Firm and JVs)***

| Sr. No. | Name of Promoters Group Entity/ Company |
|---|---|
| 1. | EMS Infratech Private Limited |
| 2. | EMS Infrastructure Private Limited |
| 3. | EMS Realtech Private Limited |
| 4. | Pollux Realtech Private Limited |
| 5. | Eminence Realtech Private Limited |
| 6. | EMS Green Energy Private Limited |
| 7. | Canary Infrastructure Private Limited |
| 8. | Primatech Infrastructure Private Limited |
| 9. | SK UEM Water Projects Private Limited |
| 10. | Summit Constructions Private Limited |
| 11. | Trident Infracon Private Limited |
| 12. | Mirzapur Ghazipur STPS Private Limited |
| 13. | EMS-TCP JV Private Limited |
| 14. | EMS Singh JV |
| 15. | EMS Himal Hydro JV |
| 16. | EMS Constructions (Partnership Firm) |
| 17. | Brijbihari Pulp and Paper Private Limited |
| 18. | EMS Realtor (Partnership Firm) |
| 19. | VVIP EMS Infrahome (Partnership Firm) |

### *D. Companies related to our Promoter Company;*

| Nature of Relationship | Name of Entities |
|---|---|
| Subsidiary or holding company of Promoter Company | NA |
| Any Body corporate in which promoter (Body Corporate) holds 20% or more of the equity share capital or which holds 20% or more of the equity share capital of the promoter (Body Corporate). | NA |
| Any Body corporate in which a group or individuals or companies or combinations thereof which hold 20% or more of the equity share capital in that body corporate also hold 20% or more of the equity share capital of the issuer. | NIL |

***Companies with which the Promoters has disassociated in the last three years***

Our Promoters have not disassociated themselves from any companies, firms or entities during the last three years preceding the date of this Red Herring Prospectus except for resigning from the board of certain Promoters Group companies.

**Shareholding of the Promoters Group in our Company**

For details of shareholding of members of our Promoters Group as on the date of this Red Herring Prospectus, please see the chapter titled "Capital Structure – Notes to Capital Structure" beginning on page no. 109-110**.**

***Confirmations and Undertakings***

We confirm that the Permanent Account Number, Bank Account number, Passport number, Aadhaar card number and driving license number of our Promoters have been submitted to the Stock Exchange(s) at the time of filing of this Red Herring Prospectus.

Our Promoters and the members of our Promoters Group have confirmed that they have not been identified as wilful defaulters or a fraudulent borrower by the RBI or any other governmental authority.

Our Promoters has not been declared as a fugitive economic offender under the provisions of section 12 of the Fugitive Economic Offenders Act, 2018.

None of (i) our Promoters and members of our Promoters Group or persons in control of or on the boards of bodies corporate forming part of our Group Companies (ii) the Companies with which any of our Promoters are or were associated as a promoters, director or person in control, are debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.

***Outstanding Litigation***

There is no outstanding litigation against our Promoters except as disclosed in the section titled "Risk Factors" and chapter titled "Outstanding Litigation and Material Developments" beginning on page no. 32 and 440 respectively.

## OUR JOINT VENTURE

Except as mentioned below, our Company do not have any Joint Venture as on the date of this Red Herring Prospectus:

### 1. EMS-TCP JV Private Limited

*Nature of the Project:* This is a Special Purpose Vehicle (SPV).

***Details of the Project:***

The company is engaged in contractor business activities. To control, acquire, manage, develop, construction of work of Water Supply Distribution Network Improvement with House Service connections for Non- revenue water reduction and continuous water supply and providing sewer network with house connections, construction of sewage treatment plant and allied work and operation services of the entire system for 10 years at External Aided Project, Rajasthan Urban Drinking Water sewerage and Infrastructure Corporation Limited.

To undertake the development work and in particular treatment and disposal of sewage and setting up of underground drainage system and to conceive, plan, survey, design, study and evaluate all steps, process, techniques and methods, construct, erect and lay down any buildings, engines, pumps, sewers, tanks, drains, culverts, channels, sewage treatment plant or other work required for any of the above purpose and to acquire, buy, lease, hire, exchange or otherwise deal in all kinds of properties including private and Government properties for any of the above purpose.

To carry on the business of developing, maintain and operating of roads, highway projects, express ways, intra-urban roads and/ or peri-urban roads like ring road and / or urban by passes, fly over, subways, port, inland waterways and inland ports, water supply projects, irrigation projects, sanitation and sewerage system, water treatment system or any other public facility of similar nature.

**About Joint Venture Partner:**

M/s Tirupati Cement Products ("TCP") is a partnership firm incorporated 21st February 1995, having its office situated at c-60, Community Center, Janakpuri, Delhi – 110058. The firm is engaged in contractor & builder business activities & is specialised in water supply & sewerage works.

***Company's share in the joint venture:***

| Name of the Directors | Share in the JV | % of holding |
|---|---|---|
| EMS Limited | 3,69,999 | 73.99% |
| Mukesh Kumar Aggarwal on behalf of TCP | 1,30,000 | 26.00% |
| Mr. Ashish Tomar (Nominee on Behalf of EMS Limited | 01 | 0.01% |

**Key financials of the JV are as under:**

(Rs in Lacs)

| S. No. | Particulars | 31.03.2023 (Audited) | 31.03.2022 (Audited) |
|---|---|---|---|
| 1. | Turnover | 123.70 | 130.81 |
| 2. | Net Profit | 280.60 | 300.34 |
| 3. | Capital Account | 50.00 | 50.00 |
| 4. | Net Worth | 642.75 | 362.15 |

### 2. EMS Singh JV

This JV was formed in January 2018 between EMS Limited (Formally known as M/s EMS Infracon Pvt Ltd) & M/s Singh Enterprises for the purpose of bidding & executing the construction of interception & diversion work of Sewage Treatment Plant of Capacity of 11 MLD along with its operation & maintenance for 15 years for Mokama Town, Bihar.

**About Joint Venture Partner:**

Singh Enterprises is a proprietorship firm headed by MR. RANJAN KUMAR. This firm has started in the year of 1996 with a very small work of Railway Signalling and now its turnover is about 43 Carors. Mr. Ranjan Kumar Spread own business other than Railway like Interior Designer work in Bulding Division.

**The shareholding of both the JV Partners is as under:-**

| S. No. | Name of JV Partner | Shareholding |
|---|---|---|
| 1. | EMS Limited<br>(Formally known as M/s EMS Infracon Pvt Ltd) – Lead Partner | 1% |
| 2. | M/s Singh Enterprises (JV Partner) | 99% |
| **Total** | | **100** |

**Key Financials of the JV are as under: -**

(Rs in Lacs)

| S. No. | Particulars | 31.03.2023 (Audited) | 31.03.2022 (Audited) |
|---|---|---|---|
| 1. | Turnover | 952.19 | 723.70 |
| 2. | Net Profit | 42.42 | 30.02 |
| 3. | Capital Account | 152.38 | 109.97 |
| 4. | Net Worth | 152.38 | 109.97 |

### 3. EMS Himal Hydro JV

This entity was formed in September 2014 between EMS Limited (Formally known as M/s EMS Infracon Pvt Ltd) & M/s Himal Hydro & General Construction Ltd. for the purpose of bidding & executing the following works:-

- Providing, Laying, Jointing, Testing and Commissioning and allied works of Secondary Sewerage System to connect the Secondary Sewerage outfalls discharging the sewage in Khan & Saraswati Rivers of City to the Primary Sewerage network under Simhasth 2016 works.

- Providing, Laying, Jointing, Testing and Commissioning of Secondary Sewerage System to connect the Secondary Sewerage outfalls discharging the sewage in six nallas namely Bahmori, Sakkarkhedi, Piliakhal, Palasia, Azad Nagar, Tulsi Nagar of city to Primary Sewerage network under JNNURM.

**About Joint Venture Partner:**

M/s Himal Hydro & General Construction Limited is a public limited company, incorporated on 27th, January, 2015 having its head office situated at Steel Tower, Jawalakhel, Lalitpur, Nepal. The registered/liaison office of the company in India is situated at A-102, Sector – 65, Noida, UP. The company is engaged in contractor business.

**Shareholding of Himal Hydro & General Construction Limited:**

| S. No. | Name of Shareholder | Number of Shares | % |
|---|---|---|---|
| 1. | Government of Nepal, Ministry of Water Resoucres | 2,55,528 | 10.60 |
| 2. | United Mission of Nepal | 2,75,905 | 11.45 |

| | | | |
|---|---|---|---|
| 3 | Nepal Jalabidyut Prabardhan Tatha Bikas Ltd | 18,76,256 | 77.85 |
| 4 | Other Individuals | 2,310 | 0.10 |
| **Total** | | **24,09,999** | **100.00** |

**The shareholding of both the JV Partners is as under:-**

| S. No. | Name of JV Partner | Shareholding |
|---|---|---|
| 1. | EMS Limited<br>(Formally known as M/s EMS Infracon Pvt Ltd) – Lead Partner | 51% |
| 2. | Himal Hydro & General Construction Ltd.<br>(JV Partner) | 49% |
| **Total** | | **100** |

Key Financials of the JV are as under: -

(Rs in Lacs)

| S. No. | Particulars | 31.03.2023 (Audited) | 31.03.2022 (Audited) |
|---|---|---|---|
| 1. | Turnover | 293.66 | 969.81 |
| 2. | Net Profit | (123.15) | 54.64 |
| 3. | Capital Account | (314.36) | (210.68) |
| 4. | Net Worth | (314.36) | (210.68) |

**4. Mirzapur Ghazipur STPS Private Limited**

Mirzapur Ghazipur STPs Private Limited is a private limited company, incorporated on 15th March 2021, within the meaning of the Companies Act 2013. The CIN No of the company is U90009DL2021PTC378546 & its registered office is situated at 701, DLF Tower A, Jasola, Delhi - 110025.

The company is engaged in development & installation of Sewerage Treatment Plant & at present executing Hybrid Annuity Model (HAM) project having total cost of Rs 292.52 crores, in which O & M is of Rs 74.89 crores. This project has also been funded by HDFC Bank by Rs 45.00 crores in the form of term loan.

**About the Joint Venture Partner:**

M/s Mirzapur Ghazipur STPs Pvt Ltd is a private Limited Company, incorporated on 15th March 2021 with CIN – U90009DL2021PTC378546 having its registered office situated at 701, DLF Tower A, Jasola, New Delhi – 110025. The company is engaged in sewerage contractor business & its presently executing HAM project at Mirzapur & Ghazipur.

**The shareholding of both the JV Partners is as under:-**

| S. No. | Name of JV Partner | Shareholding |
|---|---|---|
| 1. | EMS Limited<br>(Formally known as M/s EMS Infracon Pvt Ltd) – Lead Partner | 60% |
| 2. | Emit Group-Erocle Marelli Impianti Technologies S.R.L.<br>(JV Partner) | 40% |
| **Total** | | **100** |

**Key Financials of the JV are as under: -**

(Rs in Lacs)

| S. No. | Particulars | 31.03.2023 (Audited) | 31.03.2022 (Audited) |
|---|---|---|---|
| 1. | Turnover | 6,995.06 | - |
| 2. | Net Profit | 108.58 | - |
| 3. | Capital Account | 1.00 | 1.00 |
| 4. | Net Worth | 108.86 | 0.27 |

## OUR SUBSIDIARIES

Except as mentioned below, our Company do not have any Subsidiaries as on the date of this Red Herring Prospectus:

### 1. SKUEM Water Projects Private Limited

SUWPL was incorporated on March 30, 2012 under the provisions of Companies Act, 1996. The Registered Office of SUWPL is situated at 701 DLF Tower - A, Jasola New Delhi, New Delhi-110025, India. The CIN of SUWPL is U45204DL2010PTC211603.

This is a SPV (Special Purpose Vehicle) company to control, acquire, manage, develop and O & M of waste water Collection System and Common Effluent Treatment Plant (Project) at Integrated Industrial Estate (IIE), Haridwar on BOT (Build Operate and Transfer) basis for a concession period of 30 years.

*Audited Financial Information*

The details of the reserves (excluding revaluation reserves), sales, profit/ (loss) after tax, basic earnings per share, diluted earnings per share and net asset value per share derived from the audited financial statements of SUWPL for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 in terms of the SEBI ICDR Regulations are available on its website at www.ems.co.in.

**Key financials:**

(Rs in Lakhs)

| S. No. | Particulars | 31.03.2023 (Audited) | 31.03.2022 (Audited) | 31.03.2021 (Audited) |
|---|---|---|---|---|
| 1 | Share Capital | 86.50 | 86.50 | 86.50 |
| 2 | Other Equity/Reserve & Surplus | 625.95 | 444.60 | 324.00 |
| 3 | Net Worth | 712.45 | 531.10 | 410.50 |
| 4 | Total Income | 1,104.89 | 878.62 | 733.65 |
| 5 | Profit Before Tax | 246.36 | 166.64 | 117.46 |
| 6 | Tax | 65.01 | 46.04 | 31.31 |
| 7 | Profit After Tax | 181.35 | 126.60 | 86.15 |
| 8 | Earning Per Shares (In Rs.) | 20.97 | 13.94 | 9.95 |
| 9 | Net Asset Value (In Rs.) | 82.36 | 61.40 | 47.46 |

**Shareholding Pattern of the Company:**

| S. No. | Name of Shareholders | No. of Shares | % |
|---|---|---|---|
| 1. | EMS Limited<br>(Formally known as M/s EMS Infracon Pvt Ltd) | 8,65,000 | 100.00 |
| **Total** | | **8,65,000** | **100.00** |

### 2. Canary Infrastructure Private Limited

CIPL was incorporated on January 17, 2006 under the provisions of Companies Act, 1996. The Registered Office of CIPL is situated at 701 DLF Tower - A, Jasola New Delhi, New Delhi-110025, India. The CIN of CIPL is U45201DL2006PTC144960.

To carry on in India or elsewhere the business to construct, reconstruct, build, rebuild, alter, acquire, develop and turn to account all types of buildings, multiplexes. Colonies, complexes. shopping malls, clubs, entertainment plazas, hotels, hospitals, colonies, werehouses, shops, factories and furnishing, fitting up and improving buildings draining.

*Audited Financial Information*

The details of the reserves (excluding revaluation reserves), sales, profit/ (loss) after tax, basic earnings per share, diluted earnings per share and net asset value per share derived from the audited financial statements of CIPL for the period financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 in terms of the SEBI ICDR Regulations are available on its website at www.ems.co.in.

**Key financials:**

(Rs in Lakhs)

| S. No. | Particulars | 31.03.2023 (Audited) | 31.03.2022 (Audited) | 31.03.2021 (Audited) |
|---|---|---|---|---|
| 1 | Share Capital | 1.00 | 1.00 | 1.00 |
| 2 | Other Equity/Reserve & Surplus | (2.14) | (2.02) | (1.90) |
| 3 | Net Worth | (1.14) | (1.02) | (0.90) |
| 4 | Total Income | - | - | - |
| 5 | Profit Before Tax | (0.12) | (0.12) | (0.19) |
| 6 | Tax | - | - | - |
| 7 | Profit After Tax | (0.12) | (0.12) | (0.19) |
| 8 | Earning Per Shares (In Rs.) | (1.20) | (1.20) | (1.90) |
| 9 | Net Asset Value (In Rs.) | (11.40) | (10.20) | (9.00) |

**Shareholding Pattern of the Company:**

| S. No. | Name of Shareholders | No. of Shares | % |
|---|---|---|---|
| 1. | EMS Limited<br>(Formally known as M/s EMS Infracon Pvt Ltd) | 10,000 | 100.00 |
| **Total** | | **10,000** | **100.00** |

**3. EMS Green Energy Private Limited**

EGEPL was incorporated on November 02, 2018 under the provisions of Companies Act, 2013. The Registered Office of EGEPL is situated at 701 DLF Tower - A, Jasola New Delhi, New Delhi-110025, India. The CIN of EGEPL is U40106DL2018PTC341513.

*Audited Financial Information*

The details of the reserves (excluding revaluation reserves), sales, profit/ (loss) after tax, basic earnings per share, diluted earnings per share and net asset value per share derived from the audited financial statements of EGEPL for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 in terms of the SEBI ICDR Regulations are available on its website at www.ems.co.in**.**

**Key financials:**

(Rs in Lakhs)

| S. No. | Particulars | 31.03.2023 (Audited) | 31.03.2022 (Audited) | 31.03.2021 (Audited) |
|---|---|---|---|---|
| 1 | Share Capital | 10.00 | 10.00 | 10.00 |
| 2 | Other Equity/Reserve & Surplus | (2.84) | (2.72) | (2.45) |
| 3 | Net Worth | 7.16 | 7.28 | 7.55 |
| 4 | Total Income | - | - | - |
| 5 | Profit Before Tax | (0.12) | (0.13) | (0.10) |
| 6 | Tax | - | - | - |
| 7 | Profit After Tax | (0.12) | (0.13) | (0.10) |
| 8 | Earning Per Shares (In Rs.) | (0.12) | (0.13) | (0.10) |
| 9 | Net Asset Value (In Rs.) | 7.16 | 7.28 | 7.55 |

**Shareholding Pattern of the Company:**

| S. No. | Name of Shareholders | No. of Shares | % |
|---|---|---|---|
| 1. | EMS Limited<br>(Formally known as M/s EMS Infracon Pvt Ltd) | 99,990 | 99.99 |
| **Total** | | **99,990** | **99.99** |

**FOLLOWING ARE THE PARTNERSHIP FIRMS:**

**EMS REALTORS**

EMS Realtors is a partnership firm, formed on 29th October, 2021. The registered office of the firm is situated at C-88, IInd Floor, RDC, Raj Nagar, Ghaziabad, UP – 201001. The firm is formed with the objective of doing real estate business activities.

**EMS CONSTRUCTION**

EMS Constructions is a partnership firm, formed on 04th August, 2021. The registered office of the firm is situated at C-88, IInd Floor, RDC, Raj Nagar, Ghaziabad, UP – 201001. The firm is formed with the objective of doing construction business activities.

**VVIP EMS INFRAHOME**

VVIP EMS Infrahome is a partnership firm, formed on 18th January, 2023. The registered office of the firm is situated at VVIP Style Mall, 5th Floor, Raj Nagar Extn., Ghaziabad-201002 (Uttar Pradesh). The firm is formed with the objective to carry on the business of Real Estate, Construction of Commercial/Residential Complex, Buildings and Flats, Sale and Purchase of Flats, Plots, Vilas, Farm Houses Etc.

## OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations and pursuant to the resolution passed by our Board at its meeting held on March 25, 2023 the term "group companies", includes (i) such companies (other than joint ventures) with which there were related party transactions during the period for which financial information is disclosed, as covered under applicable accounting standards, and (ii) any other companies considered material by the board of directors of the relevant issuer company.

Accordingly, all such companies with which our Company had related party transactions as per the Restated Consolidated Financial Statements, as covered under the relevant accounting standard (i.e. Ind AS 24) have been considered as group companies in terms of the SEBI ICDR Regulations.

Accordingly, in terms of the policy adopted by our Board of Directors for determining group companies (other than Joint Venture & Subsidiaries), we have set out below the details of our Group Companies. Our Board of Directors has also approved that, as on the date of the aforesaid resolution, there are no other group companies of our Company other than the companies disclosed below:

- EMS Infrastructure Private Limited
- EMS Infratech Private Limited
- EMS Realtech Private Limited
- Pollux Realtech Private Limited
- Eminence Realtech Private Limited
- Primatech Infrastructure Private Limited
- Summit Constructions Private Limited
- Trident Infracon Private Limited
- Brijbihari Pulp and Paper Private Limited

In accordance with the SEBI ICDR Regulations, certain financial information in relation to our Group Companies for the previous three financial years, extracted from their respective audited financial statements (as applicable) are available at the websites indicated below.

Our Company is providing links to such website solely to comply with the requirements specified under the SEBI ICDR Regulations.

**DETAILS OF OUR GROUP COMPANIES**

**1. EMS Infrastructure Private Limited (EMSIPL)**

EMSIPL was incorporated on August 27, 2013 under the provisions of Companies Act, 1956. The Registered Office of EMSIPL is situated at 701, Tower - A DLF Towers, Jasola, New Delhi-110025, India. The CIN of EMSIPL is U70101DL2013PTC256993.

To carry on the business of Developers, Contractors, Builders, Construction and Real Estate activity and to carry on the business of construction of residential houses, commercial buildings, flats and factory's sheds and buildings in or out side of India and to act as builders, colonisers and civil and constructional contractors.

*Audited Financial Information*

The details of the reserves (excluding revaluation reserves), sales, profit/ (loss) after tax, basic earnings per share, diluted earnings per share and net asset value per share derived from the audited financial statements of EIPL for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 in terms of the SEBI ICDR Regulations are available on its website at https://ems.co.in/group-company.

**Key financials:**

(Rs in Lakhs)

| S. No. | Particulars | 31.03.2023 (Audited) | 31.03.2022 (Audited) | 31.03.2021 (Audited) |
|---|---|---|---|---|
| 1 | Share Capital | 2.00 | 2.00 | 2.00 |
| 2 | Other Equity/Reserve & Surplus | 1,928.99 | 1,377.00 | 1,256.38 |
| 3 | Net Worth | 1,930.99 | 1,379.00 | 1,258.38 |
| 4 | Total Income | 5,347.22 | 844.76 | 3,359.90 |
| 5 | Profit Before Tax | 741.46 | 171.30 | 824.25 |
| 6 | Tax | 189.46 | 50.59 | 214.66 |
| 7 | Profit After Tax | 552.00 | 120.62 | 609.58 |
| 8 | Earning Per Shares (In Rs.) | 2,760.00 | 603.08 | 3,047.90 |
| 9 | Net Asset Value (In Rs.) | 9,654.95 | 6,895.00 | 6,291.90 |

**Shareholding Pattern of the Company:**

| S. No. | Name of Shareholders | No. of Shares | % |
|---|---|---|---|
| 1 | Ashish Tomar | 5,000 | 25.00 |
| 2 | Ramveer Singh | 5,000 | 25.00 |
| 3 | Gajendra Parihar | 5,000 | 25.00 |
| 4 | Sakshi Tomar Parihar | 5,000 | 25.00 |
| **Total** | | **99,990** | **100.00** |

**2. EMS Infratech Private Limited (EIPL)**

EIPL was incorporated on July 23, 2013 under the provisions of Companies Act, 1956. The Registered Office of EIPL is situated at 701, Tower - A DLF Towers, Jasola New Delhi, New Delhi-110025, India. The CIN of EIPL is U70102DL2013PTC255701.

To carry on the business of Developers, Contractors, Builders, Construction and Real Estate activity and to carry on the business of construction of residential houses, commercial buildings, flats and factory's sheds and buildings in or out side of India and to act as builders, colonisers and civil and constructional contractors.

*Audited Financial Information*

The details of the reserves (excluding revaluation reserves), sales, profit/ (loss) after tax, basic earnings per share, diluted earnings per share and net asset value per share derived from the audited financial statements of EIPL for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 in terms of the SEBI ICDR Regulations are available on its website at https://ems.co.in/group-company.

**Key financials:**

(Rs in Lakhs)

| S. No. | Particulars | 31.03.2023 (Audited) | 31.03.2022 (Audited) | 31.03.2021 (Audited) |
|---|---|---|---|---|
| 1 | Share Capital | 1.00 | 1.00 | 1.00 |
| 2 | Other Equity/Reserve & Surplus | (1.80) | (1.68) | (1.55) |
| 3 | Net Worth | (0.80) | (0.68) | (0.55) |
| 4 | Total Income | - | - | - |
| 5 | Profit Before Tax | (0.12) | (0.12) | (0.19) |
| 6 | Tax | - | - | - |
| 7 | Profit After Tax | (0.12) | (0.12) | (0.19) |
| 8 | Earning Per Shares (In Rs.) | (1.20) | (1.20) | (1.90) |
| 9 | Net Asset Value (In Rs.) | (8.00) | (6.80) | (5.50) |

**Shareholding Pattern of the Company:**

| S. No. | Name of Shareholders | No. of Shares | % |
|---|---|---|---|
| 1. | Ashish Tomar | 5,000 | 50.00 |
| 2. | Ramveer Singh | 5,000 | 50.00 |
| **Total** | | **10,000** | **100.00** |

### 3. EMS Realtech Private Limited (EMSRPL)

EMSRPL was incorporated on July 17, 2013 under the provisions of Companies Act, 1956. The Registered Office of EMSRPL is situated at 701, Tower - A DLF Towers, Jasola New Delhi, New Delhi-110025, India. The CIN of EMSRPL is U70109DL2013PTC255488.

The company was incorporated to do contractor business activities, however at present there is no business activity in the company. The company is also not having any credit facility from any bank or financial institution.

*Audited Financial Information*

The details of the reserves (excluding revaluation reserves), sales, profit/ (loss) after tax, basic earnings per share, diluted earnings per share and net asset value per share derived from the audited financial statements of EIPL for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 in terms of the SEBI ICDR Regulations are available on its website at https://ems.co.in/group-company.

**Key financials:**

(Rs in Lakhs)

| S. No. | Particulars | 31.03.2023 (Audited) | 31.03.2022 (Audited) | 31.03.2021 (Audited) |
|---|---|---|---|---|
| 1 | Share Capital | 1.00 | 1.00 | 1.00 |
| 2 | Other Equity/Reserve & Surplus | (1.79) | (1.68) | (1.55) |
| 3 | Net Worth | (0.79) | (0.68) | (0.55) |
| 4 | Total Income | - | - | - |
| 5 | Profit Before Tax | (0.12) | (0.13) | (0.19) |
| 6 | Tax | - | - | - |
| 7 | Profit After Tax | (0.12) | (0.13) | (0.19) |
| 8 | Earning Per Shares (In Rs.) | (1.20) | (1.30) | (1.90) |
| 9 | Net Asset Value (In Rs.) | (7.90) | (6.80) | (5.50) |

**Shareholding Pattern of the Company:**

| S. No. | Name of Shareholders | No. of Shares | % |
|---|---|---|---|
| 1. | Ashish Tomar | 5,000 | 50.00 |
| 2. | Ramveer Singh | 5,000 | 50.00 |
| **Total** | | **10,000** | **100.00** |

### 4. Pollux Realtech Private Limited (PRPL)

PRPL was incorporated on July 17, 2013 under the provisions of Companies Act, 1956. The Registered Office of PRPL is situated at 701, Tower - A DLF Towers, Jasola New Delhi, New Delhi-110025, India. The CIN of PRPL is U70109DL2013PTC255484.

To carry on the business of Developers, Contractors, Builders, Construction and Real Estate activity. To carry on the business of construction of residential houses, commercial buildings, flats and factory's sheds and buildings in or out side of India and to act as builders, colonisers and civil and constructional contractors.

*Audited Financial Information*

The details of the reserves (excluding revaluation reserves), sales, profit/ (loss) after tax, basic earnings per share, diluted earnings per share and net asset value per share derived from the audited financial statements of EIPL for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 in terms of the SEBI ICDR Regulations are available on its website at https://ems.co.in/group-company.

**Key financials:**

(Rs in Lakhs)

| S. No. | Particulars | 31.03.2023 (Audited) | 31.03.2022 (Audited) | 31.03.2021 (Audited) |
|---|---|---|---|---|
| 1 | Share Capital | 1.00 | 1.00 | 1.00 |
| 2 | Other Equity/Reserve & Surplus | (1.94) | (1.81) | (1.61) |
| 3 | Net Worth | (0.94) | (0.81) | (0.62) |
| 4 | Total Income | - | - | - |
| 5 | Profit Before Tax | (0.12) | (0.20) | (0.19) |
| 6 | Tax | - | - | - |
| 7 | Profit After Tax | (0.12) | (0.20) | (0.19) |
| 8 | Earning Per Shares (In Rs.) | (1.20) | (2.00) | (1.90) |
| 9 | Net Asset Value (In Rs.) | (9.40) | (18.10) | (6.20) |

**Shareholding Pattern of the Company:**

| S. No. | Name of Shareholders | No. of Shares | % |
|---|---|---|---|
| 1. | Ashish Tomar | 5,000 | 50.00 |
| 2. | Ramveer Singh | 5,000 | 50.00 |
| **Total** | | **10,000** | **100.00** |

**5. Eminence Realtech Private Limited (ERPL)**

ERPL was incorporated on December 21, 2010 under the provisions of Companies Act, 1956. The Registered Office of ERPL is situated at 701 DLF Tower - A, Jasola New Delhi, New Delhi-110025, India. The CIN of ERPL is U45400DL2010PTC211610.

To carry on the business of real estate, builders, contractors, colonisers, centre, resorts, construction engineers, designers, interior decorators, town and country planners, furnishers and commission agents. To undertake or direct the construction and the management of the property, building, land and estates (of any tenure and any kind) of any person, whether member of the company or not, in the capacity of stewards or receive or otherwise so as to serve the society and nation as a whole.

*Audited Financial Information*

The details of the reserves (excluding revaluation reserves), sales, profit/ (loss) after tax, basic earnings per share, diluted earnings per share and net asset value per share derived from the audited financial statements of EIPL for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 in terms of the SEBI ICDR Regulations are available on its website at https://ems.co.in/group-company.

**Key financials:**

(Rs in Lakhs)

| S. No. | Particulars | 31.03.2023 (Audited) | 31.03.2022 (Audited) | 31.03.2021 (Audited) |
|---|---|---|---|---|
| 1 | Share Capital | 1.00 | 1.00 | 1.00 |
| 2 | Other Equity/Reserve & Surplus | (3.34) | (3.22) | (3.09) |
| 3 | Net Worth | (2.34) | (2.22) | (2.09) |
| 4 | Total Income | - | - | - |

| | | | | |
|---|---|---|---|---|
| 5 | Profit Before Tax | (0.12) | (0.13) | (0.20) |
| 6 | Tax | - | - | - |
| 7 | Profit After Tax | (0.12) | (0.13) | (0.20) |
| 8 | Earning Per Shares (In Rs.) | (1.20) | (1.30) | (2.00) |
| 9 | Net Asset Value (In Rs.) | (23.40) | (22.20) | (20.90) |

**Shareholding Pattern of the Company:**

| S. No. | Name of Shareholders | No. of Shares | % |
|---|---|---|---|
| 1. | Ashish Tomar | 5,000 | 50.00 |
| 2. | Ramveer Singh | 5,000 | 50.00 |
| **Total** | | **10,000** | **100.00** |

**6. Primatech Infrastructure Private Limited (PIPL)**

PIPL was incorporated on December 21, 2010 under the provisions of Companies Act, 1956. The Registered Office of PIPL is situated at 701 DLF Tower - A, Jasola New Delhi, New Delhi-110025, India. The CIN of PIPL is U45204DL2010PTC211603.

To carry on the business of real estate, builders, contractors, colonisers, centre, resorts, construction engineers, designers, interior decorators, town and country planners, furnishers and commission agents. To undertake or direct the construction and the management of the property, building, land and estates (of any tenure and any kind) of any person, whether member of the company or not, in the capacity of stewards or receive or otherwise so as to serve the society and nation as a whole.

*Audited Financial Information*

The details of the reserves (excluding revaluation reserves), sales, profit/ (loss) after tax, basic earnings per share, diluted earnings per share and net asset value per share derived from the audited financial statements of EIPL for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 in terms of the SEBI ICDR Regulations are available on its website at https://ems.co.in/group-company.

**Key financials:**

(Rs in Lakhs)

| S. No. | Particulars | 31.03.2023 (Audited) | 31.03.2022 (Audited) | 31.03.2021 (Audited) |
|---|---|---|---|---|
| 1 | Share Capital | 1.00 | 1.00 | 1.00 |
| 2 | Other Equity/Reserve & Surplus | 231.52 | 232.10 | 234.43 |
| 3 | Net Worth | 232.52 | 233.10 | 235.43 |
| 4 | Total Income | - | - | 177.00 |
| 5 | Profit Before Tax | (0.59) | (2.33) | 176.77 |
| 6 | Tax | - | - | 48.02 |
| 7 | Profit After Tax | (0.59) | (2.33) | 128.75 |
| 8 | Earning Per Shares (In Rs.) | (5.90) | (23.30) | 1,287.50 |
| 9 | Net Asset Value (In Rs.) | 2,325.20 | 2,331.00 | 2,354.30 |

**Shareholding Pattern of the Company:**

| S. No. | Name of Shareholders | No. of Shares | % |
|---|---|---|---|
| 1. | Ashish Tomar | 5,000 | 50.00 |
| 2. | Ramveer Singh | 4,000 | 40.00 |
| 3. | Rashmi Kansal | 1,000 | 10.00 |
| **Total** | | **10,000** | **100.00** |

7. **Summit Constructions Private Limited (SCPL)**

SCPL was incorporated on September 15, 1995 under the provisions of Companies Act, 1996. The Registered Office of SCPL is situated at 701 DLF Tower - A, Jasola New Delhi, New Delhi-110025, India. The CIN of SCPL is U74899DL1995PTC072492.

To purchase, acquire, take on Lease or in exchange or in any other such lawful manner any land, buildings and structures and to develop the same and dispose of or maintain the same build town ship, makers, commercial complex with all or related conveniences thereon and to equip the same or aay part other buildings or any related amenities or conveniences such as drainage.

*Audited Financial Information*

The details of the reserves (excluding revaluation reserves), sales, profit/ (loss) after tax, basic earnings per share, diluted earnings per share and net asset value per share derived from the audited financial statements of EIPL for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 in terms of the SEBI ICDR Regulations are available on its website at https://ems.co.in/group-company.

**Key financials:**

(Rs in Lakhs)

| S. No. | Particulars | 31.03.2023 (Audited) | 31.03.2022 (Audited) | 31.03.2021 (Audited) |
|---|---|---|---|---|
| 1 | Share Capital | 23.75 | 23.75 | 23.75 |
| 2 | Other Equity/Reserve & Surplus | 16.24 | 16.39 | 16.51 |
| 3 | Net Worth | 39.99 | 40.14 | 40.26 |
| 4 | Total Income | - | - | - |
| 5 | Profit Before Tax | (0.15) | (0.13) | (0.20) |
| 6 | Tax | - | - | - |
| 7 | Profit After Tax | (0.15) | (0.13) | (0.20) |
| 8 | Earning Per Shares (In Rs.) | (0.06) | (0.05) | (0.08) |
| 9 | Net Asset Value (In Rs.) | 16.84 | 16.90 | 16.95 |

**Shareholding Pattern of the Company:**

| S. No. | Name of Shareholders | No. of Shares | % |
|---|---|---|---|
| 1. | Nirmala Tomar | 1,00,000 | 42.10 |
| 2. | Ramveer Singh | 1,37,520 | 57.90 |
| **Total** | | **2,37,520** | **100.00** |

8. **Trident Infracon Private Limited (TIPL)**

TIPL was incorporated on July 17, 2013 under the provisions of Companies Act, 1996. The Registered Office of TIPL is situated at 701 DLF Tower - A, Jasola New Delhi, New Delhi-110025, India. The CIN of TIPL is U70102DL2013PTC255478.

To carry on the business of Developers, Contractors, Builders, Construction and Real Estate activity. To carry on the business of construction of residential houses, commercial buildings, flats and factory's sheds and buildings in or out side of India and to act as builders, colonisers and civil and constructional contractors.

*Audited Financial Information*

The details of the reserves (excluding revaluation reserves), sales, profit/ (loss) after tax, basic earnings per share, diluted earnings per share and net asset value per share derived from the audited financial statements of EIPL for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 in terms of the SEBI ICDR Regulations are available on its website at https://ems.co.in/group-company.

**Key financials:**

(Rs in Lakhs)

| S. No. | Particulars | 31.03.2023 (Audited) | 31.03.2022 (Audited) | 31.03.2021 (Audited) |
|---|---|---|---|---|
| 1 | Share Capital | 1.00 | 1.00 | 1.00 |
| 2 | Other Equity/Reserve & Surplus | (1.72) | (1.60) | (1.49) |
| 3 | Net Worth | (0.72) | (0.60) | (0.49) |
| 4 | Total Income | - | - | - |
| 5 | Profit Before Tax | (0.12) | (0.11) | (0.13) |
| 6 | Tax | - | - | - |
| 7 | Profit After Tax | (0.12) | (0.11) | (0.13) |
| 8 | Earning Per Shares (In Rs.) | (1.20) | (1.10) | (1.30) |
| 9 | Net Asset Value (In Rs.) | (7.20) | (6.00) | (4.90) |

**Shareholding Pattern of the Company:**

| S. No. | Name of Shareholders | No. of Shares | % |
|---|---|---|---|
| 1. | Ashish Tomar | 5,000 | 50.00 |
| 2. | Ramveer Singh | 5,000 | 50.00 |
| **Total** | | **10,000** | **100.00** |

**9. Brijbihari Pulp and Paper Private Limited**

BPPL was incorporated on January 10, 2023 under the provisions of Companies Act, 1996. The Registered Office of BPPL is situated at D-74/2, Loha Mandi Ghaziabad, UP-201001, India. The CIN of BPPL is U21000UP2023PTC176721.

The company has been recently incorporated with the objective of manufacturing of duplex paper. The company is not having any credit facility from any bank or financial institution.

*Audited Financial Information*

The details of the reserves (excluding revaluation reserves), sales, profit/ (loss) after tax, basic earnings per share, diluted earnings per share and net asset value per share derived from the audited financial statements of EIPL for the financial years ended March 31, 2023 in terms of the SEBI ICDR Regulations are available on its website at https://ems.co.in/group-company.

**Key financials:**

The preparation of audited financials for the FY 2022-23 are under process as on date of this Red Herring Prospectus.

**Shareholding Pattern of the Company:**

| S. No. | Name of Shareholders | No. of Shares | % |
|---|---|---|---|
| 1. | Brijbihari Concast Private Limited | 5,000 | 50.00 |
| 2. | Ramveer Singh | 5,000 | 50.00 |
| **Total** | | **10,000** | **100.00** |

### *INTEREST OF GROUP COMPANIES*

None of our Group Companies have any interest in the promotion of our Company.

None of our Group Companies are interested in the properties acquired by our Company in the three years preceding the filing of this Red Herring Prospectus or proposed to be acquired by our Company.

None of our Group Companies are interested in any transactions for the acquisition of land, construction of building or supply of machinery etc.

### *COMMON PURSUITS AMONG GROUP COMPANIES WITH OUR COMPANY*

Except EMS Infrastructure Private Limited, Mirzapur Gazipur STPS Private Limited, EMS TCP JV Private Limited, EMS Singh JV and EMS Himal Hydro JV which is also engaged in the similar line of business as our Company; Our Company has not adopted any measures for mitigating such conflict situations.

Further, some of Group Companies may be empowered under their respective constitutional documents, to undertake a similar line of business, currently there is no conflicting interest arising out of such the common pursuits. We shall adopt necessary procedures and practices as permitted by law to address any instances of conflict of interest, if and when they may arise.

### *RELATED BUSINESS TRANSACTION WITHIN THE GROUP COMPANIES AND SIGNIFICANCE ON FINANCIAL PERFORMANCE OF OUR COMPANY*

For details pertaining to business transactions, of our Company with our Group Companies, please refer “Related Party Transactions” beginning on page no. 361.

### *BUSINESS INTEREST OF GROUP COMPANIES*

Except in the ordinary course of business and as stated in “Restated Consolidated Financial Statements – Related Party Disclosure (Ind As-24)” on page 361, our Group Company does not have any business interest in our Company.

### *LITIGATION*

Except as disclosed on page no. 440, there has been no material litigation in the group companies, which may directly or indirectly affect our Company.

### *CONFIRMATION*

Our Group Companies do not have any securities listed on any stock exchanges. Further, our Group Companies have not undertaken any public or rights issue of securities in the three years preceding the date of this Red Herring Prospectus.

## DIVIDEND POLICY

The declaration and payment of dividends will be recommended by our Board of Directors and approved by our Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act.

Declaration of dividend, if any, will depend on a number of factors, including but not limited to the capital expenditure requirements, profit earned during the financial year and profit available for distribution, working capital requirements, business expansion and growth, additional investment in subsidiary, cost of borrowing, economic environment, capital markets, and other factors considered by our Board. The Articles of Association also provides discretion to our Board to declare and pay interim dividends.

Our Company has not declared any dividends in: (i) the last three Fiscals; and (ii) the period between April 1, 2022 and the date of filing this Red Herring Prospectus. There is no guarantee that any dividends will be declared or paid in the future. For details of risks in relation to our capability to pay dividend see "Risk Factors – Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures and are also prohibited by the terms of our financing arrangements".

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the Memorandum of Association and Articles of Association and provisions of SEBI Listing Regulations and other applicable laws.

## SECTION V – FINANCIAL INFORMATION
## INDEPENDENT AUDITOR'S REPORT

As required by Section 26 of Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014)

**To**
**The Board of Directors,**
**EMS Limited**
*(Formerly known as "EMS Infracon Private Limited")*
701, DLF Tower A Jasola,
New Delhi-110025

1. We have examined the attached Restated Consolidated Financial Statements of **EMS Limited** (formerly known as " EMS Infracon Private Limited") (hereinafter referred as the "Company" or "Issuer"), its subsidiaries and joint ventures (the Company, its subsidiary and its joint ventures together referred to as the " Group") comprising of Restated Consolidated Statement of Assets and Liabilities as at March 31, 2023, March 31, 2022 and March 31, 2021, the Restated Consolidated Statement of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Changes in Equity, the Restated Consolidated Cash Flow Statement for the year ended March 31, 2023, March 31, 2022 and March 31, 2021, the Summary Statement of Significant Accounting Policies to the Restated Consolidated Financial Statements (collectively, the "Restated Consolidated Financial Statements"), as approved by the Board of Directors of the Company at their meeting held on July 27, 2023 for the purpose of inclusion in the Red Herring Prospectus **("RHP")** 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 as amended **("the Act")** read with Rules 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules,2014 (the "**Rules**")

   b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,2018 as amended from time to time pursuant to the provisions of the Securities and Exchange Board of India ,1992 **("the SEBI ICDR Regulations")**; and

   c) The Guidance Note on Reports in Company Prospectuses (Revised2019) 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 Statements for the purpose of inclusion in the RHP to be filed with Securities and Exchange Board of India, National Stock Exchange of India, Bombay Stock Exchange of India, and Registrar of Companies, NCT of Delhi and Haryana in connection with the proposed IPO. The Restated Financial Information have been prepared by the Management of the company. 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 Statements. 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 read with the SEBI Communication, as applicable.

3. We have examined such Restated Consolidated Financial Information taking into consideration:

   a) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

   b) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and

c) 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. These Restated Financial Information have been prepared and compiled by the management from:

   a) The Audited consolidated financial statements of the group for the year ended March 31, 2023 and for the years ended March 31, 2022 and March 31, 2021 are prepared in accordance with accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act, (" Indian GAAP") read with the Companies (Accounting Standards) Rules, 2015,as amended which have been approved by the Board of Directors at their meetings held on July 27, 2023, August 31, 2022 and September 21, 2021 respectively.

   b) The Consolidated Financial Statements of the group for the year ended March 31, 2023 and for the years ended March 31, 2022 and March 31, 2021 were audited by us for the year ended March 31, 2023, March 31, 2022 and March 31, 2021.

5. Our Work has been carried out in accordance with the Standards on Auditing under section 143 (10) of the Act, Guidance Note on reports in company Prospectus (Revised 2016) and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India and pursuant to the requirements of Section 26 of the Act read with applicable rules and ICDR Regulations. This work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the ICDR Regulations in connection with the issue.

**Opinion**

6. In accordance with the requirements of Section 26 of Part I of Chapter III of the Act read with the Rules, the ICDR Regulations and the Guidance Note, we have examined the Restated Consolidated Financial Information of the group which have been arrived after making adjustments and regrouping /reclassifications, which in our opinion were appropriate, and have been fully described in Annexure VI: Notes on Restatement Adjustments to audited consolidated financial statements and based on our examination, we report that :

   i. The Restated Consolidated Statement of Assets and Liabilities of the Company, as at March 31,2023, March 31,2022 and March 31,2021 examined by us, as set out in Annexure I to this report, have been arrived at after making adjustments and regrouping/ reclassifications as in our opinion were appropriate.

   ii. The Restated Consolidated Statement of Profit and Loss of the Company, for the year ended March 31, 2023, and for the years ended March 31, 2022 and March 31, 2021 examined by us, as set out in Annexure II to this report, have been arrived at after making adjustments and regrouping / reclassifications as in our opinion were appropriate and more fully described in Annexure VI.

   iii. The Restated Consolidated Statement of Cash Flows of the Company, for the year ended March 31, 2023 and for the years ended March 31, 2022 and March 31, 2021, examined by us, as set out in Annexures III to this report, have been arrived at after making adjustments and regrouping /reclassifications as in our opinion were appropriate and more fully described in Annexure VI.

   iv. The Restated Consolidated Statement of Changes in Equity of the Company for the year ended March 31, 2023 and for the years ended March 31,2022 and March 31, 2021 examined by us, as set out in Annexure IV to this report, have been arrived at after making adjustments and regrouping / reclassifications as in our opinion were appropriate.

7. Based on the above and according to the information and explanations given to us, we further report that the Restated Consolidated Financial Information of the Company, as attached to this report and as mentioned in paragraph 7 above, read with Notes on Adjustments for Restatement of Consolidated Profit and Loss

(Annexure VI), Significant Accounting Policies and Notes forming part of the Financial Information (Annexure V) have been prepared in accordance with the Act, the Rules, and the ICDR Regulations and ;

a. Have been made after incorporating adjustments for the changes in accounting policies of the Group in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all the reporting years;

b. Have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate;

c. There are no qualifications in the Auditor's Report on the audited Consolidated financial statements of the Group as at March 31,2023 , March 31,2022, and March 31,2021 which require an adjustments; and

d. There are no extra-ordinary items that needs to be disclosed separately.

8. We have also examined the following Restated financial information of the Group set out in the Annexures prepared by the Management and approved by the Board of Directors year ended March 31, 2023, March 31, 2022 and March 31, 2021.

| | | |
|---|---|---|
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9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

10. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

12. Our report is intended solely for use of the management for inclusion in the Offer Document to be filed with Securities and Exchange Board of India, National Stock Exchange of India, Bombay Stock Exchange of India, and Registrar of Companies, Delhi and Haryana in connection with the proposed IPO of equity shares of the Company. 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 M/s Rishi Kapoor & Company**
**Chartered Accountants**
**Firm Registration Number: 006615C**
**Peer Review Number: 013526**

**Sd/-**
**Jyoti Arora**
**Partner**
**M. No: 455362**

**Place: Ghaziabad**
**Date: 27.07.2023**
**UDIN: 23455362BGURTI1817**

**EMS LIMITED**

(Formerly known as "EMS Infracon Private Limited")

(All amounts in Indian Rupees Lacs, unless otherwise stated)

| **Annexure 1** | | | | |
|---|---|---|---|---|
| **RESTATED STATEMENT OF ASSETS AND LIABILITIES** | | | | |
| **Particulars** | **Annexure** | **As at March 31, 2023** | **As at March 31, 2022** | **As at March 31, 2021** |
| **ASSETS** | | | | |
| **Non-current Assets** | | | | |
| Property, Plant and Equipment | 7 | 1,794.37 | 1,817.45 | 930.47 |
| Capital work in progress | **8** | 402.81 | 30.32 | 275.42 |
| Right of Use Asset | **9** | 2,059.66 | 1,879.13 | 1,930.11 |
| Investment Property | **10** | 957.80 | 768.06 | 685.52 |
| Goodwill | **11** | 583.01 | 589.69 | 7.21 |
| Other Intangible Assets | **12** | - | - | 0.09 |
| Financial Assets | | | | |
| (i) Investments | **13** | 122.07 | 50.96 | 43.94 |
| (ii) Others | **14** | 4,416.36 | 3,598.72 | 3,932.62 |
| (iii)Trade Receivables | **15** | 4,620.27 | - | - |
| Other Non-Current Assets | - | - | - | - |
| Deferred tax assets (Net) | **16** | 32.76 | 45.16 | 46.51 |
| **Total non-current assets(A)** | | **14,989.11** | **8,779.49** | **7,851.89** |
| | | | | |
| **Current Assets** | | | | |
| Inventories | **17** | 10,475.91 | 5,412.85 | 3,542.93 |
| Financial Assets | | | | |
| (i) Trade receivables | **18** | 12,354.17 | 15,782.27 | 9,328.59 |
| (ii) Cash and cash equivalent | **19** | 8,167.47 | 6,105.29 | 5,043.09 |
| (iii) Bank Balances other than Cash and Cash Equivalents | **20** | 3,954.68 | 2,887.06 | 1,708.42 |
| (iv) Others | **21** | 9,863.76 | 8,313.98 | 8,354.14 |
| Other current assets | **22** | 4,066.59 | 2,974.40 | 2,002.26 |
| **Total Current assets(B)** | | **48,882.60** | **41,475.85** | **29,979.43** |
| **TOTAL ASSETS(A+B)** | | **63,871.71** | **50,255.34** | **37,831.32** |
| | | | | |
| **EQUITY AND LIABILITIES** | | | | |
| **Equity** | | | | |
| Equity share capital | **23** | 4,700.00 | 1,175.00 | 1,175.00 |
| Other equity | **24** | 44,083.23 | 36,842.99 | 29,016.46 |
| **Equity attributable to owners of the company** | | **48,783.23** | **38,017.99** | **30,191.46** |
| Non - Controlling Interest | | 210.66 | 94.27 | 16.18 |
| **Total equity(A)** | | **48,993.89** | **38,112.26** | **30,207.64** |
| | | | | |
| **Liabilities** | | | | |
| **Non-current liabilities** | | | | |
| Financial liabilities | | | | |
| (i) Borrowings | **25** | 4,539.56 | 371.31 | 316.29 |
| (ii) Lease Liabilities | **9** | - | - | 6.29 |
| (iii) Others | **26** | 2,365.30 | 889.22 | 665.41 |

| | | | | |
|---|---|---|---|---|
| Long term provisions | **27** | 24.17 | 27.22 | 27.04 |
| Deferred tax liabilities (Net) | | - | - | - |
| **Total non-current liabilities(B)** | | **6,929.03** | **1,287.75** | **1,015.03** |
| | | | | |
| **Current liabilities** | | | | |
| Financial liabilities | | | | |
| (i) Borrowings | **28** | - | - | - |
| (ii) Lease Liabilities | **9** | - | 6.29 | 35.84 |
| (iii) Trade Payables | **29** | 1,540.49 | 4,301.34 | 4,030.25 |
| (iv) Others | **30** | 3,677.32 | 4,015.22 | - |
| Other current liabilities | **31** | 2,693.93 | 2,138.41 | 1,011.73 |
| Short term provisions | **32** | 1.62 | 1.86 | 1.54 |
| Liabilities for current tax (Net) | **33** | 35.43 | 392.21 | 1,529.29 |
| **Total current liabilities(C)** | | **7,948.79** | **10,855.33** | **6,608.65** |
| **Total liabilities(B+C)** | | **14,877.82** | **12,143.08** | **7,623.68** |
| **TOTAL EQUITY AND LIABILITIES(A+B+C)** | | **63,871.71** | **50,255.34** | **37,831.32** |
| The above statement should be read with the Annexure 5: Company Overview & Significant Accounting policies and explanatory notes to the Restated Ind AS Summary Statement, Annexure 6: Statement of Restated Adjustments to audited financial statements and Annexures 7-63: Notes to Restated Ind AS Summary Statements. | | | | |

As per our Report of even date

**For Rishi Kapoor & Company**
**Chartered Accountants**
**Firm Registration Number: 006615C**

**For and on behalf of the Board**

Sd/-
**Jyoti Arora**
**Partner**
**Membership Number: 455362**

Sd/-
**Ramveer Singh**
Chairman & Director
DIN: 02260129

Sd/-
**Ashish Tomar**
Managing Director
DIN: 03170943

**Place**: Ghaziabad
**Date**: July 27,2023
**UDIN**: 23455362BGURTI1817

Sd/-
**Gajendra Parihar**
Chief Financial Officer

Sd/-
**Deepak Kumar**
Company Secretary
M No: 50639

**EMS LIMITED**

(Formerly known as "EMS Infracon Private Limited")

(All amounts in Indian Rupees Lacs, unless otherwise stated)

| **Annexure 2** | | | | |
|---|---|---|---|---|
| **RESTATED SUMMARY STATEMENT OF PROFIT AND LOSS** | | | | |
| **Particulars** | **Annexure** | **Year Ended March 31,2023** | **Year Ended March 31,2022** | **Year Ended March 31, 2021** |
| **Revenue:** | | | | |
| Revenue from Operations (Net) | **34** | 53,816.17 | 35,985.08 | 33,070.39 |
| Other income | **35** | 511.54 | 324.76 | 548.03 |
| **Total revenue (I)** | | **54,327.71** | **36,309.84** | **33,618.42** |
| | | | | |
| **Expenses:** | | | | |
| Cost of Revenue of Operations | **36** | 40,941.82 | 24,447.41 | 20,821.59 |
| Changes in inventories of Work in Progress | **37** | (5,062.13) | (1,866.67) | 747.56 |
| Employee benefit expenses | **38** | 1,402.19 | 1,064.84 | 785.11 |
| Finance costs | **39** | 384.13 | 574.59 | 445.25 |
| Depreciation and Amortization | **40** | 339.95 | 252.06 | 173.50 |
| Other expenses | **41** | 1,634.34 | 1,088.31 | 826.17 |
| **Total Expenses (II)** | | **39,640.30** | **25,560.54** | **23,799.18** |
| | | | | |
| **Restated Profit before Exception Items and Taxes (III)=(I)-(II)** | | **14,687.41** | **10,749.30** | **9,819.24** |
| | | | | |
| **Exceptional Items (IV)** | | **-** | **-** | **-** |
| | | | | |
| **Restated Profit before Tax (V)** | | **14,687.41** | **10,749.30** | **9,819.24** |
| | | | | |
| **Tax Expense (VI)** | **42** | | | |
| Current Taxes | | 3,812.94 | 2,859.09 | 2,628.34 |
| Deferred taxes expense/(credit) | | 7.49 | (2.62) | (0.23) |
| | | | | |
| **Restated Profit for the period/ year (VII)= (V)-(VI)** | | **10,866.98** | **7,892.83** | **7,191.14** |
| | | | | |
| **Other Comprehensive Income (OCI) (VIII)** | | **-** | **-** | **-** |
| **Items not to be reclassified to profit or loss in subsequent period:** | | **-** | **-** | **-** |
| Remeasurement gain/ (loss) on defined benefit plan (net of Tax) | | 8.78 | 6.53 | 3.48 |
| Gain/(Loss) on Investments through OCI | | 5.86 | 5.26 | 0.75 |
| | | | | |
| **Restated Total Comprehensive Income for the period/year, net of tax (IX) (VII+VIII)** | | **10,881.63** | **7,904.62** | **7,195.37** |
| | | | | |
| **Profit for the year attributable to** | | | | |
| Shareholders of the company | | 10,750.59 | 7,814.74 | 7,188.36 |
| Non-Controlling Interest | | 116.39 | 78.09 | 2.78 |

| | | | | |
|---|---|---|---|---|
| | | **10,866.98** | **7,892.83** | **7,191.14** |
| **Other Comprehensive income for the year attributable to** | | | | |
| Shareholders of the company | | 14.65 | 11.79 | 4.22 |
| Non-Controlling Interest | | **-** | **-** | **-** |
| | | **14.65** | **11.79** | **4.22** |
| **Total Comprehensive income for the year attributable to** | | | | |
| Shareholders of the company | | 10,765.24 | 7,826.53 | 7,192.59 |
| Non-Controlling Interest | | 116.39 | 78.09 | 2.78 |
| | | **10,881.63** | **7,904.62** | **7,195.37** |
| | | | | |
| **Restated Earnings per Equity Share (Face Value: Rupees 10)** | | | | |
| - Basic | | 23.15 | 67.27 | 61.24 |
| - Diluted | | 23.15 | 67.27 | 61.24 |
| The above statement should be read with the Annexure 5: Company Overview & Significant Accounting policies and explanatory notes to the Restated Ind AS Summary Statement, Annexure 6: Statement of Restated Adjustments to audited financial statements and Annexures 7-63: Notes to Restated Ind AS Summary Statements. | | | | |

As per our Report of even date

**For Rishi Kapoor & Company** — **For and on behalf of the Board**

**Chartered Accountants**

**Firm Registration Number: 006615C**

| | | |
|---|---|---|
| Sd/- | Sd/- | Sd/- |
| **Jyoti Arora** | **Ramveer Singh** | **Ashish Tomar** |
| **Partner** | Chairman & Director | Managing Director |
| **Membership Number: 455362** | DIN: 02260129 | DIN: 03170943 |

| | | |
|---|---|---|
| | Sd/- | Sd/- |
| **Place**: Ghaziabad | **Gajendra Parihar** | **Deepak Kumar** |
| **Date**: July 27,2023 | Chief Financial Officer | Company Secretary |
| **UDIN**: 23455362BGURTI1817 | | M No: 50639 |

**EMS LIMITED**
(Formerly known as "EMS Infracon Private Limited")
(All amounts in Indian Rupees Lacs, unless otherwise stated)

| **Annexure 3** | | | |
|---|---|---|---|
| **RESTATED SUMMARY STATEMENT OF CASH FLOWS** | | | |
| **Particulars** | **Year Ended March 31,2023** | **Year Ended March 31,2022** | **Year Ended March 31, 2021** |
| **A. CASH FLOW FROM OPERATING ACTIVITIES** | | | |
| Profit/ (Loss) before Exceptional items and Tax | 14,687.41 | 10,749.30 | 9,819.24 |
| **Non-cash adjustments:** | | | |
| Depreciation and amortisation expenses | 257.54 | 215.12 | 173.50 |
| Interest Expense | 0.07 | 2.43 | 44.45 |
| Loss/ (Gain) on Sale of Property, Plant and Equipment | (5.99) | (0.15) | - |
| Remeasurement gain/ (loss) on defined benefit plan | 11.74 | 8.72 | 4.65 |
| Gain/(Loss) on Investments through OCI | 7.83 | 7.03 | 1.00 |
| **Operating profit before working capital changes** | **14,958.61** | **10,982.45** | **10,042.85** |
| Changes in working capital: | | | |
| (Increase)/ Decrease in Inventories | (5,063.06) | (1,869.92) | 747.54 |
| (Increase)/Decrease in Trade Receivables | (1,192.18) | (6,453.68) | (5,392.61) |
| (Increase)/Decrease in Other Current Assets | (2,713.81) | (3,238.28) | 3,486.72 |
| (Increase)/Decrease in Other Financial Assets | (3,132.87) | 88.55 | (2,098.14) |
| Increase/(Decrease) in other current liabilities | 555.52 | 1,120.47 | (94.62) |
| Increase/(Decrease) in Trade Payables | (2,760.84) | 271.08 | 108.23 |
| Increase/(Decrease) in other Financial Liabilities | (337.90) | 3,985.67 | (648.28) |
| Increase/(Decrease) in Provisions | (2,837.62) | (2,604.47) | (2,551.43) |
| **Cash generated from operations** | | | |
| Income tax (Refund)/ paid during the year | (15.96) | (18.15) | (23.44) |
| **Net cash from operating activities (A)** | **(2,540.12)** | **2,263.71** | **3,576.82** |
| | | | |
| **B. CASH FLOW FROM INVESTING ACTIVITIES** | | | |
| Purchase of Property, Plant and Equipment and Capital Work in Progress | (878.58) | (845.44) | (829.16) |
| Sale of Property, Plant and Equipment | 91.09 | 39.41 | 0.29 |
| Loss / (Gain) on Fair Valuation of Investments | (71.11) | (7.03) | (1.00) |
| Increase in Investment Property | (189.74) | (82.54) | (10.96) |
| Increase in Intangible Assets | 6.68 | (582.48) | (6.68) |
| (Gain)/Loss on Sale of Fixed Assets | 5.99 | 0.15 | - |
| **Net cash from investing activities (B)** | **(1,035.67)** | **(1,477.91)** | **(847.51)** |
| | | | |
| **C. CASH FLOW FROM FINANCING ACTIVITIES** | | | |
| Contribution from Non-Controlling Interests | - | - | 13.41 |
| Interest paid on borrowings | (0.07) | (2.43) | (44.45) |
| Increase/ (Decrease) in other Long-term liabilities | 1,476.08 | 223.82 | 154.03 |
| Proceeds/(Repayment) from Short-Term Borrowings | - | - | (204.56) |
| Proceeds/(Repayment) of Long-term Borrowings | 4,168.25 | 55.02 | (958.87) |
| Proceeds/(Repayment) of Lease Liability | (6.29) | - | (49.36) |

| | | | |
|---|---|---|---|
| **Net cash from financing activities (C)** | **5,637.97** | **276.40** | **(1,089.80)** |
| **Net increase in cash and cash equivalents (A+B+C)** | **2,062.18** | **1,062.20** | **1,639.51** |
| **Cash and cash equivalents at the beginning of the year** | 6,105.29 | 5,043.09 | 3,403.58 |
| **Cash and cash equivalents at the end of the year** | **8,167.47** | **6,105.29** | **5,043.09** |
| The above statement should be read with the Annexure 5: Company Overview & Significant Accounting policies and explanatory notes to the Restated Ind AS Summary Statement, Annexure 6: Statement of Restated Adjustments to audited financial statements and Annexures 7-63: Notes to Restated Ind AS Summary Statements. | | | |

As per our Report of even date
**For Rishi Kapoor & Company**
**Chartered Accountants**
**Firm Registration Number: 006615C**

**For and on behalf of the Board**

Sd/-
**Jyoti Arora**
**Partner**
**Membership Number: 455362**

Sd/-
**Ramveer Singh**
Chairman & Director
DIN: 02260129

Sd/-
**Ashish Tomar**
Managing Director
DIN: 03170943

**Place**: Ghaziabad
**Date**: July 27,2023
**UDIN**: 23455362BGURTI1817

Sd/-
**Gajendra Parihar**
Chief Financial Officer

Sd/-
**Deepak Kumar**
Company Secretary
M No: 50639

**EMS LIMITED**
(Formerly known as "EMS Infracon Private Limited")
(All amounts in Indian Rupees Lacs, unless otherwise stated)

| **Annexure 4** | |
|---|---|
| **RESTATED STATEMENT OF CHANGES IN EQUITY** | |
| **A. Equity Share Capital** | |
| **Particulars** | **Amount** |
| **Balance as at April 1,2021** | 117.50 |
| Changes in equity share capital during the year | - |
| **Balance as at March 31,2022** | 117.50 |
| Changes in equity share capital during the year | 352.50 |
| **Balance as at March 31,2023** | 470.00 |

| **B. Other Equity** | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Particulars** | **Reserves and Surplus** | | | | **Total attributable to equity holders of the company** | **Non-Controlling Interests** | **Total** |
| | **General Reserve #** | **Retained Earnings *** | **Securities Premium ^** | **Capital Reserve^^** | | | |
| **Balance as at April 1,2021** | **192.75** | **28,733.28** | **75.00** | **15.44** | **29,016.46** | **16.18** | **29,032.64** |
| Profit for the year | - | 7,814.74 | - | - | 7,814.74 | 78.09 | 7,892.83 |
| Transfer from Retained Earnings to General Reserve | - | - | - | - | - | - | - |
| Other Comprehensive Income for the year, net of tax | - | 11.79 | - | - | 11.79 | - | 11.79 |
| **Total Comprehensive Income for the year** | **-** | **7,826.53** | **-** | **-** | **7,826.53** | **78.09** | **7,904.62** |
| **Balance as at March 31,2022** | **192.75** | **36,559.81** | **75.00** | **15.44** | **36,842.99** | **94.27** | **36,937.26** |
| **Balance as at April 1,2022** | **192.75** | **36,559.81** | **75.00** | **15.44** | **36,842.99** | **94.27** | **36,937.26** |
| Profit for the year | - | 10,750.59 | - | - | 10,750.59 | 116.39 | 10,866.98 |
| Transfer from Retained Earnings to General Reserve | - | - | - | - | - | - | - |
| Less: Bonus Share Issue During the year | - | 3,525.00 | - | - | 3,525.00 | - | - |
| Other Comprehensive Income for the year, net of tax | - | 14.65 | - | - | 14.65 | - | 14.65 |
| **Total Comprehensive Income for the year** | **-** | **7,240.24** | **-** | **-** | **7,240.24** | **116.39** | **10,881.63** |
| **Balance as at March 31,2023** | **192.75** | **43,800.04** | **75.00** | **15.44** | **44,083.23** | **210.66** | **47,818.89** |
| **Notes:** | | | | | | | |

| |
|---|
| # General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General Reserve is created by the transfer from one component of equity to another and is not an item of other comprehensive income; items included in the General Reserve will not be reclassified subsequently to profit or loss. |
| *Retained earnings represents unallocated/un-distributed profits of the Company. The amount that can be distributed as dividend by the Company as dividends to its equity shareholders is determined based on the separate financial statements of the Company and also considering the requirements of the Companies Act, 2013. Thus, amount reported above are not distributable in entirety. |
| ^ Securities Premium is used to record the premium on issue of shares. This is utilized in accordance with the provisions of the Companies Act, 2013. |
| ^^ Capital reserve is the excess of fair value of net assets acquired over consideration paid in a business combination is recognised as capital reserve. The reserve is not available for distribution. |
| The above statement should be read with the Annexure 5: Company Overview & Significant Accounting policies and explanatory notes to the Restated Ind AS Summary Statement, Annexure 6: Statement of Restated Adjustments to audited financial statements and Annexures 7-63 : Notes to Restated Ind AS Summary Statements. |

As per our Report of even date

**For Rishi Kapoor & Company**
**Chartered Accountants**
**Firm Registration Number: 006615C**

**For and on behalf of the Board**

Sd/-
**Jyoti Arora**
**Partner**
**Membership Number: 455362**

Sd/-
**Ramveer Singh**
Chairman & Director
DIN: 02260129

Sd/-
**Ashish Tomar**
Managing Director
DIN: 03170943

**Place**: Ghaziabad
**Date**: July 27,2023
**UDIN**: 23455362BGURTI1817

Sd/-
**Gajendra Parihar**
Chief Financial Officer

Sd/-
**Deepak Kumar**
Company Secretary
M No: 50639

**EMS LIMITED**
(Formerly known as "EMS Infracon Private Limited")
Notes to the Restated Financial Statements

**ANNEXURE 5**

## 1. COMPANY OVERVIEW

EMS Infracon Private Limited was incorporated on December 21,2010 with Registrar of Companies (ROC), Delhi and Haryana under the provisions of Companies Act 1956. Thereafter, the name of our Company was changed from 'EMS Infracon Private Limited' to 'EMS Private Limited' on October 26, 2022 and thereafter conversion of our Company from private to public company, pursuant to a special resolution passed by the shareholders of our Company on October 27, 2022 and a fresh certificate of incorporation consequent to change of name from EMS Private Limited to EMS Limited (" The Company") was issued by the ROC on November 25, 2022. The Company's Corporate Identity Number is U45205DL2010PLC211609. These Restated Consolidated Financial Statements comprise the Company, its subsidiary and its joint venture (as the "Group"). The Registered office of company is situated at 701, DLF Tower A, Jasola, New Delhi. The company is engaged in the business of Sewerage contractors, Sewerage Treatment Plants (STP) Works, Electricity transmission and distribution.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1 BASIS OF PREPARATION

The Restated Financial statements (FS) of the group have been prepared in accordance with Indian AccountingStandards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended)and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliantSchedule III), as applicable to the Financial statements.For all periods up to and including the year ended March 31, 2021, the group prepared its financial statements in accordance with Indian GAAP, includingaccounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph7 of the Companies (Accounts) Rules, 2014. The financial statements for the year ended March 31, 2022 arethe first the Group has prepared in accordance with Ind-AS. The Group has consistently applied the accounting policies used in the preparation of its opening IND-AS Balance Sheet at April 1, 2021 throughout all periods presented, as if these policies had always been in effect and are covered by IND AS 101 ''First-time adoption of Indian Accounting Standards''. The transition was carried out from accounting principles generally accepted in India (''Indian GAAP'') which is considered as the previous GAAP, as defined in IND AS 101. The reconciliation of effects of the transition from Indian GAAP on the equity as at April 1, 2021 and March 31, 2022 and on the net profit and cash flows for the year ended March 31, 2022 is disclosed in ANNEXURE 53 to these financial statements.

### 2.2 PRINCIPLES OF CONSOLIDATION

The Restated Consolidated Financial Statements relate to the Company and its subsidiary company and joint ventures. The Restated Consolidated Financial Statements have been prepared on the following basis:

a) The Restated Consolidated Financial Statements of the Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, income, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.

b) The Restated Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

c) The carrying amount of the Company's investments in subsidiary is off set (eliminated) against the Company's portion of equity in subsidiary.

d) Non-Controlling Interest’s share of profit/ loss and other comprehensive income of consolidated subsidiary for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.

e) Non-Controlling Interest’s share of net assets of consolidated subsidiary is identified and presented in the Restated Consolidated Statements of Assets and Liabilities

f) The Group's interest in its joint venture are accounted for using the Proportional Consolidation Method.

The 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 restated 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 restated consolidated financial statements to ensure conformity with the Group's accounting policies.

The restated consolidated financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the holding company, i.e., period ended March 31,2023, Years ended March 31,2022, March 31,2021.

Restated Consolidated Statement of Profit and 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. When necessary, adjustments are made to the financial statements of subsidiary and its joint ventures to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. The details of the consolidated entities are mentioned in ANNEXURE 55: DISCLOSURE OF INTEREST IN SUBSIDIARIES AND NON-CURRENT INTEREST.

## 2.3 USE OF ESTIMATES

The preparation of the financial statements is in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates.

The estimates and underlying assumptions are reviewed on going concern basis.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period. If the revision affects both current and future period, the same is recognised accordingly.

## 2.4 SIGINIFICANT ACCOUNTING POLICIES

## i) CURRENT V/S NON-CURRENT CLASSIFICATION

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

• Expected to be realised or intended to sold or consumed in normal operating cycle

• Held primarily for the purpose of trading

• Expected to be realised within twelve months after the reporting period, or

• Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Based on the nature of service and the time between rendering of services and their realization in cash and cash equivalents, 12 months has been considered by the Group for the purpose of current / non-current classification of assets and liabilities.

## ii) FUNCTIONAL AND PRESENTATION CURRENCY

Amounts in the financial statements are presented in Indian Rupee in lakhs rounded off to two decimal places as permitted by Schedule Ill to the Act.

## iii) PROPERTY, PLANT AND EQUIPMENT (PPE):

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably PPE is stated at original cost net of tax/duty credits availed, if any less accumulated depreciation and cumulative impairment, if any All directly attributable costs related to the acquisition of PPE and, borrowing costs case of qualifying assets are capitalised in accordance with the Company's accounting policy.

Under the previous GAAP, property, plant and equipment were carried at historical cost less depreciation and impairment losses, if any. On transition to Ind AS, the Group has availed the optional exemption under Ind AS 101 and accordingly it has used the carrying value as at the date of transitions as the deemed cost of the property, plant & equipment under Ind AS.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably.

PPE not ready for the intended use on the date of the Balance Sheet are disclosed as "capital work-in-progress" Depreciation is recognised using written down value method so as to write off the cost of the assets (other than freehold land and capital work-in-progress) less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013, or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined.

Depreciation on additions to deductions from, owned assets is calculated on pro rata basis according to the period of use.

PPE is de recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de recognition is recognised in the Statement of Profit and Loss in the same period. The estimated useful lives, residual values and depreciation method are reviewed at each financial year end and the effect of any change is accounted for on prospective basis.

The carrying amount of the all property, plant and equipment are derecognized on its disposal or when no future economic benefits are expected from its use or disposal and the gain or loss on de-recognition is recognized in the statement of profit & loss.

## iv) INTANGIBLE ASSETS

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably.

On transition to Ind AS, the Group has availed the optional exemption under Ind AS 101 and accordingly it has used the carrying value as at the date of transitions as the deemed cost of the Intangible assets under Ind AS.

Intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortization and accumulated impairment losses (if any). Costs include expenditure that is directly attributable to the acquisition of the intangible assets.

(i) Subsequent Expenditure
Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, are recognized in profit or loss as incurred.

(ii) Amortization of intangible assets with finite useful lives

Amortization is recognized in profit or loss on a written down value over the estimated useful lives of intangible assets from the date that they are available for use.

## v) IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment and additionally whenever there is a triggering event for impairment. Assets that are subject to amortisation and depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount of cash generating units exceeds its recoverable amount. The recoverable amount of a cash generating unit is the higher of cash generating unit's fair value less cost of disposal and its value in use.

## vi) FINANCIAL INSTRUMENTS-INITIAL RECOGNITION, SUBSEQUENT MEASUREMENT AND IMPAIRMENT

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

**Financial Assets**
(a) Initial recognition and measurement:

All financial assets are recognised initially at fair value and, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

(b) Subsequent measurement
For purposes of subsequent measurement financial assets are classified in two broad categories:
: Financial assets at fair value
: Financial assets at amortised cost

(c) Classification:
The Group classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

(d) Financial assets measured at amortised cost:
Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are solely for payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The losses arising from impairment are recognised in the Statement of profit and loss. This category generally applies to trade and other receivables.

(e) Financial assets measured at fair value through other comprehensive income (FVTOCI):
Financial assets under this category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income.

(f) Financial assets measured at fair value through profit or loss (FVTPL):
Financial assets under this category are measured initially as well as at each reporting date at fair value with all changes recognised in profit or loss.
(g) Investment in Equity Instruments:
Equity instruments which are held for trading are classified as at FVTPL. All other equity instruments are classified as FVTOCI. Fair value changes on the instrument, excluding dividends, are recognized in the other comprehensive income. There is no recycling of the amounts from other comprehensive income to profit or loss.

(h) De-recognition of Financial assets:
A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset, if an entity transfers a financial asset in a transfer that qualifies for de-recognition in its entirety and retains the right to service the financial asset for a fee, it shall recognise either a servicing asset or a servicing liability for that servicing contract. If the fee to be received is not expected to compensate the entity adequately for performing the servicing, a servicing liability for the servicing obligation shall be recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing, a servicing asset shall be recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

(i) Impairment of Financial assets:
In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets that are debt instruments and trade receivables. For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition.

**Financial Liabilities**
**(a) Initial recognition and measurement:**

All financial liabilities are recognised initially at fair value and, in the case of loans, borrowings and payables, net of directly attributable transaction costs. Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

**(b) Classification & Subsequent measurement:**

If a financial instrument that was previously recognised as a financial asset is measured at fair value through profit or loss and its fair value decreases below zero, it is a financial liability measured in accordance with IND AS. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term.

The Group classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

**(c) Loans and Borrowings:**

Interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through EIR amortisation process.Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. After initial recognition Gain and Liabilities held for Trading are recognised in statement of profit and Loss Account.

**(d) De-recognition of Financial Liabilities:**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting financial instruments:

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis to realise the asset and settle the liability simultaneously.
Subsequent recoveries of amounts previously written off are credited to Other Income.

**vii) CASH AND CASH EQUIVALENTS**

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

**viii) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

**(a) General**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, the amount of a provision shall be the present value of expense expected to be required to settle the obligation Provisions are therefore discounted, when effect is material, The discount rate shall be pre-tax rate that reflects current market assessment of time value of money and risk specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

**(b) Contingencies**

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Annexures to the Financial Statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, Contingent assets are not recognised, but are disclosed in the notes. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

## ix) SHARE CAPITAL AND SECURITIES PREMIUM

Ordinary shares are classified as Equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Par value of the equity share is recorded as share capital and the amount received in excess of the par value is classified as securities premium.

## x) REVENUES

**(a) Sale of services**

Revenue from rendering of services is recognised over time as the customer receives the benefit of the Company's performance and the Company has an enforceable right to payment for services transferred.

### (b) Other Income

- Interest income

Interest income is recognised on a time proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

## xi) TAXATION

**(a) Current tax**

Current tax is expected tax payable on the taxable income for the year, using the tax rate enacted at the reporting date, and any adjustment to the tax payable in respect of the earlier periods.

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

**(b) Deferred tax**

Deferred tax is recognized for all taxable temporary differences and is calculated based on the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the assets can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset and when the deferred tax balances relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but the Group intends to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

**(c) Current and Deferred Tax for the Year**

Current and deferred tax are recognized in the statement of profit & loss, except when they relates to items that are recognized in other comprehensive income or directly in equity, in which case, the current tax and deferred tax is recognized directly in other comprehensive income or equity respectively.

## xii) EARNING PER SHARE

Basic Earnings Per Share is computed by dividing the net profit attributable to the equity shareholders of the company to the weighted average number of Shares outstanding during the period & Diluted earnings per share is computed by dividing the net profit attributable to the equity shareholders of the company after adjusting the effect of all dilutive potential equity shares that were outstanding during the period. The weighted average number of shares outstanding during the period includes the weighted average number of equity shares that could have issued upon conversion of all dilutive potential.

## xiii) LEASES

***As a Lessee***

The Group's lease asset classes primarily consist of leases for Land, Vehicles and Plant & Machinery. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. Thelease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, usingthe incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changesitsassessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cashflows.

**xiv) COMMITMENTS**

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:
(i) estimated amount of contracts remaining to be executed on capital account and not provided for
(ii) uncalled liability on shares and other investments partly paid;
(iii) funding related commitment to subsidiary

**xv) INVESTMENT PROPERTIES**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by theCompany, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.
All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

**xvi) EMPLOYEE BENEFITS**

The company provides for the various benefits plans to the employees. These are categorized into Defined Benefits Plans and Defined Contributions Plans. Defined contribution plans includes the amount paid by the company towards the liability for Provident fund to the employees provident fund organization and Employee State Insurance fund in respect of ESI and defined benefits plans includes the retirement benefits, such as gratuity.
a. In respect Defined Contribution Plans, contribution made to the specified fund based on the services rendered by the employees are charged to Statement of Profit & Loss in the year in which services are rendered by the employee.

b. Liability in respect of Defined Long Term benefit plan is determined at the present value of the amounts payable determined using actuarial valuation techniques performed by an independent actuarial at each balance sheet date using the projected unit credit methods. Re-measurement, comprising actuarial gain and losses, the effects of assets ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of Financial Position with a charge or credit recognized in other comprehensive income in the period in which they occur. Past Service cost is recognized in the statement of profit & loss in the period of plan amendment.

c. Liabilities for short term employee benefits are measured at undiscounted amount of the benefits expected to be paid and charged to Statement of Profit & Loss in the year in which the related service is rendered.

## xvii) INVENTORIES

**Work in Progress**

Work in Progress, are valued at cost based on First in First out method.
Stores & Spares are valued at lower of cost based on First in First out method or net realizable value.Cost of inventories comprises all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

## 2.5) CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

In the process of applying the Group's accounting policies, management has made the following estimates, assumptions and judgements, which have significant effect on the amounts recognised in the financial statement:

### (i) Property, Plant and Equipment

On transition to Ind AS, the Group has adopted optional exemption under IND AS 101 for fair valuation of property, plant and equipment and investment properties. The Group appointed external adviser to assess the fair value, remaining useful lives and residual value of property, plant and equipment. Management believes that the assigned fair value, useful lives and residual value are reasonable.

### (ii) Income taxes

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Group reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the standalone financial statements.

### (iii) Contingencies

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/ litigations against the Group as it is not possible to predict the outcome of pending matters with accuracy.

### (iv) Allowance for uncollectable accounts receivable and advances

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible. Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

## 2.6) RECENT ACCOUNTING DEVELOPMENTS

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

**Ind AS 1 – Presentation of Financial Statements**

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Group does not expect this amendment to have any significant impact in its financial statements.

**Ind AS 12 – Income Taxes**

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group is evaluating the impact, if any, in its financial statements.

**Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.**

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its financial statements.

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its financial statements.

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**ANNEXURE 6: STATEMENT OF RESTATED ADJUSTMENTS**

**Reconciliation of Total Comprehensive Income**

| Sr. No. | Particulars | Note | Year Ended March 31, 2023 | Year Ended March 31, 2022 | Year Ended March 31, 2021 |
|---|---|---|---|---|---|
| I) | **Net Profit attributable to equity shareholders (as per audited financial statements) (A)** | | 10783.38 | 7902.87 | 7076.11 |
| II) | **Material Restatement Adjustments** | | | | |
| | i) Consolidation impact of Subsidiaries | 1 | - | 51.37 | (47.74) |
| | ii) Bad Debts | 2 | - | - | (155.46) |
| | iii)Initial Public Offer (IPO)Expenses | 3 | - | - | - |
| | iv) Insurance expenses of employees and directors | 4 | 18.14 | 19.72 | 9.75 |
| | vi) Provision for Gratuity Expense | 5 | - | 9.22 | 8.57 |
| | vii) Actuarial (Gain)/ Loss on Defined Benefit Plan | 5 | - | (6.53) | (3.48) |
| | v) Income tax provisions/Impact of above adjustments | 8 | - | (20.36) | 47.84 |
| | **Total (B)** | | **18.14** | **53.42** | **(140.52)** |
| | | | | | |
| III) | **IND AS Adjustments** | | | | |
| | iii) Gain/(Loss) on Investments through OCI | 6 | - | (7.03) | (1.00) |
| | iv) Amortization of RoU Asset as per Ind AS 116 'Leases' | 7 | - | 37.65 | 33.12 |
| | iv) Tax impact on above adjustments | 8 | - | (7.71) | (8.08) |
| | | | | | |
| | **Total (C)** | | - | **22.92** | **24.04** |
| IV) | **Restated Total Comprehensive Income attributable to equity holders of the company as per Restated Statement of Profit and Loss (A-B-C)** | | **10765.24** | **7826.53** | **7192.59** |

**Note:**

**1. Consolidation of Subsidiaries**

The group did not consolidate its interests in subsidiaries (i.e. investment in Partnership firms) earlier. Same have now been restated and consolidated on line by line basis and resultant impact have been considered.

**2. Bad Debts**

The Company has written off Bad Debts during the years ended March 31, 2021. The effect of these items has been adjusted in the respective periods of origination.

**3. IPO Expenses**

The Group has incurred IPO expenses which was expensed off during the period ended March 31,2023. These expenses have been shown under the head 'other current assets' and will be netted off against the securities premium on successful completion of public offer and listing process with stock exchanges.

| |
|---|
| **4. Insurance Expense of Employees and Directors** |
| The group has taken several life insurance policies for its employees and directors during the years/period ended March 31,2023, March 31,2022, March 31,2021. and were reported under 'Investments'. Same has been reinstated and expensed off in the respective periods. |
| **5. Provision for Gratuity Expense & Actuarial Gain/Loss on Defined benefit Plan** |
| Provision for Gratuity Expense for the period/year ended March 31,2023, March 31,2022, March 31,2021 was not created. Same as been reinstated as per Actuarial valuation report obtained for the period/year ended March 31,2023, March 31,2022, March 31,2021. Consequent impact on Actuarial Gain/Loss on Defined benefit plan has been reinstated in the Ind AS Summary Statement. |
| **6. Impact of IND AS 116 'Leases;** |
| For the purpose of preparation of Restated Summary Statements, The Company has adopted Ind AS 116: Leases from April 01, 2021 and management has evaluated the impact of change in accounting policies required due to adoption of Ind AS 116 for the period / years ended March 31,2023, March 31, 2022. |
| **7. Fair Valuation of Investment** |
| The group has accounted for fair valuation of investment in gold and related ornaments with the resultant impact being accounted for in the Other Equity (FVOCI) |
| **8, Provision for Tax and Deferred Tax** |
| The Statement of Profit and Loss for the period/years ended March 31,2023, March 31,2022, March 31,2021 and includes amount paid/ provided for shortfall/ excess current tax arising upon filing of tax returns, return etc. which have been adjusted in the respective year/s to which they relate. Further it includes current tax and deferred tax on all other restated adjustments. |
| **Part B: Material Regrouping** |
| Appropriate regroupings have been made in the Restated Ind AS Summary Statement of Assets and Liabilities, Restated Ind AS Summary Statement of Profit and Loss and Restated Ind AS Summary Statement of 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 Ind AS financial information of the Company for the period ended March 31,2023 prepared in accordance with Schedule III of Companies Act, 2013, requirements of Ind AS 1 and other applicable Ind AS principles and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations 2018, as amended. |
| There are no audit qualifications for the respective year/period, which require any adjustments in the Restated Ind AS Summary Statements. |

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**ANNEXURE 7: PROPERTY, PLANT & EQUIPMENT**

| Particulars | Freehold Land | Building | Plant & Machinery | Vehicles | Furniture & Fixture | Office Equipment | Computer | Total |
|---|---|---|---|---|---|---|---|---|
| **Gross Block** | | | | | | | | |
| **Balance as at April 1, 2021** | **267.85** | **208.82** | **1343.04** | **306.35** | **43.55** | **44.25** | **88.64** | **2302.50** |
| Additions for the period | 98.04 | 182.53 | 690.19 | 15.09 | 1.27 | 17.83 | 85.58 | 1090.54 |
| Disposals | - | - | - | 38.35 | - | 1.06 | - | 39.41 |
| **Balance as at March 31, 2022** | **365.88** | **391.35** | **2033.24** | **283.09** | **44.83** | **61.02** | **174.21** | **3353.62** |
| | | | | | | | | |
| **Accumulated Depreciation** | | | | | | | | |
| **Balance as at April 1, 2021** | **-** | **66.78** | **943.41** | **260.14** | **37.29** | **30.89** | **33.53** | **1372.04** |
| Deductions/adjustments | - | - | - | 36.94 | - | - | - | 36.94 |
| Depreciation for the year | - | 6.87 | 107.95 | 15.95 | 1.57 | 9.00 | 59.75 | 201.08 |
| **Balance as at March 31, 2022** | **-** | **73.65** | **1051.36** | **239.15** | **38.86** | **39.89** | **93.28** | **1536.18** |
| **Net Block** | | | | | | | | |
| **Balance as at April 1, 2021** | **267.85** | **142.04** | **399.64** | **46.22** | **6.26** | **13.36** | **55.10** | **930.46** |
| **Balance as at March 31, 2022** | **365.88** | **317.70** | **981.88** | **43.94** | **5.97** | **21.13** | **80.93** | **1817.45** |

| ANNEXURE 7: PROPERTY, PLANT & EQUIPMENT | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Particulars** | **Freehold Land** | **Building** | **Plant & Machinery** | **Vehicles** | **Furniture & Fixture** | **Office Equipment** | **Computer & Softwares** | **Total** |
| **Gross Block** | | | | | | | | |
| **Balance as at April 1, 2022** | **365.88** | **391.35** | **2,033.24** | **283.09** | **44.83** | **61.02** | **174.21** | **3,353.62** |
| Additions for the period | 26.70 | 11.53 | 106.95 | 34.93 | 1.88 | 31.55 | 8.57 | 222.12 |
| Disposals | - | - | - | 89.09 | 0.10 | 1.65 | 0.03 | 90.87 |
| Transfer from Right of Use Asset | - | - | 107.50 | - | - | - | - | 107.50 |
| Loss of Control in subsidiary | - | - | - | - | 0.21 | - | - | 0.21 |
| **Balance as at March 31, 2023** | **392.59** | **402.88** | **2,247.69** | **228.93** | **46.40** | **90.92** | **182.75** | **3,592.16** |
| | | | | | | | | |
| **Accumulated Depreciation** | | | | | | | | |
| **Balance as at April 1, 2022** | **-** | **73.65** | **1,051.36** | **239.15** | **38.86** | **39.89** | **93.28** | **1,536.18** |
| Deductions/adjustments | - | - | - | 82.36 | - | - | - | 82.36 |
| Depreciation for the period | - | 14.54 | 199.51 | 16.87 | 1.53 | 11.09 | 51.77 | 295.32 |
| Transfer from Right of Use Asset | - | - | 48.69 | - | - | - | - | 48.69 |
| Loss of Control in subsidiary | - | - | - | - | 0.04 | - | - | 0.04 |
| **Balance as at March 31, 2023** | **0.00** | **88.19** | **1,299.55** | **173.66** | **40.35** | **50.98** | **145.05** | **1,797.78** |
| **Net Block** | | | | | | | | |
| **Balance as at April 1, 2022** | **365.88** | **317.70** | **981.88** | **43.94** | **5.97** | **21.13** | **80.93** | **1,817.44** |
| **Balance as at March 31, 2023** | **392.59** | **314.69** | **948.13** | **55.27** | **6.05** | **39.94** | **37.70** | **1,794.37** |

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**ANNEXURE 8: CAPITAL WORK IN PROGRESS (CWIP)**

| As at March 31, 2023 | Amount in CWIP for a period of | | | | Total |
|---|---|---|---|---|---|
| Particulars | Less than 6 months | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 372.49 | 30.32 | - | - | 402.81 |

| As at March 31, 2022 | Amount in CWIP for a period of | | | | Total |
|---|---|---|---|---|---|
| Particulars | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 30.32 | - | - | - | 30.32 |

| As at March 31, 2021 | Amount in CWIP for a period of | | | | Total |
|---|---|---|---|---|---|
| Particulars | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 232.31 | 43.11 | - | - | 275.42 |

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**ANNEXURE 9: RIGHT OF USE ASSETS AND LEASE LIABILITIES**

| Particulars | Land | Vehicle | Plant & Machinery | Total |
|---|---|---|---|---|
| **Cost/Deemed Cost** | | | | |
| **As at March 31,2022** | | | | |
| Reclassified on adoption of IND-AS 116 as on April 1,2021 | **1856.47** | **-** | **73.63** | **1930.11** |
| Additions | - | - | - | - |
| Deductions | - | - | - | - |
| Depreciation/Amortisation | (37.65) | - | (13.33) | (50.98) |
| **Total** | **1818.82** | **-** | **60.31** | **1879.13** |
| | | | | |
| **As at March 31,2023** | | | | |
| Opening Balance | **1818.82** | **-** | **60.31** | **1879.13** |
| Additions | 283.98 | - | - | - |
| Deductions | - | - | - | - |
| Asset transfer to Property, Plant and Equipment (PPE) | - | - | 58.81 | 58.81 |
| Depreciation/Amortisation | (43.13) | - | (1.50) | (44.63) |
| **Total** | **2059.66** | **-** | **-** | **2059.66** |

(i) ROU assets are amortised from the commencement date on a straight-line basis over the lease term. The lease term is 90 years for land, 3 years for Vehicle and3-4 years for Plant and Machinery respectively. The aggregate depreciation expense on ROU assets is included under depreciation and amortisation expense in the consolidated statement of Profit and Loss.

(ii) The following is the break-up of current and non-current lease liabilities

| Particulars | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| Current lease liability | - | 6.29 | 35.84 |
| Non-current lease liability | - | - | 6.29 |
| **Total** | **-** | **6.29** | **42.14** |

(iii) Following is the movement in lease liabilities

| Particulars | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| **Balance as at the beginning** | **-** | **-** | **-** |
| Additions | - | - | - |
| Finance Cost accrued during the period | - | 2.35 | 6.07 |
| Payment of lease liabilities | - | 38.19 | 55.43 |
| **Balance as at the end** | **-** | **(35.84)** | **(49.36)** |

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| **ANNEXURE 10: INVESTMENT PROPERTY** | |
|---|---|
| **(a) Freehold Land** | |
| **Particulars** | **Amount** |
| **As at March 31, 2021** | **590.00** |
| Additions | - |
| Disposals | - |
| **As at March 31, 2022** | **590.00** |
| Additions | - |
| Disposals | - |
| **As at March 31, 2023** | **590.00** |
| **(b) Capital Work in Progress** | |
| **Particulars** | **Amount** |
| **As at March 31, 2021** | **95.52** |
| Additions | 82.54 |
| Disposals | - |
| **As at March 31, 2022** | **178.06** |
| Additions | 189.74 |
| Disposals | |
| **As at March 31, 2023** | **367.80** |
| | |
| **Carrying Value** | |
| As at March 31,2021 | 685.52 |
| As at March 31,2022 | 768.06 |
| As at March 31,2023 | 957.80 |

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| As at March 31, 2023 | | | | | |
|---|---|---|---|---|---|
| **Particulars** | **Amount in CWIP for a period of** | | | | **Total** |
| | **Less than 6 months** | **6 Months-2 years** | **2-3 years** | **More than 3 years** | |
| Projects in progress | 125.97 | 82.54 | - | - | 208.51 |

| As at March 31, 2022 | | | | | |
|---|---|---|---|---|---|
| **Particulars** | **Amount in CWIP for a period of** | | | | **Total** |
| | **Less than 1 year** | **1-2 years** | **2-3 years** | **More than 3 years** | |
| Projects in progress | 82.54 | - | - | - | 82.54 |

| As at March 31, 2021 | | | | | |
|---|---|---|---|---|---|
| **Particulars** | **Amount in CWIP for a period of** | | | | **Total** |
| | **Less than 1 year** | **1-2 years** | **2-3 years** | **More than 3 years** | |
| Projects in progress | - | - | - | - | - |

**(c) Disclosure pursuant to Ind AS 40 "Investment Property"**

**(i) Amount recognised in the Statement of Profit and Loss for investment property:**

| **Particulars** | **Year ended March 31, 2023** | **Year ended March 31, 2022** | **Year ended March 31, 2021** |
|---|---|---|---|
| Rental income derived from investment property | - | - | - |
| Direct operating expenses pertaining from investment property that generated rental income | - | - | - |
| Direct operating expenses pertaining from investment property that did not generate rental income | - | - | - |

**(ii) Details with respect to fair valuation of Investment property**

| **Particulars** | **Year ended March 31, 2023** | **Year ended March 31, 2022** | **Year ended March 31, 2021** |
|---|---|---|---|
| Fair valuation by: | | | |
| (i) independent registered valuers^ | 579.04 | 579.04 | 579.04 |
| (ii) independent unregistered valuers | - | - | - |
| (iii) internally calculated by the finance department | - | - | - |
| **Total Fair Value** | **579.04** | **579.04** | **579.04** |

^Independent valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017

Note: Above valuation is based on government rates, market research, market trend and comparable values as considered appropriate

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**ANNEXURE 11: GOODWILL**

| **Particulars** | **Goodwill** | **Total** |
|---|---|---|
| **As at April 1, 2021** | **7.21** | **7.21** |
| Add: On acquisition of subsidiary during the year (Refer ANNEXURE 46) | 580.90 | 580.90 |
| Add: Additions during the year | 1.59 | 1.59 |
| Less: Impairments during the year | - | - |

| | | |
|---|---|---|
| Less: Disposal during the year | - | - |
| **As at March 31, 2022** | **589.69** | **589.69** |
| Add: Additions during the year | - | - |
| Less: Impairments during the year | - | - |
| Less: Loss of Control in Subsidiary | 6.68 | 6.68 |
| **As at March 31, 2023** | **583.01** | **583.01** |
| **Note:** | | |
| The Holding Company evaluates goodwill for impairment annually or more frequently when an event occurs or circumstances change that indicate the carrying value may not be recoverable. The Holding Company has tested the goodwill for impairment. | | |

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| **ANNEXURE 12: OTHER INTANGIBLE ASSETS** | |
|---|---|
| **Particulars** | **Computer Software** |
| ***Gross Carrying Value*** | |
| **Balance as at April 1, 2021** | **0.15** |
| Additions for the period | - |
| Disposals | 0.09 |
| **Balance as at March 31, 2022** | **0.07** |
| Deductions/adjustments | - |
| Depreciation for the period | - |
| **Balance as at March 31, 2023** | **0.07** |
| | |
| ***Accumulated Depreciation*** | - |
| **Balance as at April 1, 2021** | **0.07** |
| Amortisation During the year | - |
| Disposals | 0.07 |
| **Balance as at March 31, 2022** | - |
| Amortisation During the period | - |
| **Balance as at March 31, 2023** | - |
| | |
| ***Net Carrying value*** | |
| **Balance as April 1,2021** | 0.09 |
| **Balance as March 31,2022** | - |
| **Balance as at March 31, 2023** | - |

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| **ANNEXURE 13: INVESTMENTS** | | | |
|---|---|---|---|
| **Particulars** | **As at** | | |
| | **31-Mar-23** | **31-Mar-22** | **1-April-21** |
| **Unquoted; At Fair Value through Other comprehensive Income** | | | |
| Investment in Gold and related ornaments | 58.79 | 50.96 | 43.94 |
| Investment in Partnership firm EMS SINGH- JV | 63.27 | - | - |
| **Total** | **122.07** | **50.96** | **43.94** |

| ANNEXURE 14: OTHER FINANCIAL ASSETS | | | |
|---|---|---|---|
| **Particulars** | **As at** | | |
| | **31-Mar-23** | **31-Mar-22** | **1-April-21** |
| (Unsecured considered good, unless otherwise stated) | | | |
| Security deposits | 10.65 | 8.47 | 56.84 |
| Deposit against Project-Agra | 300.00 | - | - |
| Balance with banks held as deposits with maturity of more than 12 months | 4,105.71 | 3,590.25 | 3,875.78 |
| **Total** | **4,416.36** | **3,598.72** | **3,932.62** |
| * Pledged with Bank as Margin Money | | | |

| ANNEXURE 15: OTHER FINANCIAL ASSETS | | | |
|---|---|---|---|
| **Particulars** | **As at** | | |
| | **31-Mar-23** | **31-Mar-22** | **1-April-21** |
| **Considered good** | | | |
| Receivable as Capex Annuity from UPJN under the Hybrid Annuity | 4,620.27 | - | - |
| Model in 60 Quarterly Installments after completion of Capex and Testing Phase | - | - | - |
| **Total** | **4620.27** | - | - |

**Mirzapur Ghazipur STPS Private Limited-**The Financial Asset of Rs 46.20 Crores has been recognized on the basis and requirement of "Appendix D of Ind AS 115 "Service Concession Arrangement". As Per the requirement of the Para 16 of the Appendix D of the Ind AS 115 " Service Concession Arrangements, the Group shall recognise a financial asset to the extent that it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor (UPJN) for the construction services; the grantor has title, if any, discretion to avoid payment, usually because the agreement is enforceable by law. The Group has an unconditional right ro receive cash if the grantor contractually guarantees to pay the Group (a) specified or determinable amounts or (b) the shortfall, if any, between amounts received from users of the public service and specified or determinable amounts, even if payment is contingent on the operator ensuring the infrastructure meets specified quality or eficiency requirements. The Group has recognized the financial asset and provisional revenue to the extent as 46.31% (Actual progress of the Group till 31.03.2023, based on the monthly progress reports submitted to and approved by the UPJN) of the total project bid price adjusted by the Price Index Multiple (PIM) minus, the actual billed revenue (on completion of respective milestones as per concession agreement) till 31.03.2023.

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| ANNEXURE 16: DEFERRED TAX ASSETS (NET) | | | |
|---|---|---|---|
| **(a) Component of deferred tax assets and liabilities are:-** | | | |
| **Particulars** | **As at March 31, 2023** | **As at March 31, 2022** | **As at April 1, 2021** |
| **Deferred Tax Liabilities on account of:** | | | |
| Provision for Employee benefits | 6.32 | 3.37 | 1.17 |
| Fair valuation of investments | 3.74 | 1.77 | - |
| **Total deferred tax liabilities (A)** | **10.06** | **5.14** | **1.17** |
| | | | |
| **Deferred Tax Assets on account of:** | | | |
| Property, Plant and Equipments | 46.90 | 38.65 | 38.35 |
| Fair valuation of investments | 0.97 | 0.96 | 0.96 |

| | | | |
|---|---|---|---|
| Provision for Employee benefits | 12.82 | 10.69 | 8.37 |
| Losses of previous year | - | - | - |
| Others | (17.87) | | |
| | | | |
| **Total deferred tax assets (B)** | **42.82** | **50.30** | **47.68** |
| | | | |
| **Disclosed as Deferred Tax Assets (Net - B-A)** | **32.76** | **45.16** | **46.51** |
| | | | |

| **Movement in deferred tax liabilities / asset** | **As at April 1, 2021** | **Recognised in profit & loss** | **Recognised in other comprehensive income** | **As at March 31, 2022** |
|---|---|---|---|---|
| **Deferred Tax Liabilities (A)** | | | | |
| Actuarial Gain on defined benefit plan | 1.17 | - | 2.20 | 3.37 |
| Fair valuation of investments | - | - | 1.77 | 1.77 |
| **Total** | **1.17** | **-** | **3.97** | **5.14** |
| **Deferred Tax Assets (B)** | | | | |
| Property, Plant and Equipments | 38.35 | 0.30 | - | 38.65 |
| Fair valuation of investments | 0.96 | - | - | 0.96 |
| Provision for Employee benefits | 8.37 | 2.32 | - | 10.69 |
| Losses of previous year | - | - | - | - |
| | **47.68** | **2.62** | **-** | **50.30** |
| **Disclosed as Deferred Tax Assets (Net - B-A)** | **46.51** | **2.62** | **(3.97)** | **45.16** |

**EMS LIMITED**

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| **Movement in deferred tax liabilities / asset** | **As at April 1, 2022** | **Recognised in profit & loss** | **Recognised in other comprehensive income** | **As at March 31, 2023** |
|---|---|---|---|---|
| **Deferred Tax Liabilities (A)** | | | | |
| Actuarial Gain on defined benefit plan | 3.37 | - | 2.95 | 6.32 |
| Others | 1.77 | - | 1.97 | 3.74 |
| **Total** | **5.14** | **-** | **4.93** | **10.06** |
| | | | | |
| **Deferred Tax Assets (B)** | | | | |
| Property, Plant and Equipment’s | 38.65 | 8.25 | - | 46.90 |
| Fair valuation of investments | 0.97 | - | - | 0.97 |
| Provision for Employee benefits | 10.69 | 2.13 | - | 12.82 |
| Losses of previous year | | | | |
| Others | - | (17.87) | - | (17.87) |
| | **50.31** | **(7.49)** | **-** | **42.83** |
| **Disclosed as Deferred Tax Assets (Net - B-A)** | **45.16** | **(7.49)** | **(4.93)** | **32.76** |

| ANNEXURE 17: INVENTORIES | | | |
|---|---|---|---|
| **Particulars** | **As at** | | |
| | **31-Mar-23** | **31-Mar-22** | **1-April-21** |
| *(Valued at lower of cost or net realisable value)* | | | |
| Finished Goods/Semi Finished Goods/ Work in Progress | 10,475.91 | 5,412.85 | 3,542.93 |
| **Total** | **10,475.91** | **5,412.85** | **3,542.93** |

| ANNEXURE 18: TRADE RECEIVABLES | | | |
|---|---|---|---|
| **Particulars** | **As at** | | |
| | **31-Mar-23** | **31-Mar-22** | **1-April-21** |
| **Considered good** | | | |
| -Other than related parties | 12,354.17 | 15,782.27 | 9,328.59 |
| **Total** | **12,354.17** | **15,782.27** | **9,328.59** |

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(All amounts in Indian Rupees Lacs, unless otherwise stated)

| Trade Receivables ageing schedule | | | | | | |
|---|---|---|---|---|---|---|
| **Particulars** | **Outstanding for following Periods from due date of Payment** | | | | | |
| | **Less than 6 Months** | **6 Months -1 year** | **1 Year - 2 year** | **2 Year - 3 year** | **More than 3 years** | **Total** |
| **As at March 31, 2023** | | | | | | |
| (i) Undisputed Trade Receivables - considered good | 4041.46 | 1377.23 | 3785.78 | 3102.16 | 47.54 | 12354.17 |
| (ii) Undisputed Trade Receivables - considered Doubtful | - | - | - | - | - | - |
| (iii) Disputed Trade Receivables - considered good/doubtful | - | - | - | - | - | - |
| **Total** | **4041.46** | **1377.23** | **3785.78** | **3102.16** | **47.54** | **12354.17** |
| **As at March 31, 2022** | | | | | | |
| (i) Undisputed Trade Receivables - considered good | 11634.30 | 0.91 | 3543.23 | 392.84 | 211.00 | 15782.27 |
| (ii) Undisputed Trade Receivables - considered Doubtful | - | - | - | - | - | - |
| (iii) Disputed Trade Receivables - considered good/doubtful | - | - | - | - | - | - |
| **Total** | **11634.30** | **0.91** | **3543.23** | **392.84** | **211.00** | **15782.27** |
| **As at April 1, 2021** | | | | | | |
| (i) Undisputed Trade Receivables - considered good | 8121.45 | - | 95.01 | 716.69 | 395.45 | 9328.59 |
| (ii) Undisputed Trade Receivables - considered Doubtful | - | - | - | - | - | - |
| (iii) Disputed Trade Receivables - considered good/doubtful | - | - | - | - | - | - |
| **Total** | **8121.45** | **-** | **95.01** | **716.69** | **395.45** | **9328.59** |

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| ANNEXURE 19: CASH AND CASH EQUIVALENTS | | | |
|---|---|---|---|
| Particulars | As at | | |
| | 31-Mar-23 | 31-Mar-22 | 1-April-21 |
| Balances with Banks | | | |
| - In Current Account | 6314.71 | 3593.46 | 3626.93 |
| - in Deposits with original maturity of less than 3 months | 1843.18 | 2499.79 | 1386.11 |
| Cash in Hand | 9.57 | 12.04 | 30.05 |
| **Total** | **8167.47** | **6105.29** | **5043.09** |

| ANNEXURE 20: BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS | | | |
|---|---|---|---|
| Particulars | As at | | |
| | 31-Mar-23 | 31-Mar-22 | 1-April-21 |
| Balances in fixed deposit accounts with original maturity more than 3 months but less than 12 months | 3954.68 | 2887.06 | 1708.42 |
| **Total** | **3954.68** | **2887.06** | **1708.42** |

| ANNEXURE 21: OTHER FINANCIAL ASSETS | | | |
|---|---|---|---|
| Particulars | As at | | |
| | 31-Mar-23 | 31-Mar-22 | 1-April-21 |
| Security Deposit | - | - | - |
| Earnest Money Deposit | 235.90 | 181.00 | 276.12 |
| Interest accrued on Term Deposits | 908.28 | 954.72 | 946.10 |
| Retention money receivable from government | 8719.58 | 7178.26 | 7131.91 |
| **Total** | **9863.76** | **8313.98** | **8354.14** |

| ANNEXURE 22: OTHER CURRENT ASSETS | | | |
|---|---|---|---|
| Particulars | As at | | |
| | 31-Mar-23 | 31-Mar-22 | 1-April-21 |
| **Unsecured, considered good:** | | | |
| Balance with Indirect revenues authorities | 2369.88 | 1741.29 | 521.72 |
| Prepaid Expenses | 62.39 | 27.12 | 24.83 |
| IPO Expenses* | 23.26 | - | - |
| Advance to Suppliers | 795.21 | 303.44 | 273.95 |
| Advance to Related Parties (refer annexure 42) | 7.26 | 42.77 | 4.31 |
| Advance to Employees | 13.83 | 24.01 | 6.82 |
| Advance to Others | 647.70 | 191.28 | 562.62 |
| Other | 147.06 | 644.49 | 608.01 |
| **Total** | **4066.59** | **2974.40** | **2002.26** |

* The Company has incurred initial public offer expenses amounting to INR 23.26 lacs which is shown under the head 'other current assets'. These expenses will be netted off against the securities premium on successful completion of public offer and listing process with stock exchanges.

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**ANNEXURE 23: EQUITY SHARE CAPITAL**

**(a) Equity Share Capital**

| Particulars | As at March 31, 2023 | | As at March 31, 2022 | | As at April 1, 2021 | |
|---|---|---|---|---|---|---|
| | Number of Shares | Amount | Number of Shares | Amount | Number of Shares | Amount |
| **Authorised Capital** | | | | | | |
| 1,50,00,000 Equity Shares of Rupees 10.00 each | 6,00,00,000 | 6,000.00 | 1,50,00,000 | 1,500.00 | 1,50,00,000 | 1,500.00 |
| | **6,00,00,000** | **6,000.00** | **1,50,00,000** | **1,500.00** | **1,50,00,000** | **1,500.00** |
| **Issued Capital** | | | | | | |
| 1,17,50,000 Equity Shares of Rupees 10.00 each | 4,70,00,000 | 4,700.00 | 1,17,50,000 | 1,175.00 | 1,17,50,000 | 1,175.00 |
| | **4,70,00,000** | **4,700.00** | **1,17,50,000** | **1,175.00** | **1,17,50,000** | **1,175.00** |
| **Subscribed and Fully Paid up Capital** | | | | | | |
| 1,17,50,000 Equity Shares of Rupees 10.00 each | 4,70,00,000 | 4,700.00 | 1,17,50,000 | 1,175.00 | 1,17,50,000 | 1,175.00 |
| | **4,70,00,000** | **4,700.00** | **1,17,50,000** | **1,175.00** | **1,17,50,000** | **1,175.00** |

**(b): Reconciliation of the number of shares and amount outstanding as at March 31, 2023, March 31, 2022, and April 1, 2021**

| Particulars | As at March 31, 2023 | | As at March 31, 2022 | | As at April 1, 2021 | |
|---|---|---|---|---|---|---|
| | Number of Shares | Amount | Number of Shares | Amount | Number of Shares | Amount |
| **Equity Share Capital** | | | | | | |
| Outstanding at the beginning of the year | 1,17,50,000 | 1,175.00 | 1,17,50,000 | 1,175.00 | 1,17,50,000 | 1,175.00 |
| Add: Bonus Shares issued during the year | 3,52,50,000 | 3,525.00 | - | - | - | - |
| Less: Deletion during the year | - | - | - | - | - | - |
| **Balance as at the end of the year** | **4,70,00,000** | **4,700.00** | **1,17,50,000** | **1,175.00** | **1,17,50,000** | **1,175.00** |

**(c) Detail of shareholder holding more than 5% shares of the Company:**

| Particulars | As at March 31, 2023 | | As at March 31, 2022 | | As at April 1, 2021 | |
|---|---|---|---|---|---|---|
| | Number of Shares | % of Holding | Number of Shares | % of Holding | Number of Shares | % of Holding |
| Ramveer Singh | 4,59,70,000 | 97.81% | 1,12,48,000 | 95.73% | 1,12,48,000 | 95.73% |

**(d) Shares held by promoters at the end of the period**

| Particulars | As at March 31, 2023 | | As at March 31, 2022 | | As at April 1, 2021 | |
|---|---|---|---|---|---|---|
| | Number of Shares | % of Holding | Number of Shares | % of Holding | Number of Shares | % of Holding |
| Ramveer Singh | 4,59,70,000 | 97.81% | 1,12,48,000 | 95.73% | 1,12,48,000 | 95.73% |
| Ashish Tomar | 10,000 | 0.02% | 2,500 | 0.02% | 2,500 | 0.02% |
| Satish Kumar | - | - | - | - | 2,49,500 | 2.12% |
| Smt Kritika Tomar | 5000 | 0.01% | - | - | - | - |
| Smt Sakshi Tomar | 5000 | 0.01% | - | - | - | - |
| Shri Gajendar Parihar | 5000 | 0.01% | - | - | - | - |

| | | | | | | |
|---|---|---|---|---|---|---|
| Smt Nirmala Tomar | 5000 | 0.01% | - | - | - | - |

| **(e) Right, preference and restrictions attached to shares Equity Shares** |
|---|
| The Company has only one class of equity shares having a par value of INR 10.00 per share. Each Shareholder is eligible for one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amount, in proportion of their shareholding. |

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| **ANNEXURE 24: OTHER EQUITY** | | | |
|---|---|---|---|
| **Particulars** | **As at March 31, 2023** | **As at March 31, 2022** | **As at April 1, 2021** |
| Capital Reserve | 15.44 | 15.44 | 15.44 |
| Retained Earnings | 43,800.04 | 36,559.81 | 28,733.28 |
| Securities Premium | 75.00 | 75.00 | 75.00 |
| General Reserve | 192.75 | 192.75 | 192.75 |
| **Total** | **44,083.23** | **36,842.99** | **29,016.46** |

| **ANNEXURE 25: BORROWINGS (Non-current)** | | | |
|---|---|---|---|
| **Particulars** | **As at March 31, 2023** | **As at March 31, 2022** | **As at April 1, 2021** |
| **<u>Secured</u>** | | | |
| **From Banks** | | | |
| HDFC Bank | 4,500.00 | - | - |
| (Term Loan for HAM Project of Mirzapur Ghazipur) | | | |
| **<u>Unsecured</u>** | | | |
| Loan from Corporate Body | - | - | - |
| Loan from Others | - | 192.32 | 252.70 |
| Loan from Related Party (Refer ANNEXURE 45) | 39.56 | 178.99 | 63.59 |
| **Total** | **4,539.56** | **371.31** | **316.29** |

| **ANNEXURE 26: OTHER FINANCIAL LIABILITIES (NON-CURRENT)** | | | |
|---|---|---|---|
| **Particulars** | **As at March 31, 2023** | **As at March 31, 2022** | **As at April 1, 2021** |
| Security Deposits | 244.85 | 237.87 | 212.13 |
| Retention Money | 429.08 | 351.36 | 453.28 |
| Mobilisation Advance* | 1,691.38 | 300.00 | - |
| **Total** | **2,365.30** | **889.22** | **665.41** |

*Mobilisation advance as of March 31, 2023 from:

| | | |
|---|---|---|
| 1 | Mobilization Advance from Mumbai | 800.00 |
| 2 | Mobilization Advance from UPJN | 891.38 |
| | **TOTAL** | **1,691.38** |

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| ANNEXURE 27: LONG TERM PROVISIONS | | | |
|---|---|---|---|
| **Particulars** | **As at** | | |
| | **31-Mar-23** | **31-Mar-22** | **1-April-21** |
| Provision for Gratuity | 24.17 | 27.22 | 27.04 |
| **Grand Total** | **24.17** | **27.22** | **27.04** |

| ANNEXURE 28: SHORT-TERM BORROWINGS | | | |
|---|---|---|---|
| **Particulars** | **As at** | | |
| | **31-Mar-23** | **31-Mar-22** | **1-April-21** |
| **Secured** | | | |
| Loans repayable on Demand from Banks | **-** | **-** | **-** |
| **Total** | **-** | **-** | **-** |

| ANNEXURE 29: TRADE PAYABLES | | | |
|---|---|---|---|
| **Particulars** | **As at** | | |
| | **31-Mar-23** | **31-Mar-22** | **1-April-21** |
| Total outstanding dues to micro enterprises and small enterprises (Refer ANNEXURE 42) | **-** | **-** | **-** |
| Total outstanding dues to other than micro enterprises and small enterprises | 1540.49 | 4301.34 | 4030.25 |
| **TOTAL** | **1540.49** | **4301.34** | **4030.25** |

| As at March 31,2023 | | | | | |
|---|---|---|---|---|---|
| **Particulars** | **Outstanding for following periods from due date of Payment** | | | | **Total** |
| | **Less than 1 Year** | **1 - 2 Years** | **2 - 3 Years** | **More than 3 Years** | |
| MSME | **-** | **-** | **-** | **-** | **-** |
| Total outstanding dues of creditors other than MSME | 1421.13 | 91.25 | 28.11 | **-** | **1540.49** |
| Disputed dues-MSME | **-** | **-** | **-** | **-** | **-** |
| Disputed dues of creditors other than MSME | **-** | **-** | **-** | **-** | **-** |
| **TOTAL** | **1421.13** | **91.25** | **28.11** | **-** | **1540.49** |
| **As at March 31,2022** | | | | | |
| **Particulars** | **Outstanding for following periods from due date of Payment** | | | | **Total** |
| | **Less than 1 Year** | **1 - 2 Years** | **2 - 3 Years** | **More than 3 Years** | |
| MSME | **-** | **-** | **-** | **-** | **-** |
| Total outstanding dues of creditors other than MSME | 3832.13 | 275.82 | **-** | 193.39 | **4301.34** |
| Disputed dues-MSME | **-** | **-** | **-** | **-** | **-** |
| Disputed dues of creditors other than MSME | **-** | **-** | **-** | **-** | **-** |
| **TOTAL** | **3832.13** | **275.82** | **-** | **193.39** | **4301.34** |
| **As at April 1,2021** | | | | | |

| Particulars | Outstanding for following periods from due date of Payment | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 Year | 1 - 2 Years | 2 - 3 Years | More than 3 Years | |
| MSME | - | - | - | - | - |
| Total outstanding dues of creditors other than MSME | 3778.70 | 58.16 | 193.39 | - | **4030.25** |
| Disputed dues-MSME | - | - | - | - | - |
| Disputed dues of creditors other than MSME | - | - | - | - | - |
| **TOTAL** | **3778.70** | **58.16** | **193.39** | **-** | **4030.25** |

| ANNEXURE 30: OTHER FINANCIAL LIABILITIES | | | |
|---|---|---|---|
| Particulars | As at | | |
| | 31-Mar-23 | 31-Mar-22 | 1-April-21 |
| Mobilisation Advance* | 3677.32 | 4015.22 | - |
| **TOTAL** | **3677.32** | **4015.22** | **-** |

*Mobilisation advance as of March 31, 2023 from:

| | | |
|---|---|---|
| 1 | Mobilization Advance from Dehradun Project | 365.48 |
| 2 | Mobilization Advance from Mirzapur | 246.59 |
| 3 | Mobilization Advance from Munger | 1322.65 |
| 4 | Mobilization Advance from Banthar | 942.60 |
| 5 | Mobilization Advance from Mumbai | 800.00 |
| 6 | Mobilization Advance from UPJN | - |
| **TOTAL Rs.** | | **3677.32** |

| ANNEXURE 31: OTHER CURRENT LIABILITIES | | | |
|---|---|---|---|
| Particulars | As at | | |
| | 31-Mar-23 | 31-Mar-22 | 1-April-21 |
| Advances from customers and others | 137.12 | 96.63 | 84.78 |
| Statutory Remittances | 408.10 | 1066.31 | 191.56 |
| Employee related payables | 173.73 | 135.47 | 115.86 |
| Expense payable | 66.53 | 424.44 | 217.63 |
| Work Contract Charges Payables | 1,373.82 | - | - |
| Other payables | 534.63 | 415.56 | 401.90 |
| **Total** | **2693.93** | **2138.41** | **1011.73** |

| ANNEXURE 32: SHORT-TERM PROVISIONS | | | |
|---|---|---|---|
| Particulars | As at | | |
| | 31-Mar-23 | 31-Mar-22 | 1-April-21 |
| Provision for Gratuity | 1.62 | 1.86 | 1.54 |
| **Total** | **1.62** | **1.86** | **1.54** |

| ANNEXURE 33: CURRENT TAX LIABILITY (NET) | | | |
|---|---|---|---|
| Particulars | As at | | |
| | 31-Mar-23 | 31-Mar-22 | 1-April-21 |
| Provision for Income Tax (Net of Advance Tax) | 35.43 | 392.21 | 1529.29 |
| **Total** | **35.43** | **392.21** | **1529.29** |

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| ANNEXURE 34: REVENUE FROM OPERATIONS | | | |
|---|---|---|---|
| **Particulars** | **Year ended March 31, 2023** | **Year ended March 31, 2022** | **Year ended March 31, 2021** |
| **Sale of Services** | | | |
| Income from Installation and commissioning of Sewerage Treatment plants | 53,810.01 | 35,985.00 | 33,070.35 |
| | | | |
| **Other Operating Revenues** | | | |
| Scrap Sales | 0.61 | 0.08 | 0.05 |
| Commission (Received) | 5.55 | - | - |
| **Total** | **53,816.17** | **35,985.08** | **33,070.39** |

| ANNEXURE 35: OTHER INCOME | | | |
|---|---|---|---|
| **Particulars** | **Year ended March 31, 2023** | **Year ended March 31, 2022** | **Year ended March 31, 2021** |
| Interest Income | 484.33 | 319.39 | 514.91 |
| Rent | - | - | 1.80 |
| Gain on Investment in shares of subsidiary^ | - | - | - |
| Profit from EMS SINGH JV-Partnership Firm | 0.42 | - | - |
| Profit on sale of Property, Plant and Equipment | 5.99 | 0.15 | - |
| Miscellaneous Income | 20.79 | 5.22 | 31.32 |
| **Total** | **511.54** | **324.76** | **548.03** |
| ^Consideration being less than Fair market Value as on the date of acquisition | | | |

| ANNEXURE 36: COST OF REVENUE OPERATIONS | | | |
|---|---|---|---|
| **Particulars** | **Year ended March 31, 2023** | **Year ended March 31, 2022** | **Year ended March 31, 2021** |
| Consumption of stores and spare parts | 9,822.43 | 8,313.35 | 6,408.49 |
| Power & Fuel | 1,060.67 | 996.20 | 632.16 |
| Labour Processing, Testing and Machinery Hire Charges | 1,737.30 | 1,456.80 | 1,112.33 |
| Installation and Erection Charges | 20.44 | 666.38 | 7.36 |
| Job Work Charges | 28,282.53 | 13,007.18 | 12,421.64 |
| Consultancy Fees | 18.45 | 7.50 | 221.59 |
| Other | - | - | 18.02 |
| **Total** | **40,941.82** | **24,447.41** | **20,821.59** |
| Due to loss of control in EMS Singh JV (Subsidiary), Inventory is derecognised and adjusted in Cost of Revenue of operations. | | | |

| ANNEXURE 37: CHANGES IN INVENTORIES OF WORK IN PROGRESS | | | |
|---|---|---|---|
| **Particulars** | **Year ended March 31, 2023** | **Year ended March 31, 2022** | **Year ended March 31, 2021** |
| **As at the end of the reporting period/year** | | | |
| Work in Progress | 10,471.73 | 5,409.60 | 3,542.93 |
| **(A)** | 10,471.73 | 5,409.60 | 3,542.93 |
| **As at the beginning of the reporting period/year** | | | |

| | | | |
|---|---|---|---|
| Work in Progress | 5,409.60 | 3,542.93 | 4,290.49 |
| **(B)** | 5,409.60 | 3,542.93 | 4,290.49 |
| **Total (B-A)** | **(5,062.13)** | **(1,866.67)** | **747.56** |

| **ANNEXURE 38: EMPLOYEE BENEFIT EXPENSE** | | | |
|---|---|---|---|
| **Particulars** | **Year ended March 31, 2023** | **Year ended March 31, 2022** | **Year ended March 31, 2021** |
| Salaries & Wages including Directors' Salary | 1333.27 | 1007.89 | 744.61 |
| Contribution to provident and other funds | 40.50 | 20.08 | 19.45 |
| Staff welfare expenses | 19.68 | 27.65 | 12.48 |
| Gratuity Expense | 8.75 | 9.22 | 8.57 |
| **Total** | **1,402.19** | **1,064.84** | **785.11** |

| **ANNEXURE 39: FINANCE COSTS** | | | |
|---|---|---|---|
| **Particulars** | **Year ended March 31, 2023** | **Year ended March 31, 2022** | **Year ended March 31, 2021** |
| Interest Expenses | 0.07 | 2.43 | 44.45 |
| Other Financial charges | 376.28 | 572.16 | 400.80 |
| Interest on Govt Dues | 7.79 | - | - |
| **Total** | **384.13** | **574.59** | **445.25** |

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| **ANNEXURE 40: DEPRECIATION AND AMORTISATION EXPENSES** | | | |
|---|---|---|---|
| **Particulars** | **Year ended March 31, 2023** | **Year ended March 31, 2022** | **Year ended March 31, 2021** |
| Property, Plant and Equipment | 295.32 | 201.08 | 119.91 |
| Intangible Assets | - | - | 0.03 |
| Right of Use Assets | 44.63 | 50.98 | 53.56 |
| **Total** | **339.95** | **252.06** | **173.50** |

| **ANNEXURE 41: OTHER EXPENSES** | | | |
|---|---|---|---|
| **Particulars** | **Year ended March 31, 2023** | **Year ended March 31, 2022** | **Year ended March 31, 2021** |
| Advertisement & Business Promotion Expenses | 11.48 | 0.05 | - |
| Consumption of Spares and Stores | 126.05 | 143.38 | 83.98 |
| Job Work | 246.09 | 205.68 | 269.49 |
| Books & Periodicals | 0.39 | 0.00 | 0.00 |
| Travelling & Conveyance Expenses | 25.49 | 16.65 | 9.27 |
| Repairs & Maintenance Expense | 51.98 | 45.15 | 35.57 |
| Miscellaneous Expenses | 101.95 | 4.09 | 4.15 |
| Insurance | 72.74 | 23.50 | 53.14 |
| Legal and Professional charges | 347.36 | 195.36 | 27.66 |
| Power & Fuel | 223.33 | 165.60 | 98.19 |
| Printing and Stationery | 6.65 | 3.27 | 2.98 |
| Rent, Rates & Taxes expenses | 32.40 | 27.44 | 3.40 |
| Lease Expense | 9.00 | 9.00 | 9.00 |
| Auditors' Remuneration | 27.96 | 20.77 | 17.57 |

| | | | |
|---|---|---|---|
| Fee & Subscription | 54.09 | 4.71 | 0.95 |
| Charity & Donation | 64.19 | 0.02 | 2.56 |
| Festival Expenses | 23.72 | 15.53 | 6.64 |
| Loss on sale of Property, Plant and Equipment | - | - | - |
| Vehicle Running and Maintenance | 2.13 | 4.11 | 7.18 |
| Corporate Social Responsibility Expenses | 200.20 | 200.28 | 190.20 |
| Tender Fee | 6.39 | 2.72 | 2.94 |
| Telephone, Internet & Postage Expenses | 0.74 | 1.00 | 1.30 |
| **Total** | **1,634.34** | **1,088.31** | **826.17** |

| ANNEXURE 42: TAX EXPENSES | | | |
|---|---|---|---|
| **Particulars** | **Year ended March 31, 2023** | **Year ended March 31, 2022** | **Year ended March 31, 2021** |
| Income Tax relating to current period/year | 3,812.94 | 2,859.09 | 2,628.34 |
| **Total** | **3,812.94** | **2,859.09** | **2,628.34** |

**EMS LIMITED**

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| ANNEXURE 43: PAYABLE TO MICRO, SMALL AND MEDIUM ENTERPRISES | | | |
|---|---|---|---|
| Details dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act, 2006) | | | |
| **Particulars** | **As at** | | |
| | **31-Mar-23** | **31-Mar-22** | **1-April-21** |
| i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting period/ year | | | |
| -- Principal amount due to micro and small enterprises | - | - | - |
| -- Interest due on above | - | - | - |
| | | | |
| ii)The amount of interest paid by the buyer in terms ofsection 16, of the MSMED Act,2006 along with theamounts of thepayment made to the supplier beyond the appointed day during each accounting period/ year | - | - | - |
| | | | |
| iii) 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 MSMED Act, 2006 | - | - | - |
| | | | |
| iv) The amount of interest accrued and remaining unpaid at theend of each accounting period/ year | - | - | - |
| | | | |
| v) The amount of further interest remaining due and payable even in the succeeding years,until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006 | - | - | - |
| Based on the balance confirmations received by the Company, there are no interest for delayed payment of MSMED. | | | |

| ANNEXURE 44: EARNINGS PER SHARE | | | |
|---|---|---|---|
| **Particulars** | **Year ended March 31, 2023** | **Year ended March 31, 2022** | **Year ended March 31, 2021** |
| Restated profit after tax attributable to the equity holders (INR in lacs) (A) | 10881.63 | 7904.62 | 7195.37 |
| Weighted average number of shares considered for calculating basic EPS (B) | 470 | 118 | 118 |
| Weighted average number of shares considered for calculating diluted EPS (C) | 470 | 118 | 118 |
| Nominal value of shares (Rupees) | 10.00 | 10.00 | 10.00 |
| Basic earnings per share (Rupees) (D) = (A)/(B) | 23.15 | 67.27 | 61.24 |
| Diluted earnings per share (Rupees) (E) = (A)/(C) | 23.15 | 67.27 | 61.24 |
| *not annualised | | | |

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| ANNEXURE :45 RELATED PARTY TRANSACTIONS | | |
|---|---|---|
| **A. List of the related parties and nature of relationship with whom transactions have taken place during the respective year** | | |
| **Description of Relationship** | | **Name of The Party** |
| **(a)** | **Key Managerial Personnel (KMP)** | Mr. Ramveer Singh (Chairman) |
| | | Mr. Ashish Tomar (Managing Director) |
| | | Mr. Satish Kumar (Director)* |
| | | Mr. Neeraj Srivastava (Professional Director) |
| | | Mrs. KritikaTomar (Director)˜ |
| | | Mr. Gajendra Parihar (Chief Financial officer)˜˜ |
| | | Mr. Anup Kumar Pandey (Group Secretary) ^^ |
| | | Mr. Deepak Kumar (Group Secretary) ^^^ |
| | | Mr. Mukesh Garg (Independent Director)"" |
| | | Ms. Chetna (Independent Director) " |
| | | Mr. Achal Kapoor (Independent Director)> |
| | | Mrs. Swati Jain (Independent Director)>> |
| **(b)** | **Relative of KMP** | Mrs. NirmalaTomar (Wife of Mr.Ramveer Singh) |
| | | Mrs. Vinita Srivastava (Wife of Mr. Neeraj Srivastava) |
| | | Mr. Pankaj Srivastava (Brother of Mr. Neeraj Srivastava) |
| | | |
| **(c)** | **Group/Firm in which directors and their relative are interested** | EMS Infrastructure Private Limited |
| | | Neer Care India Private Limited |
| | | Envirocare |
| | | EMIT Group India (P) Ltd |
| * | Upto Oct 10, 2022 | |
| ˜ | Appointed on October 17, 2022 | |

| | |
|---|---|
| ~~ | Appointed on December 23, 2022 |
| ^^ | Appointed on August 1, 2022 & Resigned on July 5,2023 |
| ^^^ | Appointed on July 5, 2023 |
| "" | Appointed on March 10, 2023 |
| " | Appointed on March 10, 2023 |
| > | Appointed on March 10, 2023 |
| >> | Appointed on March 10, 2023 |

| **B.** | **Related Party Transactions and Balances** | | | |
|---|---|---|---|---|
| **Sr. No.** | **Particulars** | **Year ended March 31, 2023** | **Year ended March 31, 2022** | **Year ended March 31, 2021** |
| **A.** | ***Transactions during the year*** | | | |
| **(i)** | **Purchase & Job Work** | | | |
| | Neercare India Private Limited | 10809.57 | 4336.15 | 277.58 |
| | Envirocare Engineering Services Private Limited | - | 284.11 | 97.60 |
| | EMS Infrastructure Private Limited | 5347.22 | 844.76 | 3345.84 |
| | Mr. Pankaj Kumar Srivastava | 10.00 | - | - |
| | EMIT Group India (P) Ltd | 2236.71 | - | - |
| | Neeraj Srivastava | 60.00 | - | - |
| | | | | |
| **(ii)** | **Loan Taken** | | | |
| | Mr. Ashish Tomar | 0.37 | 115.40 | 0.51 |
| | Mr. Ramveer Singh | 0.20 | - | - |
| | Mr. Neeraj Srivastava | - | - | 0.50 |
| | | | | |
| **(iii)** | **Repayment of Loan taken** | | | |
| | Mr. Ramveer Singh | 25.00 | - | - |
| | Mr. Ashish Tomar | 115.00 | - | - |
| | Himal Hydro & General Construction Limited- Partner in EMS Himal Hydro JV | - | - | 3.14 |
| | Satish Kumar | - | - | - |
| | | | | |
| **(iv)** | **Loan and Advances given** | | | |
| | Primatech Infrastructure Private Limited | - | - | 0.23 |
| | Mr. Ashish Tomar | - | 11.16 | - |
| | Neercare India Private Limited | - | 18.36 | - |
| | Envirocare Engineering Services Private Limited | - | 9.17 | - |
| | Kaushalaya Estate | - | - | 4.08 |
| | | | | |
| **(v)** | **Loans and Advances received back** | | | |
| | Mr. Satish Kumar | - | - | 133.81 |
| | Primatech Infrastructure Private Limited | - | 0.23 | 5.03 |
| | Mr. Ashish Tomar | 11.16 | - | - |
| | | | | |
| **(vi)** | **Salary paid** | | | |
| | Mr. Ashish Tomer | 556.00 | 396.00 | 276.00 |
| | Mr. Ramveer Singh | 556.00 | 396.00 | 276.00 |

| | | | | |
|---|---|---|---|---|
| | Mr. Satish Kumar | - | - | 18.00 |
| | Mr. Vaibhav Bhatia | - | 2.40 | 2.40 |
| | Mrs. NirmlaTomer | 24.00 | 24.00 | 24.00 |
| | Mrs. Vinita Srivastava | 9.84 | 9.84 | - |
| | Mrs. KritikaTomar | 51.00 | 12.00 | 12.00 |
| | Mr. Gajendra Parihar | 8.00 | - | - |
| | Mr. Anup Kumar Pandey | 1.05 | - | - |

| Sr. No. | Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|---|---|
| **(vii)** | **Lease Rentals Paid** | | | |
| | Mrs. Nirmla Tomer | 9.00 | 9.00 | 9.00 |
| | | | | |
| **(viii)** | **Lease Rentals Received** | | | |
| | Envirocare Engineering Services Private Limited | - | - | 1.80 |
| **Sr. No.** | **Particulars** | **As at** | | |
| | | **31-Mar-23** | **31-Mar-22** | **31-Mar-21** |
| **B.** | **Outstanding Payables** | | | |
| **(i)** | **Loan from Related parties** | | | |
| | Mr. Neeraj Srivastava | 0.50 | 0.50 | 0.50 |
| | Mr. Ashish Tomar | 1.78 | 116.41 | 1.01 |
| | Mr. Ramveer Singh | 37.28 | 62.08 | 62.08 |
| | | | | |
| **(ii)** | **Salary payable** | | | |
| | Mr. Ashish Tomar | 100.15 | - | - |
| | Mr. Ramveer Singh | 2.28 | 40.80 | 18.28 |
| | Mrs. KritikaTomar | 8.97 | - | - |
| | Mrs. Vinita Srivastava | 0.66 | - | - |
| | Mr. Satish Kumar | - | 29.74 | 14.70 |
| | Mrs. NirmalaTomar | 1.20 | 2.24 | 1.65 |
| | Mrs. Gajendra Parihar | 7.15 | - | - |
| | | | | |
| **(iii)** | **Trade Payables** | | | |
| | Neercare India Private Limited | 735.17 | 1456.50 | - |
| | Envirocare Engineering Services Private Limited | 16.39 | 79.56 | 124.35 |
| | EMS Infrastructure Private Limited | 40.33 | 413.04 | 439.45 |
| | Neeraj Srivastava | 59.80 | - | - |
| | | | | |
| **C.** | **Outstanding Receivables** | | | |
| **(i)** | **Advance to Related parties** | | | |
| | Primatech Infrastructure Private Limited | - | - | 0.23 |
| | EMIT Group India (P) Ltd | 7.26 | - | - |
| | Neercare India Private Limited | - | 18.36 | - |
| | Ashish Tomar | - | 11.16 | - |
| | Envirocare Engineering Services Private Limited | - | 9.17 | - |
| | Kaushalaya Estate | - | 4.08 | 4.08 |
| | | | | |

| (ii) | Other Receivables | | | |
|---|---|---|---|---|
| | Neercare India Private Limited | 134.14 | - | - |

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**ANNEXURE 46: GOODWILL/CAPITAL RESERVE ON CONSOLIDATION**

Goodwill arising on business combination is allocated to the Group at the time of acquisition considering the Group is expected to benefit from that business combination.

The Carrying amount of Goodwill is as follows:

**a) Goodwill recognised in restated consolidated summary statements is in respect of the following acquisitions:**

| Name of Subsidiary | As at March 31,2023 | As at March 31,2022 | As at April 1,2021 |
|---|---|---|---|
| EMS Green Energy Private Limited | - | - | - |
| EMS TCP-JV | - | - | - |
| Mirzapur Ghazipur Private Limited | - | - | - |
| SK UEM Water Projects Private Limited | 0.52 | 0.52 | 0.52 |
| EMS Singh JV | - | 6.68 | 6.68 |
| EMS Constructions | 1.59 | 1.59 | - |
| Canary Infrastructure Private Limited | 580.90 | 580.90 | - |

**b) Below is the reconciliation of carrying amount of Goodwill**

| Particulars | As at March 31,2023 | As at March 31,2022 | As at April 1,2021 |
|---|---|---|---|
| **Opening Balance** | **589.69** | **7.21** | **0.52** |
| Add:- On acquisition during the year | - | 582.48 | 6.68 |
| Less:- On account of Impairment of Goodwill | 6.68 | - | - |
| **Closing Balance** | **583.01** | **589.69** | **7.21** |

The Carrying amount of Goodwill is stated above. The Recoverable amounts have been determined based on value in use calculations which uses cash projections covering generally a period of five years (which are based on key assumptions such as margins, expected growth rate based on past experience and management expectations.

**c) Capital Reserve recognised in restated consolidated summary statements is in respect of the following acquisitions:**

| Name of Subsidiary | As at March 31,2023 | As at March 31,2022 | As at April 1,2021 |
|---|---|---|---|
| EMS Himal Hydra JV | 15.44 | 15.44 | 15.44 |

**ANNEXURE 47: CORPORATE SOCIAL RESPONSIBILITY (CSR)**

**Information in respect of CSR Expenditure required to be spent by the company**

| Particulars | As at March 31,2023 | As at March 31,2022 | As at March 31,2021 |
|---|---|---|---|
| Gross Amount required to be spent by the company during the period/year | 200.20 | 200.28 | 190.20 |
| Amount of expenditure incurred | 380.00 | 16.37 | 264.00 |
| Shortfall at the end of the period/year | (179.80) | 183.91 | (73.80) |
| Total of previous period/year shortfall | 175.64 | 355.44 | 171.54 |

| | | | |
|---|---|---|---|
| Reason for shortfall | No Shortfall | Delay In Project Identification | NIL |
| Nature of CSR Activities | Education & Healthcare | Education | Healthcare |

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| **ANNEXURE 48: SEGMENT INFORMATION** |
|---|
| The Company is engaged in the business of providing turnkey services in water and wastewater collection, treatment and disposal. Information is reported to and evaluated regularly by the Coperational Decision Maker (CODM) i.e. Managing Director for the purpose of resource allocation and assessing performance focuses on the business as whole. The CODM reviews the Company's performance focuses on the analysis of profit before tax at an overall entity level. Accordingly, there is no other separate reportable segment as defined by IND AS 108 "Operating Segments". |

| **ANNEXURE 49: CONTINGENT LIABILITIES** | | | |
|---|---|---|---|
| **Particulars** | **As at** | | |
| | **March 31,2023** | **March 31,2022** | **April 1,2021** |
| A) Disputed claims/levies in respect of Sales Tax: | | | |
| - Reversal of input tax credit | - | - | - |
| - Regular Assessment Order passed | - | - | - |
| B) Disputed claims/levies in respect of Excise Duty/Goods and Services Tax: | | | |
| - Availability of input credit | - | - | - |
| - Excise demand on excess / shortages | - | - | - |
| C) Disputed claims/levies in respect of Income Tax | - | - | - |
| D) Others | 25,173.64 | 18,765.89 | 13,917.58 |
| **Total** | **25,173.64** | **18,765.89** | **13,917.58** |

| **ANNEXURE 50: EMPLOYMENT BENEFIT OBLIGATIONS** | | | |
|---|---|---|---|
| **Particulars** | **As at March 31, 2023** | | |
| | **Current** | **Non-Current** | **Total** |
| **Gratuity** | | | |
| Present value of defined benefit obligation | 1.62 | 24.17 | 25.79 |
| **Total employee benefit obligations** | **1.62** | **24.17** | **25.79** |
| **Particulars** | **As at March 31,2022** | | |
| | **Current** | **Non-Current** | **Total** |
| **Gratuity** | | | |
| Present value of defined benefit obligation | 1.86 | 27.22 | 29.08 |
| **Total employee benefit obligations** | **1.86** | **27.22** | **29.08** |
| **Particulars** | **As at March 31,2021** | | |
| | **Current** | **Non-Current** | **Total** |
| **Gratuity** | | | |
| Present value of defined benefit obligation | 1.54 | 27.04 | 28.58 |
| **Total employee benefit obligations** | **1.54** | **27.04** | **28.58** |
| **(a) Defined Benefit Plans** | | | |

| **Gratuity** |
|---|
| The Company operates a defined benefit gratuity plan for its employees. The gratuity scheme provides for lump sum payment to vested employees at retirement/death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of 6 months subject to a limit of INR 20.00 lakhs (March 31, 2022: INR 20.00 lakhs, April 1, 2021 : INR 20.00 ) |

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**i) Movement of defined benefit obligation:**

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

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|---|
| **Opening defined benefit obligation (A)** | 29.08 | 28.58 | 24.66 |
| Current service cost | 6.12 | 0.00 | 0.00 |
| Past service cost | | | |
| Interest cost | 2.33 | 2.21 | 1.84 |
| Expected return on plan assets | | | |
| **Total amount recognised in profit or loss (B)** | 8.45 | 9.22 | 8.57 |
| **Remeasurements** | | | |
| Effect of change in financial assumptions | 0.27 | (1.07) | (0.87) |
| Effect of change in demographic assumptions | - | - | - |
| Effect of experience adjustments | (12.01) | (7.66) | (3.78) |
| **Total amount recognised in other comprehensive income (C)** | 0.27 | (8.72) | (4.65) |
| **Closing defined benefit obligation (A+B+C)** | **37.80** | **29.08** | **28.58** |

**ii) Net benefit asset/ (liability) recognised in the balance sheet**

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|---|
| Present value of defined benefit obligation at the end of the period | 37.80 | 29.08 | 28.58 |
| Less: Fair value of plan assets at the end of the period | - | - | - |
| **Net benefit liability/(asset)** | **37.80** | **29.08** | **28.58** |

**iii) Principal assumptions used in determining gratuity obligations for the Company's plan are shown below:**

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|---|
| Discount Rate | 7.33% | 7.45% | 7.06% |
| Salary Growth Rate | 10.00% | 10.00% | 10.00% |
| Expected Rate of Return on Plan Assets | N.A | N.A | N.A |
| Normal Age of Retirement | 60 years | 60 years | 60 years |
| Withdrawal Rate | 10.00% | 10.00% | 10.00% |
| Mortality Table | 100% Indian Assured Lives Mortality | 100% Indian Assured | 100% Indian Assured Lives Mortality |

| | | | |
|---|---|---|---|
| | (2012-14) Ultimate | Lives Mortality (2012-14) Ultimate | (2012-14) Ultimate |
| **Notes :** | | | |
| (1) The discount rate is based on the prevailing market yield of Indian Government Securities as at Balance Sheet date for the estimated term of obligation. | | | |
| (2) The estimate of future salary increase considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. | | | |

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**(v) Sensitivity Analysis**

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|---|
| **(a) Impact of Discount rate on defined benefit obligation** | | | |
| Increased by 1.00% | (2.13) | (2.47) | (2.53) |
| Decreased by 1.00% | 2.47 | 2.87 | 2.96 |
| **(b) Impact of Salary Escalation rate on defined benefit obligation** | | | |
| Increased by 1.00% | 1.99 | 2.28 | 2.33 |
| Decreased by 1.00% | (1.87) | (2.20) | (2.22) |
| **(c) Impact of Withdrawal rate on defined benefit obligation** | | | |
| Increased by 1.00% | (0.25) | (0.32) | (0.41) |
| Decreased by 1.00% | 0.25 | 0.32 | 0.41 |

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method i.e. projected unit credit method has been applied as that used for calculating the defined benefit liability recognised in the balance sheet.

**v) Risk Exposure**

The defined benefit obligations have the undermentioned risk exposures:

**Interest rate risk:** The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

**Salary Inflation risk:** Higher than expected increases in salary will increase the defined benefit obligation.

**Demographic risk:** This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria.

**Investment risk:** The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to high quality corporate bond yields; if the return on plan asset is below this rate, it will create a plan deficit.

**vi) Defined benefit liability and employer contributions**

The weighted average duration of the defined benefit obligation is 35.32 years (March 31, 2022: 33.85 years, March 31, 2021: 32.89 years)

The expected maturity analysis of undiscounted gratuity is as follows:

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|---|
| Less than a year | 1.68 | 1.93 | 1.59 |
| Between 1 - 2 years | 1.83 | 2.08 | 2.00 |
| Between 2 - 3 years | 2.10 | 2.19 | 2.16 |
| Between 3 - 4 years | 2.15 | 2.50 | 2.22 |
| Between 4 - 5 years | 2.42 | 2.54 | 2.42 |
| Beyond 5 years | 11.30 | 12.71 | 12.10 |

**B) Defined Contribution Plan**

The Company has a defined contribution plan in respect of provident fund. Contributions are made to provident fund and employees state insurance in India for employees at the rate as prescribed in the regulations. The obligation of the group is limited to the amount contributed and it has no further contractual nor any constructive obligation.

The Company has recognized the following amounts towards defined contribution plan in the Statement of Profit and Loss –

The Company has recognized the following amounts towards defined contribution plan in the Statement of Profit and Loss –

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|---|
| Employer's Contribution to Provident Fund and other funds | 18.26 | 20.08 | 19.45 |

Included in 'Contribution to provident and other funds' under Employee Benefits Expense (Refer ANNEXURE 38)

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**ANNEXURE 51: TRANSITION TO IND AS 116' LEASES'**

Effective April 1, 2021(IND AS Transition Date), the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2021 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease. On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹ 1,769.82 lacs and a lease liability of ₹ 91.49 lacs. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share.

The following is the summary of practical expedients elected on initial application:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application

Following are the changes in the carrying value of right of use assets

| Particulars | Land | Vehicle | Plant & Machinery | Total |
|---|---|---|---|---|
| **Cost/Deemed Cost** | | | | |
| **As at March 31,2022** | | | | |
| Reclassified on adoption of IND-AS 116 as on April 1,2021 | **1856.47** | **-** | **73.63** | **1930.11** |
| Additions | - | - | - | - |

| | | | | |
|---|---|---|---|---|
| Deductions | - | - | - | - |
| Depreciation/Amortisation | (37.65) | - | (13.33) | (50.98) |
| **Total** | **1818.82** | **-** | **60.31** | **1879.13** |
| | | | | |
| **As at March 31,2023** | | | | |
| Opening Balance | **1818.82** | **-** | **60.31** | **1879.13** |
| Additions | 283.98 | - | - | - |
| Deductions | - | - | - | - |
| Asset transfer to Property, Plant and Equipment (PPE) | - | - | (58.81) | (58.81) |
| Depreciation/Amortisation | (43.13) | - | (1.50) | (44.63) |
| **Total** | **2059.66** | **-** | **-** | **2059.66** |

(i) ROU assets are amortised from the commencement date on a straight-line basis over the lease term. The lease term is 90 years for land, 3 years for Vehicle and 3-4 years for Plant and Machinery respectively. The aggregate depreciation expense on ROU assets is included under depreciation and amortisation expense in the consolidated statement of Profit and Loss.

(ii) The following is the break-up of current and non-current lease liabilities

| Particulars | As at March 31,2023 | As at March 31,2022 | As at April 1,2021 |
|---|---|---|---|
| Current lease liability | - | 6.29 | 35.84 |
| Non-current lease liability | - | - | 6.29 |
| **Total** | **-** | **6.29** | **42.14** |

(iii) Following is the movement in lease liabilities

| Particulars | As at March 31,2023 | As at March 31,2022 | As at April 1,2021 |
|---|---|---|---|
| **Balance as at the beginning** | - | - | - |
| Additions | - | - | - |
| Finance Cost accrued during the period | - | 2.35 | 6.07 |
| Payment of lease liabilities | - | 38.19 | 55.43 |
| **Balance as at the end** | **-** | **(35.84)** | **(49.36)** |

Rental expense recorded for short-term leases for the year ended March 31,2023 is ₹ 9.00 lacs (Year ended March 31,2022: ₹ 9.00 lacs, Year ended March 31,2021: ₹ 9.00 lacs)

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**ANNEXURE 52: FAIR VALUE MEASUREMENTS**

**i) Category of financial instruments and valuation techniques**

**Breakup of financial assets carried at amortised cost**

| Particulars | As at | | |
|---|---|---|---|
| | 31-Mar-23 | 31-Mar-22 | 1-April-21 |
| Trade receivables-Current | 12,354.17 | 15,782.27 | 9,328.59 |
| Cash and cash equivalent | 8,167.47 | 6,105.29 | 5,043.09 |
| Bank Balances other than Cash and Cash Equivalents | 3,954.68 | 2,887.06 | 1,708.42 |
| Investments | 63.27 | - | - |
| Trade receivables- Non Current | 4620.27 | - | - |
| Other Financial Assets-Non Current | 4,416.36 | 3,598.72 | 3,932.62 |
| Other financial Assets-Current | 9,863.76 | 8,313.98 | 8,354.14 |

Note: The management has assessed that the carrying amounts of the above financial instruments approximate their fair values.

**Breakup of financial assets carried at fair value through Other Comprehensive Income**

| **Particulars** | **As at** | | |
|---|---|---|---|
| | **31-Mar-23** | **31-Mar-22** | **1-April-21** |
| Investments | 58.79 | 50.96 | 43.94 |

**Breakup of financial liabilities carried at amortised cost**

| **Particulars** | **As at** | | |
|---|---|---|---|
| | **31-Mar-23** | **31-Mar-22** | **1-April-21** |
| Borrowings-Non Current | 4,539.56 | 371.31 | 316.29 |
| Lease Liabilities-Non Current | - | - | 6.29 |
| Other financial liabilities-Non Current | 2,365.30 | 889.22 | 665.41 |
| Borrowings-Current | - | - | - |
| Lease Liabilities-Current | - | 6.29 | 35.84 |
| Trade payables | 1,540.49 | 4,301.34 | 4,030.25 |
| Other financial liabilities-Current | 3,677.32 | 4,015.22 | - |

Note: The management has assessed that the carrying amounts of the above financial instruments approximate their fair values.

**ii) Fair value hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements to provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard.

| | |
|---|---|
| **Level 1:** | Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in stock exchanges is valued using the closing price as at the reporting period. |
| **Level 2:** | The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on equity specific estimates. If all significant inputs required to fair value an instruments are observable, the instrument is included in Level 2. |
| **Level 3:** | If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. This is the case for unlisted equity securities, security deposits included in Level 3. |

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**ANNEXURE 53: FIRST TIME ADOPTION OF IND AS**

These are the company's first financial statements prepared in accordance with Ind AS.

The Accounting policies set out in Annexure 5 have been applied in preparing the financial statements for the year ended March 31,2023, the comparative information presented in these financial statements for the year ended March 31,2022 and in the preparation of an opening Ind AS balance sheet at April 1,2021 (the Company's date of transition) .In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules,2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the group's financial position, financial performance and cash flows is set out in the following tables and notes.

**A) Exceptions applied**

Ind AS 101 allows first time adopters certain exceptions from the respective application of certain requirements under Ind AS.

| |
|---|
| The mandatory exceptions include the following: |
| **I. De-recognition of financial assets and financial liabilities** |
| Ind AS 101 requires a first time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. |
| **II. Classification and measurement of Financial assets** |
| IND AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS. |
| **III. Estimates** |
| Estimates made in accordance with previous GAAP at the date of transition to Ind AS should be considered unless there is objective evidence that those estimates were in error. |
| Ind AS estimates as at April 01, 2021 are consistent with the estimates as at the same date made in conformity with previous GAAP. The company made estimates for Investment in equity instruments carried at FVOCI in accordance with Ind AS as at the date of transition as these were not required under previous GAAP. |
| Consequently, the company has applied the above requirement prospectively. |
| **B) The Company has applied the following optional exemptions:** |
| **I. Deemed Cost** |
| Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 'Intangible Assets' and investment property covered by Ind AS 40 'Investment Properties'. |
| Accordingly, the company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value. |
| **II. Leases** |
| Ind AS 116 'Leases' requires an entity to assess whether a contract or arrangement contains a lease in accordance with Ind AS 116, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. |
| **III. Designation of previously recognised financial instruments** |
| Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS. |
| The company has elected to apply this exemption for its investment in equity instruments. |
| **IV. Business Combination** |
| In accordance with Ind AS transitional provision, the company opted not to restate business combination which occurred prior to transition date. |
| **C) Reconciliations from previous GAAP** |
| The following reconciliations provide a quantification of the effect of differences arising from the transition from previous GAAP to Ind AS in accordance with Ind AS 101 whereas the notes explain the significant differences thereto. |
| (i) Balance sheet reconciliations as of March 31,2022 |
| (ii) Reconciliations of total equity as at March 31, 2022 and April 1, 2021 |
| (iii) Reconciliations of statement of profit and loss for the year ended March 31,2022 |
| (iv) Reconciliations of total comprehensive income for the year ended March 31, 2022 |
| (v) Explanation of material adjustments to statement of cash flows |

(All amounts in Indian Rupees Lacs, unless otherwise stated)

| (i) Balance sheet reconciliation as on April 1,2021 | | | | |
|---|---|---|---|---|
| **Particulars** | **Notes to Reconciliation** | **Regrouped IGAAP** | **IND AS Adjustments** | **IND AS** |
| **ASSETS** | | | | |
| **Non-current assets** | | | | |
| Property, Plant and Equipment | | 3,848.29 | (2,648.74) | 1,199.54 |
| Capital Work in Progress | | - | - | - |
| ROU Assets | 1 | - | 1,930.11 | 1,930.11 |
| Investment Property | 2 | - | 685.52 | 685.51 |
| Goodwill | | 0.54 | - | 0.54 |
| Other Intangible Assets | | - | - | |
| Financial Assets | | - | - | - |
| -Investments | 3 | 85.15 | (3.79) | 81.35 |
| -Other financial assets | | 3,877.51 | - | 38.35 |
| Deferred tax Assets (net) | 4 | 38.35 | 0.95 | 0.95 |
| Other Non-current assets | | - | - | 7,849.83 |
| **Total Non-current assets** | | **7,849.83** | **(35.96)** | 11,786.16 |
| | | - | - | - |
| **Current Assets** | | | | |
| Inventories | | 3,531.83 | - | - |
| Financial Assets | | - | - | - |
| -Trade receivables | | 9,328.55 | - | 5,011.01 |
| -Cash and Cash Equivalents | | 5,011.01 | - | - |
| Bank Balances other than Cash and Cash Equivalents | | 1,708.42 | - | - |
| -Loans | | - | - | - |
| -Other Financial Assets | | 8,340.67 | - | 8,340.67 |
| Other Current Assets | | 1,489.58 | - | - |
| **Total current assets** | | 29,410.07 | - | 29,410.07 |
| **Total** | | **37,259.89** | **(35.96)** | **37,223.94** |
| | | | | |
| **Equity and Liabilities** | | | | |
| **Equity** | | | | |
| Equity share Capital | | 1,175.00 | - | 1,175.00 |
| Other Equity | 4 | 29,285.68 | (27.62) | 29,258.06 |
| Non-Controlling Interest | | 16.18 | - | 16.18 |
| **Total equity** | | **30,476.86** | **(27.62)** | 30,449.24 |
| | | | | |
| **Liabilities** | | | | |
| **Non-current liabilities** | | | | |
| Financial Liabilities | | | | |
| -Borrowings | | 214.34 | - | 214.34 |
| Lease Liabilities | | 6.29 | - | 6.29 |
| Deferred Tax Liabilities (Net) | 4 | - | - | - |
| Other non-current liabilities | | 664.73 | - | 664.73 |
| **Total non-current liabilities** | | 885.36 | - | 885.36 |

| | | | | |
|---|---|---|---|---|
| | | | | |
| **Current Liabilities** | | | | |
| Financial Liabilities | | | | |
| -Borrowings | | - | - | - |
| -Lease Liabilities | | 35.84 | - | 35.84 |
| -Trade payables | | 3,794.63 | - | 3,794.63 |
| Other Current Liabilities | | 607.68 | - | 607.68 |
| Short Term Provisions | | - | - | - |
| Liabilities for Current Tax (Net) | | 1,459.52 | (8.34) | 1,451.19 |
| **Total current liabilities** | | 5,897.67 | **(8.34)** | 5,889.33 |
| **Total equity and liabilities** | | **37,259.89** | **(35.96)** | **37,223.94** |

| **(i) Balance sheet reconciliation as on March 31,2022** | | | | |
|---|---|---|---|---|
| **Particulars** | **Notes to Reconciliation** | **Regrouped IGAAP** | **IND AS Adjustments** | **IND AS** |
| **ASSETS** | | | | |
| **Non-current assets** | | | | |
| Property,Plant and Equipment | | 4530.32 | (2717.95) | 1812.37 |
| Capital Work in Progress | | 30.32 | - | 30.32 |
| ROU Assets | 1 | - | 1879.13 | 1879.13 |
| Investment Property | 2 | - | 768.06 | 768.06 |
| Goodwill | | 581.44 | - | 581.44 |
| Other Intangible Assets | | | | |
| Financial Assets | | | | |
| -Investments | 3 | 47.73 | 3.23 | 50.96 |
| -Other financial assets | | 3598.71 | - | 3598.71 |
| Deferred tax Assets ( net) | 4 | 38.64 | (0.81) | 37.83 |
| Other Non-current assets | | | | |
| **Total Non-current assets** | | **8827.16** | **(68.35)** | **8758.81** |
| | | | | |
| **Current Assets** | | | | |
| Inventories | | 5310.83 | - | 5310.83 |
| Financial Assets | | - | - | |
| -Trade receivables | | 15782.24 | - | 15782.24 |
| -Cash and Cash Equivalents | | 6095.32 | - | 6095.32 |
| Bank Balances other than Cash and Cash Equivalents | | 2887.06 | | 2887.06 |
| -Loans | | - | | - |
| -Other Financial Assets | | 8313.81 | - | 8313.81 |
| Other Current Assets | | 4790.47 | - | 4790.47 |
| **Total current assets** | | **43179.73** | **(68.35)** | **43179.73** |
| **Total** | | **52006.89** | **(68.35)** | **51938.54** |
| | | | | |
| **Equity and Liabilities** | | | | |
| **Equity** | | | | |
| Equity share Capital | | 1175.00 | - | 1175.00 |
| Other Equity | 4 | 36994.03 | **(58.88)** | 36935.16 |
| Non-Controlling Interest | | 94.27 | - | 94.27 |
| **Total equity** | | **38263.30** | **(58.88)** | **38204.42** |

| | | | | |
|---|---|---|---|---|
| **Liabilities** | | | | |
| **Non-current liabilities** | | | | |
| Financial Liabilities | | | | |
| -Borrowings | | 478.99 | | 478.99 |
| Lease Liabilities | | - | - | - |
| Deferred Tax Liabilities (Net) | 4 | - | - | - |
| Other non-current liabilities | | 807.77 | - | 807.77 |
| **Total non-current liabilities** | | **1286.76** | - | **1286.76** |
| | | | | |
| **Current Liabilities** | | | | |
| Financial Liabilities | | | | |
| -Borrowings | | | | |
| -Lease Liabilities | | 6.29 | - | 6.29 |
| -Trade payables | | 4105.53 | - | 4105.53 |
| Other Current Liabilities | | 5530.31 | - | 5530.31 |
| Short Term Provisions | | | | |
| Liabilities for Current Tax (Net) | | 2814.50 | **(9.48)** | **2805.02** |
| **Total current liabilities** | | **12456.83** | - | **12447.36** |
| **Total equity and liabilities** | | **52006.89** | **(68.35)** | **51938.54** |

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| **(iii) Reconciliation of total equity as at March 31, 2022 and April 1, 2021** | | | |
|---|---|---|---|
| **Particulars** | **Notes to Reconciliation** | **As at March 31, 2022** | **As at April 1, 2021** |
| **Equity share Capital** | | 1,175.00 | 1,175.00 |
| Reserves and surplus | | 36994.03 | 29,285.68 |
| **Total equity (shareholder's Fund) under Previous GAAP** | | **38169.03** | **30,460.68** |
| **Adjustments:** | | | |
| Fair Valuation of Investment | 1 | 3.23 | (3.79) |
| Leases | 2 | (70.77) | (33.12) |
| Tax Effects on the above | 3 | 8.66 | 9.29 |
| **Total equity as per Ind AS** | | **38110.15** | **30,433.05** |

| **iii) Reconciliations of statement of profit and loss for the year ended March 31,2022** | | | | |
|---|---|---|---|---|
| **Particulars** | **Notes to Reconciliation** | **For the year ended March 31, 2021** | **IND AS Adjustments** | **IND AS** |
| Income | | | | |
| Revenue from operations | | 47723.68 | - | 47723.68 |
| Other income | | 417.95 | - | 417.95 |
| **Total Income** | | **48141.62** | - | **48141.62** |
| **Expenses:** | | | | |
| Cost of Revenue Operations | | 36214.93 | - | 36214.93 |
| Changes in inventories of Finished Goods, Work in Progress and stock in Trade | | (1775.75) | - | (1775.75) |
| Employee benefit expenses | | 994.09 | - | 994.09 |
| Finance costs | | 572.70 | - | 572.70 |

| | | | | |
|---|---|---|---|---|
| Depreciation and Amortization | | 213.59 | 37.65 | 251.25 |
| Other expenses | 3 | 1126.90 | - | 1126.90 |
| **Total expenses** | | **37346.46** | - | **37384.12** |
| Profit/(Loss) before tax and exceptional item | | 10795.16 | - | 10757.51 |
| Exceptional items | | | | |
| **Profit before Tax** | | **10795.16** | - | **10757.51** |
| Tax expense: | | | | |
| Income Tax | | 2814.50 | 9.48 | 2805.02 |
| Deferred tax | 4 | (0.30) | - | (0.30) |
| Total Tax Expense | | **2814.20** | - | **2804.73** |
| **Profit/(Loss) for the period** | | **7980.96** | **(28.18)** | **7952.78** |
| Other Comprehensive Income (OCI)(net of tax) | | | 5.26 | 5.26 |
| **Total Comprehensive Income for the year** | | | **(22.92)** | **7958.04** |

| Particulars | Notes to Reconciliation | As at March 31, 2022 | As at April 1, 2021 |
|---|---|---|---|
| Profit after tax as per previous GAAP (including Non-Controlling interests) | | 7980.96 | 7078.34 |
| **Adjustments** | | | |
| Fair Valuation of Investments | 3 | 7.03 | 1.00 |
| Leases | 1 | (37.65) | (33.12) |
| Tax Effects on the above | 4 | 7.71 | 8.08 |
| **Total Comprehensive income (Net of Tax)** | | **7958.04** | **7054.80** |

**Notes**

1. Under the previous GAAP, advance rentals paid for leasehold land were disclosed under 'Property, Plant and Equipment'. Under Ind AS, all lease arrangements have to be accounted for as per IND AS 116 ' Leases'. The effect of this change has resulted in reclassification of amounts from Property, Plant and Equipment to right of use assets and creation of corresponding lease liabilities on transition date (April 1, 2021) and as on March 31, 2022.

**2. Reclassification of Investment Properties**

Under IGAAP, Investment Properties were classified under 'Property, Plant and Equipment'. On transition to IND AS, same have been reclassified to Investment Properties under Non-Current Assets as these are not intended to be occupied substantially for use or in the operation of the company.

**3. Fair Valuation of Investments**

The company has considered fair valuation of investment in gold and related ornaments in accordance with stipulations of Ind AS 101 with the resultant impact being accounted for in the Other Equity (FVOCI).

4. The various transitional adjustments have deferred tax implications which have been accounted for by the Company.Deferred tax adjustment have been recognised in relation to the underlying transaction either in retained earnings or other comprehensive income, on the date of transition.

There were no material differences between the statements of cash flows presented under Ind AS and the previous GAAP.

These are the notes to accounts to the financial statements.

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| |
|---|
| **ANNEXURE 54** |
| **A) FINANCIAL RISK MANAGEMENT** |
| The Company's principal financial liabilities comprise loans, borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds investments. The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below. |
| **(a) Market risk** |
| Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings. The Company has no direct exposure to foreign currency risk. |
| -*Interest rate risk* |
| Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Company's policy is to borrow funds at fixed and floating rate of interest. |
| **(b) Credit risk** |
| Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including investments, deposits with banks and financial institutions and other financial instruments. |
| **(i) Trade receivables** |
| Customer credit risk is managed by the Company's established policies, procedures and controls relating to customer credit risk management. Credit quality of a customer is assessed based on an individual credit limits and are defined in accordance with management's assessment of the customer. Outstanding customer receivables are regularly monitored. The concentration of credit risk is limited due to the fact that the customer base is large. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The Company uses ageing buckets and provision matrix for the purpose of computation of expected credit loss. The provision rates are based on past trend of recoverability. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. |
| **(ii) Financial instruments and bank deposits** |
| Credit risk from balances with banks is managed by the management in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties based on limits defined by the management. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. |
| **(c) Liquidity risk** |
| Liquidity risk is the risk that the Company may encounter difficulty in meeting its present and future obligations associated with financial liabilities that are required to be settled by delivering cash or another financial asset. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and finance leases. The Company closely monitors its liquidity position and deploys a robust cash management system. It aims to minimise these risks by generating sufficient cash flows |

from its current operations, which in addition to the available cash and cash equivalents and sufficient committed fund facilities, will provide liquidity. The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The carrying amounts are assumed to be reasonable approximation of fair value.

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

| Particulars | Next 12 months | 1 to 5 years | > 5 years | Total |
|---|---|---|---|---|
| **March 31,2023** | | | | |
| Borrowings | - | 4,539.56 | - | 4,539.56 |
| Lease liabilities | - | - | - | - |
| Trade payables | 1,540.49 | - | - | 1,540.49 |
| Other financial liabilities | 3,677.32 | 2,365.30 | - | 6,042.62 |
| | | | | |
| **March 31,2022** | | | | |
| Borrowings | - | 371.31 | - | 371.31 |
| Lease liabilities | 6.29 | - | - | 6.29 |
| Trade payables | 4,301.34 | - | - | 4,301.34 |
| Other financial liabilities | 4,015.22 | 889.22 | - | 4,904.44 |
| | | | | |
| **April 1, 2021** | | | | |
| Borrowings | - | 316.29 | - | 316.29 |
| Lease liabilities | 35.84 | 6.29 | - | 42.14 |
| Trade payables | 4,030.25 | - | - | 4,030.25 |
| Other financial liabilities | - | 665.41 | - | 665.41 |

**B) Capital management**

For the purpose of the Company's capital management, capital includes issued equity capital, compulsorily convertible preference shares, securities premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio between 0% and 25%. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

| Particulars | As at | | |
|---|---|---|---|
| | March 31,2023 | March 31,2022 | April 1, 2021 |
| Borrowings [including current borrowings (refer Annexure 25 and 28)] | 4,539.56 | 371.31 | 316.29 |
| Less: Cash and cash equivalents (refer Annexure 19) | (8,167.47) | (6,105.29) | (5,043.09) |
| **Net debt (A)** | **(3,627.91)** | **(5,733.98)** | **(4,726.80)** |
| **Net debt (A)** | - | - | - |
| | | | |
| Equity (refer Annexure 23 and 24) | 48,993.89 | 38,112.26 | 30,207.64 |
| **Total capital (B)** | **48,993.89** | **38,112.26** | **30,207.64** |
| **Capital and net debt (C = A+B)** | **45,365.98** | **32,378.28** | **25,480.84** |
| **Gearing ratio (D = A/C)** | - | - | - |

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call

| |
|---|
| loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period. |

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| **ANNEXURE 55: DISCLOSURE OF INTEREST IN SUBSIDIARIES AND NON-CURRENT INTEREST** | | | | | | | |
|---|---|---|---|---|---|---|---|
| **a)** | **Subsidiaries** | | | | | | |
| | **The Group has following subsidiaries held directly and indirectly by the Parent Company i.e. EMS Limited which operate in India** | | | | | | |
| **Sr. No** | **Name of Company** | **Principal Activities** | **Immediate Holding Company** | **Country of Incorporation** | **% Ownership Interest<br>Proportion of Ownership Interest and voting power held by the Group** | | |
| | | | | | **As at March 31,2023** | **As at March 31,2022** | **As at April 1,2021** |
| 1 | SKUEM Water Projects Private Limited | Water Supply, Sewerage and waste Management | EMS Limited | India | 100% | 100% | 100% |
| 2 | EMS Green Energy Private Limited | Construction Activity | EMS Limited | India | 100% | 100% | 100% |
| 3 | EMS TCP-JV Private Limited | Construction Activity | EMS Limited | India | 74% | 74% | 74% |
| 4 | MirzapurGhazipur STPS Private Limited | Construction Activity | EMS Limited | India | 60% | 60% | 60% |
| 5 | Canary Infrastructure Private Limited | Construction Activity | EMS Limited | India | 100% | 100% | - |
| 6 | EMS Himal Hydra JV | Construction Activity | EMS Limited | India | 51% | 51% | 51% |
| 7 | EMS Singh JV | Construction Activity | EMS Limited | India | - | 51% | 51% |
| 8 | EMS Constructions | Construction Activity | EMS Limited | India | 74% | 74% | - |

| b) | Details of Non-Wholly Owned Subsidiaries that have material Non-Controlling Interest | | | | |
|---|---|---|---|---|---|
| **Sr. No.** | **Name of the Subsidiary** | **Principal Place of Business** | **Proportion of Ownership Interest and voting power held by the Non-Controlling Interest** | | |
| | | | **As at March 31,2023** | **As at March 31,2022** | **As at April 1,2021** |
| 1 | EMS TCP-JV (P) Ltd. | India | 26% | 26% | 26% |
| 2 | Mirzapur Ghazipur STPS (P) Ltd | India | 40% | 40% | 40% |
| 3 | EMS Himal Hydra JV | India | 49% | 49% | 49% |
| 4 | EMS Singh JV | India | - | 49% | 49% |
| 5 | EMS Constructions | India | 26% | 26% | - |

**EMS LIMITED**

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(All amounts in Indian Rupees Lacs, unless otherwise stated)

| **ANNEXURE 55: DISCLOSURE OF INTEREST IN SUBSIDIARIES AND NON-CURRENT INTEREST** | | | |
|---|---|---|---|
| **c) The table shows summarized financial information of subsidiary of the Group that that have material Non-Controlling interest before intragroup eliminations.** | | | |
| Subsidiary Name | **SKUEM WATER PROJECTS PRIVATE LIMITED** | | |
| **Statement of Assets and Liabilities** | | | |
| **Particulars** | **As at March 31,2023** | **As at March 31,2022** | **As at April 1,2021** |
| | | | |
| Current Assets | 534.12 | 493.97 | 341.55 |
| Non-Current Assets | 675.00 | 777.68 | 487.40 |
| Current Liabilities | 167.81 | 169.60 | 184.01 |
| Non-Current Liabilities | 328.85 | 570.95 | 234.45 |
| Equity Interest attributable to the equity holders of the company | 712.45 | 531.10 | 410.50 |
| **Statement of Profit and Loss** | | | |
| **Particulars** | **Year ended March 31, 2023** | **Year ended March 31, 2022** | **Year ended April 1, 2021** |
| Revenue from Operations | 1,102.12 | 876.39 | 731.62 |
| Other Income | 2.77 | 2.23 | 2.03 |
| Expenses | 858.53 | 711.98 | 616.19 |
| Tax Expense | 65.01 | 46.04 | 31.31 |
| **Profit/Loss for the year** | **181.35** | **120.60** | **86.14** |
| Other comprehensive income | - | - | - |
| **Total Comprehensive Income/Loss** | **181.35** | **120.60** | **86.14** |
| **Profit for the year attributable to** | | | |
| Shareholders of the company | **181.35** | **120.60** | **86.14** |
| Non-Controlling Interest | - | - | - |
| | | | |
| **Other Comprehensive income for the year attributable to** | - | - | - |
| Shareholders of the company | - | - | - |

| | | | |
|---|---|---|---|
| Non-Controlling Interest | - | - | - |
| | | | |
| **Total Comprehensive income for the year attributable to** | | | |
| Shareholders of the company | **181.35** | **120.60** | **86.14** |
| Non-Controlling Interest | - | - | - |
| | | | |
| **Dividend paid to Non-Controlling Interest** | - | - | - |
| | | | |
| **Net Cash Inflow/ (Outflow) from operating activity** | **308.14** | **144.91** | **18.99** |
| **Net Cash Inflow/ (Outflow) from investing activity** | **(4.20)** | **(358.95)** | **(231.67)** |
| **Net Cash Inflow/ (Outflow) from financing activity** | **(242.10)** | **336.50** | **28.67** |
| **Net Cash Inflow/ (Outflow)** | **61.84** | **481.40** | **47.66** |

**ANNEXURE 55: DISCLOSURE OF INTEREST IN SUBSIDIARIES AND NON-CURRENT INTEREST**

**c)** **The table shows summarized financial information of subsidiary of the Group that that have material Non-Controlling interest before intragroup eliminations.**

**Subsidiary Name** — **EMS GREEN ENERGY PRIVATE LIMITED**

| **Particulars** | **As at March 31,2023** | **As at March 31,2022** | **As at April 1,2021** |
|---|---|---|---|
| Current Assets | 12.67 | 12.48 | 12.48 |
| Non-Current Assets | - | - | - |
| Current Liabilities | 0.58 | 0.46 | 0.34 |
| Non-Current Liabilities | 4.93 | 4.73 | 4.73 |
| Equity Interest Attributable to the equity holders of the company | 7.16 | 7.28 | 7.41 |
| **Particulars** | **Year ended March 31, 2023** | **Year ended March 31, 2022** | **Year ended April 1, 2021** |
| Revenue from Operations | - | - | - |
| Other Income | | - | - |
| Expenses | 0.12 | 0.13 | 0.14 |
| Tax Expense | - | - | - |
| **Profit/Loss for the year** | **(0.12)** | **(0.13)** | **(0.14)** |
| Other comprehensive income | - | - | - |
| **Total Comprehensive Income/Loss** | **(0.12)** | **(0.13)** | **(0.14)** |
| | | | |
| | - | - | - |
| **Profit for the year attributable to** | | | |
| Shareholders of the company | **(0.12)** | **(0.13)** | **(0.14)** |
| Non-Controlling Interest | - | - | - |
| | | | |
| **Other Comprehensive income for the year attributable to** | | | |
| Shareholders of the company | **(0.12)** | **(0.13)** | **(0.14)** |
| Non-Controlling Interest | - | - | - |
| | | | |
| **Total Comprehensive income for the year attributable to** | | | |
| Shareholders of the company | **(0.12)** | **(0.13)** | **(0.14)** |
| Non-Controlling Interest | - | - | - |

| | | | |
|---|---|---|---|
| | | | |
| **Dividend paid to Non-Controlling Interest** | **-** | **-** | **-** |
| | | | |
| **Net Cash Inflow/ (Outflow) from operating activity** | **(0.01)** | **(0.01)** | **(0.01)** |
| **Net Cash Inflow/ (Outflow) from investing activity** | **-** | **-** | **-** |
| **Net Cash Inflow/ (Outflow) from financing activity** | **0.20** | **-** | **-** |
| **Net Cash Inflow/ (Outflow)** | **0.19** | **(0.01)** | **(0.01)** |

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(All amounts in Indian Rupees Lacs, unless otherwise stated)

**ANNEXURE 55: DISCLOSURE OF INTEREST IN SUBSIDIARIES AND NON-CURRENT INTEREST**

**c) The table shows summarized financial information of subsidiary of the Group that that have material Non-Controlling interest before intragroup eliminations.**

**Subsidiary Name** — **MIRZAPUR GHAZIPUR STPS PRIVATE LIMITED**

| **Particulars** | **As at March 31, 2023** | **As at March 31, 2022** | **As at April 01, 2021** |
|---|---|---|---|
| | | | |
| Current Assets | 2,903.69 | 259.71 | 1.59 |
| Non-Current Assets | 4,826.27 | - | - |
| Current Liabilities | 2,211.37 | 8.94 | 0.82 |
| Non-Current Liabilities | 5,409.73 | 250.50 | 0.50 |
| Equity Interest Attributable to the equity holders of the company | 108.86 | 0.27 | 0.27 |
| **Particulars** | **Year ended March 31, 2023** | **Year ended March 31, 2022** | **Year ended April 1, 2021** |
| | | | |
| Revenue from Operations | 6,995.06 | - | - |
| Other Income | 2.75 | - | - |
| Expenses | 6,847.34 | - | 0.21 |
| Tax Expense | 41.89 | - | 0.52 |
| **Profit/Loss for the year** | **108.58** | **-** | **(0.73)** |
| Other comprehensive income | - | - | - |
| **Total Comprehensive Income/Loss** | **-** | **-** | **-** |
| | | | |
| **Profit for the year attributable to** | | | |
| Shareholders of the company | 65.15 | - | (0.73) |
| Non-Controlling Interest | 43.43 | - | - |
| | | | |
| **Other Comprehensive income for the year attributable to** | | | |
| Shareholders of the company | - | - | - |
| Non-Controlling Interest | - | - | - |
| | | | |
| **Total Comprehensive income for the year attributable to** | | | |
| Shareholders of the company | 65.15 | | (0.73) |
| Non-Controlling Interest | 43.43 | - | - |
| | | | |
| **Dividend paid to Non-Controlling Interest** | **-** | **-** | **-** |

| | | | |
|---|---|---|---|
| | | | |
| **Net Cash Inflow/ (Outflow) from operating activity** | **1,187.05** | **(237.34)** | **0.09** |
| **Net Cash Inflow/ (Outflow) from investing activity** | **2.75** | **-** | **-** |
| **Net Cash Inflow/ (Outflow) from financing activity** | **5,141.38** | **250.00** | **1.50** |
| **Net Cash Inflow/ (Outflow)** | **6,331.18** | **12.66** | **1.59** |

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**ANNEXURE 55: DISCLOSURE OF INTEREST IN SUBSIDIARIES AND NON-CURRENT INTEREST**

**c)** **The table shows summarized financial information of subsidiary of the Group that that have material Non-Controlling interest before intragroup eliminations.**

**Subsidiary Name** — **CANARY INFRASTRUCTURE PRIVATE LIMITED**

| **Particulars** | **As at March 31, 2023** | **As at March 31, 2022** | **As at April 1, 2021** |
|---|---|---|---|
| Current Assets | 5.07 | 5.43 | 5.03 |
| Non-Current Assets | 280.57 | 280.57 | 280.57 |
| Current Liabilities | 0.38 | 0.62 | 0.50 |
| Non-Current Liabilities | 286.40 | 286.40 | 286.00 |
| Equity Interest Attributable to the equity holders of the company | (1.14) | (1.02) | (0.90) |
| **Particulars** | **Year ended March 31, 2023** | **Year ended March 31, 2022** | **Year ended April 1, 2021** |
| Revenue from Operations | - | - | - |
| Other Income | - | - | - |
| Expenses | 0.12 | 0.12 | 0.19 |
| Tax Expense | - | - | - |
| **Profit/Loss for the year** | **(0.12)** | **(0.12)** | **0.19** |
| Profit attributable to the equity | - | - | - |
| holders of the company | | | |
| Profit attributable to the Non | - | - | - |
| Controlling Interest | | | |
| **Profit/Loss for the year** | **(0.12)** | **(0.12)** | **(0.19)** |
| Other comprehensive income | - | - | - |
| **Total Comprehensive Income/Loss** | **(0.12)** | **(0.12)** | **(0.19)** |
| **Profit for the year attributable to** | | | |
| Shareholders of the company | **(0.12)** | **(0.12)** | **(0.19)** |
| Non-Controlling Interest | - | - | - |
| **Other Comprehensive income for the year attributable to** | - | - | - |
| Shareholders of the company | - | - | - |
| Non-Controlling Interest | | | |
| **Total Comprehensive income for the year attributable to** | | | |
| Shareholders of the company | **(0.12)** | **(0.12)** | **(0.19)** |
| Non-Controlling Interest | - | - | - |
| **Dividend paid to Non-Controlling Interest** | - | - | - |

| | | | |
|---|---|---|---|
| | | | |
| **Net Cash Inflow/ (Outflow) from operating activity** | **(0.36)** | **0.00** | **-** |
| **Net Cash Inflow/ (Outflow) from investing activity** | **-** | **-** | **-** |
| **Net Cash Inflow/ (Outflow) from financing activity** | **-** | **0.40** | **-** |
| **Net Cash Inflow/ (Outflow)** | **(0.36)** | **0.39** | **-** |

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| **ANNEXURE 55: DISCLOSURE OF INTEREST IN SUBSIDIARIES AND NON-CURRENT INTEREST** | | | |
|---|---|---|---|
| **c) The table shows summarized financial information of subsidiary of the Group that that have material Non-Controlling interest before intragroup eliminations.** | | | |
| **Subsidiary Name** | **EMS -TCP PRIVATE LIMITED** | | |
| **Particulars** | **As at March 31, 2023** | **As at March 31, 2022** | **As at April 1, 2021** |
| Current Assets | 4,278.45 | 3283.88 | 539.90 |
| Non-Current Assets | 26.40 | 32.41 | - |
| Current Liabilities | 3,661.46 | 2953.14 | 477.59 |
| Non-Current Liabilities | 0.64 | 1.01 | 0.51 |
| Equity Interest Attributable to the equity holders of the company | 642.75 | 362.15 | 61.80 |
| **Particulars** | **Year ended March 31, 2023** | **Year ended March 31, 2022** | **Year ended April 1, 2021** |
| | | | |
| Revenue from Operations | 12,363.77 | 13081.06 | 408.46 |
| Other Income | 6.31 | - | - |
| Expenses | 11,995.21 | 12679.51 | 392.96 |
| Tax Expense | 94.26 | 101.20 | 3.70 |
| **Profit/Loss for the year** | **280.60** | **300.34** | **11.80** |
| Other comprehensive income | - | - | - |
| **Total Comprehensive Income/Loss** | **280.60** | **300.34** | **11.80** |
| | | | |
| **Profit for the year attributable to** | | | |
| Shareholders of the company | **280.60** | **300.34** | **11.80** |
| Non-Controlling Interest | **167.11** | **94.16** | **16.07** |
| | | | |
| **Other Comprehensive income for the year attributable to** | | | |
| Shareholders of the company | - | - | - |
| Non-Controlling Interest | - | - | - |
| | | | |
| **Total Comprehensive income for the year attributable to** | | | |
| Shareholders of the company | **280.60** | **300.34** | **11.80** |
| Non-Controlling Interest | **167.11** | **94.16** | **16.07** |

| | | | |
|---|---|---|---|
| | | | |
| **Dividend paid to Non-Controlling Interest** | **-** | **-** | **-** |
| | | | |
| **Net Cash Inflow/ (Outflow) from operating activity** | **453.65** | **262.22** | **318.95** |
| **Net Cash Inflow/ (Outflow) from investing activity** | **6.31** | **(35.03)** | **-** |
| **Net Cash Inflow/ (Outflow) from financing activity** | **-** | **-** | **50.51** |
| **Net Cash Inflow/ (Outflow)** | **459.96** | **227.20** | **369.46** |

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| **ANNEXURE 55: DISCLOSURE OF INTEREST IN SUBSIDIARIES AND NON-CURRENT INTEREST** | | | |
|---|---|---|---|
| **c) The table shows summarized financial information of subsidiary of the Group that that have material Non-Controlling interest before intragroup eliminations.** | | | |
| **Subsidiary Name** | **EMS -HIMAL HYDRO JV** | | |
| **Particulars** | **As at March 31, 2023** | **As at March 31, 2022** | **As at April 1, 2021** |
| Current Assets | 209.15 | 652.02 | 575.02 |
| Non-Current Assets | 3.09 | 4.90 | 6.24 |
| Current Liabilities | 382.49 | 572.06 | 478.87 |
| Non-Current Liabilities | - | 192.32 | 237.71 |
| Capital Reserve arising due to consolidation | 15.44 | 15.44 | 15.44 |
| Interest Attributable to the EMS Limited (Partner) of the Firm | (185.69) | (122.89) | (150.75) |
| **Particulars** | **Year ended March 31, 2023** | **Year ended March 31, 2022** | **Year ended April 1, 2021** |
| Revenue from Operations | 113.28 | 494.60 | 378.56 |
| Other Income | 36.48 | 0.74 | 1.24 |
| Expenses | 211.05 | 467.21 | 383.17 |
| Tax Expense | 1.52 | 0.26 | 0.17 |
| **Profit/Loss for the year** | **(62.81)** | **27.87** | **(3.54)** |
| Other comprehensive income | - | - | - |
| **Total Comprehensive Income/Loss** | **(62.81)** | **27.87** | **(3.54)** |
| | | | |
| **Profit for the year attributable to** | | | |
| Shareholders of the company | **(62.81)** | **27.87** | **(3.54)** |
| Non-Controlling Interest | - | - | - |
| | | | |
| **Other Comprehensive income for the year attributable to** | | | |
| Shareholders of the company | - | - | - |
| Non-Controlling Interest | - | - | - |
| | | | |
| **Total Comprehensive income for the year attributable to** | | | |
| Shareholders of the company | **(62.81)** | **27.87** | **(3.54)** |
| Non-Controlling Interest | - | - | - |

| | | | |
|---|---|---|---|
| | | | |
| **Dividend paid to Non-Controlling Interest** | **-** | **-** | **-** |
| | | | |
| **Net Cash Inflow/ (Outflow) from operating activity** | **224.51** | **32.36** | **(29.49)** |
| **Net Cash Inflow/ (Outflow) from investing activity** | **17.96** | **0.75** | **(0.35)** |
| **Net Cash Inflow/ (Outflow) from financing activity** | **(192.32)** | **(45.65)** | **(11.05)** |
| **Net Cash Inflow/ (Outflow)** | **50.16** | **(12.55)** | **(40.89)** |

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| **ANNEXURE 55: DISCLOSURE OF INTEREST IN SUBSIDIARIES AND NON-CURRENT INTEREST** | |
|---|---|
| **c)** | **The table shows summarized financial information of subsidiary of the Group that that have material Non-Controlling interest before intragroup eliminations.** |
| **Subsidiary Name** | **EMS -SINGH JV** |

| **Particulars** | **As at March 31,2023** | **As at March 31,2022** | **As at April 1,2021** |
|---|---|---|---|
| Current Assets | - | 214.00 | 243.96 |
| Non-Current Assets | - | 0.17 | 0.19 |
| Goodwill | - | 6.68 | 6.68 |
| Current Liabilities | - | 158.09 | 184.56 |
| Non-Current Liabilities | - | - | 14.99 |
| Interest Attributable to the EMS Limited (Partner) of the Firm | - | 62.77 | 51.28 |
| **Particulars** | **Year ended March 31, 2023** | **Year ended March 31, 2022** | **Year ended April 1, 2021** |
| Revenue from Operations | - | 369.09 | 905.07 |
| Other Income | - | 0.12 | 0.08 |
| Expenses | - | 346.94 | 830.93 |
| Tax Expense | - | 6.96 | 22.93 |
| **Profit/Loss for the year** | **-** | **15.31** | **51.28** |
| Other comprehensive income | - | - | - |
| **Total Comprehensive Income/Loss** | **-** | **15.31** | **51.28** |
| | | | |
| **Profit for the year attributable to** | | | |
| Shareholders of the company | **-** | **15.31** | **51.28** |
| Non-Controlling Interest | - | - | - |
| | | | |
| **Other Comprehensive income for the year attributable to** | | | |
| Shareholders of the company | - | - | - |
| Non-Controlling Interest | - | - | - |
| | | | |
| **Total Comprehensive income for the year attributable to** | | | |
| Shareholders of the company | **-** | **15.31** | **51.28** |
| Non-Controlling Interest | - | - | - |
| | | | |
| **Dividend paid to Non-Controlling Interest** | **-** | **-** | **-** |

| | | | |
|---|---|---|---|
| | | | |
| **Net Cash Inflow/ (Outflow) from operating activity** | **-** | **6.85** | **10.43** |
| **Net Cash Inflow/ (Outflow) from investing activity** | **-** | **(1.77)** | **(6.90)** |
| **Net Cash Inflow/ (Outflow) from financing activity** | **-** | **(18.74)** | **14.99** |
| **Net Cash Inflow/ (Outflow)** | **-** | **(13.67)** | **18.53** |

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| | | |
|---|---|---|
| **ANNEXURE 55: DISCLOSURE OF INTEREST IN SUBSIDIARIES AND NON-CURRENT INTEREST** | | |
| **c)** **The table shows summarized financial information of subsidiary of the Group that that have material Non-Controlling interest before intragroup eliminations.** | | |
| **Subsidiary Name** | **EMS -CONSTRUCTIONS** | |
| **Particulars** | **As at March 31,2023** | **As at March 31,2022** |
| | | |
| Current Assets | 67.63 | 4.71 |
| Goodwill | 1.59 | 1.59 |
| Current Liabilities | 2.28 | 0.37 |
| Non-Current Liabilities | 0.37 | - |
| Interest Attributable to the EMS Limited (Partner) of the Firm | 66.57 | 5.92 |
| **Particulars** | **Year ended March 31, 2023** | **Year ended March 31, 2022** |
| Revenue from Operations | 5.55 | - |
| Other Income | 0.66 | 0.43 |
| Expenses | 1.40 | 1.35 |
| Tax Expense | 1.30 | |
| **Profit/Loss for the year** | **3.52** | **(0.92)** |
| Other comprehensive income | - | - |
| **Total Comprehensive Income/Loss** | **3.52** | **(0.92)** |
| **Profit for the year attributable to** | | |
| Shareholders of the company | **3.52** | **(0.92)** |
| Non-Controlling Interest | - | - |
| | | |
| **Other Comprehensive income for the year attributable to** | | |
| Shareholders of the company | - | - |
| Non-Controlling Interest | - | - |
| | | |
| **Total Comprehensive income for the year attributable to** | | |
| Shareholders of the company | **3.52** | **(0.92)** |
| Non-Controlling Interest | - | - |
| **Dividend paid to Non-Controlling Interest** | - | - |
| | | |
| **Net Cash Inflow/ (Outflow) from operating activity** | **3.90** | **(1.95)** |
| **Net Cash Inflow/ (Outflow) from investing activity** | **0.65** | **(1.15)** |
| **Net Cash Inflow/ (Outflow) from financing activity** | **42.64** | **7.21** |
| **Net Cash Inflow/ (Outflow)** | **47.19** | **4.11** |

(All amounts in Indian Rupees Lacs, unless otherwise stated)

| **d)** | | | | |
|---|---|---|---|---|
| **S No.** | **Particulars** | **As at March 31,2023** | **As at March 31, 2022** | **As at April 1 ,2021** |
| 1 | EMS Green Energy Private Limited | - | - | - |
| 2 | EMS TCP-JV Private Limited | 210.55 | 94.16 | 16.07 |
| 3 | Mirzapur Ghazipur STPS Private Limited | 0.11 | 0.11 | 0.11 |
| 4 | SK UEM Water Projects Private Limited | - | - | - |
| 5 | Canary Infrastructure Private Limited | - | - | - |

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**ANNEXURE 56: ADDITIONAL INFORMATION TO THE RESTATED FINANCIAL STATEMENTS AS REQUIRED UNDER SCHEDULE III OF THE COMPANIES ACT 2013 OF ENTITIES CONSOLIDATED AS SUBSIDIARIES**

Following is the share of Net Assets and Profit or Loss of the entities which have been consolidated for preparation of the restated consolidated summary statements of EMS Limited for the Financial Year ended March 31, 2023.

| Name of Entity | Net Assets i.e. Total Assets minus total liabilities | | Share in Profit & Loss | | Share in Other Comprehensive Income (OCI) | | Share in Total Comprehensive Income | |
|---|---|---|---|---|---|---|---|---|
| | As % of Consolidated Net Assets | Amount | As % of Consolidated Profit and Loss | Amount | As % of Consolidated OCI | Amount | As % of Consolidated Total comprehensive income | Amount |
| **A) Parent Company** | | | | | | | | |
| EMS Limited | 97.53% | 47979.32 | 96.32% | 10315.02 | 100% | 14.65 | 96.32% | 10329.66 |
| **B) Subsidiaries** | | | | | | | | |
| SK UEM Water Projects Private Limited | 1.27% | 625.95 | 1.69% | 181.35 | - | - | 1.69% | 181.35 |
| EMS Green Energy Private Limited | (0.01%) | (2.84) | 0.00% | (0.12) | - | - | 0.00% | (0.12) |
| EMS TCP-JV Private Limited | 1.20% | 592.75 | 1.94% | 207.65 | - | - | 1.94% | 207.65 |
| Mirzapur Ghazipur STPS Private Limited | 0.22% | 107.86 | 0.61% | 65.15 | - | - | 0.61% | 65.15 |
| Canary Infrastructure Private Limited | 0.00% | (0.14) | 0.00% | (0.12) | - | - | 0.00% | (0.12) |
| EMS Singh JV | 0.00% | - | 0.00% | - | - | - | 0.00% | 0.00 |
| EMS Himal Hydro JV | (0.33%) | (160.32) | (0.59%) | (62.81) | - | - | (0.59%) | (62.81) |
| EMS Constructions | 0.10% | 50.13 | 0.03% | 3.52 | - | - | 0.03% | 3.52 |
| | **100%** | **49192.70** | **100%** | **10709.64** | **100%** | **14.65** | **100%** | **10724.29** |
| **C) Adjustment due to Consolidation** | | (212.22) | | 40.95 | | - | | 40.95 |
| **TOTAL** | | **48980.49** | | **10750.59** | | **14.65** | | **10765.24** |
| | | | | | | | | |
| **D) Non-Controlling Interests in Subsidiaries** | | | | | | | | |
| EMS TCP-JV Private Limited | | 13.00 | | 72.96 | | - | | 72.96 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| MirzapurGhazipur STPS Private Limited | | 0.40 | | 43.43 | | - | | 43.43 |
| **Total** | | **48993.89** | | **10866.98** | | **14.65** | | **10881.63** |

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**ANNEXURE 56: ADDITIONAL INFORMATION TO THE RESTATED FINANCIAL STATEMENTS AS REQUIRED UNDER SCHEDULE III OF THE COMPANIES ACT 2013 OF ENTITIES CONSOLIDATED AS SUBSIDIARIES**

Following is the share of Net Assets and Profit or Loss of the entities which have been consolidated for preparation of the restated consolidated summary statements of EMS Limited for the Financial Year ended March 31, 2022.

| Name of Entity | Net Assets i.e Total Assets minus total liabilities | | Share in Profit & Loss | | Share in Other Comprehensive Income (OCI) | | Share in Total Comprehensive Income | |
|---|---|---|---|---|---|---|---|---|
| | As % of Consolidated Net Assets | Amount | As % of Consolidated Profit and Loss | Amount | As % of Consolidated OCI | Amount | As % of Consolidated Total comprehensive income | Amount |
| **A) Parent Company** | | | | | | | | |
| EMS Limited | 97.73% | 36713.31 | 95.01% | 7421.93 | 100% | 11.79 | 95.01% | 7433.72 |
| **B) Subsidiaries** | | | | | | | | |
| SKUEM Water Projects Private Limited | 1.41% | 531.10 | 1.54% | 120.60 | - | - | 1.54% | 120.60 |
| EMS Green Energy Private Limited | 0.02% | 7.28 | (0.03%) | (2.72) | - | - | (0.03%) | (2.72) |
| EMS TCP-JV Private Limited | 0.96% | 362.15 | 2.96% | 230.99 | - | - | 2.95% | 230.99 |
| Mirzapur Ghazipur STPS Private Limited | 0.00% | 0.27 | (0.01%) | (0.44) | - | - | (0.01%) | (0.44) |
| Canary Infrastructure Private Limited | 0.00% | (1.02) | (0.01%) | (0.67) | - | - | (0.01%) | (0.67) |
| EMS Singh JV | 0.15% | 56.08 | 0.20% | 15.31 | - | - | 0.20% | 15.31 |
| EMS Himal Hydro JV | (0.29%) | (107.45) | 0.36% | 27.87 | - | - | 0.36% | 27.87 |
| EMS Constructions | 0.01% | 4.34 | (0.01%) | (0.92) | - | - | (0.01%) | (0.92) |
| | **100%** | **37566.06** | **100%** | **7811.96** | **100%** | **11.79** | **100%** | **7823.75** |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **C) Adjustment due to Consolidation** | | 532.79 | | - | | - | | - |
| **TOTAL** | | **38098.85** | | **7811.96** | | **11.79** | | **7823.75** |
| **D) Non-Controlling Interests in Subsidiaries** | | | | | | | | |
| EMS TCP-JV Private Limited | | 13.00 | | 81.16 | | - | | 81.16 |
| Mirzapur Ghazipur STPS Private Limited | | 0.40 | | (0.29) | | - | | (0.29) |
| **Total** | | **38112.25** | | **7892.83** | | **11.79** | | **7904.62** |

**EMS LIMITED**

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(All amounts in Indian Rupees Lacs, unless otherwise stated)

**ANNEXURE 56: ADDITIONAL INFORMATION TO THE RESTATED FINANCIAL STATEMENTS AS REQUIRED UNDER SCHEDULE III OF THE COMPANIES ACT 2013 OF ENTITIES CONSOLIDATED AS SUBSIDIARIES**

Following is the share of Net Assets and Profit or Loss of the entities which have been consolidated for preparation of the restated consolidated summary statements of EMS Limited for the Financial Year ended March 31, 2021.

| **Name of Entity** | **Net Assets i.e. Total Assets minus total liabilities** | | **Share in Profit & Loss** | | **Share in Other Comprehensive Income (OCI)** | | **Share in Total Comprehensive Income** | |
|---|---|---|---|---|---|---|---|---|
| | **As % of Consolidated Net Assets** | **Amount** | **As % of Consolidated Profit and Loss** | **Amount** | **As % of Consolidated OCI** | **Amount** | **As % of Consolidated Total comprehensive income** | **Amount** |
| **A) Parent Company** | | | | | | | | |
| EMS Limited | 98.71% | 29741.41 | 97.99% | 7043.55 | 100% | 4.22 | 97.99% | 7047.77 |
| | | | | | | | | |
| **B) Subsidiaries** | | | | | | | | |
| SKUEM Water Projects Private Limited | 1.36% | 410.50 | 1.20% | 86.14 | - | - | 1.20% | 86.14 |
| EMS Green Energy Private Limited | 0.02% | 7.41 | 0.00% | (0.14) | - | - | 0.00% | (0.14) |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| EMS TCP-JV Private Limited | 0.21% | 61.80 | 0.16% | 11.80 | - | - | 0.16% | 11.80 |
| Mirzapur Ghazipur STPS Private Limited | 0.00% | 0.27 | (0.01%) | (0.73) | - | - | (0.01%) | (0.73) |
| EMS Singh JV | 0.15% | 44.60 | 0.71% | 51.28 | - | - | 0.71% | 51.28 |
| EMS Himal Hydro JV | (0.45%) | (135.32) | (0.05%) | (3.54) | - | - | (0.05%) | (3.54) |
| | **100%** | **30130.67** | **100%** | **7188.36** | **100%** | **4.22** | **100%** | **7192.58** |
| **C) Adjustment due to Consolidation** | | 63.55 | | - | | - | | - |
| **TOTAL** | | 30194.23 | | 7188.36 | | 4.22 | | 7192.58 |
| **D) Non-Controlling Interests in Subsidiaries** | | | | | | | | |
| EMS TCP-JV Private Limited | | 13.00 | | 3.07 | | - | | 3.07 |
| Mirzapur Ghazipur STPS Private Limited | | 0.40 | | (0.29) | | - | | (0.29) |
| **Total** | | **30207.63** | | **7191.14** | | **4.22** | | **7195.36** |

**EMS LIMITED**
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| **ANNEXURE 57: RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES** | | | |
|---|---|---|---|
| **Particulars** | **Opening Balance as at April 1, 2021** | **Net Cash Flow** | **Closing Balance as at March 31, 2022** |
| Non- Current Borrowings | 316.29 | 55.02 | 371.31 |
| Current Borrowings | - | - | - |
| **Total liabilities from financing activities** | **316.29** | **55.02** | **371.31** |
| **Particulars** | **Opening Balance as at April 1, 2022** | **Net Cash Flow** | **Closing Balance as at March 31, 2023** |
| Non- Current Borrowings | 371.31 | 4,168.25 | 4,539.56 |
| Current Borrowings | - | - | - |
| **Total liabilities from financing activities** | **371.31** | **4,168.25** | **4,539.56** |

| **ANNEXURE 58: FINANCIAL RATIOS** | | | | |
|---|---|---|---|---|
| **Particulars** | **Methodology** | **As at March 31, 2023** | **As at March 31, 2022** | **As at March 31, 2021** |
| 1 | Current Ratio | | | |
| | Current Ratio = Current Assets/Current Liabilities | 6.15 | 3.82 | 4.54 |
| | % change from previous year | 61% | (16%) | 21% |
| | Reason for change more than 25% | Due to decrease in Current Liabilities | - | - |
| 2 | Debt-Equity Ratio | | | |
| | Debt-Equity Ratio = Net Debt/Net Worth | 0.09 | 0.01 | 0.01 |
| | % change from previous year | 851% | (7%) | (84%) |
| | Reason for change more than 25% | Due to decrease in Long Term Debts | - | Repayment of Long-term debt has led to decrease in ratio |
| 3 | Debt Service Coverage Ratio | | | |
| | Debt Service Coverage Ratio = EBITDA/Net Debt | 2367.47 | 292.63 | 5.92 |
| | % change from previous year | 709% | 4841% | (92%) |
| | Reason for change more than 25% | Due to decrease in debt service. | Due to decrease in repayment of debt | Increase in Repayment of Long-term debt has led to decrease in ratio |
| 4 | Return on Equity Ratio | | | |
| | Return on Equity Ratio= Profit after tax/Average Net worth*100 | 0.25 | 0.23 | 0.27 |

| | | | | |
|---|---|---|---|---|
| | % change from previous year | 8% | (14%) | (27%) |
| | Reason for change more than 25% | - | - | Due to Increase in PAT |
| 5 | Inventory turnover ratio | | | |
| | Inventory turnover ratio= Closing inventory/Net sales*365 | 71.05 | 54.90 | 39.10 |
| | % change from previous year | 29% | 40% | (19%) |
| | Reason for change more than 25% | Due to Increase in Inventories | Increase in Inventories has led to improvement in ratio | - |
| 6 | Trade receivables turnover ratio | | | |
| | Trade receivables turnover ratio= Net sales/Average Trade receivable | 3.29 | 2.87 | 4.99 |
| | % change from previous year | 15% | (43%) | (41%) |
| | Reason for change more than 25% | - | Due to increase in Trade Receivables | Due to increase in Trade Receivables |
| 7 | Trade Payables turnover ratio | | | |
| | Trade Payables turnover ratio= Cost of Revenue of operations /Average Trade Payable | 14.02 | 5.87 | 5.24 |
| | % change from previous year | 139% | 12% | -11% |
| | Reason for change more than 25% | Due to increase in cost of revenue of operations | - | - |

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| Particulars | Methodology | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|---|
| 8 | Net capital turnover ratio | | | |
| | Net capital turnover ratio= Net sales/Net worth | 1.50 | 1.33 | 1.66 |
| | % change from previous year | 13% | (20%) | (14%) |
| | Reason for change more than 25% | - | - | - |
| 9 | Net Profit Ratio | | | |
| | Net Profit Ratio= Profit after tax/Net sales*100 | 0.20 | 0.22 | 0.22 |
| | % change from previous year | (8%) | 1% | (2%) |
| | Reason for change more than 25% | - | - | - |
| 10 | Return on capital employed | | | |
| | Return on capital employed= EBIT/ capital employed*100 | 0.26 | 0.27 | 0.32 |
| | % change from previous year | (4%) | (14%) | (21%) |
| | Reason for change more than 25% | - | - | - |
| 11 | Return on investment | Not applicable | Not applicable | Not applicable |
| | Return on investment= (Interest income, net gain on sale of investments and net fair value gain over average investments)/Average investment*100 | | | |

| | | | | |
|---|---|---|---|---|
| | **Quoted** | | | |
| | % change from previous year | | | |
| | Reason for change more than 25% | | | |
| | **Unquoted** | | | |
| | % change from previous year | | | |
| | Reason for change more than 25% | | | |
| **Notes** | | | | |
| EBIT - Earnings before interest and taxes | | | | |
| PBIT - Profit before interest and taxes including other income. | | | | |
| EBITDA - Earnings before interest, taxes, depreciation and amortisation. | | | | |
| PAT - Profit after taxes. | | | | |
| Debt includes current and non-current lease liabilities | | | | |
| Net worth includes Shareholder capital and reserve and surplus | | | | |
| Net sales means revenue from operations | | | | |
| Capital employed refers to total shareholders' equity and debt. | | | | |

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| **ANNEXURE 59: ADDITIONAL REGULATORY INFORMATION** |
|---|
| (a) The Company has not been declared a wilful defaulter by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI. |
| (b) There are no proceedings initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. |
| (c) The Company has neither advanced, loaned or invested funds nor received any fund to/from any person or entity for lending or investing or providing guarantee to/on behalf of the ultimate beneficiary during the reporting years. |
| (d) There is no charge or satisfaction of charge which is yet to be registered with ROC beyond the statutory period. |
| (e) The Company do not have any transaction not recorded in the books of accounts that has been surrendered or not disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. |
| (f)The group has working capital limit in excess of 5 Crores and has filed Quarterly returns or statements of current assets with banks or financial institutions which are in agreement with the books of accounts as told by the management of the company. |
| (g) The group did not enter transactions in Crypto currency or Virtual currency during the year ended March 31 2023, March 31, 2022, March 31, 2021. |
| (h) The group does not have any relationship with companies struck off (as defined by Companies Act, 2013) and did not enter into transactions with any such company for the year ended March 31,2023, March 31, 2022, March 31, 2021. |

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| **ANNEXURE 60: RESTATED SUMMMARY OF CAPITALISATION STATEMENT** | | |
|---|---|---|
| The following table sets forth our Company's capitalization as at March 31, 2023, derived from our Restated Financial Statements, and as adjusted for the Offer. This table should be read in conjunction with the sections titled "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Restated Financial Statements" and "Risk Factors". | | |
| **Particulars** | **Pre-Issue (as at March 31,2023)** | **Post - Issue** |
| **Total Borrowings:** | | |
| Non-Current Borrowings (A) | 4,539.56 | 4,539.56 |
| Current borrowings(B) | - | - |
| **Total borrowings (C)** | 4,539.56 | 4,539.56 |
| | | |
| **Shareholder's fund (Net worth)** | | |
| Share capital | 4,700.00 | * |
| Other Equity | 44,083.23 | * |
| **Total shareholder's fund (Net worth) (D)** | 48,783.23 | * |
| | | |
| **Ratio: Non-Current Borrowings (including current maturities of borrowings) (A+B)/Total Equity (D)** | 0.09 | * |
| **Ratio: Total Borrowings (C)/Total Equity (D)** | 0.09 | * |
| *These amounts (as adjusted for issue) are not determinable at this stage pending the completion of the issue and hence the same have not been provided in the above statement. | | |

| **Notes:** | |
|---|---|
| 1 | Short-term borrowings are debts which are due for repayment within 12 months from reporting period ended March 31, 2023. |
| 2 | Long-term borrowings are considered as borrowing other than short-term borrowing. |
| 3 | The amounts disclosed above are based on the Restated Summary Statements. |

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(All amounts in Indian Rupees Lacs, unless otherwise stated)

| **ANNEXURE 61: RESTATED STANDALONE STATEMENT OF FINANCIAL INDEBTEDNESS** | | | | |
|---|---|---|---|---|
| **S No.** | **Lender Name** | **Whether Secured?** | **Repayment Schedule** | **Outstanding as on March 31,2023** |
| 1 | Mr. Neeraj Srivastava | Unsecured | Repayable on Demand | 0.50 |
| 2 | Mr. Ashish Tomar | Unsecured | Repayable on Demand | 1.78 |
| 3 | Mr. Ramveer Singh | Unsecured | Repayable on Demand | 37.28 |

**EMS LIMITED**
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| **ANNEXURE 62: RESTATED STATEMENT OF DIVIDEND** | | | |
|---|---|---|---|
| **Particulars** | **As at** | | |
| | **March 31,2023** | **March 31,2022** | **April 1,2021** |
| **Share capital** | | | |
| Equity Share Capital | 117.50 | 117.50 | 117.50 |

| | | | |
|---|---|---|---|
| **Dividend on equity shares** | **-** | **-** | **-** |
| **Dividend in %** | **NIL** | | |
| Interim Dividend | | | |
| Final Dividend | | | |

**EMS LIMITED**
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(All amounts in Indian Rupees Lacs, unless otherwise stated)

| **ANNEXURE 63: RESTATED SUMMARY STATEMENT OF TAX SHELTERS** | | | |
|---|---|---|---|
| **Particulars** | **Year ended March 31, 2023** | **Year ended March 31, 2022** | **Year ended March 31, 2021** |
| **Profit / (loss) before tax, as Restated (A)** | **14,687.41** | **10,749.30** | **9,819.24** |
| Tax Rate - Statutory rate (B) | 25.17% | 25.17% | 25.17% |
| Tax thereon (including surcharge and education cess) | | | |
| Tax as per actual rate on profits (D= A*B) | 3,696.53 | 2,705.38 | 2,471.31 |
| **Total Income Tax** | **3,696.53** | **2,705.38** | **2,471.31** |
| | | | |
| **Timing Differences** | | | |
| Difference between book depreciation and tax depreciation | 7.49 | (2.62) | (0.23) |
| Others | 484.78 | 602.93 | 623.17 |
| **Total Timing Differences (E)** | **492.27** | **600.31** | **622.94** |
| | | | |
| Total Adjustments (E) | 492.27 | 600.31 | 622.94 |
| Tax on Adjustments (F=E*B) | 123.89 | 151.09 | 156.78 |
| **Taxable Restated Profit (G=A+E)** | **15,179.68** | **11,349.61** | **10,442.18** |
| **Calculated tax liability on taxable profits (H=G*B)** | **3,820.42** | **2,856.47** | **2,628.09** |
| **Notes:** | | | |
| 1. The timing differences have been computed based on the items considered in final / provisional return of income filed/to be filed for the tax year ending immediately after the respective accounting year as the accounting year followed is different from the tax year. | | | |
| 2. Statutory tax rate includes applicable surcharge, education cess and higher education cess of the year concerned. | | | |
| 3. The above statement should be read with the Annexure 5: Company Overview & Significant Accounting policies and explanatory notes to the Restated Ind AS Summary Statement, Annexure 6: Statement of Restated Adjustments to audited financial statements and Annexures 7-63 : Notes to Restated Ind AS Summary Statements. | | | |

| RATIO ANALYSIS | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Ratio | Methodology | For the Year ended | | | Variance (%) 31.03.2003 | Variance (%) 31.03.2022 | Variance (%) 31.03.2021 | Explanation of variance more than 25% 31.03.2023 | Explanation of variance more than 25% 31.03.2022 | Explanation of variance more than 25% 31.03.2021 |
| | | 31.03.2023 | 31.03.2022 | 31.03.2021 | | | | | | |
| Current Ratio | Total Current Assets over Total Current Liabilities | 6.15 | 3.82 | 4.54 | 60.95% | (15.77%) | 20.76% | - | Due to Increase in Current Assets & Liabilities | - |
| Debt-Equity Ratio | Debt over Total Shareholder Equity | 0.09 | 0.01 | 0.01 | 851.05% | (6.95%) | (83.73%) | Due Increase in Debt | Due Increase in Debt | Due decrease in Debt |
| Debt-Service Coverage Ratio | EBITDA over Debt Service (Interest & Lease Payments + Principal Repayments) | 2367.47 | 292.63 | 5.92 | 709.02% | 4840.95% | (92.39%) | Due to decrease in repayment of debt | Due to decrease in repayment of debt | Due to increase in repayment of debt |
| Return on Equity Ratio | PAT over Total average Equity | 0.25 | 0.23 | 0.27 | 7.97% | (14.44%) | (26.90%) | Due to decrease in PAT | - | Due to decrease in PAT |
| Inventory Turnover Ratio | Cost of goods sold over Average Inventory | 6.77 | 8.04 | 8.44 | (15.70%) | (4.82%) | (10.32%) | Due to decrease in Sales | Due to increase in Sales | - |
| Trade Receivable | Revenue from Operations over | 3.29 | 2.87 | 4.99 | 14.64% | (42.52%) | (40.94%) | Due to increase in | Due to increase in | Due to increase in average |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| s Turnover Ratio | Average Trade Receivables | | | | | | | average trade receivable | average trade receivabl e | trade receivable |
| Trade Payables Turnover Ratio | Net Credit Purchases over Average Trade Payables | 14.02 | 5.87 | 5.24 | 138.84% | 12.07% | (10.82%) | Due to decrease in Purchase | Due to increase in Purchase | - |
| Net Capital Turnover Ratio | Revenue from operations over Average Working Capital (i.e. Total Current assets less Total current liabilities) | 1.50 | 1.33 | 1.66 | 12.84% | (19.80%) | (13.73%) | Due to decrease in Sales | - | - |
| Net Profit Ratio | Net Profit over Revenue from operations | 0.20 | 0.22 | 0.22 | (7.95%) | 0.96% | (2.14%) | - | Due to increase in PAT | - |
| Return on Capital employed Ratio/ Return on Investment | Profit before tax & Interest (PBIT) over Average Capital employed (i.e. Total Shareholders' Equity and Debts) | 0.26 | 0.27 | 0.32 | (3.76%) | (13.62%) | (21.10%) | Due to decrease in PBIT | - | - |

## CAPITALISATION STATEMENT

The following table sets forth our Company's capitalization for the last 3 financial years, on the basis of amounts derived from our Restated Consolidated Financial Information, and as adjusted for the Offer. This table should be read in conjunction with the sections titled "Risk Factors", "Restated Consolidated Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations", on pages 32, 318 and 406, respectively.

*(in Rs. Lacs)*

| Particulars | March 31, 2021 | March 31, 2022 | March 31, 2023 | Adjusted for the Proposed Issue* |
|---|---|---|---|---|
| **Total Borrowings:** | | | | |
| Non-current borrowings (A) | 316.29 | 371.31 | 4,539.56 | |
| Current Borrowing (B) | - | - | - | |
| **Total borrowings (C)** | **316.29** | **371.31** | **4,539.56** | |
| **Shareholder's fund (Net worth):** | | | | |
| Equity share capital | 1,175.00 | 1,175.00 | 4,700.00 | |
| Other equity | 29,016.46 | 36,842.99 | 44,083.23 | - |
| **Total Shareholder's Fund (D)** | **30,191.46** | **38,017.99** | **48,783.23** | |
| **Ratio: Non-current Borrowings (including current maturities of borrowings) (A+B)/Total Equity (D)** | 0.01 | 0.01 | 0.09 | |
| **Ratio: Total Borrowings (C)/Total Equity (D)** | 0.01 | 0.01 | 0.09 | |

*These amounts (as adjusted for issue) are not determinable at this stage pending the completion of the issue and hence the same have not been provided in the above statement.*

***Notes:***

1. *Short-term borrowings are debts which are due for repayment within 12 months from reporting period.*
2. *Long-term borrowings are considered as borrowing other than short-term borrowing.*
3. *The amounts disclosed above are based on the Restated Summary Statements.*

## OTHER FINANCIAL INFORMATION

The accounting ratios derived from our Restated Consolidated Financial Information are given below:

***(Rs.** in lacs)*

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|---|
| Revenue from Operations | 53,816.17 | 35,985.08 | 33,070.39 |
| **YoY growth in Revenue from Operations (%)** | 49.55% | 8.81% | 1.55% |
| Total Comprehensive Income for the period/ year (A) (Rs. in Lacs) | 10,881.63 | 7,904.62 | 7,195.37 |
| Weighted average number of shares considered for calculating basic EPS (B) | 4,70,00,000 | 1,17,50,000 | 1,17,50,000 |
| Weighted average number of shares considered for calculating diluted EPS (C) | 4,70,00,000 | 1,17,50,000 | 1,17,50,000 |
| **Basic earnings per share (Rupees) (D) = (A)/(B)** | 23.15 | 67.27 | 61.24 |
| **Diluted earnings per share (Rupees)(E) = (A)/(C)** | 23.15 | 67.27 | 61.24 |
| Total Equity excluding Non Controlling Interest (A) (Rs. in Lacs) | 48,783.23 | 38,017.99 | 30,191.46 |
| Total Comprehensive Income for the period/ year (B) (Rs. in Lacs) | 10,881.63 | 7,904.62 | 7,195.37 |
| **Return on net worth (C = B/A) (%)** | 22.31% | 20.80% | 23.84% |
| Total Equity excluding Non Controlling Interest (A) (Rs. in Lacs) | 48,783.23 | 38,017.99 | 30,191.46 |
| Weighted average number of shares considered for calculating basic EPS (B) | 4,70,00,000 | 1,17,50,000 | 1,17,50,000 |
| Weighted average number of shares considered for calculating diluted EPS (C) | 4,70,00,000 | 1,17,50,000 | 1,17,50,000 |
| **Net Asset Value per Equity Share (basic) (D = A/B) (in Rs.)** | 103.79 | 324.56 | 256.95 |
| **Net Asset Value per Equity Share (diluted) (E = A/C)** | 103.79 | 324.56 | 256.95 |
| **EBITDA** | 15,411.49 | 11,575.95 | 10,438.00 |
| **Adjusted EBITDA** | 14,899.95 | 11,251.19 | 9,889.97 |
| **Adjusted EBITDA Margin (%)** | 27.69% | 31.27% | 29.91% |

*The ratios have been computed as under:*

1. *Revenue from operations is the revenue generated by us and is comprised of (as set out in the Restated Consolidated Financial Information. For further details, see "Restated Consolidated Financial Information – Notes forming part of the Restated Consolidated Financial Information—Note 34: Revenue from Operations" on page 358.*
2. *Year-on-year growth in revenue from operations based on Rs. revenue.*
3. *Profit for the period/year is our profit for the period/year as set out in the Restated Consolidated Financial Information.*
4. *Profit Margin for the period/year represents the profit for the period/year as a percentage of our revenue from operations.*
5. *EBITDA is calculated as profit before exceptional items and tax plus finance cost, depreciation and amortization expenses.*
6. *Adjusted EBITDA is calculated as EBITDA less other income.*
7. *Adjusted EBITDA Margin is the percentage of adjusted EBITDA divided by revenue from operations.*

8. *Basic EPS is calculated as profit for the year/period attributable to owners of our Company divided by the weighted average number of Equity Shares outstanding during the year/period.*
9. *Diluted EPS is calculated as profit for the year/period attributable to owners of our Company divided by the weighted average number of Equity Shares outstanding during the year/period and the weighted average number of Equity Shares that could have been issued upon conversion of all dilutive potential Equity Shares.*
10. *Return on Net Worth (%) = Total Comprehensive Income divided by the Net Worth at the end of the respective year/period attributable to the owners of our Company.*
11. *NAV per Equity Share (in Rs.) is computed as net worth at the end of the period/ year / weighted average number of equity shares outstanding at the end of the period/ year.*
12. *Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the period/ year adjusted by the number of equity shares issued during the period/ year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period/ year.*

In accordance with the SEBI ICDR Regulations, the audited consolidated financial statements of our Company for Financial Years 2023, 2022 and 2021 ("Audited Financial Statements") are available on our website at www.ems.co.in. Further, the audited consolidated financial statements of our Material Subsidiaries for the Financial Years 2023, 2022 and 2021 ("Subsidiary Financial Statements") will be available on our website at www.ems.co.in. Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements and the Subsidiary Financial Statements do not constitute, (i) a part of this Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document or recommendation or solicitation to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere. The Audited Financial Statements and the Subsidiary Financial Statements should not be considered as part of information that any investor should consider when subscribing for or purchasing any securities of our Company and should not be relied upon or used as a basis for any investment decision. None of our Company or any of its advisors, nor BRLM or the Selling Shareholder, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from reliance placed on any information presented or contained in the Audited Financial Statements and the Subsidiary Financial Statements, or the opinions expressed therein.

**RELATED PARTY TRANSACTIONS**

For details of the related party transactions, as per the requirements under applicable Accounting Standards, *i.e.*, Ind AS 24 **-** Related Party Disclosures, read with the SEBI ICDR Regulations for the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021 and as reported in the Restated Consolidated Financial Information, see "*Restated Consolidated Financial Information – Notes forming part of the Restated Consolidated Financial Information – Annexure 45: Related Party Disclosures*" on page 361.

## FINANCIAL INDEBTEDNESS

Our Company has certain loans sanctioned in the ordinary course of its business for the purposes of meeting working capital requirements and capital expenditure requirements. Our Board is empowered to borrow monies as may be required for the purpose of the business of our Company, in accordance with Section 179 and Section 180 of the Companies Act and our Articles of Association.

The following table sets forth details of the aggregate outstanding borrowings of our Company, on a consolidated basis, as on March 31, 2023.

| Category of borrowing | Sanctioned Amount as on March 31, 2023 (Rs. in Lacs) | Outstanding amount as on March 31, 2023 (Rs. in Lacs) |
|---|---|---|
| Fund based limits | 2,600.00 | - |
| Overdrafts | - | - |
| Export Finance | - | - |
| Export Packing Credit* | - | - |
| **Total Fund Based (A)** | **2600.00** | **-** |
| | | |
| Non-fund based limits | - | - |
| Bank Guarantee | 34,650.00 | 25,173.00 |
| Letter of Credit | - | - |
| **Total Non-fund based limits (B)** | **34,650.00** | **25,173.00** |
| **Total (A) + (B)** | **37,250.00** | **25,173.00** |

Our Company has intimated our lender, to the extent required under the agreements entered into between us and such lender, in connection with the Offer and activities in connection thereof.

### RESTATED CONSOLIDATED STATEMENT OF FINANCIAL INDEBTEDNESS

**(Rs. In Lakhs)**

| Sr. No. | Lender Name | Whether Secured? | Repayment Schedule | O/s as on 31.03.2023 | O/s as on 31.03.2022 | O/s as on 31.03.2021 |
|---|---|---|---|---|---|---|
| 1 | Mr. Neeraj Srivastava | Unsecured | Repayable on demand | 0.50 | 0.50 | 0.50 |
| 2 | Mr. Ashish Tomar | Unsecured | Repayable on demand | 1.78 | 1.78 | 1.78 |
| 3 | Mr. Ramveer Singh | Unsecured | Repayable on demand | 37.28 | 62.08 | 62.08 |

## RELATED PARTY TRANSACTIONS

| **ANNEXURE :45 RELATED PARTY TRANSACTIONS** | | |
|---|---|---|
| **A. List of the related parties and nature of relationship with whom transactions have taken place during the respective year** | | |
| **Description of Relationship** | | **Name of The Party** |
| **(a)** | **Key Managerial Personnel (KMP)** | Mr. Ramveer Singh (Chairman) |
| | | Mr. Ashish Tomar (Managing Director) |
| | | Mr. Satish Kumar (Director)* |
| | | Mr. Neeraj Srivastava (Professional Director) |
| | | Mrs. KritikaTomar (Director)˜ |
| | | Mr. Gajendra Parihar (Chief Financial officer)˜˜ |
| | | Mr. Anup Kumar Pandey (Group Secretary) ^^ |
| | | Mr. Deepak Kumar (Group Secretary) ^^^ |
| | | Mr. Mukesh Garg (Independent Director)"" |
| | | Ms. Chetna (Independent Director) " |
| | | Mr. Achal Kapoor (Independent Director)> |
| | | Mrs. Swati Jain (Independent Director)>> |
| **(b)** | **Relative of KMP** | Mrs. NirmalaTomar (Wife of Mr.Ramveer Singh) |
| | | Mrs. Vinita Srivastava (Wife of Mr. Neeraj Srivastava) |
| | | Mr. Pankaj Srivastava (Brother of Mr. Neeraj Srivastava) |
| | | |
| **(c)** | **Group/Firm in which directors and their relative are interested** | EMS Infrastructure Private Limited |
| | | Neer Care India Private Limited |
| | | Envirocare |
| | | EMIT Group India (P) Ltd |
| * | Upto Oct 10, 2022 | |
| ˜ | Appointed on October 17, 2022 | |
| ˜˜ | Appointed on December 23, 2022 | |
| ^^ | Appointed on August 1, 2022 & Resigned on July 5,2023 | |
| ^^^ | Appointed on July 5, 2023 | |
| "" | Appointed on March 10, 2023 | |
| " | Appointed on March 10, 2023 | |
| > | Appointed on March 10, 2023 | |
| >> | Appointed on March 10, 2023 | |

| **B.** | **Related Party Transactions and Balances** | | | |
|---|---|---|---|---|
| **Sr. No.** | **Particulars** | **Year ended March 31, 2023** | **Year ended March 31, 2022** | **Year ended March 31, 2021** |
| **A.** | ***Transactions during the year*** | | | |
| **(i)** | **Purchase & Job Work** | | | |
| | Neercare India Private Limited% | 10809.57 | 4336.15 | 277.58 |

| | | | | |
|---|---|---|---|---|
| | Envirocare Engineering Services Private Limited | - | 284.11 | 97.60 |
| | EMS Infrastructure Private Limited$ | 5347.22 | 844.76 | 3345.84 |
| | Mr. Pankaj Kumar Srivastava | 10.00 | - | - |
| | EMIT Group India (P) Ltd | 2236.71 | - | - |
| | Neeraj Srivastava | 60.00 | - | - |
| | | | | |
| **(ii)** | **Loan Taken** | | | |
| | Mr. Ashish Tomar | 0.37 | 115.40 | 0.51 |
| | Mr. Ramveer Singh | 0.20 | - | - |
| | Mr. Neeraj Srivastava | - | - | 0.50 |
| | | | | |
| **(iii)** | **Repayment of Loan taken** | | | |
| | Mr. Ramveer Singh | 25.00 | - | - |
| | Mr. Ashish Tomar | 115.00 | - | - |
| | Himal Hydro & General Construction Limited- Partner in EMS Himal Hydro JV | - | - | 3.14 |
| | Satish Kumar | - | - | - |
| | | | | |
| **(iv)** | **Loan and Advances given** | | | |
| | Primatech Infrastructure Private Limited | - | - | 0.23 |
| | Mr. Ashish Tomar | - | 11.16 | - |
| | Neercare India Private Limited | - | 18.36 | - |
| | Envirocare Engineering Services Private Limited | - | 9.17 | - |
| | Kaushalaya Estate | - | - | 4.08 |
| | | | | |
| **(v)** | **Loans and Advances received back** | | | |
| | Mr. Satish Kumar | - | - | 133.81 |
| | Primatech Infrastructure Private Limited | - | 0.23 | 5.03 |
| | Mr. Ashish Tomar | 11.16 | - | - |
| | | | | |
| **(vi)** | **Salary paid** | | | |
| | Mr. Ashish Tomer | 556.00 | 396.00 | 276.00 |
| | Mr. Ramveer Singh | 556.00 | 396.00 | 276.00 |
| | Mr. Satish Kumar | - | - | 18.00 |
| | Mr. Vaibhav Bhatia | - | 2.40 | 2.40 |
| | Mrs. NirmlaTomer | 24.00 | 24.00 | 24.00 |
| | Mrs. Vinita Srivastava | 9.84 | 9.84 | - |
| | Mrs. KritikaTomar | 51.00 | 12.00 | 12.00 |
| | Mr. Gajendra Parihar | 8.00 | - | - |
| | Mr. Anup Kumar Pandey | 1.05 | - | - |

| Sr. No. | Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|---|---|
| **(vii)** | **Lease Rentals Paid** | | | |
| | Mrs. Nirmla Tomer | 9.00 | 9.00 | 9.00 |
| | | | | |
| **(viii)** | **Lease Rentals Received** | | | |
| | Envirocare Engineering Services Private Limited | - | - | 1.80 |

| Sr. No. | Particulars | As at | | |
|---|---|---|---|---|
| | | 31-Mar-23 | 31-Mar-22 | 31-Mar-21 |
| **B.** | **Outstanding Payables** | | | |
| **(i)** | **Loan from Related parties** | | | |
| | Mr. Neeraj Srivastava | 0.50 | 0.50 | 0.50 |
| | Mr. Ashish Tomar | 1.78 | 116.41 | 1.01 |
| | Mr. Ramveer Singh | 37.28 | 62.08 | 62.08 |
| | | | | |
| **(ii)** | **Salary payable** | | | |
| | Mr. Ashish Tomar | 100.15 | - | - |
| | Mr. Ramveer Singh | 2.28 | 40.80 | 18.28 |
| | Mrs. KritikaTomar | 8.97 | - | - |
| | Mrs. Vinita Srivastava | 0.66 | - | - |
| | Mr. Satish Kumar | - | 29.74 | 14.70 |
| | Mrs. NirmalaTomar | 1.20 | 2.24 | 1.65 |
| | Mrs. Gajendra Parihar | 7.15 | - | - |
| | | | | |
| **(iii)** | **Trade Payables** | | | |
| | Neercare India Private Limited | 735.17 | 1456.50 | - |
| | Envirocare Engineering Services Private Limited | 16.39 | 79.56 | 124.35 |
| | EMS Infrastructure Private Limited | 40.33 | 413.04 | 439.45 |
| | Neeraj Srivastava | 59.80 | - | - |
| | | | | |
| **C.** | **Outstanding Receivables** | | | |
| **(i)** | **Advance to Related parties** | | | |
| | Primatech Infrastructure Private Limited | - | - | 0.23 |
| | EMIT Group India (P) Ltd | 7.26 | - | - |
| | Neercare India Private Limited | - | 18.36 | - |
| | Ashish Tomar | - | 11.16 | - |
| | Envirocare Engineering Services Private Limited | - | 9.17 | - |
| | Kaushalaya Estate | - | 4.08 | 4.08 |
| | | | | |
| **(ii)** | **Other Receivables** | | | |
| | Neercare India Private Limited | 134.14 | - | - |

*[%]Related Party Transactions with Neer Care Private Limited ("Neer Care"): We sublet some of our projects/part of the projects to Neer Care, so this is the main reason for prompt change in transactions, further we hereby confirm that all the transactions done on arms lengths basis & the Company also followed the applicable compliances.*

*[$]Related Party Transactions with EMS Infrastructure Private Limited ("EMS Infrastructure"): EMS Infrastructure performed projects under the joint venture, so this is the main reason for prompt change in transactions, further we hereby confirm that all the transactions done on arms lengths basis & the Company also followed the applicable compliances.*

## MANAGEMENTS' DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion of our financial condition and results of operations is based on, and should be read in conjunction with, our Restated Consolidated Financial Statements (including the schedules, notes and significant accounting policies thereto), included in the section titled "Restated Consolidated Financial Statements" beginning on page 318.*

*Our Restated Consolidated Financial Statements have been derived from our audited financial statements and restated in accordance with the SEBI ICDR Regulations and the ICAI Guidance Note. Our financial statements are prepared in accordance with Ind AS, notified under the Companies (Indian Accounting Standards) Rules, 2015, and read with Section 133 of the Companies Act, 2013 to the extent applicable. Ind AS differs in certain material respects from IFRS and U.S. GAAP and other accounting principles with which prospective investors may be familiar. Accordingly, the degree to which the financial statements prepared in accordance with Ind AS included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS accounting policies. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial information included in this Red Herring Prospectus, nor do we provide a reconciliation of our financial information to IFRS or U.S. GAAP. Any reliance by persons not familiar with Ind AS accounting policies on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited.*

*Unless otherwise indicated or the context requires otherwise, the financial information for the Fiscals 2023, 2022 and 2021 included herein have been derived from our restated balance sheets as of March 31, 2023, March 31, 2022 and March 31, 2021 and restated consolidated statements of profit and loss, cash flows and changes in equity for the for the fiscal years ended March 31, 2023, March 31, 2022 and March 31, 2021 of the Company, together with the statement of significant accounting policies, and other explanatory information thereon.*

*Unless stated otherwise, industry and market data used in this Red Herring Prospectus has been obtained or derived from the report titled "Industry research report on Roads, Construction, Water and Power Sector" dated August 07, 2023 prepared by CARE Advisory Research and Training Limited (the "CARE Report") and publicly available information as well as other industry publications and sources. The Report has been exclusively commissioned at the request of our Company and paid for by our Company for the purposes of this Issue and is available on the website of the Company at www.ems.co.in.*

*Our fiscal year ends on March 31 of each year, and references to a particular fiscal period are to the 12 months ended March 31 of that year. All references to a year are to that Fiscal Year, unless otherwise noted.*

*Some of the information contained in this section, including information with respect to our strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section titled "Forward Looking Statements" beginning on page 21 for a discussion of the risks and uncertainties related to those statements and also the section titled "Risk Factors" and "Our Business" beginning on pages 32 and 213, respectively, for a discussion of certain factors that may affect our business, results of operations and financial condition. The actual results of the Company may differ materially from those expressed in or implied by these forward-looking statements.*

*Unless otherwise stated, references to "the Company", "our Company", "we", "us", and "our" are to EMS Limited.*

### Business Overview

Our Company was originally incorporated as 'EMS Infracon Private Limited' a private limited company under the Companies Act, 1956 at Delhi, pursuant to a certificate of incorporation dated December 21, 2010 issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana. Thereafter on June 30, 2012, our Company took over the business of partnership firm, M/s Satish Kumar. Thereafter, name of our Company was changed from 'EMS Infracon Private Limited' to 'EMS Private Limited', pursuant to a special resolution passed by the shareholders of our Company on September 30, 2022 and a fresh certificate of incorporation consequent to change of name was issued by the Registrar of Companies, Delhi ("RoC") on October 26, 2022. Subsequently, our Company was converted from private to public company, pursuant to a special resolution passed by the shareholders of our Company on October 27, 2022 and a fresh certificate of incorporation consequent to change of name was issued by the Registrar of Companies, Delhi ("RoC") on November 25, 2022. For further details on the change in the name and the registered office of our Company, see "History and Certain Corporate Matters" beginning on page 272. Our Company's Corporate Identity Number is U45205DL2010PLC211609.

We are in the business of Sewerage solution provider, Water Supply System, Water and Waste Treatment Plants, Electrical Transmission and Distribution, Road and Allied works, operation and maintenance of Water and Wastewater Treatment Plants (WWTPs) and Water Supply Scheme Projects (WSSPs) for government authorities/bodies. WWTPs include Sewage Treatment Plants (STPs) alongwith Sewage Network Schemes and Common Effluent Treatment Plants (CETPs) and WSSPs include Water Treatment Plants (WTPs) alongwith pumping stations and laying of pipelines for supply of water (collectively, "Projects"). The treatment process installed at most of the STPs and CETPs is Zero Liquid Discharge (ZLD) compliant and the treated water can be used for horticulture, washing, refrigeration and other process industries.

We have an in-house team for designing, engineering and construction which makes us self-reliant on all aspects of our business. We have a team of 61 engineers who are supported by third-party consultants and industry experts to ensure compliance and quality standards laid down by the industry and government agencies & departments. We also have our own team for civil construction works thereby reducing dependence on third parties. The scope of our services typically includes design and engineering of the projects, procurement of raw materials, execution at site with overall project management up to the commissioning of projects. Post commissioning, operations and maintenance of these plants for a certain period of time is generally a part of the award in recent times. We have a team of dedicated engineers and personnel focused on operations and maintenance of completed projects. As on July 31, 2023, we are operating and maintaining 18 projects including WWSPs, WSSPs, STPs & HAM aggregating of Rs. 1,74,492.00 lakhs & 5 O & M projects aggregating of Rs. 9,928.00 lakhs.

In addition to the execution of projects independently, we also enter into joint ventures with other infrastructure and construction companies to jointly bid and execute projects. Joint ventures or partnerships enable us to achieve pre-qualification, both technical and financial, with our joint venture partner at the time of the bid and where the bid is successful, we also execute the project with our joint venture partner considering the technical skill and qualification of the joint venture partner required to execute a particular project.

In past EMS has provided quality services to various government bodies and municipalities since 2010 and has successfully completed 50 projects & 17 projects executed by the proprietorship which businesses was taken over by the Company on June 2012.

**Services Offered:**

- Sewerage and their allied works including design, procurement, laying, jointing, testing, commissioning, operation and maintenance of new sewerage network as well as refurbishment of old/existing sewerage network.
- Design, construction, operation and maintenance of Sewage Treatment Plants.
- Design, construction, operation and maintenance of Sewage Pumping Stations.
- Water supply works including design, procurement, laying, jointing, testing, commissioning, operation and maintenance of new water supply and distribution networks as well as construction of reservoir and refurbishment of old/existing water supply infrastructures.
- Road & Allied works including construction of new road networks as well as repair/renovation of existing road networks.
- Design and construction of power transmission and distribution infrastructure.
- Design and construction of buildings and allied works.
- Design, construction, operation and maintenance of public infrastructure facilities & utilities.

**Financial KPIs of our Company**

(Rs In Lakhs)

| Key Financial Performance | For the year ended March 31st | | |
|---|---|---|---|
| | 2022-2023 | 2021-2022 | 2020-2021 |
| **Revenue from operations[(1)]** | 53,816.17 | 35,985.08 | 33,070.39 |
| **Total Income[(2)]** | 54,327.71 | 36,309.84 | 33,618.42 |
| **EBITDA[(3)]** | 14,899.95 | 11,251.19 | 9,889.97 |
| **EBITDA Margin[(4)]** | 27.69% | 31.27% | 29.91% |
| **PAT** | 10,861.63 | 7,904.62 | 7,195.37 |
| **PAT Margin[(5)]** | 20.18% | 21.97% | 21.76% |
| **Operating cash flow** | (2,540.12) | 2,263.71 | 3,576.82 |
| **Net worth[(6)]** | 48,783.23 | 38,017.99 | 30,191.46 |
| **Net Debt[(7)]** | (3,627.91) | (5,733.98) | (4,726.80) |
| **Debt Equity Ratio[(8)]** | 0.09 | 0.01 | 0.01 |
| **ROCE (%)[(9)]** | 28.26% | 29.50% | 33.65% |
| **ROE (%)[(10)]** | 22.27% | 20.79% | 23.83% |
| **Property, Plant and Equipment** | 1,794.37 | 1,817.45 | 930.47 |
| **Capital work in progress** | 402.81 | 30.32 | 275.42 |

1) *Revenue from operation means revenue from sales and other operating revenues.*

2) *Total Income represents the total turnover of our business i.e., Revenue from Operations and Other Income, if any.*

3) *EBITDA means Profit before depreciation, finance cost, tax and amortization & less other income.*

4) *'EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations.*

5) *'PAT Margin' is calculated as PAT for the period/year divided by revenue from operations.*

6) *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 balance sheet, but does not include reserves created out of revaluation of assets, capital reserve arising on consolidation, capital redemption reserve, write-back of depreciation and amalgamation.*

7) *Net debt = non-current borrowing + current borrowing – Cash and Cash Equivalent.*

8) *Debt equity ratio means ratio of total debt (long term plus short-term including current maturity of long-term debt) and Equity Share capital plus other equity.*

9) *Return on Capital Employed is ratio of EBIT and Capital Employed. Capital Employed is Total Shareholder's Equity, Non-Current Borrowing and Short-Term Borrowing.*

10) *Return on Equity is ratio of Profit after Tax and Average Shareholder Equity.*

**EXPLANATION FOR CHANGES IN:-**

**Property, Plant and Equipment:**

From FY 2019-20 to FY 2020-21:

The Net block of Property, Plant & Machinery as of March 31, 2020 was Rs 2437.48 Lakhs which includes the value of land of Rs.1,647.38 Lakhs. Due to reclassification on adoption of IND-AS 116 the same has been shown under the head Right of Use Assets and Lease Liabilities in FY 2020-21. So, Net block of Property, Plant & Machinery as of March 31, 2021 was Rs 930.47 Lacs reduced by Rs, 1,647.38 Lakhs.

From FY 2020-21 to FY 2021-22:

The Net block of Property, Plant & Machinery as of March 31, 2021 was Rs 930.47 Lakhs, in FY 2021-22 Company has incurred the Capital expenditure of Rs. 1,090.54 Lakhs, this is the main reason for increase in the value of net block of Property, Plant & Machinery. Kindly refer Annexure 7 of the Restated Financials on the page no. 344.

From FY 2021-22 to FY 2022-23:

The Net block of Property, Plant & Machinery as of March 31, 2022 was Rs 1,817.45 Lakhs, in FY 2022-23 is Rs.1794.37 Lakhs, a minor change since last financial years.

The Company has incurred nominal amount as Capital expenditure of Rs. 222.12 Lakhs & the assets transfer from Right of Use Asset worth of Rs.107.50 Lakhs. Kindly refer Annexure 7 of the Restated Financials on the page no. 344.

**Capital Work in Progress: -**

From FY 2019-20 to FY 2020-21:

The closing balance of Capital Work in Progress as of March 31, 2020 was Rs. 43.11 Lakhs, which was increased in FY 2020-21 by Rs. 232.31 Lakhs to Rs. 275.42 Lakhs due to the addition of plant & machinery for business use, kindly refer Annexure 8 of the Restated Financials on the page no. 346.

From FY 2020-21 to FY 2021-22:

The closing balance of Capital Work in Progress as of March 31, 2021 was Rs. 275.42 Lakhs, which was decreased in FY 2021-22 by Rs. 245.10 Lakhs to Rs. 30.32 Lakhs, the assets are now ready to use for business use, kindly refer Annexure 8 of the Restated Financials on the page no. 346.

From FY 2021-22 to FY 2022-23:

The closing balance of Capital Work in Progress as of March 31, 2022 was Rs. 30.32 Lakhs, which is increased in FY 2022-23 by Rs. 371.78 Lakhs to Rs. 402.81 Lakhs, again the CWIP increased due to the addition of plant & machinery for business use, kindly refer Annexure 8 of the Restated Financials on the page no. 346.

**Reason for Keeping so much Cash & Cash Equivalent:**

Cash & cash equivalent also includes FDRs issued as cash margin for performance Bank Guarantee against the work awarded to be submitted to the principal & for EMD (Earnest money Deposit) to be submitted for tender participation, which keeps on increasing as the company participates in tenders on regular basis. That is why cash & cash equivalent increases every year.

(Rs. In Lakhs)

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|---|
| Cash & Cash equivalent | 8,167.47 | 6,105.29 | 5,043.09 |
| Bank Balances other than Cash and Cash Equivalents | 3,954.68 | 2,887.06 | 1,708.42 |
| **Total (B)** | **12,122.15** | **8,99.35** | **6,751.51** |

As part of our business and contractual requirement, we are required to provide financial and performance bank guarantees in favour of our clients under the respective contracts for our projects. For our projects, we typically issue bank guarantees in favour of the relevant government authority with whom the contractual arrangement has been entered into. These guarantees are typically required to be furnished within a few days of the signing of a contract and remain valid up to the defect liability period prescribed in that contract.

The banks usually ask 20% to 25% of bank guarantee in FDR form as cash margin for performance bank guarantee for awarded projects & we also need to deposit EMD of 2% to 5% of contract size at the time tender participation by the Company.

So, we have to keep high cash & cash equivalent for better opportunities to tender more contracts.

***Details of tenders in last 3 FYs:***

| Fiscals | Approx. Number of Tender applied | Approx. amount of Tender (In Lakhs) | Approx. EMD @3% (In Crores) |
|---|---|---|---|
| 2022-23 | 39 | 5,10,000.00 | 15,300.00 |
| 2021-22 | 19 | 5,05,724.00 | 15,172.00 |
| 2020-21 | 17 | 2,69,287.00 | 8,079.00 |

***Details of Bank Guarantees:***

| Fiscals | Amount of Bank Guarantees (In Lakhs) |
|---|---|
| 2022-23 | 25,173.63 |
| 2021-22 | 18,765.89 |
| 2020-21 | 13,917.58 |

For further information, please see "*Contingent Liabilities related to Bank Guarantees*" on page no. 28.

**Government policies, initiatives and fund allocation towards Roads, Construction, Water and Power industry**

**Government Initiatives for Development of Road Infrastructure:**

i. Bharatmala Pariyojana
ii. Connectivity in LWE Area
iii. Char Dham Pariyojana
iv. SARDP including Arunachal Pradesh Package
v. State Public Works Department (PWD) and Border Road Organization (BRO)

**Government Initiatives for Development of Construction sector:**

i. PM- GatiShakti
ii. National Rail Plan
iii. Dedicated Freight Corridor (DFC)
iv. Atal Mission for Rejuvenation and Urban Transformation (AMRUT)
v. Smart cities mission

**Government Initiatives for Development of Power Transmission and Distribution sector:**

i. National Electricity Policy
ii. Tariff Policy
iii. Revamped Distribution Sector Scheme (RDSS)
iv. Integrated Power Development Scheme (IPDS)
v. Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY)

**Government Initiatives for Development of Water and Wastewater Treatment Industry:**

i. Jawaharlal Nehru National Urban Renewal Mission
ii. Namami Gange programme
iii. Atal Mission for Rejuvenation and Urban Transformation (AMRUT)
iv. Swachh Bharat Mission (Urban)
v. Development plans to clean River Ganga and improve wastewater treatment and management

For further details regarding the government initiatives, kindly refer chapter titled "Our Industry" on beginning Page 144.

**Significant Developments Subsequent to the last financial year**

In the opinion of the Board of Directors of our Company, since the date of the last financial statements disclosed in this Red Herring Prospectus, there have not arisen any circumstance that materially or adversely affect or are likely to affect the profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months.

**Significant Factors Affecting our results of Operations**

Our financial performance and results of operations are influenced by a number of important factors, some of which are beyond our control, including without limitation, intense global and domestic competition, general economic conditions, changes in conditions in the regional markets in which we operate, changes in costs of supplies, COVID-19-related effects on global and domestic economic conditions, and evolving government regulations and policies. Some of the more important factors are discussed below, as well as in the section titled "Risk Factors" beginning on page 32.

**Impact of COVID-19**

*March 2020 to May 2020*

An outbreak of a novel strain of coronavirus disease 19 ("COVID-19"), was recognised as a pandemic by the World Health Organization ("WHO"), on March 11, 2020. In response to the COVID-19 outbreak, the governments of many countries, including India have taken preventive or protective actions, such as imposing country-wide lockdowns, restrictions on travel and business operations and advising or requiring individuals to limit their time outside of their homes. Temporary closures of businesses had been ordered and numerous other businesses have temporarily closed voluntarily. Further, individuals' ability to travel had been curtailed through mandated travel restrictions and was further limited. Post the national lockdown, many local governments also implemented further phase wise restrictions and lockdowns thus affecting the business as a whole. Due to a government mandated lockdown in India, we had to temporarily close our sites/ongoing projects from March 24, 2020 to May 11, 2020. Like any other business across the country, even our operations and revenue had an impact during the lockdown.

*May 2020 onwards*

We resumed operations from May 11, 2020 in a staggered manner. Our effective support systems allowed us to commence our operations in a strong manner, despite the temporary disruption in our business due to the lockdown. The capabilities and depth of our management team along with the support from the government enabled us to restart the operations quickly post the restrictions were eased.

*Our bidding and execution capabilities*

Projects are awarded to us through a competitive bidding process. This process therefore involves pre-qualifying for bids based on our technical and financial strengths, and an evaluation of the nature and value of contracts executed in the past to determine a company's eligibility to bid for new projects. We bid for selective government projects where we see value and long-term growth prospects. A contract is awarded based on our ability to meet the qualification criteria, whether independently or together with other joint venture partners and on the quote of the work order submitted. We would be required to continuously improve on our operational and technical efficiency which includes amongst others efficient equipment and material sourcing, good communication between the site office and head office and project planning. Our ability to qualify for bidding larger projects, efficient project planning and timely execution would enable growth of our business and would determine our overall performance, which is likely to impact our profitability.

*Dependence on our in-house designing, engineering and construction teams for project execution*

We have a team of 61 engineers who are supported by third-party consultants and industry experts to ensure compliance and quality standards laid down by the industry and government agencies & departments. Our ability to effectively execute and manage projects is crucial to our continued success. The designing and engineering of projects in this segment is technically complex, time consuming and resource intensive because of unique project requirements. We are therefore required to constantly upgrade our technical abilities to offer our clients the full range of services at lower cost and without compromising on quality. In the event of any change in the requirement by the government authorities/bodies of any technology presently used for the projects which we are not able to provide or we lack sufficient expertise in that technology, we will not be in a position to bid for such projects for lack of technical qualification and our competitors may get an advantage due to our incapability in bidding for projects requiring technologies which we are not capable of providing. Also, loss of skilled employees from our designing, engineering and construction teams may affect our ability and capability to execute projects and may also affect our growth prospects.

*Ability to execute larger capacity projects*

In order to bid for higher value projects, we are required to meet certain pre-qualification criteria based on technical capability and performance, reputation for quality, safety record, financial strength and experience in, and size of previous contracts in, similar projects. In selecting contractors for major projects, the tender is limited to contractors they have pre-qualified based on these criteria, although price competitiveness of the bid is one of the most important selection criteria, pre-qualification still remains key to our securing larger projects. In addition, our ability to strategically partner with other companies also determines our success in bidding for and being granted such large projects.

*Ability to effectively execute and expand our Order Book*

For the purposes of calculating the Order Book value, our Company does not take into account any escalation or change in work scope of our ongoing projects as of the relevant date, or the work conducted by us in relation to any such escalation of change in work scope of such projects until such date. The manner in which we calculate and present our Order Book is therefore not comparable to the manner in which our revenue from operations is accounted, which takes into account revenue from work relating to escalation or changes in scope of work of our projects. The manner in which we calculate and present our Company's Order Book information may vary from the manner in which such information is calculated and presented by other companies, including our competitors. The Order Book information included in this Red Herring Prospectus does not necessarily indicate our future earnings.

Our Order Book and the new projects that we bid and win and will continue to bid for in the future will have an effect on the revenues we will earn in the future. In addition, our project implementation schedule may vary due to various factors that may be beyond our control, including timely commencement of work. These depend on various factors such as the value of these projects, the timeline for completion and payments to be made as per the agreed timelines. For further discussion on various factors that may affect the execution of our projects and consequently the realization of our Order Book as of a particular date, see "Risk Factors – Our Order Book may not be representative of our future results and our actual income may be significantly less than the estimates reflected in our Order Book, which could adversely affect our results of operations" beginning on page 42. 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.

*Availability of financing on favourable terms*

As of March 31, 2023, we had total outstanding borrowings of Rs. 25,173.00 lakhs. Our projects working capital intensive to finance the purchase of materials and equipment and the performance of engineering, designing and other work on projects before payments are received from clients and any increase in interest expense may have an adverse effect on our results of operations and financial condition. We are also required to deposit performance bank guarantee for our projects. Our finance costs are dependent on various external factors, including Indian and global credit markets and, in particular, interest rate movements and adequate liquidity. We believe that we have been able to maintain relatively stable finance costs. Our ability to avail financial facilities or to maintain our finance costs at optimum levels will continue to have a direct impact on our profitability, results of operations and financial condition. Increase in the prices of construction materials and labour & works contact charges.

Our actual cost in executing projects may vary substantially from the assumptions underlying our bid or estimates. We may be unable to recover all or some of the additional costs and expenses, which may have a material adverse effect on our results of operations, cash flows and financial condition. Our Cost of Revenue of Operations for Fiscal 2023, Fiscal 2022 and Fiscal 2021 amounted to Rs. 40,941.82 Lakhs, Rs. 24,447.41 lakhs and Rs 20,821.59 lakhs respectively, or 76.08%, 67.94% and 62.96% of our revenue from operations respectively.

Our financial condition and results of operations are significantly impacted by the availability and cost of our major materials. We usually do not enter into long-term supply contracts with any of our material suppliers and typically source materials from third-party suppliers under purchase orders of shorter periods or the open market. Our suppliers are selected based on quality, price, cost effectiveness, company history, service levels and delivery capability. Prices are negotiated for each purchase order, and we generally have more than one supplier for each material. While we are not significantly dependent on any single material supplier, materials supply and pricing can be volatile due to a number of factors beyond our control, including global demand and supply, general economic and political conditions, transportation and labour costs, labour unrest, natural disasters, competition, import duties, tariffs and currency exchange rates, and there are inherent uncertainties in estimating such variables, regardless of the methodologies and assumptions that we may use. We are also dependent on supplied materials being of high quality and meeting relevant technical specifications and quality standards. Therefore, we cannot assure you that we will be able to procure adequate supplies of materials in the future, as and when we need them on commercially acceptable terms.

*Operational uncertainties*

Our business is subject to various operational uncertainties that may affect our results of operations. These operational uncertainties including the availability and retention of skilled manpower, could affect our ability to complete the project, delays in meeting agreed milestones or ensuring commencement of operations of projects undertaken by us within the scheduled completion date. These could lead to increased financing costs, delayed 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.

We are typically required to provide bank guarantees for advances as well as performance guarantees. Our projects are typically fixed-price or lump-sum contracts, and under the terms of such fixed-price or lump-sum contracts, we generally agree on a fixed price for providing engineering, procurement and construction services for part of the project that is contracted to us. For further details of the nature of project related contracts entered into by us, see "Our Business" beginning on page 213.

The actual expenditure incurred by us in connection with such contracts may, however, vary from the assumptions underlying our bid as a result of various project uncertainties, including unanticipated changes in engineering design of the project or any escalation or change in work scope of our ongoing projects, resulting in delays and increased costs. While most of these projects provide for cost escalation provisions and price escalation, which may affect our results of operations and financial condition.

*Geographic locations, seasonality and weather conditions*

Our business operations are dependent on the location where the project to be executed is situated, the weather conditions there which could include factors such as heavy rains, landslides, floods including during the monsoon season, each of which may restrict our ability to carry on construction activities and fully utilize our resources during the season. Our ability to transport the required manpower and machinery to such location are also critical to our timely completion of the projects. During periods of curtailed activity due to adverse weather conditions, particularly unseasonal rains, we may continue to incur overhead and financing expenses, but our revenues from operations may be delayed or reduced. Weather conditions may also require us to evacuate personnel or curtail services, may result in damage to a portion of our fleet of equipment or facilities resulting in the suspension of operations, and may prevent us from delivering materials to our project sites in accordance with contract schedules or generally reduce our productivity.

*Competition*

Our competition depends on various factors, such as the type of project, total contract value, potential margins, complexity, location of the project and risks relating to revenue generation. While service quality, technical ability, performance record, experience, health and safety records and the availability of skilled personnel are key factors in client decisions among competitors, price often is the deciding factor in most tender awards. We believe our main competitors are various other small and mid-sized companies and entities.

**SIGNIFICANT ACCOUNTING POLICIES**

**1. Company Overview**

EMS Infracon Private Limited was incorporated on December 21, 2010 with Registrar of Companies (ROC), Delhi and Haryana under the provisions of Companies Act 1956. Thereafter, the name of our Company was changed from 'EMS Infracon Private Limited' to 'EMS Private Limited' on October 26, 2022 and thereafter conversion of our Company from private to public company, pursuant to a special resolution passed by the shareholders of our Company on October 27, 2022 and a fresh certificate of incorporation consequent to change of name from EMS Private Limited to EMS Limited (" The Company") was issued by the ROC on November 25, 2022. The Company's Corporate Identity Number is U45205DL2010PLC211609. These Restated Consolidated Financial Statements comprise the Company, its subsidiary and its joint venture (as the "Group"). The Registered office of company is situated at 701, DLF Tower A, Jasola, New Delhi.

**2. Summary of Significant Accounting Policies**

**2.1 Basis of Preparation**

The Restated Financial statements (FS) of the group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the Financial statements. For all periods up to and including the year ended March 31, 2020, the group prepared its financial statements in accordance with Indian GAAP, including accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. The financial statements for the year ended March 31, 2022 are the first the Group has prepared in accordance with Ind-AS.

The Group has consistently applied the accounting policies used in the preparation of its opening IND-AS Balance Sheet at April 1, 2020 throughout all periods presented, as if these policies had always been in effect and are covered by IND AS 101 ''First-time adoption of Indian Accounting Standards''. The transition was carried out from accounting principles generally accepted in India (''Indian GAAP'') which is considered as the previous GAAP, as defined in IND AS 101. The reconciliation of effects of the transition from Indian GAAP on the equity as at April 1, 2020 and March 31, 2021 and on the net profit and cash flows for the year ended March 31, 2021 is disclosed in ANNEXURE 53 to these financial statements. Kindly refer chapter titled "Restated Consolidated Financial Statements" beginning on page 318.

**2.2 Principles of Consolidation**

The Restated Consolidated Financial Statements relate to the Company and its subsidiary company and joint ventures. The Restated Consolidated Financial Statements have been prepared on the following basis:

a) The Restated Consolidated Financial Statements of the Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, income, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.
b) The Restated Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

c) The carrying amount of the Company's investments in subsidiary is off set (eliminated) against the Company's portion of equity in subsidiary.
d) Non-Controlling Interest's share of profit/ loss and other comprehensive income of consolidated subsidiary for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
e) Non-Controlling Interest's share of net assets of consolidated subsidiary is identified and presented in the Restated Consolidated Statements of Assets and Liabilities.

The 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 restated 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 restated consolidated financial statements to ensure conformity with the Group's accounting policies.

The restated consolidated financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the holding company, i.e., Years ended March 31, 2023, March 31, 2022 and 31 March, 2021.

Restated Consolidated Statement of Profit and 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. When necessary, adjustments are made to the financial statements of subsidiary and its joint ventures to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. The details of the consolidated entities are mentioned in Annexure 55: Disclosure of Interest in Subsidiaries and Non-Current interest. Kindly refer chapter titled "Restated Consolidated Financial Statements" beginning on page 378.

### 2.3 Uses of Estimates

The preparation of the financial statements is in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates.

The estimates and underlying assumptions are reviewed on going concern basis.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period. If the revision affects both current and future period, the same is recognised accordingly.

### 2.4 Significant Accounting Policies

#### i. Current v/s Non-Current Classification

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

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

All other assets are classified as non-current.

*A liability is current when:*

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

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Based on the nature of service and the time between rendering of services and their realization in cash and cash equivalents, 12 months has been considered by the Group for the purpose of current / non-current classification of assets and liabilities.

**ii. Functional and Presentation Currency**

Amounts in the financial statements are presented in Indian Rupee in lakhs rounded off to two decimal places as permitted by Schedule Ill to the Act.

iii. **Property, Plant and Equipment (PPE):**

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably PPE is stated at original cost net of tax/duty credits availed, if any less accumulated depreciation and cumulative impairment, if any All directly attributable costs related to the acquisition of PPE and, borrowing costs case of qualifying assets are capitalised in accordance with the Company's accounting policy.

Under the previous GAAP, property, plant and equipment were carried at historical cost less depreciation and impairment losses, if any. On transition to Ind AS, the Group has availed the optional exemption under Ind AS 101 and accordingly it has used the carrying value as at the date of transitions as the deemed cost of the property, plant & equipment under Ind AS.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. PPE not ready for the intended use on the date of the Balance Sheet are disclosed as "capital work-in-progress".

Depreciation is recognised using written down value method so as to write off the cost of the assets (other than freehold land and capital work-in-progress) less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013, or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined.

Depreciation on additions to deductions from, owned assets is calculated pro rata to the period of use.

PPE is de recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de recognition is recognised in the Statement of Profit and Loss in the same period.

The estimated useful lives, residual values and depreciation method are reviewed at each financial year end and the effect of any change is accounted for on prospective basis.

The carrying amount of the all property, plant and equipment are derecognized on its disposal or when no future economic benefits are expected from its use or disposal and the gain or loss on de-recognition is recognized in the statement of profit & loss.

iv. **Intangible Assets:**

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably.

On transition to Ind AS, the Group has availed the optional exemption under Ind AS 101 and accordingly it has used the carrying value as at the date of transitions as the deemed cost of the Intangible assets under Ind AS.

Intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortization and accumulated impairment losses (if any). Costs include expenditure that is directly attributable to the acquisition of the intangible assets.

i. Subsequent Expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, are recognized in profit or loss as incurred.

ii. Amortization of intangible assets with finite useful lives

Amortization is recognized in profit or loss on a written down value over the estimated useful lives of intangible assets from the date that they are available for use.

v. **Impairment of Non-Financial Assets:**

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment and additionally whenever there is a triggering event for impairment. Assets that are subject to amortisation and depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount of cash generating units exceeds its recoverable amount. The recoverable amount of a cash generating unit is the higher of cash generating unit's fair value less cost of disposal and its value in use.

vi. **Financial Instruments-Initial Recognition, Subsequent Measurement and Impairment:**

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

*Financial Assets*

(a) Initial recognition and measurement: All financial assets are recognised initially at fair value and, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.
(b) Subsequent measurement: For purposes of subsequent measurement financial assets are classified in two broad categories:
-Financial assets at fair value
-Financial assets at amortised cost
(c) Classification: The Group classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.
(d) Financial assets measured at amortised cost: Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are solely for payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The losses arising from impairment are recognised in the Statement of profit and loss. This category generally applies to trade and other receivables.
(e) Financial assets measured at fair value through other comprehensive income (FVTOCI): Financial assets under this category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income.

(f) Financial assets measured at fair value through profit or loss (FVTPL): Financial assets under this category are measured initially as well as at each reporting date at fair value with all changes recognised in profit or loss.
(g) Investment in Equity Instruments: Equity instruments which are held for trading are classified as at FVTPL. All other equity instruments are classified as FVTOCI. Fair value changes on the instrument, excluding dividends, are recognized in the other comprehensive income. There is no recycling of the amounts from other comprehensive income to profit or loss.
(h) Derecognition of Financial assets: A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset, if an entity transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it shall recognise either a servicing asset or a servicing liability for that servicing contract. If the fee to be received is not expected to compensate the entity adequately for performing the servicing, a servicing liability for the servicing obligation shall be recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing, a servicing asset shall be recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.
(i) Impairment of Financial assets: In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets that are debt instruments and trade receivables. For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition.

**Financial Liabilities:**

a) Initial recognition and measurement: All financial liabilities are recognised initially at fair value and, in the case of loans, borrowings and payables, net of directly attributable transaction costs. Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

b) Classification & Subsequent measurement: If a financial instrument that was previously recognised as a financial asset is measured at fair value through profit or loss and its fair value decreases below zero, it is a financial liability measured in accordance with IND AS. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term.

   The Group classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

c) Loans and Borrowings: Interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. After initial recognition Gain and Liabilities held for Trading are recognised in statement of profit and Loss Account.

d) Derecognition of Financial Liabilities: A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

e) Offsetting financial instruments: Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis to realise the asset and settle the liability simultaneously.

   Subsequent recoveries of amounts previously written off are credited to Other Income.

vii. **Cash and Cash Equivalents:**

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

viii. **Provisions, Contingent Liabilities and Contingent Assets:**

a) General: Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, the amount of a provision shall be the present value of expense expected to be required to settle the obligation Provisions are therefore discounted, when effect is material, the discount rate shall be pre-tax rate that reflects current market assessment of time value of money and risk specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

b) Contingencies: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Annexures to the Financial Statements.

   A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, Contingent assets are not recognised, but are disclosed in the notes. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

ix. **Share Capital and Securities Premium:**

Ordinary shares are classified as Equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Par value of the equity share is recorded as share capital and the amount received in excess of the par value is classified as securities premium.

x. **Revenues:**

a) Sale of services: Revenue from rendering of services is recognised over time as the customer receives the benefit of the Company's performance and the Company has an enforceable right to payment for services transferred.

b) Other Income:
   -Interest Income: Interest income is recognised on a time proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

xi. **Taxation:**

a) **Current Tax:** Current tax is expected tax payable on the taxable income for the year, using the tax rate enacted at the reporting date, and any adjustment to the tax payable in respect of the earlier periods.

b) **Deferred Tax:** Deferred tax is recognized for all taxable temporary differences and is calculated based on the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the assets can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset and when the deferred tax balances relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but the Group intends to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

c) **Current and Deferred Tax for the Year**: Current and deferred tax are recognized in the statement of profit & loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current tax and deferred tax is recognized directly in other comprehensive income or equity respectively.

xii. **Earning Per Share:**

Basic Earnings Per Share is computed by dividing the net profit attributable to the equity shareholders of the company to the weighted average number of Shares outstanding during the period & Diluted earnings per share is computed by dividing the net profit attributable to the equity shareholders of the company after adjusting the effect of all dilutive potential equity shares that were outstanding during the period. The weighted average number of shares outstanding during the period includes the weighted average number of equity shares that could have issued upon conversion of all dilutive potential.

xiii. **Lease:**

**As a lessee:** The Group's lease asset classes primarily consist of leases for Land, Vehicles and Plant & Machinery. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

**xiv. Commitments:**

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

a) estimated amount of contracts remaining to be executed on capital account and not provided for,
b) uncalled liability on shares and other investments partly paid;
c) funding related commitment to subsidiary

**xv. Investment Properties:**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

xvi. **Employee Benefits:**

The company provides for the various benefits plans to the employees. These are categorized into Defined Benefits Plans and Defined Contributions Plans. Defined contribution plans includes the amount paid by the company towards the liability for Provident fund to the employees provident fund organization and Employee State Insurance fund in respect of ESI and defined benefits plans includes the retirement benefits, such as gratuity.

a) In respect Defined Contribution Plans, contribution made to the specified fund based on the services rendered by the employees are charged to Statement of Profit & Loss in the year in which services are rendered by the employee.

b) Liability in respect of Defined Long-Term benefit plan is determined at the present value of the amounts payable determined using actuarial valuation techniques performed by an independent actuarial at each balance sheet date using the projected unit credit methods. Re-measurement, comprising actuarial gain and losses, the effects of assets ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of Financial Position with a charge or credit recognized in other comprehensive income in the period in which they occur. Past Service cost is recognized in the statement of profit & loss in the period of plan amendment.

c) Liabilities for short term employee benefits are measured at undiscounted amount of the benefits expected to be paid and charged to Statement of Profit & Loss in the year in which the related service is rendered.

xvii. **Inventories:**

Work in Progress: Work in Progress, are valued at cost based on First in First out method.

Stores & Spares are valued at lower of cost based on First in First out method or net realizable value. Cost of inventories comprises all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

**2.5 Critical Accounting Estimates, Assumptions and Judgements**

In the process of applying the Group's accounting policies, management has made the following estimates, assumptions and judgements, which have significant effect on the amounts recognised in the financial statement:

a) Property, plant and equipment: On transition to Ind AS, the Group has adopted optional exemption under IND AS 101 for fair valuation of property, plant and equipment. and investment properties.The Group appointed external adviser to assess the fair value, remaining useful lives and residual value of property, plant and equipment. Management believes that the assigned fair value, useful lives and residual value are reasonable.

b) Income Taxes: Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Group reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the standalone financial statements.

c) Contingencies: Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/ litigations against the Group as it is not possible to predict the outcome of pending matters with accuracy.

d) Allowance for uncollectable accounts receivable and advances: Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible. Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

**2.6 Recent Accounting Developments**

Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

Ind AS 16 – Property Plant and equipment **-** The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Group has evaluated the amendment and there is no impact on its financial statements.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted.

The Group has evaluated the amendment and the impact is not expected to be material.

**PRINCIPAL COMPONENTS OF STATEMENT OF PROFIT AND LOSS**

Set forth below are the principal components of statement of profit and loss from our continuing operations:

***Income***

Our total income comprises revenue from operations & other income as mentioned below:

*Revenue from Operations*

Our revenue from operations primarily includes income from Installation and commissioning of Sewerage treatment plants and sale of scraps.

*Other Income*

Other income includes (i) interest income on FDR's and other deposits; (ii) Rent, (iii) Gain on Investment in shares of subsidiary, (iv) Profit on sale of Property, plant and equipment, (v) Miscellaneous Income etc.

***Expenses***

Our total expenses include the below mentioned expenses:

*Cost of Revenue of Operations*

Cost of revenue of operations is the aggregate of our cost of raw materials consumed which includes additional purchases and change in inventory of raw materials.

*Changes in Inventories of Work-in-Process*

Changes in inventories of work-in-progress denote increase/ decrease in inventories of work in progress between opening and closing dates of a reporting period.

*Employee benefit expenses*

Employee benefit expenses primarily include (i) salaries and wages, (ii) director remuneration, (iii) bonus & incentive, (iv) contributions to ESI, PFI and other funds, (v) gratuity, (vi) staff welfare expenses and (vii) leave encashment.

*Finance Cost*

Our finance costs primarily include interest, other borrowing cost and bank charges.

*Depreciation and Amortization Expense*

Depreciation expenses primarily include (i) depreciation expenses on our property, plant and equipment including buildings, plant & machinery, electrical installations, office equipments, computers, furniture's & fixtures and vehicles; and (ii) amortization expenses include amortization of softwares.

*Other Expenses*

Other expenses include Power & Fuel, Erection & Commissioning Charges, Testing Charges, Loading & Unloading, Job Work Charges, Site Expenses, Security Charges, Design and Drawing Expenses, Repair & Maintenance (Machinery), Labour Charges, Hiring of Equipment & Machinery, Freight & Transportation, Rent, Travelling & Conveyance, Hiring of Vehicles, Fee Rates & Taxes, Insurance, Auditors' Remuneration, Legal & Professional and CSR Expenses etc.

*Tax Expense*

Our tax expenses primarily include current tax, deferred tax and adjustment for tax of earlier years.

**CHANGES IN ACCOUNTING POLICIES**

There have been no changes in our accounting policies during Fiscal 2023, 2022 and 2021 except Company have adopted IND AS in FY 2022-23.

**NON-GAAP MEASURES**

EBITDA and EBITDA Margin, (together, "Non-GAAP Measures"), presented in this Red Herring Prospectus is a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, IFRS or US GAAP. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, IFRS or US GAAP.

In addition, these Non-GAAP Measures are not standardised terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible. Other companies may calculate these Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance.

**Reconciliation of EBITDA and EBIDTA margin to restated profit after tax**

The table below reconciles restated (loss)/ profit for the year to EBITDA. EBITDA is calculated as a profit/ (loss) for the year, plus total tax expenses, finance costs and depreciation and amortization expenses, less other income, while EBITDA margin is the percentage of EBITDS divided by revenue from operations:

(Rs. In Lakhs)

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|---|
| Restated Profit before tax for the year | 14,687.41 | 10,749.30 | 9,819.24 |
| Add: | | | |
| Finance costs | 384.13 | 574.59 | 445.25 |
| Depreciation and amortization expenses | 339.65 | 252.06 | 173.50 |
| Less: | | | |
| Other Income | 511.54 | 324.76 | 548.03 |
| **Earnings before Interest, taxes, depreciation and amortization expenses (EBIDTA)** | **14,899.95** | **11,251.19** | **9,889.96** |
| Revenue from operations | 53,816.17 | 35,985.08 | 33,070.39 |
| **EBIDTA Margin** | **27.69%** | **31.27%** | **29.91%** |

**Reconciliation of return on capital employed**

(Rs. In Lakhs)

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|---|
| Equity | 48,993.89 | 38,112.26 | 30,207.64 |
| Add: | | | |
| Long-term Borrowings | 4,539.56 | 371.31 | 316.29 |
| Short-term Borrowings | - | - | - |
| **Capital employed** | **53,533.45** | **38,483.57** | **30,523.93** |
| Restated profit before interest and tax for the year | 15,071.54 | 11,323.89 | 10,264.49 |
| Return on Capital employed (%) | 28.15% | 29.43% | 33.63% |

**Reconciliation of Return on Equity to Total Equity**

(Rs. In Lakhs)

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|---|
| Closing Equity (a) | 48,993.89 | 38,112.26 | 30,207.64 |
| Opening Equity (b) | 38,112.26 | 30,207.64 | 22,998.88 |
| Average Equity (c)= Avg (a,b) | 43,553.08 | 34,159.97 | 26,603.26 |
| Restated Profit for the year (d) | 10,881.63 | 7,904.62 | 7,195.37 |
| **Return on Equity (%) (e)= d/c** | **24.98** | **23.14** | **27.05** |

**Reconciliation of Total Borrowings and Debt to Equity Ratio**

(Rs. In Lakhs)

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|---|
| Non-Current Liabilities-Borrowings (a) | 4,539.56 | 371.31 | 316.29 |
| Current Liabilities-Borrowings (b) | - | - | - |
| Total Borrowings (c)=a+b | 4,539.56 | 371.31 | 316.29 |

| | | | |
|---|---|---|---|
| Total Equity (d) | 48,993.89 | 38,112.26 | 30,207.64 |
| **Debt to Equity Ratio (times) (e)=c/d** | **0.09** | **0.01** | **0.01** |

**Results of Operations based on Restated Consolidated Financial Statement**

The following table sets forth select financial data from our restated statement of profit and loss & the components of which are also expressed as a percentage of total income.

(Rs. in Lakhs)

| Particulars | For the year ended 31st March 2023 | % of Total Income | For the year ended 31st March 2022 | % of Total Income | For the year ended 31st March 2021 | % of Total Income |
|---|---|---|---|---|---|---|
| **I) Incomes** | | | | | | |
| Revenue from Operations (Net) | 53,816.17 | 99.06% | 35,985.08 | 99.11% | 33,070.39 | 98.37% |
| Other Income | 511.54 | 0.94% | 324.76 | 0.89% | 548.03 | 1.63% |
| **II) Total revenue** | **54,327.71** | **100.00%** | **36,309.84** | **100.00%** | **33,618.42** | **100.00 %** |
| | | | | | | |
| **III) Expenses** | | | | | | |
| Cost of Revenue from Operations | 40,941.82 | 75.36% | 24,447.41 | 67.33% | 20,821.59 | 61.94% |
| Changes in inventories of work-in-progress | (5,062.13) | (9.32)% | -1,866.67 | (5.14)% | 747.56 | 2.22% |
| Employee benefit expenses | 1,402.19 | 2.58% | 1,064.84 | 2.93% | 785.11 | 2.34% |
| Finance costs | 384.13 | 0.71% | 574.59 | 1.58% | 445.25 | 1.32% |
| Depreciation and amortization expense | 339.95 | 0.63% | 252.06 | 0.69% | 173.50 | 0.52% |
| Other expenses | 1,634.34 | 3.01% | 1,088.31 | 3.00% | 826.17 | 2.46% |
| **Total Expenses** | **39,640.30** | **72.97%** | **25,560.54** | **70.40%** | **23,799.18** | **70.79%** |
| | | | | | | |
| **Restated Profit before Exception Items and Taxes** | **14,687.41** | **27.03%** | **10,749.30** | **29.60%** | **9,819.24** | **29.21%** |
| | | | | | | |
| **Extraordinary Items** | - | - | - | - | - | - |
| | | | | | | |
| **Profit Before Tax** | **14,687.41** | **27.03%** | **10,749.30** | **29.60%** | **9,819.24** | **29.21%** |
| Tax Expense | | | | | | |
| Current Tax | 3,812.94 | 7.02% | 2,859.09 | 7.87% | 2,628.34 | 7.82% |
| Deferred Tax | 7.49 | 0.01% | (2.62) | (0.01)% | (0.23) | 0.00% |
| | | | | | | |
| **Restated Profit for the Period** | **10,866.98** | **20.00%** | **7,892.83** | **21.74%** | **7,191.14** | **21.39%** |
| **Other Comprehensive Income (OCI) (VIII)** | | | | | | |
| | | | | | | |
| **Items not to be reclassified to profit or loss in subsequent period:** | | | | | | |
| Remeasurement gain/ (loss) on defined benefit plan (net of Tax) | 8.78 | 0.02% | 6.53 | 0.02% | 3.48 | 0.01% |

| | | | | | | |
|---|---|---|---|---|---|---|
| Gain/(Loss) on Investments through OCI | 5.86 | 0.01% | 5.26 | 0.01% | 0.75 | 0.00% |
| | | | | | | |
| **Restated Total Comprehensive Income for the period/year, net of tax** | **10,881.63** | **20.03%** | **7,904.62** | **21.77%** | **7,195.37** | **21.40%** |
| | | | | | | |
| **Profit for the year attributable to** | | | | | | |
| Shareholders of the company | 10,750.59 | 19.79% | 7,814.74 | 21.52% | 7,188.36 | 21.38% |
| Non-Controlling Interest | 116.39 | 0.21% | 78.09 | 0.22% | 2.78 | 0.01% |
| | **10,866.98** | **20.00%** | **7,892.83** | **21.74%** | **7,191.14** | **21.39%** |
| | | | | | | |
| **Other Comprehensive income for the year attributable to** | | | | | | |
| Shareholders of the company | 14.65 | 0.03% | 11.79 | 0.03% | 4.22 | 0.01% |
| Non-Controlling Interest | - | - | - | - | - | - |
| | **14.65** | **0.03%** | **11.79** | **0.03%** | **4.22** | **0.01%** |
| | | | | | | |
| **Total Comprehensive income for the year attributable to** | | | | | | |
| Shareholders of the company | 10,765.24 | 19.82% | 7,826.53 | 21.55% | 7,192.59 | 21.39% |
| Non-Controlling Interest | 116.39 | 0.21% | 78.09 | 0.22% | 2.78 | 0.01% |
| | **10,881.63** | **20.03%** | **7,904.62** | **21.77%** | **7,195.37** | **21.40%** |

**FISCAL 2023 COMPARED TO FISCAL 2022**

***Income***

The table below sets forth details in relation to our revenue for Fiscal 2023 and Fiscal 2022:

| Particulars | Fiscal 2023 (In Lakhs) | Fiscal 2022 (In Lakhs) | % Increase/(decrease) |
|---|---|---|---|
| Revenue from Operations | 53,816.17 | 35,985.08 | 49.55% |
| Other Income | 511.54 | 324.76 | 57.51% |
| **Total Revenue** | **54,327.71** | **36,309.84** | **49.62%** |

Our revenue from operations increased by Rs. 17,831.09 lakhs or 49.55% to Rs. 53,816.17 lakhs for Fiscal 2023 as compared to Rs. 35,985.08 lakhs for Fiscal 2022. This increase in revenue from operations was primarily due to increased income from Installation and commissioning of Sewerage Treatment plants on recovery from COVID & handsome amount of order book, our order book was also increased from Rs. 86,362.00 Lakhs as of March 31, 2022 to Rs. 1,38,908.00 Lakhs as of March 31, 2023.

Other income also increased by Rs. 186.78 lakhs or 57.51% to Rs. 511.54 lakhs for Fiscal 2023 compared to Rs. 324.76 lakhs for Fiscal 2022. This increase in other income was primarily due to increase in interest income earned on deposits/FDRs, the interest income increased by Rs. 164.94 Lakhs by 51.64% to Rs. 484.33 Lakhs for Fiscal 2023 compared to Rs. 319.39 Lakhs for Fiscal 2022.

***Expenses***

The table below sets forth details in relation to our total expenses for Fiscal 2023 compared to our total expenses for Fiscal 2022:

| Particulars | Fiscal 2023 (In Lakhs) | Fiscal 2022 (In Lakhs) | % Increase/(decrease) |
|---|---|---|---|
| Cost of Revenue from Operations | 40,941.82 | 24,447.41 | 67.47% |
| Changes in Inventories of Work-in-process | (5,062.13) | (1,866.67) | 171.19% |
| Employee Benefits Expense | 1,402.19 | 1,064.84 | 31.68% |
| Finance Cost | 384.13 | 574.59 | (33.15)% |
| Depreciation and amortization expense | 339.95 | 252.06 | 34.87% |
| Other Expenses | 1,634.34 | 1,088.31 | 50.17% |
| **Total Expenses** | **39,640.30** | **25,560.54** | **55.08%** |

Our total expenses increased by Rs. 14,079.76 lakhs or 55.08% to Rs. 39,640.30 lakhs for Fiscal 2023 compared to Rs. 25,560.54 lakhs for Fiscal 2022.

This was primarily attributable to:

*Cost of Revenue from Operations*

The table below sets forth details in relation to our cost of Revenue from operations for the periods indicated below:

| Particulars | Fiscal 2023 (In Lakhs) | Fiscal 2022 (In Lakhs) | % Increase/ (decrease) |
|---|---|---|---|
| Consumption of stores and spare parts | 9,822.43 | 8,313.35 | 18.15% |
| Power & Fuel | 1,060.67 | 996.20 | 6.47% |
| Labour Processing, Testing and Machinery Hire Charges | 1,737.30 | 1,456.80 | 19.25% |
| Installation and Erection Charges | 20.44 | 666.38 | -96.93% |
| Job Work Charges | 28,282.53 | 13,007.18 | 117.44% |
| Consultancy Fees | 18.45 | 7.50 | 146.00% |
| **Cost of Material Consumed** | **40,941.82** | **24,447.41** | **67.47%** |

Our cost of revenue for operations increased by Rs. 16,494.41 lakhs or 67.47% to Rs. 40,941.82 lakhs for Fiscal 2023 compared to Rs. 24,447.41 lakhs for Fiscal 2022. This increase was primarily due to increase in Installation and Erection Charges, Consumption of stores and spare parts and Power & Fuel due to increase in sales of services.

*Change in inventories of work-in-progress*

The table below sets forth details in relation to changes in inventories for the periods indicated below:

| Particulars | Fiscal 2023 (In Lakhs) | Fiscal 2022 (In Lakhs) | % Increase/ (decrease) |
|---|---|---|---|
| As at the end of the reporting period/year | | | |
| Work in Progress | 10,471.73 | 5,409.60 | 93.58% |
| (A) | 10,471.73 | 5,409.60 | 93.58% |
| As at the beginning of the reporting period/year | | | |
| Work in Progress | 5,409.60 | 3,542.93 | 52.69% |
| (B) | 5,409.60 | 3,542.93 | 52.69% |
| **Total (B-A)** | **(5,062.13)** | **(1,866.67)** | **171.19%** |

Our inventory level for work-in-progress in Fiscal 2023 had decreased by Rs. 5,062.13 lakhs i.e. from Rs. 10,471.73 lakhs in Fiscal 2023 to Rs. 5,409.60 lakhs in Fiscal 2022. The decrease in inventory of work-in-progress are in line with increase turnover in the Fiscal 2022.

*Employee benefits expense*

Our employee benefits expense increased by Rs. 337.35 lakhs or 1.68% to Rs. 1,402.19 lakhs for Fiscal 2023 from Rs. 1,064.84 lakhs for Fiscal 2022. The increase primary due to increase in salary and wages and increase in the number of employees, increase in directors' remunerations and staff welfare expenses. Further, as a percentage of our revenue from operation, the cost of employee benefit expenses has decreased to 2.58% in Fiscal 2023 from 2.93% in Fiscal 2022.

*Finance costs*

The table below sets forth details in relation our finance cost for the periods indicated below:

| Particulars | Fiscal 2022 (In Lakhs) | Fiscal 2021 (In Lakhs) | % Increase/(decrease) |
|---|---|---|---|
| Interest paid | 0.07 | 2.43 | (97.12)% |
| Other Finance Cost | 376.28 | 572.16 | (34.24)% |
| Interest on Govt. dues | 7.79 | - | 100.00% |
| **Finance cost** | **384.13** | **574.59** | **(33.15%)** |

Our finance costs decreased by Rs. 190.46 lakhs or 33.15% to Rs. 384.13 lakhs for Fiscal 2023 compared to Rs. 574.59 lakhs for Fiscal 2022. This decrease was primarily due to decrease in other finance charges/cost incurred by the Company.

*Depreciation and Amortisation Expense*

Our depreciation and amortisation expense increased by Rs. 87.89 lakhs or 34.87% to Rs. 39.95 lakhs for Fiscal 2023 compared to Rs. 252.06 lakhs for Fiscal 2022. This increase was due to purchase of plant & office equipment's.

*Other expenses*

Our other expenses increased by Rs. 546.03 lakhs or 50.17% to Rs. 1,634.34 lakhs for Fiscal 2023 as compared to Rs. 1,088.31 lakhs for Fiscal 2022. This increase was primarily due to increase in job work charges, miscellaneous expenses, legal & professional charges towards designing, power & fuel, fees & subscriptions, Repair and Maintenance, rent, rates & taxes expenses, which was increased due to increase in operations during the year. Further, as a percentage of our revenue from operation, the other expenses also increased to 3.01% in Fiscal 2023 from 3.00% in Fiscal 2022.

*EBITDA*

For the reasons described above, our EBITDA increased by Rs. 3,648.76, or 32.43 %, to Rs. 14,899.95 lakhs for Fiscal 2023 from Rs. 11,251.19 lakhs for Fiscal 2022.

*Restated Profit before Tax*

As a result of the foregoing factors, our profit before tax increased by Rs. 3,93811 lakhs or 36.64% to Rs. 14,687.41 lakhs for Fiscal 2023 as compared to Rs. 10,749.30 lakhs for Fiscal 2022. This increase was on account of increased order flow, higher operations and better realizations.

*Tax Expenses*

Our tax expenses increased by Rs. 963.96 lakhs or 33.75% to Rs. 3,820.43 lakhs for Fiscal 2023 compared to Rs. 2,856.47 lakhs for Fiscal 2022. The increase in tax expenses during Fiscal 2023 is mainly on account of increase in current tax by Rs. 953.85 lakhs, or 33.36%, to Rs. 3,812.94 lakhs for Fiscal 2023 from Rs. 2,859.09 lakhs for Fiscal 2022. The increase in current tax was primarily on account of increase in taxable income for Fiscal 2023.

*Restated Profit for the Year*

As a result of the foregoing factors, our profit for the year increased by Rs. 2,977.01 lakhs or 37.66% to Rs. 10,88163 lakhs for Fiscal 2023 compared to Rs. 7,904.62 lakhs for Fiscal 2022.

**FISCAL 2022 COMPARED TO FISCAL 2021**

***Income***

The table below sets forth details in relation to our revenue for Fiscal 2022 and Fiscal 2021:

| Particulars | Fiscal 2022 (In Lakhs) | Fiscal 2021 (In Lakhs) | % Increase/(decrease) |
|---|---|---|---|
| Revenue from Operations | 35,985.08 | 33,070.39 | 8.81% |

| | | | |
|---|---|---|---|
| Other Income | 324.76 | 548.03 | (40.74)% |
| **Total Revenue** | **36,309.84** | **33,618.42** | **8.01%** |

Our revenue from operations increased by Rs. 2,914.69 lakhs or 8.81% to Rs. 35,985.08 lakhs for Fiscal 2022 as compared to Rs. 33,070.39 lakhs for Fiscal 2021. This increase in revenue from operations was primarily due to increased income from Installation and commissioning of Sewerage Treatment plants.

Other income decreased by Rs. 223.27 lakhs or 40.74% to Rs. 324.76 lakhs for Fiscal 2022 compared to Rs. 548.03 lakhs for Fiscal 2021. This decrease in other income was primarily due to decrease in interest income earned on deposits/FDRs, the interest income decreased Rs. 135.18 Lakhs by 42.32% to Rs. 184.21 Lakhs for Fiscal 2022 compared to Rs. 319.39 Lakhs for Fiscal 2021.

***Expenses***

The table below sets forth details in relation to our total expenses for Fiscal 2022 compared to our total expenses for Fiscal 2021:

| Particulars | Fiscal 2022 (In Lakhs) | Fiscal 2021 (In Lakhs) | % Increase/(decrease) |
|---|---|---|---|
| Cost of Revenue from Operations | 24,447.41 | 20,821.59 | 17.41% |
| Changes in Inventories of Work-in-process | (1,866.67) | 747.56 | (349.70)% |
| Employee Benefits Expense | 1,064.84 | 785.11 | 35.63% |
| Finance Cost | 574.59 | 445.25 | 29.05% |
| Depreciation and amortization expense | 252.06 | 173.5 | 45.28% |
| Other Expenses | 1,088.31 | 826.17 | 31.73% |
| **Total Expenses** | **25,560.54** | **23,799.18** | **7.40%** |

Our total expenses increased by Rs. 1,761.36 lakhs or 7.40% to Rs. 25,560.54 lakhs for Fiscal 2022 compared to Rs. 23,799.18 lakhs for Fiscal 2021. This was primarily attributable to:

*Cost of Revenue from Operations*

The table below sets forth details in relation to our cost of Revenue from operations for the periods indicated below:

| Particulars | Fiscal 2022 (In Lakhs) | Fiscal 2021 (In Lakhs) | % Increase/ (decrease) |
|---|---|---|---|
| Consumption of stores and spare parts | 8,313.35 | 6,408.49 | 29.72% |
| Power & Fuel | 996.20 | 632.16 | 57.59% |
| Labour Processing, Testing and Machinery Hire Charges | 1,456.80 | 1,112.33 | 30.97% |
| Installation and Erection Charges | 666.38 | 7.36 | 8954.08% |
| Job Work Charges | 13,007.18 | 12,421.64 | 4.71% |
| Consultancy Fees | 7.50 | 221.59 | -96.62% |
| Other | - | 18.02 | (100.00)% |
| **Cost of Material Consumed** | **24,447.41** | **20,821.59** | **17.41%** |

Our cost of revenue for operations increased by Rs. 3,625.82 lakhs or 17.41% to Rs. 24,447.41 lakhs for Fiscal 2022 compared to Rs. 20,821.59 lakhs for Fiscal 2021. This increase was primarily due to increase in Installation and Erection Charges, Consumption of stores and spare parts and Power & Fuel due to increase in sales of services.

*Change in inventories of work-in-progress*

The table below sets forth details in relation to changes in inventories for the periods indicated below:

| Particulars | Fiscal 2022 (In Lakhs) | Fiscal 2021 (In Lakhs) | % Increase/ (decrease) |
|---|---|---|---|
| As at the end of the reporting period/year | | | |
| Work in Progress | 5,409.60 | 3,542.93 | 52.69% |
| (A) | 5,409.60 | 3,542.93 | **52.69%** |
| As at the beginning of the reporting period/year | | | |
| Work in Progress | 3,542.93 | 4,290.49 | (17.42)% |
| (B) | 3,542.93 | 4,290.49 | **(17.42)%** |
| **Total (B-A)** | **-1,866.67** | **747.56** | **(349.70)%** |

Our inventory level for work-in-progress in Fiscal 2022 had decreased by Rs. 1,866.67 lakhs i.e. from Rs. 3,542.93 lakhs in Fiscal 2021 to Rs. 5,409.60 lakhs in Fiscal 2022. The decrease in inventory of work-in-progress are in line with increase turnover in the Fiscal 2022.

*Employee benefits expense*

Our employee benefits expense increased by Rs. 279.73 lakhs or 35.63% to Rs. 1,064.84 lakhs for Fiscal 2022 from Rs. 785.11 lakhs for Fiscal 2021. The increase primary due to increase in salary and wages and increase in the number of employees, increase in directors' remunerations and staff welfare expenses. Further, as a percentage of our revenue from operation, the cost of employee benefit expenses also increased to 2.93% in Fiscal 2022 from 2.34% in Fiscal 2021.

*Finance costs*

The table below sets forth details in relation our finance cost for the periods indicated below:

| Particulars | Fiscal 2022 (In Lakhs) | Fiscal 2021 (In Lakhs) | % Increase/(decrease) |
|---|---|---|---|
| Interest paid | 2.43 | 44.45 | (94.53)% |
| Other Finance Cost | 572.16 | 400.80 | 42.75% |
| **Finance cost** | **574.59** | **445.25** | **29.05%** |

Our finance costs increased by Rs. 129.34 lakhs or 29.05% to Rs. 574.59 lakhs for Fiscal 2022 compared to Rs. 445.25 lakhs for Fiscal 2021. This increase was primarily due to increase in other finance charges/cost incurred by the Company.

*Depreciation and Amortisation Expense*

Our depreciation and amortisation expense increased by Rs. 78.56 lakhs or 45.28% to Rs. 252.06 lakhs for Fiscal 2022 compared to Rs. 173.50 lakhs for Fiscal 2021. This increase was due to purchase of plant & office equipment's.

*Other expenses*

Our other expenses increased by Rs. 262.14 lakhs or 31.73% to Rs. 1,088.31 lakhs for Fiscal 2022 as compared to Rs. 826.17 lakhs for Fiscal 2021. This increase was primarily due to increase in consumption of spares and stores, legal & professional charges towards designing, power & fuel, Repair and Maintenance, rent, rates & taxes expenses, which was increased due to increase in operations during the year. Further, as a percentage of our revenue from operation, the other expenses also increased to 3.00% in Fiscal 2022 from 2.46% in Fiscal 2021.

*EBITDA*

For the reasons described above, our EBITDA increased by Rs. 1,685.99 lakhs, or 17.05 %, to Rs. 11,575.95 lakhs for Fiscal 2022 from Rs. 9,889.96 lakhs for Fiscal 2021.

*Restated Profit before Tax*

As a result of the foregoing factors, our profit before tax increased by Rs. 930.06 lakhs or 9.47% to Rs. 10,749.30 lakhs for Fiscal 2022 as compared to Rs. 9,819.24 lakhs for Fiscal 2021. This increase was on account of increased order flow, higher operations and better realizations.

*Tax Expenses*

Our tax expenses increased by Rs. 228.36 lakhs or 8.77% to Rs. 2,856.47 lakhs for Fiscal 2022 compared to Rs. 2,628.11 lakhs for Fiscal 2021. The increase in tax expenses during Fiscal 2022 is mainly on account of increase in current tax by Rs. 230.75 lakhs, or 8.78%, to Rs. 2,859.09 lakhs for Fiscal 2022 from Rs. 2,628.34 lakhs for Fiscal 2021. The increase in current tax was primarily on account of increase in taxable income for Fiscal 2022.

*Restated Profit for the Year*

As a result of the foregoing factors, our profit for the year increased by Rs. 701.69 lakhs or 9.76% to Rs. 7,892.83 lakhs for Fiscal 2022 compared to Rs. 7,191.14 lakhs for Fiscal 2021.

**FISCAL 2021 COMPARED TO FISCAL 2020**

***Income***

The table below sets forth details in relation to our revenue for Fiscal 2021 and Fiscal 2020:

| Particulars | Fiscal 2021 (In Lakhs) | Fiscal 2020 (In Lakhs) | % Increase/(decrease) |
|---|---|---|---|
| Revenue from Operations | 33,070.39 | 32,564.19 | 1.55% |
| Other Income | 548.03 | 671.80 | (18.42)% |
| **Total Revenue** | **33,618.42** | **33,235.99** | **1.15%** |

Our revenue from operations increased slightly by Rs. 506.20 lakhs or 1.55% to Rs. 33,070.39 lakhs for Fiscal 2021 as compared to Rs. 32,564.19 lakhs for Fiscal 2020. This increase in revenue from operations was primarily due to increased income from Installation and commissioning of Sewerage Treatment plants.

Other income decreased by Rs. 123.77 lakhs or 18.42% to Rs. 548.03 lakhs for Fiscal 2021 compared to Rs. 671.80 lakhs for Fiscal 2020. This decrease in other income was primarily due to decrease in Miscellaneous Income, further in Fiscal 2020 Company booked the Gain on Investment in shares of subsidiary amounting Rs. 68.03 Lakhs.

***Expenses***

The table below sets forth details in relation to our total expenses for Fiscal 2021 compared to our total expenses for Fiscal 2020:

| Particulars | Fiscal 2021 (In Lakhs) | Fiscal 2020 (In Lakhs) | % Increase/(decrease) |
|---|---|---|---|
| Cost of Revenue from Operations | 20,821.59 | 23,038.96 | (9.62)% |
| Changes in Inventories of Work-in-process | 747.56 | (1,663.15) | (144.95)% |
| Employee Benefits Expense | 785.11 | 679.33 | 15.57% |
| Finance Cost | 445.25 | 290.07 | 53.50% |
| Depreciation and amortization expense | 173.5 | 156.82 | 10.64% |
| Other Expenses | 826.17 | 903.75 | (8.58)% |
| **Total Expenses** | **23,799.18** | **23,405.78** | **1.68%** |

Our total expenses increased by Rs. 393.40 lakhs or 1.68% to Rs. 23,799.18 lakhs for Fiscal 2021 compared to Rs. 23,405.78 lakhs for Fiscal 2020. This was primarily attributable to:

*Cost of Revenue from Operations*

The table below sets forth details in relation to our cost of Revenue from operations for the periods indicated below:

| Particulars | Fiscal 2021 (In Lakhs) | Fiscal 2020 (In Lakhs) | % Increase/ (decrease) |
|---|---|---|---|
| Consumption of stores and spare parts | 6,408.49 | 8,343.54 | (23.19)% |
| Power & Fuel | 632.16 | 705.36 | (10.38)% |
| Labour Processing, Testing and Machinery Hire Charges | 1,112.33 | 1,626.61 | (31.62)% |
| Installation and Erection Charges | 7.36 | 25.51 | (71.15)% |
| Job Work Charges | 12,421.64 | 12,159.48 | 2.16% |
| Consultancy Fees | 221.59 | 5.38 | 4018.77% |
| Other | 18.02 | 173.08 | (89.59)% |
| **Cost of Material Consumed** | **20,821.59** | **23,038.96** | (9.62)% |

Our cost of revenue for operations decreased by Rs. 2,217.37 lakhs or 9.62% to Rs. 20,821.59 lakhs for Fiscal 2021 compared to Rs. 23,038.96 lakhs for Fiscal 2020. This decrease was primarily due to decrease in Installation and Erection Charges, Consumption of stores and spare parts and Power & Fuel due and Other expenses.

*Change in inventories of work-in-progress*

The table below sets forth details in relation to changes in inventories for the periods indicated below:

| Particulars | Fiscal 2021 (In Lakhs) | Fiscal 2020 (In Lakhs) | % Increase/(decrease) |
|---|---|---|---|
| As at the end of the reporting period/year | | | |
| Work in Progress | 3,542.93 | 4,290.49 | (17.42)% |
| (A) | 3,542.93 | 4,290.49 | (17.42)% |
| As at the beginning of the reporting period/year | | | |
| Work in Progress | 4,290.49 | 2,627.34 | 63.30% |
| (B) | 4,290.49 | 2,627.34 | 63.30% |
| **Total (B-A)** | **747.56** | **(1,663.15)** | **(144.95)%** |

Our inventory level for work-in-progress in Fiscal 2021 had decreased by Rs. 2,410.71 lakhs i.e. from Rs. (1,663.15) lakhs in Fiscal 2020 to Rs. 747.56 lakhs in Fiscal 2021. The increase in inventory of work-in-progress are in line with increase turnover in the Fiscal 2021.

*Employee benefits expense*

Our employee benefits expense increased by Rs. 105.78 lakhs or 15.57% to Rs. 785.11 lakhs for Fiscal 2021 from Rs. 679.33 lakhs for Fiscal 2020. The increase primary due to increase in increase in directors' remunerations and staff welfare expenses. Further, as a percentage of our revenue from operation, the cost of employee benefit expenses also increased to 2.34% in Fiscal 2021 from 2.04% in Fiscal 2020.

*Finance costs*

The table below sets forth details in relation our finance cost for the periods indicated below:

| Particulars | Fiscal 2021 (In Lakhs) | Fiscal 2020 (In Lakhs) | % Increase/(decrease) |
|---|---|---|---|
| Interest paid | 44.45 | 119.69 | (62.86)% |
| Other Finance Cost | 400.80 | 170.38 | 135.24% |
| **Finance cost** | **445.25** | **290.07** | **53.50%** |

Our finance costs increased by Rs. 155.18 lakhs or 53.50% to Rs. 445.25 lakhs for Fiscal 2021 compared to Rs. 290.07 lakhs for Fiscal 2020. This increase was primarily due to increase in other finance charges/cost incurred by the Company by 42.75% from Rs. 170.38 Lakhs for Fiscal 2020 to Rs. 445.25 Lakhs for Fiscal 2021.

*Depreciation and Amortisation Expense*

Our depreciation and amortisation expense increased by Rs. 16.68 lakhs or 10.64% to Rs. 173.50 lakhs for Fiscal 2021 compared to Rs. 156.82 lakhs for Fiscal 2020. This increase was due to addition of rights to use of assets by the Company.

*Other expenses*

Our other expenses decreased by Rs. 77.58 lakhs or 8.58% to Rs. 826.17 lakhs for Fiscal 2021 as compared to Rs. 903.75 lakhs for Fiscal 2020. This decrease was primarily due to decrease in legal & professional charges towards designing. Further, as a percentage of our revenue from operation, the other expenses also decreased to 2.46% in Fiscal 2021 from 2.72% in Fiscal 2020.

*EBITDA*

For the reasons described above, our EBITDA increased by Rs. 284.65 lakhs, or 2.96%, to Rs. 9,889.96 lakhs for Fiscal 2021 from Rs. 9,605.31 lakhs for Fiscal 2020.

*Restated Profit before Tax*

As a result of the foregoing factors, our profit before tax slightly decreased by Rs. 10.98 lakhs or 0.11% to Rs. 9,819.24 lakhs for Fiscal 2021 as compared to Rs. 9,830.22 lakhs for Fiscal 2020. This decrease was on account of increased total income increased by 1.15% & total expenses increased by 1.68% YOY basis. Further our finance cost also increased by 53.50% in Fiscal 2021 compared to Fiscal 2020.

*Tax Expenses*

Our tax expenses increased by Rs. 41.30 lakhs or 1.30% to Rs. 2,628.11 lakhs for Fiscal 2021 compared to Rs. 2,586.81 lakhs for Fiscal 2020. The increase in tax expenses during Fiscal 2021 is mainly on account of increase in current tax by Rs. 31.56 lakhs, or 1.22%, to Rs. 2,628.34 lakhs for Fiscal 2021 from Rs. 2,596.78 lakhs for Fiscal 2020. The increase in current tax was primarily on account of increase in taxable income for Fiscal 2021.

*Restated Profit for the Year*

As a result of the foregoing factors, our profit for the year decreased by Rs. 52.27 lakhs or 0.72% to Rs. 7,191.14 lakhs for Fiscal 2021 compared to Rs. 7,243.41 lakhs for Fiscal 2020.

**CASH FLOW BASED ON RESTATED CONSOLIDATED FINANCIAL STATEMENTS**

(In Lakhs)

| Particulars | FISCAL | | |
|---|---|---|---|
| | 2023 | 2022 | 2021 |
| Net cash generated from operating activities (A) | (2,540.12) | 2,263.71 | 3,576.82 |
| Net cash (used in)/generated from investing activities (B) | (1,035.67) | (1,477.91) | (847.51) |
| Net cash (used in)/generated from financing activities (C) | 5,637.97 | 276.40 | (1,089.80) |
| Net increase in cash and cash equivalents (A+B+C) | 2,062.18 | 1,062.20 | 1,639.51 |
| Cash and cash equivalents at the beginning of the year | 6,105.29 | 5,043.09 | 3,403.58 |
| Cash and cash equivalents at the end of the year | 8,167.47 | 6,105.29 | 5,043.09 |

*For further details, kindly refer chapter titled "Financial Statement" on page 318.*

***Net Cash Flow from Operating activities***

Net cash flow from operating activities comprises cash consumed / generated from operations, increase / decrease in working capital and increase / decrease in non-current / current liabilities.

***Fiscal 2023***

During the Fiscal 2023, net cash outflow from operating activities was Rs. 2,540.12 Lakhs. Profit before tax stood at Rs. 14,687.41 Lakhs. Primary adjustments were on account of interest expense of Rs. 0.07 Lakhs, depreciation and amortisation expenses on property, plant and equipment of Rs. 257.54 Lakhs, Gain on Sale of Property, Plant and Equipment of Rs. 5.99 Lakhs, Remeasurement gain on defined benefit plan of Rs. 11.74 Lakhs and Gain on Investments through OCI of Rs. 7.83 Lakhs.

Operating cash flows before working capital changes was at Rs. 14,958.61 Lakhs during the Fiscal 2023. Primary adjustments included increase in inventories of Rs. 5,063.06 Lakhs, an decrease in trade payables of Rs. 2,760.84 Lakhs, an increase in other current assets of Rs. 2,713.81 Lakhs, an increase in other financial assets of Rs. 3,132.87 Lakhs, a increase in other current liabilities of Rs. 555.52 Lakhs, an decrease in other financial liabilities of Rs. 337.90 Lakhs, a decrease in provisions of Rs. 2,837.62 Lakhs, a increase in trade receivables of Rs. 1,192.18 Lakhs and an income tax refunded of Rs.15.96 Lakhs. Cash outflow from operations during the Fiscal 2023 was Rs. 2,540.12 Lakhs.

*Fiscal 2022*

During the Fiscal 2022, net cash flow generated from operating activities was Rs. 2,263.71 Lakhs. Profit before tax stood at Rs. 10,749.30 Lakhs. Primary adjustments were on account of interest expense of Rs. 2.43 Lakhs, depreciation and amortisation expenses on property, plant and equipment of Rs. 215.12 Lakhs, Loss on Sale of Property, Plant and Equipment of Rs. 0.15 Lakhs, Remeasurement gain on defined benefit plan of Rs. 8.72 Lakhs and Gain on Investments through OCI of Rs. 7.03 Lakhs.

Operating cash flows before working capital changes was at Rs. 10,982.45 Lakhs during the Fiscal 2022. Primary adjustments included increase in inventories of Rs. 1,869.92 Lakhs, an increase in trade payables of Rs. 271.08 Lakhs, an increase in other current assets of Rs. 3,238.28 Lakhs, an decrease in other financial assets of Rs. 88.55 Lakhs, a increase in other current liabilities of Rs. 1,120.47 Lakhs, an increase in other financial liabilities of Rs. 3,985.67 Lakhs, a increase in provisions of Rs. 2,640.47 Lakhs, a increase in trade receivables of Rs. 6,453.68 Lakhs and an income tax refunded of Rs.18.15 Lakhs. Cash generated from operations during the Fiscal 2022 was Rs. 2,263.71 Lakhs.

*Fiscal 2021*

During the Fiscal 2021, net cash flow generated from operating activities was Rs. 3,576.82 Lakhs. Profit before tax stood at Rs. 9,819.24 Lakhs. Primary adjustments were on account of interest expense of Rs. 44.45 Lakhs, depreciation and amortisation expenses on property, plant and equipment of Rs. 173.50 Lakhs, Remeasurement gain on defined benefit plan of Rs. 4.65 Lakhs and Gain on Investments through OCI of Rs. 1.00 Lakhs.

Operating cash flows before working capital changes was at Rs. 10,042.85 Lakhs during the Fiscal 2021. Primary adjustments included decrease in inventories of Rs. 747.54 Lakhs, an increase in trade payables of Rs. 108.23 Lakhs, an decrease in other current assets of Rs. 3,486.72 Lakhs, an increase in other financial assets of Rs. 2,098.14 Lakhs, an decrease in other current liabilities of Rs. 94.62 Lakhs, an decrease in other financial liabilities of Rs. 648.28 Lakhs, a decrease in provisions of Rs. 2,551.43 Lakhs, a increase in trade receivables of Rs. 5,392.61 Lakhs and an income tax refunded of Rs.23.44 Lakhs. Cash generated from operations during the Fiscal 2021 was Rs. 3,576.82 Lakhs.

**Investing Activities**

Net cash flow from investing activities comprises proceeds from purchase and sale of fixed assets including capital work-in-progress, sale/adjustment of property, plant and equipment, increase in intangible assets and increase in Investment Property.

*Fiscal 2023*

Net cash used in investing activities stood at Rs. (1,035.67) Lakhs as at the end of Financial Year 2022-23, primarily on account of net investment made in property, plant and equipment including capital work in progress is Rs. 878.58 lakhs and increase in investment in property of Rs. 254.17 Lakhs, proceeds from sale of property, plant & equipment of Rs. 91.09 Lakhs, gain on sale of fixed assets of Rs. 5.99 Lakhs and loss on Fair Valuation of Investments long term loans and advances of Rs. 71.11 lakhs.

*Fiscal 2022*

Net cash used in investing activities stood at Rs. (1,477.91) Lakhs as at the end of Financial Year 2021-22, primarily on account of net investment made in property, plant and equipment including capital work in progress is Rs. 845.44 lakhs and increase in investment in property of Rs. 665.02 Lakhs, proceeds from sale of property, plant & equipment of Rs. 39.41 Lakhs, gain on sale of fixed assets of Rs. 0.15 Lakhs and loss on Fair Valuation of Investments long term loans and advances of Rs. 7.03 lakhs.

*Fiscal 2021*

Net cash used in investing activities stood at Rs. (847.51) Lakhs as at the end of Financial Year 2020-21, primarily on account of net investment made in property, plant and equipment including capital work in progress is Rs. 829.16 lakhs and increase in investment in property of Rs. 17.64 Lakhs, proceeds from sale of property, plant & equipment of Rs. 0.29 Lakhs and loss on Fair Valuation of Investments long term loans and advances of Rs. 1.00 lakhs.

**Financing activities**

Net cash flow from financing activities comprises impact due to business combination, proceeds / repayment of borrowing, interest and financial charges.

***Fiscal 2023***

Net cash generated from financing activities in financial year 2022-23 was Rs. 5,637.97 lakhs comprising of increase in other long-term liabilities of Rs. 1,476.08 lakhs, proceeds from long-term borrowings of Rs. 4,168.25 lakhs and interest paid Rs. 0.07 lakhs.

***Fiscal 2022***

Net cash generated from financing activities in financial year 2021-22 was Rs. 276.40 lakhs comprising of increase in other long-term liabilities of Rs. 223.82 lakhs, proceeds from long-term borrowings of Rs. 55.02 lakhs and interest paid Rs. 2.43 lakhs.

***Fiscal 2021***

Net generated financing activities in financial year 2020-21 was Rs. (1,089.80) lakhs, comprising of Contribution from Non Controlling Interests of Rs. 13.41 Lakhs, increase in other long-term liabilities of Rs. 154.03 lakhs, repayment of Lease Liability of Rs. 49.36 lakhs, repayment of short-term borrowings of Rs. 204.56 lakhs, repayment of long-term borrowings of Rs. 958.87 lakhs and interest paid of Rs. 44.45 lakhs.

**INDEBTEDNESS**

The following table sets forth certain information relating to our outstanding indebtedness as of March 31, 2023. For further information on our indebtedness, see "Financial Information" on page 318.

| Category of borrowing | Sanctioned Amount as on March 31, 2023 (Rs. in Lacs) | Outstanding amount as on March 31, 2023 (Rs. in Lacs) |
|---|---|---|
| Fund based limits | 2,600.00 | - |
| Overdrafts | - | - |
| Export Finance | - | - |
| Export Packing Credit* | - | - |
| **Total Fund Based (A)** | **2600.00** | **-** |
| | | |
| Non-fund based limits | - | - |
| Bank Guarantee | 34,650.00 | 25,173.00 |
| Letter of Credit | - | - |
| **Total Non-fund based limits (B)** | **34,650.00** | **25,173.00** |
| **Total (A) + (B)** | **37,250.00** | **25,173.00** |

Our Company has intimated our lender, to the extent required under the agreements entered into between us and such lender, in connection with the Offer and activities in connection thereof.

**(Rs. In Lakhs)**

| Sr. No. | Lender Name | Whether Secured? | Repayment Schedule | O/s as on 31.03.2023 | O/s as on 31.03.2022 | O/s as on 31.03.2021 |
|---|---|---|---|---|---|---|
| 1 | Mr. Neeraj Srivastava | Unsecured | Repayable on demand | 0.50 | 0.50 | 0.50 |
| 2 | Mr. Ashish Tomar | Unsecured | Repayable on demand | 1.78 | 1.78 | 1.78 |
| 3 | Mr. Ramveer Singh | Unsecured | Repayable on demand | 37.28 | 62.08 | 62.08 |

**CAPITAL EXPENDITURES**

Our capital expenditure towards additions to fixed assets (property, plant and equipment's and intangible assets) and capital work-in-progress for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 were Rs. 970.55 lakhs, Rs. 1,470.90 lakhs and Rs. 846.51 lakhs, respectively.

The following table sets forth our gross block of fixed assets for the periods indicated:

(Rs. In Lakhs)

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|---|
| Plant, Property and Equipment including Investment in Property | 1,061.64 | 1,510.46 | 846.80 |
| Less: Sale of Plant, Property and Equipment | 91.09 | 39.56 | 0.29 |

| Net | 970.55 | 1,470.90 | 846.51 |
|---|---|---|---|

**CONTINGENT LIABILITIES AND COMMITMENTS**

(Rs. In Lakhs)

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|---|
| Bank Guarantee issued | 25,173.63 | 18,765.89 | 13,917.58 |
| **Total** | **25,173.63** | **18,765.89** | **13,917.58** |

**OFF-BALANCE SHEET ARRANGEMENTS**

We do not have any off-balance sheet arrangements, derivative instruments or other relationships with other entities that would have been established for the purpose of facilitating off-balance sheet arrangements.

**RELATED PARTY TRANSACTIONS**

We enter into various transactions with related parties in the ordinary course of business. These transactions principally include purchase of materials and equipment from entities where any of our KMPs or their relatives have control or significant influence and sale of services to our group Companies/joint ventures, interest expense paid and unsecured loan taken/repaid from related parties and entities where any of our KMPs or their relatives have control or significant influence, remuneration paid to KMPs and relatives, investment in our subsidiary, expenses incurred on behalf of joint ventures.

For further details, see “Restated Consolidated Financial Statements – Note 45 – Related Party Transactions” on page 361.

**AUDITOR’S OBSERVATIONS**

There are no audit qualifications which have not been given effect in the restated consolidated financial statements.

**KEY RATIOS**

For details in respect of key ratios, see “Financial Statements” on page 318.

**SIGNIFICANT DEPENDENCE ON SINGLE OR FEW CUSTOMERS**

Our business is substantially dependent on WWTPs and WSSPs in India awarded by government authorities and other entities funded by the World Bank through central and/ or state governments. We derive almost all of our revenue from contracts awarded by government entities. Our business could be materially and adversely affected if there are adverse changes in the policies and delays in awarding contracts by these authorities, among other risks.

We bid for WWTPs and WSSPs funded by the World Bank through Central and State Governments and derive our revenues from the contracts awarded to us. Any reduction in budgetary allocation to this sector may affect the number of projects that the government authorities/bodies may plan to develop in a particular period. Our business is directly and significantly dependent on projects awarded by them.

**EXTENT TO WHICH MATERIAL INCREASES IN NET SALES OR REVENUE ARE DUE TO INCREASEDSALES VOLUME, INTRODUCTION OF NEW PRODUCTS OR SERVICES OR INCREASED SALES PRICES**

Our business has been affected and we expect that it will continue to be affected by the trends identified above in “Significant Factors Affecting Our Results of Operations and Financial Condition” and the uncertainties described in the section “Risk Factors” on pages 407 and 32, respectively. Changes in revenue in the last three Fiscals are as described in “– Results of Operations Information for the Fiscal 2023 compared with Fiscal 2022, Fiscal 2022 compared with Fiscal 2021” and “– Results of Operations Information for the Fiscal 2021 compared with Fiscal 2020” mentioned above.

## COMPETITIVE CONDITIONS

We expect competition in our industry from existing and potential competitors to intensify. For further details on competitive conditions that we face across our various business segments see "Our Business", "Industry Overview" and "Risk Factors" beginning on pages 213, 144 and 32, respectively.

## NEW PRODUCT OR BUSINESS SEGMENTS

As on the date of the Red Herring Prospectus, there are no new products or business segments that have or are expected to have a material impact on our business prospects, results of operations or financial condition.

## FUTURE RELATIONSHIP BETWEEN COSTS AND INCOME

Other than as described in "Risk Factors", "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 32, 213 and 406, respectively, to our knowledge there are no known factors that might affect the future relationship between costs and revenue.

## KNOWN TRENDS OR UNCERTAINTIES

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in "Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations" and the uncertainties described in "Risk Factors" beginning on pages on 411 and 32, respectively. To our knowledge, except as discussed in this Red Herring Prospectus, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on sales, revenue or income of our Company from continuing operations.

## SIGNIFICANT ECONOMIC CHANGES THAT MATERIALLY AFFECT OR ARE LIKELY TO AFFECTINCOME FROM CONTINUING OPERATIONS

Our business has been subject, and we expect it to continue to be subject, to significant economic changes that materially affect or are likely to affect income from continuing operations identified above in "Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations" and the uncertainties described in "Risk Factors" beginning on pages 411 and 32 respectively.

## CHANGES IN THE ACCOUNTING POLICIES, IF ANY, IN THE FISCALS 2023, 2022 AND 2021 AND THEIR EFFECT ON OUR PROFITS AND RESERVES

There have been no changes in our accounting policies in the last three Fiscals years except we have adopted IND AS with effect from FY 2022-23.

## UNUSUAL OR INFREQUENT EVENTS OR TRANSACTIONS

Except as described in this Red Herring Prospectus, to our knowledge, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

## QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKs

### Financial Risk Management:

In the course of business, amongst others, the Company is exposed to several financial risks such as Credit Risk, Liquidity Risk, Interest Rate Risk, Exchange Risk and Commodity Price Risk. These risks may be caused by the internal and external factors resulting into impairment of the assets of the Company causing adverse influence on the achievement of Company's strategies, operational and financial objectives, earning capacity and financial position.

The Company has formulated an appropriate policy and established a risk management framework which encompass the following process. • identify the major financial risks which may cause financial losses to the company • assess the probability of occurrence and severity of financial losses • mitigate and control them by formulation of appropriate policies, strategies, structures, systems and procedures • Monitor and review periodically the adherence, adequacy and efficacy of the financial risk management system.

**Foreign Currency Risk**

The Company does not have any foreign currency exposure, accordingly, no foreign currency risk exists.

**Interest Rate Risk**

Generally, market linked financial instruments are subject to interest rate risk. The company does not have any market linked financial instruments both on the asset side as well liability side. Hence there no interest rate risk linked to market rates.

However, the interest rate in respect of major portion of borrowings by the Company from the banks and others are linked with the REPO/T-Bill specified by RBI. Any fluctuation in the same either on higher side or lower side will result into financial loss or gain to the company. And while bidding the Projects the Finance Cost is kept in mind.

**Liquidity Risk:**

Liquidity Risk arises when the company is unable to meet its short-term financial obligations as and when they fall due. Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Company's approach to manage liquidity is to have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed circumstances, without incurring unacceptable losses or risking damage to the Company's reputation. Management manages the liquidity risk by monitoring cash flow forecasts on a periodic basis and maturity profiles of financial assets and liabilities. This monitoring considers the accessibility of cash and cash equivalents and additional undrawn financing facilities. Currently we do not have liquidity risk, we have maintained the sufficient liquidity to grab the opportunities arise in the future.

Liabilities Details:

(Rs. In Lakhs)

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|---|
| Current Liabilities including provisions | 7,948.79 | 10,855.33 | 6,608.65 |
| Non-Current Liabilities including provisions | 6,929.03 | 1,287.75 | 1,015.03 |
| **Total (A)** | **14,877.82** | **12,143.08** | **7,623.68** |
| Cash & Cash equivalent | 8,167.47 | 6,105.29 | 5,043.09 |
| Bank Balances other than Cash and Cash Equivalents | 3,954.68 | 2,887.06 | 1,708.42 |
| **Total (B)** | **12,122.15** | **8,99.35** | **6,751.51** |

**Credit Risk**

Credit Risk refers to the risks that arise on default by the counterparty on its contractual obligation resulting into financial loss to the company. The company may carry this Risk on Trade and other receivables, liquid assets and some of the non-current financial assets. In case of Trade receivables, the company's Cliental are majorly Government departments like U.P Jal Nigam, Uttarakhand Peyjal Nigam, Uttarakhand Urban Sector Development Agency (UUSDA), State Infrastructure and Industrial Development Corporation of Uttarakhand Limited (SIIDCUL), Pashchimanchal Vidyut Vitaran Nigam Limited (PVVNL), Ghaziabad Development Authority, Agra Development Authority, Rajasthan Urban Infrastructure Development Program, Hindustan Steelworks Construction Limited and Indian Railway Construction Limited etc. All these Authorities are highly rated. And the Payment is made as per the Tender terms.

Almost all the projects are world bank funded through state government wherein the funds are already allocated, hence the Debtors realization is on time. Further, in this segment of business the Authority retain certain portion of the bills which is realized at the completion of Projects which is again as per the Contract signed between the Company and the Authority hence fully secured. Hence, based on management estimates, the company has not made any provision on expected credit loss on trade receivables and other financial assets. Moreover, the Company take-up projects for different authorities at different states, wherein the fund allocation is also different, this also mitigates the risk of concentration of Clients. The Company prior to bid any projects do a thorough survey on fund availability, the creditability of the Authority, funding support, etc. The credit risk on cash & cash equivalent, investment in fixed deposits, liquid funds and deposits are insignificant as counterparties are banks.

## SECTION VI: LEGAL AND OTHER INFORMATION
## OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no outstanding (i) criminal proceedings; (ii) actions taken by statutory and regulatory authorities; (iii) tax proceedings - claims related to direct and indirect taxes in a consolidated manner; and (iv) material civil litigation or arbitration proceeding which are determined to be 'material' as per a policy adopted by our Board ("**Materiality Policy**"), in each case involving our Company, Subsidiary, Promoters or Directors (collectively, the "**Relevant Parties**"). Further, there are no disciplinary actions including penalty imposed by the SEBI or stock exchanges against our Promoters in the last five Financial Years including any outstanding action.*

*In terms of the Materiality Policy, any pending/outstanding litigation involving the Relevant Parties which exceeds the amount which is 5% of the profit after tax, as per the Restated Consolidated Financial Statements for the Financial Year 2022-2023 would be considered material for our Company. For the Financial Year 2022-2023, our profit after tax as per the Restated Consolidated Financial Statements is Rs. 10,881.63 lakhs. Accordingly, the following types of litigations involving the Relevant Parties have been considered as 'material', and accordingly disclosed in this Red Herring Prospectus, as applicable:*

a) *pending civil litigations involving the Relevant Parties which involve an amount of or equal to more than the monetary amount of Rs.5,00.00 lakhs; or*
b) *other than the litigations covered in (a) above, pending litigations where the decision in one litigation is likely to affect the decision in similar litigations, even though the amount involved in an individual litigation may not exceed Rs.5,00.00 lakhs; or*
c) *where the monetary liability in the pending civil litigations is not quantifiable or doesn't meet the monetary threshold as provided in (a) above, but where an adverse outcome would materially and adversely affect the business, operations or financial position or reputation of our Company.*

*It is clarified that for the purposes of the above, pre-litigation notices received/ sent by the Relevant Parties from third parties (excluding those notices issued by statutory/regulatory/tax authorities or notices threatening criminal action) shall, unless otherwise decided by our Board, have not and shall not, be considered as material litigation until such time that the Relevant Parties, as the case may be, are impleaded as a party in proceedings before any judicial /arbitral forum.*

*Except as stated in this section, there are no outstanding material dues to creditors of our Company. In accordance with the Materiality Policy, outstanding dues to any creditor of our Company having monetary value exceeding Rs. 250.00 lakhs, which is approx. 5% of the total outstanding dues (trade payables) as per the latest fiscal in the Restated Consolidated Financial Statements included in this Red Herring Prospectus, shall be considered as 'material'. Accordingly, as on March 31, 2023, any outstanding dues exceeding Rs. 250.00 lakhs have been considered as 'material outstanding dues' for the purpose of disclosure in this section. Further, for outstanding dues to any party which is a micro, small or medium enterprise ("**MSME**"), the disclosure 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.*

*All terms defined in a particular litigation disclosure pertain to that litigation only. Unless stated to the contrary, the information provided below is as of the date of this Red Herring Prospectus.*

### I. LITIGATIONS INVOLVING OUR COMPANY

#### A. Outstanding criminal litigations involving our Company

*Criminal litigation against our Company*

1. **Criminal Case No. 3902 of 2019 pending before the Court of Judicial Magistrate 1st Class, Patna City Agamkuan P.S. Case No. 639/2019 dated 11.07.2019 under Section 283/431/427/385 of Indian Penal Code.**

While executing the contract of laying sewerage line on Bhoothnath Main Road, Patna an area of road was cut. However, the Road Construction Department due to non-communication of fact lodged an F.I.R. against the Contractor, M/s. EMS Infracon Private Limited (now EMS Limited). The police never visited the site nor contacted the Site Engineer or any person of the company. Subsequently, when the employer learnt about this case it took up the matter with the Road Construction Department to withdraw the case. However, meanwhile the police completed the formality of submission of charge-sheet for offences under Section 283, 431 and 427 of the Indian Penal Code pursuant to which vide order dated 29.01.2020 the Court of Additional Chief Judicial Magistrate, Patna City took cognizance of the offences and ordered for issuance of Summons.

The Hon'ble High Court of Judicature at Patna has vided its order dated June 21, 2023 in the Criminal Miscellaneous No. 34880 of 2023 stayed the operation of order dated 29.01.2020 passed in Agamkuan P.S. Case No. 639/2019 and has ordered that no coercive steps shall be taken against the petitioner till further orders. Presently the matter is pending and the next date of listing in the Criminal Miscellaneous Case is January 04, 2024.

2. **Warrant or Summons Criminal Case No. 466320/2022 pending before the Chief Judicial Magistrate, Gautam Buddha Nagar, Uttar Pradesh under section 183(1)(i) of the Motor Vehicles Act, 1988.**

A warrant or summons Criminal case No. 466320/2022 is pending against EMS Infracon Private Limited (now EMS Limited) under section 183(1)(i) of the Motor Vehicles Act, 1988 for Virtual Court Traffic Challan. The case was listed on May 20, 2023 and the case now stands posted to August 26, 2023. Presently the matter is pending.

3. **Warrant or Summons Criminal Case No. 317924/2022 pending before the Chief Judicial Magistrate, Gautam Buddha Nagar, Uttar Pradesh under section 194D of the Motor Vehicles Act, 1988.**

A warrant or summons Criminal case No. 317924/2022 is pending against EMS Infracon Private Limited (now EMS Limited) under section 194D of the Motor Vehicles Act, 1988 for Virtual Court Traffic Challan. The case was listed on June 17, 2023 and the case now stands posted to August 19, 2023. Presently the matter is pending.

*Criminal litigations initiated by our Company*

As on the date of this Red Herring Prospectus, there are no outstanding Criminal Litigations initiated by our Company.

**B. Civil litigations involving our Company**

*Civil litigations against our Company*

1. **L.P.A. No.593 of 2021, M/s Toshiba Water Solutions Pvt. Ltd. v. The State of Bihar & Ors., filed against the judgment dated 19.07.2021 in CWJC No.9597 of 2021; M/s EMS Infracon Pvt. Ltd.** (now EMS Limited) **has been arrayed as Respondent No.12 in the Letters Patent Appeal (L.P.A), pending before the High Court of Judicature at Patna**

A writ Petition had been filed by M/s EMS Infracon Pvt. Ltd. (now EMS Limited) for quashing of the Order of Blacklisting dated 04.03.2021 in Munger STP and Sewerage Project Network Tender apart from other prayers. The writ petition was allowed by the Hon'ble Single Judge and thereafter, another bidder namely, M/s Toshiba

Water Solutions Pvt. Ltd. has filed the present LPA against the Order. No substantial order has been passed. The last date of listing of the case was on 12.10.2022. Presently, the matter is pending and the next date of hearing is yet to be updated on the court website.

2. **CWJC No. 18045 of 2021, M/s Toshiba Water Solutions Pvt. Ltd. v. The State of Bihar & Ors; M/s EMS Infracon Pvt. Ltd. (now EMS Limited) has been arrayed as Respondent No.12 in the Civil Writ pending before the High Court of Judicature at Patna.**

This writ petition has been filed for quashing the meeting of the technical tender committee dated 22.07.2021 by which M/s EMS Infracon Pvt. Ltd. (now EMS Limited) has been held to be technically qualified in relation to Munger STP and Sewerage Network Tender in NIT bearing No. BUIDCo/Yo-1234/2019-54 dated 05.08.2019 and for quashing the subsequent decision by which the financial bid of the M/s EMS Infracon Private Limited (now EMS Limited) has been considered declared as the lowest tenderer and to declare that M/s EMS Infracon Private Limited (now EMS Limited) is disqualified to participate in the tender. Currently, the matter is pending and tagged with LPA No. 616 of 2021 and the last date of order was on 21.04.2022. Presently, the matter is pending and the next date of hearing is yet to be updated on the court website.

3. **We have been black-listed in past. We have been black listed in past by the two government bodies & the same black-listing has been lifted with the retrospective effect.**

   a. **Reason for blacklisting:** Inadequacy of the safety equipment's/measure provided to the labours pointing towards inferior workmanship and leading to death of five labourers.

   **Brief details:** U. P. Jal Nigam passed an order dated December 16, 2019 blacklisting the Petitioner for one year but before doing so, he called for the comments/reports of the chief engineers, Ghaziabad Region/Division, U.P. Jal Nigam in the light of the replies submitted by the Petitioner, who submitted his report/comments vide its letter dated November 22, 2019 wherein he reiterated the inadequacy of the safety equipment's/measure provided to the labours pointing towards inferior workmanship and leading to death of five labourers.

   The Writ Petition was filed by our Company ("Petitioner") for quashing the order dated 22.8.2019 passed by the Principal Secretary Urban Development Department, Lucknow and Ors. ("Respondents") for blacklisting the Company and praying for relief in the form of a mandamus commanding the Respondents not to treat the Petitioner as disqualified on account of the order dated 22.8.2019 and to permit the Petitioner to participate in the Tender issued by U.P. Jal Nigam for execution of designing and building a sewage treatment plant and a new sewage network at Jaunpur. The order of blacklisting has been withdrawn on 20.9.2019. However, the Writ Petition is currently pending.

   Although, we have executed the project successfully in timely manner.

   **Project details:-**

| Sr. No. | Name of the Project | Size of Projects | Date of Start | Date of Completion | Tenure of the Project | State |
|---|---|---|---|---|---|---|
| 1 | Ghaziabad Sewerage Project Package -1 under AMRIT Program at Ghaziabad area | 88.75 Crore | 17.11.2018 | 28.02.2023 | 4 Year | Ghaziabad Uttar Pradesh |

**b. Reason for blacklisting:** Falsely and fraudulently mentioned certain wrong facts in Forms 2 and 3B of the Standard/ Model Bid Documents (SBD), submitted in response to an invitation for bid for the work in question.

**Brief details:** The order of blacklisting has been passed on the allegation that the petitioner has falsely and fraudulently mentioned certain wrong facts in Forms 2 and 3B of the Standard/ Model Bid Documents (SBD), submitted in response to an invitation for bid for the work in question.

A Black listing order dated March 04, 2021 was passed by Bihar Urban Infrastructure Development Corporation Ltd., (BUIDCo) against the Company. The order of blacklisting has been passed on the allegation that the petitioner has falsely and fraudulently mentioned certain wrong facts in Forms 2 and 3B of the Standard/ Model Bid Documents (SBD), submitted in response to an invitation for bid for the work in question. It is the Company's contention that the BUIDCo does not have any jurisdiction to take any final decision on the consequence of any purported incorrect or misleading facts in the tender documents, which is purely within the domain of the World Bank and, therefore, the BUIDCo irresponsibly invoked the provisions of the Rules for the purpose of blacklisting of the contractor, as tender in question is mandatorily governed and funded by the World Bank.

The Court is of the considered opinion that the respondent BUIDCo has acted irresponsibly in passing the impugned order in casual and cavalier manner, which has serious adverse consequence not only in respect of the petitioner's eligibility to participate in the bid with others in Government contracts, but has also adversely affected the progress of the project in question.

Extracts from Court order dated July 19, 2021:

*"The impugned order of black-listing dated 04.03.2021 is hereby set aside for the reasons noted above. It is clarified that the Court is interfering with the impugned order mainly for four reasons. Firstly, it does not duly consider the explanation submitted by the petitioner in response to the show cause notice. Secondly, it has referred to a new fact in relation to Form-3A, which was not part of the show cause notice though there is reference to this information form in the petitioner's reply to the show cause notice. Thirdly, it has completely ignored the observations made by this Court in the order dated 04.02.2021 passed in C.W.J.C. No. 8929 of 2020. Fourthly and the most importantly, the Chief Engineer had an obligation to record a finding on the applicability of Bihar Contractor Registration Rules, which is in the nature of executive instructions for taking action in relation to the bid process in question where tender documents are based on model tender document set by NMCG in funding arrangement of the World Bank, a plea which was specifically taken in the reply to the show cause notice. This aspect goes to the root of the matter, which has been completely ignored."*

***Civil litigations initiated by our Company***

As on the date of this Red Herring Prospectus, there are no outstanding Civil Litigations initiated by our Company except as stated below:

1. **Civil Writ Petition No. 27483 of 2019 filed by the Company i.e. EMS Limited (erstwhile EMS Infracon Private Limited) ["Petitioner"] before the Hon'ble High Court of Judicature at Allahabad- Lucknow Bench against the Principal Secretary Urban Development Department, Lucknow and Ors. ("Respondents").**

The Writ Petition was filed by the Petitioner for quashing the order dated 22.8.2019 passed by the Respondent for blacklisting the Petitioner and praying for relief in the form of a mandamus commanding the Respondents not to treat the Petitioner as disqualified on account of the order dated 22.8.2019 and to permit the Petitioner to participate in the Tender issued by U.P. Jal Nigam for execution of designing and building a sewage treatment plant and a new sewage network at Jaunpur. The order of blacklisting has been withdrawn on 20.9.2019. However, the Writ Petition is currently pending.

2. **Civil Writ Petition No. 30669 of 2022 filed by the Company i.e. EMS Limited (erstwhile EMS Infracon Private Limited) ["Petitioner"] before the Hon'ble High Court of Judicature at Allahabad against Uttar Pradesh Jal Nigam and another ("Respondent")**

   The Petitioner in JV with M/s Toshiba Water Solution Private Limited entered into an agreement with the Respondent on 16.08.2016. Pursuant to the arbitration proceedings between the Petitioner and the Respondent before the Ld. Sole Arbitrator Sh. Dinesh Kumar, an award was made in favour of the Petitioner for the outstanding/pending dues towards work done, price adjustment, non- payment of GST amount and interest on delayed payment vide an Award dated 21.11.2021. Thereafter, the Petitioner filed the Writ Petition before the Hon'ble High Court of Judicature at Allahabad praying for issuance of Writ/Order in the nature of Mandamus or any other appropriate Writ/Order(s) seeking direction to the Respondent for release of an amount of Rs.33,94,52,996/- awarded in favour of the Petitioner by the decision/Award dated 21.11.2021 passed by the Ld. Sole Adjudicator Sh. Dinesh Kumar. The contract is silent on the procedure of getting the decision/award executed and the said decision/Award has neither been challenged by the Respondent nor has it been complied by them, resulting in the filing of the writ petition against the Respondent. Pleadings are completed in the case. The listing of the matter was on the dates of June 02, 2023 and on August 4, 2023 and the next date of hearing is yet to be updated on the court website.

3. Our Company has filed an Arbitration Petition *(ARB/EMS-UPJN/2021)* (the "**Petition'**) before the Hon'ble Arbitral Tribunal comprising of Sh. Rajesh Mittal, Ld. Presiding Arbitrator, Mr. G. C. Dubey, Ld. Co-Arbitrator & Mr. R.K. Mittal, Ld. Co-Arbitrator under the Arbitration and Conciliation Act, 1996 against Uttar Pradesh Jal Nigam (the "**Respondent**"). The Petition was filed by our Company for the release of outstanding dues towards various claims related to Goods and Service Tax (GST) refunds and reimbursements, payment towards additional work done and price variation amounting to approximately Rupees 70-80 crores, in respect of Bulandshahr Project undertaken by the Company. Presently, the arguments are complete and the award is awaited in the matter.

4. Our Company has filed an Arbitration Petition (the "**Petition**") before the Hon'ble Arbitral Tribunal comprising of Ld. Sole Arbitrator, Hon'ble Ms. Justice (Retd.) Raj Rahul Garg, Former Judge of Hon'ble Punjab and Haryana High Court under the Arbitration and Conciliation Act, 1996 against Uttar Pradesh Jal Nigam (the "**Respondent**"). The Petition was filed by our Company for the release of outstanding payments of the running bills as well as the bills raised for additional work done by the Company amounting to approximately Rupees 17.05 crores with interest, in respect of Prayagraj District B Project undertaken by the Company. Presently, the matter is listed for pronouncement of order on Section 16 application filed by the Respondent before the Ld. Sole Arbitrator, under the Arbitration and Conciliation Act, 1996. The next date of hearing in the matter is April 08, 2023.

   The Respondent Department had earlier filed an application under Section 16 of the Arbitration & Conciliation Act, 1996 challenging the jurisdiction of the Arbitral Tribunal. The said application of the Respondent was dismissed vide order dated 08.04.2023. The order dated 08.04.2023 has again been challenged by the Department vide a recalling application. The arguments on the application for recalling of order dated 08.04.2023 has been heard by the Arbitral Tribunal and reserved for pronouncement of orders. The last date of hearing in the arbitration matter was June 27, 2023. Presently the matter is pending and the next date of hearing is awaited.

5. **L.P.A. No. 616 of 2021, M/s EMS Infracon Pvt. Ltd. (now EMS Limited) v. The State of Bihar & Ors, filed by M/s EMS Infracon Pvt. Ltd. (now EMS Limited) against the judgment dated 07.09.2021 in CWJC No.8786 of 2020 pending before the High Court of Judicature at Patna**

   Originally a writ petition had been filed by M/s EMS Infracon Pvt. Ltd. (now EMS Limited) for quashing the tender cancellation notice dated 20.08.2020 by BUIDCo bearing NIT No. BUIDCo/YO-871/2017(Part-3)-61 dated 22.08.2019 for Hajipur Sewerage Treatment Plant (STP) and Sewerage Network. The Writ Petition was dismissed by the Hon'ble Single Judge. Thereafter, the present LPA has been filed. Presently, the matter is pending before the Patna High Court and the next date of hearing is yet to be updated on the court website.

**C. Outstanding actions by Statutory or Regulatory Authorities against our Company**

As on the date of this Red Herring Prospectus, there are no outstanding actions initiated by Statutory or Regulatory Authorities against our Company.

**II. LITIGATIONS INVOLVING OUR SUBSIDIARIES**

**A. Outstanding criminal litigations involving our Subsidiaries**

***Criminal litigation against our Subsidiaries***

As on the date of this Red Herring Prospectus, there are no outstanding Criminal Litigations initiated against our Subsidiaries.

***Criminal litigations initiated by our Subsidiaries***

As on the date of this Red Herring Prospectus, there are no outstanding Criminal Litigations initiated by our Subsidiaries.

**B. Civil litigations involving our Subsidiaries**

***Civil litigations against our Subsidiaries***

As on the date of this Red Herring Prospectus, there are no outstanding Civil Litigations initiated against our Subsidiaries.

***Civil litigations initiated by our Subsidiaries***

As on the date of this Red Herring Prospectus, there are no outstanding Civil Litigations initiated by our Subsidiaries.

**C. Outstanding actions by Statutory or Regulatory Authorities against our Subsidiaries**

As on the date of this Red Herring Prospectus, there are no outstanding actions initiated by Statutory or Regulatory Authorities against our Subsidiaries.

**III. LITIGATION INVOLVING OUR GROUP COMPANIES**

**A. Outstanding criminal litigations involving our Group Companies**

***Criminal litigation against our Group Companies***

As on the date of this Red Herring Prospectus, there are no outstanding Criminal Litigations filed against our Group Companies.

***Criminal Litigation by our Group Companies***

As on the date of this Red Herring Prospectus, there are no outstanding Criminal Litigations filed by our Group Companies.

**B. Civil litigations involving our Group Companies**

***Civil litigations against our Group Companies***

As on the date of this Red Herring Prospectus, there are no outstanding Civil Litigations filed against our Group Companies.

***Civil litigations initiated by our Group Companies***

As on the date of this Red Herring Prospectus, there are no outstanding Civil Litigations initiated by our Group Companies.

**C. Outstanding actions by Statutory or Regulatory Authorities against our Group Companies**

As on the date of this Red Herring Prospectus, there are no outstanding actions initiated by Statutory or Regulatory Authorities against our Group Companies.

**IV. LITIGATIONS INVOLVING OUR PROMOTERS**

**A. Outstanding criminal litigations involving our Promoters**

***Criminal litigation against our Promoters***

As on the date of this Red Herring Prospectus, there are no outstanding criminal litigations initiated against our Promoters except as below:

**1. Sessions Case No. 572 of 2021 before the Hon'ble Spl. Judge SC/ST Act, Ghaziabad in FIR No. 1300 of 2019, registered by Police Station, Sihani Gate**

The State of Uttar Pradesh ("**Complainant**") has filed a criminal case against our Promoter Mr. Ramveer Singh and another ("**the Accused**") before the Hon'ble Spl. Judge SC/ST Act under Sections 304 of the Indian Penal Code and Sections 3(2) 5 of the Scheduled Castes and the Scheduled Tribes (Prevention of Atrocities) Act. The Complainant has alleged that the Accused was responsible for the death of five construction workers who were conducting Sewer House Connection Work at Sadiq Nagar, near Sihani, Ghaziabad. The Accused was granted anticipatory bail by the Hon'ble High Court of Judicature at Allahabad on 31.10.2019. The Accused has also challenged the charge sheet filed by police by filing discharge application before the court of the Hon'ble Special Judge SC/ST Act, Ghaziabad. The last date of hearing was July 19, 2023. Presently, the matter is pending and the next date of hearing in the case is August 17, 2023.

***Criminal litigations initiated by our Promoters***

As on the date of this Red Herring Prospectus, there are no outstanding criminal litigations initiated by our Promoters.

**B. Outstanding civil litigations involving our Promoters**

***Civil litigations against our Promoters***

As on the date of this Red Herring Prospectus, there are no outstanding Civil Litigations initiated against our Promoters.

*Civil litigations initiated by our Promotor*

As on the date of this Red Herring Prospectus, there are no outstanding Civil Litigations initiated by our Promoters.

**C. Outstanding actions by Statutory or Regulatory authorities against our Promoters**

As on the date of this Red Herring Prospectus, there are no outstanding actions initiated by Statutory or Regulatory authorities against our Promoters.

**V. LITIGATIONS INVOLVING OUR DIRECTORS**

**A. Criminal litigations involving our Directors**

*Criminal litigations against our Directors*

As on the date of this Red Herring Prospectus there are no outstanding criminal litigations against our Directors except as below:

**1. Sessions Case No. 572 of 2021 before the Hon'ble Spl. Judge SC/ST Act, Ghaziabad in FIR No. 1300 of 2019, registered by Police Station, Sihani Gate**

The State of Uttar Pradesh ("**Complainant**") has filed a criminal case against our Promoter Mr. Ramveer Singh and another ("**the Accused**") before the Hon'ble Spl. Judge SC/ST Act under Sections 304 of the Indian Penal Code and Sections 3(2) 5 of the Scheduled Castes and the Scheduled Tribes (Prevention of Atrocities) Act. The Complainant has alleged that the Accused was responsible for the death of five construction workers who were conducting Sewer House Connection Work at Sadiq Nagar, near Sihani, Ghaziabad. The Accused was granted anticipatory bail by the Hon'ble High Court of Judicature at Allahabad on 31.10.2019. The Accused has also challenged the charge sheet filed by police by filing discharge application before the court of the Hon'ble Special Judge SC/ST Act, Ghaziabad. The last date of hearing was July 19, 2023. Presently, the matter is pending and the next date of hearing in the case is August 17, 2023.

*Criminal litigations initiated by our Directors*

The State of Uttar Pradesh ("**Complainant**") has filed a criminal case against our Promoter Mr. Ramveer Singh and another ("**the Accused**") before the Hon'ble Spl. Judge SC/ST Act under Sections 304 of the Indian Penal Code and Sections 3(2) 5 of the Scheduled Castes and the Scheduled Tribes (Prevention of Atrocities) Act. The Complainant has alleged that the Accused was responsible for the death of five construction workers who were conducting Sewer House Connection Work at Sadiq Nagar, near Sihani, Ghaziabad. The Accused was granted anticipatory bail by the Hon'ble High Court of Judicature at Allahabad on 31.10.2019. The Accused has also challenged the charge sheet filed by police by filing discharge application before the court of the Hon'ble Special Judge SC/ST Act, Ghaziabad. The last date of hearing was July 19, 2023. Presently, the matter is pending and the next date of hearing in the case is August 17, 2023.

**B. Civil litigations involving our Directors.**

*Civil litigations against our Directors*

As on the date of this Red Herring Prospectus, there are no outstanding civil litigations initiated against our Directors.

*Civil litigations initiated by our Directors*

As on the date of this Red Herring Prospectus, there are no outstanding civil litigations initiated by our Directors except as below:

1. Mr. Neeraj Srivastava, Director of our Company ("**Petitioner**") has filed a petition against Legal Tech Media Pvt Ltd and Others ("**the Respondent**") before the Hon'ble National Company Law Tribunal, Allahabad Bench under Section 241 of the Companies Act, 2013 for seeking relief from the Hon'ble Tribunal for oppression and misappropriation of funds and dilution of shares from the company by the Respondent as the Co-founder/ Director of the company. The Petitioner and Respondent Manoj Rastogi, Director of Legaltech Media Pvt. Ltd entered into an agreement to incorporate M/s Legaltech Media Pvt. Ltd. The Petitioner invested Rs. 2.5Crores for 54% equity in the company, with an initial amount of Rs. 2,00,000/- for incorporation expenses, which was supposed to be reversed after Rs. 25,00,000/- were paid further against which 5% equity was promised. However, the initial amount was not reversed, and no equity was transferred. The Petitioner funded Rs. 1,75,00,000/- against which 35% equity should have been transferred on a pro-rata basis, but the Respondent breached the contract by not transferring the equity. Due to the Respondent's breach of the agreement, the Petitioner stopped funding the company. Despite repeated reminders, the Respondent did not share the expense sheet, and the Petitioner's money was not being properly utilized. The Respondent did not issue the 5% share as per Clause no. 6 and also pro-rata basis share as per investment. The Respondent did not reach any milestone as promised and took more funds than projected. Moreover, the Respondent concluded with a new investor without taking the Petitioner into confidence. The Respondent now contends to have an investment offer at a higher valuation than the initial investment, and is making excuses to dilute the equity of the Petitioner accordingly and not allocate the shares as per the investment on valuation of Rs. 30 Cr. Furthermore, the Respondent stated that if the Petitioner does not infuse more funds, the entire amount paid till date would be treated as a loan to M/s Legal tech Media Pvt. Ltd., and no equity would be allotted. The Respondent's actions were harmful/oppressive to the Company and other members, and the Petitioner has filed a Company Petition under Section 241 of the Companies Act, 2013 seeking relief from the Hon'ble Tribunal for oppression and misappropriation of funds by the Respondent as the Co-Founder/Director of the company. Presently, the matter is pending and the next date of listing in the case is August 23, 2023.

2. Mr. Neeraj Srivastava, Director of the Company ("**Petitioner**") has filed a petition against Mr. Manoj Rastogi and Others ("**the Respondent**") before the Hon'ble National Company Law Tribunal, Allahabad under Section 241 of the Companies Act, 2013 towards seeking relief from the Hon'ble Tribunal for relief for the oppression and misappropriation of funds and dilution of shares from the Petitioner by the Respondent by intentionally not transferring the shares in favour of the Petitioner despite taking the investment and fraudulently selling the shares of the Petitioner to other investors without any consent or knowledge of the Petitioner at a higher valuation. Presently, the matter is pending.

3. Mr. Neeraj Srivastava, Director of the Company has filed an arbitration petition No. 682 of 2023 before the Hon'ble High Court of Delhi for the appointment of an arbitrator u/s 11 of the Arbitration and Conciliation Act, 1996 with regard to the MOU dated 27.01.2022 entered between Mr. Neeraj Srivastava and the Respondent Manoj Rastogi pursuant to which disputes have arisen between the parties on the infusion of capital and for the breach of terms of the MOU. The Petitioner Neeraj Srivastava and Respondent Manoj Rastogi formed a LLP namely, M/s Agro Next Ventures LLP which was formed pursuant to the Partnership Agreement dated 18.11.2021, to undertake Agricultural activities, including mushroom plantation project and is registered with ROC` Delhi. The case was last listed on 13.07.2023, and the Hon'ble Court directed to issue a notice to the Respondent, Mr. Manoj Rastogi. Presently, the case is pending and the Next Date of Hearing is scheduled for August 28, 2023.

**C. Outstanding actions by Statutory or Regulatory Authorities against our Directors**

As on the date of this Red Herring Prospectus there are no outstanding actions initiated by the Statutory or Regulatory Authorities against our Directors.

**Tax proceedings**

| Particulars | Number of cases | Amount involved* (Rs. In Lakhs) |
|---|---|---|
| ***Our Company*** | | |
| Direct Tax | 2 | 154.45 |
| Indirect Tax | 5 | 0.20 |
| ***Our Subsidiary*** | | |
| Direct Tax | - | - |
| Indirect Tax | - | - |
| ***Our Promoters*** | | |
| Direct Tax | - | - |
| Indirect Tax | - | - |
| ***Our Directors (other than our Promoters)*** | | |
| Direct Tax | - | - |
| Indirect Tax | - | - |
| **Total** | **7** | **154.65** |

**Material Tax Matters**

**Litigation involving our Company**

***Direct Tax***

1. The Asst. Commissioner, Income Tax, CIRCLE 7(1), Delhi ("Authority") issued notice of demand dated December 9, 2022 ("Notice") to our Company, demanding the recovery of dues for the assessment year 2018-2019. Under the notice, the Authority claimed an amount of Rs.53,34,620 /- as due from the Company ("Demand") under Section 156 of the Income Tax Act, 1961. Our Company has filed a rectification application dated August 8, 2022 and also on January 9, 2023, seeking rectification of the assessment, deletion of demand and issue of refund along with interest. The representation on January 9, 2023 was acknowledged by the Authority on January 10, 2023. There is no case as the demand is rectifiable u/s 154 by the Income Tax Department. Application u/s 154 for the rectification of demand is already filed with the Deputy Commissioner of Income Tax, Circle 7(l), C.R. Building, Delhi which is acknowledged on February 21, 2023 as the credit of TDS claimed is not given while processing the return of income. Presently, the matter is pending.

2. The Commissioner, Income Tax, ("Authority") issued notice of demand dated September 22, 2022 ("Notice"), to our Company, demanding the recovery of dues for the assessment year 2020-2021. Under the Notice, the Authority has claimed an amount of Rs.1,01,10,200/- from the Company ("Demand") under section 156 of the Income Tax Act, 1961. Our Company has filed a rectification application dated October 4, 2022 and a reminder application on January 9, 2023, seeking rectification of the assessment, deletion of demand and issue of refund along with interest which was acknowledged by the Authority on January 10, 2023. Our Company has subsequently filed another reminder application for rectification dated February 13, 2023 which was acknowledged by the Authority on February 21, 2023. There is no case as the demand is rectifiable u/s 154 by the Income Tax Department. Application u/s 154 for the rectification of demand is already filed with the Authority which has been acknowledged on February 21, 2023 as the interest u/s 234C is wrongly charged by the Income Tax Department while processing the return of income. Presently, the matter is pending.

*Indirect Taxes*

1. The Office of the Deputy Commissioner (Asst-5), State Tax, Dehradun ("Authority") issued a demand order dated September 14, 2021 to our Company ("Notice") under the GST Act demanding the recovery of interest on the delayed payment of tax for the tax period July 2017 to March 2018 for an amount of Rs. 9,610.06 (CGST) and Rs.9610.06/- (SGST) ("Demand"). Under the Notice, the Authority directed the Company to comply with the Demand by September 24, 2021. The order is under process with the Authority. Presently, the matter is pending.

2. The State Taxes Department, Uttarakhand issued three notices all dated November 25, 2022 (collectively "Notices") to our Company with a direction to appear before the Commissioner, State Taxes Department ("Authority") with details of books of accounts and records and bills for the financial years, 2014-15, 2015-16 and 2016-17 by December 13, 2022. Further orders in the matter are pending.

3. The office of the Deputy Commissioner, Dehradun- Sector 9 ("Authority") issued a notice dated March 2, 2023 ("Notice") for intimating the discrepancies in return after scrutiny for the year 2017-18. Our Company has replied to the notice by a reply dated March 26, 2023 denying the alleged discrepancies requesting the Authority to vacate the Notice. Presently, the matter is pending.

4. The Office of the Deputy Commissioner, State tax Circle-6, Bhopal ("Authority") issued a demand notice dated November 18, 2021 to our Company ("Notice") under the GST Act, demanding the recovery of interest on the delayed payment of tax @ 18% p.a. on the net tax liability for the Tax period 1st July 2017 to 31st March 2018 for an amount of Rs.15,504/- ("Demand"). Under the Notice, the Authority directed the Company to comply with the Demand by December 17, 2021. The Demand amount has been deposited with the Authority vide GST Challan with CPIN: 23072300037639 generated on July 14, 2023.

5. The Office of the Deputy Commissioner, State tax Circle-6, Bhopal ("Authority") issued a demand notice dated November 18, 2021 to our Company ("Notice") under the GST Act, demanding the recovery of interest on the delayed payment of tax @ 18% p.a. on the net tax liability for the Tax period 1st April 2019 to 31st March 2020 for an amount of Rs.42,152/-("Demand"). Under the Notice, the Authority directed the Company to comply with the Demand by December 17, 2021. The Demand amount has been deposited with the Authority vide GST Challan with CPIN: 23072300037587 generated on July 14, 2023.

6. The Joint Commissioner, SGST, Corporate Circle – I, Ghaziabad Zone-I ("Authority") issued a demand notice our Company ("Notice") demanding the deposit of the availed Input Tax Credit with interest for Rs.1,84,943/-("Demand"). The Demand amount has been deposited with the Authority vide GST Challan with CPIN: 23070900153110 generated on July 14, 2023.

7. The Joint Commissioner, GST, Ghaziabad-I ("Authority") issued a notice dated July 19, 2022 for the conduct of audit of the books of accounts and records of the Company for the financial year 2018-2019 at the Office of the Joint Commissioner on July 19, 2022 ("Notice"). Under the Notice, it was directed to attend the audit before the Authority either in person or through an authorised representative of the Company and produce the books of accounts and records for the financial year 2018-2019 for the audit. Further orders in the matter are pending.

8. The Commercial Taxes Department, Corporate Circle – I, Ghaziabad Zone-I, Uttar Pradesh ("Authority") has issued a notice with Reference No. 09AADCE0293K1ZH/17-18/61 dated June 13, 2023 as informed by the Company for the tax period 2017-18 for intimating discrepancies in return after scrutiny, *inter-alia*, apparent difference between the taxable turnover as declared in GSTR-1(4A, 4B, 4C, 6B, 6C, B2C+7-9B) and that declared in monthly returns 3B(3.1a) thereby calling upon for clarification with evidence as to why a demand of tax along with interest and penalty on the differences between turnovers should not be generated; apparent difference between the liability declared in GSTR-1 and that declared in monthly returns thereby calling upon for clarification with proof as to why a demand of unreconciled liability along with

interest and penalty may not be generated; calling upon to provide complete audited balance sheet along with all notes, schedules, ledgers, cash book, stock register, the copies of inward and outward invoices, copies of debit and credit notes and "Statement 26AS", calling upon to provide bill of quantities issued by various contractors along with copy of agreements with contractors, calling upon to provide proof of total payment given by various contractors for the FY 2017-2018. Presently the matter is pending.

**Outstanding dues to creditors**

Our Board, in its meeting held on March 14, 2023 has considered and adopted the Materiality Policy. In terms of the Materiality Policy, creditors of our Company on consolidated basis, to whom an amount exceeding 5% of our total outstanding dues (trade payables) as on the date of the latest Restated Consolidated Financial Statements was outstanding, were considered 'material' creditors.

As per the latest Restated Consolidated Financial Statements, our total trade payables as on March 31, 2023 was Rs. 1,540.49 lakhs and accordingly, creditors to whom outstanding dues exceed Rs. 250.00 lakhs have been considered as 'material' creditors for the purposes of disclosure in this Red Herring Prospectus. Based on this criteria, details of outstanding dues owed as on March 31, 2023 by our Company on consolidated basis are set out below:

| Types of creditors | Number of creditors | Amount involved |
|---|---|---|
| Material Creditors | 01 | 683.68 Lakhs |
| **Total** | **01** | **683.63 Lakhs** |

# GOVERNMENT AND OTHER KEY APPROVAL

*We have set out below an indicative list of approvals obtained by our Company which are considered material and necessary for the purpose of undertaking its business activities. In view of these material approvals, our Company can undertake the Offer, and our Company can undertake its business activities. Other than as stated below, no further material approvals from any regulatory authority are required to undertake the Offer or continue such business activities. In addition, certain of our material approvals may have expired or may expire in the ordinary course of business, from time to time and our Company, has either already made an application to the appropriate authorities forrenewal of such material approvals or is in the process of making such renewal applications. In relation to the businessactivities and operations of our Company we have disclosed below the material approvals applied for but not received. For details in connection with the applicable regulatory and legal framework within which we operate, see section "Key Industry Regulations and Policies" on page 265.*

## I. APPROVALS FOR THE ISSUE

1) The Board of Directors have, by a resolution passed at its meeting held on March 14, 2023 authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.

2) The shareholders of the Company have, by a special resolution passed in the Extra-ordinary General Meeting held on March 15, 2023 authorized the Issue.

3) In-principle approval dated June 07, 2023 from the BSE for listing of the Equity Shares issued by the Company pursuant to the Issue.

4) In-principle approval dated June 07, 2023 from the NSE for listing of the Equity Shares issued by the Company pursuant to the Issue.

5) Our Company's International Securities Identification Number ("**ISIN**") is INE0OV601013.

6) We have also taken the NOC from our lender/Bankers:

| Name of the Bank/Lender | Date of NoC |
|---|---|
| Axis Bank Limited | January 19, 2023 |
| Punjab National Bank Limited | March 21, 2023 |
| Kotak Mahindra Bank Limited | January 20, 2023 |
| ICICI Bank Limited | February 01, 2023 |
| HDFC Bank Limited | January 19, 2023 |
| Bank of India Limited | January 13, 2023 |
| Induslnd Bank Limited | January 24, 2023 |

## II. INCORPORATION RELATED APPROVALS

### A. Approvals obtained by the Company

1) Certificate of Incorporation dated December 21, 2010 issued under the name EMS Infracon Private Limited by Registrar of Companies.

2) Fresh Certificate of Incorporation dated October 26, 2022 issued by Registrar of Companies, Delhi consequent upon change of name of the Company from EMS Infracon Private Limited' to 'EMS Private Limited.

3) Fresh Certificate of Incorporation dated November 25, 2022 issued by Registrar of Companies, Delhi consequent upon conversion of the Company from private company to public company and change of name ofthe Company from EMS Private Limited to EMS Limited.

4) The Corporate Identity Number of the Company is U45205DL2010PLC211609.

## III. TAX RELATED APPROVALS

### A. Approvals obtained by the Company

| Sr. No. | Description | Registration / Approval / Certificate Number | Issuing Authority | Date of Issue | Special conditions, if any |
|---|---|---|---|---|---|
| 1. | Permanent Account Number (PAN) | AADCE0293K | Income Tax Department, Government of India | Perpetual | - |
| 2. | Tax Deduction Account Number (TAN) | DELE06636A | Income Tax Department, Government of India | Perpetual | - |
| 4. | Registration Certificate of Goods and Service Tax (GST) (Bihar) | 10AADCE0293K1ZY | Goods and Service Tax Department | Perpetual | - |
| 5. | Registration Certificate of Goods and Service Tax (GST) (MP) | 23AADCE0293K1ZR | Goods and Service Tax Department | Perpetual | - |
| 6. | Registration Certificate of Goods and Service Tax (GST) (Rajasthan) | 08AADCE0293K1ZJ | Goods and Service Tax Department | Perpetual | - |
| 7. | Registration Certificate of Goods and Service Tax (GST) (UP) | 09AADCE0293K1ZH | Goods and Service Tax Department | Perpetual | - |
| 8. | Registration Certificate of Goods and Service Tax (GST) (Uttrakhand) | 05AADCE0293K1ZP | Goods and Service Tax Department | Perpetual | - |

## IV. LABOUR RELATED APPROVALS

| Sr. No. | Description | Registration / Approval / Certificate Number | Issuing Authority | Date of Issue | Date of Expiry |
|---|---|---|---|---|---|
| 1. | Certificate of Registration under the Employee State Insurance Act, 1948. | 20001172750001009 | Deputy. Director, Employees' State Insurance Corporation | Perpetual | - |

| | | | | | |
|---|---|---|---|---|---|
| 2. | Certificate of Registration under the Employee Provident Fund | DSSHD0941025000 | Regional Provident Fund Commissioner | Perpetual | - |
| 3. | Registration Certificate of Shop or Commercial Establishment (Labour Department, Uttar Pradesh) | UPSA09726847 | Chief Inspector of Shops and Commercial Establishment, Uttar Pradesh | January 03, 2023 (Date of Registration) | Perpetual |
| 4. | Registration Certificate of Establishment | 2023080869 | Department of Labour, Government of National Capital Territory of Delhi | May 16, 2023 | Perpetual |
| 5. | Legal Entity Identifier India Limited | 335800QP72A7GZ1HLN22 | Wholly Owned Subsidiary of Clearing Corporation of India Limited | Perpetual | February 20, 2024 |
| 6. | Building & Road (1 Super) | E-file No.9106739 | Govt. of India Directorate, CPWD CSQ, C & M Unit | December 21, 2022 | March 22, 2027 |

## V. REGISTRATIONS:

| Sr. No. | Registration | Department |
|---|---|---|
| 1. | Certificate of Enlistment – "Class 1 Super" | Central Public Works Department |
| 2. | Certificate of Enlistment – "Class A" | UP Jal Nigam for "Water Supply Works (Pipe Laying) |
| 3. | Certificate of Enlistment – "Class A" | UP Jal Nigam for "Water Supply Works (Reservoirs) |
| 4. | Certificate of Enlistment – "Class A" | Uttarakhand Pey Jal Nigam for "Turnkey Project Sewerage" |
| 5. | Registration for electrical works – GD-666 | Electrical Safety Department |
| 6. | Enlistment in central command | Central Command – HQ |

## VI. OTHER APPROVALS

| Sr. No. | Description | Registration / Approval / Certificate Number | Issuing Authority | Date of Issue | Date of Expiry |
|---|---|---|---|---|---|
| 1. | Certificate of Registration for ISO 9001:2015 | 305021102215Q | Quality Research Organization | October 22, 2021 | October 21, 2024 |
| 2. | Certificate of Registration for ISO 14001:2015 | 305021102216E | Quality Research Organization | October 22, 2021 | October 21, 2024 |
| 3. | Certificate of Registration for OHSAS | UQ - 2021102222 | UK Cert Certification & Inspection | October 22, 2021 | October 21, 2024 |

| | | | | | |
|---|---|---|---|---|---|
| | 18001:2007 | | | | |

## VII. INTELLECTUAL PROPERTY

| Sr. No. | Trademark | Status |
|---|---|---|
| **1.** | EMS | We are under the process of filing of application under Trademark Act, 1999.<br><br>Current Status: Accepted & Advertised |

*For details regarding Intellectual Property, please refer chapter titled "Our Business" beginning on page no. 261.*

## VIII. PENDING APPROVALS

A. Applied but not yet approved

Nil

B. Not Yet Applied

Nil

# OTHER REGULATORY AND STATUTORY DISCLOSURES

**Authority for this Issue**

Our Board has authorised the Issue, pursuant to a resolution dated March 14, 2023. Our Shareholders have authorised the Fresh Issue pursuant to a special resolution passed at their extra-ordinary general meeting dated March 15, 2023. The Board has taken on record the Offer for Sale by the Selling Shareholder pursuant to its resolution dated March 25, 2023. This Red Herring Prospectus has been approved by our Board pursuant to its resolution dated August 14, 2023.

**Approval from the Selling Shareholder**

The Selling Shareholder has authorised and confirmed inclusion of its portion of the Offered Shares as part of the Offer for Sale, as set out below:

| Sr. No. | Name of the Selling Shareholder | Date of Consent Letter | Number of Shares to be offered |
|---|---|---|---|
| 1. | Mr. Ramveer Singh | March 14, 2023 | 82,94,118 |

*In-Principle Listing Approvals*

Our Company has received in-principle approvals from the BSE and NSE for the listing of the Equity Shares pursuant to both letters dated June 07, 2023.

**Prohibition by SEBI or other authorities**

Our Company, our Promoters, members of the promoter group and our Directors have not been prohibited from accessing the capital markets and have not been 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 Promoters and Directors are not directors or promoters of any other company which is debarred from accessing the capital market under any order or direction passed by SEBI or any other authorities.

Our Company, Promoters or Directors have neither been declared as wilful defaulters by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters or fraudulent borrowers issued by the RBI. Our Promoters and our Directors have not been declared as Fugitive Economic Offenders under section 12 of Fugitive Economic Offenders Act, 2018.

**Compliance with the Companies (Significant Beneficial Owners) Rules, 2018**

Our Company, the Selling Shareholder, our Promoters and members of our Promoter Group are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended, to the extent applicable to our Company and the Equity Shares, as on the date of this Red Herring Prospectus.

**Directors associated with securities market**

None of our Directors are associated with the securities market related business. There are no outstanding actions initiated by SEBI in the last five years preceding the date of this Red Herring Prospectus against our Directors.

**Eligibility for the Issue**

Our Company is eligible for the Offer in accordance with Regulation 6(1) of the SEBI ICDR Regulations, which states as follows:

i. Our company has net tangible assets of at least three crore rupees, calculated on a restated and consolidated basis, in each of the preceding three full years (of twelve months each), of which not more than fifty per cent. are held in monetary assets, kindly refer chapter titled "Financial Information" beginning on Page no. 318.
ii. Our company an average operating profit of at least fifteen crore rupees, calculated on a restated and consolidated basis, during the preceding three years (of twelve months each), with operating profit in each of these preceding three years, kindly refer chapter titled "Financial Information" beginning on Page no. 318.
iii. Our company has a net worth of at least one crore rupees in each of the preceding three full years (of twelve months each), calculated on a restated and consolidated basis;
iv. Our Company has not changed its name in immediately preceding year except the name has changed from "EMS Infracon Private Limited" to "EMS Private Limited" pursuant to resolution passed by shareholders of our Company on September 30, 2022 and a fresh certificate of incorporation consequent to change of name was issued by the Registrar of Companies, Delhi on October 26, 2022, further, we hereby clarify that the business of the Company has not changed.

Our Company's operating profit, net worth and net tangible assets, monetary assets, monetary assets as a percentage of the net tangible assets are derived from the Restated Financial Information included in this Red Herring Prospectus as at, and for the last three Financial Years are set forth below:

*(Rs. In Lakhs)*

| Particulars | Fiscal 2023 | Fiscal 2022 | Fiscal 2021 |
|---|---|---|---|
| Net Tangible Assets[(1)] | 5,214.64 | 4494.96 | 3821.52 |
| Monetary Assets [(2)] | 12,122.15 | 8992.35 | 6751.51 |
| Monetary assets, as a percentage of net tangible assets (in %) | 43.02% | 49.99% | 56.60% |
| Operating Profit[(3)] | 14,560.00 | 10,999.12 | 9,716.46 |
| Average Operating Profit | 11,758.53 | | |
| Net Worth[(4)] | 48,993.89 | 38112.26 | 30207.64 |

*[(1)] 'Net tangible assets' means the sum of all net assets of our Company as applicable excluding intangible assets as defined in Indian Accounting Standard 38 (Ind AS 38) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013.*

*[(2)] 'Monetary assets' means the aggregate of Cash in hand + Balance with bank in current and fixed deposit account.*

*[(3)]Operating profit has been defined as the profit before tax after adjusting other income, finance cost.*

*[(4)] 'Net worth' means aggregate value of the paid-up share capital and other equity created out of the profits, 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, derived from Restated Financial Information, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.*

The Selling Shareholder has confirmed that he has held the offered shares for a period of at least one year prior to the date of filing of this Red Herring Prospectus and that it is in compliance with Regulation 8 of the SEBI ICDR Regulations and are eligible for being issued in the Offer for sale.

The Selling Shareholder confirms compliance with and has noted for compliance with conditions specified in Regulation 8A of the SEBI ICDR Regulations, to the extent applicable.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be allotted will be not less than 1,000, failing which the entire application monies shall be refunded forthwith in accordance with SEBI ICDR Regulations and other applicable laws. In case of delay, if any, in refund within such timeline as prescribed under applicable laws, our Company shall be liable to pay interest on the application money in accordance with applicable laws.

Our Company confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable: **Noted for Compliance**

Further, our Company confirms that it is not ineligible to undertake the Issue, in terms of Regulation 5 and 7(1) of the SEBI ICDR Regulations, to the extent applicable.

Our Company is in compliance with the following conditions specified under Regulations 5 of the SEBI ICDR Regulations:

i. Our Company, the Selling Shareholder, our Promoters, the members of our Promoter Group, and our Directors are not debarred from accessing the capital markets;
ii. None of the Promoters or the Directors are promoter or directors of companies which are debarred from accessing the capital markets by SEBI under any order or direction passed by the SEBI or any other authorities;
iii. None of our Company, our Promoters or our Directors have been categorized as a Wilful Defaulter or a Fraudulent Borrower;
iv. None of our Directors are Fugitive Economic Offenders, and our Promoters are not a corporate entity; and
v. 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 Red Herring Prospectus except for the options granted under the ESOP Scheme.

**DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE RED HERRING PROSPECTUS TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, BEING KHAMBATTA SECURITIES LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE RED HERRING PROSPECTUS, THE SELLING SHAREHOLDER WILL BE RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY IT IN THE RED HERRING PROSPECTUS IN RELATION TO ITSELF FOR THE PORTION OF OFFERED SHARES, THE BOOK RUNNING LEAD MANAGER ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE PROMOTER SELLING SHARHEOLDER DISCHARGE THEIR RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED MARCH 28, 2023 IN THE FORMAT PRESCRIBED**

**UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED.**

**THE FILING OF THE RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013, AS AMENDED OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE RED HERRING PROSPECTUS.**

All applicable legal requirements pertaining to the Issue will be complied with at the time of filing the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act. All applicable legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26, 30, 32, 33(1) and 33(2) of the Companies Act.

**Disclaimer from our Company, the Selling Shareholder, our Directors and the BRLM**

Our Company, the Selling Shareholder, our Directors, the BRLM accept no responsibility for statements made otherwise than those confirmed in the Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance. Anyone placing reliance on any other source of information, including our Company's website www.ems.co.in or the websites of the Selling Shareholder, if any, would be doing so at his or her or their own risk.

Unless required by law, the Selling Shareholder, and where applicable and their respective directors, affiliates, associates and officers accept no responsibility for any statements and undertakings, except such statements and undertakings made or confirmed by them in this Red Herring Prospectus specifically in relation to itself, and their respective Offered Shares, are true and correct.

The BRLM accept no responsibility, save to the limited extent as provided in the Issue Agreement and the Underwriting Agreement to be entered into between the Underwriter, the Selling Shareholder and our Company. All information shall be made available by our Company, the Selling Shareholder and the BRLM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding centres or elsewhere. Investors who Bid in the Offer will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholder, BRLM and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholder, Underwriter and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLM and their respective associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company, its Subsidiaries, the Selling Shareholder and their respective group companies, directors and officers, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, its Subsidiaries, the Selling Shareholder and their respective group companies, directors and officers, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation. As used herein, the term 'affiliate' means (i) any other person that, directly or indirectly, through one or more intermediaries, Controls or is Controlled by or is under common Control with another person or entity; (ii) any other person which is a holding company, or subsidiary of another entity; and/or (iii) any other person in which another person or entity has a "significant influence" or which has "significant influence" over such Party, where "significant influence" over a person is the power to participate in the management, financial or operating policy decisions of that person but is less than Control over those policies and that shareholders beneficially holding, directly or indirectly through one or more intermediaries, a 10% or more interest in the voting power of that person are presumed to have a significant influence over that person.

**Disclaimer in respect of Jurisdiction**

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, as amended, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares, domestic Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to permission from RBI), systemically important NBFCs or trusts under applicable trust law and who are authorised under their respective constitutions to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, NBFC-Sis and permitted Non-Residents including FPIs and Eligible NRIs, AIFs, FVCIs, and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) at Mumbai, India only.

This Red Herring Prospectus does not constitute an invitation to subscribe to or purchase the Equity Shares in the Issue in any jurisdiction, including India. Invitations to subscribe to or purchase the Equity Shares in the Issue 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 this Red Herring Prospectus and the preliminary international wrap for the Issue, if the recipient is outside India except the United States of America. Any person into whose possession this Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Red Herring Prospectus nor any offer or sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company and the Selling Shareholder from the date hereof or that the information contained herein is correct as of any time subsequent to this date. Bidders are advised to ensure that any Bid from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law.

**No person outside India is eligible to bid for Equity Shares in the Issue unless that person has received the preliminary offering memorandum for the Issue, which contains the selling restrictions for the Issue outside India.**

**Eligibility and Transfer Restrictions**

**The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are only being offered and sold outside of the United States in offshore transactions in**

**reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales 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.**

**All other Equity Shares Offered and Sold in the Issue**

Each purchaser that is acquiring the Equity Shares offered pursuant to the Issue outside the United States, by a declaration included in the Bid cum Application Form and its acceptance of the Red Herring Prospectus and of the Equity Shares offered pursuant to the Issue, will be deemed to have acknowledged, represented and warranted to and agreed with our Company, the Selling Shareholder and the BRLM that it has received a copy of the Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

i. the purchaser is authorised to consummate the purchase of the Equity Shares offered pursuant to the Issue in compliance with all applicable laws and regulations;

ii. the purchaser acknowledges that the Equity Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and accordingly, 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;

iii. the purchaser is purchasing the Equity Shares offered pursuant to the Offer in an offshore transaction meeting the requirements of Rule 903 or Rule 904 of Regulation S;

iv. the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Equity Shares, was located outside the United States at the time (i) the offer of such Equity Shares was made to it and (ii) when the buy order for such Equity Shares was originated, and continues to be located outside the United States and has not purchased such Equity Shares for the account or benefit of any person in the United Sates or entered into any arrangement for the transfer of such Equity Shares or any economic interest therein to any person in the United States;

v. the purchaser is not an affiliate of our Company or a person acting on behalf of an affiliate;

vi. if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, it will only do so (A) (i) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S, or (ii) pursuant to another available exemption from the registration requirements of the U.S. Securities Act, and (B) in accordance with all applicable laws, including the securities laws of any state of the United States or other applicable jurisdiction;

vii. the purchaser is not acquiring the Equity Shares as a result of any "directed selling efforts" (within the meaning of Rule 902(c) under the U.S. Securities Act) in the United States with respect to the Equity Shares;

viii. the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless our Company determine otherwise in accordance with applicable law, will bear a legend substantially to the following effect;

**"THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S.**

**SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, OR (2) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THE EQUITY SHARES MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITARY RECEIPT FACILITY IN RESPECT OF THE EQUITY SHARES ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK."**

ix. our Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and the purchaser acknowledges that our Company, the Selling Shareholder, the BRLM and their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify our Company, Selling Shareholder and the BRLM, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

**Bidders are advised to ensure that any Bid from them does not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.**

**Disclaimer Clause of BSE**

As required, a copy of the Red Herring Prospectus was submitted to the BSE. The disclaimer clause as intimated by BSE to our Company post scrutiny of the Red Herring Prospectus is as follows:

*"BSE Limited ("the Exchange") has given vide its letter dated June 07, 2023, permission to this Company to use the Exchange's name in this offer document as one of the stock exchanges on which this company's securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner: -*

a) *warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or*
b) *warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or*
c) *take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company*

*and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever."*

**Disclaimer Clause of NSE**

As required, a copy of the Red Herring Prospectus was submitted to the NSE. The disclaimer clause as intimated by NSE to our Company post scrutiny of the Red Herring Prospectus is as follows:

*"As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/2293 dated June 07, 2023, permission to the Issuer to use the Exchange's name in this Offer Document as one of the Stock Exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.*

*Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever."*

**Listing**

The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on the BSE and NSE. Applications will be made to the Stock Exchanges for obtaining permission to deal in and for an official quotation of the Equity Shares to be issued and sold in the Issue. The NSE will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company will forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus, in accordance with applicable law and the Selling Shareholder will be liable to reimburse our Company for any such repayment of monies, on its behalf, with respect to their Offered Shares. If such money is not repaid within the prescribed time, then our Company, the Selling Shareholder and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law. Any expense incurred by our Company on behalf of any of the Selling Shareholder with regard to interest on such refunds will be reimbursed by such Selling Shareholder in proportion to its respective portion of the Offered Shares. For the avoidance of doubt, subject to applicable law, a Selling Shareholder shall not be responsible to pay and/or reimburse any expenses towards refund or any interest thereon for any delay, unless such delay has been caused by any act or omission solely and directly attributable to such Selling Shareholder and in any other case the Company shall take on the responsibility to pay interest. It is clarified that such liability of a Selling Shareholder shall be limited to the extent of its respective portion of the Offered Shares.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges are taken within six Working Days from the Bid/ Offer Closing Date or within such other period as may be prescribed. The Selling Shareholder confirm that it shall extend complete co-operation required by our Company and the BRLM for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date, or within such other period as may be prescribed. If our Company does not Allot the Equity Shares within six Working Days from the Bid/ Offer Closing Date or within such timeline as prescribed by SEBI, all amounts received in the Public Offer Accounts will be transferred to the Refund Account and it shall be utilised to repay, without interest, all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period, subject to applicable law.

**Consents**

Consents in writing of (a) the Selling Shareholder, our Directors, Group Company Secretary and Compliance Officer, Statutory Auditor, the BRLM, legal counsel, bankers/ lenders to our Company, F&S and the Registrar to the Offer, in their respective capacities have been obtained; and consents in writing of (b) the Syndicate Members, and the Banker(s) to the Offer to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under Sections 26 and 32 of the Companies Act, 2013. Further, consents received prior to filing of this Red Herring Prospectus have not been withdrawn up to the time of delivery of this Red Herring Prospectus with the RoC.

**Expert to the Offer**

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

i. Our Company has received written consent from the Statutory & Peer Review Auditors, holding a valid peer review certificate from ICAI, to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations namely, Rishi Kapoor & Company, Chartered Accountants, to include their name as required under section 26 (5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this RHP, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their: (i) examination report, dated July 27, 2023 on our Restated Consolidated Financial Information; and (ii) the Statement of Special Tax Benefits available to the Company, the Shareholders dated July 27, 2023, included in this Red Herring Prospectus.

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

**Public or rights issues by our Company during the last five years and performance vis-à-vis objects – our Company**

Other than as disclosed in the "Capital Structure – Notes to the capital structure" on page 109-110, our Company has not made any public or rights issue during the five years immediately preceding the date of this Red Herring Prospectus.

**Commission and brokerage paid on previous issues**

Since this is an initial public offer of Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company's incorporation.

**Capital issue by our Company, listed group companies, Subsidiaries and associates during the previous three years**

Our Company does not have any listed group companies, listed associates and listed Subsidiaries. For details in relation to the capital issuances by our Company in the three years preceding the date of filing the Red Herring Prospectus, see "Capital Structure – Notes to the capital structure" on page 109-110.

**Performance vis-à-vis objects – Last issue of Listed Subsidiaries or Listed Promoter**

Our Promoters and Subsidiaries are not listed on any stock exchange.

**Price information of past issues handled by the BRLM**

1. **Price information of past issues handled by Khambatta Securities Limited**

| Sr. No. | Issue name | Issue size (Rs. Crores) | Issue price (Rs.) | Listing Date | Opening price on Listing Date (Rs.) | +/- % 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. | Rudrabhishek Enterprises Limited | 18.73 | 41 | July 13, 2018 | 41.25 | -1.68[+3.05] | -1.56[+2.32] | +15.95[+0.60] |
| 2. | Gayatri Rubbers and Chemicals Limited | 4.58 | 30.00 | February 07, 2023 | 35.00 | +18.67[-1.13] | +35.67[+2.67] | +93.17[9.71] |
| 3. | Vels Films International Limited | 33.74 | 99.00 | March 22, 2023 | 101 | 0.00[+2.60] | +1.92[+9.54] | N.A. |
| 4. | Quality Foils (India) Limited | 4.52 | 60 | March 24, 2023 | 100 | +62.33[+3.21] | +50.08[+9.93] | N.A. |
| 5. | Quicktouch Technologies Limited | 9.33 | 61 | May 02, 2023 | 92 | +110.90[+2.00] | +129.67[+8.99] | N.A. |
| 6. | De Neers Tools Limited | 22.99 | 101 | May 11, 2023 | 190 | +74.50[+1.12] | +142.57[+6.94] | |

*Source: Price Information www.nseindia.com, Issue Information from respective Prospectus.*

2. **Summary statement of price information of past issues handled by Khambatta Securities Limited:**

| **Financial Year** | **Total no. of IPOs** | **Total Funds raised (Rs. Crores)** | **Nos. of IPOs trading at discount on as on 30th calendar days from listing date** | | | **Nos. of IPOs trading at premium on as on 30th calendar days from listing date** | | | **Nos. of IPOs trading at discount as on 180th calendar days from listing date** | | | **Nos. of IPOs trading at premium as on 180th calendar** | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | **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%** |
| 2023-24 | 2 | 32.32 | - | - | - | 2 | - | - | - | - | - | - | - | - |
| 2022-23 | 3 | 42.84 | - | - | - | 1 | - | 2 | - | - | - | 1 | - | - |
| 2021-22 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

Notes:

a) Based on date of listing.
b) BSE SENSEX and CNX NIFTY have been considered as the benchmark index.
c) Prices on BSE/NSE are considered for all of the above calculations.
d) In case 30th /90th /180th day is not a trading day, closing price on BSE/NSE of the next trading day has been considered.
e) In case 30th /90th /180th day, scrip are not traded then last trading price has been considered.
f) N.A. – Period not completed.
g) As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect max. 10 issues (initial public offerings managed by the lead manager. Hence, disclosures pertaining to recent 10 issues handled by lead manager are provided.

**Track record of past issues handled by the BRLM**

For details regarding the track record of the BRLM, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see the websites of the BRLM as set forth in the table below:

| **Sr, No.** | **Name of BRLM** | **Website** |
|---|---|---|
| 1. | Khambatta Securities Limited | www.khambattasecurities.com |

## SECTION VII – ISSUE RELATED INFORMATION
## TERMS OF THE ISSUE

The Equity Shares being offered, issued and allotted pursuant to the Issue shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SEBI Listing Regulations, the SCRA, the SCRR, the Memorandum of Association and Articles of Association, the terms of the Red Herring Prospectus, the Prospectus, the abridged prospectus, the Bid cum Application Form, any Revision Form, the CAN or Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents or certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the GoI, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue 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 or any other authority while granting its approval for the Issue.

**Ranking of Equity Shares**

The Equity Shares being issued and transferred pursuant to the Issue will be subject to the provisions of the Companies Act, the SEBI Listing Regulations, the MoA and the AoA and will rank pari passu in all respects with the existing Equity Shares of our Company, including in respect of dividends and other corporate benefits, if any, declared by our Company, after the date of Allotment. For more information, see "*Main Provisions of Articles of Association*" on page no. 502.

**Mode of Payment of Dividend**

Our Company shall pay dividend, if declared, to our Shareholders, as per the provisions of the Companies Act, the SEBI Listing Regulations, our MoA and the AoA, and any guidelines or directives that may be issued by the GoI in this respect. Any dividends declared, after the date of Allotment in this Issue, will be payable to the Bidders who have been Allotted Equity Shares in the Issue, for the entire year, in accordance with applicable law. For more information, see "*Dividend Policy*" and "*Main Provisions of Articles of Association*" on page no. 317 and 502 respectively.

**Face Value, Issue Price and Price Band**

The face value of each Equity Share is Rs. 10 and the Issue Price at the lower end of the Price Band is Rs. [●] per Equity Share and at the higher end of the Price Band is Rs. [●] per Equity Share. The Anchor Investor Issue Price is Rs. [●] per Equity Share.

The Price Band and the minimum Bid Lot size will be decided by our Company in consultation with the BRLM, and will be advertised, at least two Working Days prior to the Bid/ Issue Opening Date, in all edition of Business Standard (a widely circulated English national daily newspaper), in all editions of Business Standard (a widely circulated Hindi national daily newspaper) and in all editions of Business Standard (a widely circulated regional Hindi newspaper, Hindi also being the regional language of Delhi, Delhi where the Registered Office is located) each with wide circulation and shall be made available to the Stock Exchanges for the purpose of uploading 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 respective websites of the Stock Exchanges.

At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

**Compliance with SEBI ICDR Regulations**

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

**The Issue**

The Issue comprises a Fresh Issue and Offer for Sale by the Selling Shareholder.

**Compliance with disclosure and accounting norms**

Our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

**Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and our 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 and e-voting, in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability of the Equity Shares, subject to applicable laws, including any RBI rules and regulations;
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI Listing Regulations, and our Memorandum of Association and Articles of Association.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation or splitting, see "*Main Provisions of Articles of Association*" beginning on page no. 502.

**Allotment only in Dematerialised Form**

Pursuant to Section 29 of the Companies Act, 2013 and the SEBI ICDR Regulations, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialized form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Issue:

1) Tripartite agreement dated February 16, 2023 between our Company, NSDL and the Registrar and Share Transfer Agent to the Issue.

2) Tripartite agreement dated March 16, 2023 between our Company, CDSL and the Registrar and Share Transfer Agent to the Issue.

**Market Lot and Trading Lot**

Since trading of our Equity Shares is in dematerialized form, the tradable lot is one Equity Share. Allotment in this issue will be in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares. For the method of Basis of Allotment, see "*Issue Procedure*" on page no. 478.

**Joint Holders**

Subject to the provisions of the Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

**Jurisdiction**

The courts of Delhi, India will have exclusive jurisdiction in relation to this Issue.

**Nomination facility to investors**

In accordance with Section 72 of the Companies Act read with Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, transfer or alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Corporate Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Bidder would prevail. If the Bidder wants to change the nomination, they are requested to inform their respective Depository Participant.

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

**Withdrawal of the Issue**

Our Company in consultation with the BRLM, reserves the right not to proceed with the Issue after the Bid/ Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre- Issue advertisements were published, within two days of the Bid/ Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The BRLM, through the Registrar to the Issue, shall notify the SCSBs and the Sponsor Bank, in case of RIBs using the UPI Mechanism, to unblock the bank accounts of the ASBA Bidders and the BRLM shall notify the Escrow Collection Bank to release / refund the Bid Amounts to the Anchor Investors, within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, the Issue 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. If our Company withdraws the Issue after the Bid/ Issue Closing Date and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh Red Herring Prospectus with SEBI and the Stock Exchanges.

**ISSUE PROGRAM**

| | |
|---|---|
| **ISSUE OPENS ON(1)** | **September 08, 2023** |
| **ISSUE CLOSES ON** | **September 12, 2023** |

*(1)Our Company may, in consultation with the BRLM, consider participation by Anchor Investors. The Anchor investor Bidding Date shall be one Working Day prior to the Bid/ Issue Opening Date in accordance with the SEBI ICDR Regulations.*

An indicative timetable in respect of the Issue is set out below:

| **Event** | **Indicative Date** |
|---|---|
| Issue Closing Date | September 12, 2023 |
| Finalization of Basis of Allotment with the Designated Stock Exchange | On or before September 15, 2023 |
| Initiation of Refunds (if any, for Anchor Investors) / unblocking of funds from ASBA Account | On or before September 18, 2023 |
| Credit of Equity Shares to demat account of the Allottees | On or before September 20, 2023 |
| Commencement of trading of the Equity Shares on the Stock Exchanges | On or before September 21, 2023 |

**The above time-table is indicative in nature and does not constitute any obligation or liability on our Company or the Members of the Syndicate. While our Company will use best efforts to ensure that listing and trading of our Equity Shares on the Stock Exchanges commences within six Working Days of the Bid/Issue Closing Date or such other period as may be prescribed by SEBI, the timetable may be subject to change for various reasons, including extension of Bid/Issue Period by our Company due to revision of the Price Band, any delays in receipt of final listing and trading approvals from the Stock Exchanges, delay in receipt of final certificates from SCSBs, etc. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges in accordance with applicable law.**

SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any circulars or notifications from SEBI after the date of this Red Herring Prospectus may result in change of the above - mentioned timelines

Except in relation to the Bids received from the Anchor Investors, Bids and any revision in Bids will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Bid/Issue Period at the Bidding Centers, except that on the Bid/Issue Closing Date (which for QIBs may be a day prior to the Bid/Issue Closing Date for non-QIBs), Bids will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until (i) 4.00 p.m. (Indian Standard Time) for Bids by QIBs and Non-Institutional Investors; and (ii) 5.00 p.m. or such extended time as permitted by the Stock Exchanges (Indian Standard Time) in case of Bids by Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion. On the Bid/Issue Closing Date, extension of time may be granted by the Stock Exchanges only for uploading Bids received from Retail Individual Bidders and Eligible employees bidding in the Employee Reservation Portion, 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 reported by the BRLM to the Stock Exchanges.

**For the avoidance of doubt, it is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs and the Sponsor Bank will be rejected**

Due to limitation of time available for uploading Bids on the Bid/Issue Closing Date, Bidders are advised to submit Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 1.00 p.m. (Indian Standard Time) on the Bid/Issue Closing Date. Bidders are cautioned that if a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public issues, which 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 in the Issue. 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 the SCSBs would be rejected. Our Company and the members of Syndicate will not be responsible for any failure in uploading Bids due to faults in any hardware/software system or otherwise. Bids will be accepted only on Working Days. Investors may please note that as per letters dated July 3, 2006 and July 6, 2006, issued by the BSE and NSE respectively, Bids and any revisions in Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges.

Our Company in consultation with the BRLM, reserve the right to revise the Price Band during the Bid/Issue Period, in accordance with the SEBI ICDR Regulations, provided that the Cap Price will be less than or equal to 120% of the Floor Price, the cap of price band shall be atleast 105% of Floor Price and the Floor Price will not be less than the face value of the Equity Shares. Subject to compliance with the foregoing, the Floor Price may move up or down to the extent of 20% of the Floor Price and the Cap Price be revised accordingly.

**In case of any revision to the Price Band, the Bid/Issue Period will be extended by at least three additional Working Days after such revision of the Price Band, subject to the total Bid/Issue Period not exceeding 10 Working Days. In cases of force majeure, our Company may, for reasons to be recorded in writing, extend the Bid / Issue Period for a minimum of three Working Days, subject to the Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will 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 Book Running Lead Managers and at the terminals of the other Members of the Syndicate and by intimation to Designated Intermediaries. However, in case of revision in the Price Band, the Bid Lot shall remain the same.**

In case of discrepancy in data entered in the electronic book vis-à-vis data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

**Minimum Subscription**

In the event our Company does not receive (i) a minimum subscription of 90% of the Issue, and (ii) a subscription in the Issue equivalent to minimum number of securities as specified in Rule 19(2) of the SCRR, including through devolvement to the Underwriters, as applicable, our Company shall forthwith refund the entire subscription amount received no later than 15 days from the Bid / Issue Closing Date, failing which, the directors of our Company who are officers in default shall jointly and severally be liable to repay that money with interest at the rate of 15% per annum. If there is a delay beyond such period, our Company shall pay such interest prescribed under the Companies Act, 2013, read with the applicable rules framed thereunder. Our Company in consultation with the BRLM, reserve the right not to proceed with the Issue for any reason at any time after the Bid / Issue Opening Date but before the Allotment of Equity Shares.

In case of non-receipt of minimum subscription, application money of Anchor Investors to be refunded shall be credited only to the bank account from which the subscription was remitted. Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be Allotted will be not less than 1,000.

**Arrangements for Disposal of Odd Lots**

Since the Equity Shares will be treated in dematerialized form only, and the market lot for the Equity Shares will be one Equity Share, there are no arrangements for disposal of odd lots.

**New Financial Instruments**

As on the date of this Red Herring Prospectus, there are no outstanding warrants, new financial instruments or any rights, which would entitle the shareholders of our Company, including our Promoter, to acquire or receive any Equity Shares after the Issue.

**Restrictions, if any on Transfer and Transmission of Equity Shares**

Except for lock-in of the pre-Issue capital of our Company, the minimum Promoter's contribution and the Anchor Investor lock-in in the Issue as detailed in "Capital Structure" on page no. 108, except as provided in the Articles of Association as detailed in "Main Provisions of the Articles of Association" on page no. 502, there are no restrictions on transfers and transmission of Equity Shares and on their consolidation/ splitting.

## ISSUE STRUCTURE

Public Issue of upto [●] Equity Shares for cash at price of Rs. [●] (including a share premium of Rs. [●] per Equity Share) aggregating up to Rs. [●] lakhs comprising of a Fresh Issue of upto [●] Equity Shares aggregating up to Rs. 14,624.00 lakhs by our Company and an Offer of Sale of up to 82,94,118 Equity Shares aggregating up to Rs. [●] lakhs by the Selling Shareholder.

Our Company has, in consultation with the BRLM, undertaken a Pre-IPO Placement of 16,00,000 Equity Shares at an issue price of Rs. 211 per Equity Share (including a premium of Rs. 201 per Equity Share) aggregating Rs.3,376.00 Lakhs. The size of the Fresh Issue of up to Rs. 18,000.00 Lakhs has been reduced by Rs. 3,376.00 Lakhs pursuant to the Pre-IPO Placement and the revised size of the Fresh Issue is up to Rs.14,624.00 Lakhs. For risk regarding apprehension/concerns of the listing of our Equity Shares on the Stock Exchanges see 'Risk Factors - There is no guarantee that our Equity Shares will be listed on the BSE and the NSE in a timely manner or at all' on page 75.

The Issue and the Net Issue will constitute [●] % and [●] %, respectively of the post-issue paid-up Equity Share capital of our Company.

***The Issue is being made through the Book Building Process:***

| Particulars | QIBs(1) | Non-Institutional Bidders | Retails Individual Bidders |
|---|---|---|---|
| **Number of Equity Shares available for allotment/allocation** | Not more than [●] Equity Shares | Not less than [●] Equity Shares available for allocation or Net Issue less allocation to QIBs Bidders and Retail Individual Bidders | Not less than [●] Equity Shares available for allocation or Net Issue less allocation to QIBs Bidders and Non- Institutional Bidders |
| **Percentage of Issue size available for Allotment / allocation(2)** | Not more than 50% of the Issue size shall be allocated 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 balance QIB Portion (excluding the Anchor Investor Portion). The unsubscribed portion in the Mutual Fund portion will be available to other QIBs. | Not less than 15% of the Net Issue or the Net Issue less allocation to the QIB Bidders and Retail Individual Bidders will be available for allocation.<br><br>Provided that the unsubscribed portion in either of the sub-categories specified above may be allocated to applicants in the other sub-category of Non-Institutional Bidders. | Not Less than 35% of the Net Issue or the Net Issue less allocation to the QIB Bidders and Non-Institutional Bidders will be available for allocation |

| | | | |
|---|---|---|---|
| **Basis of Allotment if respective category is oversubscribed*** | Proportionate as follows: (excluding Anchor Investor Portion)<br><br>a) Upto [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and<br><br>b) Upto [●] Equity Shares shall be allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above.<br><br>c) Upto [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price. | The allocation to each Non-Institutional Investor shall not be less than minimum application size i.e., [•] Equity Shares, in accordance with the SEBI ICDR Regulations, 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, subject to valid Bids being received at or above the Issue Price. One third of the portion available to Non-Institutional Investors shall be reserved for applicants with application size of more than Rs. 2 lakhs and up to Rs. 10 lakhs, and two third of the portion available to Non-Institutional investors shall be reserved for applicants with application size of more than Rs. 10 lakhs. | Proportionate, subject to the minimum bid lot. The allotment to each Retail Individual Bidder 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, "Issue Procedure" on page 478. |
| **Minimum Bid** | Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds Rs. 2.0 Lakhs. | Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds Rs. 2.0 Lakhs. | [●] 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 Amount does not exceeds the size of the Issue, subject to applicable limits to the Bidder. | Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceeds the size of the Issue, (excluding the QIB Category) subject to applicable limits to the Bidder. | Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed Rs. 2.0 Lakhs. |
| **Mode of Allotment** | Compulsorily in dematerialised form. | | |
| **Bid Lot** | [●] Equity Shares and in multiples of [●] Equity Shares thereafter. | | |

| | | | |
|---|---|---|---|
| **Allotment Lot** | A minimum of [●] Equity Shares and thereafter in multiples of [●] Equity Share. | A minimum of [●] Equity Shares and thereafter in multiples of [●] Equity Share. | A minimum of [●] Equity Shares and thereafter in multiples of [●] Equity Share, subject to availability in the Retail Portion. |
| **Trading Lot** | 1 Equity Shares | | |
| **Who can Apply**(3) | Public financial institutions as specified in Section 2(72) of the Companies Act, 2013, scheduled commercial banks, mutual funds, FPIs other than individuals, corporate bodies and family offices, VCFs, AIFs, FVCIs registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance companies registered with IRDAI, provident funds (subject to applicable law) with minimum corpus of Rs. 2,500 lakhs, pension funds with minimum corpus of Rs. 2,500 lakhs National Investment Fund set up by the Government of India, the insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important Non-Banking Financial Companies. | Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions, societies, trusts and FPIs who are individuals, corporate bodies and family offices which are categorised as category II FPIs and registered with SEBI | Resident Indian individuals, Eligible NRIs and HUFs (in the name of the karta) |
| **Terms of Payment** | **In case of all other Bidders:** Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidders (other than Anchor Investors) or by the Sponsor Bank through the UPI Mechanism (only RIBs) that is specified in the ASBA Form at the time of submission of the ASBA Form.<br><br>**In case of Anchor Investors**: Full Bid Amount was payable by the Anchor Investors at the time of submission of the Anchor Investor Application Form(4) | | |

| | | | |
|---|---|---|---|
| **Mode of Bidding** | Only through the ASBA process (except for Anchor Investors). | Only through the ASBA process including the UPI Mechanism for an application size of upto Rs. 5.00 lakhs. | Only through the ASBA process. In case of Retail Individual Investors, ASBA process will include the UPI mechanism. |

**Assuming full subscription in the Issue*

*(1)Our Company may, in consultation with the BRLM, allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Issue Price, 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 Rs.1,000 lakhs, (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than Rs.1,000 lakhs but up to Rs.25,000 lakhs under the Anchor Investor Portion, subject to a minimum Allotment of Rs.500 lakhs per Anchor Investor, and (iii) in case of allocation above Rs.25,000 lakhs under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to Rs.25,000 lakh,, and an additional 10 Anchor Investors for every additional Rs.25,000 lakhs or part thereof will be permitted, subject to minimum allotment of Rs.500 lakhs per Anchor Investor. An Anchor Investor will make a minimum Bid of such number of Equity Shares, that the Bid Amount is at least Rs.1,000 lakhs. 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 in consultation with the BRLM. 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 to the Net QIB Portion.*

*(2)Subject to valid Bids being received at or above the Issue Price. This Issue is being made in accordance with Rule 19(2)(b) of the SCRR and Regulation 6(1) of the SEBI ICDR Regulations.*

*Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company and the Selling Shareholder, in consultation with the BRLM and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, please see "Terms of the Issue" on page 467.*

*(3)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. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.*

*(4)Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Issue Price shall be payable by the Anchor Investor pay-in date as indicated in the CAN. Bidders will be required to confirm and will be deemed to have represented to our Company, the Promoter, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.*

**Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire Equity Shares under the Issue.**

Bids by FPIs with certain structures as described under "Issue Procedure" on page 478 and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed.

In case of any revision in the Price Band, the Bid/ Issue Period shall be extended for at least 3 (three) additional Working Days after such revision of the Price Band, subject to the total Bid/ Issue Period not exceeding 10 (ten) Working Days. Any revision in the Price Band, and the revised Bid/ Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the websites of the BRLM and at the terminals of the members of the Syndicate.

*In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.*

**Withdrawal of the Issue**

The Issue shall be withdrawn in the event the requirement of the minimum subscription as prescribed under Regulation 45 of the SEBI ICDR Regulations is not fulfilled. Our Company and the Selling Shareholder, in consultation with the BRLM, reserves the right not to proceed with the Issue after the Bid/Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The BRLM, through the Registrar to the Issue, shall notify the SCSBs and the Sponsor Bank to unblock the bank accounts of the ASBA/ RIIs Bidding using the UPI Mechanism within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which the Equity Shares are proposed to be listed.

Notwithstanding the foregoing, the Issue 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.

If our Company or Selling Shareholder, withdraws the Issue after the Bid/ Issue Closing Date and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh Red Herring Prospectus with SEBI and the Stock Exchanges.

# ISSUE PROCEDURE

*All Bidders should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (the "General Information Document") which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the abridged prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the BRLM. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.*

*Additionally, all Bidders may refer to the General Information Document for information in relation to (i) Category of investor eligible to participate in the Issue; (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 Issue; (vi) General instructions (limited to instructions for completing the Bid Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Bid cum Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.*

*SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, has introduced an alternate payment mechanism using Unified Payments Interface ("UPI") and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for 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 with respect to Bids by UPI Bidders through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later ("UPI Phase II"). Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. The final reduced timeline 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, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular is effective for initial public offers opening on or after May 1, 2021, except as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and the provisions of this circular, as amended, are deemed to form part of this Red Herring Prospectus. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to Rs. 0.5 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 Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of Rs. 100 per day for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.*

Our Company, selling shareholder and the Members of the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document and is not liable for any amendment, modification or change in the applicable law which may occur after the date of this 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 Equity Shares that can be held by them under applicable law or as specified in this Red Herring Prospectus, Red Herring Prospectus and the Prospectus.

Further, the Company and the BRLM are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Issue.

**Book Building Procedure**

The Issue is being made in the 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 50% (not more than 50%) of the Issue shall be allocated to QIBs on a proportionate basis, provided that our Company, in consultation with the Book Running Lead Manager, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the Anchor Investor Allocation Price. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the 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 Issue Price. Further, 15% (not less than 15%) of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and 35% (not less than 35%) of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.

Under-subscription, if any, in any category, except the QIB Category, would be allowed to be met with spill-over from any other category or categories, as applicable, at the discretion of the Exchange, in consultation with the BRLM and the Designated Stock Exchange, subject to applicable laws. 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.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

**Phased implementation of Unified Payments Interface**

SEBI has issued UPI circulars in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars proposes to introduce and implement the UPI payment mechanism in three phases in the following manner:

**Phase I:** This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever is later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, an RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

**Phase II:** This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. Subsequently, it was decided to extend the timeline for implementation of Phase II until March 31, 2020. Further still, as per SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, the current Phase II of Unified Payments Interface with Application Supported by Blocked Amount be continued 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 will be discontinued and will be is replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase.

**Phase III:** The commencement period of Phase III is yet to be notified by SEBI. In this phase, the time duration from public issue closure to listing is proposed to be reduced to three Working Days. Accordingly, upon commencement of Phase III, the reduced time duration shall be applicable for the Issue.

The Issue 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/Issue Opening Date. If the Issue is made under UPI Phase III of the UPI Circular, the same will be advertised in all edition of Business Standard (a widely circulated English national daily newspaper), in all editions of Business Standard (a widely circulated Hindi national daily newspaper) and in all editions of Pratah Kiran, a local Hindi newspaper in Delhi (a widely circulated Hindi newspaper, Hindi also being the regional language of Delhi where the Registered Office is located) on or prior to the Bid/Issue Opening Date and such advertisement shall also be made available to the Stock Exchanges for the purpose of uploading on their respective websites.

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 finalised.

Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post–Issue BRLM will be required to compensate the concerned investor.

Further, in terms of the UPI Circulars, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLM, 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.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI. The issuers 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 Retail Individual Bidders using the UPI Mechanism.

NPCI vide circular reference no. NPCI/UPI/OC No. 127/ 2021-22 dated December 09, 2021, inter alia, has enhanced the per transaction limit in UPI from Rs. 2 lakh to Rs. 5 lakh for UPI based Application Supported by Blocked Amount (ASBA) in Initial Public Offers(IPOs).

Further, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, all UPI Bidders applying in public issues where the application amount is up to Rs. 500,000 shall use the UPI Mechanism and shall also provide their UPI ID in the Bid cum Application Form submitted with any of the entities mentioned herein below:

**i.** A syndicate Member;

**ii.** a stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity);

**iii.** a Depository Participant (whose name is mentioned on the website of the stock exchange as eligible for this activity);

**iv.** a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for this activity).

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLM.

**Electronic registration of Bids**

i. The Designated Intermediary may register the Bids using the online 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 online facilities for Book Building on a regular basis before the closure of the Offer;

ii. 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 this Red Herring Prospectus.

iii. Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. 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 Issue for further processing.

**Bid cum Application Form**

Copies of the Bid cum Application Form and the abridged prospectus will be available with the Designated Intermediaries at relevant Bidding Centers and at our Corporate Office of our Company. An electronic copy of the Bid cum Application Forms will also be available for download on the websites of the NSE (www.nseindia.com) and the BSE (www.bseindia.com) at least one day prior to the Bid/Issue Opening Date. For Anchor Investor, the Anchor Investor Application Form will be available at the office of the Book Running Lead Manager.

All Bidders (other than Anchor Investors) must provide bank account details and authorisation by the ASBA bank account holder to block funds in their respective ASBA Accounts in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain such detail are liable to be rejected.

Further, UPI Bidders using the UPI Mechanism must provide their UPI ID in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details will be rejected. Applications made by Retail Individual Bidders using third party bank account or using third party linked bank account UPI ID are liable for rejection. The Sponsor Bank shall provide details of the UPI linked bank account of the Bidders to the Registrar to the Issue for purpose of reconciliation.

RIBs Bidding through the Designated Intermediaries can only Bid using the UPI Mechanism.

RIBs submitting a Bid-cum Application Form to any Designated Intermediary (other than SCSBs) should ensure that only the UPI ID is mentioned in the relevant space provided in the Bid cum Application Form. ASBA Forms submitted by RIBs to Designated Intermediary (other than SCSBs) with ASBA Account details in the relevant space provided in the Bid cum Application Form, are liable to be rejected.

Further, such Bidders shall ensure that the Bids are submitted at the Bidding Centres only on Bid cum Application Forms bearing the stamp of the relevant Designated Intermediary (except in case of electronic Bid cum Application Forms) and Bid cum Application Forms (except electronic Bid-cum-Application Forms) not bearing such specified stamp may be liable for rejection. 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. Designated Intermediaries (other than SCSBs) shall not accept any ASBA Form from a RIB who is not Bidding using the UPI Mechanism.

The prescribed colour of the Bid cum Application Forms for various categories is as follows:

| Category | Colour of Bid cum Application Form(1) |
|---|---|
| Resident Indians including resident QIBs, Non- Institutional Investors, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis | White |
| FPIs applying on a repatriation basis | Blue |
| Anchor Investors | White(2) |

(1)*excluding electronic Bid cum Application Form (Electronic Bid Cum Application forms and the Abridged Prospectus will also be available for the download on the website of NSE (www.nseindia.com) and BSE (www.bseindia.com)*

(2)*Anchor Investor Application Forms shall be made available at the offices of the Book Running Lead Manager.*

Designated Intermediaries (other than SCSBs) shall submit/deliver the Bid cum Application Form (except the Bid cum Application Form from a RIB bidding using the UPI Mechanism) to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Bank. Further, SCSBs 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. Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded.

For UPI bidders using UPI Mechanism, the Stock Exchanges shall share the bid details (including UPI ID) with Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIBs, 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 (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the Bankers to the Issue) 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 Banks and the Bankers to the Issue. The BRLM shall also be required to obtain the audit trail from the Sponsor Banks and the Bankers to the Issue for analysing the same and fixing liability.

In accordance with BSE Circular No: 20220803-40 and NSE Circular No: 25/2022, each dated August 3, 2022, for all pending UPI Mandate Requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on the Bid/Offer Closing Date ("Cut-Off Time"). 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 shall host a web portal for intermediaries (closed user group) from the date of Bid/Issue 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 Issue Bidding process

**Who can Bid?**

In addition to the category of Bidders set forth in the General Information Document, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines:

- Scientific and/or industrial research organizations in India, which are authorised to invest in equity shares; and
- Any other person eligible to Bid in this Issue, under the laws, rules, regulations, guidelines and polices applicable to them.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulations) 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 in the United States. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in compliance with Regulations 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 Promoters, Promoter Group, BRLMs, associates and affiliates of the BRLMs, the Syndicate Members, persons related to Promoter and Promoter Group**

The BRLM and the Syndicate Member(s) shall not be allowed to purchase Equity Shares in this Issue in any manner, except towards fulfilling their underwriting obligations. However, associates and affiliates of the BRLMs and the Syndicate Member(s) may subscribe to or purchase Equity Shares in the Issue, in the QIB Portion or in Non Institutional Portion as may be applicable to such Bidders. Such Bidding and subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of BRLMs and Syndicate Member(s), shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither (i) the BRLM or any associates of the BRLM, except Mutual Funds sponsored by entities which are associates of the BRLM or insurance companies promoted by entities which are associate of BRLM or AIFs sponsored by the entities which are associate of the BRLM or FPIs (other than individuals, corporate bodies and family offices), sponsored by the entities which are associates of the BRLM nor; (ii) any "person related to the Promoter and members of the Promoter Group" shall apply in the Issue under the Anchor Investor Portion.

For the purposes of this section, a QIB who has any of the following rights shall be deemed to be a "person related to the Promoter and members of the Promoter Group": (a) rights under a shareholders' agreement or voting agreement entered into with the Promoter and members of the 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: (a) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (c) there is a common director, excluding a nominee director, amongst the Anchor Investor and the BRLM. The members of the Promoter Group will not participate in the Issue.

**Bids by Mutual Funds**

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof. Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid may be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Bids in respect of more than one scheme of a Mutual Fund will not be treated as multiple Bids, provided that such Bids clearly indicate the scheme for which the Bid is submitted.

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 scheme. 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 HUFs**

Bids by HUFs Hindu Undivided Families or HUFs, should be made in the individual name of the Karta. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or First Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;

**Bids by Eligible NRIs**

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorise their SCSB or should confirm/accept the UPI Mandate Request (in case of RIBs using the UPI Mechanism) 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 authorise their SCSB or should confirm/accept the UPI Mandate Request (in case of RIBs Bidding using the UPI Mechanism) to block their Non-Resident Ordinary ("NRO") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form. Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour).

Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

NRIs applying in the Issue through UPI Mechanism are advised to enquire with the relevant bank whether their bank account is UPI-linked prior to making such application For details of investment by NRIs, see "*Restrictions in Foreign Ownership of Indian Securities*" on page no. 500. Participation of eligible NRIs shall be subject to NDI Rules

**Bids by FPIs**

An entity, registered as a FPI pursuant to SEBI FPI Regulations, is permitted to invest in Indian securities as a person resident outside India in accordance with provisions of SEBI FPI Regulations and the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 ("FEMA Rules"). In terms of the SEBI FPI Regulations, the issue of equity shares to a single FPI or an investor group (multiple entities registered as foreign portfolio investors and directly or indirectly, having common ownership of more than fifty per cent or common control, shall be treated as part of the same investor group and the investment limits of all such entities shall be clubbed at the investment limit as applicable to a single FPI) must be below 10% of the post-issue equity share capital of a company on a fully diluted basis. The total investment under SEBI FPI Regulations by a FPI including its investor group shall not exceed the threshold of below ten per cent of the total paid up equity capital in a listed or to be listed company on a fully diluted basis. The FPIs investing in breach of the prescribed limit will have the option of divesting their holdings within 5 trading days from the date of settlement of the trades causing the breach. In case the FPI chooses not to divest, then the entire investment in the company by such FPI and its investor group shall be considered as investment under Foreign Direct Investment (FDI) and the FPI and its investor group shall not make further portfolio investment in the company concerned, and accordingly be subject to additional compliances and reporting requirements under applicable FEMA Rules.

For details of restrictions on investment by FPIs, see "Restrictions on Foreign Ownership of Indian Securities" on page no. 500.

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.

**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.**

**Bids by SEBI registered VCFs, AIFs and FVCIs**

The SEBI VCF Regulations, the SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

The holding by any individual VCF or FVCI registered with SEBI in one venture capital undertaking 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.

Category I and II AIFs cannot invest more than 25% of the corpus in one investee company. A category III AIF cannot invest more than 10% of the corpus in one investee company. A VCF registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations.

**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 and the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.**

**Bids by Limited Liability Partnerships**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof.

**Bids by Banking Companies**

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company in consultation with the BRLM reserves the right to reject any Bid without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "Banking Regulation Act"), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended 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 lower. 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 / corporate debt restructuring / strategic debt restructuring, or to protect the banks' 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 RBI. A banking company would require a prior approval of RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exception prescribed), 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 the Reserve Bank of India (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 bank's paid-up share capital and reserves.

**Bids by Systemically Important Non-Banking Financial Companies**

In case of Bids made by systemically important non-banking financial companies registered with RBI, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLM, reserves the right to reject any Bid, without assigning any reason thereof. Systemically Important Non-Banking Financial Companies participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

**Bids by Anchor Investors**

In accordance with the applicable SEBI ICDR Regulations, the key terms for participation by Anchor Investors are provided below:

i. Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLM;
ii. The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds Rs. 1,000 lakhs. 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 Rs. 1,000 lakhs;
iii. One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds;
iv. Bidding for Anchor Investors will open one Working Day before the Bid / Issue Opening Date, i.e., the Anchor Investor Bidding Date, and will be completed on the same day;
v. Our Company, in consultation with the BRLM will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than:
    a) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to Rs. 1,000 lakhs;
    b) minimum of two and maximum of fifteen Anchor Investors, where the allocation under the Anchor Investor Portion is more than Rs. 1,000 million but up to Rs. 25,000 lakhs, subject to a minimum Allotment of Rs. 500 lakhs per Anchor Investor; and
    c) in case of allocation above Rs. 25,000 lakhs under the Anchor Investor Portion, a minimum of five such investors and a maximum of fifteen Anchor Investors for allocation up to Rs. 25,000 lakhs, and an additional ten Anchor Investors for every additional Rs. 25,000 lakhs, subject to minimum allotment of Rs. 2,500 lakhs per Anchor Investor.
vi. Allocation to Anchor Investors will be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLMs before the Bid / Issue Opening Date, through intimation to the Stock Exchanges.
vii. Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid;
viii. If the Issue Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Issue 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 Issue 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 Issue Price;
ix. 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment, while the remaining 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment;
x. Neither the (i) BRLM or any associate of the BRLM (other than mutual funds sponsored by entities which are associate of the BRLM or insurance companies promoted by entities which are associate of the BRLM or Alternate Investment Funds (AIFs) sponsored by the entities which are associates of the BRLM or FPIs, other than individuals, corporate bodies and family offices, sponsored by the entities which are associate of the BRLM) nor (ii) the Promoters, Promoter Group or any person related to the Promoters or members of the Promoter Group shall apply under the Anchor Investors category. For further details, please see "Participation by Promoters, Promoter Group, BRLM, associates and affiliates of the BRLM, the Syndicate Members, persons related to Promoter, Promoter Group" on page no. 483;

**xi.** Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids;

For more information, see the General Information Document.

**Bids by SCSBs**

SCSBs participating in the Issue are required to comply with the terms of the circulars dated September 13, 2012 and January 2, 2013 issued by the SEBI. 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 for such applications.

**Bids by Insurance Companies**

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers prescribed in Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 ("IRDAI Investment Regulations") are set forth below:

- 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 or 10% of investment assets in case of a general insurer or a reinsurer;
- 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
- the industry sector in which the investee company operates not more than 15% of the respective fund of a life insurer or a reinsurer or health 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 Rs. 72,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of Rs. 7500,000 million or more but less than Rs. 72,500,000 million.

Insurer companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by the IRDAI from time to time to time including the IRDAI Investment Regulations.

**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 the Union 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 Rs. 250 million (subject to applicable laws) and pension funds with a minimum corpus of Rs. 250 million (subject to applicable laws), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company in consultation with the BRLM, reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company in consultation with the BRLM, in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company in consultation with the BRLM, may deem fit.

**Bids by Provident Funds/Pension Funds**

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of Rs. 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason thereof.

**The above information is given for the benefit of the Bidders. Our Company 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 Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable laws or regulation or as specified in this Red Herring Prospectus.**

**In accordance with RBI regulations, OCBs cannot participate in the Issue.**

**Information for Bidders (other than Anchor Investors)**

In addition to the instructions provided to Bidders in the *General Information Document for Investing in Public Issues*, Bidders are requested to note the following additional information in relation to the Issue.

1. The relevant Designated Intermediary will enter each Bid option into the electronic Bidding system as a separate Bid and generate an acknowledgement slip ("**Acknowledgement Slip**"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three Acknowledgement Slips for each Bid cum Application Form. It is the Bidder's responsibility to obtain the TRS 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 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 TRS from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

2. 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 this Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

3. In the event of an upward revision in the Price Band, Retail Individual Bidders who had Bid at Cut-off Price could either (i) revise their Bid or (ii) shall make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed Rs. 200,000 if the Bidder wants to continue to Bid at Cut-off Price). The revised Bids must be submitted to the same Designated Intermediary to whom the original Bid was submitted. If the total amount (i.e., the original Bid Amount plus additional payment) exceeds Rs. 200,000, the Bid will be considered for allocation under the Non-Institutional Portion. If, however, the Retail Individual Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Retail Individual Bidder and the Retail Individual Bidder is deemed to have approved such revised Bid at Cut-off Price.

4. In the event of a downward revision in the Price Band, Retail Individual Bidders who have bid at Cut-off Price may revise their Bid; otherwise, the excess amount paid at the time of Bidding would be unblocked after allotment is finalised.

5. Any revision of the Bid shall be accompanied by instructions to block the incremental amount, if any, to be paid on account of the upward revision of the Bid.

**Pre- Issue Advertisement**

Subject to Section 30 of the Companies Act, the Exchange will, after registering the Red Herring Prospectus with the RoC, publish a pre- Issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in all edition of Business Standard (a widely circulated English national daily newspaper), in all editions of Business Standard (a widely circulated Hindi national daily newspaper) and in all editions of Pratah Kiran, a local Hindi newspaper in Delhi (a widely circulated Hindi newspaper, Hindi also being the regional language of Delhi where the Registered is located). The Exchange shall, in the pre- Issue advertisement state the Bid/ Issue Opening Date, the Bid/ Issue Closing Date and the QIB Bid/ Issue Closing Date if any. This advertisement, subject to the provisions of Section 30 of the Companies Act, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

**Signing of Underwriting Agreement and filing of Prospectus with the RoC**

- Our Company and the Underwriters intend to enter into an Underwriting Agreement after the finalization of the Issue Price.
- After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the ‘Prospectus’. The prospectus will contain details of the Issue Price, the Anchor Investor Issue Price, Issue size, and underwriting arrangements and will be complete in all material respects.

**GENERAL INSTRUCTIONS**

Please note that QIBs and Non-Institutional Investors 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 can revise 250 their Bid(s) during the Bid/ Issue Period and withdraw their Bid(s) until Bid/ Issue Closing Date. Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

**Do’s:**

**1.** Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals; All Bidders (other than Anchor Investors) should submit their bids through the ASBA process only;

2. Ensure that you have Bid within the Price Band;

3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

4. Ensure (unless you are an Anchor Investor) that you have mentioned the correct ASBA Account number (i.e. bank account number or UPI ID, as applicable) in the Bid cum Application Form;

5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre (except in case of electronic Bids) within the prescribed time. Retail Individual Bidders using UPI Mechanism, may submit their ASBA Forms with Syndicate Members, Registered Brokers, RTA or Depository Participants;

6. 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. Ensure that you use only your own bank account linked UPI ID to make an application in the Issue. Retail Individual Bidders using the UPI Mechanism shall ensure that the bank with which they have their bank account where the funds equivalent to the Bid Amount are available for blocking;

7. If the first applicant is not the bank account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have an account with an SCSB and have mentioned the correct bank account number in the Bid cum Application Form (for all Bidders other than Retail Individual Bidders, bidding using the UPI Mechanism);

8. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

9. In case of joint Bids, the Bid cum Application Form should contain the name of only the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

10. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

11. Ensure that the name(s) given in the Bid cum Application Form is / are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant;

12. Instruct your respective banks to release the funds blocked in accordance with the ASBA process;

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. 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 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 including without limitation, multilateral/ bilateral institutions, and (iii) 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 beneficial 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;

**15.** 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;

**16.** Ensure that the correct investor category and the investor status is indicated in the Bid cum Application Form;

**17.** Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;

**18.** Ensure that Bids submitted by any person outside India is in compliance with applicable foreign and Indian laws;

**19.** Since the allotment will be in dematerialised form only, ensure that the Bidder’s depository account is active, the correct DP ID, Client ID and the PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID and the PAN entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID and PAN available in the Depository database;

**20.** In case of ASBA Bidders (other than Retail Individual Bidders using UPI Mechanism), 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);

**21.** Anchor Investors should submit the Anchor Investor Application Forms to the BRLM;

**22.** Once the Sponsor Bank issues the UPI Mandate Request, the Retail Individual Bidders would be required to proceed to authorise the blocking of funds by confirming or accepting the UPI Mandate Request;

**23.** 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 the 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 at the time of submission of the Bid;

**24.** 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 the 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 at the time of submission of the Bid;

**25.** Retail Individual Bidders using the UPI Mechanism 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 Retail Individual Bidder shall be deemed to have verified the attachment containing the application details of the Retail Individual Bidder in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount specified in the Bid cum Application Form;

26. Retail Individual Bidders bidding using the UPI Mechanism should mention valid UPI ID of only the applicant (in case of single account) and of the first applicant (in case of joint account) in the Bid cum Application Form;

27. Retail Individual 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; and

28. Ensure that the Demographic Details are updated, true and correct in all respects;

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Don'ts:**

1. Do not Bid for lower than the minimum Bid size;

2. Do not Bid for a Bid Amount exceeding Rs.200,000 (for Bids by Retail Individual Bidders);

3. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;

4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;

5. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);

6. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

7. Do not submit the Bid for an amount more than funds available in your ASBA account.

8. Do not submit Bids on plain paper or on incomplete or ineligible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;

9. If you are a Retail Individual Bidder and are using UPI Mechanism, do not submit more than one Bid cum Application Form for each UPI ID;

10. If you are a Retail Individual Bidder and are using UPI Mechanism, do not make the ASBA application using third party bank account or using third party linked bank account UPI ID;

11. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;

12. Do not submit the General Index Register (GIR) number instead of the PAN;

13. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;

14. 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;

**15.** 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);

**16.** Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;

**17.** Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Issue 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 this Red Herring Prospectus;

**18.** Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. Retail Individual Bidders can revise their Bids during the Bid/Issue Period and withdraw their Bids on or before the Bid/Issue Closing Date;

**19.** Do not Bid for shares more than specified by respective Stock Exchanges for each category;

**20.** Anchor Investors should not bid through the ASBA process;

**21.** 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; and

**22.** Do not submit Bids to a Designated Intermediary at a location other than Specified Locations. If you are a Retail Individual Bidder and are using UPI Mechanism, do not submit the ASBA Form directly with SCSBs.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Payment into Escrow Account for Anchor Investors**

Our Company and selling shareholder, in consultation with the BRLM 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 Issue through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, RTGS or NACH). For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

**a)** In case of resident Anchor Investors: "EMS **-** IPO **-** ANCHOR ESCROW ACCOUNT-R";
**b)** In case of Non-Resident Anchor Investors: "EMS **-** IPO **-** ANCHOR ESCROW ACCOUNT-NR";

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Bank and the Registrar to the Issue to facilitate collections from Anchor Investors.

**Grounds for Technical Rejections**

In addition to the grounds for rejection of Bids on technical grounds as provided in the *"General Information Document for Investing in Public Issues – Issue Procedure in Book Built Issue – Rejection and Responsibility for Upload of Bids – Grounds for Technical Rejections"* Bidders are requested to note that Bids may be 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 plain paper;

4. Bids submitted by Retail Individual 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 linked Mechanism submitted by Retail Individual 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. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are 'suspended for credit' in terms of SEBI circular (reference number: CIR/MRD/DP/ 22 /2010) dated July 29, 2010;

10. GIR number furnished instead of PAN;

11. Bids by Retail Individual Bidders with Bid Amount for a value of more than Rs. 2,00,000;

12. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations guidelines and approvals;

13. Bids accompanied by cheque(s), demand draft(s), stock invest, money order, postal order or cash;

14. Bids uploaded by QIBs after 4.00 p.m. on the QIB Bid / Issue Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Issue Closing Date, and Bids by Retail Individual Bidders uploaded after 5.00 p.m. on the Bid/ Issue Closing Date, unless extended by the Stock Exchanges; and

15. Bids by OCB.

**Issuance of a Confirmation of Allocation Note ("CAN") and Allotment in the Issue**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Issue shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Issue.

2. The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder.

**INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM**

In addition to the instructions for completing the Bid cum Application Form provided in the sub-section "General Information Document for Investing in Public Issues – Applying in the Issue – Instructions for filing the Bid cum Application Form/ Application Form" Bidders are requested to note the additional instructions provided below.

1. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal. Bids must be in single name or in joint names (not more than three, and in the same order as their Depository Participant details).

2. ASBA Bids must be made in a single name or in joint names (not more than three, and in the same order as their details appear with the Depository Participant), and completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in the Red Herring Prospectus and in the ASBA Form.

3. Bids on a repatriation basis shall be in the names of FIIs or FPIs but not in the names of minors, OCBs, firms or partnerships and foreign nationals.

**Designated Date and Allotment**

1. Our Company will ensure that the Allotment and credit to the successful Bidder's depositary account will be completed within six Working Days, or such period as may be prescribed by SEBI, of the Bid/ Issue Closing Date or such other period as may be prescribed.

2. Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees.

3. Allottees will have the option to re-materialise the Equity Shares so Allotted as per the provisions of the Companies Act, 2013 and the Depositories Act.

**Names of entities responsible for finalising the basis of allotment in a fair and proper manner**

The authorised employees of the Designated Stock Exchange, along with the BRLM and the Registrar to the Issue, 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 may be 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 over-subscription for the purpose of rounding off to make Allotment, in consultation with the Designated Stock Exchange. Further, upon over-subscription, an allotment of not more than one per cent of the Issue 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 Equity Shares, if any, shall be allotted on a proportionate basis. The Allotment of Equity Shares to Anchor Investors shall be on a discretionary basis subject to applicable law.

**Communications**

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue, quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the member of the Syndicate or the SCSB / Designated Intermediary, where the Bid was submitted and bank account number in which the amount equivalent to the Bid Amount was blocked.

Bidders can contact the Compliance Officer or the Registrar to the Issue, in case of any Pre- Issue or Post- Issue related problems such as non-receipt of letters of Allotment, credit of allotted shares in the respective beneficiary accounts, unblocking of funds, etc.

**Depository Arrangements**

The Allotment of the Equity Shares in the Issue shall be only in a de-materialised 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, two agreements had been signed among our Company, the respective Depositories and the Registrar to the Issue:

1. Agreement dated February 16, 2023 among NSDL, our Company and the Registrar to the Issue.
2. Agreement dated March 16, 2023 among CDSL, our Company and Registrar to the Issue.

**Impersonation**

**Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:**

***"Any person who:***

***a)*** *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*

***b)*** *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*

***c)*** *Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447"*

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

**Undertakings by our Company**

Our Company undertakes the following:

**1.** That if our Company does not proceed with the Issue after the Bid/ Issue Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid/ Issue Closing Date. The public notice shall be issued in the same newspapers where the pre- Issue advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;

2. That the complaints received in respect of the Issue shall be attended to by the Company expeditiously and satisfactorily;

3. That all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within six Working Days of the Bid/ Issue Closing Date or such other period as may be prescribed;
4. If Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within 6 days from the Bid/ Issue Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Bidders at the rate of 15.00% per annum for the delayed period;

5. That Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the Bidder within 6 days from the Bid/ Issue Closing Date or such lesser time as specified by SEBI, giving details of the bank where refunds shall be credited along with the amount and expected date of electronic credit for the refund;

6. That the Promoters' contribution in full, if applicable, shall be brought in advance before the Issue opens for subscription;

7. That funds required for making refunds to unsuccessful applicants as per mode(s) disclosed shall be made available to the Registrar to the Issue by the Company;

8. No further Issue of Equity Shares shall be made until the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are unblocked in the ASBA Accounts on account of non-listing, under-subscription etc.;

9. That if our Company withdraw the Issue after the Bid/ Issue Closing Date, our Company shall be required to file a fresh offer document with the SEBI, in the event our Company subsequently decides to proceed with the Issue;

10. That our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time;

11. That the allotment of securities/refund confirmation to Eligible NRIs shall be dispatched within specified time;

12. That adequate arrangements shall be made to collect all Bid cum Application Forms from Bidders and Anchor Investor Application Forms from Anchor Investors; and

13. That our Company shall not have recourse to the Issue Proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges.

**Utilisation of Net proceeds**

The Board of Directors of Our Company certifies that:

1. all monies received out of Issue of specified securities to public shall be transferred to separate bank account other than the bank account referred to in sub-section (3) of section 40 of the Companies Act, 2013;

2. details of all monies utilised out of the Issue referred to in sub-item(i) shall be disclosed and continue to be disclosed till the time any part of the Fresh Issue proceeds remains un-utilised under an appropriate separate head in the balance-sheet of the issuer indicating the purpose for which such monies had been utilised; and

3. details of all un-utilised monies out of the Fresh Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of the issuer indicating the form in which such un-utilised monies have been invested.

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India ("DPIIT") makes policy announcements on FDI through press notes and press releases which are notified by the RBI as amendments to the FEMA. The DPIIT also issues the Consolidated Foreign Direct Investment Policy ("FDI Policy") from time to time. The regulatory framework pertaining to foreign investment, over a period of time, thus, consists of acts, regulations, master circulars, press notes, press releases, and clarifications among other amendments.

India's current FDI Policy issued by the DPIIT with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT till October 15, 2020. All the press notes, press releases, clarifications on FDI issued by DPIIT till October 15, 2020 stand rescinded as on October 15, 2020. In terms of the FDI Policy, Foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the Government route, depending upon the sector in which foreign investment is sought to be made. In terms of the FDI Policy, the work of granting government approval for foreign investment under the FDI Policy and FEMA Regulations has now been entrusted to the concerned Administrative Ministries/Departments.

In accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments 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, as prescribed in the FDI Policy and the Foreign Exchange Management (Non-debt Instruments) Rules, 2019. 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. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020 issued on December 8, 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 of fund in India.

Further, the existing individual and aggregate investment limits for an FPI in the Company shall not exceed 10% of the total paid-up Equity Share capital of the Company for each FPI and the total holdings of all FPIs in the Company shall not exceed 24% of the total paid-up Equity Share capital of the Company. The RBI, in exercise of its power under the FEMA, has also notified Foreign Exchange Management (Non-debt Instruments) Rules, 2019 ("**Rules**") and Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt instruments) Regulations, 2019 to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. SEBI registered FPIs have been permitted to purchase shares of an Indian company through the Issue, subject to total FPI investment being within the individual FPI/sub account investment limit of less than 10% of the total paid-up equity capital on a fully diluted basis of the Company and subject to the total holdings of all FPIs/sub accounts including any other direct and indirect foreign investments in the Company not exceeding 24% of the paid-up equity capital of the Company on a fully diluted basis. The aggregate limit of 24% in case of FPIs may be increased up to the sectoral cap/statutory ceiling, as applicable, by the Company concerned by passing of resolution by the Board of the Company to that effect and by passing of a special resolution to that effect by its Shareholders. With effect from April 1, 2020, such aggregate limit of 24% has increased to the sectoral cap applicable to the Indian Company which in case of the Company is 100% provided that the Company complies with conditions provided under the FDI Policy. As per the Rules, the aggregate limit as provided above was permitted to be decreased by the Company to a lower threshold limit of 24% or 49% or 74% as deemed fit, with the approval of its Board of Directors through a resolution and also of its shareholders by means of a special resolution, before March 31, 2020. The Company has passed no such Board Resolution and hence, has not revised its sectoral caps. Further, eligible NRIs and OCIs investing on repatriation basis are subject to individual investment limit of 5% of the total paid-up equity capital on a fully diluted basis subject to the aggregate paid-value of the shares purchased by all NRIs and OCIs put together on repatriation basis not exceeding 10% of the total paid-up equity capital on a fully diluted basis of the Company. The aggregate limit of 10% in case of NRIs and OCIs together may be raised to 24 % if a special resolution to that effect is passed by the shareholders of the Company. As on date, no such resolution for raising the limit has been passed by the Company.

The transfer of shares between an Indian resident and a Non-resident does not require prior approval of RBI, subject to fulfillment of certain conditions as specified by DPIIT / RBI, from time to time. Such conditions include (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (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. Investors are advised to refer to the exact text of the relevant statutory provisions of law before investing and / or subsequent purchase or sale transaction in the Equity Shares of the Company.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state of the United States and may not be offered or sold within the United States, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sale 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.**

**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. The Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the Bids are not in violation of laws or regulations applicable to them.**

## SECTION VIII – DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

### THE COMPANIES ACT, 2013

### (A COMPANY LIMITED BY SHARES)

### ARTICLES OF ASSOCIATION
### OF
### EMS LIMITED*
### *(Earlier Known as EMS INFRACON PRIVATE LIMITED)*

### PRELIMINERY

**1.** Subject as hereinafter provided the Regulations contained in Table 'F' in the Schedule I to the Companies Act, 2013 shall apply to the Company so far as they are applicable to Public Company except so far as they have implied or expressly modified by what is contained in the Articles mentioned as altered or amended from time to time.

### INTERPRETATION

**I.** (1) In these Regulations: **-**

(a) "Company" means **EMS LIMITED.**

(b) "the Act" means the "Companies Act, 2013" and every statutory modification or re-enactment thereof and references to Sections or Rules of the Act shall be deemed to mean and include references to sections enacted in modification or replacement thereof.

(c) "these Regulations" means these Articles of Association as originally framed or as altered, from time to time.

(d) "the Office" means the Registered Office for the time being of the Company.

(e) "the Seal" means the common seal of the Company.

(f) Words imparting the singular shall include the plural and vice versa, words imparting the masculine gender shall include the feminine gender and words imparting persons shall include bodies corporate and all other persons recognized by law as such.

(g) "Month" and "year" means a calendar month and calendar year respectively.

***Companywide Special resolution passed in the EGM held on September 30, 2022, adopt new set of AOA which is in compliance with Provisions of Companies Act, 2013.***
****Name of the Company was changed from "EMS INFRACON PRIVATE LIMITED" to "EMS PRIVATE LIMITED" vide Special Resolution passed by the Members in the Extra Ordinary General Meeting held on September 30, 2022.***
***Further, members passed special resolution in the Extra Ordinary General meeting held on October 27, 20222 for conversion of the Company from Private Limited to Limited Company.***

(h) Expression referring to writing shall be construed as including references to printing, lithography, photography and other modes of representing or reproducing words in visible form.

(i) Unless the context otherwise requires, the words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modifications thereof, in force at the date at which these regulations become binding on the Company.

**2.** The Regulations contained in Table F in Schedule 1 to the Companies Act, 2013 shall not apply to the Company and the Regulations herein contained shall be the regulations for the management of the Company and for the observance of its members and their representatives. They shall be binding on the company and its members as if they are the terms of an agreement between them.

## SHARE CAPITAL AND VARIATION OF RIGHTS

**II. 1.**

1. The Authorised Share Capital of the company shall be such amounts and be divided into such shares as may, from time to time, be provided in Clause V of the Memorandum of Association with power to increase or reduce the capital in accordance with the Company's regulations and legislative provisions for the time being in force on that behalf with the powers to divide the share capital, whether original or increased or decreased into several classes and attach thereto respectively such ordinary, preferential or special rights and conditions in such manner as may for the time being be provided by the Regulations of the Company and allowed by law.

   Subject to the provisions of these Articles and of the Act, the shares shall be under the control of the Board of Directors, who may allot or otherwise dispose off the same to such persons, on such terms and conditions and at such time as they think fit and with full power to give any person the option to call of or be allotted shares of the Company of any class, either at a premium or at par and for such time and for such consideration as the Board of Directors think fit (subject to the provisions of Section 53, 54, 56 and 58 of the Act), provided that option or right to call of shares shall not be given to any person except with the sanction of the Company in General Meeting. The Board shall cause to be made the returns as the allotment provided for in Section 39 of the Act.

2. Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles; and every person who thus or otherwise accepts any shares and whose name is on the register shall, for the purposes of the Articles, be a member.

3. 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, the consent in writing of the holders of three fourths of the issued shares of that class or with a sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

4. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not unless otherwise provided by the terms of issue of the shares of that class be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

5.

(i) The company may exercise the powers of paying commissions conferred by Section 40 of the Act, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Section.

(ii) The rate of commission shall not exceed the rate of 5% (five percent) of the price at which the shares in respect whereof the same is paid are issued or an amount equal to 5% (five percent) of such price, as the case may be and in the case of debentures 2½% (two and a half per cent) of the price at which the debentures in respect whereof the same is paid are issued or an amount equal to 2½% (two and a half per cent) of such price, as the case may be.

(iii) The commission may be satisfied by payment in cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.

(iv) The Company may also, on any issue of shares, pay such brokerage as may be lawful.

**II 2.**

I

(i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided, —

(a) one certificate for all his shares without payment of any charges; or
(b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.

(ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.

(iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

II The Company agrees, that it will not charge any fees exceeding those which may be agreed upon with the Stock Exchange.

(i) for issue of new certificates in replacement of those that are torn out, defaced lost or destroyed;

(ii) for sub-division and consolidation of shares and debenture certificates and for subdivision of Letters of Allotment and Split, Consolidation, Renewal and Pucca Transfer Receipts into denominations other than those fixed for the market units of trading".

III If any shares stands in the names of two or more persons, the person first named in the register of members shall as regards receipt of dividends, the service of notices and subject to the provisions of these Articles, all or any other matter connected with the Company except the issue of share certificates, voting at meeting and the transfer of the share, be deemed the sole holder thereof.

**3.**

(i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.

(ii) The provisions of Articles (*2*) and (*3*) shall *mutatis mutandis* apply to debentures of the company.

**4.** Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

**5.**

(i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.

(ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.

(iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

**6.**

*(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, and whether or not the company is being wound up, be varied 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.

*(ii)* To every such separate meeting, the provisions of these regulations relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.

**7.** The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *paripassu* therewith.

**8.** Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, 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.

**LIEN**

**9.** Subject to the provisions of Companies Act, 2013 the Company shall have a first and paramount lien upon all the shares (not being a fully paid-up share) for all monies (presently payable) registered in the name of such member (whether solely or jointly with others) and upon the proceeds of sale thereof for his debts, liabilities and engagements (whether presently payable or not) solely or jointly with any other person, to or with the Company, whether the period for the payment, fulfilment or discharge thereof shall have actually lien or not and such lien shall extend to all dividends, from time to time, declared in respect of shares, subject to section 123 of the Companies Act 2013. The Board of Directors may at any time declare any shares to be wholly or in part exempt from the provisions of this clause.

**10.** The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:

Provided that no sale shall be made—

(a) unless a sum in respect of which the lien exists is presently payable; or

(b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

**11.**

*(i)* To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

*(ii)* The purchaser shall be registered as the holder of the shares comprised in any such transfer.

*(iii)* The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

**12.**

*(i)* The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

*(ii)* The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

**CALLS ON SHARES**

**13.**

*(i)* The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or byway of premium) and not by the conditions of allotment thereof made payable at fixed times: Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

*(ii)* Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.

*(iii)* A call may be revoked or postponed at the discretion of the Board.

**14.** A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.

**15.** The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

**16.**

*(i)* If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.

*(ii)* The Board shall be at liberty to waive payment of any such interest wholly or in part.

**17.** 1.

(i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

(ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

2. Subject to the provisions of Section 50 and 179 of the Act, the Board :-

*(a)* May, if it thinks fit, receive from any member willing to advance all or any part of the money uncalled and unpaid upon any shares held by him; and

*(b)* If it thinks fit, may pay interest upon all or any of shares (until the same would but for such advance become presently payable) at such rate not exceeding, unless the Company in general meeting shall otherwise direct, 12% (twelve percent) per annum as may be agreed upon between the Board and the member paying the sums or advances, Money so paid in advance shall not confer a right to dividend or to participate in profits.

3. On the trial or hearing on any suit or proceedings brought by the Company against any member or his representative 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 of members of the company as a holder or 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 Directors who resolved to make any call, nor that a quorum of Directors was present at Board Meeting at which any call was resolved to be made, nor that the meeting at which any call was resolved to be made was duly convened or constituted nor any other matter, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

4. Neither the receipt by the Company of a portion of any money which shall, from time to time, be due from any member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall, preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.

**18.** The Board—

(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

(b)upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve percent per annum, as may be agreed upon between the Board and the member paying the sum in advance.

**TRANSFER OF SHARES**

**19.**

1. The Company shall keep a "Register of Transfers" and therein shall fairly and distinctly enter particulars of every transfer or transmission of any share(s) or securities.

2.

(i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.

(ii) the transferor shall be deemed to remain a holder of the security until a properly signed deed of transfer is received by the Company within 2 months of its execution and proper note thereof has been taken and name of transferee has been entered in the Register of Members/Securities, as the case may be;

(iii) that there shall be no forfeiture of unclaimed dividends before the claim becomes barred by law;

(iv) that a common form of transfer shall be used;

(v) that fully paid shares shall be free from all lien and that in the case of partly paid shares the Company's lien shall be restricted to money called or payable at a fixed time in respect of such shares;

(vi) that registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever;

(vii) that any amount paid up in advance of calls on any share may carry interest but shall not in respect thereof confer a right to dividend or to participate in profits;

(viii) that option or right to call of shares shall not be given to any person except with the sanction of the Company in general meetings;

(ix) Permission for Sub-Division/Consolidation of Share Certificate.

3. The instrument of transfer shall be in writing and all the provisions of Companies Act 2013 and modification thereof for the time being shall be complied with in respect of all transfers of shares and registration thereof.

4. Unless the Directors decide otherwise, when an instrument of transfer is tendered by the transferee, before registering any such transfer, the Directors shall give notice by letter sent by registered acknowledgement due post to the registered holder that such transfer has been lodged and that unless objection is taken the transfer will be registered. If such registered holder fails to lodge an objection in writing at the office within ten days from the posting of such notice to him, he shall be deemed to have admitted the validity of the said transfer. Where no notice is received by the registered holder, the Directors shall be deemed to have decided not to give notice and in any event to the non-receipt by the registered holder of any notice shall not entitle him to make any claim of any kind against the Company or the Directors in respect of such non-receipt.

**20.** The Board may, subject to the right of appeal conferred by section 58 decline to register—
(*a*) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
(*b*) any transfer of the share on which the Company has a lien, provided that the registration transfer shall not be refused on the ground of transferor being either alone or jointly with any person or persons indebted to the Company on any account except a lien.

**21.**

1. The Board may decline to recognise any instrument of transfer unless—

(a) The instrument of transfer is in the form as prescribed in rules made under sub-section (*1*) of section 56;

(b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

(c) the instrument of transfer is in respect of only one class of shares.

2. All instruments of transfer which shall be registered shall be retained by the Company, but may be destroyed upon the expiration of such period as the Board may from time to time determine. Any instrument of transfer which the Board declines to register shall (except in any case of fraud) be returned to the person depositing the same.

**22.**

(a) On giving not less than seven days? previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

(b) There shall be no charge for:
   (i) registration of shares or debentures.
   (ii) sub-division and/or consolidation of shares and debentures certificates and sub-division of Letters of Allotment and split consolidation, renewal and pucca transfer receipts into denominations corresponding to the market unit or trading;
   (iii) sub-division of renounceable Letters of Right;
   (iv) issue of new certificates in replacement of those which are decrepit or worn out or where the cages on the reverse for recording transfers have been fully utilised;
   (v) registration of any Powers of Attorney, Letter of Administration and similar other documents.

**TRANSMISSION OF SHARES**

**23.**

*(i)* On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares.

*(ii)* Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

**24.**

*(i)* Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—
   (a) to be registered himself as holder of the share; or
   (b) to make such transfer of the share as the deceased or insolvent member could have made.

*(ii)* The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

**25.**

(i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.

(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

(iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

**26.**

1. On the transfer of the share being registered in his name a person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company.

   Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

2. Where the Company has knowledge through any of its principal officers within the meaning of Section 2 of the Estate Duty Act, 1953 of the death of any member of or debenture holder in the company, it shall furnish to the controller within the meaning of such section, the prescribed particulars in accordance with that Act and the rules made thereunder and it shall not be lawful for the Company to register the transfer of any shares or debentures standing in the name of the deceased, unless the transferor has acquired such shares for valuable consideration or a certificate from the Controller is produced before the Company to the effect that the Estate Duty in respect of such shares and debentures has been paid or will be paid or that none is due, as the case may be.

3. The Company shall incur liability whatever in consequence of its registering or giving effect, to any transfer of share made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the register of members) to the prejudice of persons having or claiming any equitable right, title of interest to or in the said shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice or referred thereto, in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company but the Company though not bound so to do, shall be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

## FORFEITURE OF SHARES

**27.** If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

**28.** The notice aforesaid shall—

*(a)* name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

*(b)* state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

**29.** If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time, thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the date of forfeiture, which shall be the date on which the resolution of the Board is passed forfeiting the shares.

**30.**

(i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

(ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

**31.**

(i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares together with interest thereon from the time of forfeiture until payment at the rate of 9 % (nine percent) per annum.

(ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.

**32.**

*(i)* A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;

*(ii)* The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;

*(iii)* The transferee shall thereupon be registered as the holder of the share; and

*(iv)* The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

**33.**

1. The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

2. The forfeiture of a share shall involve the extinction of all interest in and also of all claims and demands against the Company in respect of the share, and all other rights incidental thereto except only such of those right as by these Articles are expressly saved.

3. Upon any sale, after forfeiture or for enforcing a lien in purported exercise of powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings or to be application of the purchase money and after his name has been entered in the Register in respect of such shares, 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.

4. Upon any sale, re-allotment or other disposal under the provisions of these Articles relating to lien or to forfeiture, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect. When any shares, under the powers in that

behalf herein contained are sold by the Board and the certificate in respect thereof has not been delivered up to the Company by the former holder of such shares, 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.

5. The Directors may subject to the provisions of the Act, accept from any member on such terms and conditions as shall be agreed, a surrender of his shares or stock or any part thereof.

**ALTERATION OF CAPITAL**

**34.** The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.

**35.** Subject to the provisions of section 61, the company may, by ordinary resolution,-

(a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
(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;
(c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
(d) cancel any share which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

**36.**

1. The Company may, by an ordinary resolution:-

   (a) convert any paid-up shares into stock; and

   (b) reconvert any stock into paid-up shares of any denomination authorised by these regulations.

2. The holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred or as near thereto as circumstances admit:

   Provided the Board may, from time to time, fix the minimum amount of Stock transferable, so however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

3. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regard dividends voting and meeting of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

4. Such of the regulations of the Company (other than those relating to share warrants), as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholders" in those regulations shall include "stock" and "stockholder" respectively.

**37.**

1. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,-
   (a) its share capital;
   (b) any capital redemption reserve account; or
   (c) any share premium account.

   The Company may, from time to time, by special resolution and on compliance with the provisions of Section 66 of the Act, reduce its share capital.

2. The Company shall have power to establish Branch Offices, subject to the provisions of the Act or any statutory modifications thereof.

3. The Company shall have power to pay interest out of its capital on so much of shares which were issued for the purpose of raising money to defray the expenses of the construction of any work or building or the provision of any plant for the Company in accordance with the provisions of the Act.

4. The Company, if authorised by a special resolution passed at a General Meeting may amalgamate or cause itself to be amalgamated with any other person, firm or body corporate, subject however, to the provisions of Section 230 to 232 of the Act.

**CAPITALISATION OF PROFITS**

**38.**

1. The company in General Meeting may, upon the recommendation of the Board resolve:-

(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the Profit and Loss Account, or otherwise available for distribution; and

(b) that such sum be accordingly set free for distribution in the manner specified in clause (2) among the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

2. The sum aforesaid shall not be paid in cash, but shall be applied, subject to the provisions contained in clause (3), either in or towards :-

   (i) paying up any amounts for the time being upaid on any shares held by such members respectively;
   (ii) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or
   (iii) partly in the way specified in sub-claue (i) and partly in that is specified in sub-cluse (ii).

3. Any share/securities premium account and any capital redemption reserve fund may, for the purpose of this regulation, only be applied in the paying up of unissued share to be issued to members of the Company as fully paid bonus shares.

4. The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.
   (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—
      *(a)* make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and
      *(b)* generally do all acts and things required to give effect thereto.

(ii) The Board shall have power—

*(a)* to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and

*(b)* to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

(iii) Any agreement made under such authority shall be effective and binding on such members.

**39.**

1) Whenever such as resolution as aforesaid shall have been passed, the Board shall:-

(a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares, if any; and

(b) do all acts and things required to give effect thereto.

2) The Board shall have full power:-

(a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit in the case of shares becoming distributable in fractions; and also

(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

3) Any agreement made under such authority shall be effective and binding on all such members.

**BUY-BACK OF SHARES**

**40.** Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

**GENERAL MEETINGS**

**41.** All general meetings other than annual general meeting shall be called extraordinary general meeting.

**42.**

(i) The Board may, whenever it thinks fit, call an extraordinary general meeting.

(ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

## PROCEEDINGS AT GENERAL MEETINGS

**43.**

1. No general meeting, annual or extraordinary, shall be competent to enter upon, discuss or transact any business which has not been stated in the notice by which it was convened or called
2. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

   (ii) Save as otherwise provided in Section 103 of the Act, a minimum of:-

   a) five members personally present if the number of members as on the date of meeting is not more than one thousand;

   b) 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;

   c) thirty members personally present if the number of members as on the date of the meeting exceeds five thousand;

   Furthermore, A body corporate, being member, shall be deemed to be personally present if it is represented in accordance with Section 113 of the Act.

**44.** The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.

**45.** If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.

**46.**

1. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.
2. No business shall be discussed at any general meeting except the election of a Chairman, whilst the chair is vacant.

## ADJOURNMENT OF MEETING

**47.** 1.

(i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

(ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

(iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

2. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes places or at which the poll is demanded shall be entitled to a second or casting vote.

3. Any business other than that upon which a poll has been demanded, may be proceeded with, pending the taking of the poll.

## VOTING RIGHTS

**48.** Subject to any rights or restrictions for the time being attached to any class or classes of shares,—

(i) on a show of hands, every member present in person shall have one vote; and

(ii) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.

**49.** A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

**50.**

(i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

(ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

**51.** A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

**52.** Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

**53.** No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.

**54.**

(i) 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.

(ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

## PROXY

**55.** The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

**56.** An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

**57.** A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

## BOARD OF DIRECTORS

**58.**

1) ***The number of Directors of the Company shall not be less than three and not more than fifteen.***

2) ***Name of the First Director shall be***

   1. ***Mr. Ashish Tomar***
   2. ***Mr. Ramveer Singh***

**59.**

1) At every Annual General Meeting of the Company one-third of such of the Directors for the time being as are liable to retire by rotation in accordance with the provisions of Section 152 of the Act or if their number is not three or a multiple of three, then the number nearest to one third shall retire from office in accordance with the provisions of Sections 152 of the Act.

2)

(1) Subject to the provisions of the Companies Act, 2013 and Rules made there under each Director shall be paid sitting fees for each meeting of the Board or a committee thereof, attended by him a sum not exceeding Rs. 100,000/- (Rupees One Lacs Only);

(2) Subject to the provisions of Section 197 of the Act, the Directors shall be paid such further remuneration, whether in the form of monthly payment or by a percentage of profit or otherwise, as the Company in General Meeting may, from time to time, determine and such further remuneration shall be divided among the Directors in such proportion and in such manner as the Board may, from time to time, determine and in default of such determination, shall be divided among the directors equally of is so determined paid on a monthly basis.

(2) The remuneration of the Directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day to day.

(3) Subject to the provisions of Sections 197 of the Act, if any Director be called upon to perform any extra services or make special exertions or efforts (which expression shall include work done by a Director as a member of any committee formed by the Directors) the Board may pay such Director special remuneration for such extra services or special exertions or efforts either by way of a fixed sum or by percentage of profit otherwise and may allow such Director at the cost and expense of the Company such facilities or amenities (such as rent free house, medical aid and free conveyance) as the Board may determine from time to time.

(4) In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid in accordance with company's rules to be made by the Board all travelling, hotel and other expenses properly incurred by them :-

(a) In attending and returning from meetings or adjourned meeting of the Board of Directors or any committee thereof; or

(b) In connection with the business of the Company.

3) The Directors shall not be required to hold any qualification shares in the Company.

4) If it is provided by any trust deed securing or otherwise in connection with any issue of debentures of the Company that any person or persons shall have power to nominate a Director of the Company then in the case of any and every such issue of debentures, the persons having such power may exercise such power, from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to as a Debenture Director. A Debenture Director may be removed from office at time by the person or persons in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A debenture Director shall not be liable to retire by rotation.

5) In the course of its business and for its benefit the Company shall, subject to the provisions of the Act, be entitled to agree with any person, firm, corporation, government, financing institution or other authority that he or it shall have the right to appoint his or its nominee on the Board of Directors of the Company upon such terms and conditions as the Directors may deem fit. Such nominees and their successors in office appointed under this Article shall be called Nominee Directors. Nominee Directors shall be entitled to hold office until requested to retire by the government, authority, person, firm, institution or corporation who may have appointed them and will not be bound to retire by rotation. As and whenever a Nominee Director vacates office whether upon request as aforesaid or by death, resignation or otherwise the government, authority, person, firm, institution or corporation who appointed such Nominee Director may if the agreement so provide, appoint another Director in his place.

6) Subject to the provisions of Section 161 of the Act, the Board of Directors shall have power to appoint an alternate Director to act for a Director during his absence for a period of not less than three months from India.

7) The Directors shall have power, at any time and from time to time, to appoint any qualified person to be a director to fill a casual vacancy. Such casual vacancy shall be filled by the Board of Directors at a meeting of the Board. Any person so appointed shall held office only upto the date upto which the director in whose place he is appointed would have held office if it had not been vacated as aforesaid but he shall then be eligible for re-election.

8) A person may be or become a director of any company promoted by the company or in which it may be interested as a vendor, shareholder or otherwise and no such Director shall be accountable for any benefits received as director or shareholder of such company. Such Director, before receiving or enjoying such benefits in case in which the provisions of Section 188 of the Act are attracted will ensure that the same have been complied with.

9) Every nomination, appointment or removal of a Special Director shall be in writing and in accordance with the rules and regulations of the government, corporation or any other institution. A Special Director shall be entitled to the same rights and privileges and be subject to same obligations as any other Director or the Company.

10) The office of a Director shall become vacant:-
   (i) on the happening of any of the events provided for in Section 167 of the Act;
   (ii) on the contravention of the provisions of Sections 188 of the Act, or any statutory modifications thereof;
   (iii) if a person is a Director of more than twenty Companies at a time, out of which not more than 10 (Ten) shall be Public Companies.
   (iv) in the case of alternate Director on return of the original Director to the State, in terms of Section 161 of the Act; or
   (v) on resignation of his office by notice in writing and is accepted by the Board.

**60.** The Board may pay all expenses incurred in getting up and registering the company.

**61.** The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may thinks fit respecting the keeping of any such register.

**62.** All cheques, promissory notes, drafts, *hundis*, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

**63.** Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

**64.**

(i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.

(ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

**65.** 1.

(i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

2. Subject to Section 174 of the Act, the quorum for a meeting of the Board of Directors shall be one third of its total strength (any fraction contained in that one third being rounded off as one) or two Directors, whichever is higher; provided that where at any time the number of interested Directors exceeds or is equal to two thirds of the total strength, the number of the remaining Directors, that is to say, the number of directors, who are not interested, present at the meeting, being not less than two, shall be the quorum during such time.

3. The participation of the Directors by video conferencing or by other audio visual means shall also be counted for the purposes of quorum under clause 105 of the Articles.

4. If a meeting of the Board could not be held for want of quorum, whatever number of Directors not being less than two, shall be present at the adjourned meeting, notice where of shall be given to all the Directors, shall form a quorum.

**66.**

(i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

(ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote

**67.** The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.

**68.** 1.

(i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.

2. Subject to the restrictions contained in Section 179 & 180 of the Act, the Board may delegate any of its powers to committees of the Board consisting of such member or members of its body as it think fit and it may, from time to time, revoke such delegation and discharge any such committee of the Board either

wholly or in part, and either as to persons or purposes, but every committee of the Board so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such committee of the Board in conformity with such regulations and in fulfilment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.

3. The meetings and proceedings of any such committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last proceeding Article.

**69.**

(i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.

(ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

**70.**

(i) A committee may elect a Chairperson of its meetings.

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

**71.**

(i) A committee may meet and adjourn as it thinks fit.

(ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.

**72.** All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.

**73.** Subject to Section 175 of the Act and except a resolution which the Act requires specifically to be passed in any board meeting, a resolution in writing, signed by the majority members of the Board or of a committee thereof; for the time being entitled to receive notice of a meeting of the Board or committee, shall be as valid and effectual as if it had been passed at a meeting of the Board or committee, duly convened and held.

## CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER

**74.** Subject to the provisions of the Act,—

*(i)* A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may thinks fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

*(ii)* A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

**75.** A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

## THE SEAL

**76.**

1) The Board shall provide a common seal for the purposes of the Company and shall have power, from time to time, to vary or cancel the same and substitute a new seal in lieu thereof. The Board shall provide for the safe custody of the seal for the time being.

2) Subject to any statutory requirements as to Share Certificates or otherwise, 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 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.

## DIVIDENDS AND RESERVE

**77.** The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

**78.** Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.

**79.**

(i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit.

(ii) The Board may also carry forward any profits which it may consider necessary not, to divide, without setting them aside as a reserve.

**80.**

(i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.

(ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.

(iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

**81.** 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.

**82.**

(i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

**83.** Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

**84.** Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

**85.** No dividend shall bear interest against the company.

**ACCOUNTS**

**86.**

(1) The Board shall cause proper books of accounts to be maintained under Sections 128 & 129 of the Act.

(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 accounts and books of the Company or any or them, shall be open to the inspection of members not being Directors.

(3) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

**WINDING UP**

**87.** Subject to the provisions of Chapter XX of the Act and rules made thereunder—

(i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.

(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

**INDEMNITY**

**88.** Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

## OTHERS

89.

### SHARE WARRANTS

1. The Company may issue share warrant, subject to and in accordance with, the provisions of the Companies Act 2013 and accordingly the Board may in its discretion with respect of any share which is fully paid up, on application in writing signed by the person registered as holder of the share and authenticated by such evidence (if any) as the Board may, from time to time, require as to the identity of the person signing the application and on receiving the certificate (if any) of the share; and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.

2. (1) The bearer of a share warrant may at any time deposit the warrant at the office of the Company and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company and of attending and voting and exercising, the other privileges of a member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the register of members as the holder of the shares included in the deposited warrant.
(2) Not more than one person shall be recognised as depositor of the share warrant.
(3) The Company shall, on two days written notice, return the deposited share warrant to the depositor.

3. (1) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling meeting of the Company or attend or vote or exercise any other privilege of a member at a meeting of the company or be entitled to receive any notice from the Company.
(2) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he was named in the register of member as the holder of the shares including in the warrant and he shall be deemed to be a member of the Company in respect thereof.

4. The Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction of the original.

### MANAGING DIRECTOR(S) AND WHOLE TIME DIRECTOR(S)

1. Subject to provisions of Section 196 & 197 of the Act, the Board of Directors may, from time to time, appoint one or more of their body to the office of Managing Directors or whole time Directors for a period not exceeding 5 (five) years at a time and on such terms and conditions as the Board may think fit and subject to the terms of any agreement entered into with him, may revoke such appointment, and in making such appointments the Board shall ensure compliance with the requirements of the Companies Act, 2013 and shall seek and obtain such approvals as are prescribed by the Act, provided that a Director so appointed, shall not be whilst holding such office, be subject to retirement by rotation but his appointment shall automatically be determined if he ceases to be a Director.

2. The Board may entrust and confer upon Managing Director/s or whole time Director/s any of the powers of management which would not otherwise be exercisable by him upon such terms and conditions and with such restrictions as the Board may think fit, subject always to the superintendence, control and direction of the Board and the Board may, from time to time revoke, withdraw, alter or vary all or any of such powers.

3. Subject to Section 203 of the Act, a Secretary of the Company may be appointed by the Board on such terms, at such remuneration and upon such conditions as it may think fit, and any Secretary so appointed may be removed by the Board.

## BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

1. Balance Sheet and Profit and Loss Account of the Company will be audited once in a year by a qualified auditor for correctness as per provision of the Act.

## AUDIT

1.

(a) The first Auditor of the Company shall be appointed by the Board of Directors within thirty days from the date of registration of the Company and the Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting.

(b) The auditor shall be hold office from the conclusion of First Annual General Meeting till conclusion of Sixth Annual General Meeting

(c) The remuneration of the Auditor shall be fixed by the Company in the Annual General Meeting or in such manner as the Company in the Annual General Meeting may determine. In case of an Auditor appointed by the Board his remuneration shall be fixed by the Board.

(d) The Board of Director may fill any casual vacancy in the office of the auditor and where any such vacancy continues, the remaining auditor, if any may act, but where such vacancy is caused by the resignation of the auditors and vacancy shall be filled up by the Company in General Meeting.

## SECRECY

1. Subject to the provisions of law of land and the act, every manager, auditor trustee, member of a committee, officer servant, agent accountant or other persons employed in the business of the company shall, if so required by the Board of Directors before entering upon his duties, sign, declaration, pledging himself to observe strict secrecy respecting all transactions of the Company with its customers and the state of account 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 to do so by the directors or by any court of law and except so far as may be necessary in order to comply with any of the provisions in these presents.

## SECTION IX – OTHER INFORMATION

## MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following 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 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 RoC for registration. Copies of these contracts and also the documents for inspection referred to hereunder, may be inspected at the Corporate 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/Issue Closing Date.

**A. Material Contracts**

1. Memorandum of Understanding dated March 24, 2023 entered into between our Company, the Selling Shareholder and the Book Running Lead Manager.

2. Memorandum of Understanding dated March 24, 2023 entered into between our Company, the Selling Shareholder and the Registrar to the Issue.

3. Tripartite Agreement dated March 16, 2023 between CDSL, our Company and the Registrar to the Issue.

4. Tripartite Agreement dated February 16, 2023 between NSDL, our Company and the Registrar to the Issue.

5. Escrow Agreement dated August 09, 2023 between our Company, the Selling Shareholder, the Book Running Lead Manager, the Syndicate Members, the Escrow Collection Bank(s), Sponsor Bank(s), Refund Bank(s) and the Registrar to the Issue.

6. Share Escrow Agreement dated August 10, 2023 between our Company, the Selling Shareholder, the Share Escrow Agent and the Book Running Lead Manager.

7. Syndicate Agreement dated of August 09, 2023 & addendum to the Syndicate Agreement dated August 31, 2023 between our Company, the Selling Shareholder, the Book Running Lead Manager, the Syndicate Members and Registrar to the Issue.

8. Monitoring Agency Agreement dated July 27, 2023 amongst our Company and the Monitoring Agency.

9. Underwriting Agreement dated of [●] between our Company, the Selling Shareholder, the Book Running Lead Manager and the Underwriters.

**B. Material Documents**

1. Certified true copies of the Memorandum and Articles of Association of our Company, as amended from time to time.

2. Certificate of incorporation dated December 21, 2010; issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana;

3. Fresh Certificate of Incorporation was issued by the Registrar of Companies, Delhi on October 26, 2022;

4. Fresh certificate of incorporation consequent to change of name was issued by the Registrar of Companies, Delhi ("RoC") on November 25, 2022.

5. Resolution of the Board of Directors dated March 14, 2023 authorizing the Issue.

6. Shareholders' Resolution passed at the Extra-ordinary General Meeting of the Company held on March 15, 2023 authorizing the Issue.

7. Report of our Statutory Auditor dated July 27, 2023 regarding the Restated Financial Statement of our Company for year ended, March 31, 2023, 2022 and 2021 included in this Red Herring Prospectus.

8. Statement of Tax Benefits dated July 27, 2023 issued by our Statutory Auditor.

9. Consents of our Directors, the Selling Shareholder, Chief Financial Officer, Company Secretary and Compliance Officer, BRLM, Legal Counsel to the Issue, Statutory Auditor and Peer Reviewed Auditor, Registrar to the Issue, Escrow Collection Banks, Public Offer Account Bank, Sponsor Banks, Refund Bank, Bankers to our Company and Syndicate Members as referred to in their specific capacities.

10. Consent from CARE Advisory Research and Training Limited dated August 07, 2023 to include contents or any part thereof from their report titled "Industry Research Report on Infrastructure sector in India (Roads, Construction, Water and Power Sector)" dated August 07, 2023 in this Red Herring Prospectus;

11. Industry Report titled "Industry Research Report on Infrastructure sector in India (Roads, Construction, Water and Power Sector)" dated August 07, 2023 issued by CARE Advisory Research and Training Limited, which is a paid report and was commissioned by us pursuant to an engagement letter dated November 16, 2022 and March 27, 2023 in connection with the Issue; which is available on the website of our Company at www.ems.co.in/investors.

12. Due diligence Certificate dated March 28, 2023 addressed to SEBI issued by the BRLM.

13. Resolution of the Board of Directors of our Company dated March 28, 2023, approving this Draft Red Herring Prospectus.

14. Resolution of the Board of Directors of our Company dated September 01, 2023, approving this Red Herring Prospectus.

15. Terms of appointment of executive directors.

16. In - principle listing approvals both dated June 07, 2023 from BSE Limited and Nation Stock Exchange of India Limited.

17. SEBI observation letter no. SEBI/HO/CFD/RAC/DIL-1/EB/SM/OW/2023/26547/2 dated June 30, 2023.

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or the guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Red Herring Prospectus are true and correct.

**SIGNED BY THE CHAIRMAN & DIRECTOR OF OUR COMPANY**

| Name | DIN | Designation | Signature |
|---|---|---|---|
| Ramveer Singh | 02260129 | Chairman & Director | Sd/- |

Date: September 01, 2023
Place: Delhi

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or the guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Red Herring Prospectus are true and correct.

**SIGNED BY THE MANAGING DIRECTOR OF OUR COMPANY**

| Name | DIN | Designation | Signature |
|---|---|---|---|
| Ashish Tomar | 03170943 | Managing Director | Sd/- |

Date: September 01, 2023
Place: Delhi

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or the guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Red Herring Prospectus are true and correct.

**SIGNED BY THE WHOLE TIME DIRECTOR OF OUR COMPANY**

| Name | PAN | Designation | Signature |
|---|---|---|---|
| Kritika Tomar | 09777840 | Whole Time Director | Sd/- |

Date: September 01, 2023
Place: Delhi

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or the guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Red Herring Prospectus are true and correct.

**SIGNED BY THE EXECUTIVE DIRECTOR OF OUR COMPANY**

| Name | DIN | Designation | Signature |
| --- | --- | --- | --- |
| Neeraj Srivastava | 05309378 | Executive Director | |

Date: September 01, 2023
Place: Delhi

# DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or the guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Red Herring Prospectus are true and correct.

**SIGNED BY THE INDEPENDENT DIRECTOR OF OUR COMPANY**

| Name | DIN | Designation | Signature |
|---|---|---|---|
| Mukesh Garg | 08936325 | Independent Director | Sd/- |

Date: September 01, 2023
Place: Delhi

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or the guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Red Herring Prospectus are true and correct.

**SIGNED BY THE INDEPENDENT DIRECTOR OF OUR COMPANY**

| Name | DIN | Designation | Signature |
|---|---|---|---|
| Swati Jain | 09436199 | Independent Director | Sd/- |

Date: September 01, 2023
Place: Delhi

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or the guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Red Herring Prospectus are true and correct.

**SIGNED BY THE INDEPENDENT DIRECTOR OF OUR COMPANY**

| Name | DIN | Designation | Signature |
|---|---|---|---|
| Chetna | 08981045 | Independent Director | Sd/- |

Date: September 01, 2023
Place: Delhi

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or the guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Red Herring Prospectus are true and correct.

**SIGNED BY THE INDEPENDENT DIRECTOR OF OUR COMPANY**

| Name | DIN | Designation | Signature |
|---|---|---|---|
| Achal Kapoor | 09150394 | Independent Director | Sd/- |

Date: September 01, 2023
Place: Delhi

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or the guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Red Herring Prospectus are true and correct.

**SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY**

| Name | PAN | Designation | Signature |
|---|---|---|---|
| Gajendra Parihar | BDFPP5287B | Chief Financial Officer | Sd/- |

Date: September 01, 2023
Place: Delhi

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or the guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Red Herring Prospectus are true and correct.

**SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER OF OUR COMPANY**

| Name | PAN | Designation | Signature |
|---|---|---|---|
| Deepak Kumar | CYKPK5779C | Company Secretary & Compliance Officer | Sd/- |

Date: September 01, 2023
Place: Delhi

## DECLARATION

I, Ramveer Singh acting as a Selling Shareholder, hereby certify and confirm that all statements, disclosures and undertakings made or confirmed by me in this Red Herring Prospectus in relation to myself, as a Selling Shareholder and my respective portion of the Offered Shares, are true and correct. I assume no responsibility, as a Selling Shareholder, for any other statements, including statements, disclosures, and undertakings, including any of the statements made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Red Herring Prospectus.

**SIGNED BY THE PROMOTER & SELLING SHAREHOLDER OF OUR COMPANY**

| Name | DIN | Designation | Signature |
|---|---|---|---|
| Ramveer Singh | 02260129 | Promoter & Selling Shareholder | Sd/- |

Date: September 01, 2023
Place: Delhi