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THE ISSUE, AND THE DISTRIBUTION OF THE PRELIMINARY PLACEMENT DOCUMENT IS BEING MADE TO QUALIFIED INSTITUTIONAL BUYERS AS DEFINED UNDER THE SEBI ICDR REGULATIONS (“**QIBs**”) WHICH ARE NOT RESTRICTED FROM PARTICIPATING IN THE ISSUE UNDER THE APPLICABLE LAWS, INCLUDING THE SEBI ICDR REGULATIONS, ARE ELIGIBLE TO INVEST IN THIS ISSUE (“**ELIGIBLE QIBs**”) IN RELIANCE UPON CHAPTER VI OF THE SEBI ICDR REGULATIONS AND SECTIONS 42 AND 62, AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT. UNLESS A SERIALY NUMBERED PRELIMINARY PLACEMENT DOCUMENT ACCOMPANIED BY AN APPLICATION FORM IS ADDRESSED TO A SPECIFIC QIB INVITING SUCH QIB TO MAKE A BID THROUGH SUCH APPLICATION FORM, NO OFFER AND/OR INVITATION OF OFFER SHALL BE DEEMED TO HAVE BEEN MADE. YOU ACKNOWLEDGE THAT ACCESS TO THE PRELIMINARY PLACEMENT DOCUMENT IS INTENDED FOR USE BY YOU ONLY AND YOU AGREE NOT TO FORWARD THE PRELIMINARY PLACEMENT DOCUMENT ON TO ANY OTHER PERSON, IN WHOLE OR IN PART, OR OTHERWISE PROVIDE ACCESS VIA E-MAIL OR OTHERWISE TO ANY OTHER PERSON.

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THE PRELIMINARY PLACEMENT DOCUMENT MAY CONTAIN STATEMENTS ABOUT FUTURE EVENTS AND EXPECTATIONS THAT CONSTITUTE FORWARD-LOOKING STATEMENTS. THERE CAN BE NO ASSURANCE THAT THE RESULTS AND EVENTS CONTEMPLATED BY THE FORWARD-LOOKING STATEMENTS CONTAINED THERE WILL IN FACT OCCUR. THE COMPANY, ITS DIRECTORS, THE BOOK RUNNING LEAD MANAGER OR ANY OF THEIR RESPECTIVE AFFILIATES DO NOT MAKE ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO, AND DO NOT ACCEPT ANY RESPONSIBILITY OR LIABILITY WITH RESPECT TO, THE FAIRNESS, ACCURACY, COMPLETENESS OR CORRECTNESS OF ANY INFORMATION OR OPINION IN THE PRELIMINARY PLACEMENT DOCUMENT.

IF YOU ACCESS THE PRELIMINARY PLACEMENT DOCUMENT CONTRARY TO THE FOREGOING RESTRICTIONS, YOU WILL BE INELIGIBLE TO PURCHASE THE SECURITIES.

INVESTING IN THE EQUITY SHARES DESCRIBED IN THE PRELIMINARY PLACEMENT DOCUMENT PRESENTED HEREIN INVOLVES RISKS AND YOU SHOULD NOT INVEST ANY FUNDS IN THE EQUITY SHARES UNLESS YOU ARE PREPARED TO RISK LOSING ALL OR PART OF YOUR INVESTMENT. YOU ARE ADVISED TO CAREFULLY READ THE RISK FACTORS AND THE OTHER INFORMATION CONTAINED IN THE PRELIMINARY PLACEMENT DOCUMENT PRESENTED HEREIN BEFORE MAKING AN INVESTMENT DECISION. YOU ARE ADVISED TO CONSULT YOUR OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF INVESTING IN THE EQUITY SHARES DESCRIBED IN THE PRELIMINARY PLACEMENT DOCUMENT.

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Page 2

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Page 3

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Page 4 [if India is selected on page 3]

[Include preliminary placement document]



Our Company was originally incorporated as "Capacit'e Infraprojects Private Limited" as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated August 9, 2012 issued by the Registrar of Companies, Maharashtra at Mumbai ("RoC"). Thereafter, our Company was converted into a public limited company, approved vide a Shareholders' resolution dated February 14, 2014 pursuant to which the name of our Company was changed to "Capacit'e Infraprojects Limited" and a fresh certificate of incorporation consequent upon change of name on conversion to public limited company was issued by the RoC on March 21, 2014. For details of the change in the name of our Company, see "General Information" on page 381.

CIN: L45400MH2012PLC234318

Registered and Corporate Office: 605-607, 6th Floor, Shrikant Chambers, Phase – I, Adjacent to R K Studios, Sion-Trombay Road, Chembur, Mumbai – 400 071, Maharashtra, India
Telephone: +91- 22- 71733717; **Email:** compliance@capacite.in; **Website:** www.capacite.in
Compliance Officer: Rahul Kapur

Issue of up to [●] equity shares of face value of ₹10 each of our Company (the "Equity Shares") at a price of ₹[●] per Equity Share, including a premium of ₹[●] per Equity Share (the "Issue Price"), aggregating up to ₹[●] lakhs (the "Issue"). For further details, see "Summary of the Issue" on page 30.

THE ISSUE IS BEING UNDERTAKEN IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS"), SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED (THE "COMPANIES ACT, 2013"), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES"), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER.

The Equity Shares of our Company are listed on National Stock Exchange of India Limited (the "NSE") and BSE Limited (the "BSE" and together with NSE, the "Stock Exchanges"). The closing prices of the Equity Shares on the NSE and the BSE as on January 5, 2024 were ₹279.90 and ₹279.00 per Equity Share, respectively. Our Company has received in-principle approvals pursuant to Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "SEBI Listing Regulations") for listing of the Equity Shares to be issued pursuant to this Issue, from BSE and NSE, each dated January 8, 2024. Our Company shall make applications to the Stock Exchanges for obtaining final listing and trading approvals for the Equity Shares to be issued pursuant to this Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Equity Shares to be issued pursuant to this Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or the Equity Shares.

OUR COMPANY HAS PREPARED THIS PRELIMINARY PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE. THE ISSUE AND THE DISTRIBUTION OF THIS PRELIMINARY PLACEMENT DOCUMENT TO ELIGIBLE QIBs (AS DEFINED HEREINAFTER) IS BEING MADE IN RELIANCE UPON CHAPTER VI OF THE SEBI ICDR REGULATIONS, SECTION 42 OF THE COMPANIES ACT, 2013 READ WITH RULE 14 OF THE PAS RULES AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND OTHER RULES MADE THEREUNDER. THIS PRELIMINARY PLACEMENT DOCUMENT SHALL BE CIRCULATED TO ONLY SUCH ELIGIBLE QIBs WHOSE NAMES ARE RECORDED BY OUR COMPANY, PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES. THIS PRELIMINARY PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR AND DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR ANY OTHER PERSON OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN TO QUALIFIED INSTITUTIONAL BUYERS AS DEFINED IN THE SEBI ICDR REGULATIONS. YOU ARE NOT AUTHORIZED TO AND MAY NOT (1) DELIVER THIS PRELIMINARY PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PRELIMINARY PLACEMENT DOCUMENT, IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENTS OR UTILIZE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE SEBI ICDR REGULATIONS, THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER OR OTHER APPLICABLE LAWS OF INDIA AND OTHER JURISDICTIONS.

INVESTMENT IN EQUITY SHARES INVOLVES A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ "RISK FACTORS" ON PAGE 41 BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONDUCT ITS OWN DUE DILIGENCE ON US AND THE EQUITY SHARES AND CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES BEING ISSUED PURSUANT TO THIS PRELIMINARY PLACEMENT DOCUMENT AND THE PLACEMENT DOCUMENT.

A copy of this Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4 (as defined hereinafter) has been delivered to the Stock Exchanges and a copy of the Placement Document (which will include disclosures prescribed under Form PAS-4) will be delivered to the Stock Exchanges. Our Company shall also make the requisite filings with the Registrar of Companies, Maharashtra at Mumbai ("RoC"), within the stipulated period as required under the Companies Act, 2013 and PAS Rules. This Preliminary Placement Document has not been reviewed by the Securities and Exchange Board of India ("SEBI"), the Reserve Bank of India ("RBI"), the Stock Exchanges or any other listing or regulatory authority and is intended only for use by Eligible QIBs. This Preliminary Placement Document has not been and will not be filed as a prospectus with the RoC and will not be circulated or distributed to the public in India or any other jurisdiction and the Issue will not constitute a public offer in India or any other jurisdiction.

Invitations, offers and sales of the Equity Shares to be issued pursuant to this Issue shall only be made pursuant to this Preliminary Placement Document together with the Application Form, the Placement Document and the Confirmation of Allocation Note (each as defined hereinafter). For further details, see "Issue Procedure" on page 155. The distribution of this Preliminary Placement Document or the disclosure of its contents without the prior consent of our Company to any person, other than Eligible QIBs to whom this Preliminary Placement Document is specifically addressed, and persons retained by such Eligible QIBs to advise them with respect to their purchase of Equity Shares is unauthorized and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and make no copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document.

The information on the website of our Company, or any other website directly or indirectly linked to the website of our Company or the website of the Book Running Lead Manager (as defined hereinafter) or its affiliates, does not constitute nor form part of this Preliminary Placement Document and prospective investors should not rely on such information contained in, or available through, any such websites for their investment in this Issue.

The Equity Shares offered in the Issue 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 in 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 any applicable U.S. state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "Offshore Transactions", as defined in and in reliance on Regulation S under the U.S. Securities Act ("Regulation S") and the applicable laws of the jurisdictions where such offers and sales are made. For further information, see "Selling Restrictions" and "Transfer Restrictions and Purchaser Representations" on pages 169 and 176, respectively.

BOOK RUNNING LEAD MANAGER



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NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all of the information contained in this Preliminary Placement Document and confirms that to the best of its knowledge and belief, having made all reasonable enquiries, this Preliminary Placement Document contains all information with respect to us and the Equity Shares which is material in the context of the Issue. The statements contained in this Preliminary Placement Document relating to us and the Equity Shares are, in all material respects, true and accurate and are not misleading, and the opinions and intentions expressed in this Preliminary Placement Document with regard to us and the Equity Shares are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and information presently available to us. There are no other facts in relation to us and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Preliminary Placement Document misleading in any material respect. Further, our Company has made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements. Unless otherwise stated, all information in this Preliminary Placement Document is provided as of the date of this Preliminary Placement Document and neither our Company nor the BRLM have any obligation to update such information to a later date.

IIFL Securities Limited (the “**Book Running Lead Manager**” or the “**BRLM**” or the “**Lead Manager**”) has not separately verified all of the information contained in this Preliminary Placement Document (financial, legal or otherwise). Accordingly, neither the BRLM nor any of its shareholders, employees, counsels, officers, directors, representatives, agents, associates or affiliates make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the BRLM and/or by any of its shareholders, employees, counsels, officers, directors, representatives, agents, associates or affiliates as to the accuracy or completeness of the information contained in this Preliminary Placement Document or any other information (financial, legal or otherwise) supplied in connection with the Issue or the distribution of the Preliminary Placement Document. Each person receiving this Preliminary Placement Document acknowledges that such person has neither relied on the BRLM nor any of its shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates other than our Company in connection with such person’s investigation of the accuracy of such information or such person’s investment decision, and each such person must rely on its own examination of us and the merits and risks involved in investing in the Equity Shares issued pursuant to the Issue.

No person is authorised to give any information or to make any representation not contained in this Preliminary Placement Document and any information or representation not so contained must not be relied upon as having been authorised by, or on behalf of our Company or by or on behalf of the BRLM. The delivery of this Preliminary Placement Document at any time does not imply that the information contained in it is correct as of any time subsequent to its date.

The Equity Shares have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction including the United States Securities and Exchange Commission, any other federal or state authorities in the United States, the securities authorities of any non-United States jurisdiction or any other United States or non-United States regulatory authority. No authority has passed on or endorsed the merits of the Issue or the accuracy or adequacy of this Preliminary Placement Document. Any representation to the contrary may be a criminal offence in certain jurisdictions.

The Equity Shares offered in this Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. 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 and the applicable laws of the jurisdictions where such offers and sales are made. The Equity Shares are transferable only in accordance with the restrictions described in “*Selling Restrictions*” and “*Transfer Restrictions and Purchaser Representations*” on pages 169 and 176, respectively. Subscribers and purchasers of the Equity Shares will be deemed to make the representations, warranties, acknowledgements and agreements set forth in “*Representations by Investors*”, “*Selling Restrictions*” and “*Transfer Restrictions and Purchaser Representations*” on pages 3, 169 and 176 respectively of this Preliminary Placement Document.

The distribution of this Preliminary Placement Document and the issue of the Equity Shares in certain jurisdictions may be restricted in certain countries or jurisdictions by applicable laws. As such, this Preliminary Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to

make such offer or solicitation. In particular, no action has been taken by our Company or the BRLM which would permit an offering of the Equity Shares or distribution of this Preliminary Placement Document in any country or jurisdiction, other than India where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any offering materials in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. For a description of the restrictions applicable to the offer and sale of the Equity Shares in the Issue in certain jurisdictions, see “*Selling Restrictions*” and “*Transfer Restrictions and Purchaser Representations*” on pages 169 and 176, respectively.

In making an investment decision, the prospective investors must rely on their own examination of us, the Equity Shares and the terms of the Issue, including the merits and risks involved. Prospective investors should not construe the contents of this Preliminary Placement Document as legal, business, tax, accounting or investment advice. Prospective investors should consult their own counsel and advisors as to business, investment, legal, tax, accounting and related matters concerning the Issue. In addition, our Company or the BRLM are not making any representation to any investor, purchaser, offeree or subscriber of the Equity Shares in relation to the Issue regarding the legality or suitability of an investment in the Equity Shares by such investor, purchaser or offeree or subscriber under applicable legal, investment or similar laws or regulations. The prospective investors of the Equity Shares should conduct their own due diligence on the Equity Shares and our Company.

Each prospective investor, purchaser, offeree or subscriber of the Equity Shares in the Issue is deemed to have acknowledged, represented and agreed that it is an Eligible QIB and is eligible to invest in India and in our Company under applicable laws, including Chapter VI of the SEBI ICDR Regulations, Section 42 (read with Rule 14 of the PAS Rules) and other applicable provisions of the Companies Act, 2013 and that is not prohibited by SEBI or any other regulatory, statutory or judicial authority, on India or any other jurisdiction, from buying, selling or dealing in securities including the Equity Shares. Each investor, purchaser, offeree or subscriber of the Equity Shares in the Issue also acknowledges that it has been afforded an opportunity to request from our Company and review information relating to our Company and the Equity Shares.

This Preliminary Placement Document contains summaries of certain terms of certain documents, which summaries are qualified in their entirety by the terms and conditions of such documents and disclosures included in the section titled “*Risk Factors*” on page 41. This Preliminary Placement Document does not purport to contain all the information that any Eligible QIB may require. Further, this Preliminary Placement Document has been prepared for information purposes to the Issue only and upon the express understanding that it will be used for the purposes set forth herein.

The Company does not undertake to update the Placement Document to reflect subsequent events after the date of the Placement Document and thus it should not be relied upon with respect to such subsequent events without first confirming the accuracy or completeness with the Company. Neither the delivery of this Preliminary Placement Document nor any issue of Equity Shares made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Company since the date hereof.

The information on our Company’s website at www.capacite.in or any website directly or indirectly linked to our Company’s website or the website of the BRLM, its associates or its affiliates, does not constitute or form part of this Preliminary Placement Document. Prospective investors should not rely on any such information contained in, or available through, any such websites.

The Company agrees to comply with any undertakings given by it from time to time in connection with the Equity Shares to the Stock Exchanges and without prejudice to the generality of foregoing, shall furnish to the Stock Exchanges all such information as the rules of the Stock Exchanges may require in connection with the listing of the Equity Shares on the Stock Exchanges.

NOTICE TO INVESTORS IN CERTAIN OTHER JURISDICTIONS

This Preliminary Placement Document is not an offer to sell securities and is not soliciting an offer to subscribe to or buy securities in any jurisdiction where such offer, solicitation, sale or subscription is not permitted. For information relating to investors in certain other jurisdictions, see “*Selling Restrictions*” and “*Transfer Restrictions and Purchaser Representations*” on pages 169 and 176, respectively.

REPRESENTATIONS BY INVESTORS

All references to “you” and “your” in this section are to the prospective investors in this Issue. By bidding for and/or subscribing to any Equity Shares under this Issue, you are deemed to have represented, warranted, acknowledged and agreed to our Company and the Book Running Lead Manager, as follows:

1. Your decision to subscribe to the Equity Shares to be issued pursuant to this Issue has not been made based on any information relating to our Company or our Subsidiaries which is not set forth in this Preliminary Placement Document;
2. You are a “Qualified Institutional Buyer” as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to (i) acquire, hold, manage or dispose of any Equity Shares that are Allotted (hereinafter defined) to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act, 2013, to the extent applicable, and all other applicable laws; and (ii) comply with all requirements under applicable law, including SEBI ICDR Regulations, the Companies Act, 2013, reporting obligations, requirements/making necessary filings, if any, in connection with this Issue;
3. You are eligible to invest in India under applicable law, including the FEMA Rules (as defined hereinafter) and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI, RBI or any other regulatory authority, statutory authority or otherwise, from buying, selling or dealing in securities or otherwise accessing capital markets in India;
4. If you are not a resident of India, but are an Eligible QIB, (i) you are a foreign portfolio investor, and you confirm that you are an Eligible FPI as defined in this Preliminary Placement Document and have a valid and existing registration with SEBI under the applicable laws in India, or (ii) a multilateral or bilateral development financial institution and can participate in this Issue only under Schedule II of FEMA Rules. You will make all necessary filings with appropriate regulatory authorities, including RBI, as required pursuant to applicable laws. You have not been prohibited by SEBI, RBI or any other regulatory authority, from buying, selling or dealing in securities including to the Equity Shares or otherwise accessing the capital markets. You confirm that you are not a FVCI;
5. You are eligible to invest in and hold the Equity Shares of our Company in accordance with the FDI Policy and FEMA Rules, read along with the press note no. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India and the related amendments to the FEMA Rules. You confirm that neither is your investment as an entity from a country which shares a land border with India nor is the beneficial owner of your investment situated in or is a citizen of such country (in each which case, investment can only be through the Government approval route);
6. You will provide the information as required under the Companies Act, 2013 and the PAS Rules for record keeping by our Company, including your name, complete address, phone number, e-mail address, permanent account number and bank account details and such other details as may be prescribed or otherwise required even after the closure of the Issue;
7. If you are Allotted Equity Shares pursuant to this Issue, you shall not sell the Equity Shares so acquired, for a period of one year from the date of Allotment (hereinafter defined), except on the Stock Exchanges. Additional requirements or requirements apply if you are in certain other jurisdictions. For details, see “*Selling Restrictions*” and “*Transfer Restrictions and Purchaser Representations*” on pages 169 and 176 respectively;
8. You are aware that this Preliminary Placement Document has not been, and will not be, filed as a prospectus with the RoC under the Companies Act, the SEBI ICDR Regulations or under any other law in force in India and, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors other than Eligible QIBs. You acknowledge that this Preliminary Placement Document has not been reviewed, verified or affirmed by SEBI, the RoC, the Stock Exchanges or any other regulatory or listing authority and is intended only for use by Eligible QIBs. This Preliminary Placement Document is filed and the Placement Document shall be filed with the Stock Exchanges for record purposes only and be displayed on the websites of our Company and the Stock Exchanges;

9. You are entitled to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions applicable to you and that you have fully observed such laws and you have all necessary capacity and have obtained all necessary consents and authorities, as may be required and complied with and shall comply with all necessary formalities to enable you to participate in this Issue and to perform your obligations in relation thereto (including without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorizations to agree to the terms set out or referred to in this Preliminary Placement Document), and will honour such obligations;
10. Neither our Company, the Book Running Lead Manager nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates are making any recommendations to you or advising you regarding the suitability of any transactions it may enter into in connection with this Issue and your participation in this Issue is on the basis that you are not, and will not, up to the Allotment of the Equity Shares, be a client of the Book Running Lead Manager. Neither the Book Running Lead Manager nor any of their shareholders, directors, officers, employees, counsels, representatives, agents or affiliates has any duty or responsibility to you for providing the protection afforded to their clients or customers or for providing advice in relation to this Issue and are not in any way acting in any fiduciary capacity;
11. All statements other than statements of historical fact included in this Preliminary Placement Document, including, without limitation, those regarding our financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our business), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and environment in which we will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as of the date of this Preliminary Placement Document. Neither our Company, nor the Book Running Lead Manager or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates assumes any responsibility to update any of the forward-looking statements contained in this Preliminary Placement Document;
12. You are aware that the Equity Shares are being offered only to Eligible QIBs on a private placement basis and are not being offered to the general public, or any other category of investors other than the Eligible QIBs and the Allotment shall be on a discretionary basis at the discretion of our Company in consultation with the Book Running Lead Manager;
13. You understand and agree that the Equity Shares are transferrable only in accordance with the restrictions described under the section titled "*Selling Restrictions*" on page 169 and you have made, or been deemed to have made, as applicable, the representations, warranties, acknowledgments and undertakings as set out under sections titled "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 169 and 176, respectively and you warrant that you will comply with such representations, warranties, acknowledgments and undertakings;
14. You have been provided a serially numbered copy of this Preliminary Placement Document, and have read it in its entirety, including the section titled "*Risk Factors*" on page 41;
15. You are outside the United States and are purchasing the Equity Shares in an 'offshore transaction' as defined in and in reliance with Regulation S, and are not our Company's or the BRLM's affiliate or a person acting on behalf of such an affiliate;
16. You are not acquiring or subscribing for the Equity Shares as a result of any "general solicitation" or "general advertising" (as those terms are defined in Regulation D under the Securities Act) or "directed selling efforts" (as defined in Regulation S) and you understand and agree that offers and sales are being made in reliance on an exemption to the registration requirements of the U.S. Securities Act.
17. In making your investment decision, you have (i) relied on your own examination of our Company and our Subsidiaries and the terms of this Issue, including the merits and risks involved, (ii) made your own assessment of our Company and the Equity Shares and the terms of this Issue based on such information as is publicly available, (iii) consulted your own independent counsels and advisors or otherwise have satisfied yourself concerning, the effects of local laws (including tax laws), (iv) relied solely on the

information contained in this Preliminary Placement Document and no other disclosure or representation by our Company, its Subsidiaries or any other party, (v) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of our Company and the Equity Shares, and (vi) relied upon your own investigation and resources in deciding to invest in this Issue;

18. Neither the Book Running Lead Manager nor any of their shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, has provided you with any tax advice from a reputable service provider or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares (including this Issue and the use of proceeds from the Equity Shares). You will obtain your own independent tax advice and will not rely on the Book Running Lead Manager or any of their shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, when evaluating the tax consequences in relation to the Equity Shares (including, in relation to this Issue and the use of proceeds from sale of the Equity Shares). You waive, and agree not to assert any claim against, either of the Book Running Lead Manager or any of its shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;
19. You have such knowledge and experience in financial, business and investment matters as to be capable of evaluating the merits and risks of the investment in the Equity Shares and you and any managed accounts for which you are subscribing to the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to our Company and/or the Book Running Lead Manager or any of their shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, for all or part of any such loss or losses that may be suffered in connection with the Issue, including losses arising out of non-performance by our Company of any of its respective obligations or any breach of any representations and warranties by our Company, whether to you or otherwise; (iii) are able to sustain a complete loss on the investment in the Equity Shares; (iv) have no need for liquidity with respect to the investment in the Equity Shares; and (v) have no reason to anticipate any change in your or their circumstances- financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares. You are seeking to subscribe to the Equity Shares in this Issue for your own investment and not with a view to resell or distribute;
20. If you are acquiring the Equity Shares for one or more managed accounts, you represent and warrant that you are authorized in writing, by each such managed account to acquire the Equity Shares for each managed account and make the representations, warranties, acknowledgements, undertakings and agreements herein for and on behalf of each such account, reading the reference to 'you' to include such accounts;
21. You are not a 'promoter' of our Company (as defined under the SEBI ICDR Regulations or the Companies Act), and are not a person related to the Promoters (as defined hereinafter), either directly or indirectly and your Bid (hereinafter defined) does not directly or indirectly represent any Promoters or members of the Promoter Group (as defined under the SEBI ICDR Regulations) of our Company or persons or entities related thereto;
22. You have no rights under a shareholders' agreement or voting agreement entered into with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board of Directors of our Company, other than the rights, if any, acquired in the capacity of a lender not holding any Equity Shares (a QIB who does not hold any Equity Shares and who has acquired the said rights in the capacity of a lender shall not be deemed to be a person related to our Promoters);
23. You are eligible to Bid for and hold Equity Shares so Allotted together with any Equity Shares held by you prior to this Issue. Your aggregate holding after the Allotment of the Equity Shares shall not exceed the levels permissible as per any applicable law;
24. Your aggregate holding, together with other Eligible QIBs in this Issue that belong to the same group or are under common control as you, pursuant to the Allotment under this Issue shall not exceed 50% of the Issue Size (as defined hereinafter). For the purposes of this representation:
 - a. Eligible QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiaries or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other

persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIBs, its subsidiary or holding company and any other Eligible QIB; and

b. 'Control' shall have the same meaning as is assigned to it under the SEBI Takeover Regulations.

25. You are aware that (i) applications for in-principle approval, in terms of Regulation 28 of the SEBI Listing Regulations, for listing and admission of the Equity Shares and for trading on the Stock Exchanges, were made and approval has been received from each of the Stock Exchanges, and (ii) final applications will be made for obtaining listing and trading approvals from the Stock Exchanges, and that there can be no assurance that such approvals will be obtained on time or at all. Neither our Company, the Book Running Lead Manager nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates shall be responsible for any delay or non-receipt of such final listing and trading approvals or any loss arising therefrom;
26. You shall not undertake any trade in the Equity Shares credited to your beneficiary account with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges;
27. You are aware that in terms of the requirements of the Companies Act upon Allocation, our Company will be required to disclose names and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document. However, disclosure of such details in relation to the proposed Allottees in the Placement Document will not guarantee Allotment to them, as Allotment in this Issue shall continue to be at the sole discretion of our Company, in consultation with the Book Running Lead Manager;
28. You are aware that our Company shall make necessary filings with the RoC as may be required under the Companies Act;
29. You acknowledge that this Preliminary Placement Document does not, and the Placement Document shall not confer upon or provide you with any right of renunciation of the Equity Shares offered through this Issue in favour of any person;
30. You will provide the information as required under the Section 42 of the Companies Act and Rule 14 of the PAS Rules for record keeping by our Company, including your name, father's name, complete address, phone number, e-mail address, permanent account number and bank account details;
31. You are aware that if you, together with any other Eligible QIBs belonging to the same group or under common control, are Allotted 5% or more of the Equity Shares in this Issue, our Company shall be required to disclose the name of such Allottees and the number of Equity Shares Allotted to the Stock Exchanges and the Stock Exchanges will make the same available on their website and you consent to such disclosures being made by our Company;
32. You are aware and understand that the Book Running Lead Manager has entered into a Placement Agreement with our Company, whereby the Book Running Lead Manager has, subject to the satisfaction of certain conditions set out therein, severally and not jointly, undertaken to use their reasonable efforts to seek to procure subscription for the Equity Shares on the terms and conditions set out therein;
33. The contents of this Preliminary Placement Document are exclusively the responsibility of our Company and that neither the Book Running Lead Manager nor any person acting on its or its behalf or any of the counsel or advisor to this Issue has or shall have any liability for any information, representation or statement contained in this Preliminary Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in this Issue based on any information, representation or statement contained in this Preliminary Placement Document or otherwise. By accepting participation in this Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in this Preliminary Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, and you have neither received nor relied on any other information, representation, warranty or statement made by, or on behalf of, the Book Running Lead Manager or our Company or any other person and neither the Book Running Lead Manager nor our Company or any of their respective affiliates, including any view, statement, opinion or representation expressed in any research published or distributed by them, and the Book

Running Lead Manager and their affiliates will not be liable for your decision to accept an invitation to participate in this Issue based on any other information, representation, warranty, statement or opinion;

34. Neither the Book Running Lead Manager nor any of its affiliates have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in this Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with this Issue, including non-performance by our Company of any of its obligations or any breach of any representations and warranties by our Company, whether to you or otherwise;
35. You are a sophisticated investor who is seeking to purchase the Equity Shares for your own investment and not with a view to distribute. You acknowledge that (i) an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment, (ii) you have sufficient knowledge, sophistication and experience in financial and business matters so as to be capable of evaluating the merits and risk of the purchase of the Equity Shares, and (iii) you are experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions and have such knowledge and experience in financial, business and investments matters that you are capable of evaluating the merits and risks of your investment in the Equity Shares;
36. You are subscribing to the Equity Shares to be issued pursuant to this Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable law, including but not limited to the SEBI Insider Trading Regulations, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 and the Companies Act;
37. Either (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents with regard to our Company or this Issue ("**Company Presentations**"); or (ii) if you have participated in or attended any Company Presentations: (a) you understand and acknowledge that the Book Running Lead Manager may not have the knowledge of the statements that our Company or its agents may have made at such Company Presentations and are therefore unable to determine whether the information provided to you at such meetings or presentations included any material misstatements or omissions, and, accordingly you acknowledge that Book Running Lead Manager has advised you not to rely in any way on any such information that was provided to you at such meetings or presentations, and (b) you confirm that, to the best of your knowledge, you have not been provided any material information that was not publicly available;
38. You understand and agree that the Equity Shares are transferable only in accordance with the restrictions described under the sections "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 169 and 176, respectively. Particularly, you represent and agree that you will only reoffer, resell, pledge or otherwise transfer the Equity Shares only (A) in an "offshore transaction" complying with Regulation S under the Securities Act and (B) in accordance with all applicable laws, including the securities laws of the states of the United States, you understand that the transfer restrictions will remain in effect until our Company determines, in its sole discretion, to remove them;
39. Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares in this Issue. You agree to indemnify and hold our Company and the Book Running Lead Manager and their respective affiliates and their respective directors, officers, employees and controlling persons harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the foregoing representations, warranties, acknowledgements, agreements and undertakings made by you in this Preliminary Placement Document. You agree that the indemnity set out in this paragraph shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts;
40. You acknowledge that our Company, the Book Running Lead Manager, their respective affiliates, directors, officers, employees and controlling persons and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, which are given to the Book Running Lead Manager on their own behalf and on behalf of our Company, and such representations, warranties, acknowledgements and undertakings are irrevocable;

41. You agree that any dispute arising in connection with this Issue will be governed by and construed in accordance with the laws of Republic of India, and the courts in Mumbai, India shall have sole and exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Preliminary Placement Document and the Placement Document;
42. The Bid made by you would not result in triggering a tender offer under the SEBI Takeover Regulations; and
43. You have no right to withdraw your Application Form or revise your Bid downwards after this Issue Closing Date (as defined hereinafter).

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines, and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an Eligible FPI, including the affiliates of the BRLM, which is registered as Category I FPI, may issue, subscribe and deal in offshore derivative instruments (as defined under the SEBI FPI Regulations, i.e., as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying and all such offshore derivative instruments are referred to herein as “P-Notes”) and persons who are eligible for registration as category I FPIs can subscribe to or deal in such P-Notes, provided that in the case of an entity that has an investment manager who is from the Financial Action Task Force member country, such investment manager shall not be required to be registered as a Category I FPI. The above-mentioned Category I FPIs may receive compensation from the purchasers of such instruments. In terms of Regulation 21 of SEBI FPI Regulations, P-Notes may be issued only by such persons who are registered as Category I FPIs and they may be issued only to persons eligible for registration as Category I FPIs, subject to exceptions provided in the SEBI FPI Regulations and compliance with ‘know your client’ requirements, as specified by SEBI and subject to compliance with such other conditions as may be specified by SEBI from time to time. An Eligible FPI shall also ensure that no transfer of any instrument referred to above is made to any person unless such FPIs are registered as Category I FPIs and such instrument is being transferred only to persons eligible for registration as Category I FPIs subject to requisite consents being obtained in terms of Regulation 21 of SEBI FPI Regulations. P-Notes have not been, and are not being offered, or sold pursuant to this Preliminary Placement Document and the Placement Document. This Preliminary Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-Notes, including, without limitation, any information regarding any risk factors relating thereto.

Subject to certain relaxations provided under Regulation 22(4) of the SEBI FPI Regulations, investment by a single FPI including its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control) is not permitted to be 10% or more of our post-Issue Equity Share capital on a fully diluted basis. SEBI has *vide* a circular dated November 5, 2019 has issued operational guidelines for FPIs, designated depository participants and eligible foreign investors (the “**FPI Operational Guidelines**”) to facilitate implementation of the SEBI FPI Regulations. In terms of such FPI Operational Guidelines, the Investment Restrictions shall also apply to subscribers of P-Notes and two or more subscribers of P-Notes having common ownership, directly or indirectly, of more than 50% or common control shall be considered together as a single subscriber of the P-Notes. Further, in the event a prospective investor has investments as an FPI and as a subscriber of P-Notes, Investment Restrictions shall apply on the aggregate of the FPI, and investments and P-Note positions held in the underlying company.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, read with the FDI Policy, issued by the Department for Promotion of Industry and Internal Trade, Government of India, investments where the entity is of a country which shares land border with India or where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the FDI Policy and FEMA rules. These investment restrictions shall also apply to subscribers of P-Notes.

Affiliates of the BRLM which are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in this Issue, and may issue P-Notes in respect thereof. Any P-Notes that may be issued are not securities of our Company and do not constitute any obligation of, claims on or interests in our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by and are the sole obligations of third parties that are unrelated to our Company. Our Company and the BRLM do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the BRLM and does not constitute any obligations of or claims on the BRLM.

Investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes, or any disclosure related thereto. Prospective Investors are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes including whether P-Notes are issued in compliance with applicable laws and regulations.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of this Preliminary Placement Document has been submitted to each of the Stock Exchanges.

The Stock Exchanges do not in any manner:

- (a) warrant, certify or endorse the correctness or completeness of the contents of this Preliminary Placement Document; or
- (b) warrant that the Equity Shares to be issued pursuant to this Issue will be listed or will continue to be listed on the Stock Exchanges; or
- (c) take any responsibility for the financial or other soundness of our Company, our Promoters, our management or any scheme or project of our Company,

and it should not for any reason be deemed or construed to mean that this Preliminary Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquires any Equity Shares may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges 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.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Certain Conventions

In this Preliminary Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to “you”, “your”, “offeree”, “purchaser”, “subscriber”, “recipient”, “investors”, “prospective investors” and “potential investor” are to the Eligible QIBs in this Issue and references to the “Issuer”, “CIL”, “the Company”, “our Company” refers to Capacit'e Infraprojects Limited and references to “we”, “us”, or “our” are to our Company together with our Subsidiaries, Associates and Joint Ventures, on a consolidated basis.

Unless otherwise specified or the context otherwise requires, all references in this Preliminary Placement Document to (i) the ‘US’ or ‘U.S.’ or the ‘United States’ or the ‘U.S.A’ are to the United States of America and its territories and possessions; (ii) ‘India’ are to the Republic of India and its territories and possessions; and (iii) the ‘UK’ or ‘U.K.’ or the ‘United Kingdom’ are to the United Kingdom of Great Britain and its territories and possessions; and (iv) the ‘Government’ or ‘GoI’ or the ‘Central Government’ or the ‘State Government’ are to the Government of India, Central or State, as applicable.

In this Preliminary Placement Document, references to ‘INR’, ‘₹’, ‘Rs.’, ‘Indian Rupees’ and ‘Rupees’ are to the legal currency of India and references to ‘USD’, ‘U.S. Dollars’ and ‘US\$’ are to the legal currency of the United States.

In this Preliminary Placement Document, references to “Lakh” represents “100,000”, “million” represents “1,000,000”, “crore” represents “10,000,000”, and “billion” represents “1,000,000,000”.

Page Numbers

Unless otherwise stated, all references to page numbers in this Preliminary Placement Document are to page numbers of this Preliminary Placement Document.

Financial and Other Information

The financial year of our Company commences on April 1 of each calendar year and ends on March 31 of the following calendar year, and, unless otherwise specified or if the context requires otherwise. The terms “Fiscal”, “Financial Year”, “Fiscals” or “Fiscal Year”, refer to the 12-month period ending March 31 of that particular year. Unless stated otherwise or unless the context requires otherwise the financial data as at and for the year ended March 31, 2023, March 31, 2022, March 31, 2021 and as at and for the six months period ended September 30, 2023 in this Preliminary Placement Document is derived from the Audited Consolidated Financial Statements and Unaudited Consolidated Financial Results, as applicable. Further, the financial information with respect to the six months period ended September 30, 2022 is derived from the comparative information included in the Unaudited Consolidated Financial Results.

In this Preliminary Placement Document, we have included the following financial statements prepared in accordance with Indian Accounting Standards (“**Ind AS**”) as notified under the Companies (Indian Accounting Standards) Rules, 2015, (“**Ind AS Rules**”) read with Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India:

- (a) the audited consolidated Ind AS financial statements of our Company, its subsidiaries, its associates and joint ventures comprising of the consolidated balance sheet as at March 31, 2023, the consolidated statement of profit and loss including other comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the year ended March 31, 2023 and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information;
- (b) the audited consolidated Ind AS financial statements of our Company, its subsidiary, its associates and its joint ventures, comprising of the consolidated balance sheet as at March 31, 2022, the consolidated statement of profit and loss including other comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the year ended March 31, 2022 and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information;
- (c) the audited consolidated Ind AS financial statements of our Company, its subsidiary, its associates and its joint ventures, comprising of the consolidated balance sheet as at March 31, 2021, the consolidated statement

of profit and loss including other comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the year ended March 31, 2021 and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information ((a), (b) and (c) are collectively referred to in this Preliminary Placement Document as the “**Audited Consolidated Financial Statements**”); and

Further, in this Preliminary Placement Document, we have also included the statement of unaudited consolidated financial results of our Company, its subsidiaries, its associates and its joint ventures for the six months ended September 30, 2023 comprising the unaudited consolidated financial results for the six months ended September 30, 2023, consolidated statement of assets and liabilities as at September 30, 2023 and consolidated cash flow statement for the six months period ended September 30, 2023 pursuant to the requirements of Regulation 33 of the SEBI Listing Regulations (the “**Unaudited Consolidated Financial Results**”).

The Unaudited Consolidated Financial Results have been subjected to a limited review by M/s. S R B C & CO LLP, Chartered Accountants, our Statutory Auditors. The financial information for six months period ended September 30, 2023 is not indicative of annual financial results and are not comparable with annual financial information presented in this Preliminary Placement Document.

The Audited Consolidated Financial Statements should be read along with the respective audit reports and the Unaudited Consolidated Financial Results should be read along with the review report.

Further, our Company has changed its accounting policy of measuring the progress towards satisfaction of performance obligation for revenue recognition from output method to input method with effect from April 1, 2022. Pursuant to the impact of this change in the method, the Company had restated the comparative financial statements for the year ended March 31, 2022, in accordance with the requirement of Ind-AS 8 - ‘Accounting Policies, Changes in Accounting Estimates and Errors’. Retained earnings (other equity) as at April 1, 2021 within the statement of changes in equity has also been restated to adjust the impact of such adjustments relating to prior years.

Pursuant to the impact of this change in its accounting policy, our Company has, in the section titled “*Use of Proceeds*” on page 69 of the Preliminary Placement Document, also included such restated standalone financial information for Fiscal 2022 and such restated financial information as at April 1, 2021. For further details, see “*Risk factors- There has been a change in our Company’s accounting policy with effect from April 1, 2022 and accordingly the financial information included in this Preliminary Placement Document may not be comparable to each other.*” on page 54.

Our Company prepares its annual financial statements in accordance with Ind AS, Companies Act, and other applicable statutory and/or regulatory requirements. Our Company publishes its financial statements in Indian Rupees. Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including IFRS and US GAAP and the reconciliation of the financial information to other accounting principles has not been provided. No attempt has been made to explain those differences or quantify their impact on the financial data included in this Preliminary Placement Document and investors should consult their own advisors regarding such differences and their impact on our Company’s financial data. The degree to which the financial information included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Ind AS, the Companies Act, the SEBI ICDR Regulations and practices on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited. Also see, “*Risk Factors – Significant differences exist between Indian Accounting Standards (“Ind AS”) and other accounting principles, such as the generally accepted accounting principles in the US (“US GAAP”) and International Financial Reporting Standards (“IFRS”), which may be material to Bidders’ assessment of our financial condition.*” on page 61.

Our Audited Consolidated Financial Statements and Unaudited Consolidated Financial Results are prepared in lakhs and have been presented in this Preliminary Placement Document in lakhs and have been rounded off or expressed in two decimals. Certain figures contained in this Preliminary Placement Document, including financial information, have been subject to rounding adjustments. Any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Unless otherwise specified, all financial numbers in parenthesis represent negative figures.

Non-GAAP financial measures

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance such as EBITDA, debt to equity ratio and interest coverage ratio have been included in this Preliminary Placement Document. These may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies and has limited usefulness as a comparative measure.

These non-GAAP financial measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, 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 and are not required by or presented in accordance with Indian GAAP or Ind AS. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of financial services businesses, many of which provide such non-GAAP financial measures and other statistical and operational information when reporting their financial results. The presentation of these non-GAAP financial measures is not intended to be considered in isolation or as a substitute for the financial statements included in this Preliminary Placement Document. Prospective investors should read this information in conjunction with the financial statements included in “*Financial Information*” on page 203.

INDUSTRY AND MARKET DATA

Information regarding market position, growth rates, other industry data and certain industry forecasts pertaining to our business contained in this Preliminary Placement Document consists of estimates based on data reports compiled by government bodies, data from other external sources and knowledge of the markets in which we compete. Unless stated otherwise, the statistical information included in this Preliminary Placement Document relating to the industry in which we operate has been reproduced from various trade, industry and government publications and websites more particularly described in the section titled “*Industry Overview*” on page 79.

The industry, market and economic data included in this Preliminary Placement Document has been derived from the report titled “*Assessment of the Construction Industry in India*” dated September 2023 and addendum to the report dated January 2024 by CRISIL Market Intelligence & Analytics (CRISIL MI&A), a division of CRISIL Limited (the “**CRISIL Report**”). Our Company has commissioned and paid for the CRISIL Report pursuant to the engagement letter dated September 7, 2023. CRISIL Limited is not related in any manner to our Company, its Subsidiaries, Directors, Key Managerial Personnel, members of Senior Management or our Promoters.

This data in the CRISIL Report is subject to change and cannot be verified with certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organizations) to validate market-related analysis and estimates, so we have relied on internally developed estimates. Similarly, while we believe its internal estimates to be reasonable, such estimates have not been verified by any independent sources and neither we nor the BRLM can assure Bidders as to their accuracy.

The extent to which the market and industry data used in this Preliminary Placement Document is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section titled “*Risk Factors – We have exclusively commissioned and paid for an industry report which is prepared for the purposes of the Issue and issued by CRISIL, which has been used for industry related data in this Preliminary Placement Document. Accordingly, prospective investors are advised not to base their investment decision solely on such information*” on page 61.

Disclaimer of the CRISIL Report

The CRISIL Report is subject to the following disclaimer:

“CRISIL Market Intelligence & Analytics (CRISIL MI&A), a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. Capacit’e Infraprojects Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL MI&A operates independently of, and does not have access to information obtained by CRISIL Ratings Limited, which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL MI&A and not of CRISIL Ratings Limited. No part of this Report may be published/reproduced in any form without CRISIL’s prior written approval.”

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Preliminary Placement Document that are not statements of historical fact constitute “forward-looking statements”. Investors can generally identify forward-looking statements by terminology such as “aim”, “anticipate”, “believe”, “continue”, “can”, “could”, “estimate”, “expect”, “expected to”, “intend”, “is/are likely”, “may”, “objective”, “plan”, “potential”, “project”, “pursue”, “shall”, “should”, “will”, “will continue”, “would”, “will likely result”, or any other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

These forward-looking statements appear in a number of places throughout this Preliminary Placement Document and include statements regarding the intentions, beliefs or current expectations of our Company concerning, among other things, the expected results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy of our Company and the industry in which we operate. The forward-looking statements also include statements as to our Company’s planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Preliminary Placement Document that are not historical facts.

These forward-looking statements contained in this Preliminary Placement Document (whether made by us or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. In addition, even if the result of operations, financial conditions, liquidity and dividend policy of our Company, and the development of the industry in which we operate, are consistent with the forward-looking statements contained in this Preliminary Placement Document, those results or developments may not be indicative of results or developments in subsequent periods.

Important factors that could cause the actual results, performances and achievements of our Company to be materially different from any of the forward-looking statements include, among others:

1. Unavailability or shortage of supply of contract labour or non-compliance with the regulations governing contractual labour;
2. Possibility of our actual income being lower than the estimates reflected in our Order Book;
3. Regulatory or judicial sanctions in the housing construction industry;
4. Failure in obtaining additional financing, including working capital requirements, at all or on terms favourable to us;
5. Failure by our clients to meet our payment schedules;
6. Loss of public sector clients which constitutes a significant portion of our Order Book;
7. Failure to meet project milestones or defective work that subjects us to liability claims or claims for damages applicable on or termination of contracts with our clients;
8. Changes in the regulatory framework, additional compliance requirements and costs applicable on the real estate industry;
9. Physical hazards and similar risks that our operations are subject to, that may expose us to liabilities, loss in revenues and increased expenses; and
10. Failure to obtain licenses and approvals for our operations.

Additional factors that could cause actual results, performance or achievements of our Company to differ materially include, but are not limited to, those discussed under the sections titled “*Risk Factors*”, “*Industry Overview*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 41, 79, 128 and 92, respectively.

By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, any future gains, losses or impact on net income and net income could

materially differ from those that have been estimated, expressed or implied by such forward-looking statements or other projections. The forward-looking statements contained in this Preliminary Placement Document are based on the beliefs of the management, as well as the assumptions made by, and information currently available to, the management of our Company. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as on the date of this Preliminary Placement Document or the respective dates indicated in this Preliminary Placement Document, and neither we, the BRLM nor any of its affiliates undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialize, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements. In accordance with SEBI and Stock Exchange requirements, our Company and the BRLM will ensure that the eligible equity shareholders are informed of material developments until the time of the grant of listing and trading permissions by the Stock Exchanges.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a public limited liability company incorporated under the laws of India. All our Directors and our Key Managerial Personnel and Senior Management are residents of India and a substantial portion of the assets of our Company and such persons are located in India. As a result, it may be difficult or may not be possible for investors outside India to effect service of process upon our Company or such persons in India, or to enforce judgments obtained against such parties outside India predicated upon civil liabilities of our Company or such directors and executive officers under laws other than Indian laws, including judgments predicated upon the civil liability provisions of the federal securities laws of the United States.

India is not a party to any multilateral international treaty in relation to the recognition or enforcement of foreign judgments. However, recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908, as amended (the “**Civil Procedure Code**”), on a statutory basis. Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or between parties litigating under the same title, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a competent court in India. Under Section 14 of the Civil Procedure Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record but such presumption may be displaced by proving want of jurisdiction. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards.

Each of the United Kingdom of Great Britain, Republic of Singapore, United Arab Emirates and Hong Kong have been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code, but the United States of America has not been so declared. A judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit must be brought in India within three years from the date of the foreign judgment or a recognisance in the same manner as any other suit filed to enforce a civil liability in India.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy of India. Further, any judgment or award in a foreign currency would be converted into Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered, and any such amount may be subject to income tax in accordance with applicable laws. We cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approvals would be acceptable. Our Company and the BRLM cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

EXCHANGE RATE INFORMATION

Fluctuations in the exchange rate between the Rupee and the U.S. dollar will affect the U.S. dollar equivalent of the Rupee price of the Equity Shares on the Stock Exchanges. These fluctuations will also affect the conversion into U.S. dollar of any cash dividends paid in Rupees on the Equity Shares.

USD to INR

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee and the U.S. dollar (in ₹ per USD) based on the reference rates released by the RBI/FBIL. No representation is made that the Indian Rupee amounts actually represent such amounts in U.S. dollar or could have been or could be converted into USD at the rates indicated, any other rates, or at all.

Particulars	₹ per US\$			
	Period end ^(^)	Average ^{*(1)}	High ⁽²⁾	Low ⁽³⁾
Financial Year:				
March 2023	82.22	80.39	83.20	75.39
March 2022	75.81	74.51	76.92	72.48
March 2021	73.50	74.20	76.81	72.29
Month ended:				
December 31, 2023	83.12	83.28	83.40	83.02
November 30, 2023	83.35	83.30	83.39	83.13
October 31, 2023	83.27	83.24	83.27	83.15
September 30, 2023	83.06	83.05	83.26	82.66
August 31, 2023	82.68	82.79	83.13	82.28
July 31, 2023	82.25	82.15	82.68	81.81

Source: www.fbil.org.in

^(^) The price for the period end refers to the price as on the last trading day of the respective fiscal year or quarterly or monthly periods.

^{*(1)} Average of the official rate for each Working Day of the relevant period.

⁽²⁾ Maximum of the official rate for each Working Day of the relevant period.

⁽³⁾ Minimum of the official rate for each Working Day of the relevant period.

Notes:

- If the RBI reference rate is not available on a particular date due to a public holiday, exchange rates of the previous working day have been disclosed.
- The RBI reference rates are rounded off to two decimal places.

DEFINITIONS AND ABBREVIATIONS

This Preliminary Placement Document uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein.

The following list of certain capitalised terms used in this Preliminary Placement Document is intended for the convenience of the reader/ prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalised terms used in this Preliminary Placement Document shall have the meaning as defined hereunder. Further any references to any agreement, document, statute, rules, guidelines, regulations or policies shall include amendments made thereto, from time to time.

The words and expressions used in this Preliminary Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations framed thereunder. Notwithstanding the foregoing, terms used in the sections titled “Taxation”, “Industry Overview”, “Capital Structure”, “Financial Information” and “Legal Proceedings” on pages 185, 79, 75, 203 and 196, respectively, shall have the meaning given to such terms in such sections.

General terms

Term	Description
“Our Company”, “the Company”, “the Issuer” or “CIL”	Capacit’e Infraprojects Limited, a public limited company, incorporated under the Companies Act, 1956 and having its registered and corporate office at 605-607, 6 th Floor, Shrikant Chambers, Phase-I, Adjacent to R. K. Studios, Sion-Trombay Road, Mumbai – 400 071, Maharashtra, India
“We”, “Our”, or “Us”	Unless the context otherwise indicates or implies, refers to our Company along with our Subsidiaries, Associates and Joint Ventures on a consolidated basis.

Company related terms

Term	Description
Articles or Articles of Association	The Articles of Association of our Company, as amended from time to time
Associates	Our associates as on the date of this Preliminary Placement Document, namely TPL-CIL Construction LLP and TCC Construction Private Limited
Audit Committee	The Audit Committee of our Board, as disclosed in “ <i>Board of Directors and Senior Management</i> ” on page 140
Audited Consolidated Financial Statements	Collectively, Fiscal 2023 Audited Consolidated Financial Statements, Fiscal 2022 Audited Consolidated Financial Statements and Fiscal 2021 Audited Consolidated Financial Statements
Auditors or Statutory Auditors or Independent Auditors	The current statutory auditors of our Company namely, M/s. S R B C & CO LLP, Chartered Accountants
Board of Directors or Board	The board of directors of our Company, including any duly constituted committee thereof, as disclosed in “ <i>Board of Directors and Senior Management</i> ” on page 140
Chairperson	The chairperson of our Board, namely Arun Vishnu Karambelkar
Chief Financial Officer	The chief financial officer of our Company, being Rajesh Das
Compliance Officer	The compliance officer of our Company, being Rahul Kapur
Corporate Social Responsibility Committee	The Corporate Social Responsibility Committee of our Board, as disclosed in “ <i>Board of Directors and Senior Management</i> ” on page 140
Director(s)	The directors on the Board of our Company, as may be appointed from time to time
Equity Shares	The equity shares of a face value of ₹10 each of our Company
Executive Director(s)	Executive directors of our Company, unless otherwise specified
Fiscal 2021 Audited Consolidated Financial Statements	The audited consolidated Ind AS financial statements of our Company, its subsidiaries, its associates and its joint ventures, comprising of the consolidated balance sheet as at March 31, 2021, the consolidated statement of profit and loss including other comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the year ended March 31, 2021 and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information prepared in accordance with Ind AS.
Fiscal 2022 Audited Consolidated Financial Statements	The audited consolidated Ind AS financial statements of our Company, its subsidiaries, its associates and its joint ventures, comprising of the consolidated balance sheet as at March 31, 2022, the consolidated statement of profit and loss including other

Term	Description
	comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the year ended March 31, 2022 and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information prepared in accordance with Ind AS.
Fiscal 2023 Audited Consolidated Financial Statements	The audited consolidated Ind AS financial statements of our Company, its subsidiaries, its associates and joint ventures comprising of the consolidated balance sheet as at March 31, 2023, the consolidated statement of profit and loss including other comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the year ended March 31, 2023 and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information prepared in accordance with Ind AS.
Independent Director(s)	Independent directors of our Company, unless otherwise specified
Joint Ventures	Joint ventures of our Company, as on the date of this Preliminary Placement Document namely PPSL Capacite JV, Capacite Viraj AOP, CEPL-CIL Joint Venture, CIL MMEPL Ekatha Private Limited and CIL-SIPL JV
Key Managerial Personnel	The key managerial personnel of our Company in accordance with the provisions of the Companies Act and as described in “ <i>Board of Directors and Senior Management</i> ” on page 140
Managing Director and Chief Executive Officer	The managing director and chief executive officer of our Company, being Rahul Katyal
Memorandum or Memorandum of Association	The Memorandum of Association of our Company, as amended from time to time
Nomination and Remuneration Committee	The Nomination and Remuneration Committee of the Board of our Company as disclosed in “ <i>Board of Directors and Senior Management</i> ” on page 140
Promoters	The promoters of our Company, namely Rohit Katyal, Rahul Katyal and Subir Malhotra
Promoter Group	The individuals and entities forming part of the promoter group of our Company in accordance with Regulation 2(1)(pp) of the SEBI ICDR Regulations
QIP Committee	The QIP Committee constituted for the purposes of the Issue by our Board, comprising of Rohit Katyal, Rahul Katyal and Subir Malhotra
Unaudited Consolidated Financial Results	The statement of unaudited consolidated financial results of our Company, its subsidiaries, its associates and its joint ventures for the six months ended September 30, 2023 comprising the unaudited consolidated financial results for the six months ended September 30, 2023, consolidated statement of assets and liabilities as at September 30, 2023 and consolidated cash flow statements for the six months period ended September 30, 2023 pursuant to the requirements of Regulation 33 of the SEBI Listing Regulations
Registered and Corporate Office	The registered and corporate office of our Company located at 605-607, 6th Floor, Shrikant Chambers, Phase – I, Adjacent to R K Studios, Sion-Trombay Road, Chembur, Mumbai – 400 071, Maharashtra, India
Risk Management Committee	The Risk Management Committee constituted our Board as disclosed in “ <i>Board of Directors and Senior Management</i> ” on page 140
Senior Management	The members of the senior management of our Company in accordance with Regulation 2 (1) (bbb) of the SEBI ICDR Regulations
Series A - CCCPPS	Series A compulsorily convertible cumulative participating preference shares having face value of ₹20 each
Series B - CCCPPS	Series B compulsorily convertible cumulative participating preference shares having face value of ₹20 each
Shareholders	Shareholders of our Company from time to time
Stakeholders Relationship Committee	The Stakeholders Relationship Committee of our Board as disclosed in the section titled “ <i>Board of Directors and Senior Management</i> ” on page 140
Subsidiaries	The Subsidiaries of our Company, namely, CIPL PPSL Yongnam Joint Venture Construction Private Limited in terms of the Companies Act, 2013 and Capacite-E-Governance JV, in terms of Ind AS <i>Note: CIPL-PPSL-Yongnam Joint Venture Constructions Private Limited is currently in the process of being amalgamated with our Company, for which a scheme under Sections 230 to 232 of the Companies Act, 2013 has been filed with the National Company Law Tribunal.</i>

Issue related terms

Term	Description
Allocated or Allocation	The allocation of Equity Shares, by our Company in consultation with the BRLM, following the determination of the Issue Price to Eligible QIBs on the basis of the Application Forms submitted by them and in compliance with Chapter VI of the SEBI ICDR Regulations
Allot/ Allotment/ Allotted	Allotment and issue of Equity Shares pursuant to the Issue
Allottees	Eligible QIBs to whom Equity Shares are issued pursuant to the Issue
Application Amount	The aggregate amount paid by a Bidder at the time of submitting a Bid in the Issue
Application Form	Form (including any revisions thereof) which will be submitted by the Eligible QIBs for registering a Bid in the Issue
Bid Amount	The amount determined by multiplying the price per Equity Share indicated in the Bid by the number of Equity Shares Bid for by a Bidder and payable by the Bidder in the Issue at the time of submission of the Application Form
Bid(s)	Indication of an Eligible QIB's interest, including all revisions and modifications of interest, as provided in the Application Form, to subscribe for the Equity Shares pursuant to the Issue. The term "Bidding" shall be construed accordingly
Bidder	Any prospective investor, being an Eligible QIB, who makes a Bid pursuant to the terms of this Preliminary Placement Document and the Application Form
Bidding Period/ Issue Period	The period between the Issue Opening Date and Issue Closing Date, inclusive of both dates, during which Bidders can submit their Bids including any revision and/or modifications thereof
Book Running Lead Manager or BRLM or Lead Manager	IIFL Securities Limited
CAN/ Confirmation of Allocation Note	Note, advice or intimation confirming Allocation of Equity Shares to such Successful Bidders after determination of the Issue Price
Closing Date	The date on which Allotment of Equity Shares pursuant to the Issue shall be made, i.e., on or about [●], 2024
Cut-off Price	The Issue Price of the Equity Shares to be issued pursuant to the Issue which shall be finalised by our Company in consultation with the BRLM
Designated Date	The date on which the Equity Shares issued pursuant to the Issue, are listed on the Stock Exchanges pursuant to receipt of the final listing and trading approvals for the Equity Shares from the Stock Exchanges or the date on which Form PAS-3 is filed by our Company with the RoC, whichever is later
Eligible FPIs	FPIs that are eligible to participate in this Issue in terms of applicable laws, other than individuals, corporate bodies and family offices
Eligible QIBs	QIBs, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations that are eligible to participate in the Issue and which are not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations and are not restricted from participating in the Issue under the applicable laws. Further, FVCIs are not permitted to participate in the Issue and accordingly, are not Eligible QIBs. For further details, see "Issue Procedure", "Selling Restrictions" and "Transfer Restrictions and Purchaser Representations" on pages 155, 169 and 176 respectively
Escrow Account	Special non-interest bearing, no-lien, current bank account without any cheque or overdraft facilities, to be opened in the name and style " <i>Capacite Infraprojects Limited, QIP Escrow A/C</i> " with the Escrow Bank, in accordance with the terms of the Escrow Agreement (A) into which the Application Amount in connection with subscription of the Equity Shares pursuant to the Issue shall be deposited by the Bidders
Escrow Agreement	Agreement dated December 21, 2023, entered into by and among our Company, the Escrow Bank and the Book Running Lead Manager for collection of the Application Amounts and remitting refunds, if any, of the amounts collected, to the Bidders
Escrow Bank	YES Bank Limited
Floor Price	Floor price of ₹ 264.89 for each Equity Share, calculated in accordance with Chapter VI of the SEBI ICDR Regulations. Our Company may offer a discount of not more than five per cent on the Floor Price in accordance with the approval of our Board dated May 26, 2023 and the Shareholders' through a special resolution dated July 5, 2023 and in terms of Regulation 176(1) of the SEBI ICDR Regulations
Gross Proceeds	The gross proceeds of the Issue that will be available to our Company
Issue	Offer and issuance of the Equity Shares to Eligible QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations and the applicable provisions of the Companies Act and the rules made thereunder
Issue Closing Date	[●], 2024, the date after which our Company (or Book Running Lead Manager on behalf of our Company) shall cease acceptance of Application Forms and the Application Amount

Term	Description
Issue Opening Date	January 8, 2024, the date on which our Company (or the Book Running Lead Manager on behalf of our Company) shall commence acceptance of the Application Forms and the Application Amount
Issue Period	Period between the Issue Opening Date and the Issue Closing Date, inclusive of both days during which Eligible QIBs can submit their Bids along with the Application Amount
Issue Price	A price per Equity Share of ₹[●], as determined by our Company in consultation with Book Running Lead Manager, which shall be equal to or greater than the minimum price calculated in accordance with Regulation 176(1) of the SEBI ICDR Regulations. Our Company may offer a discount of not more than five per cent on the Floor Price in terms of the proviso to Regulation 176(1) of the SEBI ICDR Regulations or such other discounts as permitted by law
Issue Size	Aggregate size of the Issue, up to ₹[●] lakhs
Monitoring Agency	CARE Ratings Limited, being a credit rating agency registered with SEBI, appointed by our Company in accordance with the provisions of the SEBI ICDR Regulations
Monitoring Agency Agreement	Monitoring agency agreement dated January 8, 2024, entered into between our Company and the Monitoring Agency, for monitoring the use of the Net Proceeds of the Issue in accordance with the terms of the Placement Document
Mutual Fund	A mutual fund registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Net Proceeds	The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue
Pay-In Date	Last date specified in the CAN for the payment of application monies by Bidders in the Issue
Placement Agreement	Placement agreement dated January 8, 2024 by and among our Company and the Book Running Lead Manager
Preliminary Placement Document	This Preliminary Placement Document dated January 8, 2024 issued in accordance with Chapter VI of the SEBI ICDR Regulations and the provisions of the Companies Act and the rules prescribed thereunder
Placement Document	The placement document to be issued in accordance with Chapter VI of the SEBI ICDR Regulations and the provisions of the Companies Act and the rules prescribed thereunder
QIBs or Qualified Institutional Buyers	Qualified institutional buyers, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
QIP	Qualified institutions placement under Chapter VI of the SEBI ICDR Regulations and applicable provisions of the Companies Act read with applicable rules
Refund Amount	The aggregate amount to be returned to the Bidders who have not been Allocated Equity Shares for all, or part, of the Application Amount submitted by such Bidder pursuant to the Issue
Refund Intimation	The intimation from our Company to relevant Bidders confirming refund of the Refund Amount to their respective bank accounts
Relevant Date	January 8, 2024, which is the date of the meeting in which our QIP Committee decided to open the Issue
Stock Exchanges	BSE and NSE
Successful Bidders	The Bidders who have Bid at or above the Issue Price, duly paid the Application Amount with the Application Form and who are Allocated Equity Shares pursuant to the Issue
Working Day	Any day other than second and fourth Saturday of the relevant month or a Sunday or a public holiday or a day on which scheduled commercial banks are authorized or obligated by law to remain closed in Mumbai, India

Conventional and general terms

Term	Description
AGM	Annual General Meeting
BOCW Act	Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996
BSE	BSE Limited
CAGR	Compound annual growth rate
Calendar Year	Year ending on December 31
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CIN	Corporate Identification Number

Term	Description
Civil Procedure Code	The Code of Civil Procedure, 1908
CLRA Act	Contract Labour Registration Act, 1970
Companies Act, 1956	The Companies Act, 1956 along with the relevant rules made thereunder
Companies Act, Companies Act, 2013	The Companies Act, 2013 along with the relevant rules made and clarifications issued thereunder
Consolidated FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DPIIT by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020 effective from October 15, 2020
CrPC	The Code of Criminal Procedure, 1973
Depositories	CDSL and NSDL
Depositories Act	The Depositories Act, 1996
Depository Participant or DP	A depository participant as defined under the Depositories Act
DP ID Number	Depository participant identification number
DPIIT	Department for Promotion of Industry and Internal Trade
EGM	Extraordinary general meeting
FDI	Foreign Direct Investment
FEMA	The Foreign Exchange Management Act, 1999, together with rules and regulations issued thereunder
FEMA Rules	The Foreign Exchange Management (Non-debt Instruments) Rules, 2019
FIR	First information report
Financial Year or Fiscal	The period of 12 months ended March 31 of that particular year, unless otherwise stated
Form PAS-4	Form PAS-4 as prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014
FPIs	Foreign portfolio investors as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign Venture Capital Investor, as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, registered with SEBI
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
General Meeting	AGM or EGM
GoI or Government	Government of India
GST	Goods and Services Tax
I.T. Act	The Income-tax Act, 1961
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Ind AS	Indian accounting standards, as per the roadmap issued by the Ministry of Corporate Affairs, Government of India, notified by the MCA under section 133 of the Companies Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended
Indian GAAP	Indian Generally Accepted Accounting Principles (GAAP) as notified under Section 133 of the Companies Act read with Companies (Accounts) Rules, 2014
IRDAI	Insurance Regulatory and Development Authority of India
MCA	Ministry of Corporate Affairs, GoI
Mutual Funds	Mutual funds registered under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Non-Resident Indian or NRI	An individual resident outside India who is citizen of India
Non-Resident or NR	A person resident outside India, as defined under the FEMA
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
P.A. or p.a.	Per annum
PAN	Permanent Account Number allotted under the I.T. Act
PAS Rules	The Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended
PAT	Profit after tax
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
RoC or Registrar	Registrar of Companies, Maharashtra at Mumbai
SCR (SECC) Regulations	The Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations), Regulations, 2018
SCRA	The Securities Contracts (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India established under the SEBI Act
SEBI Act	The Securities and Exchange Board of India Act, 1992

Term	Description
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Mutual Fund Regulations	The Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
U.S.	United States of America
U.S. GAAP	Generally accepted accounting principles in the United States of America
U.S. Securities Act	The United States Securities Act of 1933, as amended
VCF	Venture capital fund
Wilful Defaulter or Fraudulent Borrower	Wilful defaulter or fraudulent borrower as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations

Business, technical and industry related terms

Term	Description
CRISIL	CRISIL Limited
CRISIL Report	The report titled “Assessment of the Construction Industry in India” dated September 2023 and addendum to the report dated January 2024 that has been prepared by CRISIL Market Intelligence & Analytics (CRISIL MI&A), a division of CRISIL Limited
Core Assets	Equipment required throughout the lifetime of a project, that is, formwork, tower cranes, passenger and material hoists, concrete pumps and boom placers.
Debt to Equity Ratio	Total Borrowings as at year / period end divided by Total equity as at year / period end
EBITDA	Profit before Tax for the year/ period plus Depreciation and amortisation expenses plus Finance costs
Gated Community	A single premise or land parcel containing at least four buildings, which may include High Rise Buildings or Super High Rise Buildings
High Rise Building(s)	Buildings with seven or more floors
Institutional	Buildings for educational, hospitality and healthcare purposes.
Interest coverage ratio	Profit before interest on borrowings and tax for the year / period divided by interest on borrowings for the year / period
LOI	Letter of intent
MEP	Mechanical, electrical and plumbing.
MHUPA	Ministry of Housing and Urban Poverty Alleviation.
MMR	Mumbai metropolitan region.
Order Book	Order book as of any particular date consists of value of unexecuted portions of our outstanding orders, that is, the total contract value of the existing contracts secured by us as reduced by the value of work executed and billed (excluding cost escalation) until the date of such order book.
Other Building(s)	Buildings other than Super High Rise Buildings, High Rise Buildings, Gated Community and duplex houses and row houses
PMAY	Pradhan Mantri Awas Yojana.
SEZ	Special economic zone.
Sq. ft.	Square feet.
Super High Rise Building(s)	Buildings with 40 or more floors
Total Borrowings	Total Borrowings is the aggregate of non-current borrowings, current borrowings (including current maturities of long term borrowings).

SUMMARY OF BUSINESS

Overview

We are an engineering, procurement and construction (“EPC”) company headquartered in Mumbai, providing end-to-end building construction services with a portfolio comprising of residential projects, commercial office buildings, such as data centres and buildings for educational, hospitality and healthcare purposes, and other institutional buildings along with buildings for mixed use. Over the years we have leveraged our expertise and experience to deliver complex construction projects and developed a brand with a reputation for delivering quality services with efficient execution and on-time delivery of projects. Our core capabilities include construction of building structures as well as composite steel structures. We also provide mechanical, electrical and plumbing (“MEP”) and finishing works including interior services.

We have a history of successfully completing 49 projects till date and currently, have 8 active projects in the public sector and 23 active projects in the private sector. We predominantly operate in the Mumbai Metropolitan Region (“MMR”) with ongoing projects in the National Capital Region (“NCR”), Pune Metropolitan Region (“PMR”), Gandhinagar, Kochi and Goa. In the past we have successfully completed projects in MMR, NCR, Varanasi, Bengaluru, Chennai and Hyderabad. We work with a number of reputed clients and are associated with some of the marquee construction projects in India, in both the public and the private sectors.

We focus our operations in construction of the following categories of buildings:

- a) *High Rise and Super High Rise Buildings* - buildings with seven or more floors as high-rise and 40 or more floors as super high-rise buildings; and
- b) *Other Buildings* - buildings such as commercial office complexes, malls, healthcare, factory buildings, railway depots, data centers, multilevel car parks and projects in special economic zone.

Details of certain of our notable projects include:

Name of project executed in the last three years / under execution	Status of the project	Type of buildings
<ul style="list-style-type: none"> • Lodha Splendor • Lodha One Altamount • The Park – Blue Moon 	Completed	Super High Rise Buildings
Auris Serenity Tower-1 & II	Completed	Super High Rise Buildings
Enigma	Completed	Super High Rise Buildings
Tata Cancer Hospital	Completed	Institutional Buildings
Furein Engineering Construction	Completed	Institutional Buildings
Hiranandani - The Walk	Completed	High Rise Buildings
Upliftment Project - Sub Cluster 03	Completed	High Rise Buildings
World Trade Center	Completed	High Rise Buildings
Godrej Summit Phase - II	Completed	Gated Community
<ul style="list-style-type: none"> • Oberoi Garden City- 3 • Commerz 3 • Skycity Tower F,G & H 	In progress	Super High Rise Buildings
Piramal Mahalaxmi	In progress	Super High Rise Buildings
Sector 04, of Saifee Burhani Upliftment	In progress	Super High Rise Buildings
One Mahalaxmi	In progress	Super High Rise Buildings
<ul style="list-style-type: none"> • Ten X Habitat; • Premium Towers; • Ten X Era 	In progress	Super High Rise Buildings
CIDCO- Package 2	In progress	High Rise Buildings
JJ Hospital	In progress	High Rise Buildings

We have adopted a strategy of owning equipment that is required throughout the lifetime of a project, that is, various kinds of formworks, tower cranes, passenger and material hoists, concrete pumps, boom placers and other equipment necessary for building construction (collectively, “Core Assets”) as this allows us to have timely access to key equipment required for our business. Accordingly, as at March 31, 2023, we had a consolidated net book value of property, plant and equipment amounting to ₹64,785.95 lakhs, including ₹46.087.29 lakhs of Core Assets constituting 71.14% of our net book value of property, plant and equipment.

As of September 30, 2023, we had an order book of ₹10,23,291.14 lakhs comprising 31 ongoing projects, consisting of 19 residential projects, 9 commercial & office buildings and other institutional buildings, and 3 mixed use developments. Our order book value from the public sector, accounted for 64% of our total order book, amounting to ₹6,50,312.79 lakhs as at September 30, 2023 and our order book value from the private sector, accounted for 36% of our total order book, amounting to ₹3,72,978.35 lakhs as on September 30, 2023.

Our revenue from operations, on a consolidated basis, was ₹85,206.51 lakhs, ₹1,79,858.70 lakhs, ₹1,33,478.74 lakhs and ₹87,972.19 lakhs for the six months period ended September 30, 2023 and for financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, respectively. Our profit after tax, on consolidated basis, was ₹3,893.65 lakhs, ₹9,529.68 lakhs, ₹4,398.52 lakhs and ₹153.22 lakhs for the six months period ended September 30, 2023 and for financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, respectively. Our EBITDA, on consolidated basis, was ₹15,309.35 lakhs, ₹36,137.61 lakhs, ₹22,588.85 lakhs and ₹16,503.65 lakhs for the six months period ended September 30, 2023 and for financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, respectively. Our total equity on consolidated basis, was ₹1,07,345.21 lakhs, ₹97,292.34 lakhs and ₹92,882.15 lakhs as at March 31, 2023, March 31, 2022 and March 31, 2021, respectively. Our debt to equity ratio stood at 0.34, 0.34, and 0.31 as at March 31, 2023, March 31, 2022 and March 31, 2021, respectively.

We have received an ISO 9001:2015 certification for our quality management system, ISO 14001:2015 certification for our environmental management system and ISO 45001:2018 certification for our occupational health and safety management systems. We have also received the following awards:

- Construction world Global Award 2023 – India’s Top Challengers
- CIDC Vishwakarma Achievement Award from the Construction Industry Development Council in 2017, 2018, 2021 and 2022 for various projects in NCR and Mumbai for construction, health, safety and environment;
- Award for completion of 1 million safe man-hours from Seth Creators in 2022;
- Construction World Global Awards 2022 –Top challenger.
- Certificate of Achievement from Piramal Mahalaxmi Projects for completion of 6 million safe man-hours in 2021;
- Golden Peacock Occupational Health and Safety Award – 2018; and
- Construction times award – Emerging construction company of the year 2017.

Our Competitive Strengths

Established presence and track record with focus on building construction

We have an established presence in our areas of operation through dedicated focus on construction of residential and commercial office buildings and other institutional buildings. We believe that we are one of the few companies in the organised segment in India that concentrates specifically on undertaking building construction, without engaging in any other activities such as land development, infrastructure development or any other segment in the construction vertical. As of September 30, 2023, we have successfully completed over 49 projects spread across India in MMR, PMR, NCR, Varanasi, Bengaluru, Chennai and Hyderabad. We also offer MEP, finishing and interior services for the projects that we work on. We believe that our construction capabilities in concrete and composite steel structures augment our positioning as a building focused construction company providing the full spectrum of construction services. We also believe that our track record of efficient execution and on-time delivery has helped us build a brand that enjoys the trust of our customers and stakeholders.

Our ability to execute these projects, in a timely manner, using systems and processes that are aligned with the specific requirements of the building construction business, has enabled us to provide differentiated services in our area of operations. We believe that our concentrated focus on construction of buildings has also led to a high degree of specialization in this business, which attract several key private sector players from the real estate industry as well as enable us to qualify for public sector projects, which in turn, has enabled us to grow our order book. We believe that our demonstrated experience in developing large-scale projects provides us a crucial competitive advantage in our business, as we are in a position to meet the prequalification requirements necessary to enter the competitive bidding process for large potential projects.

Large order book with a marquee client base

Our order book, as of any particular date, consists of the value of unexecuted portions of our outstanding orders, that is, the total contract value of the existing contracts secured by us, as reduced by the value of work executed

(excluding cost escalation) until the date of such order book. As at September 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021, our order book value was ₹10,23,291.14 lakhs, ₹9,51,256.95 lakhs, ₹8,70,188.28 lakhs and ₹8,71,972.90 lakhs, respectively, including wide variety of clients both in public sector as well as private sector. Our operations are also spread across various cities in India, including MMR, PMR, NCR, Gandhinagar and Goa. Diversifying our order book across different geographical regions, enables us to pursue a broader range of projects and therefore maximize our business volume. Our ability to maintain quality standards in our construction and our project execution skills, has allowed us to retain a strong order book.

We believe that we have created a marquee client base consisting of India's leading real-estate developers and public sector bodies, with our focus on executing high quality construction with the use of latest technology and processes along with a dedicated and efficient workforce. We have developed an effective business model of careful selection of projects in major cities, which is one of the important reasons for the growth and development of our business. We believe our value addition to the projects has also enabled us to convert first time clients into key accounts that provide sustained repeat orders over time. Our order book driven by repeat orders, provides us financial as well as operational benefits, such as clarity regarding future revenue potential and, work requirements. This also assists us in maximizing efficiency in terms of our working capital and optimize the use of our assets and personnel and helps to avoid risks associated with macroeconomic factors such as economic downturns.

Strong execution capabilities with a diversified mix of projects across the building construction horizon

We have been focussed on delivering large-scale, complex and high value projects in timely manner. In order to augment our execution capabilities, we maintain a large fleet of construction equipment that includes highly specialized equipment such as tower cranes, concrete pumps, auto climb formwork system, and weigh bridges and modern technologies such as temperature controlled concrete mass pours, and special concrete for vertical pumping and other necessary construction equipment. We believe that, in owning Core Assets that is required throughout the lifetime of a project allows us to have timely access to key equipment required for our business which in turn, enables us to meet the prequalification requirements necessary to enter the competitive bidding process for potential projects, remain competitive and to execute projects in a timely manner. Further, our design team innovates and designs products with a focus on integrated developments across several price points, in line with the consumer demand.

We use enterprise resource planning (“ERP”) across all of our projects, as well as other information technology initiatives to enhance our capabilities in project management and execution and reduce the construction timelines. We have deployed ‘Strategic ERP’ system, which is specifically designed for the construction industry, and facilitates complete project management. We have built a strong supply network to support the sourcing and delivery of construction raw materials and equipment to the respective construction site locations. Our construction management team ensures efficient and rapid construction and completion of our projects, our quality assurance team is dedicated to ensuring the highest standards of construction in all our projects, and our procurement team works with Indian and overseas vendors who have the scale to deliver and meet our requirements to procure construction materials and equipment. Economies of scale and relationships with our suppliers assists us in cost optimization by providing volume-based benefits to such suppliers. We believe that our execution capabilities comprising strong in-house operations consisting of design, engineering, procurement, construction and quality assurance teams, is a critical factor that has contributed to our leading position

Strong financial performance

While our financial performance for the financial year ended March 31, 2021 was impacted on account of COVID-19, the significant growth of our business in the last three financial years has contributed considerably to our financial strength. Our total revenue from operations increased from ₹87,972.19 lakhs in the financial year ended March 31, 2021 to ₹1,79,858.70 lakhs in the financial year ended March 31, 2023 at a CAGR of 43% while our profit after tax increased from ₹153.22 lakhs in financial year ended March 31, 2021 to ₹9,529.68 lakhs in the financial year ended March 31, 2023 at a CAGR of 689%.

We believe that we have been able to achieve our growth, through our client relationships, efficient project execution and strong quality control systems in the projects that we construct. We strive to maintain a robust financial position with emphasis on having a strong balance sheet. Our balance sheet coupled with equity infusion and low levels of debt enable us to fund our strategic initiatives, pursue opportunities for growth and better manage unanticipated cash flow variations. As at March 31, 2023, our total assets were ₹262,380.77 lakhs, our Total Borrowings were ₹36,604.45 lakhs, while our total equity was ₹1,07,345.21 lakhs. We have maintained low levels of leverage and have had a debt to equity ratio (calculated as the ratio of non-current borrowings, short term borrowings and current maturities of long term borrowings to total equity) of 0.34, 0.34, and 0.31 as at March 31, 2023, March 31, 2022 and March 31, 2021, respectively. Further, in August 2023, India Ratings & Research has

affirmed our credit rating of at “IND BB+” while resolving the rating watch with negative implications to a stable outlook, i.e., ‘IND BB+ / Stable’.

Experienced senior management team and a skilled workforce

Our Promoters Mr. Rohit R. Katyal, Mr. Rahul R. Katyal and Mr. Subir Malhotra have extensive experience and play an active role in our operations, including through their participation in formulation of strategy, business direction, management of key client relationships and are both also actively involved in the management of our business and general administration on a day-to-day basis which is integral to our business and development. In addition to our Promoters, we have a dedicated and strong senior management team, who have significant experience in the construction industry and who are responsible for our overall strategic planning and business development. We believe that the leadership of our Promoters and our senior management team has been a driving force in the growth of our business since inception in 2012 and efficient implementation of the Company’s business strategies. For more information, see “*Board of Directors and Senior Management*” on page 140. Additionally, as on September 30, 2023, we had a workforce of 2,650 employees of which 1,442 of these employees were our technical staff, with necessary experience in the use and handling of modern construction equipment and machinery, to effectively execute our projects. Our motivated senior management team and our indispensable workforce together with our internal systems and processes complement each other, to enable us to remain competitive and to execute projects in a timely manner.

Our Strategies

Continued focus on building construction with increasing share of large ticket projects

The building and construction sector is expected to grow at 4-6% in Fiscal 2024 with the increase in execution of deferred projects and government schemes such as Pradhan Mantri Awas Yojna providing the required boost to the sector. Between Fiscals 2023 and 2027, the sector is expected to rise to ₹15.5-16.5 trillion from an investment of ₹12-12.5 trillion between Fiscals 2018 and 2022, thereby showing a rise of 1.3 times (Source: CRISIL Report). We intend to continue pursuing new marquee clients with our efficient business model of careful selection of the projects in larger cities having more appetite for residential projects, commercial office buildings and other institutional buildings. We intend to focus on increasing our share of large ticket size projects and have recently, along with one of our partners, secured an order for a total contract value of approximately ₹57,500.00 lakhs from Rail Vikas Nigam Limited for setting up an EPC project in Maldives, which we propose to undertake through a joint venture, in which we will hold 51% of the shareholding. Additionally, in September 2023, we received an order from a reputed client which was valued at approximately ₹29,325.00 lakhs for construction of a commercial project in Maldives. Further, the demand for commercial real estate is expected to grow at 2.5-3% the next five years compared to 3.5-4% over Fiscal 2018 to 2022 (Source: CRISIL Report). The growth of our order book value from ₹8,70,188.28 lakhs as at March 31, 2022 to ₹9,51,256.95 lakhs as at March 31, 2023 and to ₹10,23,291.14 lakhs as at September 30, 2023, with projects mainly located in the MMR demonstrates our focus on retaining more clients in larger cities.

Focus on executing projects on design & build basis and lock-and-key basis

The projects where we undertake building construction services, including MEP, finishing and interior services are termed as “lock-and-key” projects. In lock-and-key projects, we are involved at all stages of construction of a building, from design, site development, foundation to warm shell to MEP, to finishing and interiors. Provision of MEP, finishing and interior services by us are cost effective as they allow us to spread our indirect costs. These cost efficiencies allow us to unlock greater revenues from each project and, therefore, the provision of such services, especially in lock-and-key projects, represents a significant value potential for us. For example, we are executing SBUT Sub Sector 4, CIDCO, MCGM – Harilal Bhagwati Municipal General Hospital, MCGM – Bhandup Hospital, JJ Hospital and IFSCA Head Quarter Building – GIFT SEZ, IOCL projects located in MMR and Gujarat on a lock-and-key basis. Further, such lock-and-key projects also enables us to strengthen our relationship with our clients, by enabling us to provide deeply integrated and value added services. Our lock-and-key projects constituted 70.79%, 81.68%, 62.47%, 65.64% of the total order book as on September 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021, respectively. In the future, we intend to seek a greater number of such lock-and-key projects, including contracts which we bid for and projects from our existing clientele.

We also execute projects on design-build basis where we enter into contracts with customers (including public sector projects) who provide structural and architectural designs to which we use our engineering capabilities and build as per the quality specifications of the customers. Our design-build projects constituted 40.72%, 43.32%,

51.72% and 53.62% of the total order book as on September 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021, respectively. Since there is a single ownership of architecture/design and construction, the entire process is strengthened and the developer shares the entire scope in a single contract with complete visibility to us. Undertaking design-build projects on a lump-sum payment basis, has increased our overall revenues by increasing the scope of work. In projects of such nature, we involve the design and construction personnel who help us to evaluate the alternative systems, materials and methods to execute projects efficiently and accurately. This also gives us an opportunity to estimate the total cost of the contract well in advance prior to executing project and we accordingly plan for resources in a timely manner. We are also able to overlap the design and construction places to save time in design-build projects. This ability to simultaneously accept design-build and lock-and-key projects is our core strength coming from our deep experience in handling both types of projects. This reduces our dependency on either one of these types of clients.

Focus on undertaking public sector projects

The construction sector is projected to grow at 13-16% in Fiscal 2024 with major contribution by infrastructure segment given the rising investments and focus by GOI and state governments coupled with schemes such as NIP, NMP and Gati Shakti initiatives. Further the building and construction sector is expected to grow at 4-6% in Fiscal 2024 with the increase in execution of deferred projects and government schemes such as Pradhan Mantri Aawas Yojna providing the required boost to the sector (Source: CRISIL Report). While our order book value from the public sector projects, accounted for 63.55% of our total order book, amounting to ₹6,50,312.79 lakhs as at September 30, 2023, with a view to capitalise on the expected growth, we intend to increase the share of public sector projects of our order book. To this end we have also secured an order for a total contract value of approximately ₹57,500.00 lakhs from Rail Vikas Nigam Limited for setting up an EPC project in Maldives which will be undertaken through a joint venture to be set up in which we will hold 51% of the shareholding.

Focus on construction of healthcare, institutional and factory buildings

Various factors such as changing demographics, increasing life expectancy, rising income levels, lifestyle-related non-communicable diseases, greater awareness about health issues, growth in insurance coverage, and medical tourism will be the key demand drivers for healthcare delivery services in India in the years to come. Expected increased allocation by state governments and from private entities is likely to see the healthcare sector grow at 8-10% over the next five fiscals recording a construction spend of ~₹34,000-36,000 crore compared to ₹27,700 crores over the past five years (Source: CRISIL Report). We intend to pursue more opportunities in the development of buildings in the healthcare sector to enable us to create value through complimentary asset classes in order to expand and diversify our revenue base and thereby mitigating the concentration risk.

We also plan to focus on expanding our project portfolio with increase in institutional and other factory buildings. We believe that despite being relatively new, we have established a robust presence in the factory and building sector, due to our lean balance sheet, flexible management and ability to adapt to change. We believe that, with the continued growth of the sectors such as technology and financial services, the demand for commercial real-estate will show an upward trend, which we intend to leverage for our business plans. We believe that we will be able to leverage this trend since we have an expertise in delivering large scale projects in metro cities like MMR, NCR and PMR. We are currently involved in MCGM – Harilal Bhagwati Municipal General Hospital, MCGM – Bhandup Hospital, JJ Hospital projects in the healthcare sector.

SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Preliminary Placement Document, including the sections titled “*Risk Factors*”, “*Use of Proceeds*”, “*Placement*”, “*Issue Procedure*” and “*Description of the Equity Shares*” on pages 41, 69, 167, 155 and 182, respectively.

Issuer	Capacit'e Infraprojects Limited
Face Value	₹10 per Equity Share
Issue Size	Issue of up to [●] Equity Shares at a premium of ₹[●], aggregating to ₹[●] lakhs A minimum of 10% of the Issue Size i.e. at least [●] Equity Shares, shall be made available for Allocation to Mutual Funds only and the balance [●] Equity Shares shall be made available for Allocation to all QIBs, including Mutual Funds. In case of under-subscription in the portion available for Allocation to Mutual Funds, such undersubscribed portion or part thereof may be Allotted to other Eligible QIBs.
Date of Board resolution	May 26, 2023
Date of Shareholders' resolution	July 5, 2023
Floor Price	₹264.89 per Equity Share The Floor Price for the Issue has been calculated in accordance with Chapter VI of the SEBI ICDR Regulations. Our Company may offer a discount of not more than 5% on the Floor Price in accordance with the approval of our Board dated May 26, 2023 and the Shareholders accorded through their special resolution passed (through postal ballot) on July 5, 2023 and in terms of Regulation 176(1) of the SEBI ICDR Regulations.
Issue Price	₹[●] per Equity Share of our Company (including a premium of ₹[●] per Equity Share)
Eligible investors	Eligible QIBs, to whom this Preliminary Placement Document and the Application Form are delivered and who are eligible to bid and participate in the Issue. For further details, see “ <i>Issue Procedure – Eligible Qualified Institutional Buyers</i> ” and “ <i>Transfer Restrictions and Purchaser Representations</i> ” on pages 160 and 176, respectively. The list of Eligible QIBs to whom this Preliminary Placement Document and the Application Form is delivered shall be determined by the BRLM in consultation with our Company, at their sole discretion.
Equity Shares issued and outstanding immediately prior to the Issue	7,66,56,497 Equity Shares of face value of ₹10 each, being fully paid-up
Subscribed and paid-up Equity Share capital prior to the Issue	₹76,65,64,970
Equity Shares issued and outstanding immediately after the Issue	[●] Equity Shares
Issue procedure	The Issue is being made only to Eligible QIBs in reliance on Section 42 of the Companies Act read with Rule 14 of the PAS Rules, and all other applicable provisions of the Companies Act, read with Chapter VI of the SEBI ICDR Regulations. For details, see “ <i>Issue Procedure</i> ” on page 155
Listing	Our Company has received in-principle approvals, each dated January 8, 2024 from BSE and NSE, respectively in terms of Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares to be issued pursuant to the Issue. Our Company shall make applications to each of the Stock Exchanges after Allotment to obtain final listing approval for the Equity Shares.
Trading	The trading of the Equity Shares would be in dematerialized form and only in the cash segment of each of the Stock Exchanges. Our Company will make applications to each of the Stock Exchanges after credit of Equity Shares to the beneficiary account with the Depository Participant to obtain final trading approval for the Equity Shares to be issued pursuant to this Issue.
Lock-in	See “ <i>Placement – Lock-up</i> ” on page 167 for a description of restrictions on our Company and Promoters in relation to Equity Shares.
Transferability restrictions	The Equity Shares being Allotted pursuant to this Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of the Stock Exchanges. For further details, see “ <i>Transfer Restrictions and Purchaser Representations</i> ” on page 176

Use of proceeds	<p>The Gross Proceeds from the Issue aggregate to ₹[●] lakhs. Subject to compliance with applicable laws, the net proceeds from the Issue, after deducting fees, commissions and the estimated expenses of the Issue of approximately ₹[●] lakhs, shall be approximately ₹[●] lakhs.</p> <p>For additional information on the use of the net proceeds from the Issue, see “<i>Use of Proceeds</i>” on page 69.</p>
Risk factors	See “ <i>Risk Factors</i> ” on page 41 for a discussion of risks you should consider before deciding whether to subscribe for the Equity Shares.
Dividend	See “ <i>Description of the Equity Shares</i> ” and “ <i>Dividends</i> ” on pages 182 and 78, respectively
Closing Date	The Allotment is expected to be made on or about [●]
Status, ranking and dividends	<p>The Equity Shares being issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association and shall rank <i>pari passu</i> in all respects with the existing Equity Shares, including rights in respect of dividends. Our Shareholders (as on record date) will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Closing Date, in compliance with the Companies Act, the SEBI Listing Regulations and other applicable laws and regulations. Our Shareholders may attend and vote in shareholders’ meetings on the basis of one vote for every Equity Share held.</p> <p>For details, see “<i>Description of the Equity Shares</i>” and “<i>Dividends</i>” on pages 182 and 78.</p>
Voting rights	See “ <i>Description of the Equity Shares – Voting Rights</i> ” on page 184.
Security Codes for the Equity Shares	<p>ISIN: INE264T01014 BSE code: 540710 NSE symbol: CAPACITE</p>

SELECTED FINANCIAL INFORMATION

The following tables set out selected financial information for the six months ended September 30, 2023 derived from our Unaudited Consolidated Financial Results, selected financial information for the six months ended September 30, 2022 derived from comparatives of our Unaudited Consolidated Financial Results and selected financial information for Fiscal 2023, 2022 and 2021 derived from Audited Consolidated Financial Statements presented in the “Financial Information” on page 203. For further details, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Financial Information”, on pages 92 and 203, respectively.

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Summary consolidated balance sheet as at September 30, 2023 and Fiscals 2023, 2022 and 2021

(in ₹ lakhs)

Particulars	As at September 30, 2023	As at March 31,		
		2023	2022	2021
A Assets				
Non-current assets				
Property, plant and equipment	61,710.11	64,785.95	67,922.27	65,836.36
Capital work-in-progress	1,932.54	608.01	1,366.08	599.57
Investment properties	1,059.4	724.79	737.72	-
Intangible assets	55.05	54.16	77.80	101.82
Right-of-use assets	238.35	340.21	632.40	504.21
Intangible assets under development	38.62	38.62	38.62	-
Investment in associates and joint ventures	164.00	92.87	35.02	-
Financial assets				
Investment	8.50	8.50	8.50	141.00
Trade receivables	11,447.94	9,664.39	7,086.24	8,147.76
Other financial assets	1,565.72	2,088.74	2,312.28	10,741.78
Non-current tax assets (net)	247.6	2,510.78	3,183.34	2,219.36
Other non-current assets	4,798.8	7,687.06	9,392.95	11,935.96
Total non-current assets	83,266.63	88,604.08	92,793.22	1,00,227.82
Current assets				
Inventories	8,770.64	9,854.69	11,153.96	10,044.86
Contract Assets	1,05,302.73	-	-	-
Financial assets				
Investments	-	-	25.89	32.44
Trade receivables	41,787.13	34,766.71	39,468.89	28,578.34
Cash and cash equivalents	740.71	4,706.53	2,211.30	983.65
Bank balances other than cash and cash equivalents	13,274.62	12,749.74	16,176.82	14,638.60
Loans		-	1,300.00	1,300.00
Other financial assets	4,376.7	95,813.68	64,328.38	56,324.57
Other current assets	11,828.41	15,885.34	11,671.54	12,382.95
Total current assets	1,86,080.94	1,73,776.69	1,46,336.78	1,24,285.41
Total assets	2,69,347.57	2,62,380.77	2,39,130.00	2,24,513.23
B Equity and Liabilities				
Equity				
Equity share capital	7,355.65	6,789.15	6,789.15	6,789.15
Other equity	1,13,524.98	1,00,555.50	90,503.19	86,093.00
Equity attributable to equity holders of parent	1,20,880.63	1,07,344.65	97,292.34	92,882.15
Non-controlling interests	3.26	0.56	-	-
Total equity	1,20,883.89	1,07,345.21	97,292.34	92,882.15
Non-current liabilities				
Contract Liability	6,278.38	-	-	-
Financial liabilities				
Borrowings	4,840.02	11,162.49	13,736.60	8,233.79
Lease liability	153.42	165.24	443.21	294.50
Other financial liabilities	4,108.68	4,413.88	3,589.41	2,820.92
Provisions	286.44	181.45	316.34	214.82
Deferred tax liabilities (net)	4,873.71	5,290.91	3,509.00	3,469.92
Other non-current liabilities	-	13,172.58	18,961.87	25,985.84
Total non-current liabilities	20,540.65	34,386.55	40,556.43	41,019.79
Current liabilities				
Contract Liability	24,599.65	-	-	-
Financial liabilities				
Borrowings	30,908.07	25,441.96	19,092.91	16,145.64
Lease liability	126.23	219.62	244.03	220.96
Trade payables				
- Total outstanding dues of micro enterprises and small enterprises	2,377.67	2,709.90	2,042.31	953.02
- Total outstanding dues of trade payables other than micro enterprises and small enterprises	58,752.53	60,654.12	50,818.83	41,306.64
Other financial liabilities	4,870.00	5,902.10	4,627.23	7,274.06
Provisions	471.20	463.98	244.90	219.26

(in ₹ lakhs)

Particulars	As at September 30, 2023	As at March 31,		
		2023	2022	2021
Current tax liabilities (net)	1,491.68	2,058.73	1,258.49	1,251.53
Other current liabilities	4,326.00	23,198.60	22,952.53	23,240.18
Total current liabilities	1,27,923.03	1,20,649.01	1,01,281.23	90,611.29
Total liabilities	1,48,463.68	1,55,035.56	1,41,837.66	1,31,631.08
Total Equity and Liabilities	2,69,347.57	2,62,380.77	2,39,130.00	2,24,513.23

Summary consolidated statement of profit and loss for the six months period ended September 30, 2023 and September 30, 2022

(in ₹ lakhs, unless otherwise indicated)

Sr. No.	Particulars	For the six months period ended September 30,	
		2023	2022
1	Income		
	a. Revenue from operations	85,206.51	90,843.67
	b. Other income	1,976.73	512.86
	Total Income [1(a)+1(b)]	87,183.24	91,356.53
2	Expenses		
	a. Cost of material consumed	29,869.66	35,344.14
	b. Construction expenses	27,175.87	26,625.40
	c. Employee benefit expenses	6,419.61	6,289.02
	d. Finance costs	4,735.43	4,315.08
	e. Depreciation and amortisation expenses	5,219.39	7,448.34
	f. Other expenses	8,410.38	4,540.46
	Total expenses [2(a) to 2(f)]	81,830.34	84,562.44
3	Profit before tax(1-2)	5,352.90	6,794.09
4	Share of Profit/(loss) of Joint Ventures & Associates (net)	1.63	(9.34)
5	Profit before Tax(3+4)	5,354.53	6,784.75
6	Tax expense		
	Current tax	1,882.96	1,529.59
	Deferred tax charge/(credit)	(422.08)	185.46
	Total tax expenses	1,460.88	1,715.05
7	Net profit after tax (5-6)	3,893.65	5,069.70
8	Other comprehensive income		
	(i) Items that will not be reclassified to profit or loss	19.37	85.74
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(4.88)	(21.58)
9	Total comprehensive income for the period(7+8)	3,908.14	5,133.86
10	Profit/(Loss) for the period		
	a) Owners of the Group	3,890.95	5,069.70
	b) Non-controlling interest	2.70	-
11	Other comprehensive income for the period		
	a) Owners of the Group	14.49	64.16
	b) Non-controlling interest	-	-
12	Total Comprehensive income for the period		
	a) Owners of the Group	3,905.44	5,133.86
	b) Non-controlling interest	2.70	-
13	Paid up equity share capital (face value ₹10 each)	7,355.65	6,789.15
14	Other equity		
15	Earnings per share (of ₹10 each) (not annualised)		
	(a) Basic (₹)	5.52	7.47
	(b) Diluted (₹)	5.52	7.24

Summary consolidated statement of profit and loss for the Fiscals 2023, 2022 and 2021

(in ₹ lakhs, unless otherwise indicated)

Particulars	For the year ended March 31,		
	2023	2022	2021
Income			
Revenue from operations	1,79,858.70	1,33,478.74	87,972.19
Other income	951.86	1,313.59	2,879.54
Total income	1,80,810.56	1,34,792.33	90,851.73
Expenses			
Cost of material consumed	66,830.14	55,488.86	35,691.33
Construction expenses	54,507.52	37,580.83	24,523.99
Employee benefit expense	12,763.84	10,889.09	7,880.75
Finance costs	8,942.64	6,697.82	7,029.65
Depreciation and amortisation expenses	13,599.63	9,881.31	9,016.23
Other expenses	10,621.05	8,170.58	6,227.72
Total expenses	1,67,264.82	1,28,708.49	90,369.67
Profit before tax and share of profit/(loss) of Joint Ventures and Associates	13,545.74	6,083.84	482.06
Share of (loss)/ profit of Joint ventures	47.77	(26.17)	(8.75)
Share of profit/ (loss) of Associates	1.83	(47.95)	(15.54)
Profit before tax	13,595.34	6,009.72	457.77
Tax expense			
Current tax	3,220.31	1,581.05	636.44
Deferred tax	845.35	30.15	(445.60)
Adjustment of tax of earlier years	-	-	113.71
Total tax expense	4,065.66	1,611.20	304.55
Profit after tax	9,529.68	4,398.52	153.22
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Re-measurement gains on defined benefit plans	77.73	35.51	185.12
Income tax effect	(19.56)	(8.94)	(46.59)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	58.17	26.57	138.53
Total comprehensive income for the year	9,587.84	4,425.09	291.75
Profit for the year			
- Owners of the Group	9,529.12	4,398.52	153.22
- Non-controlling interest	0.56	-	-
Other comprehensive income for the year			
- Owners of the Group	58.17	26.57	138.53
- Non-controlling interest	-	-	-
Total comprehensive income for the year			
- Owners of the Group	9,587.28	4,425.09	291.75
- Non-controlling interest	0.56	-	-
Earnings per share (of ₹10 each)			
- Basic (₹)	14.04	6.48	0.23
- Diluted (₹)	13.97	6.48	0.23

Summary consolidated cash flow statement for the six months period ended September 30, 2023

(in ₹ lakhs)

Sr. No.	Particulars	For the six months period ended September 30,	
		2023	2022
A	Cash flow from operating activities		
	Profit before tax	5,354.53	6,784.75
	Adjustment for		
	Depreciation and amortisation expenses	5,219.39	7,448.34
	Finance costs	4,735.43	4,315.08
	Impairment allowance for Trade Receivables	1,234.72	1,575.70
	Trade Receivable considered as Bad debts	2,400.00	-
	Balances with Government authorities written off	1,557.00	-
	Security deposits written off	100.00	-
	Liability no longer required written back	(1,513.00)	-
	Share of (loss)/ profit of Joint ventures & Associates	(1.63)	9.34
	Loss on sale of plant, property and equipment	5.79	534.51
	Impairment of investment	340.16	-
	Gain on current investments on fair value through P&L	-	(35.10)
	Sundry balance written back	(947.39)	26.32
	Interest income	(1,019.25)	(354.30)
	Operating profit before working capital changes	17,465.75	20,304.64
	Adjustment for		
	(Increase)/Decrease in trade receivables (Including bills discounted with banks)	(11,364.94)	7,942.11
	(Increase)/Decrease in loans	-	300.00
	(Increase)/Decrease in inventories	1,084.05	1,938.76
	(Increase)/Decrease in other assets, other financial assets and contract assets	(11,050.16)	(34,710.68)
	Increase/(Decrease) in trade payables	(953.14)	9,086.63
	Increase/(Decrease) in provisions	131.58	80.16
	Increase/(Decrease) in other liabilities, other financial liabilities and contract liabilities	(854.21)	(6,433.89)
	Cash flow from operating activities	(5,541.07)	(1,492.27)
	Direct taxes paid (net of refunds)	1,241.80	(1,013.94)
	Net cash flow from operating activities	(4,299.27)	(2,506.21)
B	Cash flow from investing activities		
	Purchase of property, plant and equipment including CWIP and capital advances	(3,847.69)	(5,384.02)
	Proceeds from sale of property, plant and equipment	10.65	375.56
	Net proceeds from sale of current investments	-	62.00
	Investments in bank deposits (having original maturity of more than three months), net	1,713.01	830.50
	Interest received	411.64	614.58
	Net cash flow from investing activities	(1,712.39)	(3,501.38)
C	Cash flow from financing activities		
	Repayment of long-term borrowings	(3,149.76)	(2,328.51)
	Proceeds from long-term borrowings	448.05	4,532.33
	Payment of lease liability	(118.05)	(105.38)
	Proceeds/ (Repayments) from short-term borrowings, net	1,386.48	4,995.83
	Money received against share warrants	-	1,240.00
	Interest paid including interest on lease liability	(4,333.38)	(3,933.30)
	Proceeds from issue of Share Capital	9,630.50	-
	Net cash flow from financing activities	3,863.84	4,400.97
	Net increase/(decrease) in cash and cash equivalents(A+B+C)	(2,147.82)	(1,606.62)
	Cash and Cash Equivalents at the beginning of the period	2,888.53	2,211.30
	Cash and cash equivalents at end of the period	740.71	604.68
	Components of cash and cash equivalents		

(in ₹ lakhs)

Sr. No.	Particulars	For the six months period ended September 30,	
		2023	2022
	Cash in hand	30.77	18.17
	Foreign currency on hand	3.36	3.29
	Balances with banks:		
	- on current accounts	706.58	264.83
	- Term deposits with less than 3 months of original maturity	-	318.39
	Total cash & cash equivalents	740.71	604.68

Summary consolidated statement of cash flows for Fiscals 2023, 2022 and 2021
(in ₹ lakhs)

Particulars	For the year ended March 31,		
	2023	2022	2021
A Cash flow from operating activities			
Profit before tax	13,595.34	6,009.72	457.77
Adjustment to reconcile profit before tax to net cash flows:			
Depreciation and amortisation expenses	13,599.63	9,881.31	9,016.23
Finance costs	8,942.64	6,697.82	7,029.65
Share of Profit/Loss from Joint Ventures & associates	(49.60)	74.12	-
Other comprehensive Income	-	-	-
Impairment allowance for trade receivables	4,844.12	2,271.83	2,129.10
(Profit)/Loss on sale of plant, property and equipment	-	(225.80)	(15.93)
Profit on sale of property, plant and equipment	534.51	-	-
Fair value gain on financial instruments at fair value through profit and loss	-	(0.19)	-
Profit on sale of investments	(37.30)	-	-
Gain on current investments on fair value through P&L	-	-	(3.60)
Sundry balance written back	(3.37)	7.41	(74.81)
Finance income	(717.62)	(1,032.11)	(1,720.24)
Operating profit before working capital changes	40,708.35	23,684.11	16,818.17
Movement in working capital:			
(Increase)/Decrease in trade receivables (including bills discounted with banks)	(1,641.76)	(14,738.33)	(2,126.96)
(Increase)/Decrease in loans	1,300.00	-	-
(Increase)/Decrease in inventories	1,299.27	(1,109.12)	366.95
(Increase)/Decrease in other assets and other financial assets	(34,481.00)	(6,470.27)	(2,841.96)
Increase/(Decrease) in trade payables	9,111.90	10,568.48	(9,327.99)
Increase/(Decrease) in provisions	161.92	162.67	(984.89)
Increase/(Decrease) in other liabilities and other financial liabilities	(4,576.34)	(6,110.01)	6,619.67
Cash flow from operating activities	11,882.34	5,987.53	8,522.99
Direct taxes paid (net of refunds)	(1,747.51)	(2,538.07)	(819.71)
Net cash flow from operating activities (A)	10,134.83	3,449.46	7,703.28
B Cash flow used in investing activities			
Purchase of property, plant and equipment including CWIP and capital advances	(9,237.26)	(10,213.65)	(11,256.74)
Proceeds from sale of property, plant and equipment	375.57	225.80	80.60
Purchase of other investments	-	-	(60.30)
Proceeds from sale of current investments	62.00	32.63	20.56
Investments in bank deposits (having original maturity of more than three months), net	3,389.91	6,708.59	(2,508.57)
Interest received	1,130.62	953.53	1,510.96
Net cash flow used in investing activities (B)	(4,279.16)	(2,293.10)	(12,213.49)
C Cash flow from financing activities			
Repayment of long-term borrowings	(4,736.69)	(4,374.27)	(3,251.24)
Proceeds from long-term borrowings	5,332.50	10,030.26	3,293.43
Payment of lease liability	(163.81)	(159.63)	(413.89)
Proceeds/(Repayments) from short-term borrowings, net	3,251.15	806.22	1,839.13
Money received against share warrants	1,240.00	-	-
Interest paid including interest on lease liability	(8,283.59)	(6,231.29)	(6,732.59)
Net cash used in financing activities	(3,360.44)	71.29	(5,265.16)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	2,495.23	1,227.65	(9,775.37)
Cash and Cash Equivalents at the beginning of the year	2,211.30	983.65	10,759.02
Cash and cash equivalents at end of the year	4,706.53	2,211.30	983.65
Components of cash and cash equivalents			
Cash in hand	27.15	14.15	19.04
Foreign currency on hand	3.32	3.08	2.94
Balances with banks:			
- on current accounts	2,736.57	1,255.33	832.98
- Term deposits with less than 3 months of original maturity	1,939.49	938.74	128.69
Total cash & cash equivalents	4,706.53	2,211.30	983.65

RELATED PARTY TRANSACTIONS

For details of the related party transactions during the Fiscals ended March 31, 2023, March 31, 2022 and March 31, 2021 as per the requirements under Indian Accounting Standard (*Ind AS*) 24– *Related Party Disclosures*, see “*Fiscal 2023 Audited Consolidated Financial Statements- Note 40- Related party transactions; Fiscal 2022 Audited Consolidated Financial Statements - Note 40- Related party transactions; Fiscal 2021 Audited Consolidated Financial Statements - Note 40- Related party transactions* “, on pages 259, 319 and 372, respectively.

RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Preliminary Placement Document, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks and uncertainties described in this section are not the only risks that we currently face. If any of the following risks, or other risks, or a combination thereof, that are not currently known or are now deemed immaterial, actually occur, our business, results of operations, prospects, cash flows and financial condition could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risks where the effect is not quantifiable and hence has not been disclosed in the applicable risk factors. In making an investment decision, you must rely on your own examination of our Company and the terms of this Issue, including the merits and risks involved. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in the Equity Shares.

This section should be read together with “Industry Overview”, “Our Business”, “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” and “Financial Information” on pages 79, 128, 92 and 203 of this Preliminary Placement Document, respectively, together with all other financial information contained in this Preliminary Placement Document. Unless otherwise stated, or the context requires otherwise, the financial information used in this section is derived from the Audited Consolidated Financial Statements and Unaudited Consolidated Financial Results.

This Preliminary Placement Document also contains forward-looking statements that involve risks and uncertainties where actual results could materially differ from those anticipated in these forward-looking statements. Please see “Forward-Looking Statements” on page 15 of this Preliminary Placement Document.

INTERNAL RISK FACTORS

- 1. Our business is manpower intensive, and we are dependent on the adequate supply and availability of contract labourers from sub-contractors at our project locations. Unavailability or shortage of such supply of contract labour or non-compliance with the regulations governing contractual labour may have an adverse effect on our business, profitability and results of operations.***

Our business is manpower intensive and we employ a combination of in-house labour and contract labourers for the purposes of our projects. We enter into contracts with independent contractors to complete specified assignments and these contractors are required to source the labour necessary to complete such assignments.

As of September 30, 2023, we had approximately 7,368 contract labourers from sub-contractors across all our projects. The number of contract labourers employed by us varies from time to time based on the nature and extent of work contracted to us and the availability of contract labour. We may not be able to secure the required number of contract labourers required for the timely execution of our projects for a variety of reasons including possibility of disputes with sub-contractors, strikes, less competitive rates to our sub-contractors as compared to our competitors, changes in labour regulations, and infectious diseases (such as the COVID-19 pandemic) that may limit availability of contractual labour. For instance, we faced a drastic reduction in the number of our contract labourers in Fiscal 2021 due to the lockdown measures imposed by the government to curb the spread of COVID-19.

Although we do not engage these labourers directly, we are subject to laws and regulations relating to employee welfare and benefits and it is possible under the Contract Labour (Regulation and Abolition) Act, 1970, and the judicial interpretation of the provisions thereof, that we may be held responsible for minimum wage, wage payments, working conditions, employee insurance, and other such employee benefits and any changes to existing labour legislations, including upward revision of wages required by such state governments to be paid to such contract labourers, limitations on the number of hours of work or provision of improved facilities, such as food or safety equipment, may adversely affect our business and results of our operations. We may also be responsible to make compensation for accidents and/or death at the work site in the course of employment to labourers engaged by such contractors in case the contractors default on their wage and/or compensation payments.

Further under the laws of the states in which we operate, we are also required to make monetary contributions to regulatory authorities towards insurance and provident fund requirements for contract labourers (which are subsequently set off against dues to our sub-contractors) and obtain registrations in connection with the use

of contract labour. Further, in the event of failure by our sub-contractors to make payments to contract labourers employed at our projects and regulatory authorities, we may be liable under applicable labour legislations to make such payments to contract labourers or regulatory authorities. Any such order from a court or any other regulatory authority may require us to incur additional fixed costs which in turn may adversely affect our profitability. If our labour sub-contractors do not fulfil their obligations in a timely and satisfactory manner, or if we are unable to set off payments made towards statutory requirements against dues to our sub-contractors, our costs may increase, and we may be subject to legal proceedings under various welfare labour legislations applicable to such contract labourers. While we have not experienced any such instances in the past, we cannot assure you that we will not be subject to the aforementioned risks and uncertainties in the future.

Further, we cannot assure you that disruptions in our business will not be experienced if there are strikes, work stoppages, disputes or other problems with sub-contractors or contract labourers deployed at our projects. In case of these disruptions, it may be difficult for us to find a replacement for certain contract labour without significant delay, thereby impacting our ability to complete or meet customer obligations in a satisfactory and timely manner. These events may in turn have a negative effect on our business, profitability and results of operations.

2. *Our Order Book may not be representative of our future results and our actual income may be significantly lower than the estimates reflected in our Order Book, which may adversely affect our business, prospects, reputation, profitability, results of operations and financial condition.*

Our Company's order book as of a particular date consists of the value of unexecuted portions of our outstanding orders, that is, the total contract value of the existing contracts secured by us, as reduced by the value of work executed (excluding cost escalation) until the date of such order book ("**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 or 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 Preliminary Placement Document is not audited and does not necessarily indicate our future earnings. Our Order Book should not be considered in isolation or as a substitute for performance measures. As of September 30, 2023, our Company's Order Book was ₹10,23,291.14 lakhs and comprised of 31 construction projects. For further details on our Order Book, see "*Our Business – Our order book*" on page 133.

We may also encounter problems executing the project as ordered or executing it on a timely basis. In addition, even where a project proceeds as scheduled, it is possible that contracting parties may delay or default and fail to pay amounts owed or receivables. Our inability to complete the projects within anticipated timelines or achieve expected margins or performance targets, attract liability claims, damages, may reduce our profit or cause us to incur a loss or contract termination. Moreover, factors beyond our control or the control of our clients may postpone a project or cause its cancellation, including delays or failure to obtain necessary permits, authorisations, permissions, right-of-way, force majeure events, and other types of difficulties or obstructions. Due to the possibility of cancellations or changes in scope and schedule of projects, resulting from our clients' discretion or problems we encounter in project execution or reasons outside our control or the control of our clients, we cannot predict with certainty when, if or to what extent a project forming part of our Order Book will be performed. 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 may result in our failure to receive, on a timely basis or at all, all payments due to us on a project. Further, owing to project completion schedule, our revenues may get lumped up over one or more quarters or fluctuate from one reporting period to another.

For some of the contracts in our Order Book, our clients are obliged to perform or take certain actions, such as securing required licenses, authorisations or permits, making advance payments and approving designs. If a client does not perform such actions in a timely manner, and the possibility of such failure is not provided for in the contract, our projects may be delayed, modified or cancelled. Accordingly, the realisation 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.

We may not be able to achieve our expected margins or may even suffer losses on one or more of these contracts or we may not be able to realise the revenues which we anticipated in such projects. In addition, we cannot assure you that we will be awarded the projects that we currently expect or that we will be able to execute agreements for these anticipated projects on terms that are favourable to us or at all. Therefore, although the projects in the Order Book represent business that is considered firm, future earnings related to the performance of projects in the Order Book may not be realised because of cancellations or scope or schedule adjustments that may occur. Due to unexpected changes in project scope and schedule, we cannot predict with certainty when or if expected revenues as reflected in the Order Book will be achieved.

Hence, our Order Book may not be an indicator of our future results due to various factors including any delay, reduction in scope, cancellation, execution difficulty, payment postponement or payment default in regard to our Order Book projects or any other incomplete projects, or disputes with clients in respect of any of the foregoing, which may adversely affect our business, prospects, reputation, profitability, results of operations and financial condition.

3. *Building construction industry may be subjected to regulatory or judicial sanctions, which in turn, may have an adverse effect on our business, results of operations and prospects.*

We are involved in the construction of the following categories of projects: (i) buildings with seven or more floors as high-rise and 40 or more floors as super high-rise buildings (“**High Rise and Super High Rise Building(s)**”), and (ii) buildings such as commercial office complexes, malls, healthcare, factory buildings, railway depots, data centers, multilevel car parks and projects in special economic zone (“**Other Building(s)**”). For further details, see “*Our Business*” on page 128.

Building construction companies in India are required to comply with a complex regulatory framework, including policies and procedures established by local authorities that are designed to implement such laws and regulations. Our business may be adversely affected by any change in laws, municipal plans or interpretation of existing laws, or promulgation of new laws, rules and regulations applicable to us. If any regulatory authorities impose bans, it may have an adverse effect on us.

Further, in states/ territories such as Tamil Nadu, Karnataka and NCR, public records suggest that the governments may consider prohibition on new apartment construction projects due to scarcity of water. Uncertainty in the applicability, interpretation or implementation of these actions 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. Further, these prohibition particularly focuses on construction projects for high rise buildings; therefore such a prohibition may affect our business, results of operations and prospects.

4. *A failure in obtaining additional financing, including working capital requirements, at all or on terms favourable to us may have an adverse effect on our results of operations, financial condition and cash flows.*

The nature of our business requires significant amounts towards working capital requirements. Our operations, liquidity and profitability are, in large part, dependent upon our timely access to capital and costs associated with raising capital. Our working capital requirement is met through a combination of internal accruals, short term borrowings and proceeds from issuance of shares. In many cases, large amounts of our working capital are required to finance the purchase of raw materials, payments of wages, margin monies for non-fund based limits labour and the performance of engineering, construction and other work on projects before payments are received from clients. Further, substantial amounts of our working capital may get temporarily locked-up in terms of work-in-progress or dues owed to us by our debtors, which may take significant amounts of time to become available for use again. As on September 30, 2023, we have outstanding working capital debt amounting to ₹16,903.34 lakhs, on a consolidated basis.

Our working capital requirements may increase if the payment terms in our agreements include reduced advance payments or longer payment schedules. These factors may result, or have resulted, in increases in the amount of our receivables and short-term borrowings. We cannot assure you that we will be able to continue to access funds, including by way of short-term borrowings, whether on acceptable terms or at all, to continue to fund our borrowings or that our receivables will continue to be sufficient to cover our working capital requirements.

Our working capital requirements have substantially increased as we have expanded our business. For six months period ended September 30, 2023 and Financial Years 2023, 2022 and 2021, our purchase of material (other than capitalisation) aggregated to ₹28,867.07 lakhs, ₹65,530.87 lakhs, ₹56,597.96 lakhs and ₹36,630.50 lakhs, and our labour/ sub-contractor costs aggregated to ₹22,953.75 lakhs, ₹45,836.67 lakhs, ₹30,189.75 lakhs and ₹17,850.35 lakhs, respectively. We cannot assure you that we will be able to improve or reduce our working capital cycle or that such working capital cycle will not increase. Continued increase in our working capital requirements without adequate availability of financing may have an adverse effect on our cash flows, financial condition and results of operations. Further, our working capital requirements are based on management estimates, which are in turn subject to certain assumptions. Any change or cost escalation can significantly increase our costs of borrowings.

It is customary in the industry in which we operate to provide bank guarantees in favour of clients to secure obligations under contracts. In addition, letters of credit are often required to satisfy payment obligations to suppliers. If we are unable to provide sufficient collateral to secure the letters of credit or bank guarantees, our ability to enter into new contracts or obtain adequate supplies may be limited. Providing security to obtain letters of credit and bank guarantees increases our working capital needs. We may not be able to continue obtaining new letters of credit and bank guarantees in sufficient quantities to match our business requirements.

Further, we cannot assure you that we will be able to continue to access funds, including by way of short term borrowings, whether on acceptable terms or at all, to acquire new construction capabilities or expand or upgrade any of our existing construction capabilities. Any failure to find necessary funds to meet our requirements for newer construction capabilities or expansion or modernisation of existing capabilities may lead to technology obsolescence or our inability to effectively compete with other players in the construction industry.

5. *There is no guarantee that, in the future, our clients' creditworthiness will not decline. Failure by our clients to meet our payment schedules will result in losses in turn having an adverse effect on our business, results of operations, cash flows and prospects.*

There is no guarantee that in the future, our clients' creditworthiness will not decline, and hence, we may be exposed to client credit risk in the usual course of our business. Inability of the clients to meet our payment schedules or any delay or non-receipt of payment from such clients may result in loss and lead to *inter alia* (i) an increase in our working capital cycle, (ii) accelerated provisioning, (iii) write off of site establishment expenses, and (iv) equipment and machinery being idle. Additionally, non-receipt of payment from our clients may also require us to initiate claims for recoveries resulting in costly litigation, diverting management's attention and resources and thereby subjecting us to significant liabilities.

Due to various factors, including certain extraneous factors such as macroeconomic conditions, at a national level such as rise in the amount of stressed assets held by banks in India and at a global level, potential credit crisis in the global financial system, may also result in financial difficulties for our clients, including limited access to the credit markets, insolvency or bankruptcy. Such conditions may cause our clients to delay payment, request modifications of their payment terms, or default on their payment obligations to us, all of which may increase our receivables. Timely collection of dues from clients also depends on our ability to complete our contractual commitments and subsequently bill for and collect from our clients. A significant delay in or non-receipt of large payments or non-performance by our clients could materially and adversely affect our cash flows, results of operations and financial condition.

6. *Projects awarded from certain clients contribute a significant portion of our Order Book and the loss of such clients may adversely affect our business, results of operations and financial condition.*

Projects awarded from certain of our clients contribute a significant portion of our Order Book. We have maintained a stable relationship with these clients and have continued to receive repeat orders from most of them. As at September 30, 2023, our top 10 clients contributed 79.068% of our Order Book. For further details, see "*Our Business*" on page 128 of this Preliminary Placement Document.

We cannot assure you that we can maintain the historical levels of project orders from these clients or that we will be able to find new clients in case we lose any of them. Despite investing in technologies and capabilities, we may not be able to retain such clients. Furthermore, major events affecting our clients, such as adverse market conditions, regulatory changes, adverse cash flows, change of management, any potential litigation with any of these clients, mergers and acquisitions by clients may adversely affect our business. Further, if any of our major private clients face adverse financial conditions, including insolvency, we may

lose some or all of our business from that client and our receivables from that client may have to be written off, thus adversely affecting our cash flows and financial condition.

In addition, our clients also have the right to terminate their work orders in the event of delay in completion of the work if the delay is not on account of any of the agreed exceptions.

Consequently, the loss of any of our significant clients, may have an adverse effect on our business, results of operations and cash flows. In addition, any adverse change in the projects that we are constructing for them, such as delays or stoppages in completion schedules, changes to the agreed designs or failure to obtain regulatory permits for such projects by clients, may also have an adverse effect on our business.

We cannot assure you that the loss of any of our clients may not have an adverse effect on our business, cash flows, reputation, results of operations and financial condition.

7. *We may be subject to liability claims or claims for damages or termination of contracts with our clients for failure to meet project milestones or defective work, which may adversely affect our business, results of operations, financial condition and reputation.*

We are a construction company providing construction services for residential buildings (“**Residential**”), and corporate office buildings, malls, hospitality and healthcare projects, special economic zone projects (collectively, “**Commercial/Institutional**”). For further details, see “*Our Business*” on page 128. For these Residential and Commercial/ Institutional projects, the contracts of the Company are on an item rate basis with a pre-determined schedule for our project completion. Under the business agreements, our scope of work primarily consists of civil shell and core works (including demolition of existing structures wherever applicable, excavation works, shore piling works, reinforced cement concrete works, block work, plastering and associated waterproofing and miscellaneous works) to be completed in a timely manner and to the satisfaction of our clients.

Typically, our contracts contain provisions that subject us to liquidated damages for delays in completion of project milestones attributable to us, which are often specified as a fixed percentage of the contract value, subject to certain customary exceptions such as (i) occurrence and continuance of force majeure events, or (ii) delays that are caused due to reasons solely attributable to the client. Further, our clients are entitled to deduct the amount of damages from the payments due to us. During the construction period, as well as the defect notification period after the completion of construction, we are usually required to remedy construction defects at our own risk and costs. We are usually responsible for making good the defects during the defect notification period, which can be for a period between 12 to 60 months after completion of work. Additionally, under the agreements entered into by us, we are usually required to indemnify our clients and its officers, employees and representatives against all actions, proceedings, claims, liabilities, damages, losses and expenses due to failure on our part to perform our obligations under the contracts. Further, we are also required to provide performance guarantees for some of our projects as per the terms of the contracts.

In addition to monetary penalties, any such failure to meet project schedules or defective work may subject us to adverse reputational effect. The client may also be entitled to terminate the agreement in the event of delay in completion of the work if the delay is not on account of any of the agreed exceptions. With respect to some of our projects, in the event of termination for any of the aforesaid reasons, we may only receive partial payments under such agreements and such payments may be less than our estimated cash flows from such projects.

In certain cases, we may be required to perform additional work on a project that is beyond the stated scope of the contract. We may not receive any remuneration for the same, or payments in respect of the same may be delayed or may not be commensurate with the quantum of work performed, which may have an adverse effect on our results of operations. Further, in certain contracts we may be required to execute modified work order as directed by the client who may not have been agreed upon at the time of execution of the contract. This process may result in disputes and may result in delayed or inadequate payments.

While there have been instances of delays to our projects on account of various factors including unavailability or shortage of labour, shortage of raw materials and adverse weather conditions, we have not been required to pay liquidated damages under any of our past or current work orders. However, delays in completion of construction in the future may result in cost overruns, lower or no returns on capital and

reduce the revenue for the client thus affecting the project's performance, which in turn may adversely affect our results of operations, financial condition and reputation.

8. *Our clients operate in a highly regulated environment, existing and new laws, regulations and government policies affecting the sector in which they operate, including an inability to obtain licenses and approvals, may adversely affect our business, results of operation.*

The real estate industry in India is heavily regulated by the central, state and local governmental authorities. We must comply with extensive and complex regulations affecting the processes of construction. These regulations impose on us additional compliance requirements and costs, which may adversely affect our business, results of operations and financial condition.

Changes in the regulatory framework with regard to the real estate industry, including future government policies and changes in laws and regulations in India may adversely affect the business of our clients and may affect our ability to do business in our existing and target markets. The timing and content of any new law or regulation is not in our control and such new law or regulation may have an adverse effect on our business, results of operations and financial condition.

The Real Estate (Regulation and Development) Act, 2016, as amended (the “**RERA**”) was introduced in India to regulate the real estate industry and to ensure, among other things, the imposition of certain responsibilities on real estate developers and accountability toward customers and the protection of customer interests. RERA mandates the establishment of a real estate regulatory authority in each state and union territory to facilitate the growth and promotion of a healthy, transparent, efficient and competitive real estate sector, with the power to, among other things, register and regulate real estate projects and impose penalties or interest for contraventions of their obligations by various stakeholders, including real estate developers. As a result, our clients will have to comply with state-specific rules and regulations which will be enacted by the relevant state governments where our ongoing projects are, or our future projects may be located. All state governments except Nagaland have notified rules under the RERA. RERA and the rules notified thereunder, have imposed certain obligations on real estate developers, including the mandatory registration of real estate projects, restrictions on issuing advertisements or accepting advances in relation to real estate projects unless such projects are registered with the RERA and the maintenance of a separate account for depositing 70% of the amounts realised from allottees of each real estate project. Withdrawals can be made from the separate account only to cover the cost of the relevant project, in proportion to the percentage of completion of the project.

In order to commence development of the projects, our clients now require registration with the relevant RERA, where applicable, sanction of our project plans from the relevant municipal authorities, including approval of proposed zoning and building plans, approvals from other local authorities, including but not limited to, the local airport authorities and fire services authorities, as well as environmental clearances from the environmental authorities and pollution control boards. Such sanctions are typically granted for a limited period and may lapse in the event construction is not commenced or completed within the prescribed time period, or after such time as may be stipulated at the time of approval. Further, such approvals also require us to comply with certain continuing obligations, non-compliance of which may render them suspended or revoked. Our clients may encounter problems in obtaining or renewing these approvals or licenses and may experience delays in fulfilling the conditions precedent to any required approvals. Therefore, any additional approvals or compliances required to be obtained by our clients may delay continuation and/or completion of projects awarded to us, which in turn may delay our ability to complete the work as per the time schedules agreed to with the client. While we typically attempt to start construction once all necessary approvals that our clients are required to obtain, are in place, we cannot assure you that compliance with such laws and regulations, including by our clients, will not result in completion delays or material increases in our costs or otherwise have an adverse effect on our results of operations and financial condition.

9. *Our operations are subject to physical hazards and similar risks that may expose us to liabilities, loss in revenues and increased expenses.*

Our operations are subject to physical hazards inherent in providing erection, civil and maintenance services, such as risk of extreme vertical heights, fires, mechanical or equipment failure, work accidents, including hazards that may cause injury and loss of life, severe damage to and destruction of property and equipment, and environmental damage.

While construction companies, including us, conduct various scientific and site studies during the course of bidding for projects, there are always unanticipated or unforeseen risks that may come up due to adverse weather conditions, geological conditions, specification changes and other reasons beyond our control.

Our policy of covering these risks through contractual limitations of liability, indemnities and insurance may not always be effective and this may have a material adverse effect on our reputation, business, financial condition and results of operation.

We typically maintain insurance policies including but not limited to contractors' all risks policies for our projects, contractors' plant & machinery policies, employee compensation policy, group medical insurance policy, group accident insurance policy, employee term insurance policy, stock policy, directors and officer's liability insurance policy and standard fire and special perils policy. These insurance policies are generally valid for a year and are renewed annually. While we believe that the insurance coverage which we maintain may be reasonably adequate to cover the general risks associated with the operation of our business, we cannot assure you that each claim under the insurance policies maintained by us will be honoured fully or promptly, or that we have taken out sufficient insurance to cover all our potential losses. 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.

If the hazards mentioned above materialise, they can cause personal injury and loss of life, catastrophic damage or destruction of property and equipment as well as environmental damage, which may result in a suspension of operations and the imposition of civil or criminal liabilities which may disrupt our business operations. Although we have obtained various insurance policies covering our assets, liabilities and labourers, we may face claims and litigation alleging that we were negligent, filed on behalf of persons alleging injury predominantly as a result of occupational exposure to hazards at our project sites.

Thus, if these risks materialise or such claims and lawsuits, individually or in the aggregate, are resolved against us, and our insurance policies of covering these risks through contractual limitations of liability, indemnities and insurance are not effective, then our business, results of operations and financial condition may be adversely affected.

10. We are required to obtain approvals for our operations and any failure to obtain licenses and approvals by us may adversely affect our business, results of operations and financial condition

We are primarily required to obtain regulatory approvals, licenses, registrations and permissions for all of our projects including in relation to engaging workmen under the CLRA Act and registration under the BOCW Act. The CLRA Act and BOCW Act provides for imprisonment and monetary penalties for breach of its provisions. These approvals, licenses, registrations and permissions are required from a range of central and state government authorities. In addition, some of the regulatory approvals, licenses, registrations and permissions required for operating our business expire from time to time. We generally apply for renewals of such regulatory approvals, licenses, registrations and permissions prior to or upon their expiry. If we fail to maintain such registrations and licenses or comply with applicable conditions, or a regulator claims that we have not complied, with such conditions, our certificate of registration for carrying on construction activities for a particular project may be suspended and/or cancelled and we will not then be able to carry on such activity.

We are also required to comply with various compliance provisions under these regulations and any non-compliance by us may lead in us incurring penalties under these regulations. We cannot assure you that we will be able to obtain all regulatory approvals, licenses, registrations and permissions that we may require in the future, or receive renewals of existing or future approvals, licenses, registrations and permissions or comply with the compliances under the provisions under these regulations in the time frames required for our operations or at all, which may adversely affect our business, results of operations and financial condition.

Further, if we fail to meet the prescribed environmental, health and safety requirements with respect to our contract labourers and workmen who are employed in our projects, we may also be subject to administrative, civil and criminal proceedings by Government authorities, as well as civil proceedings by environmental groups, labour unions and other individuals, which may also result in substantial fines and penalties against us as well as orders that may limit or halt our operations. For instance, we are currently involved in a labour dispute with the Shramjivi Kamgar Union in relation to alleged unfair labour practices conducted by our

Company. We cannot assure you that we will not become involved in future litigation or other proceedings or be held responsible in any such future litigation or proceedings relating to safety, health and environmental matters in the future. Clean-up and remediation costs, as well as damages, payment of fines or other penalties, other liabilities and related litigation, may adversely affect our business, results of operations and financial condition.

11. We are dependent upon orders/contracts from agencies or bodies of the Central and State Governments and our inability to qualify for, compete and win or projects, or complete such projects in accordance with our business plans may have an adverse effect on our business, results of operations, revenues and growth prospects.

Our Company bids for projects on an on-going basis for building projects and commercial/institutional projects developed/ funded by agencies or bodies of the Central and State Governments. As on September 30, 2023, and March 31, 2023, 2022 and 2021, contracts and/or orders awarded by the agencies or bodies of the Central and State Governments constituted 59.34%, 69.87%, 58.34% and 61.57% of our Order Book, respectively. While service quality, technological capacity and performance, health and safety records and personnel, as well as reputation and experience and sufficiency of financial resources are important considerations in the decisions made by these agencies or bodies, particularly for these projects involving construction of hospitals, institutions and data centres, we cannot assure you that we may be able to meet such qualification criteria. Further, these projects are mostly given on a one time basis and are not subject to automatic renewal or repeated bases like in the case of our other clients.

Further, once the prospective bidders satisfy the qualification requirements of the tender, the project is usually made by the agencies or bodies of the Central and State Governments 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 or if already submitted, may be accepted. If we are not able to qualify in our own right to bid for the 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 companies or lack the credentials to be the partner-of-choice for other companies, we may lose the opportunity to bid for projects such as for construction of hospitals, institutions and data centres.

Additionally, the government conducted tender processes may be subject to change in qualification criteria, unexpected delays and uncertainties. We cannot assure you that the projects for which we bid will be tendered within a reasonable time, or at all. 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 prospects may be adversely affected.

Further, these mass construction projects are often subject to delay. Such delays may be on account of a change in the Central and State Governments, changes in policies impacting the public at large, scaling back of Government policies or initiatives, changes in governmental or external budgetary allocation, or insufficiency of funds, which can significantly and adversely affect the business, financial condition and results of operations. Further, contracts awarded by the agencies or bodies of the government authorities may include provisions which enable the client to terminate the contract after providing our Company with appropriate notice. Our ability to recover compensation, on account of termination by the government authorities are limited. As a result, the terms that favour our government authorities may put us in disadvantageous positions when we perform government contracts. Further, we may not be able to recover our payments in connection with such contracts in a timely manner, which may adversely affect our business, results of operations, revenues.

Moreover, there can be no assurance that the GoI or the state governments will continue to place emphasis on the housing development sector. In the event of any adverse change in budgetary allocations for infrastructure development or a downturn in available work in the housing development sector or resulting from any change in government policies or priorities, our business prospects and our financial performance, may be adversely affected. The contracts with government entities may be subject to extensive internal processes, policy changes, government or external budgetary allocation, insufficiency of funds and political pressure, which may lead to lower number of contracts available for bidding or increase in the time gap between invitation for bids and award of the contract or lead to renegotiation of the terms of these contracts which may lead to a delay in our business operations. Thus, it may have an adverse effect on our business, results of operations, revenues and growth prospects.

12. *We face certain risks relating to our reliance on our suppliers for supply of raw materials, non-Core Assets and for providing certain services in the construction of our projects that may adversely affect our reputation, business and financial condition. Failure by our sub-contractors to adhere to regulatory requirements may subject us to penalties.*

We are reliant on the suppliers and sub-contractors at every stage of the project from supply of raw materials, supply of contract labourers for construction and enable of third party arrangements for MEP (mechanical, engineering and plumbing works), finishing and interior services for the projects. Therefore, they play a crucial role in the entire duration of our projects.

We are dependent on suppliers for supply of raw materials such as ready mix concrete and reinforcement steel and other construction raw materials. We also employ the services of sub-contractors and other parties, for use of non-Core Assets including excavators, piling rigs and concrete batching plants as well as for supply of raw materials. Discontinuation of production/supply by these suppliers or a failure to adhere to the delivery schedule or the required quality or quantity and absence or lack of alternatives in market may hamper our schedules and therefore affect our business and results of operations. This dependence may also adversely affect the availability of key materials at reasonable prices thus affecting our margins and may have an adverse effect on our business, cash flows, results of operations and financial condition.

We cannot assure you that equipment, sub-contractors or other skilled personnel will continue to be available at reasonable costs or at all. As a result, we may be required to make additional investments or make alternate arrangements to ensure the adequate performance and delivery of contracted services and any delay in project execution may adversely affect our business and financial condition. Moreover, we face the risk that our sub-contractors or third parties may not perform their obligations as agreed and within the quality stipulations we provide or are subject to, and as a result we may incur additional costs, liabilities and/or claims from third parties. In the case of MEP, finishing and interior services that are provided through our third party arrangements. The third party service providers engaged to provide certain services in relation to the projects may not be able to complete their respective scope of work on time, within budget or to the required specifications and standards.

Additionally, our suppliers depend on various forms of transport to procure our raw materials. This makes them highly dependent on various intermediaries such as transportation companies, container freight station operators and shipping lines. Factors like disruption of transportation services due to weather-related problems, strikes, accidents etc., inadequacies in the transportation infrastructure, or any such other reasons may impair their ability to procure our raw materials in a timely manner and provide the same to us. Therefore, deficiencies in quality, non-performance of obligations or delays by suppliers due to any reason, may lead to consequent delays in our project execution or completion or interim or permanent termination of contracts by our clients, which may have an adverse effect on our reputation, business and financial condition.

13. *We are dependent on the availability of and prices of steel and ready-mix concrete. Any lack of availability of or upward fluctuations in the price of steel and ready-mix concrete or our ability to pass on any increased costs of raw materials to our clients may have an adverse effect on our business, cash flows, results of operations and financial condition.*

The key raw materials required for our business are reinforcement steel and ready-mix concrete. We are dependent on third party suppliers for our raw materials including ready mix concrete and reinforcement steel. Discontinuation of production/supply by these suppliers or a failure of these suppliers to adhere to the delivery schedule or the required quality and quantity or lack of alternatives in market may hamper our schedules and therefore affect our business and results of operations. This dependence may also adversely affect the availability of key materials at reasonable prices thus affecting our margins and may have an adverse effect on our business, results of operations and financial condition. We cannot assure you that strong demand, capacity limitations or other problems experienced by our suppliers will not result in shortages or delays in their supply of raw materials. At times there is an artificial scarcity of raw materials. We cannot assure you that we will not be subject to penalties levied by our clients in the future due to delays, which may be on account of factors beyond our control. We cannot assure you that a particular supplier will continue to supply the required components or raw materials to us in the future. Any change in the supplying pattern of our raw materials can adversely affect our business and cash flows.

Typically, our Company's contracts, excluding the design and build contracts, contain specific provisions for price escalation for raw materials such as ready mix concrete and reinforcement steel. In certain projects, our clients undertake to provide the necessary raw materials for consumption at the project site, especially

ready mix concrete and reinforcement steel. We cannot assure you that we will be able to continue to pass on increased costs of raw materials to our clients or that we will be able to secure contracts wherein our clients provide raw materials. Though we take our client's approval for any raw materials sourced from vendors, including rates and quantities, we cannot guarantee you that such increased costs will be successfully passed on to our clients. Any failure to pass on increased costs of raw materials to our clients in future, may require to be borne by us which in turn may adversely affect our business, cash flows and results of operations.

14. We are subject to strict quality requirements and any failure on our part to comply with quality standards may lead to cancellation of orders, loss of pre-qualification status for bidding for future projects or warranty claims.

Our business depends on the adequate supply of quality construction and other raw materials at reasonable prices on a timely basis. The principal raw materials used in our projects include, ready mix concrete and reinforcement steel procured from certain regular suppliers. Therefore, we rely on a limited number of suppliers for raw materials and the quality of raw materials delivered by suppliers engaged by us has a direct impact on the overall quality of our construction and the timeliness of our delivery to our clients.

Although we generally ensure strict quality and process control measures for suppliers, if there is a deficiency in quality of raw materials delivered to us or errors in the designs provided by the client, then we may not be able to meet strict quality standards imposed by our clients and we may be subject to potential claims against us by our clients. We cannot assure you that we comply or can continue to comply with all the quality requirement standards of our clients. Our failure to achieve or maintain compliance with these requirements or quality standards may subject us to loss of business, warning letters, fines or penalties, which may harm our business. Further, failure to comply with quality requirements or standards may lead to loss of pre-qualification status for bidding for future projects or may lead to cancellation of contracts which may have an adverse effect on our business and revenue.

Further, we have received certifications including ISO 9001:2015 certification for our quality management system, ISO 14001:2015 certification for our environmental management system and ISO 45001:2018 certification for our occupational health and safety management systems and therefore must comply with the requirements of the independent organisations or certification authorities which provide such certifications. We may lose the certifications and accreditations, if we are not able to adhere to the quality and safety standards and specifications required under such certifications and accreditations. The loss of such independent certification in the future may lead to loss of our clients which may have an adverse effect on our reputation, business, results of operations and financial condition.

15. We are subject to restrictive covenants under our financing agreements that may limit our ability to raise further funds and to carry out certain actions such as making alterations to our share capital which may adversely affect our business, results of operations, financial condition and cash flows.

As of September 30, 2023, the aggregate indebtedness (fund based and non-fund based) outstanding was ₹1,28,631.68 lakhs, on a consolidated basis. Most of our financing arrangements are secured by either our movable assets or certain immovable assets or Promoters' personnel guarantees or creation of pledge on the Equity Shares held by our Promoters or Promoter Group. Our accounts receivable and inventories, including certain machinery and equipment, are subject to charges created in favour of specific secured lenders. Many of our financing agreements also include various conditions and covenants that require us to obtain lender consents and intimations, as the case may be, prior to carrying out certain activities and entering into certain transactions. Typically, restrictive covenants under financing documents of our Company relate to obtaining prior consent of the lender for, among others:

- any change in shareholding of our Promoters;
- effecting any change in the capital structure of our Company;
- taking any additional borrowings;
- creating or allowing to exist any encumbrance or security over charged assets;
- changing the ownership or control of our Company, resulting in any change in the beneficial ownership;
- entering into any scheme of merger, amalgamation, compromise or reconstruction;
- any change in the constitutional documents of our Company.

In the past, there have been instances where our Company has delayed in the payment of instalments of its outstanding borrowings, aggregating to ₹1,658.45 lakhs, with none of the delays extending to more than 30

days. While none of our lenders have called an event of default, pursuant to the provisions of our borrowing arrangements, our lenders are entitled to require our Company to repay (either in full or in part) the amount of our entire outstanding borrowings with such lenders.

In the past, our credit rating has been downgraded by India Ratings & Research to “IND D” and “IND BB+” with rating watch with negative implications in Fiscals 2022 and 2023, respectively. However, in August 2023, India Ratings & Research has affirmed our credit rating of “IND BB+” while resolving the rating watch with negative implications to a stable outlook. Any future downgrading of the credit rating of our Company or our Subsidiaries by India Ratings & Research or any other credit rating agency may adversely affect our ability to raise additional financing. Additionally, any further downgrading of our credit rating below a specified grade or any adverse comment from our Statutory Auditors or the statutory auditors of our Subsidiaries may qualify as an event of default under the relevant financing agreements of our Company or our Subsidiaries. Further, a downgrade of our credit rating may also increase our interest costs. Any failure to service our indebtedness, perform any condition or covenant or comply with the restrictive covenants may lead to a termination of one or more of our credit facilities, acceleration of amounts due under such facilities and cross-defaults under certain of our other financing agreements, any of which may adversely affect our ability to conduct our business and have an adverse effect on our business, results of operations, cash flows and financial condition.

16. *Our Company operates in a highly competitive market. If we are unable to bid for and win construction projects, both large and small, or compete with other competitors effectively, we may fail to increase, or maintain, our volume of order intake and our business, results of operations and financial condition may be adversely affected.*

We operate our businesses in a highly competitive and intensely fragmented environment and our competition is based on size, nature, complexity and location of projects, price, proximity of materials to the local market, the availability of sub-contractors, construction workers and local economic conditions. We face significant competition in our business from a large number of integrated Indian real estate development and construction companies as well as standalone construction companies. For further details, see “*Our Business – Competition*” on page 138 of this Preliminary Placement Document. The extent of the competition we face in a potential project depends on a number of factors, such as the sector, the size and type of project, the complexity and location of the project and our reputation. Increasing competition may result in price volatility, which may cause our business, results of operations and financial condition to be adversely affected.

Given the fragmented nature of the Indian building construction industry, we often do not have adequate information about the projects our competitors are constructing. As we seek to diversify our regional focus, we may face competition from existing competitors as well as local construction companies, who may have better market understanding and reputation in such geographies. As part of our growth strategy, we may bid for and undertake projects on an individual basis or with joint venture partners, if required. We cannot assure you that we will be able to bid for and be awarded any projects in the future, especially in the public sector, as we may not be able to offer our services at competitive costs in comparison to our competitors.

Further, we may not be able to pre-qualify for large projects on our own and may seek to align with other entities to be able to qualify for bids for large projects in the public and private sectors. We cannot assure you that we will be able to locate or form partnerships with competent or necessary third parties to enable us to pre-qualify for bids in the future. Any failure to identify and form alliances and failure by third parties to fulfil their obligations may adversely affect our ability to bid for and obtain projects in the future.

Some of our competitors in the Residential and Commercial/Institutional projects construction business, have been in the construction business longer than we have and are larger than us in terms of Order Book, revenue, number of projects, geographical spread, may have access to greater financial resources, research and development capability. They may also benefit from greater economies of scale and operating efficiencies. Competitors may also, whether through consolidation or growth, be in a better position to compete for challenging integrated projects. Also, in the areas of business where we are a new entrant to the market, we may be unable to compete effectively with our competitors, some of whom may have greater breadth of experience and qualifications with respect to such constructions or geographies. Despite investing in new technologies, we cannot assure you that we may be able to retain our clients. We cannot assure you that we will compete effectively with our competitors in the future and any failure to compete effectively may have an adverse effect on our business, results of operations and financial condition.

17. There are outstanding litigations involving our Company which if determined adversely, may affect our business and results of operations.

Our Company is involved in certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally from us and other parties. We can give no assurance that these legal proceedings will be decided in our favour. We may incur significant expenses and management time in such legal proceedings and may have to make provisions in our financial statements, which may increase our expenses and liabilities. Any adverse decision may have an adverse effect on our business, results of operations and financial condition. A brief summary of our outstanding litigation is set out below:

Type of proceedings	Number of cases	Amount
		(in ₹ lakhs)
<i>Litigation against our Company</i>		
Material civil litigation	4	5,594.04
Tax matters	3	4,284.99
Criminal matters	1	8.20
<i>Litigation by our Company</i>		
Material civil litigation	5	11,259.00
Tax matters	Nil	Nil
Criminal matters	2	250.00

18. Our success depends in large part upon our Promoters, Senior Management and our ability to attract, recruit and retain skilled persons. If our Promoters, Senior Management and skilled persons are unable or unwilling to continue in our business, our Company's business and results of operations may be adversely affected.

Our performance depends largely on the efforts and abilities of our Promoters, Senior Management, including our present officers, managers, engineers and skilled workers. The inputs and experience of our Promoters, Senior Management, present officers, managers, engineers and skilled workers are valuable for the development of our business and operations and the strategic directions taken by us. Our ability to meet continued success and future business challenges depends on our ability to attract, recruit and retain experienced, talented and skilled professionals. In particular, our Promoters Rohit Katyal, Rahul Katyal and Subir Malhotra play an active role in our operations, including through strategy, direction, client centric approach and lender relationships and have been integral to our development and business. In case any of our Promoters are unable or unwilling to continue in our business, we cannot assure you that their services will continue to be available to us. The loss of any of them may have an adverse effect on our business and results of operations.

Our ability to retain experienced senior management as well as other employees will, in part, depend on us having in place appropriate remuneration and incentive schemes. Competition for senior management in our industry in which we operate is intense and we may not be able to retain our existing senior management or attract or retain new senior management in the future. We may require a long period of time to hire and train replacement personnel when skilled personnel terminate their employment with our Company. We cannot assure you that the remuneration and incentive schemes we presently have in place will be sufficient to retain the services of our senior management and other skilled employees. Therefore, we may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting skilled employees that our business requires. The specialised experience we require can be difficult and time-consuming to acquire and/or develop and, as a result, such skilled personnel are often in short supply. For Fiscals 2023, 2022, and 2021 our attrition rate was 47.07%, 48.16% and 23.52% respectively. Further, we may not be able to re-deploy and retrain its professionals to keep pace with continuing changes in technology, evolving standards and changing needs of our clients. Our failure to attract, recruit and retain such skilled personnel, may adversely affect our ability to remain competitive and to execute projects in a timely manner, which in turn may adversely affect our future prospects and results of operations.

19. Our Statutory Auditors have included certain qualification and emphasis of matter in the auditor's reports on our Audited Consolidated Financial Statements and the Unaudited Consolidated Financial Results. Further, the auditors have included certain observations in their reporting under the Companies (Auditors Report) Order, 2016 ("CARO 16") and Companies (Auditors Report) Order, 2020 ("CARO 20").

The report of our Statutory Auditors on the Unaudited Consolidated Financial Results included the following qualification:

- The trade receivables as at September 30, 2023 includes ₹1,156.00 lakhs in respect of a party which was earlier considered as bad debts/provided as expected credit loss allowance. Our management has now recorded recovery of the said receivables by giving effect in the other income/expected credit loss allowance for the six months period ended September 30, 2023 based on future recoverability projections. In the absence of sufficient appropriate evidence about the recoverability of the said receivable, our Statutory Auditors are unable to comment on the recoverability and provision, if any, required on such receivable.

The reports of our Statutory Auditors on the Fiscal 2023 Audited Consolidated Financial Statements and the Unaudited Consolidated Financial Results, respectively, included the following emphasis of matter:

- Change in accounting policy of measuring the progress towards satisfaction of performance obligation for revenue recognition from output method to input method; and
- In respect of the Group's operations including trade receivables, other exposures and contract asset with long time outstanding amount of ₹6,020.00 lakhs as on September 30, 2023. The Group has taken legal course against those parties, including enforcement of available security, to recover those assets. The outcome of such legal action is not ascertainable at present. The management is confident of its recoverability and hence no further provision is required in the Unaudited Consolidated Financial Results.

Additionally, our Statutory Auditor's reports on the Fiscal 2022 Audited Consolidated Financial Statements and the Fiscal 2021 Audited Consolidated Financial Statements, respectively, included emphasis of matter with respect to management's assessment of uncertainties related to COVID-19 and its consequential impact, including the recoverability of its assets and operations of the group.

Further, the review report on unaudited consolidated financial results for the six months ended September 30, 2022 included an emphasis of matter in respect of Change in accounting policy of measuring the progress towards satisfaction of performance obligation for revenue recognition from output method to input method.

Further, our Statutory Auditors have also included certain observations in their reporting under CARO 16 and CARO 20.

Our Statutory Auditor's reports on the Fiscal 2023 Audited Consolidated Financial Statements, included, as an annexure, a statement on certain matter specified in in the Companies (Auditors Report) Order, 2020 which were modified to indicate that:

For our Company:

- (i) The quarterly returns/statements filed by our Company with banks and/or financial institutions are not in agreement with the books of accounts of our Company.
- (ii) For two Inter Corporate Deposits (ICDs) outstanding during the year, schedule of repayment of principal and payment of interest has been stipulated. With respect to ICD given to a Limited Liability Partnership there was default in repayment of principal and payment of interest. With respect to ICD given to a company, the principal amount was not received on the maturity date and there was default in payment of interest.
- (iii) During the year, there were substantial delays by our Company in payment of undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax and other statutory dues with the appropriate authorities.

Undisputed dues in respect of income-tax, provident fund, goods and services tax, tax collected at source, profession tax, value added tax and employees' state insurance was outstanding, at the year end, for a period of more than six months from the date they became payable.

- (iv) Transactions by our Company with promoters are not in compliance with section 177 and 188 of the Companies Act, 2013.

For an associate company:

- (i) There were slight delays in depositing income tax in few cases with the authorities.

Our Statutory Auditor's reports on the Fiscal 2022 Audited Consolidated Financial Statements, included, as an annexure, a statement on certain matter specified in in the Companies (Auditors Report) Order, 2020 which were modified to indicate that:

For our Company:

- (i) The quarterly returns/statements filed by our Company with banks and financial institutions are not in agreement with the books of accounts of our Company.
- (ii) In respect of Inter Corporate Deposits (ICDs) outstanding during the year, schedule of repayment of principal and payment of interest has been stipulated. The principal amount of such ICDs fallen due are renewed quarterly during the year and the interest on such ICDs has not been received as stipulated.
- (iii) During the year, our Company had quarterly renewed Inter Corporate Deposits (ICDs) given to Company/ limited liability partnership which had fallen due during the year.
- (iv) There were delays in payment of undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax and other statutory dues with the appropriate authorities. Undisputed dues in respect of profession tax was outstanding, at the year end, for a period of more than six months from the date they became payable.
- (v) During the year, our Company had delayed in repayment of dues to financial institutions and banks.

For further details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 92.

There is no assurance that the reports of our Statutory Auditors in respect of our financial information for any future periods will not be subjected to similar observations which may not require any adjustment to our financial statements.

20. *There has been a change in our Company's accounting policy with effect from April 1, 2022 and accordingly the financial information included in this Preliminary Placement Document may not be comparable to each other.*

During Fiscal 2023, our Company changed the method of measuring progress i.e., from output method to input method as specified in Ind-AS 115 – 'Revenue from Contract with Customers' consequent to change in the circumstances including change in the nature of contracts secured by us during recent years. For further details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 92.

While we had restated the comparative financial statements for the year ended March 31, 2022 and retained earnings (other equity) as at April 1, 2021 in our Fiscal 2023 Audited Consolidated Financial Statements, to adjust the impact of such change in our accounting policy as required by Ind-AS 8. The financial information included in this Preliminary Placement Document has been derived from the Audited Consolidated Financial Statements and hence may not be comparable to each other. For details, see "*- Our Statutory Auditors have included certain qualification and emphasis of matter in the auditor's reports on our Audited Consolidated Financial Statements and the Unaudited Consolidated Financial Results. Further, the auditors have included certain observations in their reporting under the Companies (Auditors Report) Order, 2016 ("CARO 16") and Companies (Auditors Report) Order, 2020 ("CARO 20")*" above.

21. *Our business is subject to seasonal weather and other fluctuations that may affect our cash flows and business operations.*

Our business and results of operations are affected by seasonal weather factors, which may require the evacuation of personnel, suspension or curtailment of operations, resulting in damage to construction sites or delays in the delivery of materials. Our operations are also adversely affected by difficult working conditions during the monsoon season, because of heavy rains particularly affecting the construction works up to ground level and heavy winds affecting the works particularly at heights, this was particularly a problem faced by our construction projects, located at Mumbai and Chennai in the past. In particular, the monsoon season of each Fiscal may restrict our ability to carry on activities related to our projects and fully utilise our resources. Since our projects are time bound, such seasonal weather conditions may impact our business. During the monsoon season, we may encounter difficulties in engineering, delays in designs or materials provided by the third party, equipment, schedule changes, weather-related delays and other factors. This may result in reduction of our productivity. During periods of curtailed activity due to adverse weather conditions, we may continue to incur operating expenses and our project related activities may be reduced. Further, revenues recorded in the first half of our financial year between April to September are traditionally less compared to revenues recorded during the rest of our financial year. As a result, our revenues and profits may vary significantly during different financial periods, and certain periods are not indicative of our financial position for the year. Such fluctuations may adversely affect our revenues, cash flows, results of operations and financial conditions.

22. *We may experience difficulties in expanding the scope of our business, organically and inorganically, into new businesses, regions and markets in India and overseas.*

Our operations and revenues are geographically concentrated in the MMR. Our Company's projects in MMR accounted for 90.00% of the Order Book as at September 30, 2023. In addition to the above, we are also undertaking certain projects in NCR, Gandhinagar, Goa, Kochi and Pune. Our business is, therefore, significantly dependent on the general economic and market conditions in these locations in which we operate, in particular, the MMR, and respective state and local government policies relating to the building construction industry. Should there be a regional slowdown in construction activity or economic activity or any adverse regulatory development in these areas or any developments that make construction and real estate projects economically less profitable, the growth of our business, financial condition, cash flows and results of operations may suffer.

While our primary focus is to cater to our clients at MMR, NCR, Pune and Gandhinagar, we continue to evaluate and pursue attractive growth opportunities to cater to our clients who may expand to other parts of India on a case-by-case basis. Operating in locations outside where we have an established track record, particularly outside may present additional difficulties and may strain our managerial, operational, financial and other resources, which may result in an adverse effect on our business, results of operations and financial condition.

We are also evaluating new opportunities in the building construction segment in India. These opportunities can take various forms, including acquisitions, mergers, joint ventures and strategic investments. For example, we are evaluating entering into construction of railway station redevelopment projects, metro stations and data centres and city side airports construction in the future. However, these expansions may involve various risks, including, among others, regulatory risk, and construction risk and the risk that these projects may ultimately prove to be unprofitable. We may need to undergo certain changes to our operations as a result of entering into these new projects. Entering into these new projects may pose significant challenges to our management, administrative, financial and operational resources. We cannot provide any assurance that we will succeed in any new projects we may enter into. Any failure in the development, financing or operation of any of these new projects is likely to adversely affect our business, prospects, results of operations and financial condition. We have no experience in metro construction or airport development. These businesses are evolving in India and are likely to be subject to substantial regulatory oversight in the future, we cannot assure you that we will be successful or will not suffer losses in such businesses.

Further, we cannot assure you that we will be able to identify suitable joint venture partners, acquisition targets or make strategic investment at acceptable cost and on commercially reasonable terms, obtain the finance, if required, to complete and support such acquisitions or investments, integrate such businesses or investments or that any business acquired, or investment made will be profitable. The return of capital deployed on such acquisitions will depend on the price of the acquisitions and speed of integration of acquired business employees and assets. Any future acquisitions may result in integration issues and employee

retention problems; we face numerous risks and uncertainties combining, transferring, separating or integrating the relevant businesses and systems, including the need to combine or separate accounting and data processing systems and management controls and to integrate relationships with clients, trading counterparties and business partners. We may not be able to realise the benefits we might anticipate from any such acquisitions. This may in turn affect our growth.

23. *Certain of our immovable properties are leased. If we are unable to renew existing leases or relocate our operations on commercially reasonable terms, there may be an adverse effect on our business, financial condition and results of operations. Further, some of our lease / leave and license agreements may not be adequately stamped.*

We have obtained leasehold rights over our Registered and Corporate Office and certain other offices and guest houses/ residential premises for our employees/ labourers. With respect to our Registered and Corporate Office, we have entered into a leave and license agreement with our Promoter, Rahul Katyal, for a period of three years commencing from October 1, 2023. Leases for our other offices typically range from one to five years.

If we are unable to renew certain or all of these leases on commercially reasonable terms, we may suffer a disruption in our operations or be unable to continue to operate from those locations in the future. In the event any of the lessors / licensors terminate or do not renew the lease / license on commercially acceptable terms, or at all, we shall be required to vacate such premises. In addition, the terms of certain of our leases require us to obtain the lessor's prior consent for certain actions, including any modifications to the properties which we occupy, which may not be available. Further, certain of the premises used by our Subsidiaries are also leased. Any failure to renew our leases or to find alternative property may have an adverse effect on our operations and profitability.

We cannot assure you that the local stamp authorities will not claim additional payment on stamp duty on our lease deeds for our corporate office and facility premises. An instrument deemed to be not duly stamped, or insufficiently stamped, shall not be admissible as evidence in any Indian court or may attract a penalty as prescribed under applicable law, which may have an adverse effect on the continuance of our operations.

Some of our lease / leave and license agreements have certain irregularities such as inadequate stamping and/or non-registration of deeds and agreements. The effect of inadequate stamping and non- registration is that the document is not admissible as evidence in legal proceedings, and parties to that agreement may not be able to legally enforce the same, except after paying a penalty for inadequate stamping and non-registration. In the event of any dispute arising out of such unstamped or inadequately stamped and/or unregistered lease agreements, we may not be able to effectively enforce our leasehold rights arising out of such agreements which may have an adverse effect on the business and results of operations of our Company.

24. *Our business may be adversely affected by losses exceeding our insurance limits or lack of adequate cover.*

Our Company, in the ordinary course of its business, maintains a number of insurance policies to cover assets, liabilities and risks that it faces, being inherent to our business activities and operations. The business of our Company involves many risks and hazards which may adversely affect our profitability, including breakdowns, failure or substandard performance of equipment, third party liability claims, labour disturbances, employee fraud and infrastructure failure. Our Company maintains insurance policies including but not limited to contractors' all risks policies for our projects, contractors' plant & machinery policies, employee compensation policy, group medical insurance policy, group accident insurance policy, employee term insurance policy, stock policy, directors and officer's liability insurance policy and standard fire and special perils policy. We cannot assure you that the operation of our Company's business will not be affected by any of the incidents and hazards listed above. In addition, our Company's insurance may not provide adequate coverage in such circumstances including those involving claims by third parties and is subject to certain deductibles, exclusions and limits on coverage.

Further, we cannot assure you that that any claim under the insurance policies maintained by us will be honoured fully, in part or on time. If our arrangements for insurance or indemnification are not adequate to cover claims, including those exceeding policy aggregate limitations or exceeding the resources of the indemnifying party, we may be required to make substantial payments and our results of operations and financial condition may be adversely affected.

25. Our Company has certain registered trademarks. Failure or delay in renewing the same and any infringement claims in the future may impact our business, financial condition and results of operations.

We currently own 24 registered trademarks under the Trade Marks Act, 1999, of our business name and logo “Capacite”, “Capacit’e Infraprojects Limited”, “Capacit’e Transforming Vision” and our corporate logo, under various classes with the Registrar of Trademarks in India. Any failure to renew the registration of these trademarks, may impact our right to use them in the future. Further, there can be no assurance that third parties may not infringe or copy our registered trademarks. Our Company may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our trademarks, which may adversely affect our business, financial condition and results of operations.

Further, our Company, in the ordinary course of its business uses a variety of technologies. We may be subject to claims of infringement of intellectual property rights, for usage of such technologies and mechanisms which could adversely affect our business.

26. We entered into related party transactions in Financial Years 2023, 2022 and 2021 and in the six months period ended September 30, 2023. We will continue to enter into such transactions and we cannot assure you that we may not have achieved more favourable terms had such transactions not been entered into with related parties.

We have entered into transactions with several related parties, including our Promoters, Directors, Subsidiaries, associates and Key Management Personnel, in Financial Year 2023, Financial Year 2022 and Financial Year 2021 and in the six months period ended September 30, 2023, which we believe have been conducted at arms’ length and in accordance with applicable laws. However, we cannot assure you that we may not have achieved more favourable terms had such transactions not been entered into with related parties. Such related party transactions included leasing of properties, including corporate offices of our Company, the placing of and receipt of inter-corporate deposits with or from related parties. Furthermore, it is likely that we will enter into related party transactions in the future. Although all related party transactions that we enter into, are subject to board or shareholder approval, as necessary under the Companies Act and the Listing Regulations, we cannot assure you that such future transactions, individually or in the aggregate, will not have an adverse effect on our results of operations and financial condition. Further, it is likely that we may enter into related party transactions in the future. Such related party transactions may potentially involve conflicts of interest. For more information regarding our related party transactions, see “*Related Party Transactions*” on page 40.

27. We have experienced negative cash flows in prior periods and any negative cash flows in the future may adversely affect our financial condition and the trading price of our Equity Shares.

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet its capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flow, it may adversely affect our business and financial operations. We experienced negative cash flows in the following years/periods:

(in ₹ lakhs)

Consolidated Summary Statements	For the period ended September 30, 2023	For the year ended March 31,		
		2023	2022	2021
Net cash from/(used in) Operating Activities	(4,299.27)	10,134.83	3,449.46	7,703.28
Net cash from/(used in) Investing Activities	(1,712.39)	(4,279.16)	(2,293.10)	(12,213.49)
Net cash from/(used in) Financing Activities	3,863.84	(3,360.44)	71.29	(5,265.16)
Net increase/(decrease) in cash and cash equivalents	(2,147.82)	2,495.23	1,227.65	(9,775.37)

Any negative cash flows in the future may adversely affect our financial condition and the trading price of the Equity Shares. For further details, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 92 of this Preliminary Placement Document.

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

Our Company has not paid any dividends in the last three Fiscals, and we cannot assure you that we will pay dividends in the future. The declaration of dividends is recommended by our Board of Directors, at its sole discretion, and the amount of our future dividend payments, if any, will depend on our future earnings, cash flows, financial condition, working capital requirements, capital expenditures, applicable Indian legal restrictions, restrictions on account of our borrowing arrangements with banks and financial institutions and other factors. We cannot assure you that we shall have distributable funds or that we will declare and pay dividends in the future. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. Additionally, in the future, we may be restricted by the terms of our financing agreements in making dividend payments unless otherwise agreed with our lenders.

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

We own the Core Assets used in our operations and possess a fleet of modern construction equipment including formwork. To maintain our capability to undertake large and complex projects, we seek to purchase equipment built with the latest technologies and knowhow and keep them readily available for our construction activities through careful and periodic repairs and maintenance. However, we cannot assure you that we will be immune from the associated operational risks such as the obsolescence of our Core Assets, destruction, theft or major equipment breakdowns or failures or delays to repair or maintain our Core Assets, which may result in their unavailability, project delays, cost overruns and even defaults under our contracts.

Our recent experience indicates that clients are increasingly developing larger, more technically complex projects in the building construction sector. To meet our clients' needs, we must regularly update existing technology and acquire or develop new technology for our engineering construction services in a cost effective manner. In addition, rapid and frequent technology and market demand changes can often render existing technologies and equipment obsolete, requiring substantial new capital expenditures and/or write-downs of assets. Our failure to anticipate or to respond adequately to changing technical, market demands and/or client requirements may adversely affect our business, financial condition and results of operation.

Obsolescence, destruction, theft or breakdowns of our major equipment may significantly increase our equipment purchase cost and the depreciation of our equipment, as well as change the way our management estimates the useful life of our equipment. In such cases, we may not be able to acquire new equipment or repair the damaged equipment in time or at all, particularly where our equipment are not readily available from the market or requires services from original equipment manufacturers. 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, results of operations and financial condition.

30. ***We may be adversely affected if we fail to keep pace with technical and technological developments in the construction industry.***

Our experience in the past indicates that clients are increasingly developing larger, more technically complex projects in the building construction sector. To meet our clients' needs, we must regularly update existing technology and acquire or develop new technology for our engineering construction services in a cost effective manner. In addition, rapid and frequent technology and market demand changes can often render existing technologies and equipment obsolete, requiring substantial new capital expenditures and/or write-downs of assets. Our failure to anticipate or to respond adequately to changing technical, market demands and/or client requirements may adversely affect our business, financial results.

Planning and implementation of our schedules, including for deployment of formwork, machinery and labour is based on and subject to our ability to accurately forecast demand for our services from our various clients. If we are unable to accurately forecast the demand for our services and plan our construction schedules in advance, we may be faced with instances of inability to deploy adequate resources and

commence construction as per the schedules provided by our clients. Any such delays in deployment of resources may lead to termination of contracts, penalties for delays, reputational losses and loss of qualification for future projects.

31. *Failure or disruption of our IT and/or ERP systems may adversely affect our business, financial condition, results of operations and prospects.*

Our operations rely significantly upon the use and deployments of technology initiatives on a cost effective and timely basis with constant introduction of new and enhanced solutions. We have already deployed and enabled use of various information technology (“IT”) and/or enterprise resource planning (“ERP”) solutions to cover certain areas of our operations and accounting. We also have international third party suppliers who provide us with technology. Although these technology initiatives are intended to increase productivity and operating efficiencies, they may not yield intended results. We may also be required to invest in other technological upgrades or deploy newer technologies to remain competitive. Our new systems, infrastructure and technologies may not perform satisfactorily, or be used effectively, and we may also fail to adapt our technology platforms to reflect our increased size and scale, requirements or emerging trends and industry standards. These technology systems are potentially vulnerable to damage or interruption from a variety of sources, which may result in an adverse effect on our operations. Disruption or failure of our IT systems may have an adverse effect on our operations. A large-scale IT malfunction may disrupt our business or lead to disclosure of sensitive company information. Our ability to keep our business operating depends on the proper and efficient operation and functioning of various IT systems, which are susceptible to malfunctions and interruptions (including those due to equipment damage, power outages, computer viruses and a range of other hardware, software and network problems). In addition, it is possible that a malfunction of our data system security measures may enable unauthorised persons to access sensitive business data, including information relating to our business strategy or those of our clients. Such malfunction or disruptions may cause economic losses for which we may be held liable. A failure of our information technology systems may also cause damage to our reputation which may harm our business. Any of these developments, alone or in combination, may have an adverse effect on our business, results of operations and financial condition.

Further, unavailability of, or failure to retain, well trained employees capable of constantly servicing our IT systems may lead to inefficiency or disruption of IT system thereby adversely affecting our ability to operate efficiently. If we do not effectively manage our growth and appropriately expand and upgrade or downsize and scale back our systems and platforms, as appropriate, in a timely manner and at a reasonable cost, we may lose market opportunities, increase our costs and lead to us being less competitive in terms of our prices or quality of services we render. Any delays in completing or an inability to successfully complete these technology initiatives, or an inability to achieve the anticipated efficiencies, may affect our result of operations and financial condition.

If we do not effectively manage our growth and appropriately expand and upgrade our systems and platforms, as appropriate, in a timely manner and at a reasonable cost or any failure or disruption in the operation of these systems or the loss of data due to such failure or disruption (including due to human error or sabotage) may affect our ability to plan, track, record and analyse work in progress and sales, process financial information, meet business objectives based on IT initiatives such as product life cycle management, manage our creditors, debtors, manage payables and inventory or otherwise conduct our normal business operations, which may increase our costs and otherwise adversely affect our business, financial condition, results of operations and prospects.

32. *Our Promoters have extended personal guarantees in connection with certain of our debt facilities. We cannot assure you that such personal guarantees will be continued to be provided by our Promoters in the future.*

Our Promoters have, as on September 30, 2023, provided personal guarantees for a sum aggregating to ₹3,38,219.76 lakhs (“**Promoter Personal Guarantees**”) and have also pledged Equity Shares held by them in our Company, in connection with certain of our financing arrangements availed on a consolidated basis. We cannot assure you that our Promoters will continue to provide such personal guarantees or create pledge on their Equity Shares for our debt facilities in the future or that our lenders will continue to extend our current or comparable financing arrangements in the absence of such personal guarantees/ pledge from our Promoters. Our ability to service our debt obligations will depend entirely on the cash flow generated by our business in the future. Although the personal guarantees provided/ pledge created by our Promoters have been provided as an additional collateral over and above the security created by way of creation of

charge on the current assets, respective fixed assets, etc., in the event that any personal guarantees provided/ pledge created by our Promoters are invoked and the Promoters are not able to meet their guarantee requirements on account of it exceeding their net worth or otherwise, then legal proceedings may be initiated against them and they may not be able to effectively manage the operations of our Company.

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

Effective internal controls are necessary for us to prepare reliable financial reports and effectively avoid fraud. Moreover, any internal controls that we may implement, or our level of compliance with such controls, may deteriorate over time, due to evolving business conditions. We cannot assure you that deficiencies in our internal controls will not arise in the future, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls. Any inability on our part to adequately detect, rectify or mitigate any such deficiencies in our internal controls may adversely affect our ability to accurately report, or successfully manage, our financial risks, and to avoid fraud.

- 34. *In the past there have been certain non-compliances with respect to certain provisions of the Companies Act and corporate actions taken by us in this regard.***

In the past, our Company has been non-compliant with certain requirements under the Companies Act, in relation to allotment of securities and treatment of share application money. In this regard, a *suo moto* application dated March 29, 2017 was filed by our Company with the RoC under section 441 of the Companies Act, 2013 and section 621A of the erstwhile Companies Act, 1956, by our Company, Promoters and Directors. While as on the date of this Preliminary Placement Document no action has been taken against our Company, we cannot assure you that proceedings or regulatory actions will not be initiated against us in the future in relation to these non-compliances. Further, our erstwhile company secretary and compliance officer, Dinesh Ladwa resigned from our Company on September 8, 2023. Any delay in appointment of a new company secretary within the timelines prescribed under the Companies Act, may subject us to penalties or regulatory actions. Any such penalties, proceedings or actions may have an adverse effect on our business, financial condition and reputation.

- 35. *Our Promoters and members of the Promoter Group will continue to retain substantial shareholding in us after the Issue, which will allow them to exercise significant influence over us.***

After the completion of the Issue, our Promoters and members of the Promoter Group will hold approximately [●]% of our Company's outstanding equity share capital. Accordingly, our Promoters and members of the Promoter Group will continue to exercise significant influence over our business and all matters requiring shareholders' approval, including the composition of our Board of Directors, the adoption of amendments to our Memorandum and Articles of Association, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership may also delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of our Promoters and members of the Promoter Group. Further, the Takeover Regulations may limit the ability of a third party to acquire control. The interests of our Promoters, as our Company's controlling shareholder, could conflict with our Company's interests, your interests or the interests of our other shareholders. There is no assurance that our Promoters will act to resolve any conflicts of interest in our Company's or your favour.

- 36. *The fund requirement and deployment mentioned in the Use of Proceeds have not been appraised by any bank or financial institution.***

We intend to use the net proceeds of the Issue, after meeting the expenditures of and related to the Issue, for the purpose of funding our working capital requirements and for general corporate purposes. For further details, see "Use of Proceeds" at page 69. The fund requirement and deployment are based on internal management estimates and has not been appraised by any bank or financial institution. Further, as per the provisions of the SEBI ICDR Regulations, we are required to appoint a monitoring agency and therefore CARE Ratings Limited has been appointed as the monitoring agency for the Issue. Various risks and uncertainties, such as economic trends and business requirements, competitive landscape, as well as general factors affecting our results of operations, financial condition and access to capital and including those set forth in this section, may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business.

37. *We have exclusively commissioned and paid for an industry report which is prepared for the purposes of the Issue and issued by CRISIL, which has been used for industry related data in this Preliminary Placement Document. Accordingly, prospective investors are advised not to base their investment decision solely on such information.*

This Preliminary Placement Document includes information that is derived from the CRISIL Report, prepared and issued by CRISIL for the purposes of the Issue. We have exclusively commissioned and paid for the CRISIL Report for the purpose of confirming our understanding of the industry in connection with the Issue. CRISIL is not in any manner related to us, or our Directors. The CRISIL Report is not exhaustive and is based on certain assumptions, parameters and conditions made and identified by CRISIL that may prove to be incorrect. Given the scope and extent of the CRISIL Report, disclosures are limited to certain excerpts and the CRISIL Report has not been reproduced in its entirety in this Preliminary Placement Document. Accordingly, investors should read the industry related disclosure in this Preliminary Placement Document in this context. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this document. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Accordingly, investors should not place undue reliance on, or base their investment decision solely on this information.

38. *Our Promoters are associated and may be associated with certain ventures that have real or potential conflicts of interest with our business.*

Our Promoters are currently involved with certain ventures which may potentially compete with our Company, including Capacit'e Engineering Private Limited ("CEPL"), one of our group companies which is primarily engaged in the business of mechanical engineering and plumbing. Additionally, CEPL and Katyal Ventures Private Limited, our group companies are authorised by their constitutional documents to engage in construction as an activity, a line of business that is similar to the business of our Company. The interests of our Promoters may conflict with the interests of our other Shareholders and our Promoters may, for business considerations or otherwise, cause our Company to take actions, or refrain from taking actions, in order to benefit himself instead of our Company's interests or the interests of its other Shareholders and which may be harmful to our Company's interests or the interests of our other Shareholders, which may impact our business, financial condition and results of operations.

39. *Significant differences exist between Indian Accounting Standards ("Ind AS") and other accounting principles, such as the generally accepted accounting principles in the US ("US GAAP") and International Financial Reporting Standards ("IFRS"), which may be material to Bidders' assessment of our financial condition.*

The audited financial statements included in this Preliminary Placement Document have been prepared in accordance with Ind AS, as applicable, in the relevant period of reporting. We have not attempted to quantify the impact of US GAAP or IFRS on the financial data included in this Preliminary Placement Document, nor do we provide a reconciliation of our audited financial statements to those of US GAAP or IFRS. US GAAP and IFRS differ in significant respects from Ind AS. Accordingly, the degree to which the Ind AS audited financial statements will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Preliminary Placement Document should be limited accordingly. In addition, some of our competitors may not present their financial statements in accordance with Ind AS and their financial statements may not be directly comparable to ours, and therefore reliance should accordingly be limited.

EXTERNAL RISK FACTORS

40. *We may be affected by competition law in India and any adverse application or interpretation of the Competition Act could adversely affect our business.*

The Competition Act, 2002, as amended (the "**Competition Act**"), regulates practices having an appreciable adverse effect on competition in the relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an appreciable adverse effect on competition is considered void and results in the imposition of substantial monetary penalties. Further, any agreement among competitors which directly or indirectly: (i) involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical

development, investment or provision of services; (ii) shares the market or source of production or provision of services by way of allocation of geographical area, type of goods or services or number of customers in the relevant market; or (iii) results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition. The Competition Act also prohibits abuse of a dominant position by any enterprise. The combination regulation (merger control) provisions under the Competition Act require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to, and pre-approved by the Competition Commission of India (“CCI”). Additionally, the Competition Commission of India (Procedure in regard to the Transaction of Business Relating to Combinations) Regulations, 2011, as amended, set out the mechanism for implementation of the merger control regime in India. 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 appreciable adverse effect on competition in India. However, we cannot predict the impact of the provisions of the Competition Act on the agreements entered into by it at this stage.

Consequently, all agreements entered into by us may fall within the purview of the Competition Act. Further, the CCI has extraterritorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an appreciable adverse effect on competition in India. The applicability 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, may adversely affect our business, results of operations and prospects.

41. *Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws and regulations, may adversely affect our business and financial performance.*

Our business and financial performance may be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business.

We cannot assure you that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses 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 jurisdictions in which we operate may have an adverse effect on our business, results of operations and financial condition. In addition, we may have to incur expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations. Any unfavourable changes to the laws and regulations applicable to us may also subject us to additional liabilities.

42. *A slowdown in economic growth in India may cause our business to suffer. We are also subject to regulatory, economic, social and political uncertainties in India.*

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of the Equity Shares are and will be dependent to a large extent on the health of the economies in which we operate.

All of our assets and employees are located in India, and we intend to continue to develop and expand our business in India.

Our business and financial condition could be impacted by certain factors, including the following:

1. any slowdown in the Indian economy in the future;
2. increase in interest rates which may adversely impact our access to capital and increase our borrowing costs, which may in turn constrain our ability to grow our business and operate profitably;
3. a change in the trade policies, in terms of tariff and non-tariff barriers, in the countries from which we import raw materials and to which we export our products;
4. fluctuations in India’s foreign exchange reserves may affect liquidity and interest rates in the Indian economy as well as the valuation of the Indian Rupee;

5. political instability, resulting from a change in government or in economic and fiscal policies;
6. major hostilities involving India, China, the United States or other countries or other acts of violence including civil unrest or terrorist attacks;
7. any adverse fluctuations in global commodity prices;
8. the occurrence of natural or man-made disasters or epidemic or pandemic such as COVID-19; and
9. civil unrest, acts of violence, terrorist attacks, regional conflicts or situations or war.

On February 24, 2022, Russian military forces invaded Ukraine. Although the length, impact and outcome of the ongoing military conflict in Ukraine is highly unpredictable, this conflict could lead to significant market and other disruptions, including significant volatility in commodity prices and supply of energy resources, instability in financial markets, supply chain interruptions, political and social instability, changes in consumer or purchaser preferences as well as increase in cyberattacks and espionage.

43. *Any downgrading of India's debt rating by an independent agency may harm our ability to raise financing.*

Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely affect our ability to raise additional financing and the interest rates and other commercial terms on which such additional financing is available. This could have a material adverse effect on our capital expenditure plans, business and financial performance and the price of our Equity Shares.

44. *If inflation were to rise in India, we might not be able to increase the prices of our products and services at a proportional rate in order to pass costs on to our customers and our profits may decline.*

Inflation rates could be volatile. The Indian economy has had sustained periods of high inflation in the recent past and we may face high inflation in the future. Increasing inflation in India could cause a rise in interest rates, costs of rent, employee wages, raw materials transportation and other expenses. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, whether entirely or in part, and may materially and adversely affect our business and financial condition and decrease demand for our products and services, which may adversely affect our profitability and competitive advantage. If we are unable to increase our revenues sufficiently to offset our increased costs due to inflation, it could materially and adversely affect our business, cash flows, results of operations, financial condition and prospects. Further, the Indian Government has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

45. *The price of the Equity Shares may be volatile.*

The price of the Equity Shares may fluctuate after this Issue as a result of several factors, including volatility in the Indian and global securities markets, the results of our operations, the performance of our competitors, developments in the real estate sector and changing perceptions in the market about investments in the Indian real estate sectors in general and our Company in particular, adverse media reports on us or the Indian real estate sector, changes in the estimates of our performance or recommendations by financial analysts, significant developments in India's economic liberalisation and deregulation policies and significant developments in India's fiscal regulations. In addition, if the stock markets in general experience a loss of investor confidence, the trading price of our equity shares may decline for reasons unrelated to our business, financial condition or operating results. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, may adversely affect the price of our Equity Shares.

46. *Any future issuance of Equity Shares may dilute your shareholding and sales of our Equity Shares by our Promoter or other major Shareholders may adversely affect the trading price of the Equity Shares.*

Any future equity issuances by us, including a primary offering, 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 Promoters including to comply with the minimum public shareholding requirements applicable to our Company or other major shareholders may adversely affect the trading price of the Equity Shares, which may

lead to other adverse consequences for us including difficulty in raising debt-financing. In addition, any perception by investors that such issuances or sales might occur may also affect the trading price of our Equity Shares.

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

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company 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 held for 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.

The Government of India has announced the union budget for the Fiscal 2024, pursuant to which the Finance Bill has introduced various amendments. The Finance Bill has received assent from the President of India on March 31, 2023, and has been enacted as the Finance Act. There is no certainty on the impact of Finance Act 2021 on tax laws or other regulations, which may adversely affect the Bank’s business, financial condition, results of operations or on the industry in which we operate. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning Equity Shares.

48. *Foreign investors are subject to foreign investment restrictions under Indian law, which may adversely affect the market price of the Equity Shares.*

Under the foreign exchange regulations currently in force in India, transfers 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 the prior approval of the RBI will be required for the transfer of shares. Additionally, shareholders who seek to convert the Indian Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/tax clearance certificate from the income tax authority. We cannot assure investors that any required approval from the RBI or any other Indian government agency can be obtained on any particular terms, or at all.

49. *We are not able to guarantee the accuracy of third party information.*

Market data and certain information and statistics relating to us and general market/industry data are derived from both public and private sources, including market research, publicly available information and industry publications. While we have taken reasonable care to ensure that the facts and statistics presented are accurately reproduced from such sources, such market and other third party related information have not been independently verified by us and the BRLM, and, therefore, we make no representation as to the accuracy, adequacy or completeness of such facts and statistics. Due to possibly flawed or ineffective calculation and collection methods and other problems, the facts and statistics herein may be inaccurate or may not be comparable to facts and statistics produced for other economies and should not be unduly relied upon. Further, we cannot assure you that the facts and statistics are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere.

50. *An investor will not be able to sell any of the Equity Shares subscribed in the Issue other than on a recognized Indian stock exchange for a period of 12 months from the date of allotment of such Equity Shares.*

Pursuant to Regulation 178 of the SEBI ICDR Regulations, for a period of 12 months from the date of the allotment of the Equity Shares in the Issue, Eligible QIBs subscribing to the Equity Shares may only sell their Equity Shares on the NSE or the BSE and may not enter into any off-market trading in respect of these Equity Shares. Our Company cannot be certain that these restrictions will not have an impact on the price of the Equity Shares. Further, allotments made to certain categories of Eligible QIBs in the Issue are subject to the

rules and regulations that are applicable to them, including in relation to lock-in requirements. This may affect the liquidity of the Equity Shares purchased by such investors and it is uncertain whether these restrictions will adversely impact the market price of the Equity Shares purchased by investors.

51. *An investment in the Equity Shares is subject to general risks related to investments in Indian Companies.*

Our Company is incorporated in India and almost all of our assets and employees are located in India. Consequently, our business, results of operations, financial condition and the market price of the Equity Shares will be affected by changes in interest rates in India, policies of the Government of India, including taxation policies along with policies relating to industry, political, social and economic developments affecting India.

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

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

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

Under the Companies Act, a company incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares voting rights on such resolution. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional interests in our Company may be reduced.

54. *Investors to the Issue are not allowed to withdraw or revise their Bids downwards after the Bid /Issue Closing Date.*

In terms of Regulation 179 (1) of the SEBI (ICDR) Regulations, investors in the Issue are not allowed to withdraw their Bids or revise their Bids downwards after the Issue Closing Date. The Allotment of Equity Shares in this Issue and the credit of such Equity Shares to the investors' demat account with the depository participant could take approximately seven (7) days and up to ten (10) days from the Issue Closing Date. However, there is no assurance that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in the business, results of operation or financial condition of the Bank, or other events affecting the investor's decision to invest in the Equity Shares, would not arise between the Issue Closing Date and the date of Allotment of Equity Shares in the Issue. Occurrence of any such events after the Issue Closing Date could also adversely impact the market price of the Equity Shares. The investors shall not have the right to withdraw their Bids or revise their Bids downwards in the event of any such occurrence. We may complete the Allotment of the Equity Shares even if such events may limit the investor's ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

55. *Investors will be subject to market risks until the Equity Shares credited to the investor's demat account are listed and permitted to trade. There is no guarantee that the Equity Shares will be listed, or continue to be listed, on the Indian stock exchanges in a timely manner, or at all, and prospective investors will not be able to immediately sell the Equity Shares held by them on the Stock Exchange.*

Investors can start trading the Equity Shares allotted to them only after they have been credited to an investor's demat account, are listed and permitted to trade. In accordance with Indian law and practice, final approval for listing and trading of our Equity Shares will not be granted until after the Equity Shares have been issued and allotted. Such approval will require the submission of all other relevant documents authorizing the issuance of the Equity Shares. Accordingly, there could be a failure or delay in listing the Equity Shares on

NSE and BSE, which would adversely affect your ability to sell the Equity Shares. Since the Equity Shares are currently traded on the BSE and the NSE, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account in a timely manner or that trading in the Equity Shares will commence in a timely manner.

MARKET PRICE INFORMATION

As on the date of this Preliminary Placement Document, our Company's subscribed and paid-up capital comprises 7,66,56,497 Equity Shares of face value of ₹10 each are subscribed and paid-up.

On January 5, 2024, the closing price of the Equity Shares on BSE and NSE was ₹279.00 and ₹279.90 respectively per Equity Share. Since the Equity Shares are available for trading on the Stock Exchanges, the market price and other information for each of BSE and NSE has been given separately.

- (i) The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded for the Financial Years ended March 31, 2023, March 31, 2022, and March 31, 2021:

BSE									
Financial Year	High (₹)	Date of high	Number of Equity Shares traded on the date of high	Total turnover of Equity Shares traded on date of high (in ₹ lakhs)	Low (₹)	Date of low	Number of Equity Shares traded on the date of low	Total turnover of Equity Shares traded on date of low (in ₹ lakhs)	Average price for the year (₹)
2023	188.95	September 13, 2022	23,813	4.50	99.00	June 20, 2022	7,980	0.80	137.75
2022	243.95	August 3, 2021	71,595	17.56	109.40	March 31, 2022	48,606	5.33	177.22
2021	221.30	February 16, 2021	46,495	10.21	71.60	May 19, 2020	4,049	0.29	138.64

(Source: www.bseindia.com)

- High, low and average prices are based on the daily closing prices.
- In the case of a year, average represents the average of the closing prices of all trading days of each year presented.
- In case of two days with the same high or low price, the date with the higher turnover has been chosen.

NSE									
Financial Year	High (₹)	Date of high	Number of Equity Shares traded on the date of high	Total turnover of Equity Shares traded on date of high (in ₹ lakhs)	Low (₹)	Date of low	Number of Equity Shares traded on the date of low	Total turnover of Equity Shares traded on date of low (in ₹ lakhs)	Average price for the year (₹)
2023	188.90	September 13, 2022	489,458	92.63	99.95	June 20, 2022	129,578	13.02	137.73
2022	244.10	August 3, 2021	614,997	150.88	109.50	March 31, 2022	273,620	30.10	177.22
2021	221.60	February 16, 2021	942,814	207.00	72.05	May 19, 2020	64,473	4.70	138.64

(Source: www.nseindia.com)

- High, low and average prices are based on the daily closing prices.
- In the case of a year, average represents the average of the closing prices of all trading days of each year presented.
- In case of two days with the same high or low price, the date with the higher turnover has been chosen.

The following table sets forth the details of the number of Equity Shares traded on the Stock Exchanges and the turnover during Fiscals 2023, 2022 and 2021:

Fiscal	Number of Equity Shares traded		Turnover (in ₹ lakhs)	
	BSE	NSE	BSE	NSE
2023	8,428,440	77,977,987	1,189.15	11,215.82
2022	13,237,444	83,783,580	2,484.01	15,211.96
2021	3,007,706	34,126,943	474.07	5,456.59

(Source: www.bseindia.com and www.nseindia.com)

- (ii) The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded during each of the last six months:

BSE											
Month year	High (₹)	Date of high	Number of Equity Shares traded on date of high	Total turnover of Equity Shares traded on date of high (₹)	Low (₹)	Date of low	Number of Equity Shares traded on date of low	Total turnover of Equity Shares traded on date of low (₹)	Average price for the month (₹)	Equity Shares traded in the month	
										Volume	Turnover (₹ lakhs)
December, 2023	275.05	December 11, 2023	205,855	55,772,896.00	243.25	December 20, 2023	275,191	69,498,888	262.19	2,910,237	7,710.15
November 30, 2023	264.50	November 22, 2023	104,287	27,811,146.00	206.80	November 1, 2023	34,629	7,254,840	239.41	2,525,531	621.31
October 31, 2023	228.25	October 17, 2023	124,465	28,557,528.00	195.05	October 25, 2023	58,816	11,722,045.00	212.87	1,195,924	256.38
September 30, 2023	239.95	September 11, 2023	213,731	51,963,113.00	206.80	September 30, 2023	31,840	6,629,598.00	218.78	2,259,531	504.74
August 2023	233.10	August 7, 2023	132,307	30,591,155.00	196.20	August 28, 2023	40,450	7,942,321.00	212.94	1,325,374	282.17
July 2023	227.85	July 17, 2023	99,396	22,497,875.00	207.35	July 11, 2023	58,701	12,372,411.00	217.40	1,453,338	316.82

(Source: www.bseindia.com)

1. High, low and average prices are based on the daily closing prices.
2. In the case of a year, average represents the average of the closing prices of all trading days of each year presented.
3. In case of two days with the same high or low price, the date with the higher turnover has been chosen.

NSE											
Month year	High (₹)	Date of high	Number of Equity Shares traded on date of high	Total turnover of Equity Shares traded on date of high (₹)	Low (₹)	Date of low	Number of Equity Shares traded on date of low	Total turnover of Equity Shares traded on date of low (₹)	Average price for the month (₹)	Equity Shares traded in the month	
										Volume	Turnover (in ₹ lakhs)
December, 2023	275.30	December 11, 2023	1,741,052	471,159,162.05	244.40	December 20, 2023	1,477,474	374,141,744.20	262.31	29,417,697	78,177.95
November 30, 2023	264.80	November 22, 2023	1,335,464	354,100,535.00	207.00	November 1, 2023	555,829	116,365,152.95	239.51	35,519,510	8,742.71
October 31, 2023	228.25	October 17, 2023	1,341,666	308,351,315.45	195.30	October 25, 2023	1,004,946	200,057,568.45	213.10	15,346,619	3,289.30
September 30, 2023	239.90	September 11, 2023	2,058,665	499,840,743.00	206.70	September 30, 2023	374,294	77,888,274.45	218.72	25,978,505	5,791.18
August 2023	233.15	August 7, 2023	1,251,019	290,198,582.90	196.70	August 28, 2023	903,246	177,751,301.55	213.03	20,403,759	4,300.69
July 2023	227.85	July 17, 2023	1,633,721	370,995,094.85	207.00	July 11, 2023	1,421,320	298,452,173.65	217.40	23,533,343	5,154.17

(Source: www.nseindia.com)

1. High, low and average prices are based on the daily closing prices.
2. In the case of a year, average represents the average of the closing prices of all trading days of each year presented.
3. In case of two days with the same high or low price, the date with the higher turnover has been chosen.

- (iii) The following table sets forth the market price on the Stock Exchanges on May 29, 2023 that is, the first working day following the approval dated May 26, 2023 of our Board of Directors for the Issue:

Date	BSE					
	Open	High	Low	Close	Number of Equity Shares traded	Volume (in ₹ lakhs)
May 29, 2023	173.60	177.35	165.20	166.45	99,505	17.08

(Source: www.bseindia.com)

Date	NSE					
	Open	High	Low	Close	Number of Equity Shares traded	Volume (in ₹ lakhs)
May 29, 2023	172.00	177.45	165.05	166.15	15,94,030	273.77

(Source: www.nseindia.com)

USE OF PROCEEDS

The gross proceeds from the Issue aggregate to ₹[●] lakhs (“**Gross Proceeds**”). Subject to compliance with applicable laws, the net proceeds from the Issue, after deducting fees, commissions and the estimated expenses of the Issue of approximately ₹[●] lakhs, shall be approximately ₹[●] lakhs (“**Net Proceeds**”).

Objects of the Issue

Subject to compliance with applicable laws, our Company proposes to utilize the Net Proceeds towards funding the following objects (collectively, the “**Objects**”):

1. Funding working capital requirements; and
2. General corporate purposes

The main objects clause of our Memorandum of Association enables us to undertake the activities for which the funds are being raised by us in the Issue. Further, the activities we have been carrying out until now are in accordance with the main objects clause of our Memorandum of Association.

Utilisation of Net Proceeds

The Net Proceeds are proposed to be utilised in accordance with the details provided in the table below.

Particulars	Estimated amount (in ₹ lakhs)
Funding working capital requirements	15,000.00
General corporate purposes ⁽¹⁾	[●]
Total Net Proceeds⁽²⁾	[●]

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

⁽²⁾ To be determined upon finalisation of the Issue Price and updated in the Placement Document.

In the event of a change in the final Issue size, the amounts shown in the table above against each of the use of proceeds specified therein shall be modified basis the final Issue size in the Placement Document.

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 as set forth in the table below:

(in ₹ lakhs)

Particulars	Amount to be funded from the Net Proceeds [#]	Amount to be deployed from the Net Proceeds in Fiscal 2024	Amount to be deployed from the Net Proceeds in Fiscal 2025
Funding working capital requirements	15,000.00	10,815.54	4,184.46
General corporate purposes ⁽¹⁾	[●]	[●]	[●]
Total Net Proceeds⁽¹⁾	[●]	[●]	[●]

⁽¹⁾ To be determined upon finalisation of the Issue Price and updated in the Placement Document. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.

The above-stated fund requirements, deployment of the funds and the intended use of the Net Proceeds as described in this Preliminary Placement Document are based on (a) our current business plan and internal management estimates based on current market conditions; and (b) certificate from by H.H. Dedhia & Associates, Chartered Accountants, independent chartered accountants certifying the working capital requirements.

However, such fund requirements and deployment of funds have not been appraised by any bank, financial institution or any other independent agency. For further details, see “*Risk Factors – The fund requirement and deployment mentioned in the Use of Proceeds have not been appraised by any bank or financial institution.*” on page 60. We may have to revise our funding requirements and deployment on account of a variety of factors such as market conditions, our business and growth strategies, competitive landscape, general factors affecting our results of operations, financial condition and access to capital and other external factors such as changes in the business environment or regulatory climate and interest or exchange rate fluctuations, which may not be within the control of our management. This may entail rescheduling the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law.

In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by our internal accruals, additional equity and/or debt arrangements, as required. In case the actual utilisation towards the aforementioned Objects is lower than the proposed deployment, such balance will be used towards general corporate purposes to the extent that the total amount to be utilised towards general corporate purposes does not exceed 25% of the Gross Proceeds in accordance with the SEBI ICDR Regulations.

However, in the event that estimated utilization out 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. Any such change in our plans may require rescheduling of our expenditure programs and increasing or decreasing expenditure for a particular object vis-à-vis the utilization of Net Proceeds.

Further, in case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the objects, our Company may explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls.

Details of the Objects

1. Funding working capital requirements

We propose to utilise ₹15,000.00 lakhs from the Net Proceeds to fund the working capital requirement for business operations of our Company in Fiscals 2024 and 2025. We have significant working capital requirements in the ordinary course of business, which we typically fund through internal accruals and availing financing facilities from various banks and financial institutions. As on September 30, 2023, our Company has sanctioned fund-based limits of working capital facilities of ₹16,476.00 lakhs and non-fund-based limits (including guarantees and letter of credit) for working capital of ₹1,23,351.00 lakhs.

Basis of estimation of working capital requirement

Existing working capital

Set forth below are the working capital of our Company (on a standalone basis), as on March 31, 2023, March 31, 2022 and April 1, 2021. Our Company has changed its accounting policy of measuring the progress towards satisfaction of performance obligation for revenue recognition from output method to input method. Pursuant to the impact of this change in the method, our Company had restated the comparative financial statements for the year ended March 31, 2022, in accordance with the requirement of Ind-AS 8 - 'Accounting Policies, Changes in Accounting Estimates and Errors'. Retained earnings (other equity) as at April 1, 2021 within the statement of changes in equity has also been restated to adjust the impact of such adjustments relating to prior years. Our Company has also included impact of such accounting policy change on certain financial statement line items as required by Ind-AS 8 in this Preliminary Placement Document, wherever applicable. Our Company has accordingly included such restated financial information for Fiscal 2022 and such restated financial information as at April 1, 2021 in this Preliminary Placement Document.

(in ₹ lakhs)

Particulars	As at			
	September 30, 2023	March 31, 2023	March 31, 2022	April 1, 2021
Current assets				
Inventories	8,759.86	9,773.23	11,153.96	10,044.86
Financial assets				
Trade receivables	41,502.25	34,916.58	39,362.95	28,472.42
Bank balances other than cash and cash equivalents	13,274.62	12,749.74	16,176.82	14,638.60
Loans	-	-	1,300.00	1,300.00
Other financial assets	1,09,110.55*	95,865.99	63,278.30	54,770.67
Other current assets	11,360.67	15,327.97	11,638.63	12,072.30
Total current assets (A)	1,84,007.95	1,68,633.51	1,42,910.66	1,21,298.85
Current liabilities				

Particulars	As at			
	September 30, 2023	March 31, 2023	March 31, 2022	April 1, 2021
Financial liabilities				
Lease liability	126.23	219.62	244.03	220.96
Trade payables				
- Total outstanding dues of micro enterprises and small enterprises	2,377.67	2,709.90	2,080.97	953.02
- Total outstanding dues of trade payables other than micro enterprises and small enterprises	57,482.43	59,456.39	51,049.07	41,257.66
Other financial liabilities	29,323.92**	5,843.97	4,583.34	2,999.92
Provisions	471.20	463.98	244.90	219.26
Current tax liabilities (net)	1,436.60	2,054.03	1,258.49	1,251.53
Other current liabilities	3,943.18	22,981.99	22,945.40	23,301.54
Total current liabilities (B)	95,161.24	93,729.88	82,406.20	70,203.89
Working Capital (C=A-B)	88,846.71	74,903.63	60,504.46	51,094.96
Means of Finance				
Working Capital Debt (including related party debt)	19,235.82	17,850.04	14,672.15	13,867.29
Internal Accrual	69,610.89	57,053.59	45,832.31	37,227.67

Note: As certified by H.H. Dedhia & Associates, Chartered Accountants, by way of its certificate dated January 8, 2024

*Includes contract assets amounting to ₹1,05,000.71 lakhs

**Includes contract liabilities amounting to ₹24,581.57 lakhs

Holding levels and key assumptions for working capital requirements:

The following table sets forth the details of the holding period (with days rounded to the nearest whole number) considered as at September 30, 2023, March 31, 2023, March 31, 2022 and April 1, 2021:

Particulars	Number of days			
	September 30, 2023	March 31, 2023	March 31, 2022	April 1, 2021
Current assets				
Inventories	19	20	30	42
Financial assets				
Trade receivables	91	71	107	118
Bank balances other than cash and cash equivalents	29	26	44	61
Loans	-	-	4	5
Other financial assets	238*	195	172	227
Current Tax Assets (net)	-	-	-	-
Other current assets	25	31	32	50
Current liabilities				
Financial liabilities				
Lease liability	0	0	1	1
Trade payables				
- Total outstanding dues of micro enterprises and small enterprises	5	6	6	4
- Total outstanding dues of trade payables other than micro enterprises and small enterprises	125	121	139	171
Other financial liabilities	64**	12	12	12
Provisions	1	1	1	1
Current tax liabilities (net)	3	4	3	5
Other current liabilities	9	47	63	97

Note: As certified by H.H. Dedhia & Associates, Chartered Accountants, by way of its certificate dated January 8, 2024.

*Includes contract assets

**Includes contract liabilities

Our Statutory Auditors have not provided any assurance or services related to any prospective financial information.

We propose to utilize ₹10,815.54 lakhs of the Net Proceeds in Fiscals 2024 and the balance amount of ₹4,184.46 lakhs of the Net Proceeds in Fiscal 2025, respectively, towards our Company's working capital requirements. Any

additional working capital requirement of our Company shall be met through internal accruals and/or cash credit and/or working capital borrowings.

Considering the existing working capital requirements and as expected for the future, our Board of Directors, pursuant to their resolution dated [●], has approved the estimated working capital requirements for Fiscals 2024 and Fiscal 2025 and the proposed funding of such working capital requirements.

2. General corporate purposes

Our Company proposes to deploy the balance Net Proceeds aggregating to ₹[●] lakhs towards general corporate purposes as approved by our management from time to time, subject to such utilisation not exceeding 25% of the Gross Proceeds in compliance with applicable laws. The general corporate purposes for which our Company proposes to utilise Net Proceeds include, without limitation, funding growth opportunities (organic and inorganic), business development initiatives, meeting expenses incurred in the ordinary course of business, investment in subsidiaries, repayment and/or prepayment of outstanding loans of our Company, strategic initiatives, partnership and joint ventures, acquiring fixed assets, working capital requirement of our Company, financial investments like mutual funds, bonds, etc. and towards any exigencies or any other purpose, as may be approved by our Board or a duly constituted committee thereof, subject to compliance with applicable law, including provisions of the Companies Act. The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time, subject to compliance with applicable law.

In addition to the above, our Company may utilise the Net Proceeds towards other purposes considered expedient and as approved periodically by our Board, subject to compliance with necessary provisions of the Companies Act, 2013. Our Company's management shall have flexibility in utilising surplus amounts, if any. Our management will have the discretion to revise our business plan from time to time and consequently our funding requirement and deployment of funds may change. This may also include rescheduling the proposed utilization of Net Proceeds.

Monitoring of utilization of funds

Pursuant to Regulation 173A of the SEBI ICDR Regulations, our Company has appointed CARE Ratings Limited, a credit rating agency registered with the SEBI, as the monitoring agency ("**Monitoring Agency**"), as the size of our Issue exceeds ₹10,000 lakhs. The Monitoring Agency shall submit its report to our Company in the format specified in Schedule XI of the SEBI ICDR Regulations on a quarterly basis, till 100% of the proceeds of the Issue have been utilised. Our Board will provide their comments on the findings of the Monitoring Agency as specified in Schedule XI. Our Company shall, within 45 days from the end of each quarter, upload the report of the Monitoring Agency on our website and also submit the same to the Stock Exchanges.

Pursuant to Regulation 32(3) 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. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Preliminary Placement Document 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. 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 Issue from the Objects; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Issue from the Objects 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 Director's report, after placing the same before the Audit Committee.

Other confirmations

As permissible under applicable laws, our Company's management will have flexibility in deploying the Net Proceeds. The amounts and timing of any expenditure will depend on, among other factors, the amount of cash generated by our operations, competitive and market developments and the availability of acquisition or investment opportunities on terms acceptable to us.

Neither our Promoters nor our Directors are making any contribution either as part of the Issue or separately in furtherance of the Objects.

Further, neither our Promoters nor our Directors shall receive any proceeds from the Issue, whether directly or indirectly. Since the Issue is only made to Eligible QIBs, our Promoters, Directors or Key Managerial Personnel or Senior Management are not eligible to subscribe in the Issue.

CAPITALISATION STATEMENT

The following table sets forth our capitalization and total borrowings, on a consolidated basis, as at September 30, 2023 which is derived from Unaudited Consolidated Financial Results and our Company's capitalization as adjusted to reflect the receipt of the gross proceeds of this Issue.

This table should be read in conjunction with the sections titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Information" on pages 92 and 203, respectively.

(in ₹ lakhs, except ratios)

Particulars	Pre-Issue (as at September 30, 2023)	As adjusted for the Issue ⁽¹⁾
1. Borrowings		
Current borrowings	30,908.07	[●]
Non-current borrowings	4,840.02	[●]
Total Borrowings (A)	35,748.09	[●]
2. Total Equity		
Equity share capital	7,355.65	[●]
Other equity	1,13,524.98	[●]
Non-Controlling Interest	3.26	[●]
Total Equity (B)	1,20,883.89	[●]
Total Capital C = (A+B)	1,56,631.98	[●]
Total Borrowings / Total Equity (A/B)	0.30	[●]

⁽¹⁾The corresponding post-Issue capitalisation data for each of the amounts given in the above table is not determinable at this stage and hence the same has not been provided in the above statement.

CAPITAL STRUCTURE

The share capital of our Company as on the date of this Preliminary Placement Document is set forth below:

(in ₹, except share data)

Particulars		Aggregate nominal value at face value
A	AUTHORISED SHARE CAPITAL	
	9,00,00,000 Equity Shares	90,00,00,000.00
B	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE	
	7,66,56,497 ⁽⁴⁾ Equity Shares	76,65,64,970.00
C	PRESENT ISSUE IN TERMS OF THIS PRELIMINARY PLACEMENT DOCUMENT	
	Up to [●] Equity Shares aggregating up to ₹[●] lakhs ⁽¹⁾⁽²⁾	[●]
D	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE	
	[●] Equity Shares	[●]
E	SECURITIES PREMIUM ACCOUNT	
	Before the Issue	5,47,77,14,309.00
	After the Issue ⁽²⁾⁽³⁾	[●]

¹⁾ This Issue has been authorised and approved by our Board of Directors pursuant to its resolution passed on May 26, 2023. The Shareholders' of our Company have authorised and approved the Issue by way of a special resolution dated July 5, 2023

²⁾ To be determined upon finalisation of the Issue Price

³⁾ The securities premium account after the Issue is calculated on the basis of Gross Proceeds. Adjustments do not include Issue related expenses

⁴⁾ In relation to the 31,00,000 Equity Shares allotted on December 7, 2023 and December 8, 2023 pursuant to conversion of warrants, BSE and NSE vide their letters dated December 27, 2023 and January 4, 2024 respectively, granted listing approval of the Equity Shares. Our Company is in the process of applying for trading approvals from the Stock Exchanges. For further details see “- Equity Share capital history of our Company” on page 75.

Notes to the Capital Structure

1. Equity Share capital history of our Company

The history of the equity share capital of our Company as on the date of this Preliminary Placement Document is provided in the following table:

Date of allotment	Number of Equity Shares	Face value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of the allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
August 9, 2012	1,00,000	10	10.00	Cash	Subscription to the Memorandum of Association	1,00,000	10,00,000
November 6, 2012	14,00,000	10	10.00	Cash	Preferential allotment	15,00,000	1,50,00,000
November 6, 2012	15,00,000	10	46.66	Cash	Preferential allotment	30,00,000	3,00,00,000
January 6, 2014	5,91,115	10	72.00	Cash	Preferential allotment	35,91,115	3,59,11,150
March 1, 2014	1,68,885	10	72.00	Cash	Preferential allotment	37,60,000	3,76,00,000
March 21, 2014	2,63,890	10	72.00	Cash	Preferential allotment	40,23,890	4,02,38,900
May 21, 2014	83,333	10	72.00	Cash	Preferential allotment	41,07,223	4,10,72,230
October 15, 2014	1,38,554	10	83.00	Cash	Preferential allotment	42,45,777	4,24,57,770
March 30, 2015	5,45,542	10	83.00	Cash	Conversion of preference shares	47,91,319	4,79,13,190

Date of allotment	Number of Equity Shares	Face value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of the allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
March 31, 2015	1,50,602	10	83.00	Cash	Conversion of unsecured loan	49,41,921	4,94,19,210
May 27, 2015	8,14,457	10	83.00	Other than cash	Allotment against property acquired	57,56,378	5,75,63,780
August 6, 2015	5	10	625.39	Cash	Preferential allotment	57,56,383	5,75,63,830
December 1, 2016	3,45,38,298	10	N.A.	N.A.	Bonus issue of Equity Shares in the ratio of six Equity Share for each Equity Share held by a Shareholder	4,02,94,681	40,29,46,810
June 30, 2017	1,15,96,816	10	625.39 per Series A CCCPPS	Cash	Conversion of compulsorily convertible cumulative participating preference shares	5,18,91,497	51,89,14,970
		10	924.04 per Series B CCCPPS	Cash			
September 21, 2017	1,60,00,000	10	250.00	Cash	Allotment due to initial public offering	6,78,91,497	67,89,14,970
Allotments in the one year immediately preceding this Preliminary Placement Document							
July 6, 2023	56,65,000	10	170.00	Cash	Preferential allotment	7,35,56,497	73,55,64,970
December 7, 2023*	15,50,000	10	160.00	Cash	Allotment pursuant to conversion of warrants	7,51,06,497	75,10,64,970
December 8, 2023*	15,50,000	10	160.00	Cash	Allotment pursuant to conversion of warrants	7,66,56,497	76,65,64,970

*BSE and NSE vide their letters dated December 27, 2023 and January 4, 2024 respectively, granted listing approval of the Equity Shares. Our Company is in the process of applying for trading approvals from the Stock Exchanges.

Except as stated in “ – Equity Share capital history of our Company” above, our Company has not made any allotment of Equity Shares in the one year immediately preceding the date of this Preliminary Placement Document, including for consideration other than cash.

Proposed Allottees in the Issue

In compliance with the requirements prescribed under the SEBI ICDR Regulations, Allotment shall be made at the sole discretion of our Company in consultation with the BRLM to Eligible QIBs. For details of the names of the proposed Allottees and the percentage of the post-Issue Equity Share capital that may be held by them, see “Details of Proposed Allottees” on page 383.

Pre-Issue and post-Issue shareholding pattern

The following table provides the pre-Issue shareholding pattern as of January 5, 2024 and the post-Issue shareholding pattern:

Sr. No.	Category	Pre-Issue [^]		Post-Issue [*]	
		Number of Equity Shares held	% of shareholding	Number of Equity Shares held	% of shareholding
A.	Promoters’ holding**				
1.	Indian				
	Individual	1,71,64,171	23.33	[●]	[●]
	Bodies corporate	90,72,994	12.33	[●]	[●]
	Sub-total	2,62,37,165	35.66	[●]	[●]
2.	Foreign promoters	-	-	[●]	[●]
	Sub-total (A)	2,62,37,165	35.67	[●]	[●]
B	Non-Promoter holding				
1.	Institutional investors	12,06,0637	16.40	[●]	[●]
2.	Non-Institutional investors				
	Private corporate bodies	47,77,931	6.50	[●]	[●]
	Directors and relatives	-	-	[●]	[●]

Sr. No.	Category	Pre-Issue [^]		Post-Issue [*]	
		Number of Equity Shares held	% of shareholding	Number of Equity Shares held	% of shareholding
	Indian public	2,83,85,013	38.59	[●]	[●]
	Others including Non- resident Indians (NRIs)	20,95,751	2.85	[●]	[●]
	Sub-total (B)	4,73,19,332	64.33	[●]	[●]
	Grand Total (A+B)	7,35,56,497	100.00	[●]	[●]

[^]Based on beneficiary position data of our Company as on January 5, 2024.

^{*}The post-Issue shareholding pattern has been intentionally left blank and will be filled in the Placement Document.

^{**}Includes shareholding of our Promoter Group as well.

Other confirmations

- (i) Our Equity Shares have been listed for a period of at least one year prior to the date of the issuance of the notice to our Shareholders, i.e. June 13, 2023, for approving the Issue.
- (ii) There are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares as on the date of this Preliminary Placement Document.
- (iii) Our Company does not have any employee stock option plan.
- (iv) There would be no change in control in our Company consequent to the Issue.
- (v) Our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of the Issue. Further, Equity Shares allotted pursuant to this Issue cannot be sold by the Allottees for a period of one year from the date of Allotment, except on the Stock Exchanges.

DIVIDENDS

The declaration and payment of dividends by our Company is governed by applicable provisions of the Companies Act and our Articles of Association. Our Board approved and adopted a formal dividend distribution policy on August 10, 2021, in terms of Regulation 43A of the SEBI Listing Regulations. For further information, see “*Description of the Equity Shares*” on page 182.

Our Company has not declared any dividend during the last three Fiscals, or from April 1, 2023 till the date of this Preliminary Placement Document.

Future Dividends

The form, frequency and amount of future dividends declared by our Company will depend on a number of financial parameters including but not limited to net operating profit after tax, cash flow position of our Company and liquidity position, accumulated reserves, outstanding borrowings, debt to equity ratio, retained earnings, internal factors, *inter alia*, working capital requirements, capital expenditure requirements, business expansion and growth, acquisition including strategic acquisition, updation of technology and infrastructure, investment requirements of subsidiaries and associates of our Company, external factors *inter alia*, macroeconomic and business conditions, past dividend and dividend payout ratios of peers, industry trend etc. and any other relevant factors that the Board may deem fit to consider before declaring dividend.

The Equity Shares to be issued in connection with this Issue shall qualify for all dividends, including interim dividend, if any, that is declared after Allotment.

Please also see “*Risk Factors*” on page 41.

INDUSTRY OVERVIEW

Unless otherwise specified, all of the information and statistics in this section are extracted from the CRISIL Report. The information extracted from the CRISIL Report reflects an estimate of market conditions based on CRISIL's research and analysis. While reasonable care has been taken in the extraction, compilation and reproduction of such information and statistics by our Company, neither we, the Promoters, the Book Running Lead Manager, or any of our or their respective directors, officers, affiliates or advisors, nor any party involved in the Issue have independently verified such market and other third-party related information and statistics, and such parties do not make any representation as to their accuracy. The information and statistics may not be consistent with other information and statistics compiled within or outside India.

Macroeconomic assessment of India

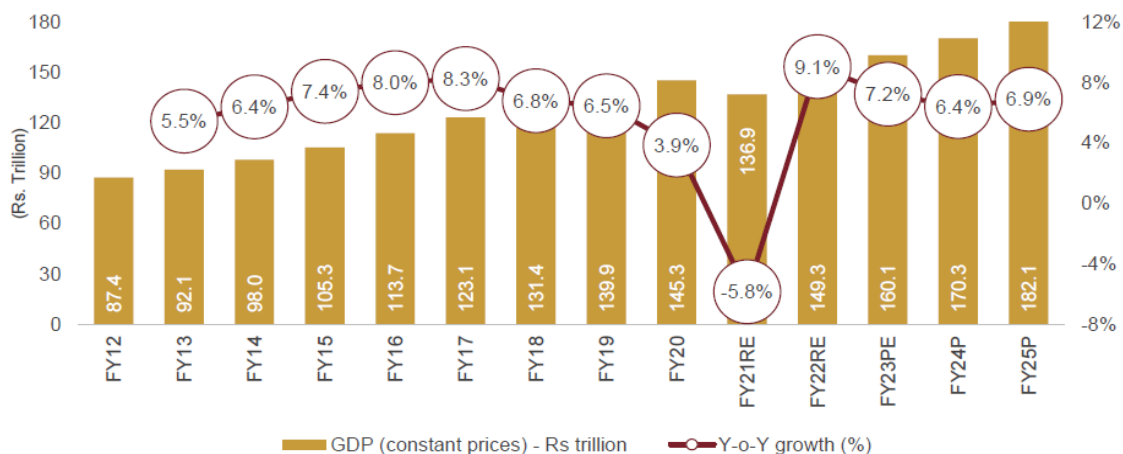
India's GDP logged 5.7% CAGR between fiscals 2012 and 2023

The country's gross domestic product (GDP) increased at a compound annual growth rate (CAGR) of 5.7% to Rs 160 trillion in FY23 from Rs 87 trillion in FY12.

In fiscal 2022, India recovered from pandemic-related stress following the resumption of economic activity and easing of restrictions, although geopolitical pressures in the last quarter resulted in higher inflation. However, resumption of economic activity and healthy trade flows led to robust GDP growth of 9.1% in fiscal 2022 after declining 5.8% in fiscal 2021. In FY23, the GDP rose 7.2% on strong growth momentum propelled by domestic demand from investment and private consumption through the year.

In FY24, real GDP growth is expected to moderate to 6.4% due to rising borrowing costs, weak external demand and slowdown in the United States (US) and the eurozone. However, India is expected to grow faster than China as well as the global average in calendar years (CY) 2023 and 2024

Real GDP growth in India – Constant prices



Note:

PE: Provisional estimates; RE: Revised estimates; P: Projected

These values are reported by the government under various stages of estimates. Only actuals and estimates of GDP are provided in the graph above.

Source: Provisional estimates of national income 2022-2023 and quarterly estimates of GDP for the fourth quarter of 2022-2023, Central Statistics Office (CSO), Ministry of Statistics and Programme Implementation (MoSPI), CRISIL MI&A

India among the world's fastest-growing large economies

India was one of the fastest-growing economies in 2018 and 2019. In 2020, GDP of most countries, including developed ones such as the US and the UK, except China, contracted due to the pandemic. India's GDP shrank 5.8% in FY21. In CY 2021, GDP growth of all major economies rebounded as economic activity resumed and also due to the low base of 2020. Among major economies, India, with a growth rate of ~9.1%, was the fastest growing in 2021, followed by China at 8.4%. India also overtook the UK as the fifth-largest economy in the world

in the April- 2023 and 2024. The International Monetary Fund (IMF) has forecast GDP growth of 6.1% for last fiscal and 6.3% for the current one.

Real GDP growth by geographies

Regions	2017	2018	2019	2020	2021	2022	2023	2024
China	6.9	6.8	6.0	2.2	8.4	3.0	5.0	4.2
Euro area	2.6	1.8	1.6	-6.1	5.6	3.3	0.7	1.2
India*	6.8	6.5	3.9	-5.8	9.1	6.8	6.1	6.3
Japan	1.7	0.6	-0.4	-4.2	2.2	1	2	1
UK	2.4	1.7	1.6	-11	7.6	4.1	0.5	0.6
US	2.2	2.9	2.3	-2.8	5.9	2.1	2.1	1.5
World	3.8	3.6	2.8	-2.8	6.3	3.5	3.0	2.9

Note: P: projection as per IMF update

*Numbers for India are for financial year (2020 is FY2021 and so on) and as per IMF forecast. CRISIL's GDP forecast for India: 9.1% in FY2022, 7.2% in FY2023 and 6.4% in FY2024

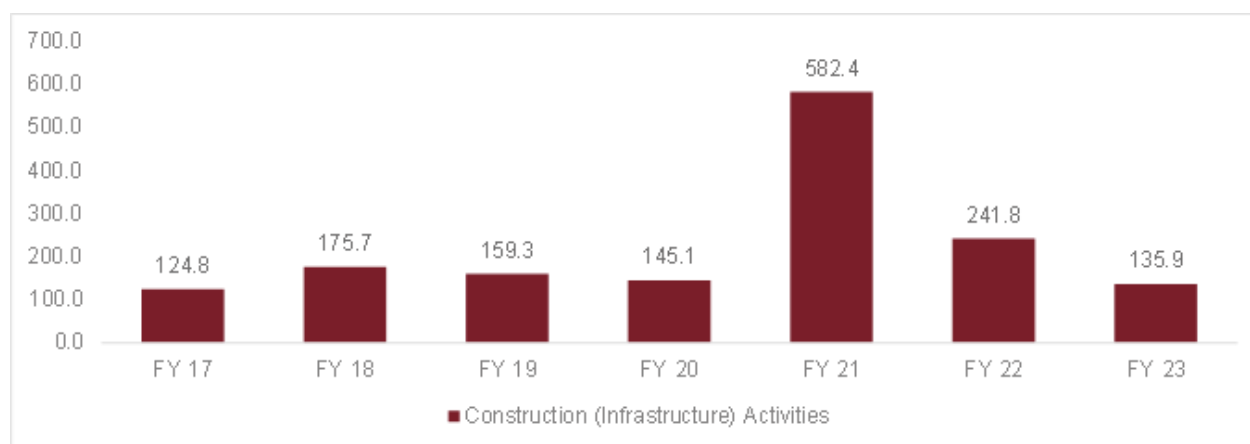
Source: IMF economic database, World Bank national accounts data, OECD national accounts data, CRISIL MI&A

Construction among top 10 segments to attract FDI

Foreign Direct Investment (FDI) plays an important role in propelling India's economic growth and development, particularly in the construction sector. Currently, Key construction (development) projects, including townships, residential and commercial premises, roads, bridges, hotels, hospitals, educational institutions, recreational facilities, and city and regional-level infrastructure, are open to 100% FDI through the automatic route. Moreover, the FDI limits for real estate projects within Special Economic Zones (SEZs) and industrial parks have been increased to 100% FDI in construction sector through automatic route.

In construction (infrastructure) sector, FDI has remained more or less constant across the years, ranging from ` 124.8 billion in FY17 to ` 135.9 billion in FY23. However, foreign direct investments have seen a notable increase of 3x in FY21, reaching to ` 582.4 billion from `145.1 billion in FY 20. In FY21, construction (infrastructure) activities attracted the second highest inflows with around 13 percent of total FDI equity flows only behind computer software and hardware sector, which attracted 44 per cent share of the total FDI equity inflows. Furthermore, in FY 22, construction (infrastructure activities) sector attracted 5.52% of the total FDI equity inflows and was among the top 5 sectors to attract FDI.

FD inflow- Construction (Infrastructure) Activities



Source: Ministry of Commerce and industry, CRISIL MI&A

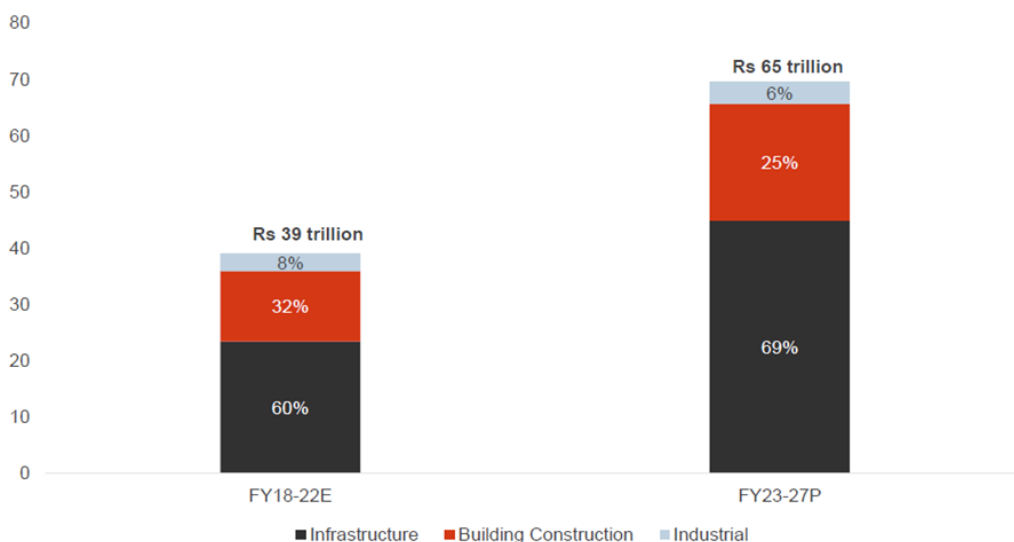
Construction investments to grow at 8-10% CAGR between fiscals 2023 and 2027

Construction sector is projected to grow at 13-16% in fiscal 2024 with major contribution by infrastructure segment given the rising investments and focus by central and state government capex coupled with schemes such as NIP, NMP and Gati Shakti initiatives on a rising pace.

Construction capex is projected to rise 15-17% on year in fiscal 2023 led by infrastructure segment to ` 10.5 to 10.7 trillion. The rise is in keeping with the Govt's focus on infrastructure as visible in rising central and state budget allocations to capex in order to meet the infra build out outlined in the NIP. Although FY2022 had seen challenges due to second wave of coronavirus and other minor challenges like irregular monsoon in certain states, it showed sharp estimated rise of 35-40% to ` 9.1-9.3 trillion over a low base of FY21.

CRISIL estimates healthy growth of construction investments in FY22 due to effect of low base in FY21 where construction activities were highly impacted by lockdowns due to the outbreak of Covid-19 Pandemic.

Break-up of the domestic construction sector



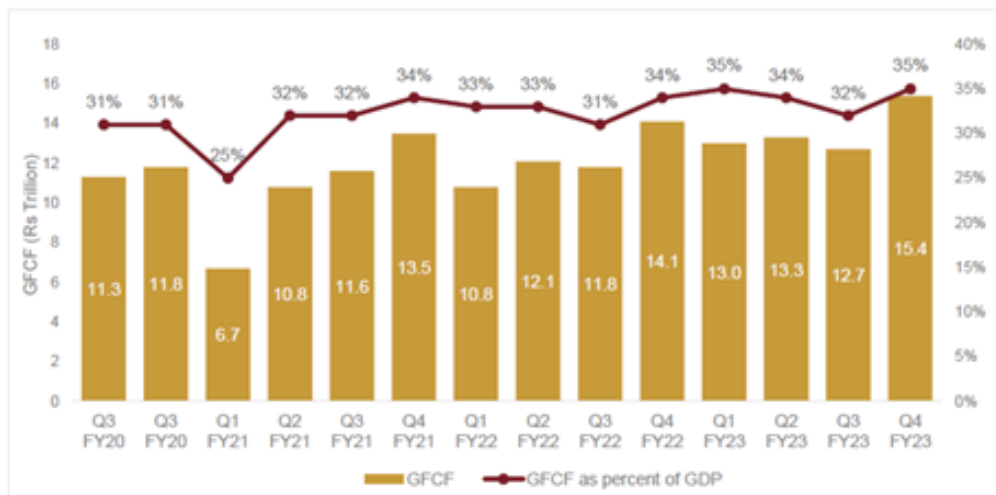
Note: E - Estimated, P - Projected

Source: CRISIL MI&A

GFCF as a % of GDP at 16 quarter high in Q4FY23

The Gross fixed capital formation (GFCF) can be considered as a proxy for the construction sector. The year-on-year rise in GFCF is attributable capex by the central government which recorded a 9% on-year rise in Q4FY23 while state govt capex was flat. The last quarter of the current fiscal has seen GFCF recording all-time high for Q4 driven by healthy capex spends. GFCF as a % of GDP at 16 quarter high in Q4FY23. GFCF for Q4FY23 records highest percentage as GDP when compared historically 16 quarters of previous fiscals indicating growth because of capital expenditures by government. GFCF as a % of GDP at significant level indicating focus on capital expenditure. GFCF which is usually back loaded, on a rising trend thereby indicating growth fiscal 2023.

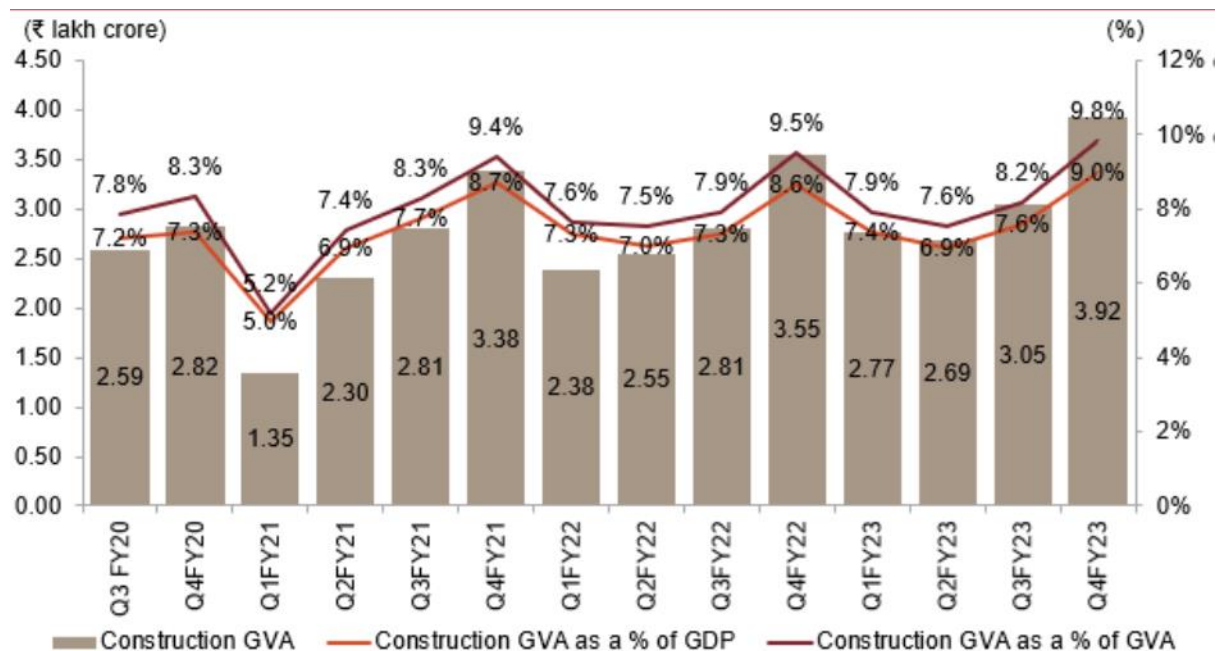
GFCF as percent of GDP



Note: Data on constant basis at 2011-12 prices
 Source: MOSPI, CRISIL MI&A

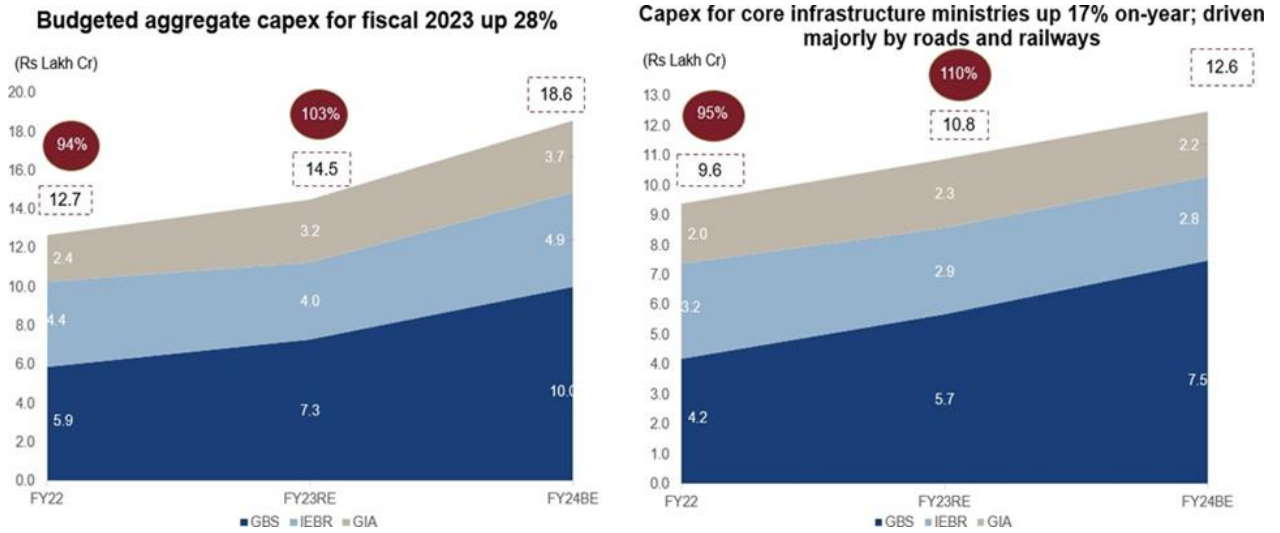
Construction GVA at highest levels compared to 4th quarter of previous fiscals driven by healthy rise in central government capex at 10% on year in Q4FY23 while state govt capex being flat. A sequential rise in construction GVA and its percentage in overall GVA attributable to seasonality of the sector with monsoon in Q2 across the country impacts construction activities.

Construction GVA



Source: MOSPI, CRISIL MI&A

Centre budget allocations show a healthy rise



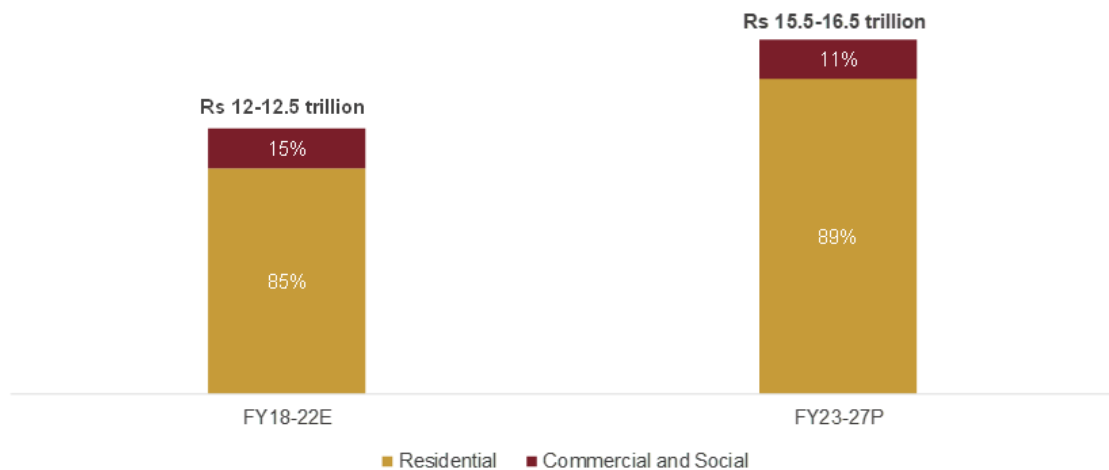
Source: State budget documents, CRISIL MI&A

Building and Construction projected to record 4-6% growth in FY24

CRISIL estimates Building & Construction sector to grow at 4-6% in FY24. The increase in execution of deferred projects and government schemes such as PMAY provide the required boost to the sector.

Between fiscals 2023 and 2027, the sector is expected to rise to ` 15.5-16.5 trillion from an investment of ` 12-12.5 trillion between fiscals 2018 and 2022 thereby showing a rising 1.3 times.

Share of commercial and residential buildings



Note: E-Estimated, P-Projected
Source: CRISIL MI&A

Infrastructure to drive long-term growth

The share of infrastructure projects is expected to increase to 65-70% in the next five years as against 55-60% in the past five years, as Infrastructure investments are seen growing faster than the other two segments due to the Government's focus on Infrastructure under the NIP, NMP and the Gati Shakti initiative. The Central government's focus on roads, urban infrastructure and railways will boost infrastructure investments.

Roads and Railways dominated by public funds to lead growth in infrastructure

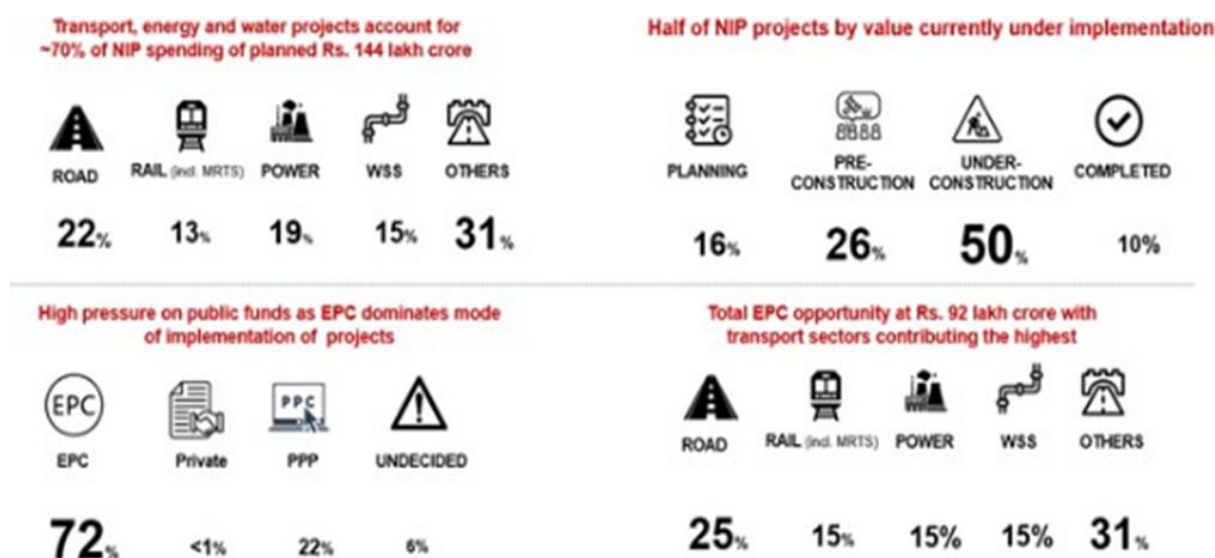
	Sector	FY18-FY22 CAGR	FY22E Rs lakh crore	FY23E Rs lakh crore	FY24P Y-o-y growth	FY23-27P/ FY18-22E	Source of funds (FY23E)
	Roads	13%	2.7-2.8	3.1-3.3	20-25%	1.9	Centre 62% State 27% Private 11%
	Power	5%	0.2-0.3	0.3-0.4	10-12%	1.5	25% 31% 44%
	Railways	17%	0.8-0.9	1.1-1.2	12-14%	2.1	84% 16%
	Urban infra	17%	0.8-0.9	1.0-1.1	31-33%	2.4	41% 55% 5%
	Irrigation	2%	0.7-0.8	0.8-0.9	7-9%	1.5	9% 91%
	Other infra	5%	0.2-0.3	0.2-0.3	14-16%	1.6	
	Infrastructure	12%	5.7-5.9	6.9-7.1	18-20%	1.9	

Source: CRISIL MI&A

Investments in building construction are expected to grow 8-10% in fiscal 2024. The majority growth is expected to come from urban affordable housing, which currently constitutes ~25% of the incremental urban addition and is expected to grow at a high pace.

NIP to drive Infrastructure investments as nearly ` 75 lakh crore of projects currently under construction

The National Infrastructure plan outlined by the Government entails an investment of ` 111 trillion over fiscals 2020-25. However, NIP outlines a revised spend of ` 144 lakh crore which was originally planned over fiscals 2020-2025. The investments outlined in the NIP are almost double over the previous 5 year plan and the achievement ratio of the 5 year plans have been dropping with rising outlay of capex. CRISIL projects a 70-75% achievement of the NIP. The balance investments are unlikely to be met till fiscal 2025 and will likely spill over into further years.



Note:

1. All charts for the period FY20-25

2. Others include irrigation, rural infra, ports, airports, education etc.

Source: CRISIL MI&A, India Investment Grid

Construction capex to rise 13-16% in fiscal 2024; propelled by the infrastructure segment

Construction capex rise attributable to rise in infrastructure segment; Central and state budgets for Fiscal 2024 set healthy growth in outlay for infrastructure construction.

In fiscal 2022, the second wave saw local lockdowns with the difference from the first wave of fiscal 2021, being that all construction activities were allowed to commence while labor migration was also limited with labor availability seen at 70-90% of pre-Covid levels even during the peak of the second wave. The second wave saw the construction sector hit a minor temporary speedbump, however overcoming the challenges, the sector showed healthy rise. This set stage for growth in fiscal 2023 backed by central government expenditures and upcoming initiatives by the government to boost infrastructure and industrial sectors.

In fiscal 2023, Construction capex is expected to have risen 15-17% on year led by infrastructure segment to 10.5 to 10.7 trillion. The rise is in keeping with the Govt's focus on infrastructure as visible in rising central and state budget allocations to capex in order to meet the infra build out outlined in the NIP. Although FY2022 had seen challenges due to second wave of coronavirus and other minor challenges like irregular monsoon in certain states, it showed sharp estimated rise of 35-40% to 9.0-9.2 lakh crore over a low base of FY21.

Moving forward, construction sector is projected to grow at 13-16% in fiscal 2024 with major contribution by infrastructure segment given the rising investments and focus by central and state government capex coupled with schemes such as NIP, NMP and Gati Shakti initiatives on a rising pace. Additionally, construction sector is on a growth trajectory driven by central government expenditure despite lag in NH construction.

Raw material consumption 	Bitumen consumption flat at 1% on-year in fiscal 2023 Cement production up 9% on-year in fiscal 2023	<ul style="list-style-type: none"> Bitumen consumption stay flat as NH construction remained stagnant on-year Cement consumption on year rise attributable to pick up in healthy demand from construction sector despite rise in prices
Infrastructure 	Central government capex up 24% on-year in fiscal 2023 National Highway construction in Kms remained flat at 1% on-year in fiscal 2023 National Highway awarding declines 3% on year in fiscal 2023 Rural road construction declines 29% on year in fiscal 2023	<ul style="list-style-type: none"> Expenditure on roads and railways rise by 18% and 34% respectively in fiscal 2023 backed by increasing central government spending We see road construction on an optical decline with building of more 8 lane expressways unaccounted in length
Building construction 	Rural- MNREGA spends down 5-7% on year in fiscal 2023 PMAY-G house completion up 8-10% on year in fiscal 2023 Urban – PMAY-U house completion rises 54-56% on-year in fiscal 2023	<ul style="list-style-type: none"> Central government schemes like PMAY and PMAY-U drive investments in Building and construction as government moves towards target fulfillment
Industrial 	Manufacturing IIP up 4.6% on-year in fiscal 2023	<ul style="list-style-type: none"> Industrial activity seen rising as average manufacturing IIP increased by -5% in fiscal 2023

Source: CGA, NHAI, PMGSY, MNREGA, Ministry of housing and urban affairs, MOSPI, CRISIL MI&A

Building construction sector to record healthy growth in FY24

CRISIL estimates Building & Construction sector to grow at 4-6% in FY24 with real estate segment showing a slowdown in demand along with rising inventory levels in key cities. The increase in execution of deferred projects and government schemes such as PMAY provide the required boost to the sector.

The sector is expected to rise 10-14% in FY23 surpassing pre-Covid levels led by rising demand from end-user segments attributable to low interest rates, return of normalcy across the sector, increasing demand for owned properties and bigger and larger properties post the covid-19 pandemic and improvement in financial profile of the buyers.

The real estate industry has been in focus with various developments such as demonetization, enactment of the Real Estate (Regulation and Development) Act (RERA), 2016, and implementation of the Goods and Services Tax (GST). The Covid-19 pandemic further significantly impacted the sector in FY21. Although FY22 had challenges due to second wave of coronavirus, the ease of curbs in various states, increase in vaccination across the country, deferred project completions from FY21 helped the sector to rise nearly 95-105% in FY2022,

returning to pre-Covid levels and creating high base for FY23. The increase in budgetary allocations for the PMAY scheme and announcements by state government of stamp duty cuts has helped the further sector limp back to pre-Covid levels.

Between fiscals 2023 and 2027, the sector is expected to rise to ` 15.5-16.5 trillion from an investment of ` 12-12.5 trillion between fiscals 2018 and 2022 thereby showing a rising 1.3 times.

Commercial & retail

Demand for commercial real estate is expected to grow at 2.5-3% the next five years compared to 3.5-4% over the fiscal 2018 to 2022 where a sharp decline was seen in the year 2021 owing to the impact caused by pandemic. Pivoting towards hybrid work models, Increased acceptance of work from home and digital means of communication such as video conferencing is expected to see a muted growth in commercial area uptake. Announcements by various companies about seeing 30-50% of their staff moving to a permanent work from home arrangement by 2025 will further suppress commercial space uptake. However, in prime micro markets, where the supply is limited and vacancy level is low, we expect an increase in lease rentals. In the retail space, owing to already available supply and vacancy levels, very limited supply is likely in the short term. Lease rentals which had been impacted due to the pandemic are now back to pre-Covid levels and have even surpassed pre-Covid levels in some markets led by the return to normalcy.

Education

Investment in India's educational services is expected to decline by 3-4% CAGR between fiscals 2023 and 2027. CRISIL expects ₹0.7 lakh crore construction investments, excluding land cost, to be ploughed into the sector during the period. This investment forecast is based on the number of institutions that are likely to be set up over the next five years, and the average capital required for setting up the same. The investment spend is a near 15-18% decline over the ` 0.8 lakh crore invested over fiscals 2018 to 2022 as the pandemic has also led to the rise and acceptance of digital schools and universities which will constrain additional investments in the sector.

Healthcare

CRISIL estimates India has 12 hospital beds per 10,000 people. This calculation has taken into account both government and private beds. This is lower than the bed density of other developing countries such as Vietnam and Malaysia, where the corresponding figure as per a World Health Organization report is 26 and 19, respectively. In India, the total number of government beds is estimated to be 0.7 million, with the highest government bed density per 10,000 people in Sikkim (24 beds), Arunachal Pradesh (18 beds), Himachal Pradesh (17 beds), and Delhi (12 beds). Various factors such as changing demographics, increasing life expectancy, rising income levels, lifestyle-related non-communicable diseases, greater awareness about health issues, growth in insurance coverage, and medical tourism will be the key demand drivers for healthcare delivery services in India in the years to come. The Covid-19 pandemic outbreak has further highlighted the shortage of healthcare infrastructure in the country. Expected increased allocation by state governments and from private entities is likely to see the sector grow at 8-10% over the next five fiscals recording a construction spend of ` 34-36,000 crore compared to ` 27,700 crores over the past 5 years.

Financials of developers expected to strengthen in FY22 with pick up in sales and reduction in inventories

Demand for residential real estate across all major metros was sluggish over the past couple of years owing to high prices. The demonetisation and RERA implementation only added to the worries. While the government's moves will undoubtedly see the industry take it on the chin in the short term, CRISIL believes the steps are a long-term positive. They will bring about sweeping changes to the way the sector functions. We believe investors will now reassess their existing holdings and fresh investments into the sector will be limited as the market may not be seen as a lucrative asset class. At the same time, the drop in interest rates to multi-year lows, drop in inventory prices due to the pandemic coupled with stamp duty cuts announced by various state Governments led to traction in real estate demand aiding developers. The traction is expected to continue in fiscal 2022, contingent on interest rates staying at similar levels, leading to improvement in financials of players.

Construction spend in railways to record double growth in next five years

CRISIL expects a 12-14% rise in investments in railways in fiscal 2024 led by rise in budget allocation for railways, implementation of high value projects such as the Mumbai-Ahmedabad Bullet train, gaining traction in

station redevelopment and completion of the freight corridor. The rise is post an expected rise of 32-34% rise in investments in Railways in fiscal 2023 owing to government focus on completion of DFC projects, traction in high speed rail, investment in newer avenues such as Vande Bharat trains and rising focus on station redevelopment program. A construction capex of ` 6.8-7.2 lakh crore is seen over the next 5 years compared to 3.1-3.3 lakh crore over the past 5 years led by investments in network decongestion, dedicated freight corridors and high-speed trains.

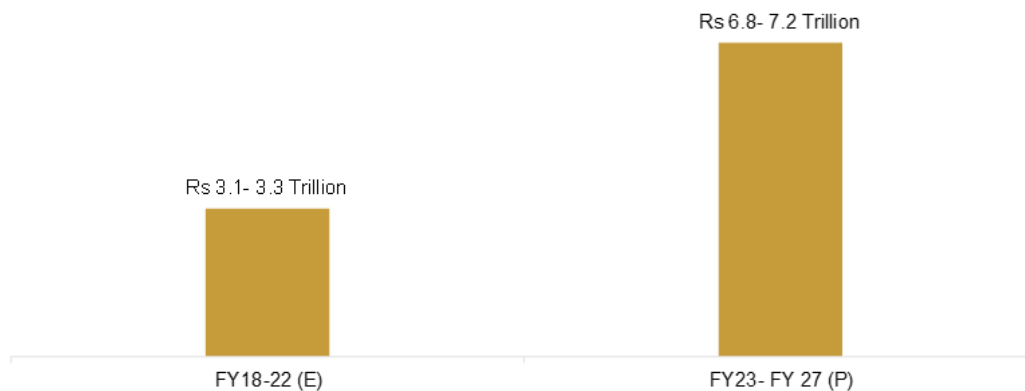
The central government announced a capital outlay of ` 2.4 lakh crore for the Indian Railways in the Union Budget 2024 which is 50% higher than the preceding year's revised estimate of ` 1.6 lakh crore. The optimistic rise is due to planned investments in manufacture of 400 new generation Vande Bharat trains and development of 100 PM Gati Shakti cargo terminals for multimodal logistics during the next three years. The 14% rise is lower than the 17% CAGR in investments over the preceding 5 years(FY18-22E) and based on historical achievement ratio, CRISIL is expecting a 12-14% rise in FY24 with a downward positive revision possible. More than half of the planned outlay is expected to be financed through budgetary support, and the remaining through internal sources and market borrowings/institutional finance. Additionally, it's important to note that spend over next five years hinges on the possibility to attract private participation however efforts remain futile.

With construction investments over FY23-27P expected almost doubling over the preceding five years, raising funds through external agencies, IEBR and via PPP would be a key monitorable. The railways had initiated the station redevelopment program and the new cargo policy from 15th December 2021 which should aid the ministry in garnering funds for deployment in its core functions of network decongestion/doubling and electrification.

Construction spend on railways to increase at 8-10% CAGR over next five years

CRISIL expects construction expenditure in railway projects to double between fiscals 2023 and 2027 compared with the preceding five years, fiscals 2018 to 2022.

Construction spend in railways



Source: CRISIL MI&A, Union Budget Document

Railways envisages a station redevelopment opportunity of ~ ` 1 lakh crore

The Indian railways has envisaged a station redevelopment opportunity of ~ ` 1 lakh crore with commercial development accounting for ~70% of the development. 400 stations have been identified by the railways and the first station, Habibganj, has completed construction.

The station redevelopment scheme was expected to be implemented under the PPP program, however, with disbandment of the Indian railway station development corporation (IRSDC) with the stations reverting under the zonal railways, station redevelopment is being explored under the HAM(Hybrid annuity model) where the Railways contribute 40% with the private entity bringing in the balance.

A lot of focus is being made on the station redevelopment programme with around 36 new projects worth ` 13,000 crore being awarded and 14 under tendering stage.

Railways has a redevelopment opportunity worth ~Rs 1 lakh crore

Stations identified – 400

Commercial development –
Rs 68,000 crore

Station development – Rs 28,000 crore

- 36 stations worth 13K crore are currently being redeveloped – 14 under tendering stage
- Out of proposed 54 projects spanning across 14 zones, 36 has been awarded

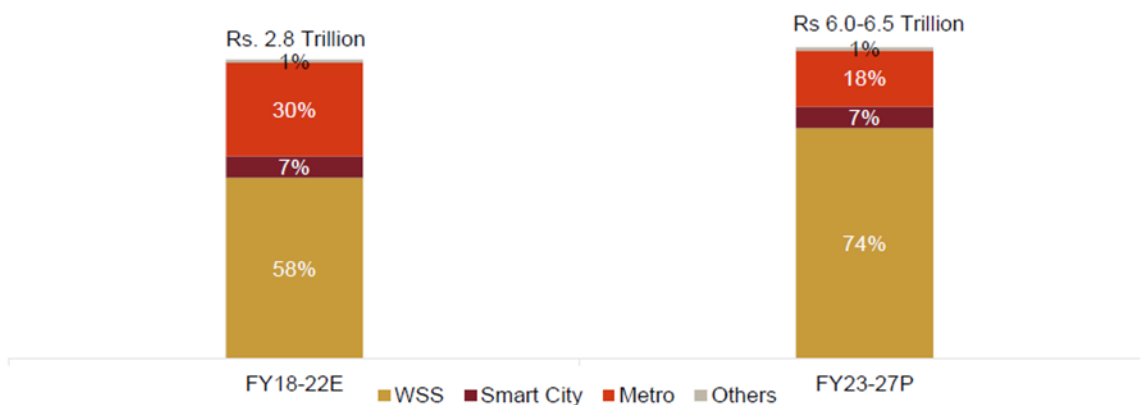
Source: Indian Railways, CRISIL MI&A

Urban infra investments to continue rising in the medium term led by rising urbanisation

Urban infrastructure includes construction-intensive mass rapid transit system (MRTS), bus rapid transit system (BRTS), water supply and sanitation (WSS) projects, smart cities, and related infrastructure development.

CRISIL expects investment in India's urban infrastructure to be driven by government schemes such as AMRUT, Swachh Bharat, Clean Ganga and Jal Jeevan mission. Water supply and sanitation (WSS) projects and metro construction in major Indian cities are expected to boost urban infrastructure investment in the next five years. Commencement of work on 105 smart cities announced so far will also be a key monitorable.

Construction spends in urban infrastructure



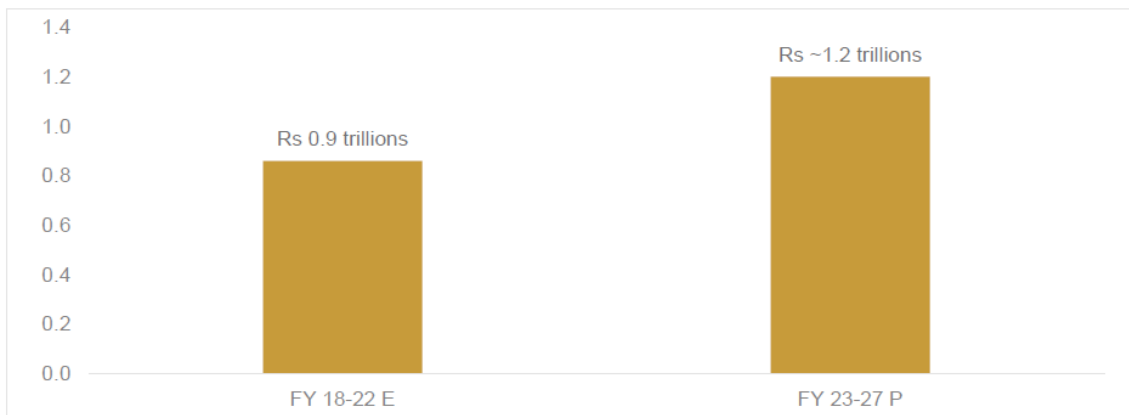
Source: CRISIL MI&A, Union Budget Document

Metro construction: Second-largest urban infra investment contributor

CRISIL estimates that construction spends on metro projects in India will increase 1.3-1.4 times to ~` 1.2 lakh crore over the next five years, making it the second-largest contributor to urban infrastructure investments. Bulk of the metro projects are under construction and have achieved financial closure with the lockdown and migration of labour the only impediments in FY21 driving investments lower and a deferral of investments led to revival in fiscal 2022, while the momentum continued in 2023. Medium term growth in the sector would be led by the development of number of projects announced and under implementation by various state governments. A new metro rail policy was announced in the 2018 Union Budget, which targeted developing private interest in the segment.

To increase the viability of metro projects and make them available across cities with lesser populations, the Govt. has announced Metro-Neo and Metro-Lite which are cheaper to construct and operate and are suited for cities with lower population densities.

Investments in Metro



E - Estimated, P - Projected
Source: CRISIL MI&A

CRISIL believes majority of the total investment for the MRTS between fiscals 2022 and 2026 will be in these key projects: Delhi Metro Rail Project phases III and -IV; Mumbai Metro projects lines 2A, 2B, 3; Chennai Metro phase- II; Nagpur Metro; and Pune Metro projects.

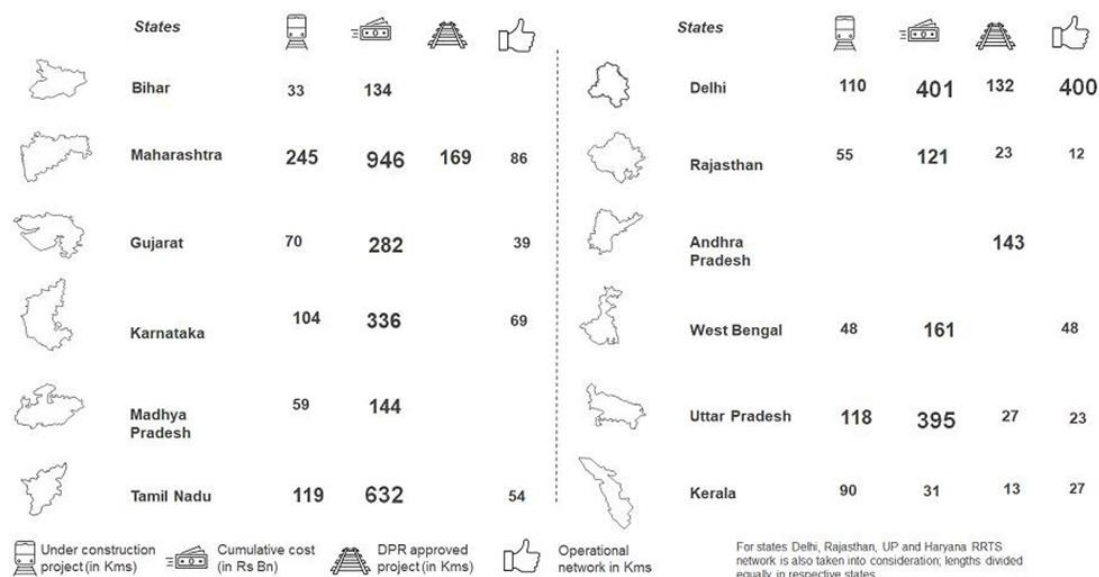
Progress in key metro projects

Metro Projects	Status
Mumbai	Work for 3 lines in advance stages, 5 more lines under implementation, total 14 lines approved
Pune	First 2 phases on track, 3 rd phase to be awarded on PPP
Delhi	Phase 3 almost complete, phase 4 - 3 out of 6 corridors approval received
Chennai	Phase 1 ext. line to begin soon, phase 2 yet under planning
Hyderabad	Phase 1 completed, Phase 2 in proposal state
Bangalore	Phase 1 completed, Phase 2 under construction

Source: CRISIL MI&A

Apart from the above-mentioned cities, metro lines are current under construction in Agra, Nagpur, Ahmedabad, Kanpur, Navi Mumbai, Patna, Kanpur, Surat.

Progress of metro projects across states



Source: CRISIL MI&A

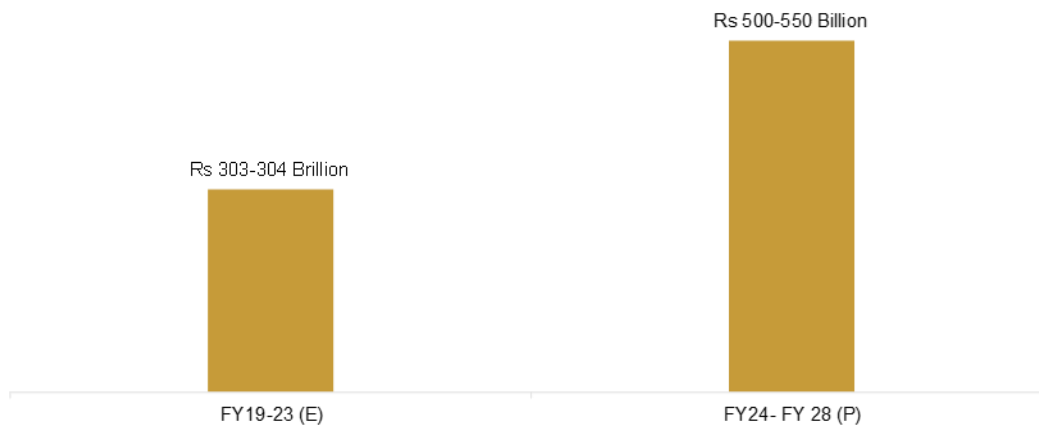
Long term investment in airports to double, driven by expansion of brownfield airports

Airport investments are a positive for construction players, as around 60% of the funds are channelled into the construction activity.

CRISIL expects that capex investments in airports grow by 40-45% driven by expansion Bangalore, Delhi, Hyderabad and Chennai airports as well as with progress of greenfield projects at Jewar, Navi Mumbai, Mopa and Bhogapuram airports. CRISIL expects that capex investments in airports grew by a whopping 40-45% in FY22 on an account of low base in FY21 impacted due to the migration of labour due to lockdown. This led to deferred investments in FY2022 and the momentum continued in fiscal 2023 where investments are expected to record a 40-45% rise led primarily by spilling over of investments of FY21 in the year FY2022 and FY2023, commencement of construction of Jewar airport and a pick-up in NMTA construction activities. Covid-19 pandemic is unlikely to defer long term capex plans as bulk of the funds have been tied up and airport operator revenues are protected by 16% return on equity guaranteed by AERA for aeronautical revenues. Construction spending on airports will be an estimated ` 50-55,000 crore over fiscals 2023 to 2027, compared with ` 30300 crore over the previous five years. The monetisation of existing assets by AAI, stake sales in the privatized metro airports would lead to recycling of funds leading to investment in UDAN airports.

Implementation is more challenging in case of greenfield projects, due to land-acquisition and clearance issues.

Construction investments in airport infrastructure



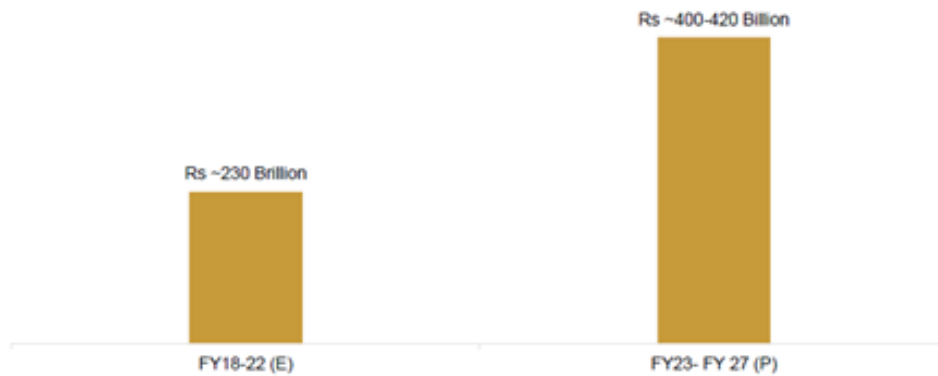
Source: CRISIL MI&A, Union Budget Document

New warehousing hubs to emerge, organised players to benefit the most

CRISIL projects construction investments in the warehousing (agricultural and industrial) and cold-storage (single- and multi-commodity) sectors to touch ` 40-42,000 crore over the next five years on expectations of increased demand. Industrial warehousing is likely to comprise over 85-90% share of total investments in warehousing. Early payback in multipurpose cold storages as against single-commodity storages is expected to boost investments in the segment.

In the new scheme of things, Haryana is increasingly finding favour as a consumer durable and FMCG hub, compared with New Delhi or Ghaziabad. This is because of its dual advantage of being one of the highest consumption markets in the National Capital Region, and located within 300 km from major markets, such as Punjab and Delhi, and 350-450 km from Rajasthan, Himachal Pradesh, and Uttarakhand. Another new hub is expected to emerge in Assam for the north-eastern region.

Construction investments warehousing and cold storage

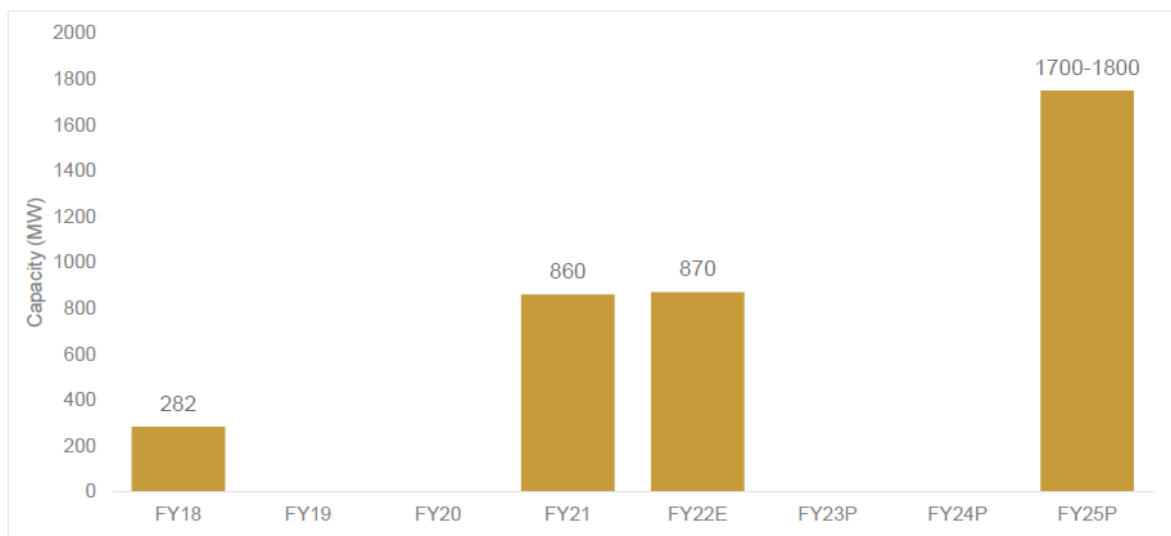


Source: CRISIL MI&A, Union Budget Document

Domestic Data Centre Capacity to double by fiscal 2025

Currently there are more than 210 data centres in India with the installed capacity of more than 870 MW. Three major business models currently in use are Captive, Co-location, and hosting. Captive is a built- to- suit model, where the end customer itself owns/ operate the infrastructure, whereas Co-location and Hosting are subscription and pay-per-use model where the data centre operator or customer himself can own/operate the infrastructure. In terms of revenue contribution, Co-location model has the highest share of 55%, followed by Captive and Hosting models at 30% and 15% respectively.

Domestic data centre capacity



Note: E: Estimated; P: Projected

Source: Industry, Company Reports, CRISIL Ratings

MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is intended to convey our management’s perspective on our financial condition and operating performance as at and for the six months periods ended September 30, 2023 and September 30, 2022 and as at and for the Fiscals 2023, 2022 and 2021 and should be read in conjunction with our Audited Consolidated Financial Statements and our Unaudited Consolidated Financial Results.

Our fiscal year ends on March 31 of each year. Accordingly, all references to a particular “Fiscal” are to the 12-month period ended March 31 of that fiscal year. Financial information for the six month periods ended September 30, 2023, and September 30, 2022, is not annualized and not indicative of full year results and is not comparable with annual financial statements presented in this Preliminary Placement Document.

This discussion contains forward-looking statements that involve risks and uncertainties and reflects our current view with respect to future events and financial performance. Actual results may differ from those anticipated in these forward-looking statements as a result of factors such as those set forth under “Forward-Looking Statements” and “Risk Factors” on pages 15 and 41, respectively.

Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled “Assessment of the Construction Industry in India” dated September 2023 and addendum to the report dated January 2024, prepared and released by CRISIL (“CRISIL Report”).

OVERVIEW

We are an engineering, procurement and construction (“EPC”) company headquartered in Mumbai, providing end-to-end building construction services with a portfolio comprising of residential projects, commercial office buildings, such as data centres and buildings for educational, hospitality and healthcare purposes, and other institutional buildings along with buildings for mixed use. Over the years we have leveraged our expertise and experience to deliver complex construction projects and developed a brand with a reputation for delivering quality services with efficient execution and on-time delivery of projects. Our core capabilities include construction of building structures as well as composite steel structures. We also provide mechanical, electrical and plumbing (“MEP”) and finishing works including interior services.

We have a history of successfully completing 49 projects till date and currently, have 8 active projects in the public sector and 23 active projects in the private sector. We predominantly operate in the Mumbai Metropolitan Region (“MMR”) with ongoing projects in the National Capital Region (“NCR”), Pune Metropolitan Region (“PMR”), Gandhinagar, Kochi and Goa. In the past we have successfully completed projects in MMR, NCR, Varanasi, Bengaluru, Chennai and Hyderabad. We work with a number of reputed clients and are associated with some of the marquee construction projects in India, in both the public and the private sectors.

We focus our operations in construction of the following categories of buildings:

- a) *High Rise and Super High Rise Buildings* - buildings with seven or more floors as high-rise and 40 or more floors as super high-rise buildings; and
- b) *Other Buildings* - buildings such as commercial office complexes, malls, healthcare, factory buildings, railway depots, data centers, multilevel car parks and projects in special economic zone.

Details of certain of our notable projects include:

Name of project executed in the last three years / under execution	Status of the project	Type of buildings
<ul style="list-style-type: none"> • Lodha Splendora • Lodha One Altamount • The Park – Blue Moon 	Completed	Super High Rise Buildings
Auris Serenity Tower-1 & II	Completed	Super High Rise Buildings
Enigma	Completed	Super High Rise Buildings
Tata Cancer Hospital	Completed	Institutional Buildings
Furein Engineering Construction	Completed	Institutional Buildings
Hiranandani - The Walk	Completed	High Rise Buildings
Upliftment Project - Sub Cluster 03	Completed	High Rise Buildings
World Trade Center	Completed	High Rise Buildings

Godrej Summit Phase - II	Completed	Gated Community
• Oberoi Garden City- 3 • Commerz 3 • Skycity Tower F,G & H	In progress	Super High Rise Buildings
Piramal Mahalaxmi	In progress	Super High Rise Buildings
Sector 04, of Saifee Burhani Upliftment	In progress	Super High Rise Buildings
One Mahalaxmi	In progress	Super High Rise Buildings
• Ten X Habitat; • Premium Towers; • Ten X Era	In progress	Super High Rise Buildings
CIDCO- Package 2	In progress	High Rise Buildings
JJ Hospital	In progress	High Rise Buildings

We have adopted a strategy of owning equipment that is required throughout the lifetime of a project, that is, various kinds of formworks, tower cranes, passenger and material hoists, concrete pumps, boom placers and other equipment necessary for building construction (collectively, “**Core Assets**”) as this allows us to have timely access to key equipment required for our business. Accordingly, as at March 31, 2023, we had a consolidated net book value of property, plant and equipment amounting to ₹64,785.95 lakhs, including ₹46.087.29 lakhs of Core Assets constituting 71.14% of our net book value of property, plant and equipment.

As of September 30, 2023, we had an order book of ₹10,23,291.14 lakhs comprising 31 ongoing projects, consisting of 19 residential projects, 9 commercial & office buildings and other institutional buildings, and 3 mixed use developments. Our order book value from the public sector, accounted for 64% of our total order book, amounting to ₹6,50,312.79 lakhs as at September 30, 2023 and our order book value from the private sector, accounted for 36% of our total order book, amounting to ₹3,72,978.35 lakhs as on September 30, 2023.

Our revenue from operations, on a consolidated basis, was ₹85,206.51 lakhs, ₹1,79,858.70 lakhs, ₹1,33,478.74 lakhs and ₹87,972.19 lakhs for the six month period ended September 30, 2023 and for financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, respectively. Our profit after tax, on consolidated basis, was ₹3,893.65 lakhs, ₹9,529.68 lakhs, ₹4,398.52 lakhs and ₹153.22 lakhs for the six month period ended September 30, 2023 and for financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, respectively. Our EBITDA, on consolidated basis, was ₹15,309.35 lakhs, ₹36,137.61 lakhs, ₹22,588.85 lakhs and ₹16,503.65 lakhs for the six month period ended September 30, 2023 and for financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, respectively. Our total equity on consolidated basis, was ₹1,07,345.21 lakhs, ₹97,292.34 lakhs and ₹92,882.15 lakhs as at March 31, 2023, March 31, 2022 and March 31, 2021, respectively. Our debt to equity ratio stood at 0.34, 0.34, and 0.31 as at March 31, 2023, March 31, 2022 and March 31, 2021, respectively.

We have received an ISO 9001:2015 certification for our quality management system, ISO 14001:2015 certification for our environmental management system and ISO 45001:2018 certification for our occupational health and safety management systems. In recent times, we have also received the following awards:

- Construction world Global Award 2023 – India’s Top Challengers
- CIDC Vishwakarma Achievement Award from the Construction Industry Development Council in 2017, 2018, 2021 and 2022 for various projects in NCR and Mumbai for construction, health, safety and environment;
- Award for completion of 1 million safe man-hours from Seth Creators in 2022;
- Construction World Global Awards 2022 –Top challenger.
- Certificate of Achievement from Piramal Mahalaxmi Projects for completion of 6 million safe man-hours in 2021;
- Golden Peacock Occupational Health and Safety Award – 2018; and
Construction times award – Emerging construction company of the year 2017

SIGNIFICANT FACTORS AFFECTING RESULTS OF OUR OPERATIONS

Our Order Book and changes thereto

Our order book, as of any particular date, consists of the value of unexecuted portions of our outstanding orders, that is, the total contract value of the existing contracts secured by us, as reduced by the value of work executed (excluding cost escalation) until the date of such order book (“**Order Book**”). Consequently, the value of our

Order Book and the new orders that we receive have a significant effect on our future revenue. As at September 30, 2023, our total Order Book was ₹10,23,291.14 lakhs. For the purposes of our Order Book, we classify our projects on the basis of purpose as (a) commercial & institutional buildings; (b) residential buildings; and (c) mixed use developments.

The following is a break-up of our Order Book as at September 30, 2023:

(in ₹ lakhs)

Categories	Order Book as on September 30, 2023
Commercial & institutional buildings (A)	2,20,120.54
Private Sector	55,814.81
Public Sector	1,64,305.73
Residential buildings (B)	4,37,371.42
Private Sector	13,774.76
Public Sector	4,23,596.66
Mixed use developments (C)	3,65,799.17
Private Sector	3,305.26
Public Sector	3,62,493.91
Total	10,23,291.14

(in ₹ lakhs)

Sub-categories	Order Book as on September 30, 2023
High Rise Buildings	7,79,390.79
Super High Rise	1,00,422.04
Other Buildings	1,43,478.31
Grand Total	10,23,291.14

The value of our Order Book provides us financial as well as operational benefits, such as clarity regarding future revenue potential and work requirements.

Although the projects in the Order Book represent business that is considered firm, future earnings related to the performance of projects in the Order Book may not be realised because of cancellations or foreclosure or change in scope or schedule adjustments may occur. Due to the possibility of cancellations or changes in scope and schedule of projects, resulting from our clients' discretion or problems we encounter in project execution or reasons outside our control or the control of our clients, we cannot predict with certainty when, if or to what extent a project forming part of our Order Book will be performed. 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, which may result in reduction of our revenue.

Also see “*Risk Factors—Our Order Book may not be representative of our future results and our actual income may be significantly lower than the estimates reflected in our Order Book, which may adversely affect our business, prospects, reputation, profitability, results of operations and financial condition.*” on page 42.

General economic and business conditions and government policies

The real estate industry and consequentially, our results of operations are generally affected by the overall Indian and global economic condition. Any change in macro-economic conditions in the markets in which we operate, including changes in interest rates, inflationary pressures, government policies or taxation and political, economic or other developments, have been and will continue to be of importance in determining our operating results and future growth. As demand for new residential and commercial properties is driven by increased employment and increasing disposable income, favorable interest rates available on home loans, any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely affect our business and financial performance.

Further the growth of the building and construction sector is affected by the establishment of stable Government policies and regulations which provide financial and other incentives. The building and construction sector is expected to grow at 4-6% in Fiscal 2024 with the increase in execution of deferred projects and government schemes such as Pradhan Mantri Aawas Yojna providing the required boost to the sector. Between Fiscals 2023 and 2027, the sector is expected to rise to ₹15.5-16.5 trillion from an investment of ₹12-12.5 trillion between Fiscals 2018 and 2022, thereby showing a rise of 1.3 times (Source: CRISIL Report). Further, the demand for commercial real estate is expected to grow at 2.5-3% the next five years compared to 3.5-4% over Fiscal 2018 to 2022 (Source: CRISIL Report). The construction sector had been plagued with policy logjams in the infrastructure

segment and muted industrial investments over the past few years. Construction spending has picked up because of the policy initiatives introduced by the Central and state governments in the infrastructure segment. Any deterioration in the general economic and business conditions or changes in government policies could have a significant impact on our results of operations and financial condition.

Cost of raw materials

The profit of a company engaged in business similar to ours is significantly dependent on the cost of raw materials and construction expenses such as labour / subcontractor charges, electricity expenses, equipment hire charges, formwork hire charges required for construction and other miscellaneous construction expenses. Such costs predominantly comprise of cost of materials consumed and construction expenses. Such costs constituted 69.71%, 72.54%, 72.31%, 66.63% of our total expenses for the six months period ended September 30, 2023, Fiscals 2023, 2022 and 2021, respectively. The key raw materials required for our business are ready mix concrete and reinforcement steel which form a predominant part of the material cost and these items are generally covered under the price adjustment mechanism in our contracts, except those on design – build basis. Raw material prices may be affected by price volatility caused by various factors that affect the Indian and international commodity markets. In addition, our supply chain may be periodically disrupted by circumstances beyond our control, such as pandemic-related lockdowns, work stoppages and labour disputes affecting our suppliers, distributors and the transporters of our suppliers. Even though we factor in cost escalations for other construction expenses in our contract values, there may be unanticipated increase in input costs in excess of our estimates thereby adversely impacting our profitability.

Material wastage and costs of procurement of materials not covered by price adjustment mechanism are important factors that affect the cost of construction and our project budget. Our ability to restrict the material wastages and optimize costs directly impact our profitability.

Stage of project construction

The profitability of a building project varies between the non-typical stage of construction and the typical floor stage of construction. Non-typical portion of a building includes podium, basement, car park, etc. and a typical portion of a building includes floors above the podium level. The consumption of raw material in the construction of a non-typical portion of a building is generally higher as compared to a typical portion of a building, whereas the labour cost forming part of the construction expenses is higher for a typical portion of a building. Also, for design build projects, the profitability is generally higher initially when the Company recognises design related milestone revenue. Therefore, our overall profitability is affected by the combination of different stages of construction of the projects in our portfolio during the reporting period. For instance, during a particular reporting period, if we have undertaken a higher portion of typical floor stage of construction, our profitability will be higher as compared to another reporting period in which we have constructed a higher portion of non-typical stage of construction, as in the latter case, the consumption of raw materials is higher, as described above, leading to reduced profitability.

Access to capital and cost of financing

The nature of our business requires significant amounts towards working capital requirements. Our operations, liquidity and profitability are, in large part, dependent upon our timely access to capital and costs associated with raising capital. Our working capital requirement is met through a combination of internal accruals, short term borrowings and proceeds from issuance of shares. Large amounts of our working capital are required to finance the purchase of raw materials, payments of wages, margin monies for non-fund based limits, labour and the performance of engineering, construction and other work on projects before payments are received from clients. Our working capital requirements may increase if the payment terms in our agreements include reduced advance payments or longer payment schedules. These factors may result, or have resulted, in increases in the amount of our receivables and short-term borrowings. Our working capital requirements may also increase as we expand our business. Continued increase in our working capital requirements without adequate availability of financing may have an adverse effect on our cash flows, financial condition and results of operations.

Seasonality and weather conditions

Our business and results of operations may be affected by seasonal weather factors, which may require the evacuation of personnel, suspension or curtailment of operations, resulting in damage to construction sites or delays in the delivery of materials. Our operations may also be adversely affected by difficult working conditions during the monsoon season, because of heavy rains particularly affecting the construction works up to ground

level and heavy winds affecting the works particularly at heights. In particular, the monsoon season of each Fiscal may restrict our ability to carry on activities related to our projects and fully utilise our resources. During the monsoon season, we may encounter difficulties in engineering, delays in designs or materials provided by the third party, equipment, schedule changes, weather-related delays and other factors. This may result in reduction of our productivity. During periods of curtailed activity due to adverse weather conditions, we may continue to incur operating expenses and our project related activities may be reduced. Further, revenues recorded in the first half of our financial year between April to September are traditionally less compared to revenues recorded during the rest of our financial year. As a result, our revenues and profits may vary significantly during different financial periods, and certain periods are not indicative of our financial position for the year.

SIGNIFICANT ACCOUNTING POLICIES

Except for change in the accounting policy in Fiscal 2023, which is listed separately, below mentioned significant accounting policies have been followed consistently from Fiscal 2021 to Fiscal 2023.

Statement of compliance

The financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as “**Ind AS**”) as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the consolidated financial statement.

Basis of preparation and presentation

These financial statements have been prepared in Indian Rupee (“**INR**”) which is the functional currency of the Group. These financial statements have been prepared on historical cost basis, except for certain financial assets and liabilities which are measured at fair value or amortised cost at the end of each reporting period, as explained in the accounting policies below.

Summary of significant accounting policies

(a) Current versus non-current classification

The Group presents assets and liabilities in the standalone balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

Operating cycle for current and non-current classification

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

(b) Fair value measurement of financial instruments

The Group measures financial instruments at fair value at each balance sheet date using valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the standalone financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

(c) Revenue Recognition

Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers.

Description of performance obligation:

During the current period, the holding Group changed the method of measuring progress i.e. from output method to input method as specified in Ind-AS 115 – 'Revenue from Contract with Customers'.

Contract revenue is recognized over time by measuring progress on the basis of the entity's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation.

Input method takes into accounts entity's efforts i.e. costs incurred on an accrual basis (for example direct material, direct labour, subcontractors cost, resources consumed, allocations of costs related directly to contract activities, if those depict the transfer of control to the customer, costs which can be identified and directly contributing towards the progress / completion of the goods/services) relative to total estimated costs to determine the extent of progress towards completion of the contract. Costs so incurred in connection with the work performed for satisfaction of performance obligation are recognised as an expense.

Costs that are not related to the contract, or that do not contribute towards satisfying a performance obligation, are not included in measuring progress.

The Group recognises revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognise revenue when (or as) the entity satisfies a performance obligation.

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
2. The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Group's performance does not create an asset with an alternative use to the Group and the entity has an enforceable right to payment for performance completed to date.

Revenue from works contracts, where the outcome can be estimated reliably, is recognised under the percentage of completion method by reference to the stage of completion of the contract activity. The stage of completion is measured by calculating the proportion that costs incurred to date bear to the estimated total costs of a contract. Determination of revenues under the percentage of completion method necessarily involves making estimates by the management.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract cost incurred that are likely to be recoverable.

Any costs incurred that do not contribute to satisfying performance obligations are excluded from the Group's input methods of revenue recognition as the amounts are not reflective of our transferring control of the system to the customer. Significant judgment is required to evaluate assumptions related to the amount of net contract revenues, including the impact of any performance incentives, liquidated damages, and other forms of variable consideration.

If estimated incremental costs on any contract, are greater than the net contract revenues, the Group recognises the entire estimated loss in the period the loss becomes known.

When the Group satisfies a performance obligation by delivering the promised goods or services it creates a contract asset based on the amount of consideration to be earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

Any variations in contract work, claims, incentive payments are included in the transaction price if it is highly probable that a significant reversal of revenue will not occur once associated uncertainties are resolved.

Variable consideration is included in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when that uncertainty associated with the variable consideration is subsequently resolved.

The Group accounts for a contract modification (change in the scope or price (or both)) when that is approved by the parties to the contract. Where the outcome of a performance obligation cannot be reasonably measured, contract revenue is recognised to the extent of costs incurred in satisfying the performance obligation that is expected to be recovered.

Provision for future losses are recognised as soon as it becomes evident that the total costs expected to be incurred in a contract exceed the total expected revenue from that contract.

Revenue from rendering of services is recognised over time as and when the customer receives the benefit of the Group's performance and the Group has an enforceable right to payment for services transferred. Unbilled revenue represents value of services performed in accordance with the contract terms but not billed.

Contract balances:

(i) Contract assets

Due from customers

For contracts where the aggregate of contract cost incurred to date plus recognised profits (or minus recognised losses as the case may be) exceeds the progress billing, the surplus is shown as contract asset and termed as Due from customers.

(ii) Trade receivables

The amounts billed on customer for work performed and are unconditionally due for payment i.e. only passage of time is required before payment falls due, are disclosed in the Balance Sheet as trade receivables. The amount of retention money held by the customers pending completion of performance milestone is disclosed as part of contract asset and is reclassified as trade receivables when it becomes due for payment.

Retention money are specific to project and generally receivable within 12 months of project completion.

(iii) Contract liabilities

Due to customers:

For contracts where progress billing exceeds the aggregate of contract costs incurred to-date plus recognised profits (or minus recognised losses, as the case may be), the surplus is shown as contract liability and termed as Due to customers.

Advances from customer:

Amounts received before the related work is performed are disclosed in the Balance Sheet as contract liability and termed as Advances from customer.

Supply contracts-sale of goods

Revenue, if any from supply contract is recognized when the control is transferred to the buyer.

Management consultancy and other services

Revenues from management consultancy and other services are recognized pro-rata over the period of the contract as and when services are rendered.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable. For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

Dividend

Dividend income is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

(d) Property, plant and equipment (PPE)

PPE is recognised 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 is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. PPE acquired on hire purchase basis are recognised at their cash values. Cost includes professional fees related to the acquisition of PPE and for qualifying assets, borrowing costs are capitalised in accordance with the Group's accounting policy.

PPE not ready for the intended use on the date of the Balance Sheet are disclosed as capital work-in-progress. (Also refer to policy on leases, borrowing costs, impairment of assets and foreign currency transactions infra).

Group is capitalising Site Establishments at site. Site establishments includes temporary structures build on project site and is used in the process of construction. Site establishments items and activities includes excavation, Ground levelling, making approach road, boundary making, barricading, security gate, labour colony, store rooms, professional fees for designing site establishments, monsoon protection sheds, all electrical lines at project site etc. All material and manpower cost used in building these site establishments are capitalised at that project site.

The Group identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

(e) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period with the effect of any change in the estimate being accounted for on a prospective basis. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

(f) Depreciation and amortisation

Depreciation on Property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management.

Intangible assets in the form of computer software are amortised over their respective individual estimated useful lives on a straight line basis.

The Group has assessed the following useful life to depreciate and amortize on its property, plant and equipment and intangible assets respectively.

The useful life of major assets are as under:

Particulars	Useful Lives of the Assets estimated by the management (years)
Plant and Machinery*	20
Furniture and fixtures*	10
Office Equipment	10
Formwork*	7 to 15
Building	60
Vehicles	10
Computer	5
Computer Software	5

**Group has used useful life other than as indicated in Schedule II, which is as per management estimate, supported by independent assessment by professionals. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.*

Site Establishments are amortised systematically over the life of the contract.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. The amortization period and the amortization method are reviewed at least at each financial year end.

(g) Investment property and depreciation

(i) Recognition and measurement:

Investment properties comprises of land and building are measured initially at cost, including transaction costs. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

All other repair and maintenance costs are recognised in Statement of Profit and Loss as incurred. Though the Group measures investment property using cost based measurement.

(ii) Depreciation

Depreciation on Investment Property is provided using the straight-line basis method based on the useful lives specified in Schedule II to the Companies Act, 2013. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. 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.

All other repair and maintenance costs are recognised in Statement of Profit and Loss as incurred.

(h) Impairment of non-financial assets

As at the end of each accounting year, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the said assets are tested for impairment so as to determine the impairment loss, if any. The intangible assets with indefinite life are tested for impairment each year. Useful life of the all the assets are mentioned in note 3(f) -Depreciation and amortisation.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

- (i) in the case of an individual asset, at the higher of the net selling price and the value in use; and
- (ii) in the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

(The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the Group suitably adjusted for risks specified to the estimated cash flows of the asset).

For this purpose, a cash generating unit is ascertained as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

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

(i) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, 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.

Subsequent measurement of financial assets:

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification financial assets.

Following are the categories of financial instrument:

- (a) Financial assets at amortised cost
- (b) Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- (c) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- (d) Financial assets at fair value through profit or loss (FVTPL)
- (a) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using the effective interest rate method if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- (b) Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)

Debt financial assets measured at FVOCI:

Debt instruments are subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- (c) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments) :

On initial recognition, the Group makes an irrevocable election on an instrument-by-instrument basis to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments, other than equity investment which are held for trading. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

- (d) Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading. Other financial assets such as unquoted Mutual funds are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition.

Derecognition

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

- (a) the rights to receive cash flows from the asset have expired, or
- (b) the Group has transferred its rights to receive cash flows from the asset, and
 - (i) the Group has transferred substantially all the risks and rewards of the asset, or
 - (ii) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

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 following financial assets and credit risk exposure:

- (a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits, trade receivables and bank balance
- (b) Financial assets that are debt instruments and are measured at FVTOCI.
- (c) Financial guarantee contracts which are not measured as at FVTPL.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

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

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

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

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss. In the balance sheet, ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

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

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

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

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

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

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

Loans and borrowings

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

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

This category generally applies to borrowings.

De-recognition

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.

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal

changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

(j) Inventories

Inventories are valued at the lower of cost and net realisable value.

(a) Construction material, raw materials, components, stores and spares are valued at lower of cost and net realisable value. However material and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost are determined on weighted average method.

(b) Ply and Batten (included in cost of material consumed).

Ply and batten are part of material and supplies used in the construction process and are hence part of inventory which are valued at cost less amortisation/charge based on their usages.

(k) Foreign currencies

The Group's financial statements are presented in Indian Rupees, which is also the Group's functional currency.

In preparing the financial statements, transactions in the currencies other than the Group's functional currency are recorded at the rates of exchange prevailing on the date of transaction. At the end of each reporting period, monetary items denominated in the foreign currencies are re-translated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the retranslation or settlement of other monetary items are included in the statement of profit and loss for the period.

(l) Employee benefit expenses

Defined Benefit Plan

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on Projected Unit Credit Method made at the end of the financial year. Actuarial gains and losses for both defined benefit plans are recognized in full in the period in which they occur in the statement of OCI.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the standalone balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

Termination Benefits

The Group recognizes termination benefit as a liability and an expense when the Group has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the termination benefits fall due more than 12 months after the balance sheet date, they are measured at present value of future cash flows using the discount rate determined by reference to market yields at the balance sheet date on government bonds.

Compensated Absences

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated advances are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Remeasurement gains/losses on defined benefit plans are immediately taken to the Statement of Profit & Loss and are not deferred.

(m) Taxes on income

Current income tax

Tax expense for the year comprises current and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the standalone statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- (i) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- (ii) In respect of taxable temporary differences associated with investments in subsidiary and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- (i) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- (ii) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

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

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

All other acquired tax benefits realised are recognised in profit or loss.

(n) Cash and cash equivalent

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, which are 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.

(o) Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds including interest expense calculated using the effective interest method, finance charges in respect of assets acquired on finance lease. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset until such time as the assets are substantially ready for the intended use or sale. All other borrowing costs are expensed in the period in which they occur.

(p) Trade payables:

These amounts represents liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 to 180 days of recognition other than usance letter of credit. Trade payables are presented as current financial liabilities.

The Group enters into deferred payment arrangements (acceptances) for purchase of raw materials under Letter of Credit (LCs) under non-fund based working capital facility approved by Banks for the Group. Considering these arrangements are majorly for raw materials with a maturity ranging from 90 to 180 days, the economic substance of the transaction is determined to be operating in nature and these are recognised as Acceptances under Trade payables. Interest borne by the Group on such arrangements is accounted as finance cost.

(q) Leases

Where the Group is lessee

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

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-

use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of Building which is 3 to 5 years.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in note (h) Impairment of non-financial assets.

(ii) Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Interest-bearing loans and borrowings (see note (n)).

(iii) Short-term leases and leases of low-value assets

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

(r) Provisions and Contingencies

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. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the standalone financial statements.

Provisions and contingent liability are reviewed at each balance sheet.

(s) Related party transactions

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the period-end are unsecured and settlement occurs in cash or credit as per the terms of the arrangement. Impairment assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

(t) 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, associate and joint venture companies; and
- (iv) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

(u) Dividend

(i) Proposed Dividend:

The Group recognises a liability to make cash distributions to equity holders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Group's Board of Directors.

(ii) Final dividend:

Final dividend on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Group's Board of Directors. The Group declares and pays dividend in Indian rupees. The Finance Act 2020 has repealed the Dividend Distribution Tax (DDT). Companies are now required to pay/distribute dividend after deducting applicable taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates.

(v) Earnings per share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity shareholders of the Group by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as fresh issue, bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity shares holders of the Group by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

Changes in accounting policies (read with accounting policy on revenue recognition)

During Fiscal 2023, our Company changed the method of measuring progress i.e. from output method to input method as specified in Ind-AS 115 – ‘Revenue from Contract with Customers’ consequent to change in the circumstances including change in the nature of contracts secured by us during recent years. We believe that input method, a method widely used by most other engineering and construction companies, would be more reliable and relevant in measuring the progress of the projects and therefore also be more accurate on a comparative basis in measuring the performance in transferring control of goods and services promised to the customers until completion of the contracts. Pursuant to the impact of this change in method, we had restated the comparative financial statements for the year ended March 31, 2022, in accordance with the requirements of Ind-AS 8 - ‘Accounting Policies, Changes in Accounting Estimates and Errors’. Retained earnings (other equity) as at April 1, 2021 within the statement of changes in equity has also been restated to adjust the impact of such adjustments relating to prior years.

Impact on Statement of Profit and Loss:

Particulars	Increase/(decrease) (in ₹ lakhs)	
	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from operations	851.75	504.07
Profit before tax	851.75	504.07
Tax Expenses	214.37	126.86
Profit for the period	637.38	377.21
Basic earnings per share	0.94	0.56
Diluted earnings per share	0.90	0.56

Impact on Balance Sheet:

Particulars	Increase/(decrease) (in ₹ lakhs)		
	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
Unbilled work-in-progress (Other current financial assets)	851.75	504.07	(1,539.65)
Retained earnings (Under equities)	637.38	377.21	(1,152.15)
Current tax	214.37	-	-
Deferred tax assets	-	-	387.50
Deferred tax liabilities	-	126.86	-

PRINCIPAL COMPONENTS OF INCOME AND EXPENDITURE

Income

Our total income comprises (i) revenue from operations and (ii) other income.

Revenue from operations

Revenue from operations includes (i) contract revenue; and (ii) other operating income – scrap sales.

Other income

Other income primarily includes (i) interest income from fixed deposits and other interest income; and (ii) other non-operating income including (a) equipment hire charges; (b) service charge income; (c) net gain on sale of investments; and (d) miscellaneous income.

Expenses

Our expenses comprise (i) cost of materials consumed; (ii) construction expenses; (iii) employee benefit expenses; (iv) finance cost; (v) depreciation and amortisation expense; and (vi) other expenses.

Cost of materials consumed

Our expenditure on materials consists of expenditure on raw materials, which primarily include reinforcement steel, ready-mix concrete, plywood & batten, bricks & blocks, cement etc., for consumption at the project sites.

Construction expenses

Construction expenses include labour / subcontractor charges, electricity expenses (site), equipment hire charges, formwork hire charges and other construction expenses.

Employee benefit expenses

Employee benefit expense comprises (i) salaries, wages and bonus; (ii) contribution to provident and other funds; and (iii) staff welfare expenses.

Finance costs

Finance cost comprises interest on borrowings, other interest expenses, bank guarantee commission and bank charges.

Depreciation and amortisation expenses

Our depreciation and amortisation expenses comprise (i) depreciation of property, plant and equipment; (ii) depreciation of investment properties; (iii) amortisation of intangible assets and (iv) depreciation of right of use assets.

Other expenses

Other expenses primarily comprise (i) rent; (ii) rates and taxes; (iii) legal and professional charges; (iv) impairment allowance for trade receivables; and (v) office expenses.

OUR RESULTS OF OPERATIONS

Six months period ended September 30, 2023, and September 30, 2022

The following tables set forth our selected financial information for the six months period ended September 30, 2023 and September 30, 2022, the components of which are also expressed as a percentage of total income for such periods:

(all amounts in ₹ lakhs except percentages)

Sr. No.	Particulars	Six months period ended September 30, 2023		Six months period ended September 30, 2022	
		Amount	% of Total income	Amount	% of Total Income
1	Income				
	a. Revenue from operations	85,206.51	97.73%	90,843.67	99.44%
	b. Other income	1,976.73	2.27%	512.86	0.56%
	Total Income [1(a)+1(b)]	87,183.24	100.00%	91,356.53	100.00%
2	Expenses				
	a. Cost of material consumed	29,869.66	34.26%	35,344.14	38.69%
	b. Construction expenses	27,175.87	31.17%	26,625.40	29.14%
	c. Employee benefit expenses	6,419.61	7.36%	6,289.02	6.88%
	d. Finance costs	4,735.43	5.43%	4,315.08	4.72%
	e. Depreciation and amortisation expenses	5,219.39	5.99%	7,448.34	8.15%
	f. Other expenses	8,410.38	9.65%	4,540.46	4.97%
	Total expenses [2(a) to 2(f)]	81,830.34	93.86%	84,562.44	92.56%
3	Profit before tax(1-2)	5,352.90	6.14%	6,794.09	7.44%
4	Share of Profit/(loss) of Joint Ventures & Associates (net)	1.63	0.00%	(9.34)	(0.01)%
5	Profit before Tax(3+4)	5,354.53	6.14%	6,784.75	7.43%
6	Tax expense				
	Current tax	1,882.96	2.16%	1,529.59	1.67%
	Deferred tax charge/(credit)	(422.08)	(0.48)%	185.46	0.20%
	Total tax expenses	1,460.88	1.68%	1,715.05	1.88%
7	Net profit after tax (5-6)	3,893.65	4.47%	5,069.70	5.55%
8	Other comprehensive income				
	(i) Items that will not be reclassified to profit or loss	19.37	0.02%	85.74	0.09%

(all amounts in ₹ lakhs except percentages)

Sr. No.	Particulars	Six months period ended September 30, 2023		Six months period ended September 30, 2022	
		Amount	% of Total income	Amount	% of Total Income
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(4.88)	(0.01)%	(21.58)	(0.02)%
9	Total comprehensive income for the period (7+8)	3,908.14	4.48%	5,133.86	5.62%
10	Profit/(Loss) for the period				
	a) Owners of the Group	3,890.95	4.46%	5,069.70	5.55%
	b) Non-controlling interest	2.70	0.00%	-	-
11	Other comprehensive income for the period				
	a) Owners of the Group	14.49	0.02%	64.16	0.07%
	b) Non-controlling interest	-	-	-	-
12	Total Comprehensive income for the period				
	a) Owners of the Group	3,905.44	4.48%	5,133.86	5.62%
	b) Non-controlling interest	2.70	0.00%	-	-
13	Paid up equity share capital (face value: ₹10 each)	7,355.65	-	6,789.15	-
14	Other equity	-	-	-	-
15	Earnings per share (of ₹10 each) (not annualised)				
	(a) Basic (₹)	5.52		7.47	
	(b) Diluted (₹)	5.52		7.24	

Six months period ended September 30, 2023, compared to six months period ended September 30, 2022

Income

Our total income reduced by 4.57% to ₹87,183.24 lakhs for the six months period ended September 30, 2023 from ₹91,356.53 lakhs for the six months period ended September 30, 2022.

Revenue from operations

Our revenue from operations reduced by 6.21% to ₹85,206.51 lakhs for the six months period ended September 30, 2023 from ₹90,843.67 lakhs for the six months period ended September 30, 2022 primarily due to a decrease in component of projects executed during this period.

Other income

Our other income increased to ₹1,976.73 lakhs for the six months period ended September 30, 2023 from ₹512.86 lakhs for the six months period ended September 30, 2022, primarily due to recovery of old receivable, receipt of interest on fixed deposits and other interest income including interest on income tax refund.

Expenses

Our total expenses decreased by 3.23% to ₹81,830.34 lakhs for the six months period ended September 30, 2023 from ₹84,562.44 lakhs for the six months period ended September 30, 2022.

Cost of materials consumed

Our cost of materials consumed decreased by 15.49% to ₹29,869.66 lakhs for the six months period ended September 30, 2023 from ₹35,344.14 lakhs for the six months period ended September 30, 2022 primarily due to a decrease in component of projects executed during this period, resulting in a corresponding decrease in materials consumed.

Construction expenses

Our construction expenses increased marginally by 2.07% to ₹27,175.87 lakhs for the six months period ended September 30, 2023 from ₹26,625.40 lakhs for the six months period ended September 30, 2022. Such increase was in line with general periodic increase of ancillary costs such as wages, utility expenses etc.

Employee benefit expenses

Our employee benefit expenses increased by 2.08% to ₹6,419.61 lakhs for the six months period ended September 30, 2023 from ₹6,289.02 lakhs for the six months period ended September 30, 2022 primarily due to increase in number of employees and general increase in salaries during this period.

Finance costs

Our finance costs increased by 9.74% to ₹4,735.43 lakhs for the six months period ended September 30, 2023 from ₹4,315.08 lakhs for the six months period ended September 30, 2022 primarily due to increase in cost on borrowings.

Depreciation and amortisation expenses

Our depreciation and amortisation expense decreased by 29.93% to ₹5,219.39 lakhs for the six months period ended September 30, 2023 from ₹7,448.34 lakhs for the six months period ended September 30, 2022 primarily due to a one-time accelerated amortization of site establishment cost for foreclosed projects in September 30, 2022.

Other expenses

Our other expenses increased by 85.23% to ₹8,410.38 lakhs for the six months period ended September 30, 2023 from ₹4,540.46 lakhs for the six months period ended September 30, 2022 primarily due to increase in rental expense, insurance expenses, legal & professional charges, impairment allowance for trade receivables and donation.

Tax expenses

Our total tax expenses decreased by 14.82% to ₹1,460.88 lakhs for the six months period ended September 30, 2023 from ₹1,715.05 lakhs for the six months period ended September 30, 2022 primarily due to reduction in profit before tax.

Net profit after tax

Due to reasons stated above our net profit after tax decreased by 23.20% to ₹3,893.65 lakhs for the six months period ended September 30, 2023 from ₹5,069.70 lakhs for the six months period ended September 30, 2022.

Fiscals 2023, 2022 and 2021

The following tables set forth our selected financial information from our consolidated statement of profit and loss for Fiscals 2023, 2022 and 2021 the components of which are also expressed as a percentage of total income for such years. The financial information corresponding to Fiscals 2023, 2022 and 2021 has been derived from the Audited Consolidated Financial Statements.

(all amounts in ₹ lakhs except percentages)

Particulars	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Amount	% of total income	Amount	% of total income	Amount	% of total income
Income						
Revenue from operations	1,79,858.70	99.47	1,33,478.74	99.03	87,972.19	96.83
Other income	951.86	0.53	1,313.59	0.97	2,879.54	3.17
Total income	1,80,810.56	100.00	1,34,792.33	100.00	90,851.73	100.00
Expenses						
Cost of material consumed	66,830.14	36.96	55,488.86	41.17	35,691.33	39.29
Construction expenses	54,507.52	30.15	37,580.83	27.88	24,523.99	26.99
Employee benefit expense	12,763.84	7.06	10,889.09	8.08	7,880.75	8.67
Finance costs	8,942.64	4.95	6,697.82	4.97	7,029.65	7.74

Particulars	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Amount	% of total income	Amount	% of total income	Amount	% of total income
Depreciation and amortisation expenses	13,599.63	7.52	9,881.31	7.33	9,016.23	9.92
Other expenses	10,621.05	5.87	8,170.58	6.06	6,227.72	6.85
Total expenses	1,67,264.82	92.51	1,28,708.49	95.49	90,369.67	99.47
Profit before tax and share of profit/(loss) of Joint Ventures and Associates	13,545.74	7.49	6,083.84	4.51	482.06	0.53
Share of (loss)/ profit of Joint ventures	47.77	0.03	(26.17)	(0.02)	(8.75)	(0.01)
Share of profit/ (loss) of Associates	1.83	-	(47.95)	(0.04)	(15.54)	(0.02)
Profit before tax	13,595.34	7.52	6,009.72	4.46	457.77	0.50
Current tax	3,220.31	1.78	1,581.05	1.17	636.44	0.70
Deferred tax	845.35	0.47	30.15	0.02	(445.60)	(0.49)
Adjustment of tax of earlier years	-	-	-	-	113.71	0.13
Total tax expense	4,065.66	2.25	1,611.20	1.20	304.55	0.34
Profit after tax	9,529.68	5.27	4,398.52	3.26	153.22	0.17
Other comprehensive income						
Other comprehensive income not to be reclassified to profit or loss in subsequent year						
Re-measurement gains on defined benefit plans	77.73	0.04	35.51	0.03	185.12	0.20
Income tax effect	(19.56)	(0.01)	(8.94)	(0.01)	(46.59)	(0.05)
Net other comprehensive income not to be reclassified to profit or loss in subsequent year	58.17	0.03	26.57	0.02	138.53	0.15
Total comprehensive income for the year	9,587.84	5.30	4,425.09	3.28	291.75	0.32
Profit for the year						
- Owners of the Group	9,529.12	5.27	4,398.52	3.26	153.22	0.17
- Non-controlling interest	0.56	-	-	-	-	-
Other comprehensive income for the year						
- Owners of the Group	58.17	0.03	26.57	0.02	138.53	0.15
- Non-controlling interest	-	-	-	-	-	-
Total comprehensive income for the year						
- Owners of the Group	9,587.28	5.30	4,425.09	3.28	291.75	0.32
- Non-controlling interest	0.56	-	-	-	-	-
Earnings per share (of ₹10 each)						
- Basic (₹)	14.04	-	6.48	-	0.23	-
- Diluted (₹)	13.97	-	6.48	-	0.23	-

Fiscal 2023 compared to Fiscal 2022

Income

Our total income increased by 34.14% to ₹1,80,810.56 lakhs in Fiscal 2023 from ₹1,34,792.33 lakhs in Fiscal 2022.

Revenue from operations

Our revenue from operations increased by 34.75% to ₹1,79,858.70 lakhs in Fiscal 2023 from ₹1,33,478.74 lakhs in Fiscal 2022 primarily due to increase in execution from our higher value contracts. During this period, our order book value increased from ₹8,70,188.28 lakhs in Fiscal 2022 to ₹9,51,256.95 lakhs in Fiscal 2023, which resulted in a consequent increase in revenue from operations.

Other income

Our other income reduced by 27.54% to ₹951.86 lakhs in Fiscal 2023 from ₹1,313.59 lakhs in Fiscal 2022 primarily due to (a) reduction in interest on fixed deposits received and (b) reduction in other miscellaneous income.

Expenses

Our total expenses increased by 29.96% to ₹1,67,264.82 lakhs in Fiscal 2023 from ₹1,28,708.49 lakhs in Fiscal 2022.

Cost of materials consumed

Our cost of materials consumed increased by 20.44% to ₹66,830.14 lakhs in Fiscal 2023 from ₹55,488.86 lakhs in Fiscal 2022 primarily due to an increase in component of projects executed during this period, resulting in a corresponding increase in materials consumed.

Construction expenses

Our construction expenses increased by 45.04% to ₹54,507.52 lakhs in Fiscal 2023 from ₹37,580.83 lakhs in Fiscal 2022 primarily due to an increase in labour / subcontractor charges, which was consequent to a higher number of projects constructed during this period. Construction expenses also increased during this period on account of a marginal increase in electricity expenses and equipment hire charges.

Employee benefit expenses

Our employee benefit expenses increased by 17.22% to ₹12,763.84 lakhs in Fiscal 2023 from ₹10,889.09 lakhs in Fiscal 2022 primarily due to an increase in the number of employees as well as salary increments.

Finance costs

Our finance costs increased by 33.52% to ₹8,942.64 lakhs in Fiscal 2023 from ₹6,697.82 lakhs in Fiscal 2022 primarily due to an increase in our total borrowings as well as an increase in interest rates charged.

Depreciation and amortisation expenses

Our depreciation and amortization expense collectively increased by 37.63% to ₹13,599.63 lakhs in Fiscal 2023 from ₹9,881.31 lakhs in Fiscal 2022 primarily due to higher amortization of site establishment expense linked to increase in contract revenues and increase in property, plant and equipment and depreciation thereon.

Other expenses

Our other expenses increased by 29.99% to ₹10,621.05 lakhs in Fiscal 2023 from ₹8,170.58 lakhs in Fiscal 2022 primarily due to higher impairment allowance for trade receivables taken in Fiscal 2023.

Tax expenses

Our total tax expenses increased to ₹4,065.66 lakhs in Fiscal 2023 from ₹1,611.20 lakhs in Fiscal 2022, due to increase in profit before tax and higher deferred tax due to timing difference.

Profit after tax

As a result of the foregoing factors, our profit after tax increased to ₹9,529.68 lakhs in Fiscal 2023 from ₹4,398.52 lakhs in Fiscal 2022.

Fiscal 2022 compared to Fiscal 2021

Income

Our total income increased by 48.37% to ₹1,34,792.33 lakhs in Fiscal 2022 from ₹90,851.73 lakhs in Fiscal 2021.

Revenue from operations

Our revenue from operations increased by 51.73% to ₹1,33,478.74 lakhs in Fiscal 2022 from ₹87,972.19 lakhs in Fiscal 2021, primarily due to increase in execution from our higher value contracts.

Other income

Our other income decreased by 54.38 % to ₹1,313.59 lakhs in Fiscal 2022 from ₹2,879.54 lakhs in Fiscal 2021 primarily due to (a) reduction in interest on fixed deposits and (b) reduction in miscellaneous income.

Expenses

Our total expenses increased by 42.42% to ₹1,28,708.49 lakhs in Fiscal 2022 from ₹90,369.67 lakhs in Fiscal 2021.

Cost of materials consumed

Our cost of materials consumed increased by 55.47% to ₹55,488.86 lakhs in Fiscal 2022 from ₹35,691.33 lakhs in Fiscal 2021 primarily due to an increase in component of projects executed during this period, resulting in a corresponding increase in materials consumed.

Construction expenses

Our construction expenses increased by 53.24% to ₹37,580.83 lakhs in Fiscal 2022 from ₹24,523.99 lakhs in Fiscal 2021, primarily due to an increase in labour / subcontractor charges and electricity expenses.

Employee benefit expenses

Our employee benefit expenses increased by 38.17% to ₹10,889.09 lakhs in Fiscal 2022 from ₹7,880.75 lakhs in Fiscal 2021, primarily due to an increase in the number of employees.

Finance costs

Our finance costs marginally decreased by 4.72% to ₹6,697.82 lakhs in Fiscal 2022 from ₹7,029.65 lakhs in Fiscal 2021.

Depreciation and amortisation expenses

Our depreciation and amortisation expense increased by 9.59% to ₹9,881.31 lakhs in Fiscal 2022 from ₹9,016.23 lakhs in Fiscal 2021 primarily due to higher amortization of site establishment expense linked to increase in contract revenues.

Other expenses

Our other expenses increased by 31.20% to ₹8,170.58 lakhs in Fiscal 2022 from ₹6,227.72 lakhs in Fiscal 2021, primarily due to higher impairment allowance for trade receivables taken in Fiscal 2023.

Tax expenses

Our tax expenses increased to ₹1,611.20 lakhs in Fiscal 2022 from ₹304.55 lakhs in Fiscal 2021, due to increase in profit before tax and adjustment of tax of earlier years.

Profit after tax

As a result of the foregoing factors, our profit after tax increased to ₹4,398.52 lakhs in Fiscal 2022 from ₹153.22 lakhs in Fiscal 2021.

INDEBTEDNESS

As of September 30, 2023, we had total outstanding borrowings of ₹35,748.09 lakhs. The table below sets forth the details of our outstanding borrowings as of September 30, 2023:

Category of borrowing	Outstanding amount as on September 30, 2023 (in ₹ lakhs)
Long Term Borrowings (A)	
Secured	4,840.02
Unsecured	-
Total Long Term Borrowings (A)	4,840.02
Short term borrowings (B)	
Secured	28,089.82
Unsecured	2,818.25
Total Short Term Borrowings (B)	30,908.07
Total (A+B)	35,748.09

PROVISIONS

The table below sets forth our provisions as at March 31, 2023:

Particulars	As at March 31, 2023 (in ₹ lakhs)
Non-current	
Provision for employee benefits	
Gratuity	181.45
Total	181.45
Current	
Provision for employee benefits	
Gratuity	366.07
Leave encashment	66.63
Other provisions	31.28
Total	463.98

CONTINGENT LIABILITIES

The table below sets forth the principal components of our contingent liabilities as at March 31, 2023 as per Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets:

Particulars	As at March 31, 2023 (in ₹ lakhs)
Bank guarantees	8,014.67
Provident fund	106.29
GST demand	4,000.17
Maharashtra Value added Tax	178.53

Note: With respect to certain matters relating to issue of shares in earlier years, the Group has made suo-moto application to Registrar of Companies (ROC), Mumbai, for compounding of offences under Section 42, 62 read with the applicable rules thereunder of the Companies Act. The matter is still pending with the ROC, Mumbai, the impact of the same on the financial statements is not ascertainable. There is no further development in this matter.

For details of our contingent liabilities as at March 31, 2023, March 31, 2022 and March 31, 2021 as per Ind AS 37, see “Financial Information” on page 203.

CAPITAL AND OTHER COMMITMENTS

The table below sets forth the capital and other commitments as at March 31, 2023:

Particulars	As at March 31, 2023 (in ₹ lakhs)
Estimated amount of contracts remaining to be executed on capital account (net of advances) - on property plant and equipment	669.16
Total	669.16

LIQUIDITY AND CAPITAL RESOURCES

Our primary liquidity requirements have been towards our working capital requirements. We have met these requirements from cash flows from operations, bank borrowings, promoter debt, issuance of securities, client advances and internal accruals. We evaluate our funding requirements regularly in light of our cash flow from our operating activities and market conditions.

Cash Flows

Six months period ended September 30, 2022 and September 30, 2023

The following table sets forth certain information concerning our cash flows for the periods indicated:

Particulars	(in ₹ lakhs)	
	Six months period ended September 30, 2023	Six months period ended September 30, 2022
Net cash flow from / (used in) operating activities (A)	(4,299.27)	(2,506.21)
Net cash flow from / (used in) investing activities (B)	(1,712.39)	(3,501.38)
Net cash flow from / (used in) financing activities (C)	3863.84	4,400.97
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(2,147.82)	(1,606.62)

Cash flow statement for the six months period ended September 30, 2023

Operating Activities

Our net cash used in operating activities was ₹4,299.27 lakhs in the six months period ended September 30, 2023. Our profit before tax for the six months period ended September 30, 2023 was ₹5,354.53 lakhs, which was predominantly adjusted for depreciation and amortisation expense of ₹5,219.39 lakhs, finance cost of ₹4,735.43 lakhs, trade receivables considered as bad debt of ₹2,400 lakhs and balances with government authorities written off of ₹1,557.00 lakhs, which was partially offset by liability no longer required written back of ₹1,513.00 lakhs. The resultant operating profit was adjusted for working capital changes, which primarily comprised of an increase in trade receivables of ₹11,364.94 lakhs, decrease in inventory of ₹1,084.05 lakhs, increase in other assets, other financial assets and contract assets of ₹11,050.16 lakhs, decrease in trade payables of ₹953.14 lakhs and decrease in other liabilities, other financial liabilities and contract liabilities of ₹854.21 lakhs. We also paid direct taxes, net of refunds received, of ₹1,241.80 lakhs.

Investing Activities

Our net cash used in investing activities was ₹1,712.39 lakhs in the six months period ended September 30, 2023, which was primarily due to purchase of property, plant and equipment (which included capital work in progress and capital advances) of ₹3,847.69 lakhs. This was partially offset by investments in bank deposits (having original maturity of more than three months), net, of ₹1,713.01 lakhs and interest received of ₹411.64 lakhs.

Financing Activities

Our net cash flow from financing activities was ₹3,863.84 lakhs in the six months period ended September 30, 2023, which was primarily due to proceeds from issue of share capital of ₹9,630.50 lakhs. This was partially offset by the repayment of long term borrowings of ₹3,149.76 lakhs and interest paid including interest on lease liability of ₹4,333.38 lakhs.

Cash flow statement for the six months period ended September 30, 2022

Operating Activities

Our net cash used in operating activities was ₹2,506.21 lakhs in the six months period ended September 30, 2022. Our profit before tax for the six months period ended September 30, 2022 was ₹6,784.75 lakhs, which was predominantly adjusted for depreciation and amortisation expense of ₹7,448.34 lakhs, finance cost of ₹4,315.08 lakhs, impairment allowance for trade receivables of ₹1,575.70 lakhs, which was partially offset by interest income of ₹354.30 lakhs. The resultant operating profit was adjusted for working capital changes, which primarily comprised of a decrease in trade receivables of ₹7,942.11 lakhs, increase in trade payables of ₹9,086.63 lakhs, increase in other assets, other financial assets and contract assets of ₹34,710.68 lakhs and decrease in other liabilities, other financial liabilities and contract liabilities of ₹6,433.89 lakhs. We also paid direct taxes, net of refunds received, of ₹1,013.94 lakhs.

Investing Activities

Our net cash used in investing activities was ₹3,501.38 lakhs for the six months period ended September 30, 2022, which was primarily due to purchase of property, plant and equipment (which included capital work in progress

and capital advances) of ₹5,384.02 lakhs. This was partially offset by net investments in bank deposits (having original maturity of more than three months) of ₹830.50 lakhs and interest received of ₹614.58 lakhs.

Financing Activities

Our net cash flow from financing activities was ₹4,400.97 lakhs in the six months period ended September 30, 2022, which was primarily due to proceeds received from long term borrowings of ₹4,532.33 lakhs and net proceeds received from short term borrowings of ₹4,995.83 lakhs, which was partially offset by the repayment of long term borrowings of ₹2,328.51 lakhs and interest paid (including interest on lease liabilities) of ₹3,933.30 lakhs.

Fiscals 2023, 2022 and 2021

The following table sets forth certain information concerning our cash flows for the periods indicated:

	<i>(in ₹ lakhs)</i>		
Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Net cash flow from / (used in) operating activities (A)	10,134.83	3,449.46	7,703.28
Net cash flow from / (used in) investing activities (B)	(4,279.16)	(2,293.10)	(12,213.49)
Net cash flow from / (used in) financing activities (C)	(3,360.44)	71.29	(5,265.16)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	2,495.23	1,227.65	(9,775.37)

Cash flow statement for Fiscal 2023

Operating Activities

Our net cash flow from operating activities was ₹10,134.83 lakhs in Fiscal 2023. Our profit before tax for Fiscal 2023 was ₹13,595.34 lakhs, which was predominantly adjusted for depreciation and amortisation expense of ₹13,599.63 lakhs, finance cost of ₹8,942.64 lakhs, impairment allowance for trade receivables of ₹4,844.12 lakhs and loss on sale of property, plant and equipment of ₹534.51 lakhs, which was partially offset by finance income of ₹717.62 lakhs. The resultant operating profit was adjusted for working capital changes, which primarily comprised of an increase in trade receivables of ₹1,641.76 lakhs, decrease in loans of ₹1,300.00 lakhs, decrease in inventory of ₹1,299.27 lakhs, increase in other assets and other financial assets of ₹34,841.00 lakhs, increase in trade payables of ₹9,111.90 lakhs and decrease in other liabilities and other financial liabilities of ₹4,576.34 lakhs. We also paid direct tax, net of refunds, of ₹1,747.51 lakhs in Fiscal 2023.

Investing Activities

Our net cash used in investing activities was ₹4,279.16 lakhs in Fiscal 2023, which was primarily due to purchase of property, plant and equipment (which included capital work in progress and capital advances) of ₹9,237.26 lakhs. This was partially offset by net maturity proceeds received from banks of ₹3,389.91 lakhs and interest received of ₹1,130.62 lakhs.

Financing Activities

Our net cash used in financing activities was ₹3,360.44 lakhs in Fiscal 2023, which was primarily due to repayment of long term borrowings of ₹4,736.69 lakhs and interest paid (including interest on lease liability) of ₹8,283.59 lakhs. This was partially offset by the proceeds received from long term borrowings of ₹5,332.50 lakhs, net proceeds/ repayments from short term borrowings, of ₹3,251.15 lakhs and money received against share warrants of ₹1,240.00 lakhs.

Cash flow statement for Fiscal 2022

Operating Activities

Our net cash flow from operating activities was ₹3,449.46 lakhs in Fiscal 2022. Our profit before tax for Fiscal 2022 was ₹6,009.72 lakhs, which was predominantly adjusted for depreciation and amortisation expense of ₹9,881.31 lakhs, finance cost of ₹6,697.82 lakhs, impairment allowance for trade receivables of ₹2,271.83 lakhs, which was partially offset by finance income of ₹1,032.11 lakhs and profit on sale of property, plant and equipment of ₹225.80 lakhs. The resultant operating profit was adjusted for working capital changes, which primarily comprised of an increase in trade receivables of ₹14,738.33 lakhs, increase in inventories of ₹1,109.12 lakhs, increase in other assets and other financial assets of ₹6,470.27 lakhs, increase in trade payables of

₹10,568.48 lakhs and decrease in other liabilities and other financial liabilities of ₹6,110.01 lakhs. We also paid direct tax, net of refunds, of ₹2,538.07 lakhs in Fiscal 2022.

Investing Activities

Our net cash used in investing activities was ₹2,293.10 lakhs for Fiscal 2022, which was primarily due to purchase of property, plant and equipment (which included capital work in progress and capital advances) of ₹10,213.65 lakhs. This was partially offset by net maturity proceeds received from banks of ₹6,708.59 lakhs and interest received of ₹953.53 lakhs.

Financing Activities

Our net cash flow from financing activities was ₹71.29 lakhs in Fiscal 2022, which was primarily due to proceeds received from long term borrowings of ₹10,030.26 lakhs, which was partially offset by the repayment of long term borrowings of ₹4,374.27 lakhs and interest paid (including interest on lease liabilities) of ₹6,231.29 lakhs.

Cash flow statement for Fiscal 2021

Operating Activities

Our net cash flow from operating activities was ₹7,703.28 lakhs in Fiscal 2021. Our profit before tax for Fiscal 2021 was ₹457.77 lakhs which was predominantly adjusted for depreciation and amortisation expense of ₹9,016.23 lakhs, finance cost of ₹7,029.65 lakhs, impairment allowance for trade receivables of ₹2,129.10 lakhs which was partially offset by interest income of ₹1,720.24 lakhs. The resultant operating profit was adjusted for working capital changes, which primarily comprised of an increase in trade receivables of ₹2,126.96 lakhs, increase in other assets and other financial assets of ₹2,841.96 lakhs, increase in trade payables of ₹9,327.99 lakhs, decrease in provisions of ₹984.89 lakhs and increase in other liabilities and other financial liabilities of ₹6,619.67 lakhs. We also paid direct tax, net of refunds, of ₹819.71 lakhs in Fiscal 2021.

Investing Activities

Our net cash used in investing activities was ₹12,213.49 lakhs in Fiscal 2021, which was primarily due to purchase of property, plant and equipment including capital work in progress and capital advances of ₹11,256.74 lakhs and investments in bank deposits (having original maturity of more than three months) of ₹2,508.57 lakhs. This was partially offset by interest received of ₹1,510.96 lakhs.

Financing Activities

Our net cash used in financing activities was ₹5,265.16 lakhs in Fiscal 2021, which was primarily due to repayment of long term borrowings of ₹3,251.24 lakhs and interest paid including interest on lease liability of ₹6,732.59 lakhs. This was partially offset by the proceeds received from long term borrowings of ₹3,293.43 lakhs, and net proceeds / repayments from short term borrowings of ₹1,839.13 lakhs.

QUANTITATIVE AND QUALITATIVE DISCLOSURE OF MARKET RISK

We are exposed to risks that are related to the normal course of our operations such as market risk, credit risk and liquidity risk which may affect the value of our financial liabilities, our cash flows and our results of operations.

1. 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 two types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include borrowings.

(a) Interest rate risk management

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. Our exposure to the risk of changes in market interest rates relates primarily to our long-term debt obligations with floating interest rates.

(b) Interest rate sensitivity:

The sensitivity analysis below have been determined based on exposure to interest rates for long-term debt obligations with floating interest rates at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in case of term loans that have floating rates:

(in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Increase in basis points	+50	+50	+50
Effect on profit before tax	(173.58)	(153.64)	(148.61)
Decrease in basis points	(50)	(50)	(50)
Effect on profit before tax	173.58	153.64	148.61

2. Credit risk management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. We are exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. We only deals with parties which has good credit rating/ worthiness given by external rating agencies or based on companies internal assessment.

Our customer profile includes mainly large private corporates. Our average project execution cycle is around 36 to 48 months. General payment terms include mobilisation advance, monthly progress payments with a credit period ranging from 45 to 90 days and certain retention money to be released at the end of the project. In some cases retentions are substituted with bank/corporate guarantees. We have a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation.

We have not acquired any credit impaired asset. There was no modification in any financial assets.

Non certification of works billed

The costs incurred on projects are regularly monitored through the Project budgets. Costs which are incurred beyond the agreed terms and conditions of the contract, would be claimed from the customer, based on the actual works performed. The realisability of such claims, is verified by professionals, who certify the tenability of such claims and also the collectible amounts, by applying appropriate probabilities. Costs, which are identified as non-tenable or costs beyond the collectible amounts, as mentioned above, would be provided in the books of accounts.

Set out below the information about the credit risk exposure of the Group's trade receivable using provision matrix:-

(in ₹ lakhs)

At March 31, 2023	< 6 months	6 months - 1 year	1-2 years	2- 3 years	More than 3 Years	Total
ECL Rate	0.60%	8.10%	7.20%	6.80%	28.40%	
Estimated total gross carrying amount at default	27,863.21	3,164.85	4,302.74	5,367.69	6,746.20	47,444.69
ECL specified approach	169.77	255.07	310.01	362.69	1,916.04	3,013.59
Net carrying amount	27,693.44	2,909.77	3,992.72	5,005.00	4,830.16	44,431.10

Reconciliation of impairment allowance on trade and other receivables

(in ₹ lakhs)

Impairment allowance as on April 1, 2021	4,975.07
Add/(Less): provision on expected credit loss	3,172.74
(Less): Bad debt written off	(900.91)
Impairment allowance as on April 1, 2022	7,246.90
Add/ (Less): provision on expected credit loss	4,544.12
(Less) Bad debt written off	(6,624.03)
(Less) Bad debt written off on other receivables	(2,153.40)
Impairment allowance as on March 31, 2023	3,013.59

3. Liquidity risk management

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

(in ₹ lakhs)

Particulars	On demand	Within 12 months	After 12 months	Total
Year ended March 31, 2023				
Borrowings (including current maturities)	15,818.46	9,623.50	11,162.49	36,604.45
Other financial liabilities	-	5,902.10	4,413.88	10,315.98
Lease liabilities	-	219.62	165.24	384.86
Trade payables	-	63,364.02	-	63,364.02
	15,818.46	79,109.24	15,741.61	1,10,669.31
Year ended March 31, 2022				
Borrowings (including current maturities)	9,570.39	9,522.52	13,736.60	32,829.51
Other financial liabilities	-	4,627.23	3,589.41	8,216.64
Lease liabilities	-	244.03	443.21	687.24
Trade payables	-	52,899.80	-	52,899.80
	9,570.39	67,293.57	17,769.22	94,633.19

Interest coverage ratio

Interest coverage ratio for the six months period ended September 30, 2023 and Fiscals 2023, 2022 and 2021 is set out below:

Particulars	For the financial years/period ended			
	September 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Profit after tax (A) (in ₹ lakhs)	3,893.65	9,529.68	4,398.52	153.22
Interest Cost (B) (in ₹ lakhs)	2,506.08	4,808.76	2,745.27	3,674.98
Profit before interest and after tax (C= A+B) (in ₹ lakhs)	6,399.73	14,338.44	7,143.79	3,828.20
Interest coverage ratio (number of times) (on a consolidated basis) (C/B)	2.55	2.98	2.60	1.04

Other qualitative factors

Unusual or Infrequent Events or Transactions

Except as described in this Preliminary Placement Document, to our knowledge, there have been no events or transactions that may be described as “unusual” or “infrequent”.

Known Trends or Uncertainties

Our business has been affected and we expect will continue to be affected by the trends identified above in “*Significant Factors Affecting Results of our Operations*” and the uncertainties described in “*Risk Factors*” on pages 93 and 41, respectively. To our knowledge, except as described or anticipated in this Preliminary Placement Document, there are no known factors which we expect will have a material adverse impact on our revenues or income from continuing operations.

Seasonality of Business

Our financial condition and results of operations may be affected by seasonal factors primarily due to the reasons described in “- *Seasonality and weather conditions*” above on page 95. Also see, “*Risk Factors – Our business is*

subject to seasonal weather and other fluctuations that may affect our cash flows and business operations.” on page 55.

Suppliers or Customer Concentration

As at September 30, 2023, our top 10 clients contributed 79.07% of our Order Book. For further details, see “*Risk Factors – Projects awarded from certain clients contribute significant portion of our Order Book and the loss of such clients may adversely affect our business, results of operations and financial condition*” and “*Our Business*” on pages 44 and 128, respectively.

Competitive Conditions

We operate in a competitive environment. Please see “*Our Business - Competition*” and “*Industry Overview*” on pages 138 and 79, respectively, for further information on our industry and competition.

Statutory Auditors’ Qualifications or Observations

Except as disclosed below, there are no reservations, qualifications, adverse remarks or emphasis of matters by the statutory auditors in their respective audit reports for our audited consolidated financial statements for the last five financial years and the review report on our Unaudited Consolidated Financial Results.

Six months period ended September 30, 2023

Qualification	Impact on the financial statements and financial position of the Company	Corrective steps taken and/or proposed to be taken by the Company
Statutory Auditors have drawn attention to a note in the consolidated financial results wherein, trade receivable as at September 30, 2023 includes ₹1,156 lakhs in respect of one party which was earlier considered as Bad debts/Provided as Expected Credit Loss Allowance, the management has now recorded recovery of the said receivables by giving effect in Other Income/Expected Credit Loss Allowance for the quarter ended September 30, 2023 and year to date from April 1, 2023 to September 30, 2023, based on future recoverability projections. In the absence of sufficient appropriate evidence about the recoverability of the said Receivable, Statutory Auditors are unable to comment on the recoverability and provision, if any, required on such Receivable.	Impact not ascertainable	Not applicable

Emphasis of matter	Impact on the financial statements and financial position of the Company	Corrective steps taken and/or proposed to be taken by the Company
Statutory Auditors have drawn attention to a note in the consolidated financial results in respect of Group’s operations included trade receivables, other exposures and contract asset with long time outstanding amount of ₹6,020 lakhs as on September 30, 2023. The Group has taken legal course against those parties, including enforcement of available security, to recover those assets. The outcome of such legal action is not ascertainable at present. The management is confident of its recoverability and hence no further provision is required in these unaudited consolidated financial results.	Impact not ascertainable	Not applicable

Emphasis of Matter	Impact on the financial statements and financial position of the Company	Corrective steps taken and/or proposed to be taken by the Company
Statutory Auditors have drawn attention to a note in the consolidated Ind AS financial statements which is in relation to the change in accounting policy of measuring the progress towards satisfaction of performance obligation for revenue recognition from output method to input method. Consequent to aforementioned change in accounting policy by our Company, the Group has restated the comparative financial figures as at April 1 2021 and for the year ended March 31, 2022 included in the consolidated Ind AS financial statements, in accordance with the requirements of Ind AS 8 – ‘Accounting Policies, Changes in Accounting Estimates and Errors.’	Please refer to Note 1 below	Not applicable
Statutory Auditors have drawn attention to a note in the consolidated Ind AS financial statements in respect of the Group’s trade receivables, other exposures and contract asset with long time outstanding amount of ₹6,809 Lakhs as on the balance sheet date. The Group has taken legal course against those parties, including enforcement of available security, to recover those assets. The outcome of such legal action is not ascertainable at present. The Group’s management is confident of its recoverability and hence no provision has been made against the same in the books of accounts. Statutory Auditor’s conclusion is not modified in respect of the above matters.	No impact	Not applicable

Note 1:

Impact on Statement of Profit and Loss:	Increase/(decrease) (in ₹ lakhs)	
	Fiscal ended March 31, 2023	Fiscal ended March 31, 2022
Revenue from operations	851.75	504.07
Profit before tax	851.75	504.07
Tax Expenses	214.37	126.86
Profit for the period	637.38	377.21
Basic earnings per share	0.94	0.56
Diluted earnings per share	0.90	0.56

Impact on Balance Sheet:	Increase/(decrease) (in ₹ lakhs)		
	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
Unbilled work-in-progress (Other current financial assets)	851.75	504.07	(1,539.65)
Retained earnings (Under equities)	637.38	377.21	(1,152.15)
Current tax	214.37	-	-
Deferred tax assets	-	-	387.50
Deferred tax liabilities	-	126.86	-

Fiscal 2022

Emphasis of Matter	Impact on the financial statements and financial position of the Company	Corrective steps taken and/or proposed to be taken by the Company
Statutory Auditors have drawn attention to a note in the consolidated Ind AS financial statements, which describes the management assessment of uncertainties related to COVID-19 and its consequential impact, including the recoverability of its assets and operations of the Group. Statutory Auditor's conclusion is not modified in respect of the above matters.	Impact not ascertainable	Not applicable

Fiscal 2021

Emphasis of Matter	Impact on the financial statements and financial position of the Company	Corrective steps taken and/or proposed to be taken by the Company
Statutory Auditors have drawn attention to a note in the consolidated Ind AS financial statements, which describes the management assessment of uncertainties related to COVID-19 and its consequential impact, including the recoverability of its assets and operations of the Group. Statutory Auditor's conclusion is not modified in respect of the above matters.	Impact not ascertainable	Not applicable

Fiscal 2020

Emphasis of Matter	Impact on the financial statements and financial position of the Company	Corrective steps taken and/or proposed to be taken by the Company
Statutory Auditors have drawn attention to a note in the consolidated Ind AS financial statements, which describes the management assessment of uncertainties related to COVID-19 and its consequential impact, including the recoverability of its assets and operations of the Group. Statutory Auditor's opinion is not modified with respect to this matter	Impact not ascertainable	Not applicable

SIGNIFICANT DEVELOPMENTS

Except as disclosed below, no circumstances have arisen since September 30, 2023 that materially and adversely affect, or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next twelve months.

- Our Company redeemed entire 1,000 senior, unlisted, redeemable non-convertible debentures of face value ₹10,00,000 each, aggregating to ₹8,448 lakhs on November 28, 2023.
- Our Company has availed a credit facility from Kotak Mahindra Bank Limited aggregating to ₹8,500 lakhs pursuant to a sanction letter dated October 16, 2023.
- Our Company has repaid a loan (including accrued interest) which was availed from our Promoter, Rohit Katyal and has partly repaid a loan (including accrued interest) which was availed from our Promoter, Rahul Katyal, aggregating to ₹2,307.85 lakhs, on December 7, 2023 and December 8, 2023.
- Pursuant to conversion of warrants: on our Company has allotted 31,00,000 Equity shares to one of our Promoter and a member of our Promoter Group. For further details, see "Capital Structure- Equity Share capital history of our Company" on page 75.

- Our Promoters, Rahul Katyal and Rohit Katyal, have jointly executed an indemnity agreement dated January 5, 2024 (supplemental to the original agreement dated March 31, 2023 and October 1, 2023), with our Company wherein they have provided an irrevocable guarantee to indemnify the certain long outstanding receivables of our Company to the extent of ₹1,659.31 lakhs.

OUR BUSINESS

Some of the information in this section, including information with respect to our business plans and strategies, contain forward looking statements that involve risks and uncertainties. You should read “Forward-Looking Statements” on page 15 for a discussion of the risks and uncertainties related to those statements and also “Risk Factors” on page 41 for a discussion of certain risks that may affect our business, financial condition, or results of operations, and “Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 203 and 92, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

To obtain a complete understanding of our business, please read this section in conjunction with “Risk Factors”, “Industry Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 41, 79 and 92, respectively, as well as the financial, statistical and other information included in this Preliminary Placement Document. Unless otherwise indicated or the context requires otherwise, the financial information included herein is based on our Audited Consolidated Financial Statements included in this Preliminary Placement Document. For further information, see “Financial Information” on page 203.

Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled “Assessment of the construction industry in India” dated September 2023 and addendum to the report dated January 2024, prepared by CRISIL Market Intelligence & Analytics (CRISIL MI&A) (“CRISIL Report”). CRISIL Limited was appointed pursuant to engagement letter dated September 7, 2023. CRISIL is not related in any manner to our Company, its Subsidiary, Directors, Key Managerial Personnel, members of Senior Management, our Promoters or the BRLM. Unless otherwise stated, references in this section to “we”, “our” or “us” are to our Company along with our Consolidated Subsidiaries, on a consolidated basis.

Overview

We are an engineering, procurement and construction (“EPC”) company headquartered in Mumbai, providing end-to-end building construction services with a portfolio comprising of residential projects, commercial office buildings, such as data centres and buildings for educational, hospitality and healthcare purposes, and other institutional buildings along with buildings for mixed use. Over the years we have leveraged our expertise and experience to deliver complex construction projects and developed a brand with a reputation for delivering quality services with efficient execution and on-time delivery of projects. Our core capabilities include construction of building structures as well as composite steel structures. We also provide mechanical, electrical and plumbing (“MEP”) and finishing works including interior services.

We have a history of successfully completing 49 projects till date and currently, have 8 active projects in the public sector and 23 active projects in the private sector. We predominantly operate in the Mumbai Metropolitan Region (“MMR”) with ongoing projects in the National Capital Region (“NCR”), Pune Metropolitan Region (“PMR”), Gandhinagar, Kochi and Goa. In the past we have successfully completed projects in MMR, NCR, Varanasi, Bengaluru, Chennai and Hyderabad. We work with a number of reputed clients and are associated with some of the marquee construction projects in India, in both the public and the private sectors.

We focus our operations in construction of the following categories of buildings:

- c) *High Rise and Super High Rise Buildings* - buildings with seven or more floors as high-rise and 40 or more floors as super high-rise buildings; and
- d) *Other Buildings* - buildings such as commercial office complexes, malls, healthcare, factory buildings, railway depots, data centers, multilevel car parks and projects in special economic zone.

Details of certain of our notable projects include:

Name of project executed in the last three years / under execution	Status of the project	Type of buildings
<ul style="list-style-type: none">• Lodha Splendora• Lodha One Altamount• The Park – Blue Moon	Completed	Super High Rise Buildings
Auris Serenity Tower-1 & II	Completed	Super High Rise Buildings
Enigma	Completed	Super High Rise Buildings

Name of project executed in the last three years / under execution	Status of the project	Type of buildings
Tata Cancer Hospital	Completed	Institutional Buildings
Furein Engineering Construction	Completed	Institutional Buildings
Hiranandani - The Walk	Completed	High Rise Buildings
Upliftment Project - Sub Cluster 03	Completed	High Rise Buildings
World Trade Center	Completed	High Rise Buildings
Godrej Summit Phase - II	Completed	Gated Community
<ul style="list-style-type: none"> • Oberoi Garden City- 3 • Commerz 3 • Skycity Tower F,G & H 	In progress	Super High Rise Buildings
Piramal Mahalaxmi	In progress	Super High Rise Buildings
Sector 04, of Saifee Burhani Upliftment	In progress	Super High Rise Buildings
One Mahalaxmi	In progress	Super High Rise Buildings
<ul style="list-style-type: none"> • Ten X Habitat; • Premium Towers; • Ten X Era 	In progress	Super High Rise Buildings
CIDCO- Package 2	In progress	High Rise Buildings
JJ Hospital	In progress	High Rise Buildings

We have adopted a strategy of owning equipment that is required throughout the lifetime of a project, that is, various kinds of formworks, tower cranes, passenger and material hoists, concrete pumps, boom placers and other equipment necessary for building construction (collectively, “**Core Assets**”) as this allows us to have timely access to key equipment required for our business. Accordingly, as at March 31, 2023, we had a consolidated net book value of property, plant and equipment amounting to ₹64,785.95 lakhs, including ₹46.087.29 lakhs of Core Assets constituting 71.14% of our net book value of property, plant and equipment.

As of September 30, 2023, we had an order book of ₹10,23,291.14 lakhs comprising 31 ongoing projects, consisting of 19 residential projects, 9 commercial & office buildings and other institutional buildings, and 3 mixed use developments. Our order book value from the public sector, accounted for 64% of our total order book, amounting to ₹6,50,312.79 lakhs as at September 30, 2023 and our order book value from the private sector, accounted for 36% of our total order book, amounting to ₹3,72,978.35 lakhs as on September 30, 2023.

Our revenue from operations, on a consolidated basis, was ₹85,206.51 lakhs, ₹1,79,858.70 lakhs, ₹1,33,478.74 lakhs and ₹87,972.19 lakhs for the six month period ended September 30, 2023 and for financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, respectively. Our profit after tax, on consolidated basis, was ₹3,893.65 lakhs, ₹9,529.68 lakhs, ₹4,398.52 lakhs and ₹153.22 lakhs for the six month period ended September 30, 2023 and for financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, respectively. Our EBITDA, on consolidated basis, was ₹15,309.35 lakhs, ₹36,137.61 lakhs, ₹22,588.85 lakhs and ₹16,503.65 lakhs for the six month period ended September 30, 2023 and for financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, respectively. Our total equity on consolidated basis, was ₹1,07,345.21 lakhs, ₹97,292.34 lakhs and ₹92,882.15 lakhs as at March 31, 2023, March 31, 2022 and March 31, 2021, respectively. Our debt to equity ratio stood at 0.34, 0.34, and 0.31 as at March 31, 2023, March 31, 2022 and March 31, 2021, respectively.

We have received an ISO 9001:2015 certification for our quality management system, ISO 14001:2015 certification for our environmental management system and ISO 45001:2018 certification for our occupational health and safety management systems. In recent times, we have also received the following awards:

- Construction world Global Award 2023 – India’s Top Challengers
- CIDC Vishwakarma Achievement Award from the Construction Industry Development Council in 2017, 2018, 2021 and 2022 for various projects in NCR and Mumbai for construction, health, safety and environment;
- Award for completion of 1 million safe man-hours from Seth Creators in 2022;
- Construction World Global Awards 2022 –Top challenger.
- Certificate of Achievement from Piramal Mahalaxmi Projects for completion of 6 million safe man-hours in 2021;
- Golden Peacock Occupational Health and Safety Award – 2018; and
- Construction times award – Emerging construction company of the year 2017

Our Competitive Strengths

Established presence and track record with focus on building construction

We have an established presence in our areas of operation through dedicated focus on construction of residential and commercial office buildings and other institutional buildings. We believe that we are one of the few companies in the organised segment in India that concentrates specifically on undertaking building construction, without engaging in any other activities such as land development, infrastructure development or any other segment in the construction vertical. As of September 30, 2023, we have successfully completed over 49 projects spread across India in MMR, PMR, NCR, Varanasi, Bengaluru, Chennai and Hyderabad. We also offer MEP, finishing and interior services for the projects that we work on. We believe that our construction capabilities in concrete and composite steel structures augment our positioning as a building focused construction company providing the full spectrum of construction services. We also believe that our track record of efficient execution and on-time delivery has helped us build a brand that enjoys the trust of our customers and stakeholders.

Our ability to execute these projects, in a timely manner, using systems and processes that are aligned with the specific requirements of the building construction business, has enabled us to provide differentiated services in our area of operations. We believe that our concentrated focus on construction of buildings has also led to a high degree of specialization in this business, which attract several key private sector players from the real estate industry as well as enable us to qualify for public sector projects, which in turn, has enabled us to grow our order book. We believe that our demonstrated experience in developing large-scale projects provides us a crucial competitive advantage in our business, as we are in a position to meet the prequalification requirements necessary to enter the competitive bidding process for large potential projects.

Large order book with a marquee client base

Our order book, as of any particular date, consists of the value of unexecuted portions of our outstanding orders, that is, the total contract value of the existing contracts secured by us, as reduced by the value of work executed (excluding cost escalation) until the date of such order book. As at September 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021, our order book value was ₹10,23,291.14 lakhs, ₹9,51,256.95 lakhs, ₹8,70,188.28 lakhs and ₹8,71,972.90 lakhs, respectively, including wide variety of clients both in public sector as well as private sector. Our operations are also spread across various cities in India, including MMR, PMR, NCR and Gandhinagar and Goa. Diversifying our order book across different geographical regions, enables us to pursue a broader range of projects and therefore maximize our business volume. Our ability to maintain quality standards in our construction and our project execution skills, has allowed us to retain a strong order book.

We believe that we have created a marquee client base consisting of India's leading real-estate developers and public sector bodies, with our focus on executing high quality construction with the use of latest technology and processes along with a dedicated and efficient workforce. We have developed an effective business model of careful selection of projects in major cities, which is one of the important reasons for the growth and development of our business. We believe our value addition to the projects has also enabled us to convert first time clients into key accounts that provide sustained repeat orders over time. Our order book driven by repeat orders, provides us financial as well as operational benefits, such as clarity regarding future revenue potential and, work requirements. This also assists us in maximizing efficiency in terms of our working capital and optimize the use of our assets and personnel and helps to avoid risks associated with macroeconomic factors such as economic downturns.

Strong execution capabilities with a diversified mix of projects across the building construction horizon

We have been focussed on delivering large-scale, complex and high value projects in timely manner. In order to augment our execution capabilities, we maintain a large fleet of construction equipment that includes highly specialized equipment such as tower cranes, concrete pumps, auto climb formwork system, and weigh bridges and modern technologies such as temperature controlled concrete mass pours, and special concrete for vertical pumping and other necessary construction equipment. We believe that, in owning Core Assets that is required throughout the lifetime of a project allows us to have timely access to key equipment required for our business which in turn, enables us to meet the prequalification requirements necessary to enter the competitive bidding process for potential projects, remain competitive and to execute projects in a timely manner. Further, our design team innovates and designs products with a focus on integrated developments across several price points, in line with the consumer demand.

We use enterprise resource planning (“ERP”) across all of our projects, as well as other information technology

initiatives to enhance our capabilities in project management and execution and reduce the construction timelines. We have deployed 'Strategic ERP' system, which is specifically designed for the construction industry, and facilitates complete project management. We have built a strong supply network to support the sourcing and delivery of construction raw materials and equipment to the respective construction site locations. Our construction management team ensures efficient and rapid construction and completion of our projects, our quality assurance team is dedicated to ensuring the highest standards of construction in all our projects, and our procurement team works with Indian and overseas vendors who have the scale to deliver and meet our requirements to procure construction materials and equipment. Economies of scale and relationships with our suppliers assists us in cost optimization by providing volume-based benefits to such suppliers. We believe that our execution capabilities comprising strong in-house operations consisting of design, engineering, procurement, construction and quality assurance teams, is a critical factor that has contributed to our leading position

Strong financial performance

While our financial performance for the financial year ended March 31, 2021 was impacted on account of COVID-19, the significant growth of our business in the last three financial years has contributed considerably to our financial strength. Our total revenue from operations increased from ₹87,972.19 lakhs in the financial year ended March 31, 2021 to ₹1,79,858.70 lakhs in the financial year ended March 31, 2023 at a CAGR of 43% while our profit after tax increased from ₹153.22 lakhs in financial year ended March 31, 2021 to ₹9,529.68 lakhs in the financial year ended March 31, 2023 at a CAGR of 689%.

We believe that we have been able to achieve our growth, through our client relationships, efficient project execution and strong quality control systems in the projects that we construct. We strive to maintain a robust financial position with emphasis on having a strong balance sheet. Our balance sheet coupled with equity infusion and low levels of debt enable us to fund our strategic initiatives, pursue opportunities for growth and better manage unanticipated cash flow variations. As at March 31, 2023, our total assets were ₹262,380.77 lakhs, Total Borrowings were ₹36,604.45 lakhs, while our total equity was ₹1,07,345.21 lakhs. We have maintained low levels of leverage and have had a debt-to-equity ratio (calculated as the ratio of long term borrowings, short term borrowings and current maturities of long term borrowings to equity share capital) of 0.34, 0.34, and 0.31 as at March 31, 2023, March 31, 2022 and March 31, 2021, respectively. Further, in August 2023, India Ratings & Research has affirmed our credit rating of at "IND BB+" while resolving the rating watch with negative implications to a stable outlook, i.e., 'IND BB+ / Stable'.

Experienced senior management team and a skilled workforce

Our Promoters Mr. Rohit R. Katyal, Mr. Rahul R. Katyal and Mr. Subir Malhotra have extensive experience and play an active role in our operations, including through their participation in formulation of strategy, business direction, management of key client relationships and are both also actively involved in the management of our business and general administration on a day-to-day basis which is integral to our business and development. In addition to our Promoters, we have a dedicated and strong senior management team, who have significant experience in the construction industry and who are responsible for our overall strategic planning and business development. We believe that the leadership of our Promoters and our senior management team has been a driving force in the growth of our business since inception in 2012 and efficient implementation of the Company's business strategies. For more information, see "Board of Directors and Senior Management" on page 140. Additionally, as on September 30, 2023, we had a workforce of 2,650 employees of which 1,442 of these employees were our technical staff, with necessary experience in the use and handling of modern construction equipment and machinery, to effectively execute our projects. Our motivated senior management team and our indispensable workforce together with our internal systems and processes complement each other, to enable us to remain competitive and to execute projects in a timely manner.

Our Strategies

Continued focus on building construction with increasing share of large ticket projects

The building and construction sector is expected to grow at 4-6% in Fiscal 2024 with the increase in execution of deferred projects and government schemes such as Pradhan Mantri Aawas Yojna providing the required boost to the sector. Between Fiscals 2023 and 2027, the sector is expected to rise to ₹15.5-16.5 trillion from an investment of ₹12-12.5 trillion between Fiscals 2018 and 2022, thereby showing a rise of 1.3 times (Source: CRISIL Report). We intend to continue pursuing new marquee clients with our efficient business model of careful selection of the projects in larger cities having more appetite for residential projects, commercial office buildings and other

institutional buildings. We intend to focus on increasing our share of large ticket size projects and have recently, along with one of our partners, secured an order for a total contract value of approximately ₹57,500.00 lakhs from Rail Vikas Nigam Limited for setting up an EPC project in Maldives, which we propose to undertake through a joint venture, in which we will hold 51% of the shareholding. Additionally, in September 2023, we received an order from a reputed client which was valued at approximately ₹29,325.00 lakhs for construction of a commercial project in Maldives. Further, the demand for commercial real estate is expected to grow at 2.5-3% the next five years compared to 3.5-4% over Fiscal 2018 to 2022 (Source: CRISIL Report). The growth of our order book value from ₹8,70,188.28 lakhs as at March 31, 2022 to ₹9,51,256.95 lakhs as at March 31, 2023 and to ₹10,23,291.14 lakhs as at September 30, 2023, with projects mainly located in the MMR demonstrates our focus on retaining more clients in larger cities.

Focus on executing projects on design & build basis and lock-and-key basis

The projects where we undertake building construction services, including MEP, finishing and interior services are termed as “lock-and-key” projects. In lock-and-key projects, we are involved at all stages of construction of a building, from design, site development, foundation to warm shell to MEP, to finishing and interiors. Provision of MEP, finishing and interior services by us are cost effective as they allow us to spread our indirect costs. These cost efficiencies allow us to unlock greater revenues from each project and, therefore, the provision of such services, especially in lock-and-key projects, represents a significant value potential for us. For example, we are executing SBUT Sub Sector 4, CIDCO, MCGM – Harilal Bhagwati Municipal General Hospital, MCGM – Bhandup Hospital, JJ Hospital and IFSCA Head Quarter Building – GIFT SEZ, IOCL projects located in MMR and Gujarat on a lock-and-key basis. Further, such lock-and-key projects also enables us to strengthen our relationship with our clients, by enabling us to provide deeply integrated and value added services. Our lock-and-key projects constituted 70.79%, 81.68%, 62.47%, 65.64% of the total order book as on September 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021, respectively. In the future, we intend to seek a greater number of such lock-and-key projects, including contracts which we bid for and projects from our existing clientele.

We also execute projects on design-build basis where we enter into contracts with customers (including public sector projects) who provide structural and architectural designs to which we use our engineering capabilities and build as per the quality specifications of the customers. Our design-build projects constituted 40.72%, 43.32%, 51.72% and 53.62% of the total order book as on September 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021, respectively. Since there is a single ownership of architecture/design and construction, the entire process is strengthened and the developer shares the entire scope in a single contract with complete visibility to us. Undertaking design-build projects on a lump-sum payment basis, has increased our overall revenues by increasing the scope of work. In projects of such nature, we involve the design and construction personnel who help us to evaluate the alternative systems, materials and methods to execute projects efficiently and accurately. This also gives us an opportunity to estimate the total cost of the contract well in advance prior to executing project and we accordingly plan for resources in a timely manner. We are also able to overlap the design and construction phases to save time in design-build projects. This ability to simultaneously accept design-build and lock-and-key projects is our core strength coming from our deep experience in handling both types of projects. This reduces our dependency on either one of these types of clients.

Focus on undertaking public sector projects

The construction sector is projected to grow at 13-16% in Fiscal 2024 with major contribution by infrastructure segment given the rising investments and focus by GOI and state governments coupled with schemes such as NIP, NMP and Gati Shakti initiatives. Further the building and construction sector is expected to grow at 4-6% in Fiscal 2024 with the increase in execution of deferred projects and government schemes such as Pradhan Mantri Aawas Yojna providing the required boost to the sector (Source: CRISIL Report). While our order book value from the public sector projects, accounted for 63% of our total order book, amounting to ₹6,50,312.79 lakhs as at September 30, 2023, with a view to capitalise on the expected growth, we intend to increase the share of public sector projects of our order book. To this end we have also secured an order for a total contract value of approximately ₹57,500.00 lakhs from Rail Vikas Nigam Limited for setting up an EPC project in Maldives which will be undertaken through a joint venture to be set up in which we will hold 51% of the shareholding.

Focus on construction of healthcare, institutional and factory buildings

Various factors such as changing demographics, increasing life expectancy, rising income levels, lifestyle-related non-communicable diseases, greater awareness about health issues, growth in insurance coverage, and medical tourism will be the key demand drivers for healthcare delivery services in India in the years to come. Expected

increased allocation by state governments and from private entities is likely to see the healthcare sector grow at 8-10% over the next five fiscals recording a construction spend of ~₹34,000 crore compared to ₹27,700 crores over the past five years (Source: CRISIL Report). We intend to pursue more opportunities in the development of buildings in the healthcare sector to enable us to create value through complimentary asset classes in order to expand and diversify our revenue base and thereby mitigating the concentration risk.

We also plan to focus on expanding our project portfolio with increase in institutional and other factory buildings. We believe that despite being relatively new, we have established a robust presence in the factory and building sector, due to our lean balance sheet, flexible management and ability to adapt to change. We believe that, with the continued growth of the sectors such as technology and financial services, the demand for commercial real-estate will show an upward trend, which we intend to leverage for our business plans. We believe that we will be able to leverage this trend since we have an expertise in delivering large scale projects in metro cities like MMR, NCR and PMR. We are currently involved in MCGM – Harilal Bhagwati Municipal General Hospital, MCGM – Bhandup Hospital, JJ Hospital projects in the healthcare sector.

Our order book

Our order book, as of any particular date, consists of the value of unexecuted portions of our outstanding orders, that is, the total contract value of the existing contracts secured by us, as reduced by the value of work executed and billed (excluding cost escalation) until the date of such order book (“**Order Book**”). As at September 30, 2023, our total Order Book was ₹10,23,291.14 lakhs. For the purposes of our Order Book, we classify our projects on the basis of purpose as (a) commercial & institutional buildings; (b) residential buildings; and (c) mixed use developments.

The following is a break-up of our Order Book as at September 30, 2023:

		<i>(in ₹ lakhs)</i>
Categories	Order Book as on September 30, 2023	
Commercial & institutional buildings (A)	2,20,120.54	
Private Sector	55,814.81	
Public Sector	1,64,305.73	
Residential buildings (B)	4,37,371.42	
Private Sector	13,774.76	
Public Sector	4,23,596.66	
Mixed use developments (C)	3,65,799.17	
Private Sector	3,305.26	
Public Sector	3,62,493.91	
Total	10,23,291.14	

		<i>(in ₹ lakhs)</i>
Sub-categories	Order Book as on September 30, 2023	
High Rise Buildings	7,79,390.79	
Super High Rise	1,00,422.04	
Other Buildings	1,43,478.31	
Grand Total	10,23,291.14	

Our contractual arrangements

Typically contracts of our Company are on an item rate as well as on a milestone basis with a pre-determined schedule for project completion. Under our business agreements, our scope of work primarily consists of civil shell and core works (including demolition of existing structures, excavation works, shore piling works, reinforced cement concrete works, block work, plastering and associated waterproofing and miscellaneous works), to be completed in a timely manner and to the satisfaction of our clients.

A brief description of certain terms of our contracts is as follows:

Client obligations:

Our projects are typically awarded to us for construction of buildings as per the scope, drawings (other than in case of design and build projects, where the drawings are approved) and specifications provided or approved (as the case may be) by the clients, on the land made available by the clients, with applicable permits and clearances in place. The work carried out by us under our contracts is measured and paid for under the relevant bill of quantities. Our contracts include purchase of raw materials by us in most cases but some contracts have provision of raw materials by

our clients.

Construction methods and technology:

The construction methods to be adopted and the formwork technology to be deployed are firmed up while finalising the terms of the contracts, considering the speed of construction required, the design of works and site logistic requirements.

Cash flow arrangements:

In some of our contracts, the clients have provided some of the resources like formwork or plant & machinery and in a few other contracts the clients have funded the purchase of formwork. Certain of our contracts provide for establishment of a dedicated bank account for receipt of payment from clients for ready mix concrete and steel and payment therefrom to the respective vendors. These measures have reduced the capital investment and working capital requirements for our Company.

Performance security:

We are usually required to provide a guarantee equal to a fixed percentage of the contract value as performance security. We have been able to reduce the requirement of performance security in some contracts by way of extending corporate guarantees, leading to better management of working capital facilities available to us.

Mobilization advance and material advance:

Our contracts typically provide for payment of mobilisation advance at the initial stage of construction and a rolling advance for procurement of materials every month.

Measurement, certification and payment:

The actual work done is measured and certified for payment on monthly basis in most of our contracts, even as a few contracts provide for physical progress milestone linked payment mechanism and some contracts provide for fortnightly payments. The time period specified for certification and payment is less than 45-60 days in most of our contracts.

Price adjustment mechanism:

For contracts where we purchase raw materials, a price adjustment mechanism is typically included for major raw materials such as reinforcement steel and ready mix concrete. For contracts where we source raw materials, we typically obtain multiple quotes from suppliers for rate approval of raw materials on a monthly basis. In respect of labour cost and overhead cost components, based on internal estimates, appropriate escalation provisions are generally included in the cost estimates at the time of bidding for a project.

Variations:

Additional works, substitution items and changes between actual consumption of materials and the theoretical coefficient of consumption specified in some contracts (where built up unit area method of measurement is adopted) are variations to the contracts that get determined appropriately under the relevant terms.

Retention money:

Our contracts specify a certain percentage of the value of work executed to be withheld by the client as retention money. Generally, 50% of the retention money is releasable upon completion of the work and the remaining 50% of the retention money is releasable after end of the applicable defects liability period. However, the retention money can be replaced with bank guarantees during the construction stage as well as the applicable defects liability stage.

Indemnities:

Under the agreements entered into by us with our clients, we are usually required to indemnify the client and its officers, employees and representatives for all actions, proceedings, claims, liabilities, damages, losses and expenses that the client may be exposed to due to failure on our part to perform our obligations under the contract.

Defects liability:

During the construction period as well as the warranty period after the completion of construction, we are usually required to cure construction defects at our own risk and costs and may be required to provide separate performance security upon the request of the client. We are usually responsible for curing the defects during the defect notification

period, which may be a period between 12 to 72 months after completion of work.

Liquidated damages:

We are usually required to pay liquidated damages for delays attributable to us in completion of the construction of the project, which are often specified as a fixed percentage of the contract value. Our clients are entitled to deduct the amount of damages from the payments due to us.

Compensation due to delays:

Extension of time and compensation of additional cost due to delays attributable to the client are normally provided for in the contracts. In a few contracts, the minimum time period of idling for want of clearances is specified to qualify for compensation. In a few contracts, the monthly charges towards fixed costs are also specified.

Our Operations

We are committed to providing high quality services in every domain of our operations. We strive to achieve this by ensuring that we have a motivated work force and following acceptable quality standards in operations, management and client relationships, which we believe leads to value creation for all stakeholders.

The objectives of our operations include (a) optimization of time, cost and investment, while maintaining the quality of construction, (b) compliance with statutory, contractual and procedural requirements, and (c) client satisfaction.

We are focused on building a motivated team of people by way of training, incentives and recognitions. The learning and development programmes cover leadership and personal productivity topics that are aimed to enable the individual goals to be aligned with the organisational goals. As people and systems complement each other, we have established processes on the construction industry specific 'Strategic ERP' platform for facilitating complete project lifecycle management and with internal controls in place for financial reporting.

We believe that quality and safety are important components in promoting sustainable growth and towards this end we have established the Integrated Management Policy covering quality, health, safety and environment objectives in the performance of our services.

We value the importance of satisfied clients for securing repeat orders from such clients as well as in making positive references about us to potential new clients. Client satisfaction is therefore of paramount importance to us and our responsiveness to clients is structured accordingly.

The key business processes of the Company are as follows:

Business development and marketing:

Our business development team prospects, identifies, develops and processes business leads that meet the strategic criteria. Technical presentations are made to the potential clients and qualification is pursued, on the basis of our credentials, commitment and capabilities. Where necessary, we enter into joint ventures or associate with another entity with complementing capabilities and strengths. For the purpose of business development and marketing purposes only, we segregate the building construction market in terms of the target group, project category and geography. Investors, project developers, architects, structural design consultants and project management consultants, among others, within the relevant project category and geographical areas are identified as prospects for business development and marketing purposes. The prospects and the business opportunities are segmented into residential, commercial and institutional and mixed-use categories of buildings. We undertake branding and communication activities including pursuant to signages at project sites, newsletters, advertisements in construction magazines, media interactions, event participations etc.

Project proposals:

We understand from our clients on the construction methods and formwork technology to be adopted while preparing the proposal. We prepare and submit the technical presentation for the proposal, considering the sequence of construction and the related timelines. We price our bids considering the labour and material costs, the formwork cost for the identified technology, the indirect costs like corporate overhead costs, the site establishment costs considering the site logistics, the statutory compliance costs, the escalation cost provisions, the under-utilisation costs during intermittent disruptions expected in progress, the cost provisions for project-specific risks, the financing costs and the profit margin. We arrive at the final contract value after negotiations on our bid proposals with our clients.

Project mobilisation:

To streamline the processes during the short time available between award of a project and the mobilisation of resources have led us to establish starter kits and mobilisation checklists, to ensure timely roll out of necessary processes and deployment of resources. The site logistics planning including material movement, vehicular movement, labour accommodation, water and power and the site establishment activities are carried out with a view to optimise the resource consumption at each site.

Site administration and labour compliances:

The administration and compliances cell of our Company determines, provides and maintains the administrative infrastructure needed at each project site, including leasing of land and buildings for accommodation of workmen (if required), arrangement of conveyance, transport, security, utilities, office and site administration and arrangements for health and safety of workmen.

Human resource (“HR”):

We believe that our employees are one of our key strengths comprising of professionals with domain expertise. We have established a strong engineering team specialising in construction methods, formwork design and detailing, site logistics and work plan scheming. The HR cell of our Company, amongst others, manages and oversees job descriptions, pay packages and recruitments of appropriately skilled personnel. Our HR policies and procedure cover all aspects of employee life cycle including induction, orientation, mentoring, training & development, code of conduct, performance appraisal, leave, transfers and separation.

Subcontract resource:

We have established a dedicated subcontract resource cell for the purpose of mobilisation of workmen to meet the needs across all our project sites. We have implemented a standard operating procedure for our subcontract resource cell covering the subcontracting process, including identification of the subcontracting requirement of every project on a monthly basis; understanding the scope, terms and commercial limits for engagement of sub-contractors; prospecting potential subcontractors, evaluation of credentials and resource deployment potential of subcontractors, negotiation and finalisation of the terms of engagement of subcontractors, securing approval of clients for specialised works, pursuing the mobilization of requisite subcontract resources at the project sites and ensuring deployment of appropriately skilled workmen. In addition, to ensure welfare and thereby reduce attrition and increase dependability of our workforce, we provide accommodation, food arrangements, transport arrangements, if necessary, medical facilities and weekly payments. We have instituted procedures for induction training at our project sites in respect of occupational health and safety of workmen. Process quality training is also imparted to avoid repair, rectification or rework. We believe that imparting training to and ensuring the welfare of our work force enables us to simultaneously create and retain a skilled and dependable labour force, which is one of the key factors for effective execution at our project sites.

Formwork:

We use specialised formwork technologies, including vertical composite panel system for columns, horizontal composite panel system for slabs, crane enabled composite table formwork, aluminium panel formwork, automatic climbing system formwork, modular deck panel formwork, modular wall panel system formwork, prop table formwork, automatic climbing system formwork, automatic safety screen, and crane assisted safety screen. We believe these modern formwork technologies help reduce the construction cycle time of replicating floors in a high-rise construction compared to conventional formwork systems, such as cup-lock formwork. Formwork technologies such as modular wall panel system formwork deals with regular and irregular shapes of concrete walls and hence addresses design detailing, scheming and customization. The pro-table formwork ensures cost-competitiveness in various projects and thus enhances their productivity and improves their implementation process.

Our formwork cell caters to the designing, detailing, scheming, customisation, procurement, deployment, training, implementation and maintenance requirements of our projects. Based on the project requirements including dates, cycle time constraints, deployment durations, construction methods, and project drawings and documents. Based on the formwork scheme, considering the internal resource availability and short term renting if any, the delivery schedule is firm up to meet the construction sequence at site. The formwork cell ensures proper utilisation of formwork, achieving cycle time and productivity targets, stacking, handling, cleaning, maintenance and upkeep of formwork materials. We source formwork from suppliers in Malaysia as well as other domestic suppliers.

A brief description of the different types of formwork that we use are as follows:

- *Vertical composite panel system for columns:*

We use vertical composite panel systems to form vertical elements of a building, such as columns. These usually consist of a steel/aluminium frame with facing material typically composed of plywood, steel, plastic or composites. The vertical composite panel systems are normally modular in nature with fewer components as compared to traditional formwork methods, which in turn lead to considerably lower assembly times and labour costs. These composite panel system formworks are capable of having different applications on site, with the larger crane-lifted versions capable of being used for constructing standard concrete walls, perimeter basement walls and jumbo columns.

- *Horizontal composite panel system for slabs:*

We use horizontal composite panel systems for slab construction and these generally consist of a series of interconnected false work bays, independent props or system scaffolds supporting a number of panels. The components of the horizontal formwork systems are engineered to deal with both regular and irregular formwork areas. Reducing and minimizing the number of components in a formwork system allows mobility and quick installation of the formwork.

- *Crane enabled composite table formwork:*

We use table formwork system that allows construction of flat slabs using table-shaped formwork sets handled by crane. This type of formwork contains few components to be dismantled and assembled every time which in turn reduces the construction cycle times. Further, hooks and trolleys allow for mobility and utilisation of two floors of tables simultaneously.

- *Monolithic Aluminium panel formwork:*

We use aluminium panel formwork, for appropriately designed building works, to achieve faster cycle times than is otherwise possible by conventional means. Aluminium panels are lightweight but with adequate stiffness to support the weight of concrete. Aluminium panels are manufactured in standard sizes with non-standard elements being produced to suit project specific size and shape requirements.

- *Automatic climbing system formwork or jump formwork:*

We use automatic climbing system formwork for construction of multi-storey vertical concrete elements in high-rise structures, such as shear walls, core walls, lift shafts and stair shafts. Jump form systems comprise the hydraulics enabled formwork and working platforms. The formwork supports itself on the concrete cast earlier and does not rely on support or access from other parts of the building or permanent works.

Plant and machinery:

We have established a robust plant and machinery cell that is responsible for, among others, the identification of requirements, resource planning, the selection of new equipment for procurement, mobilisation, installation and commissioning of equipment at project sites, inspection, testing and calibration of equipment and routine preventive maintenance. The tower cranes, passenger and material hoists, concrete pumps and placers and any other necessary equipment are deployed at the project sites after due consideration of the functional requirement, movement restrictions, performance requirements etc.

Purchase and Store:

The purchase cell is responsible for, among others, managing the purchasing process, empanelment of suppliers with unique vendor codes; securing approval of clients for materials / sources as required, establishing material requirements based on time, quality and cost considerations, finalisation of purchase orders, inspection and testing to meet the acceptance criteria. The store cell of our company, among others, carries out physical verification of material stock at every project site on half-yearly basis. The principal raw materials we use in our construction process are ready mix concrete and reinforcement steel. We purchase ready mix concrete from the plants of suppliers such as RDC, ACC, Ultratech, etc., located in the geographies where our projects are located. Further, in case of cement and steel products, the supplies are tied up directly from the manufacturers.

Contracts management:

The contracts management cell of our Company seeks to identify the risks associated with our projects. Additionally, the contracts management cell also logs delays in implementation of projects, identification of variation to contracts and changes in law that may have consequential impact on project implementation and costs. We aim to pursue a proactive contracts management policy whereby the additional time and cost compensation requirements are taken up to the clients for discussion and mutual agreement in an expeditious manner, without seeking recourse to dispute resolution pursuant to litigation.

Information Technology:

We have developed an information technology and enterprise resource planning function, with the IT cell taking care of hardware, software and IT infrastructure. The IT cell administers the usage of our integrated cost management system comprising of ‘Strategic ERP’ platform which is specifically designed for the real estate and infrastructure industry and facilitates complete project lifecycle management. Strategic ERP’s cloud-based ERP solution provides instant access to a common centralized system over a secure network and provides scalability by adding more users. Our entire business processes of procurement of goods and services besides accounting functions are transacted in Strategic ERP, which has been implemented across all offices and project locations of our Company.

Quality assurance and quality control (“QA/QC”):

We believe that process quality assurance and product quality control are essential for client satisfaction and for sustainable and profitable growth of our Company. We have received an ISO 9001:2015 certification for our quality management system. The QA/QC cell of our Company establishes and monitors the implementation of project quality plan and work method statements at the project sites. The project quality plan includes quality objectives and product requirements; the processes to be followed for quality assurance and the records to be created; the inspection & testing plan for meeting the acceptance criteria in terms of product quality control – the verification, validation, monitoring, measurement, inspection and test activities specific to the product and the criteria for product acceptance; the resources required specific to the product; roles and responsibilities of persons concerned; records needed to provide evidence that the realization processes and resulting product meet requirements. The QA/QC cell guides the project sites in establishing optimised mix designs for concrete particularly in respect of high strength concrete, free flowing concrete and concrete with vertical pumping ability, besides monitoring the implementation of the inspection and testing plan for all materials and products. It tracks client complaints and enables the resolution of same technically. It provides training, documentation and technical support, and guidance to project sites.

Competition

The construction industry is extremely competitive where the key factors of competition primarily comprise quality, cost and time of delivery. The level and intensity of competition varies depending on the scope, scale and complexity of the project and on the geographical region where the project is executed. We face competition in India from both domestic and international companies.

Intellectual property

We currently own 24 registered trademarks under the Trade Marks Act, 1999, of our business name and logo “Capacite”, “Capacit’e Infraprojects Limited”, “Capacit’e Transforming Vision” and our corporate logo, under various classes with the Registrar of Trademarks in India.

Properties

Our Registered and Corporate Office is located in Mumbai and is held by us on lease. Our Company owns and leases properties for offices and for accommodation of our staff and workmen at the respective project sites. Our Company also owns 13 properties in Bengaluru which are leased from time to time.

The details of the immovable property owned by our Company for our offices as of the date of this Preliminary Placement Document are as below:

Location	Purpose
601, 6 th Floor, A Wing, Shrikant Chambers, Phase-I, Adjacent to R K Studios, Sion-Trombay Road, Chembur, Mumbai – 400 071, Maharashtra, India	Corporate functions
519 – 528, 5 th Floor, Shrikant Chambers, Phase-I, Adjacent to R K Studios, Sion-Trombay Road, Chembur, Mumbai – 400 071, Maharashtra, India	Corporate functions

The details of immovable properties leased by our Company for our offices in MMR, Kolkata, Indore and Chennai and for the warehouses located in Mumbai and Noida as of the date of this Preliminary Placement Document are as below:

Purpose	Location	Term of lease
Registered and Corporate Office	605 – 607, 6 th Floor, A Wing, Shrikant Chambers, Phase-I, Adjacent to R K Studios, Sion-Trombay Road, Chembur, Mumbai – 400 071, Maharashtra, India	Valid till March 31, 2026
Corporate functions	6 th floor, 602 – 604, “A” Wing of the building known as Shrikant Chambers, Next to R. K. Studios, Sion Trombay Road, Chembur, Mumbai – 400 071	Valid till March 31, 2026
Corporate functions	6 th floor, 608 – 610, “A” Wing of the building known as Shrikant Chambers, Next to R. K. Studios, Sion Trombay Road, Chembur, Mumbai – 400 071	Valid till January 31, 2027
Corporate functions	6 th floor, 611 – 613, “A” Wing of the building known as Shrikant Chambers, Next to R. K. Studios, Sion Trombay Road, Chembur, Mumbai – 400 071	Valid till January 31, 2027
Corporate functions	6 th floor, 614 – 615, “A” Wing of the building known as Shrikant Chambers, Next to R. K. Studios, Sion Trombay Road, Chembur, Mumbai – 400 071	Valid till March 12, 2025
Corporate functions	6 th floor, 617 – 618, “A” Wing of the building known as Shrikant Chambers, Next to R. K. Studios, Sion Trombay Road, Chembur, Mumbai – 400 071	Valid till January 31, 2027
Corporate functions	Offices Premises No. 5, 6 and 9, Ground Floor, Shrikant Chambers Premises Co-Op Society, Next to R K Studios, Sion-Trombay Road, Chembur, Mumbai – 400 071, Maharashtra, India	Valid till January 12, 2024
Corporate functions	305 – 306, 3 rd Floor, Sabari Park, Above Croma Showroom, Opposite R. K. Studio, Sion Trombay Road, Chembur, Mumbai – 400 071, Maharashtra, India	Valid till April 24, 2027
Corporate functions	No.87, 1 st Floor, 4 th Cross St, Phase – 1, Tirumalai Nagar, Perungudi, Chennai – 600 096, Tamil Nadu, India	Valid till February 28, 2024
Corporate functions	101, Platinum Plaza, PU4, Scheme No 54, Vijay Nagar, Indore – 452 010, Madhya Pradesh, India	Valid till November 27, 2023
Corporate functions	1 st floor Flat No. B 149, Ramkrishna Pally, Ariadaha, Kolkata – 700 057, West Bengal, India	Valid till May 31, 2024
Warehouse	Gala No. 106, 1 st Floor, Satyam Industrial Estate, Deonar Village, Govandi, Mumbai – 400 088, Maharashtra, India	Valid till October 31, 2023
Warehouse	B-37, Basement, Sector 2, Noida – 201 301, Uttar Pradesh, India	Valid till April 25, 2024

Employees

As of September 30, 2023, we had 2,650 employees and approximately 7,368 contract labourers deployed across all our projects. Our employee policies aim to recruit a talented and qualified work force, facilitate their integration and encourage development of their skills in order to facilitate the growth of our operations. We are also committed to an empowering environment that motivates and facilitates growth and rewards contribution. Various welfare measures have also been implemented by us including provision of medical and health benefits to our employees and group insurance policies. None of our employees is represented by a union or covered by a collective bargaining agreement.

Insurance

We maintain insurance policies in respect of our business, operations, products and workforce *inter alia* contractors all risks policies for our projects, anti-burglary policy, fixed assets policies including for formwork, workmen compensation policy, directors and officers policy, group personal accident insurance, marine insurance and fire insurance protection policies.

Corporate Social Responsibility

We believe that long-term growth and progress are inextricably linked to the development and well-being of society as a whole. We focus our CSR initiatives on the promotion of (a) health care; and (b) disaster management, including relief, rehabilitation and reconstruction activities.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

The composition of our Board is governed by the provisions of the Companies Act, 2013, the rules prescribed thereunder, the SEBI Listing Regulations and the Articles of Association. In accordance with the Articles of Association, our Company shall not have less than three Directors and more than fifteen Directors.

As of the date of this Preliminary Placement Document, our Company has six Directors, of which three are Executive Directors, three are Independent Directors (which includes the Chairperson of our Company, one woman Independent Director and one woman Additional Independent Director).

The following table sets forth details regarding our Board as of the date of this Preliminary Placement Document:

Name, address, occupation, nationality, term and DIN	Age (in years)	Designation
<p>Arun Vishnu Karambelkar</p> <p><i>Address:</i> C-903 & 904, Royal Court CHS, S. N. Road, Opp. HDIL, Andheri (East), Mumbai – 400069, Maharashtra, India</p> <p><i>Occupation:</i> Professional</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> For a period of five years from May 18, 2021 till May 17, 2026</p> <p><i>DIN:</i> 02151606</p>	68	Chairperson and Independent Director
<p>Rahul Katyal</p> <p><i>Address:</i> B-4, Zareena Park Co-Op Housing Society Ltd., Opp. Anushakti Nagar, Mankhurd, Mumbai – 400088, Maharashtra, India</p> <p><i>Occupation:</i> Business</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> For a period of three years from September 4, 2022, till September 3, 2025 and liable to retire by rotation</p> <p><i>DIN:</i> 00253046</p>	48	Managing Director and Chief Executive Officer
<p>Rohit Katyal</p> <p><i>Address:</i> 1601-02 Godrej Serenity CTS No 366/182, Deonar Village, Near Raheja Acropolis, Deonar, Mumbai – 400088, Maharashtra, India</p> <p><i>Occupation:</i> Business</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> For a period of five years from June 25, 2019 till June 24, 2024 and liable to retire by rotation</p> <p><i>DIN:</i> 00252944</p>	52	Executive Director
<p>Subir Malhotra</p> <p><i>Address:</i> G-94, Ground Floor, Block G, Saket, Malviya Nagar, Hauz Khas, South Delhi, New Delhi – 110017</p> <p><i>Occupation:</i> Business</p> <p><i>Nationality:</i> Indian</p>	58	Executive Director

Name, address, occupation, nationality, term and DIN	Age (in years)	Designation
<p><i>Term:</i> For a period of five years from November 01, 2018 till October 31, 2023 and further extended for a period of three years from November 01, 2023 to October 31, 2026 and liable to retirement by rotation</p> <p><i>DIN:</i> 05190208</p>		
<p>Manjushree Ghodke</p> <p><i>Address:</i> A/405, Gokul Apts, Kevni Pada, S.V. Road, Jogeshwari West, Mumbai – 400102, Maharashtra, India</p> <p><i>Occupation:</i> Economic Consultant</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> For a period of five years from August 11, 2023 till August 10, 2028</p> <p><i>DIN:</i> 07147784</p>	66	Independent Director
<p>Rukmani Krishnamurthy</p> <p><i>Address:</i> Flat No. 2, Opp. Anushakti Nagar, Zarina Park, Annex A, Mankhurd, Mumbai – 400 088, Maharashtra, India</p> <p><i>Occupation:</i> Professional</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> For a period of five years from December 12, 2023 till December 11, 2028</p> <p><i>DIN:</i> 03488433</p>	75	Additional Independent Director*

*The appointment and term of the Director is subject to approval by our Shareholders in the next general meeting of our Company.

Brief profiles of our Directors

Arun Vishnu Karambelkar is the Chairperson and Independent Director of our Company. He has been associated with our Company since May 18, 2018. He is also on the board of Hindustan Construction Company Limited.

Rahul Katyal is the Managing Director of our Company. He has been associated with our Company since incorporation. He holds a higher secondary certificate from the Maharashtra State Board of Secondary and Higher Secondary Education Divisional Board. He is also on the board of various companies such as CIPL-PPSL-Yongnam Joint Venture Constructions Private Limited, Katyal Merchandise Private Limited, Katyal Ventures Private Limited, Captech Technologies Private Limited, Capacit'e Engineering Private Limited and TCC Construction Private Limited.

Rohit Katyal is an Executive Director of our Company. He has been associated with our Company since March 1, 2014. He holds a bachelors' degree in commerce from the University of Mumbai with specialisation in financial accounting and auditing. He is currently on the board of CIPL-PPSL-Yongnam Joint Venture Private Limited.

Subir Malhotra is an Executive Director on the Board of our Company. He has been associated with our Company since incorporation. He holds a bachelor's degree in civil engineering (honours) from the Birla Institute of Technology & Science, Pilani (Rajasthan).

Manjushree Ghodke is an Independent Director of our Company. She has been associated with our Company since August 11, 2020. She holds a bachelor's degree in arts from the University of Delhi, a masters' degree in arts in entire economics from the University of Poona and a doctor of philosophy in arts for a thesis in economics from the University of Mumbai. She is also on the board of Religare Broking Limited.

Rukmani Krishnamurthy is an Additional Independent Director of our Company. She has been associated with our Company since December 12, 2023. She holds a bachelor's degree of science and a masters' degree of science

in chemistry from the Nagpur University. She is also on the board of Helik Advisory Limited. She has received the FAS Stree Ratna Award 2019 from The Fine Arts Society in recognition of her contribution in the field of forensic science.

Terms of Appointment of Executive Directors

Each of the Executive Directors our Company are entitled to the following remuneration and perquisites:

Rahul Katyal

Rahul Katyal is the Managing Director of our Company. The following table sets forth the current terms of appointment of Rahul Katyal, pursuant to the board resolution dated August 11, 2023 and shareholders' resolutions dated September 7, 2021 and September 26, 2022:

Particulars	Amount (₹)	
	Per month	Per annum
Salary & Allowances		
Basic	8,00,000	96,00,000
HRA	66,640	7,99,680
Management Allowance	11,33,360	1,36,00,320
Total	20,00,000	2,40,00,000

Perquisites:

- Company vehicle with fuel and driver, for official/ business purposes.
- LTA for self and family for domestic travelling once in a financial year, subject to the ceiling of Basic salary of one month.
- Medical expenses for self and family members at actuals, subject to applicable provisions of the Income Tax Act 1961.
- Annual membership fees of any one club, at actuals. Life membership fees are not covered.
- Premium on Term Insurance, as may be recommended by the Nomination and Remuneration Committee, subject to the approval of Board of Directors.
- Contribution to superannuation fund or annuity fund, as per Company's policy.
- Gratuity as per Company's policy.

Rohit Katyal

Rohit Katyal is an Executive Director of our Company. The following is a description of the current terms of appointment of Rohit Katyal, pursuant to the board resolution dated August 11, 2023 and shareholders' resolution dated September 7, 2021:

Particulars	Amount (₹)	
	Per month	Per annum
Salary & Allowances		
Basic	8,00,000	96,00,000
HRA	66,640	7,99,680
Management Allowance	11,33,360	1,36,00,320
Total	20,00,000	2,40,00,000

Perquisites:

- Company vehicle with fuel and driver, for official/ business purposes.
- LTA for self and family for domestic travelling once in a financial year, subject to the ceiling of Basic salary of one month.
- Medical expenses for self and family members at actuals, subject to applicable provisions of the Income Tax Act 1961.
- Annual membership fees of any one club, at actuals. Life membership fees are not covered.
- Premium on Term Insurance, as may be recommended by the Nomination and Remuneration Committee, subject to the approval of Board of Directors.
- Contribution to superannuation fund or annuity fund, as per Company's policy.
- Gratuity as per Company's policy.

Subir Malhotra

Subir Malhotra is an Executive Director of our Company. The following is a description of the current terms of appointment of Subir Malhotra, pursuant to the board resolution dated August 11, 2023 and shareholders' resolution dated September 21, 2023:

Particulars	Amount (₹)	
	Per month	Per annum
Salary & Allowances		
Basic	4,00,000	48,00,000
HRA	2,00,000	24,00,000
Management Allowance	4,00,000	48,00,000
Total	10,00,000	1,20,00,000

Perquisites:

- Company vehicle with fuel and driver, for official/ business purposes.
- LTA for self and family for domestic travelling once in a financial year, subject to the ceiling of Basic salary of one month.
- Medical expenses for self and family members at actuals, subject to applicable provisions of the Income Tax Act 1961.
- Annual membership fees of any one club, at actuals. Life membership fees are not covered.
- Premium on Term Insurance, as may be recommended by the Nomination and Remuneration Committee, subject to the approval of Board of Directors.
- Contribution to superannuation fund or annuity fund, as per Company's policy.
- Gratuity as per Company's policy.

Sitting fees and remuneration by way of commission or otherwise to Independent Directors

Our Independent Directors are entitled to receive sitting fees for attending meetings of our Board of Directors or any of its committee and reimbursements of expenses. Pursuant to the resolution passed by our Board of Directors dated August 11, 2023, our Independent Directors are entitled to sitting fees of ₹50,000 for attending each Board of Directors meeting and ₹25,000 for attending each meeting of the Audit Committee and Nomination and Remuneration Committee of the Board. Our Independent Directors are entitled to receive remuneration by way of commission or otherwise upto ₹5,00,000 in addition to the sitting fees and reimbursement of expenses pursuant to the resolutions passed by our Board of Directors and shareholders dated August 11, 2023 and September 21, 2023, respectively.

Remuneration paid to Executive Directors

The following tables set forth the details of remuneration paid by our Company to the Executive Directors of our Company for Fiscal 2021, Fiscal 2022, Fiscal 2023 and for the nine months period ended December 31, 2023:

(in ₹ lakhs)

Sr. No.	Name of the Director	Fiscal 2021	Fiscal 2022	Fiscal 2023	April 1, 2023, to December 31, 2023
1.	Rahul Katyal	66.92	94.20	203.55	180.00
2.	Rohit Katyal	69.05	97.20	204.30	180.00
3.	Subir Malhotra	61.24	86.20	86.20	90.00

Independent Directors

The following tables set forth the details of remuneration by way of commission or otherwise and sitting fees paid by our Company to the Independent Directors for Fiscal 2021, Fiscal 2022, Fiscal 2023 and for the period ended December 31, 2023:

(in ₹ lakhs)

Sr. No.	Name of the Director	Fiscal 2021	Fiscal 2022	Fiscal 2023	April 1, 2023, to December 31, 2023
1.	Arun Vishnu Karambelkar	6.60	6.20	5.75	3.10
2.	Manjushree Nitin Ghodke	1.80	7.15	6.30	3.10
3.	Rukmani Krishnamurthy*	-	-	-	-

*Appointed with effect from December 12, 2023

Shareholding of Directors

Except as disclosed below, none of our Directors hold Equity Shares in our Company as of the date of this Preliminary Placement Document.

Sr. No.	Name of the Director	Designation	Number of Equity Shares	Percentage (%) shareholding
1.	Rahul Katyal	Managing Director	89,30,953	11.65%
2.	Rohit Katyal	Executive Director	50,00,000	6.52%
3.	Subir Malhotra	Executive Director	25,25,439	3.29%

Relationship with other Directors

Except for Rahul Katyal and Rohit Katyal who are brothers, none of the directors of our Company are related to each other.

Borrowing powers of our Board

In accordance with the Articles of Association of our Company, our Board of Directors has been empowered to borrow funds in accordance with applicable law. Pursuant to the resolution dated August 28, 2019, passed by our Shareholders, our Board is authorized to borrow from time to time any sum or sums of monies from any one or more persons, firms, bodies corporate, banks, financial institutions or from any others by way of advances, deposits, loans, debentures or otherwise and whether unsecured or secured by mortgage, charge, hypothecation, lien or pledge of our Company's assets and properties, whether movable or immovable including stock-in-trade and debts and advances notwithstanding that the sum or sums of monies so borrowed together with the monies already borrowed by our Company (apart from temporary loans obtained or to be obtained from our Company's bankers in the ordinary course of business) in excess of the aggregate of the paid up share capital of our Company and its free reserves provided further that total amount up to which monies may be borrowed shall not at any one time exceed ₹3,00,000 lakhs. Our borrowing limits may be changed from time to time, subject to approval of the Board and our Shareholders.

Interest of our Directors

Our Directors may be deemed to be interested to the extent of their remuneration, fees and commission, if any, payable to them for attending meetings of our Board or committees thereof, as well as to the extent of reimbursement of expenses payable to them, and the Executive Directors of our Company may be deemed to be interested to the extent of remuneration paid to them for services rendered.

Except for Rahul Katyal, Rohit Katyal and Subir Malhotra who are Promoters of our Company, none of our Directors have any interest in the promotion of our Company.

Our Directors may also be regarded as interested in the Equity Shares held by them, if any, or held by or that which may be subscribed by or allotted to their relatives or the companies, firms or trusts, in which they are interested as directors, members, partners, trustees or promoters. Our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares and any other benefits arising out of such holding.

Other than the Registered and Corporate Office of our Company which has been leased by our Company from Rahul Katyal pursuant to a leave and license agreement dated October 1, 2023, none of our Directors have any interest in any property owned or leased by our Company.

Except as disclosed below, our Company has not availed any loans from any of our Directors:

- i. Our Company has availed an unsecured loan in various tranches from Rahul Katyal pursuant to an unsecured loan agreement dated June 18, 2021 and an extension to unsecured loan agreement dated July 1, 2023, of which ₹29.30 lakhs (excluding interest accrued) is outstanding as of December 31, 2023.
- ii. Our Company has availed an unsecured loan in various tranches from Subir Malhotra pursuant to an unsecured loan agreement dated September 14, 2023 of which ₹40.00 lakhs (excluding interest accrued) is outstanding as of December 31, 2023.

No loans have been availed by our Directors from our Company.

Except as provided in “*Related Party Transactions*” on page 40, our Company has not entered into any contract, agreement or arrangement during the three Fiscals immediately preceding the date of this Preliminary Placement Document, in which any of the Directors are interested, directly or indirectly, and no payments have been made to them in respect of any such contracts, agreements, arrangements which are proposed to be made with them. For further details relating to contracts, agreements or arrangements entered into by our Company during the last three Fiscals, in which the Directors are interested directly or indirectly and for payments made to them in respect of such contracts, agreements or arrangements and for other interest of Directors in respect to the related party transactions, during the last three Fiscals, see “*Related Party Transactions*” on page 40.

Other than as disclosed in this Preliminary Placement Document, there are no outstanding transactions other than in the ordinary course of business undertaken by our Company, in which the Directors are interested.

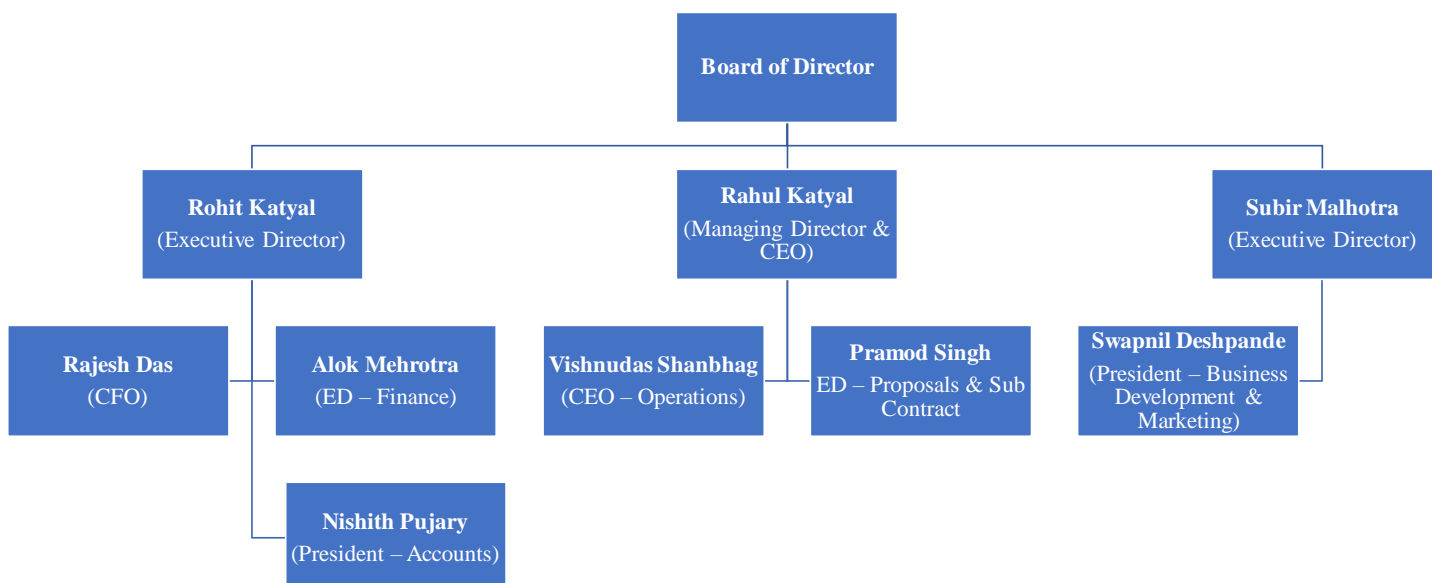
Bonus or profit-sharing plan of the Directors

Our Company does not have any bonus or profit-sharing plan with the Directors.

Service contracts with Directors

Our Company has not entered into any service contracts with any Director, which provide for benefits upon termination of employment.

Organisation Chart



Committees of our Board of Directors

Our Board has constituted statutory committees, which function in accordance with the relevant provisions of the Companies Act and the SEBI Listing Regulations.

The statutory committees of our Board are: (i) Audit Committee; (ii) Nomination and Remuneration Committee; (iii) Stakeholders' Relationship Committee; (iv) Risk Management Committee; and (v) Corporate Social Responsibility Committee.

The following table sets forth details of members of the aforesaid committees, as on the date of this Preliminary Placement Document:

Sr. No.	Committee	Details of members
1.	Audit Committee	Arun Vishnu Karambelkar (Chairperson), Manjushree Ghodke and Rukmani Krishnamurthy
2.	Nomination and Remuneration Committee	Manjushree Ghodke (Chairperson), Rukmani Krishnamurthy and Arun Vishnu Karambelkar
3.	Stakeholders Relationship Committee	Rukmani Krishnamurthy (Chairperson), Rohit Katyal and Arun Vishnu Karambelkar
4.	Risk Management Committee	Rahul Katyal (Chairperson), Rohit Katyal, Subir Malhotra, Rukmani Krishnamurthy and Arun Vishnu Karambelkar
5.	Corporate Social Responsibility Committee	Rohit Katyal (Chairperson), Rukmani Krishnamurthy, Manjushree Ghodke and Arun Vishnu Karambelkar

Senior Management

The following are our Company's Key Managerial Personnel and Senior Management:

Key Managerial Personnel

The Key Managerial Personnel are permanent employees of our Company. In addition to the Executive Directors, the details of our other Key Managerial Personnel in terms of the Companies Act and the SEBI ICDR Regulations as on the date of this Preliminary Placement Document are set forth below:

Sr. No.	Name	Designation
1.	Rajesh Das	Chief Financial Officer

Pursuant to the resignation of Dinesh Ladwa, our erstwhile company secretary and compliance officer on September 8, 2023, our Company has designated Rahul Kapur as the Compliance Officer in accordance with the SEBI Listing Regulations. Additionally, our Company shall appoint a company secretary within the time period prescribed under Section 203(4) of the Companies Act.

Senior Management

The members of Senior Management are permanent employees of our Company. In addition to the Chief Financial Officer, the details of the members of our Senior Management, as on the date of this Preliminary Placement Document are set forth below:

Sr. No.	Name	Designation
1.	Vishnudas Shanbhag	Chief Executive Officer – Operations
2.	Alok Mehrotra	Executive Director – Finance
3.	Nishith Pujary	President – Accounts
4.	Pramod Singh	Executive Director – Proposals & Sub Contract
5.	Swapnil Deshpande	President – BD & Marketing

Corporate Governance

The Board of Directors presently consists of six Directors. In compliance with the requirements of the SEBI Listing Regulations, the Board of Directors has three Independent Directors (including the Chairperson, one woman Independent Director and one woman Additional Independent Director). Our Company is in compliance

with the requirements of the applicable regulations, including the SEBI Listing Regulations, the Companies Act, 2013 and the SEBI ICDR Regulations, in respect of corporate governance, including constitution of our Board and committees thereof. The corporate governance framework is based on an effective independent Board, separation of our Board’s supervisory role from the executive management team and constitution of our Board committees, as required under law.

Our Board has been constituted in compliance with the Companies Act, 2013 and the SEBI Listing Regulations. Our Board functions either as a full board or through various committees constituted to oversee specific functions. Our Company’s executive management provides our Board with detailed reports on its performance periodically.

Relationship between Key Managerial Personnel and Senior Management

Except as disclosed in “– *Relationship with other Directors*” on page 144, none of the Key Managerial Personnel and members of our Senior Management are related either to each other or to the Directors.

Bonus or profit-sharing plan of the Key Managerial Personnel and Senior Management

Our Company does not have any bonus or profit-sharing plan with the Key Managerial Personnel or Senior Management.

Service Contracts with Key Managerial Personnel and Senior Management

Our Key Managerial Personnel and Senior Management have not entered into any service contracts with our Company pursuant to which our Key Managerial Personnel and Senior Management are entitled to benefits upon termination / retirement of employment. Except for statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company, including Key Managerial Personnel and Senior Management, is entitled to any benefit upon termination of employment.

Interest of our Key Managerial Personnel and Senior Management

Other than as disclosed in the “– *Interest of our Directors*” on page 144, our Key Managerial Personnel and Senior Management do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business and to the extent of Equity Shares held by them or their dependents in our Company, if any. The Key Managerial Personnel and Senior Management may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of Equity Shares held in our Company, if any.

Shareholding of our Key Managerial Personnel and Senior Management

Except for the shareholding of the Executive Directors, including our Managing Director and Chief Executive Officer as disclosed in “– *Shareholding of Directors*” and as stated below, none of our Key Managerial Personnel or Senior Management hold any Equity Shares in our Company as on the date of this Preliminary Placement Document:

Sr. No.	Name of KMP or SMP	Number of Equity Shares held	Percentage of paid-up Equity Share capital (in %)
1.	Nishith Pujary	150	<i>Negligible</i>

Other confirmations

1. Except as otherwise stated above in “– *Interest of our Directors*” and “– *Interest of our Key Managerial Personnel and Senior Management*”, none of the Directors, Promoters, Key Managerial Personnel or Senior Management of our Company has any financial or other material interest in the Issue.
2. Our Promoters, Directors and Key Managerial Personnel or Senior Management will not participate in the Issue.
3. Neither our Company, nor any of our Directors or Promoters are declared as a ‘wilful defaulter’ or a ‘fraudulent borrower’ by the Reserve Bank of India or any other bank or financial institution or consortium.

4. Neither our Company, nor our Directors or Promoter are currently debarred from accessing capital markets under any offence under any order or direction made by SEBI.
5. None of our Directors or Promoters have been declared as a Fugitive Economic Offender.
6. No change in control in our Company will occur consequent to the Issue.
7. Except as disclosed in “– *Interest of our Directors*” above, no loans have been availed or extended by our Directors, Key Managerial Personnel or Senior Management from, or to, our Company or the Subsidiaries.

Policy on disclosures and internal procedure for prevention of insider trading

The SEBI Insider Trading Regulations applies to our Company and our employees and requires our Company to implement a code of practices and procedures for fair disclosure of unpublished price sensitive information and conduct for the prevention of insider trading. Our Company has implemented a code of practices and procedures for fair disclosure of unpublished price sensitive information in accordance with the SEBI Insider Trading Regulations.

Related Party Transactions

For details in relation to the related party transactions entered by our Company during the last three fiscals immediately preceding the date of this Preliminary Placement Document, see “*Related Party Transactions*” on page 40.

ORGANISATIONAL STRUCTURE OF OUR COMPANY

Corporate History

Our Company was originally incorporated as “*Capacit’e Infraprojects Private Limited*” as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated August 9, 2012 issued by the Registrar of Companies, Maharashtra at Mumbai (“**RoC**”). Thereafter, our Company was converted into a public limited company, approved *vide* a Shareholders’ resolution dated February 14, 2014 pursuant to which the name of our Company was changed to “*Capacit’e Infraprojects Limited*” and a fresh certificate of incorporation consequent upon change of name on conversion to public limited company was issued by the RoC on March 21, 2014.

Our Company’s CIN is L45400MH2012PLC234318. Our Registered and Corporate Office is located at 605-607, 6th Floor, Shrikant Chambers, Phase-I, Adjacent to R. K. Studios, Sion-Trombay Road, Mumbai 400 071, Maharashtra, India.

Subsidiaries

As on date of this Preliminary Placement Document, our Company has two Subsidiaries namely CIPL-PPSL-Yongnam Joint Venture Constructions Private Limited, and Capacite – E-Governance JV.

Holding company

As on date of this Preliminary Placement Document, our Company does not have any holding company.

Associates

As on the date of this Preliminary Placement Document, our Company has two associates namely, TCC Construction Private Limited and TPL – CIL Construction LLP.

Joint Ventures

As on the date of this Preliminary Placement Document, our Company has five joint ventures namely, PPSL Capacite JV, Capacite Viraj AOP, CEPL – CIL Joint Venture, CIL MMEPL Ekatha Private Limited and CIL – SIPL JV.

SHAREHOLDING PATTERN OF OUR COMPANY

Shareholding pattern of our Company as on December 31, 2023

The following table sets forth the details regarding the equity shareholding pattern of our Company as on December 31, 2023.

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid-up Equity Shares held (IV)	Number of Partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form* (XIV)
								Number of Voting Rights			Total as a % of (A+B+C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
								Class e.g.: Equity Shares	Class e.g.: Others	Total								
(A)	Promoters and Promoter Group	7	2,93,37,165	-	-	2,93,37,165	38.27	2,93,37,165	0	2,93,37,165	38.27	-	38.27	31,00,000	10.57	1,13,00,000	38.52	2,93,37,165
(B)	Public	52,072	4,73,19,332	-	-	4,73,19,332	61.73	4,73,19,332	0	4,73,19,332	61.73	-	61.73	89,44,850	18.90	-	-	4,73,19,332
(C)	Non-Promoter-Non-Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying depository receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by employee trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	52,079	7,66,56,497	-	-	7,66,56,497	100.00	7,66,56,497	-	7,66,56,497	100.00	-	100.00	89,44,850	15.71	1,13,00,000	14.74	7,66,56,497

Statement showing shareholding pattern of our Promoters and Promoter Group

The following table sets forth the details regarding the equity shareholding pattern of our Promoters and Promoter Group as on December 31, 2023.

Category	Category & Name of shareholder (I)	Entity type (II)	Number of Shareholders (III)	Number of fully paid-up Equity Shares held (IV)	Number of partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) = (IV) + (V) + (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII) + (X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)	
									Number of Voting Rights					Total as a % of (A+B+C)	Number (a)	As a % of total Shares held (b)	Number (a)		As a % of total Shares held (b)
									Class e.g.: Equity Shares	Class e.g.: Others	Total								
A(1)	Indian																		
(a)	Individuals/Hindu Undivided Family		6	2,02,64,171	-	-	2,02,64,171	26.44	2,02,64,171	-	2,02,64,171	26.44	-	26.44	31,00,000	15.30	86,00,000	42.44	2,02,64,171
(b)	Any other (Specify)		1	90,72,994	-	-	90,72,994	11.84	90,72,994	-	90,72,994	11.84	-	11.84	-	-	27,00,000	29.76	90,72,994
	Sub Total (A)(1)		7	2,93,37,165	-	-	2,93,37,165	38.27	2,93,37,165	-	2,93,37,165	38.27	-	38.27	31,00,000	10.57	1,13,00,000	38.52	2,93,37,165
A(2)	Foreign		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total = A(1)+ A(2)		7	2,93,37,165	-	-	2,93,37,165	38.27	2,93,37,165	-	2,93,37,165	38.27	-	38.27	31,00,000	10.57	1,13,00,000	38.52	2,93,37,165

Statement showing shareholding pattern of the Public Shareholders

The following table sets forth the details regarding the equity shareholding pattern of the Public Shareholders as on December 31, 2023:

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid up Equity Shares held (IV)	Number of Partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held = (IV)+(V)+(VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)	
								Class e.g.: Equity Shares	Class e.g.: Others	Total	Total as a % of (A+B+C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)		
B(1)	Institutions (Domestic)																		
(a)	Mutual Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Alternative Investments Funds	3	42,26,275	-	-	42,26,275	5.51	42,26,275	-	42,26,275	5.51	-	5.51	-	-	-	-	-	42,26,275
(c)	Insurance Companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-Total B(1)	3	42,26,275	-	-	42,26,275	5.51	42,26,275	-	42,26,275	5.51	-	5.51	-	-	-	-	-	42,26,275
B(2)	Institutions (Foreign)																		
(a)	Foreign Portfolio Investors Category-I	40	36,95,129	-	-	36,95,129	4.82	36,95,129	-	36,95,129	4.82	-	4.82	-	-	-	-	-	36,95,129
(b)	Foreign Portfolio Investors Category-II	5	18,67,911	-	-	18,67,911	2.44	18,67,911	-	18,67,911	2.44	-	2.44	-	-	-	-	-	18,67,911
	Sub-Total B(2)	45	55,63,040	-	-	55,63,040	7.26	55,63,040	-	55,63,040	7.26	-	7.26	-	-	-	-	-	55,63,040
B(3)	Central Government / State Government (s)																		
B(4)	Non-Institutions																		
(a)	Resident Individuals holding nominal share capital up to ₹2 lakhs	48,928	1,41,00,958	-	-	1,41,00,958	18.39	1,41,00,958	-	1,41,00,958	18.39	-	18.39	20,000	0.14	-	-	-	1,41,00,958
(b)	Resident Individuals holding nominal share capital in excess of ₹2 lakhs	112	1,54,45,203	-	-	1,54,45,203	20.15	1,54,45,203	-	1,54,45,203	20.15	-	20.15	80,74,850	52.28	-	-	-	1,54,45,203
(c)	Non-Resident Indians	817	15,00,676	-	-	15,00,676	1.96	15,00,676	-	15,00,676	1.96	-	1.96	-	-	-	-	-	15,00,676
(d)	Bodies Corporate	419	54,33,502	-	-	54,33,502	7.09	54,33,502	-	54,33,502	7.09	-	7.09	8,50,000	15.64	-	-	-	54,33,502
(e)	Any other (Specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i)	Clearing Members	2	5,336	-	-	5,336	0.01	5,336	-	5,336	0.01	-	0.01	-	-	-	-	-	5,336
(ii)	Hindu Undivided Family	1,744	10,40,524	-	-	10,40,524	1.36	10,40,524	-	10,40,524	1.36	-	1.36	-	-	-	-	-	10,40,524
(iii)	LLP/Trusts	2	3,818	-	-	3,818	-	3,818	-	3,818	0.01	-	0.01	-	-	-	-	-	3,818
	Sub-Total B(4)	52,024	3,75,30,017	-	-	3,75,30,017	48.96	3,75,30,017	-	3,75,30,017	48.96	-	48.96	89,44,850	23.83	-	-	-	3,75,30,017

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid up Equity Shares held (IV)	Number of Partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)	
								Class e.g.: Equity Shares	Class e.g.: Others	Total			Total as a % of (A+B+C)	Number (a)	As a % of total Shares held (b)	Number (a)		As a % of total Shares held (b)
	Total B=B(1)+B(2)+B(3)+B(4)	52,072	4,73,19,332	-	-	4,73,19,332	61.73	4,73,19,332	-	4,73,19,332	61.73	-	61.73	89,44,850	18.90	-	-	4,73,19,332

Statement showing shareholding pattern of the non – Promoter – non-public Shareholder:

The following table sets forth the details regarding the equity shareholding pattern of the non- Promoter- non- public Shareholders as on December 31, 2023:

Sl. No.	Category & Name of the Shareholders (I)	No of shareholders	Total no. of shares held =(IV)+ (V)+(VI)	Shareholding % calculated as per SCRR. 1957) As a % of (A+B+C2) (VIII)	Number of Locked in shares (XII)	Number of equity shares held in dematerialized form
					No.	
(1)	Custodian / DR Holder	-	-	-	-	-
(2)	Employee Benefit Trust/Employee Welfare Trust under SEBI (Share based Employee Benefits and Sweat Equity) Regulations, 2021	-	-	-	-	-
	Total Non-Promoter - Non Public Shareholding (C)=(C)(1)+(C)(2)	-	-	-	-	-

ISSUE PROCEDURE

The following is a summary intended to present a general outline of the procedure relating to Bidding, payment of Application Amount, Allocation and Allotment of the Equity Shares to be issued pursuant to the Issue. The procedure followed in the Issue may differ from the one mentioned below, and investors are assumed to have apprised themselves of the same from our Company or the Book Running Lead Manager.

Our Company, the Book Running Lead Manager and their respective directors, officers, agents, advisors, shareholders, employees, counsels, affiliates and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations and shall be solely responsible for compliance with all the applicable provisions of the SEBI Takeover Regulations, the SEBI Insider Trading Regulations, and other applicable laws.

Bidders were advised to inform themselves of any restrictions or limitations that may be applicable to them and were required to consult their respective advisers in this regard. Bidders that have applied in the Issue were required to confirm and were deemed to have represented to our Company, the BRLM and their respective directors, employees, counsels, officers, agents, affiliates and representatives that they were eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the BRLM and their respective directors, officers, employees, counsels, agents, affiliates, and representatives accept no responsibility or liability for advising any Bidder on whether such Bidder was eligible to acquire the Equity Shares. Investors are advised to inform themselves of any restrictions or limitations that may be applicable to them. For details, see "Selling Restrictions" and Transfer Restrictions and Purchaser Representations" on pages 169 and 176, respectively.

Qualified Institutions Placement

THE ISSUE IS MEANT ONLY FOR ELIGIBLE QIBS ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.

This Preliminary Placement Document has not been, and will not be, filed as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

The Issue is being made to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations and Section 42 and other applicable provisions of the Companies Act and rules thereunder, through the mechanism of a QIP. Under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act read with Rule 14 of the PAS Rules, our Company, being a listed company in India may issue Equity Shares to Eligible QIBs, provided that:

- our Shareholders have adopted a special resolution approving the Issue. Such special resolution inter alia must specify (a) that the allotment of Equity Shares is proposed to be made pursuant to a qualified institutions placement and (b) the Relevant Date.
- the explanatory statement to the notice to our Shareholders for convening the general meeting must disclose, amongst others, the particulars of the issue including the date of passing the board resolution, the kind of securities being offered, amount which the company intends to raise by way of such securities and the material terms of raising such securities, proposed issue schedule, the purpose or objects of offer, the contribution made by the promoters or directors either as part of the offer or separately in furtherance of the objects, and the basis or justification for the price (including premium, if any) at which the offer or invitation is being made;
- under Regulation 172(1)(b) of the SEBI ICDR Regulations, equity shares of the same class of our Company, which are proposed to be allotted through the qualified institutions placement, are listed on the Stock Exchanges, for a period of at least one year prior to the date of issuance of notice to our shareholders for convening the meeting to pass the above-mentioned special resolution;

- invitation to apply in the Issue must be made through a private placement offer letter (i.e., this Preliminary Placement Document) and an application form serially numbered and addressed specifically to the Eligible QIBs to whom the Issue is made, within 30 days of recording the name of such person in accordance with applicable law; the allotments with respect to any earlier offer or invitation made by our Company shall have been completed or our Company shall have withdrawn or abandoned such invitation or offer made, except as permitted under the Companies Act;
- in accordance with the SEBI ICDR Regulations, issuance and allotment of Equity Shares shall be made only in dematerialized form;
- our Company shall not make any subsequent QIP until the expiry of two weeks from the date of this Issue;
- an offer to Eligible QIBs will not be subject to a limit of 200 persons. Prior to circulating the private placement offer cum application letter (i.e., the Preliminary Placement Document and the Application Form), our Company must prepare and record a list of Eligible QIBs to whom the offer will be made. The QIP must be made only to such Eligible QIBs whose names are recorded by the issuer prior to the invitation to subscribe;
- our Company acknowledges that the offering of securities by issue of public advertisements or utilisation of any media, marketing or distribution channels or agents to inform the public about the QIP is prohibited;
- the Directors are not fugitive economic offenders; and
- the Directors are not declared as ‘Fraudulent Borrower’ by the lending Banks or financial institution or consortium, in terms of RBI master circular dated July 1, 2016.

At least 10% of the Equity Shares issued to Eligible QIBs shall be allotted to Mutual Funds, provided that, if this portion or any part thereof to be allotted to Mutual Funds remains unsubscribed, it may be allotted to other Eligible QIBs.

Bidders are not allowed to withdraw or revise downwards their Bids after the Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price of the Equity Shares issued under this Issue shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares of the same class quoted on the stock exchanges during the two weeks preceding the Relevant Date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations. The “Relevant Date” referred to above means the date of the meeting in which the Board decides to open the Issue and “stock exchange”, for the purposes of determination of price, means any of the recognized stock exchanges on which the Equity Shares of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. Further, in accordance with the resolution of our Shareholders dated July 5, 2023, our Company may offer a discount of not more than 5% on the Floor Price in accordance with the SEBI ICDR Regulations.

The Equity Shares will be Allotted within 365 days from the date of our Shareholder’s resolution approving the Issue, being July 5, 2023 and within 60 days from the date of receipt of Application Amount from the Successful Bidders failing which our Company shall refund the Bid Amount in accordance with applicable laws. For details of refund of Application Amount, see “– *Price Discovery and Allocation – Designated Date and Allotment of Equity Shares*” on page 165.

Subscription to the Equity Shares offered pursuant to the Issue must be made by Eligible QIBs on the basis of this Preliminary Placement Document and the Placement Document, which shall contain all material information required under applicable law including the information specified in Schedule VII of SEBI ICDR Regulations and the requirements prescribed under Form PAS-4. This Preliminary Placement Document and the Placement Document are private documents provided to only select Eligible QIBs through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of our Company with a disclaimer to the effect that it is in connection with an issue to Eligible QIBs and no offer is being made to the public or to any other category of investors. Please note that if you do not receive a serially numbered copy of the Preliminary Placement Document addressed to you, you may not rely on the Preliminary Placement Document or Placement

Document uploaded on the website of the Stock Exchanges or our Company for making an application to subscribe to Equity Shares pursuant to the Issue.

This Issue was authorized and approved by our Board on May 26, 2023 and approved by our Shareholders', by way of a resolution dated July 5, 2023.

The minimum number of allottees with respect to a QIP shall not be less than:

- two, where the issue size is less than or equal to ₹2,500 million; and
- five, where the issue size is greater than ₹2,500 million.

No single Allottee shall be Allotted more than 50% of the Issue Size.

Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single allottee. For details of what constitutes "same group" or "common control", see "- Bid Process - Application Form" on page 161.

Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on a recognized stock exchange.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

The Equity Shares offered in this Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and, unless so registered, may not be offered or sold in 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 U.S state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in "offshore transactions" as defined in and in reliance on Regulations S and the applicable laws of the jurisdictions where such offers and sales are made. The Equity Shares are transferable only in accordance with the restrictions described under "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 169 and 176, respectively.

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.

Our Company has filed a copy of this Preliminary Placement Document with each of the Stock Exchanges. Our Company has received in-principle approvals from each of the Stock Exchanges under Regulation 28(1)(a) of the SEBI Listing Regulations for the listing of the Equity Shares on the BSE and NSE on January 8, 2024.

Issue Procedure

1. On the Issue Opening Date, our Company and the Book Running Lead Manager shall circulate serially numbered copies of this Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form, to identified Eligible QIBs and the Application Form will be specifically addressed to each such Eligible QIB. In terms of Section 42(3) of the Companies Act, our Company shall maintain records of the Eligible QIBs in the form and manner as prescribed under the PAS Rules, to whom this Preliminary Placement Document and the serially numbered Application Form have been dispatched. Our Company will make the requisite filings with the RoC within the stipulated time periods as required under the Companies Act and the PAS Rules. The list of Eligible QIBs to whom this Preliminary Placement Document and Application Form is delivered will be determined by our Company in consultation with the BRLM, at their sole discretion.
2. **Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which includes the details of the bank account wherein the Application Amount is to be deposited, is addressed to a particular Eligible QIB, no invitation to make an offer to subscribe shall be deemed to have been made to such Eligible QIB.** Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid.

3. Eligible QIBs may submit the Application Form, including any revisions thereof along with the Application Amount and a copy of the PAN card or PAN allotment letter, during the Issue Period to the Book Running Lead Manager. Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Application Amount is paid along with submission of the Application Form within the Issue Period. Once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Application Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and the Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so.
4. Bidders will be required to indicate the following in the Application Form:
 - A representation that it is outside the United States acquiring the Equity Shares in an “offshore transaction” as defined in, and in reliance on, Regulation S and it has agreed to certain other representations set forth in the “*Representations by Investors*” on page 3 and “*Transfer Restrictions and Purchaser Representations*” on page 176 and certain other representations as set forth in the Application Form;
 - full official name of the Eligible QIB to whom Equity Shares are to be Allotted, complete address, e-mail id, PAN details and bank account details;
 - number of Equity Shares Bid for;
 - price at which they are agreeable to subscribe for the Equity Shares and the aggregate Application Amount for the number of Equity Shares Bid for;
 - Equity Shares held by the Eligible QIBs in our Company prior to the Issue;
 - details of the depository account to which the Equity Shares should be credited; and
 - Eligible FPIs are required to indicate their SEBI FPI registration number in the Application Form. The Bids made by the asset management companies or custodian of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.
5. Each Bidder shall be required to make the entire payment of the Application Amount for the Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Account within the Issue Period as specified in the Application Form sent to the respective Bidders. Please note that any payment of Application Amount for the Equity Shares shall be made from the bank accounts of the relevant Bidders and our Company shall keep a record of the bank account from where such payment has been received. Application Amount payable on Equity Shares to be held by joint holders shall be paid from the bank account of the person whose name appears first in the Application Form. Pending Allotment, Application Amounts received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised only for the purposes permitted under the Companies Act. Notwithstanding the above, in the event (a) any Bidder is not allocated Equity Shares in the Issue, (b) the number of Equity Shares Allotted to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, (c) the Application Amount has been arrived at using an indicative price higher than the Issue Price, or (d) any Eligible QIB lowers or withdraws their Bid after submission of the Application Form but prior to the Issue Closing Date, the excess Application Amount will be

refunded to the same bank account from which it was remitted, in the form and manner set out in “–*Refunds*” on page 165.

6. Once a duly completed Application Form is submitted by a Bidder and the Application Amount is transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and the Bid cannot be withdrawn or revised downwards after the Issue Closing Date. In case of an upward revision before the Issue Closing Date, an additional amount shall be required to be deposited towards the Application Amount in the Escrow Account along with the submission of such revised Bid. The Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form.
7. Eligible QIBs acknowledge that in accordance with the requirements of the Companies Act, upon Allocation, our Company will disclose the names of proposed Allottees and the percentage of their post Issue shareholding in the Placement Document and consents to such disclosure, if any Equity Shares were allocated to it.
8. Upon receipt of the duly completed Application Form and the Application Amount in the Escrow Account, on or after the Issue Closing Date, our Company shall, in consultation with Book Running Lead Manager determine the final terms, including the Issue Price of the Equity Shares to be issued pursuant to the Issue and Allocation. Upon such determination, the Book Running Lead Manager will send the serially numbered CAN to the Eligible QIBs who have been Allocated the Equity Shares. The dispatch of a CAN, and the Placement Document (when dispatched) to a Successful Bidder shall be deemed a valid, binding and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. The CAN shall contain details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price and the aggregate amount received towards the Equity Shares Allocated. **Please note that the Allocation will be at the absolute discretion of our Company and will be based on the recommendation of the Book Running Lead Manager.**
9. Upon determination of the Issue Price and the issuance of CAN and before Allotment of Equity Shares to the Successful Bidders, the Book Running Lead Manager, shall, on our behalf, send a serially numbered Placement Document to each of the Successful Bidders who have been Allocated Equity Shares pursuant to dispatch of a serially numbered CAN.
10. Upon dispatch of the serially numbered Placement Document, our Company shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. We will inform the Stock Exchanges of the details of the Allotment.
11. After passing the resolution for Allotment and prior to crediting the Equity Shares into the beneficiary account of the Successful Bidders maintained by the depository participant, as indicated in their respective Application Form, our Company shall apply to the Stock Exchanges for listing approvals in respect of the Equity Shares Allotted pursuant to the Issue.
12. After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the beneficiary accounts of the respective Allottees.
13. Our Company will then apply for the final trading approvals from the Stock Exchanges.
14. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the Eligible QIBs shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading and listing approvals from the Stock Exchanges.
15. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Company may communicate the receipt of the listing and trading approvals to those Eligible QIBs to whom the Equity Shares have been Allotted. Our Company and the Book Running Lead Manager shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Investors are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.
16. In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid

by such Bidder, or Equity Shares are not Allocated to a Bidder for any reasons, or a Bidder withdraws the Bid prior to the Issue Closing Date, any excess Application Amount paid by such Bidder will be refunded to the same bank account from which Application Amount was remitted, in the form and manner set out in the Refund Intimation which will be dispatched to such Bidder.

Eligible Qualified Institutional Buyers

Only Eligible QIBs are eligible to invest in the Equity Shares pursuant to the Issue, provided that with respect to foreign portfolio investors, only Eligible FPIs applying under Schedule II of the FEMA Rules will be considered as Eligible QIBs. FVCIs are not permitted to participate in the Issue. Currently, QIBs, who are eligible to participate in the Issue and also as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, are set forth below:

- alternate investment funds registered with SEBI;
- Eligible FPIs;
- insurance companies registered with Insurance Regulatory and Development Authority of India;
- 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;
- multilateral and bilateral development financial institutions;
- Mutual Funds;
- pension funds with minimum corpus of ₹250 million registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013;
- provident funds with minimum corpus of ₹250 million;
- public financial institutions;
- scheduled commercial banks;
- state industrial development corporations;
- the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government published in the Gazette of India;
- venture capital funds registered with SEBI; and
- systemically important non-banking financial companies

Eligible FPIs are permitted to participate through the portfolio investment scheme under Schedule II of FEMA Rules respectively, in this Issue. Eligible FPIs are permitted to participate in the Issue subject to compliance with all applicable laws and such that the shareholding of the FPIs do not exceed specified limits as prescribed under applicable laws in this regard. Other eligible non-resident QIBs shall participate in the Issue under Schedule I of the 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 FPIs and directly or indirectly, having common ownership of more than 50% or common control) is not permitted to be 10% or more of the post-Issue equity share capital of our Company, and the total holding of all FPIs, collectively, shall not exceed 24% of the paid-up equity share capital of our Company. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

With effect from April 1, 2020, the aggregate limit for FPI investments shall be the sectoral caps applicable to our Company (i.e. up to 100% under the automatic route). Further, if any FPI holds 10% or more of the Equity Share capital of our Company, on a fully diluted basis, the FPI including its investor group is required to divest the excess holding within five trading days from the date of settlement of the trades resulting in the breach. In the event that such divestment of excess holding is not done, the total investment made by such FPI together with its investor group will be re-classified as FDI as per procedure specified by SEBI and the FPI and its investor group will be prohibited from making any further portfolio investment in the company under the SEBI FPI Regulations. However, in accordance with Regulation 22(4) of the SEBI FPI Regulations, the FPIs who are: (i) appropriately regulated public retail funds; (b) public retail funds where the majority is owned by appropriately regulated public retail fund on look through basis; or (c) public retail funds and investment managers of such foreign portfolio investors are appropriately regulated, the aggregation of the investment limits of such FPIs having common control, shall not be applicable.

Eligible FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Restriction on Allotment

Under Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any QIB being, or any person related to, the Promoters. QIBs which have all or any of the following rights shall be deemed to be persons related to the Promoters:

- rights under a shareholders' agreement or voting agreement entered into with the Promoters or members of the Promoter Group;
- veto rights; or
- a right to appoint any nominee director on our Board

Provided, however, that a QIB which does not hold any Equity Shares in our Company and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the Promoters.

Our Company, the BRLM and any of their respective shareholders, employees, counsels, officers, directors, representatives, agents, advisors or affiliates shall not be liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply in the Issue. Eligible QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document.

A minimum of 10% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds. In case of under subscription in such portion, such portion or part thereof may be Allotted to other Eligible QIBs.

Note: Affiliates or associates of the Book Running Lead Manager who are Eligible QIBs may participate in the Issue in compliance with applicable laws.

Bid Process

Application Form

Eligible QIBs shall only use the serially numbered Application Forms (which are addressed to them) supplied by our Company and/or the Book Running Lead Manager in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of this Preliminary Placement Document.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of this Preliminary Placement Document, the Eligible QIB will be deemed to have made the following representations, warranties, acknowledgements and undertakings as well as those given or made under the sections "Notice to Investors", "Representations by Investors", "Selling Restrictions" and "Transfer Restrictions and Purchaser Representations" on pages 1, 3, 169 and 176 respectively:

1. The Eligible QIB confirms that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in this Issue;
2. The Eligible QIB confirms that it is not a Promoter and is not a person related to the Promoters, either directly or indirectly and its Application Form does not directly or indirectly represent the Promoters or Promoter Group or persons related to the Promoters;
3. The Eligible QIB confirms that it has no rights under a shareholders' agreement or voting agreement with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender which shall not be deemed to be a person related to the Promoters;
4. The Eligible QIB acknowledges that it has no right to withdraw or revise its Bid downwards after the Issue Closing Date;

5. The Eligible QIB confirms that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the Stock Exchanges;
6. The Eligible QIB confirms that it is eligible to Bid and hold Equity Shares so Allotted together with any Equity Shares held by it prior to the Issue, if any. The Eligible QIB further confirms that the holding of the Eligible QIB, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the Eligible QIB;
7. The Eligible QIB confirms that its Bid would not result in triggering an open offer under the SEBI Takeover Regulations;
8. The Eligible QIB agrees that although the Application Amount is required to be paid by it along with the Application Form within the Issue Period in terms of provisions of the Companies Act and rules made thereunder, our Company reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the Book Running Lead Manager. The Eligible QIB further acknowledges and agrees that the payment of Application Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part;
9. The Eligible QIB acknowledges that in terms of the requirements of the Companies Act 2013, upon Allocation, our Company will be required to disclose names as proposed Allottees and percentage to post-Issue shareholding of the proposed Allottees in the Placement Document and consents to such disclosure, if any Equity Shares are Allocated to it. However, the Eligible QIB further acknowledges and agrees, disclosure of such details in relation to the proposed Allottees in the Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the BRLM;
10. The Eligible QIB confirms that the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of the Issue. For the purposes of this representation:
 - a. Eligible QIBs “belonging to the same group” shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIB, its subsidiary(ies) or holding company and any other QIB; and
 - b. ‘Control’ shall have the same meaning as is assigned to it by Regulation 2(1)(c) of the SEBI Takeover Regulations;
11. The Eligible QIB acknowledges that no Allotment shall be made to them if the price at which they have Bid for in the Issue is lower than the Issue Price;
12. The Eligible QIBs confirm that they shall not undertake any trade in the Equity Shares credited to their beneficiary accounts maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares Allotted in the Issue are issued by the Stock Exchanges; and
13. The Eligible QIB confirms that it is outside the United States, is purchasing the Equity Shares in an ‘offshore transaction’ as defined in and in reliance on Regulation S, and is not our affiliate or a person acting on behalf of such an affiliate and it has agreed to certain other representations set forth in the Application Form.

ELIGIBLE QIBS MUST PROVIDE THEIR NAME, COMPLETE ADDRESS, EMAIL ID, PHONE NUMBER, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN, DEPOSITORY PARTICIPANT’S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. ELIGIBLE QIBS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THEIR BENEFICIARY ACCOUNT IS HELD.

IF SO, REQUIRED BY THE BOOK RUNNING LEAD MANAGER, THE ELIGIBLE QIBS SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WILL ALSO HAVE TO SUBMIT

REQUISITE DOCUMENT(S) TO THE BOOK RUNNING LEAD MANAGER TO EVIDENCE THEIR STATUS AS AN “ELIGIBLE QIB” AS DEFINED HEREINABOVE.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGER, ESCROW BANK OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER ISSUE CLOSURE, THE ELIGIBLE QIBS SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE APPLICABLE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details provided in the Application Form. However, for the purposes of refund of all or part of the Application Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Application Amount shall be remitted for the Equity Shares applied for in the Issue, will be considered.

The submission of an Application Form and payment of the Application Amount pursuant to the Application Form by a Bidder shall be deemed a valid, binding and irrevocable offer for such Bidder to pay the entire Issue Price for the Equity Shares and becomes a binding contract on a Successful Bidder upon issuance of the CAN and the Placement Document (when dispatched) by our Company in favour of the Successful Bidder.

Submission of Application Form

All Application Forms must be duly completed with information including the number of Equity Shares applied for along with proof of payment and a copy of the PAN card or PAN allotment letter. Additionally, the Application Form will include details of the relevant Escrow Account into which the Application Amounts will have to be deposited. The Application Amount shall be deposited in the Escrow Account as is specified in the Application Form and the Application Form shall be submitted to the Book Running Lead Manager either through electronic form or through physical delivery at either of the following addresses:

IIFL Securities Limited

24th Floor, One Lodha Place,
Senapati Bapat Marg, Lower Parel (West),
Mumbai – 400 013 Maharashtra, India
Contact Person: Aditya Raturi
Email: project.highrise@iiflcap.com
Phone: 022-4646 4728

The Book Running Lead Manager shall not be required to provide any written acknowledgement of the receipt of the Application Form and the Application Amount.

Bidders Bidding in the Issue shall pay the entire Application Amount along with the submission of the Application Form, within the Issue Period.

Payment of Application Amount

Our Company has opened the “*Capacit’e Infraprojects Ltd, QIP Escrow A/c*” with the Escrow Bank, in terms of the arrangement among our Company, the Book Running Lead Manager and the Escrow Bank. Bidders will be required to deposit the entire Application Amount payable for the Equity Shares applied for through the Application Form submitted by it in accordance with the applicable laws.

Payments are to be made only through electronic fund transfer.

Note: Payments through cheques or demand draft or cash shall be rejected.

If the payment is not made favouring the “*Capacit’e Infraprojects Ltd, QIP Escrow A/c*” account within the Issue Period stipulated in the Application Form, the Application Form of the QIB is liable to be cancelled.

Pending Allotment, our Company undertakes to utilise the amount deposited in “*Capacit’e Infraprojects Ltd, QIP Escrow A/c*” only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) repayment of Application Amount if our Company is not able to Allot Equity Shares in the Issue. Notwithstanding the above, in the event a Bidder is not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to a Bidder, is lower than the number of Equity Shares applied for through the Application Form and

towards which Application Amount has been paid by such Bidder, the excess Application Amount will be refunded to the same bank account from which Application Amount was remitted, in the form and manner set out in “- Refunds” on page 165.

Permanent Account Number or PAN

Each Bidder should mention its PAN allotted under the Income Tax Act, 1961 in the Application Form and enclose a copy of the PAN card or PAN allotment letter along with the Application Form to the extent applicable. Applications without this information will be considered incomplete and are liable to be rejected. Bidders should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Bank Account Details

Each Bidder shall mention the details of the bank account from which the payment of Application Amount has been made along with confirmation that such payment has been made from such account.

Pricing and Allocation

Build-up of the Book

The Eligible QIBs shall submit their Bids (including any revision thereof) through the Application Forms within the Issue Period to the Book Running Lead Manager. Such Bids cannot be withdrawn or revised downwards after the Issue Closing Date. The book shall be maintained by the Book Running Lead Manager.

Price Discovery and Allocation

Our Company, in consultation with the Book Running Lead Manager, shall determine the Issue Price, which shall be at or above the Floor Price. However, our Company may offer a discount of not more than 5% on the Floor Price in terms of Regulation 176 of the SEBI ICDR Regulations as approved by our Shareholders through a resolution (passed through postal ballot) dated July 5, 2023.

After finalisation of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

Method of Allocation

Our Company shall determine the Allocation in consultation with the Book Running Lead Manager on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations.

Bids received from the Eligible QIBs at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such Eligible QIBs will be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size shall be undertaken subject to valid Bids being received at or above the Issue Price.

In case of cancellations or default by the Bidders, our Company in consultation with Book Running Lead Manager have the right to reallocate the Equity Shares at the Issue Price among existing or new Bidders at their sole and absolute discretion subject to the applicable laws.

THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL BIDDERS. BIDDERS MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER AND ELIGIBLE QIBS MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE APPLICATION AMOUNT AT OR ABOVE THE ISSUE PRICE WITHIN THE ISSUE PERIOD. NEITHER OUR COMPANY NOR THE BOOK RUNNING LEAD MANAGER ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

CAN

Based on receipt of the serially numbered Application Forms and Application Amount, our Company, in consultation with the Book Running Lead Manager, in their sole and absolute discretion, shall decide the

Successful Bidders to whom the serially numbered CAN shall be dispatched, pursuant to which the details of the Equity Shares Allocated to them, the Issue Price and the Application Amount for the Equity Shares Allotted shall be notified to such Successful Bidders. Additionally, the CAN will include the probable Designated Date, being the date of credit of the Equity Shares to the Bidders' account, as applicable to the respective Bidder.

The Successful Bidders would also be sent a serially numbered Placement Document (which will include the names of the proposed Allottees along with the percentage of their post-Issue Shareholding in our Company) either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and the Placement Document (when dispatched), to the Eligible QIBs shall be deemed a valid, binding and irrevocable contract for the Eligible QIBs to furnish all details that may be required by the Book Running Lead Manager. Subsequently, our Board will approve the Allotment of the Equity Shares to the Allottees.

Eligible QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.

By submitting the Application Form, an Eligible QIB would have deemed to have made the representations and warranties as specified in "Notice to Investors" on page 1 and further that such Eligible QIB shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to the Issue until such time as the final listing and trading approval is issued by Stock Exchanges.

Designated Date and Allotment of Equity Shares

The Equity Shares in the Issue will be issued, and Allotment shall be made only in dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act. However, no transfer in physical form is permitted as per Regulation 40 of the SEBI Listing Regulations.

Our Company, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Following the Allotment and credit of Equity Shares into the Successful Bidders' beneficiary demat accounts maintained with the Depository Participant, as indicated in the respective Application Form, our Company will apply for final trading and listing approvals from the Stock Exchanges.

Pursuant to a circular dated March 5, 2010 issued by the SEBI, Stock Exchanges are required to make available on their websites the details of those Allottees in Issue who have been allotted more than 5% of the Equity Shares offered in the Issue, viz, the names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Company along with the Placement Document. Our Company shall make the requisite filings with the RoC within the stipulated period as required under the Companies Act and the PAS Rules. Further, as required in terms of the PAS Rules, names of the proposed Allottees and the percentage of their post-Issue shareholding in our Company will be disclosed in the Placement Document.

The Escrow Bank shall release the monies lying to the credit of the Escrow Account to our Company upon receipt of notice from the Book Running Lead Manager and the trading and listing approvals of the Stock Exchanges for Equity Shares offered in the Issue and after filing return of Allotment under Form PAS-3 with the RoC.

After finalization of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

Refunds

In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, or Equity Shares are not Allocated to a Bidder for any reasons, or a Bidder withdraws the Bid prior to the Issue Closing Date, any excess Application Amount paid by such Bidder will be refunded to the same bank account from which the Application Amount was remitted, in the form and manner set out in the Refund Intimation. The Refund Amount will be transferred to the relevant Bidders within two Working Days from the issuance of the CAN.

In the event that Equity Shares have been Allocated to Successful Bidders and our Company is unable to issue and Allot the Equity Shares offered in the Issue or on cancellation of the Issue, within 60 days from the date of receipt of the Application Amount, our Company shall repay the Application Amount within 15 days from expiry of 60 days, failing which our Company shall repay that money with interest at such rate and in such manner as prescribed under the Companies Act.

Other Instructions

Right to Reject Applications

Our Company, in consultation with the Book Running Lead Manager, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company in consultation with the Book Running Lead Manager in relation to the rejection of Bids shall be final and binding. In the event the Bid is rejected by our Company, the Application Amount paid by the Bidder shall be refunded to the same bank account from which the Application Amount was remitted by such Bidder. For details see “*Bid Process – Refunds*” on page 165.

Equity Shares in dematerialized form with NSDL or CDSL

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

An Eligible QIB applying for Equity Shares to be issued pursuant to the Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Equity Shares Allotted to a Successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Successful Bidder, as indicated in the Application Form.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialised form only for all QIBs in the demat segment of the respective Stock Exchanges.

Our Company and the Book Running Lead Manager will not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on the part of the Bidders.

Release of funds to our Company

The Escrow Bank shall not release the monies lying to the credit of the “*Capacit'e Infraprojects Ltd, QIP Escrow A/c*” account to our Company until receipt of notice from the Book Running Lead Manager, the trading and listing approvals of the Stock Exchanges for Equity Shares offered in the Issue and filing of return of Allotment under Form PAS-3 with the RoC.

PLACEMENT

Placement Agreement

The BRLM has entered into the Placement Agreement dated January 8, 2024 with our Company, pursuant to which the BRLM has agreed, subject to certain conditions, to manage the Issue and to act as placement agents in connection with the proposed Issue and procure subscription to Equity Shares to be placed with the Eligible QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations, Section 42 of the Companies Act read with Rule 14 of the PAS Rules, to the extent applicable, as amended and other applicable provisions of the Companies Act and the rules made thereunder. The Placement Agreement contains customary representations, warranties and indemnities from our Company, and it is subject to satisfaction of certain conditions and subject to termination in accordance with the terms contained therein.

This Preliminary Placement Document and the Placement Document have not been, and will not be, registered as a prospectus with the RoC and, no Equity Shares offered pursuant to the Issue, will be offered in India or overseas to the public or any members of the public or any other class of prospective investors, other than Eligible QIBs.

The Equity Shares offered in this Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and, unless so registered, may not be offered or sold in 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 U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in “offshore transactions” as defined in and in reliance on Regulations S and the applicable laws of the jurisdictions where such offers and sales are made.

Applications shall be made to list the Equity Shares issued pursuant to the Issue and admit them to trading on the Stock Exchanges. No assurance can be given as to the liquidity or sustainability of the trading market for the Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

Relationship with the Book Running Lead Manager

In connection with the Issue, the BRLM (or its affiliates) may, for its own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be offered pursuant to the Issue at the same time as the offer and sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the BRLM may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. The Affiliates of the BRLM may purchase Equity Shares and be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of P-Notes. For further details, see “*Offshore Derivative Instruments*” on page 9.

From time to time, the BRLM, its affiliates and its associates have been engaged in or may in the future engage in transactions with and perform services, including but not limited to investment banking, advisory, commercial banking, trading services for our Company, our Subsidiaries, Group Companies, affiliates and the Shareholders, as well as to their respective associates and affiliates, pursuant to which fees and commissions have been paid or will be paid to the BRLM and its respective affiliates.

Lock-up

Under the Placement Agreement, our Company undertakes that it will not for a period of 60 days from the date of Allotment under the Issue, without the prior written consent of the Book Running Lead Manager, directly or indirectly, (a) purchase, lend, sell, offer, issue, contract to issue, issue or offer any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, any Equity Shares or any securities convertible into or exercisable for Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares which may be deemed to be beneficially owned), or file any registration statement under the U.S. Securities Act, with respect to any of the foregoing; or (b) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences associated with the ownership of any of the Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares (regardless of whether any of the transactions described in clause (a) or (b) is to be settled by the delivery of Equity Shares or such other securities, in cash or otherwise), or (c) deposit Equity Shares with any other depository in connection with a depository receipt facility, (d) enter into any transaction (including a transaction involving derivatives)

having an economic effect similar to that of an issue, offer, sale or deposit of the Equity Shares in any depository receipt facility, or (e) publicly announce any intention to enter into any transaction falling within (a) to (d) above or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue or offer or deposit of Equity Shares in any depository receipt facility or publicly announce any intention to enter into any transaction falling within (a) to (d) above.

Lock-up by Promoters

Under the Placement Agreement, our Promoters and each member of the Promoter Group have undertaken that, they will not for a period of 60 days from the date of Allotment under the Issue, without the prior written consent of the Book Running Lead Manager, (the “**Lock-up Period**”), directly or indirectly: (a) sell, lend, contract to sell, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Lock-up Shares, or any securities convertible into or exercisable or exchangeable for Lock-up Shares or file any registration statement under the U.S. Securities Act of 1933, as amended, or publicly announce an intention with respect to any of the foregoing; (b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of Lock-up Shares or any securities convertible into or exercisable or exchangeable for Lock-up Shares; (c) sell, lend, contract to sell, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any shares or interest in an entity which holds any Lock-up Shares; or (d) publicly announce any intention to enter into any transaction whether any such transaction described in (a), (b) or (c) above is to be settled by delivery of Lock-up Shares, or such other securities, in cash or otherwise or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue or offer or deposit of Equity Shares in any depository receipt facility or publicly announce any intention to enter into any transaction falling within (a) to (c) above.

SELLING RESTRICTIONS

The distribution of this Preliminary Placement Document or any offering material and the offering, sale or delivery of Equity Shares in this Issue is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Preliminary Placement Document or any offering material are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restriction. This Preliminary Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

General

No action has been taken or will be taken by our Company or the BRLM that would permit a public offering of the Equity Shares to occur in any jurisdiction, or the possession, circulation or distribution of this Preliminary Placement Document or any other material relating to our Company or the Equity Shares in any jurisdiction where action for such purpose is required (including filing of prospectus in India with SEBI or any other authority in connection with the Issue). Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document, nor any offering materials or advertisements in connection with the offering of the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. The Issue will be made in compliance with the applicable SEBI ICDR Regulations, Section 42 and 62 of the Companies Act read with Rule 14 of the PAS Rules and other applicable provisions of the Companies Act and the rules made thereunder. Each purchaser of the Equity Shares in this Issue will be deemed to have made representations, warranties, acknowledgments and agreements as described in this section and under “*Notice to Investors*”, “*Representations by Investors*” and “*Transfer Restrictions and Purchaser Representations*” on page 1, 3 and 176.

Republic of India

The Issue will be made in compliance with the SEBI ICDR Regulations, Section 42 of the Companies Act, read with Rule 14 of the PAS Rules and other applicable provisions of the Companies Act and the rules made thereunder.

This Preliminary Placement Document may not be distributed directly or indirectly in India or to residents of India and any Equity Shares may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to Eligible QIBs and is not an offer to the public or any other class of investors other than Eligible QIBs. This Preliminary Placement Document has not been and will not be filed as a prospectus with the RoC, or an advertisement and will not be circulated or distributed to the public in India or any other jurisdiction and will not constitute a public offer in India or any other jurisdiction.

Bahrain

All marketing and offering of the Equity Shares in the Issue has been made and will be made outside the Kingdom of Bahrain. This Preliminary Placement Document and the Equity Shares that shall be offered pursuant to this Preliminary Placement Document have not been registered, filed, approved or licensed by the Central Bank of Bahrain (“CBB”), the Bahrain Bourse, the Ministry of Industry, Commerce and Tourism (“MOICT”) or any other relevant licensing authorities in the Kingdom of Bahrain.

The CBB, the Bahrain Bourse and the MOICT of the Kingdom of Bahrain takes no responsibility for the accuracy of the statements and information contained in this Preliminary Placement Document, nor shall they have any liability to any person, investor or otherwise for any loss or damage resulting from reliance on any statements or information contained herein. This Preliminary Placement Document is only intended for Accredited Investors as defined by the CBB and the Equity Shares offered by way of private placement may only be offered in minimum subscriptions of USD 100,000 (or equivalent in other currencies). No invitation to the public in the Kingdom of Bahrain to subscribe to the Equity Shares is being made and this Preliminary Placement Document will not be issued to, passed to, or made available to the public generally in the Kingdom of Bahrain. The CBB has not reviewed, nor has it approved this Preliminary Placement Document and any related offering documents or the marketing thereof in the Kingdom of Bahrain. The CBB is not and will not be responsible for the performance of the Equity Shares.

Cayman Islands

No offer or invitation to subscribe for Equity Shares may be made to the public in the Cayman Islands to subscribe for any of the Equity Shares but an invitation or offer may be made to sophisticated persons (as defined in the Cayman Islands Securities Investment Business Law (the “SIBL”), high net worth persons (as defined in the SIBL) or otherwise in accordance with the SIBL. This Preliminary Placement Document does not constitute an invitation or offer to the public in the Cayman Islands of the Equity Shares, whether by way of sale or subscription. The Equity Shares are not being offered or sold, and will not be offered or sold, directly or indirectly, to the public in the Cayman Islands.

Dubai International Financial Centre

This Preliminary Placement Document relates to an Exempt Offer in accordance with the Markets Rules Module of the Dubai Financial Services Authority (“DFSA”) Rulebook. This Preliminary Placement Document is intended for distribution only to persons of a type specified in the Markets Rules Module. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this Preliminary Placement Document nor taken steps to verify the information set forth herein and has no responsibility for this Preliminary Placement Document. The securities to which this Preliminary Placement Document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of this Preliminary Placement Document you should consult an authorized financial advisor.

In relation to its use in the DIFC, this Preliminary Placement Document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the securities may not be offered or sold directly or indirectly to the public in the DIFC.

European Economic Area

In relation to each Member State of the European Economic Area (each a “**Member State**”), no Equity Shares have been offered or will be offered pursuant to the Issue to the public in that Member State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, all in accordance with the Prospectus Regulation), except that offers of Equity Shares may be made to the public in that Member State at any time under the following exemptions under the Prospectus Regulation:

- to any legal entity which is a qualified investor as defined under the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of Lead Manager for any such offer; or
- in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Equity Shares shall result in a requirement for the publication by the Company or the Lead Manager of a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this section, the expression an “offer of Equity Shares to the public” in relation to any Equity Shares in any Relevant State means a communication to persons in any form and by any means presenting sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares.

Except for each person who is not a qualified investor and who has notified the Lead Manager of such fact in writing and has received the consent of the Lead Manager in writing to subscribe for or purchase Equity Shares in the Issue, each person in a Relevant State who acquires Equity Shares in the Issue or to whom any offer is made shall be deemed to have represented that it is a “qualified investor” as defined in the Prospectus Regulation.

In the case of any Equity Shares being offered to a financial intermediary, as that term is used in Article 5 of the Prospectus Regulation, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Equity Shares subscribed for or acquired by it in the Issue have not been subscribed for or acquired on a non-discretionary basis on behalf of, nor have they been subscribed for or acquired with a view to their offer or resale to persons in circumstances which may give rise to an offer of any Equity Shares to the public other than their offer or resale in a Relevant State to qualified investors (as so defined) or in circumstances in which the prior consent of the Lead Manager has been obtained to each such proposed offer or resale.

Our Company, the Lead Manager and their affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

Hong Kong

The Equity Shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”) and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the “C(WUMP)O”) or which do not constitute an offer to the public within the meaning of the C(WUMP)O.

No advertisement, invitation or document relating to the Equity Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO has been or will be issued, whether in Hong Kong or elsewhere.

Japan

The Equity Shares offered hereby have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “**Financial Instruments and Exchange Act**”). The Preliminary Placement Document is not an offer of shares for sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used in the Preliminary Placement Document means any person resident in Japan, including any corporation or entity organized under the laws of Japan) or to others for reoffer or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

Republic of Korea

The Equity Shares have not been and will not be registered under the Financial Investments Services and Capital Markets Act of Korea and the decrees and regulations thereunder (the “FSCMA”), and the Equity Shares have been and will be offered in Korea as a private placement under the FSCMA. None of the Equity Shares may be offered, sold or delivered directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the FSCMA and the Foreign Exchange Transaction Law of Korea and the decrees and regulations thereunder (the “FETL”). Furthermore, the purchaser of the Equity Shares shall comply with all applicable regulatory requirements (including but not limited to requirements under the FETL) in connection with the purchase of the Equity Shares. By the purchase of the Equity Shares, the relevant holder thereof will be deemed to represent and warrant that if it is in Korea or is a resident of Korea, it purchased the Equity Shares pursuant to the applicable laws and regulations of Korea.

Kuwait

This document and does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, the Equity Shares in the State of Kuwait. The Equity Shares have not been licensed for offering, promotion, marketing, advertisement or sale in the State of Kuwait by the Capital Markets Authority or any other relevant Kuwaiti government agency. The offering, promotion, marketing, advertisement or sale of the Equity Shares in State of Kuwait on the basis of a private placement or public offering is, therefore, prohibited in accordance with Law No. 7 of 2010 and the Executive Bylaws for Law No. 7 of 2010, as amended, which govern the issue, offer, marketing and sale of financial services/products in the State of Kuwait. No private or public offering of the Equity Shares

is or will be made in the State of Kuwait, and no agreement relating to the sale of the Equity Shares will be concluded in the State of Kuwait and no marketing or solicitation or inducement activities are being used to offer or market the Equity Shares in the State of Kuwait.

Malaysia

No approval from the Securities Commission of Malaysia has been applied for or will be obtained for the offer or invitation in respect of the Issue under the Capital Markets and Services Act 2007. Neither has a prospectus been nor will be registered with the Securities Commission of Malaysia in connection with the Issue in Malaysia. Accordingly, this Preliminary Placement Document or any amendment or supplement hereto or any other offering document in relation to the Issue may not be distributed in Malaysia directly or indirectly for the purpose of any offer of the Equity Shares. The Equity Shares may not be offered or sold in Malaysia except pursuant to, and to persons prescribed under, Part I of Schedule 6 of the Malaysian Capital Markets and Services Act and no person may offer for subscription or purchase any of the Equity Shares directly or indirectly to anyone in Malaysia.

Mauritius

The public of the republic of Mauritius is not invited to subscribe for the interests offered hereby. This memorandum relates to a private placement and does not constitute an offer to the public in Mauritius to subscribe for the interests offered hereby. The interests are only being offered to a limited number of sophisticated investors meeting the eligibility criteria. No regulatory approval has been sought for the offer in Mauritius and it must be distinctly understood that the Mauritius financial services commission does not accept any responsibility for the financial soundness of or any representations made in connection with the issue. The memorandum is for the use only of the named addressee and should not be given or shown to any other person.

Qatar (excluding the Qatar Financial Centre)

This Preliminary Placement Document did not, and was not intended to, constitute an invitation or an offer of securities in the State of Qatar (including the Qatar Financial Centre) and accordingly should not be construed as such. The Equity Shares have not been, and shall not be, offered, sold or delivered at any time, directly or indirectly, in the State of Qatar. Any offering of the Equity Shares shall not constitute a public offer of securities in the State of Qatar.

By receiving this document, the person or entity to whom it has been provided to understands, acknowledges and agrees that: (a) neither this Preliminary Placement Document nor the Equity Shares have been registered, considered, authorised or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority or any other authority or agency in the State of Qatar; (b) neither the Company nor the Lead Manager are authorised or licensed by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority, or any other authority or agency in the State of Qatar, to market or sell the Equity Shares within the State of Qatar; (c) this Preliminary Placement Document may not be provided to any person other than the original recipient and is not for general circulation in the State of Qatar; and (d) no agreement relating to the sale of the Equity Shares shall be consummated within the State of Qatar.

No marketing of the Equity Shares has been or will be made from within the State of Qatar and no subscription to the Equity Shares may or will be consummated within the State of Qatar. Any applications to invest in the Equity Shares shall be received from outside of Qatar. This Preliminary Placement Document shall not form the basis of, or be relied on in connection with, any contract in Qatar. The persons representing the Lead Manager are, by distributing this document, not advising individuals resident in the State of Qatar as to the appropriateness of investing in or purchasing or selling securities or other financial products. Nothing contained in this Preliminary Placement Document is intended to constitute investment, legal, tax, accounting or other professional advice in, or in respect of, the State of Qatar.

Qatar and Qatar Financial Centre

Nothing in this Preliminary Placement Document is intended to constitute, shall be treated as constituting or shall be deemed to constitute, any offer or sale of securities in the State of Qatar or in the Qatar Financial Centre or the inward marketing of securities or an attempt to do business, as a bank, an investment company or otherwise in the State of Qatar or in the Qatar Financial Centre other than in compliance with any laws applicable in the State of Qatar or in the Qatar Financial Centre governing the issue, offering and sale of securities under the laws of the State of Qatar and the Qatar Financial Centre.

This Preliminary Placement Document and any underlying instruments or securities have not been and will not be filed with, reviewed or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Exchange or any other relevant Qatar governmental body or securities exchange. The Company has not been authorised or licenced by any Qatari governmental body or regulator to market, offer or sell the Equity Shares in the State of Qatar or in the Qatar Financial Centre.

This Preliminary Placement Document is strictly private and confidential. This Preliminary Placement Document is provided on an exclusive basis to the specifically intended recipient of such document, upon that person's request and initiative, and for the recipient's personal use only. It is being distributed to a limited number of qualified investors and must not be provided to any person other than the original recipient. It is not for general circulation in the State of Qatar or the Qatar Financial Centre and may not be reproduced or used for any other purpose. Any distribution of this document by the recipient to third parties in the State of Qatar or the Qatar Financial Centre is not authorised and shall be at the liability of such recipient.

Recourse against the Company and/or its affiliates may be limited or difficult and may have to be pursued in a jurisdiction outside the State of Qatar and/or the Qatar Financial Centre.

Saudi Arabia

This Preliminary Placement Document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority ("CMA"). The CMA does not make any representation as to the accuracy or completeness of this Preliminary Placement Document and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Preliminary Placement Document. Prospective purchasers of the Equity Shares offered hereby should conduct their own due diligence on the accuracy of the information relating to the Equity Shares. If you do not understand the contents of this Preliminary Placement Document, you should consult an authorised financial adviser.

Singapore

This Preliminary Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Preliminary Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Equity Shares may not be circulated or distributed, nor may the Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Equity Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- i. a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- ii. a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 of the SFA except:

- (a) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (b) where no consideration is or will be given for the transfer;
- (c) where the transfer is by operation of law;
- (d) as specified in Section 276(7) of the SFA; or
- (e) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Notification under Sections 309B(1)(a) and 309B(1)(c) of the SFA: We have determined, and hereby notify all relevant persons (as defined in Section 309A of the SFA) that the Equity Shares are: (A) prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and (B) Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment: Notice on Recommendations on Investment Products).

Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the “SFA”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “CMP Regulations 2018”), the Company has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Equity Shares are ‘prescribed capital markets products’ (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Sultanate of Oman

The information contained in this Preliminary Placement Document does not constitute a public offer of securities in Oman as contemplated by the Oman Commercial Companies Law (Sultani Decree 18/2019, as amended) or Article 3 of the Capital Market Authority Law (Sultani Decree 80/98, as amended). This Preliminary Placement Document will only be made available to investors in Oman in accordance with the provisions of Article 139 of the Executive Regulations of the Capital Markets Law (Capital Markets Law Decision No. 1/2009, as amended) (the “Executive Regulations”) by an entity duly licenced by the Capital Market Authority of Oman to market non-Omani securities in Oman.

This Preliminary Placement Document is strictly private and confidential. It is being provided to a limited number of sophisticated investors solely to enable them to decide whether or not to invest in the Equity Shares outside of Oman, upon the terms and subject to the restrictions set out herein and may not be reproduced or used for any other purpose or provided to any person other than the original recipient. Additionally, this Preliminary Placement Document is not intended to lead to the making of any contract within the territory or under the laws of Oman.

This Preliminary Placement Document has not been (and will not be) filed with the Capital Market Authority of Oman (except in accordance with Article 139 of the Executive Regulations) or any other regulatory authority in Oman and the Capital Market Authority of Oman neither assumes responsibility for the accuracy and adequacy of the statements and information contained in this Preliminary Placement Document nor shall have any liability to any person for damage or loss resulting from reliance on any statements or information contained herein.

Switzerland

The Equity Shares may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act (“FinSA”) and no application has or will be made to admit the Equity Shares to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Preliminary Placement Document nor any other offering or marketing material relating to the Equity Shares constitutes a prospectus pursuant to the FinSA, and neither this Preliminary Placement Document nor any other offering or marketing material relating to the Equity Shares may be publicly distributed or otherwise made publicly available in Switzerland.

The Equity Shares may, however, be offered in Switzerland to professional clients within the meaning of the FinSA, without any public offer and only to investors who do not purchase the Equity Shares with the intention to distribute them to the public. The investors will be individually approached from time to time. This Preliminary Placement Document may only be used by those investors to whom it has been handed out in connection with the Offer described herein and may neither directly nor indirectly be distributed or made available to other persons without our express consent.

United Arab Emirates (excluding the Dubai International Financial Centre)

This Preliminary Placement Document does not constitute or contain an offer of securities to the general public in the UAE. No offering, marketing, promotion, advertising or distribution (together, “Promotion”) of this document or the Equity Shares may be made to the general public in the United Arab Emirates (the “UAE”) unless: (a) such Promotion has been approved by the UAE Securities and Commodities Authority (the “SCA”) and is made in accordance with the laws and regulations of the UAE, including SCA Board of Directors’ Chairman

Decision no. (3/R.M.) of 2017 (the “**Promotion and Introduction Regulations**”), and is made by an entity duly licensed to conduct such Promotion activities in the UAE; or (b) such Promotion is conducted by way of private placement made: (i) only to “Qualified Investors” (excluding “**High Net Worth Individuals**”) (as such terms are defined in the Promotion and Introduction Regulations); or (ii) otherwise in accordance with the laws and regulations of the UAE; or (c) such Promotion is carried out by way of reverse solicitation only upon an initiative made in writing by an investor in the UAE. None of the SCA, the UAE Central Bank, the UAE Ministry of Economy or any other regulatory authority in the UAE has reviewed or approved the contents of this document nor does any such entity accept any liability for the contents of this document.

United Kingdom

No Shares have been offered or will be offered pursuant to the Offering to the public in the United Kingdom prior to the publication of a prospectus in relation to the Shares which is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provisions in Article 74 (transitional provisions) of the Prospectus Amendment etc (EU Exit) Regulations 2019/1234, except that it may make an offer to the public in the United Kingdom of any Shares at any time:

- (a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Lead Manager for any such offer; or
- (c) in any other circumstances falling within Article 1(4) of the UK Prospectus Regulation,

provided that no such offer of the Shares shall require the Company or any Lead Manager to publish a prospectus pursuant to Article 3 of the UK Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision, the expression an “offer to the public” in relation to the Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Shares and the expression “UK Prospectus Regulation” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

The Preliminary Placement Document may not be distributed or circulated to any person in the United Kingdom other than to (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Financial Promotion Order”); and (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Financial Promotion Order (all such persons together being referred to as “relevant persons”). The Preliminary Placement Document is directed only at relevant persons. Other persons should not act on the Preliminary Placement Document or any of its contents. The Preliminary Placement Document is confidential and is being supplied to you solely for your information and may not be reproduced, redistributed or passed on to any other person or published, in whole or in part, for any other purpose.

United States of America

The Equity Shares have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in ‘*offshore transactions*’, as defined in and in reliance on Regulations S and the applicable laws of the jurisdiction where those offers and sales are made. For further information, see “*Transfer Restrictions and Purchaser Representations*” on page 176.

Other Jurisdictions

The distribution of this Preliminary Placement Document and the offer and sale of the Equity Shares may be restricted by law in certain jurisdictions. Persons into whose possession this Preliminary Placement Document comes are required to inform themselves about, and to observe, any such restrictions to the extent applicable.

TRANSFER RESTRICTIONS AND PURCHASER REPRESENTATIONS

Due to the following restrictions, investors are advised to consult their legal counsel prior to subscribing for Equity Shares or making any resale, pledge or transfer of the Equity Shares.

Pursuant to Chapter VI of the SEBI ICDR Regulations, any resale of Equity Shares Allotted in the Issue, except on the Stock Exchanges, is not permitted for a period of one year from the date of Allotment. Investors are advised to consult legal counsels prior to making any resale, pledge, or transfer of our Equity Shares. In addition to the above, Allotments made to Eligible QIBs, including VCFs and AIFs, in the Issue may be subject to lock-in requirements, if any, under the rules and regulations that are applicable to them. For more information, see “*Selling Restrictions*” on page 169.

Purchaser Representations and Transfer Restrictions

The Equity Shares have not been and will not be registered under the U.S. Securities Act and 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.

By accepting delivery of this Preliminary Placement Document, submitting a bid to purchase Equity Shares and/or accepting delivery of Equity Shares, you will be deemed to have represented and agreed as follows:

- It is authorized to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations.
- It acknowledges (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer acknowledges) that the Equity Shares are being issued in reliance upon Regulation S and such Equity Shares have not been and will not be registered under the U.S. Securities Act.
- It certifies that either (A) it is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, is located outside the United States (within the meaning of Regulation S), and it has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States, or (B) it is a broker-dealer acting on behalf of its customer and its customer has confirmed to it that (i) such customer is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, and (ii) such customer is located outside the United States (within the meaning of Regulation S), and such customer has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States.
- It is aware of the restrictions of the offer, sale and resale of the Equity Shares pursuant to Regulation S.
- It agrees (or it is a broker-deal acting on behalf of a customer that has confirmed to it that such customer agrees) that neither it, nor any of its affiliates, nor any person acting on its behalf, will make any “directed selling efforts” as defined in Regulation S. It acknowledges and agrees that it is not purchasing any Equity Shares as a result of any “directed selling efforts” as defined in Regulation S.
- It understands that the Equity Shares are being offered in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act, that the Equity Shares have not been and will not be registered under the U.S. Securities Act and that if in the future it decides to offer, resell, pledge or otherwise transfer any of the Equity Shares, such Equity Shares may be offered, resold, pledged or otherwise transferred only outside the United States in a transaction complying with the provisions of Rule 903 or Rule 904 of Regulation S or in a transaction otherwise exempt from the registration requirements of the U.S. Securities Act and other applicable U.S. state securities laws.
- It is a sophisticated investor and has such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Equity Shares. It is experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions. It and any accounts for which it is subscribing to the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to the Company or the BRLM for all or part of any such loss or losses that may be suffered, (iii) are

able to sustain a complete loss on the investment in the Equity Shares, (iv) is seeking to subscribe to the Equity Shares in this Issue for investment purposes and not with a view to resell or distribute them and it has no reason to anticipate any change in its circumstances, financial or otherwise, which may cause or require any sale or distribution by it of all or any part of the Equity Shares, (v) have no need for liquidity with respect to the investment in the Equity Shares, and (vi) have no reason to anticipate any change in its or their circumstances, financial or otherwise, which may cause or require any sale or distribution by it or them of all or any part of the Equity Shares. It acknowledges that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment.

- It has been provided access to this Preliminary Placement Document and will be provided access to the Placement Document which it has read in its entirety.
- It agrees to indemnify and hold the Company and the BRLM harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations and warranties. It will not hold any of the Company or the BRLM liable with respect to its investment in the Equity Shares. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares.
- Where it is subscribing to the Equity Shares for one or more managed accounts, it represents and warrants that it is authorised in writing, by each such managed account to subscribe to the Equity Shares for each managed account and to make (and it hereby makes) the acknowledgements and agreements herein for and on behalf of each such account, reading the reference to “it” to include such accounts.
- It agrees that any resale or other transfer, or attempted resale or other transfer, of the Equity Shares made other than in compliance with the above-stated restrictions shall not be recognised by the Company.

It acknowledges that the Company and the BRLM and their 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 or agreements is no longer accurate, it will promptly notify the Company and the BRLM. It agrees that the terms and provisions of the foregoing acknowledgements, representations and agreements shall inure to the benefit of and any document incorporating such acknowledgements, representations and agreements shall be enforceable by the Company, its successors and its permitted assigns, and the terms and provisions hereof shall be binding on its permitted successors in title, permitted assigns and permitted transferees. It understands that these acknowledgments, representations and undertakings are required in connection with United States securities laws and irrevocably authorizes the Company to produce these acknowledgments, representations and undertakings (or any document incorporating them) to any interested party in any administrative or legal proceedings or official enquiry with respect to the matters covered herein.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the respective websites of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company or the BRLM or any of their respective affiliates or advisors.

The Indian Securities Market

India has a long history of organized securities trading. In 1875, the first stock exchange was established in Mumbai. BSE and NSE are the significant stock exchanges in India in terms of the number of listed companies, market capitalisation and trading activity.

Indian Stock Exchanges

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the SCRA and the SCRR. On October 3, 2018, SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (the “**SCR (SECC) Regulations**”), which regulate *inter alia* the recognition, ownership and governance of stock exchanges and clearing corporations in India together with providing for minimum net-worth requirements for stock exchanges. The SCRA, the SCRR and the SCR (SECC) Regulations along with various rules, bye laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations and guidelines concerning minimum disclosure requirements by listed companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign portfolio investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

BSE

Established in 1875, it is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005 of SEBI, with effect from August 19, 2005, BSE was incorporated as a company under the Companies Act, 1956. BSE was listed on NSE with effect from February 3, 2017.

NSE

NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000.

Listing and delisting of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act the SCRA, the SCRR, the SEBI Act and various guidelines and regulations issued by SEBI including the SEBI ICDR Regulations and the SEBI Listing Regulations, as well as pursuant to the listing agreements entered into by our Company with the Stock Exchanges. The SCRA empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of company’s obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and bye laws of the stock exchanges in India, to overrule a stock exchange’s governing body and withdraw recognition of a recognized stock exchange.

Delisting of equity shares from the stock exchanges, whether by way of a compulsory or a voluntary delisting, is governed by the provisions of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, as amended (the “**Delisting Regulations**”). Following a compulsory delisting of equity shares, a company, its whole-time directors, its promoters, person(s) responsible for ensuring compliance with the securities laws and the companies promoted by any of them cannot directly or indirectly access the securities market or seek listing of any equity shares for a period of 10 years from the date of such delisting. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Minimum level of public shareholding

All listed companies (except exempted public sector undertakings) are required to maintain a minimum public shareholding of 25%. Where the public shareholding in a listed company falls below 25% at any time, such company shall bring the public shareholding to 25% within a maximum period of 12 months from the date of such the public shareholding having fallen below the 25% threshold. Consequently, a listed company may be delisted from the Stock Exchanges for not complying with the above-mentioned requirements. Our Company is in compliance with this minimum public shareholding requirement.

Disclosures under the Companies Act and securities regulations

Under the Companies Act, a public offering of securities in India must be made by means of a prospectus, which must contain information specified in the Companies Act, the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the SEBI ICDR Regulations. The prospectus must be filed with the relevant registrar of companies having jurisdiction over the place where a company’s registered office is situated. A company’s directors and promoters shall be subject to civil and criminal liability for misrepresentation in a prospectus. The Companies Act also sets forth procedures for the acceptance of subscriptions and payment of commission rates for the sale of securities. Pursuant to the provisions of the SEBI Act, SEBI has issued detailed guidelines concerning disclosures by public companies and to further investor protection. The SEBI ICDR Regulations permit companies to price their domestic issues of securities in consultation with the lead merchant banker or through the book building process.

Public limited companies are required under the Companies Act, and other applicable guidelines to prepare, file with the RoC and circulate to their shareholders audited annual accounts which comply with the Companies Act’s disclosure requirements and regulations governing their manner of presentation and which include sections pertaining to corporate governance, related party transactions and the management’s discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations. Accordingly, companies are required to publish unaudited financial results (subject to a limited review by the company’s auditors) on a quarterly basis and are required to inform stock exchanges immediately regarding any unpublished price sensitive information.

Insider Trading Regulations

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended (the “**Insider Trading Regulations**”) have been notified by SEBI to amongst other things, prohibit and penalize insider trading in India and prohibit dealing in the securities of a listed company when in possession of unpublished price sensitive information (“**UPSI**”).

The Insider Trading Regulations also impose certain restrictions on the communication of UPSI relating to a company or securities listed or proposed to be listed. In terms of the Insider Trading Regulations, (i) no insider shall communicate, provide or allow access to any UPSI relating to such companies and securities to any person including other insiders; and (ii) no person shall procure or cause the communication by any insider of UPSI relating to such companies and securities, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. It also provides disclosure obligations for promoters, employees and directors, with regard to their shareholding in the company, and the changes therein. However, UPSI may be communicated, provided or allowed access to or procured, under certain circumstances specified in the Insider Trading Regulations.

The Insider Trading Regulations define the term “unpublished price sensitive information” to mean any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of its securities and ordinarily includes but not restricted to information relating to the following: (a) financial results; (b) dividends; (c) change in capital

structure; (d) mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business and such other transactions; and (e) changes in key managerial personnel. Further, in terms of the Insider Trading Regulations, “generally available information” is defined as information that is accessible to the public on a non-discriminatory basis. An “insider” means any person who is i) a connected person; or ii) in possession of or having access to unpublished price sensitive information. The term “connected person” means any person who is or has during the six months prior to the concerned act been associated with a company, directly or indirectly, in any capacity, including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the company or holding any position, including a professional or business relationship between himself and the company, whether temporary or permanent, that allows such person, directly or indirectly, to have access to unpublished price sensitive information or is reasonably expected to allow such access.

The Insider Trading Regulations make it compulsory for listed companies and certain other entities (including fiduciaries and intermediaries) that are required to handle UPSI in the course of business operations to establish (i) an internal code of practices and procedures for fair disclosure of UPSI; (ii) an internal code to regulate, monitor and report trading by designated persons and immediate relatives of designated persons; and (iii) a policy for procedures to be adopted by a company in case of any leak of UPSI. There are also initial and continuing shareholding disclosure obligations under the Insider Trading Regulations.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. These circuit breakers, when triggered, bring about a coordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of BSE or the NIFTY 50 of NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands of 20% movements either up or down, for all scrips in the compulsory rolling settlement. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

Settlement

The stock exchanges in India operate on a trading day plus one, or T+1 rolling settlement system. At the end of the T+1 period, obligations are settled with buyers of securities paying for and receiving securities, while sellers transfer and receive payment for securities. For example, trades executed on a Monday would typically be settled on a Tuesday.

Trading Hours

Trading on both BSE and NSE normally occurs from Monday through Friday between 9:15 a.m. IST and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9.00 a.m. IST to 9.15 a.m. IST that has been introduced). BSE and NSE are closed on public holidays.

Internet-based securities trading and security trading using wireless technology services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. This permits clients throughout the country to trade using brokers’ internet trading systems. Stock brokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated under applicable law. NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the “equities” as well as the “derivatives” segments of NSE.

Trading procedure

In order to facilitate smooth transactions, BSE replaced its open outcry system with BSE online trading facility in 1995. This 100% automated screen-based trading in securities was put into practice nationwide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work. In the year 2014, BSE introduced its new generation trading platform BOLT Plus. NSE has a fully automated trading system called NEAT, which operates on strict time/price priority besides enabling efficient trade.

Depositories

The Depositories Act, 1996 provides a legal framework for the establishment of depositories to record ownership details and effect transfers in electronic book-entry form. Further, SEBI has framed the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 in relation to, among other things, the formation and registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners.

Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the specific regulations in relation to substantial acquisition of shares and takeover. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (the “**Takeover Regulations**”) provide specific regulations in relation to substantial acquisition of shares and takeovers. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the Takeover Regulations will apply to any acquisition of the company’s shares/voting rights/control. The Takeover Regulations prescribes certain thresholds or trigger points in the shareholding that a person or entity (along with persons acting in concert with such person or entity) has in the listed Indian company, which give rise to certain obligations on the part of the acquirer. Acquisition of shares or voting rights up to a certain threshold prescribed under the Takeover Regulations mandate specific disclosure requirements, while acquisitions (direct or indirect, along with persons acting in concert with such acquirer) crossing particular thresholds may result in the acquirer having to make an open offer for the shares of the target company.

Buy-back

A company may buy-back its shares subject to compliance with the requirements of Section 68 of the Companies Act, as amended and the SEBI (Buy-back of Securities) Regulations 2018, as amended. Under Section 68 of the Companies Act, as amended, a company may buy-back its shares out of its free reserves or securities premium account or the proceeds of the issue of any shares or other specified securities, other than proceeds of an earlier issue of the same kind of shares or same kind of other specified securities.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term “securities”, as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of the SEBI.

DESCRIPTION OF THE EQUITY SHARES

The following is the information relating to the Equity Shares including a brief summary of the Memorandum of Association and Articles of Association and the Companies Act. The prospective investors are urged to read the Memorandum of Association and Articles of Association carefully, and consult with their advisers, as the Memorandum of Association and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.

Share Capital

The authorised share capital of our Company is ₹90,00,00,000.00 comprising of 9,00,00,000 Equity Shares (of face value of ₹10 each). As on the date of this Preliminary Placement Document, the issued, subscribed and paid-up capital of our Company is ₹76,65,64,970 comprising of 7,66,56,497 Equity Shares (of face value of ₹10 each). The Equity Shares are listed on BSE and NSE.

Dividends

Under Indian law, a company pays dividends upon a recommendation by its board of directors and approval by a majority of the shareholders at the AGM held each fiscal year. Under the Companies Act, unless the board of directors of a company recommends the payment of a dividend, the shareholders at a general meeting have no power to declare any dividend. Subject to certain conditions laid down by Section 123 of the Companies Act, 2013 no dividend can be declared or paid by a company for any fiscal year except out of the profits of the company for that year, calculated in accordance with the provisions of the Companies Act or out of the profits of the company for any previous fiscal year(s) arrived at as laid down by the Companies Act.

According to the Articles of Association, the Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board but the Company in a general meeting may declare a lesser dividend. In addition, as is permitted by the Articles of Association, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit. 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, think fit.

Capitalisation of profits and issue of bonus shares

In addition to permitting dividends to be paid as described above, the Companies Act permits the Board, subject to the approval of the Shareholders of our Company, to distribute to the Shareholders, in the form of fully paid-up bonus shares, an amount transferred from the company's free reserves, securities premium account or the capital redemption reserve account. These bonus equity shares must be distributed to the Shareholders in proportion to the number of equity shares owned by them.

As per the Articles of Association, the Company by ordinary resolution in a general meeting may upon the recommendation of the Board resolve that that it is desirable to capitalize 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 that such sum be accordingly set free for distribution amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions, in terms of the manner set out under the Articles of Association and under applicable laws.

Alteration of share capital

Subject to the provisions of the Companies Act, our Company may increase its share capital by issuing new shares on such terms and with such rights as it, by action of its shareholders in a general meeting may determine. The Board is entitled to make private placement and preferential issue of Equity Shares, debentures, preference shares or any other instruments to such class of persons as the Board may deem fit which would be convertible or exchanged with Equity Shares, at a later date or such other securities as may be permissible to be issued by our Company under any law from time to time.

According to Section 62(1)(a) of the Companies Act such new shares shall be offered to existing shareholders in proportion to the amount paid-up on those shares at that date. The offer shall be made by notice specifying the number of shares offered and the date (being not less than 15 days and not exceeding 30 days from the date of the offer or as may be permitted by applicable law) within which the offer, if not accepted, will be deemed to have been declined. After such date, the board may dispose of the shares offered in respect of which no acceptance has been received which shall not be disadvantageous to the Shareholders. The offer is deemed to include a right exercisable by the person concerned to renounce the shares offered to him in favour of any other person.

Under the provisions of Section 62(1)(c) of the Companies Act, new shares may be offered to any persons whether or not those persons include existing shareholders, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed, if a special resolution to that effect is passed by our shareholders in a general meeting. Further, the Companies (Share Capital and Debentures) Rules, 2014 prescribe that price of shares to be issued on preferential basis by a listed company need not be determined by the valuation report of the registered valuer.

In accordance with the Articles of Association, subject to the provisions of the Companies Act, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit. The Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be. The Company may issue the following kinds of shares in accordance with the Articles of Association, the Companies Act, the Rules and other applicable laws: (a) Equity share capital: (i) with voting rights; and/or (ii) with differential rights as to dividend, voting or otherwise in accordance with such rules as may be prescribed and (b) Preference share capital. The Board or the Company as the case may be, may, in accordance with the Companies Act and the Rules, issue further shares capital to persons who, at the date of the offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or employees under any scheme of employees' stock option; or any persons, whether or not those persons include the persons referred to above. A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Companies Act and the Rules.

Issuance of Preference Shares

Subject to the provisions of the Companies Act, and in accordance with the Articles of Association, the Board has the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Companies Act.

General meetings of shareholders

There are two types of general meetings of shareholders: (i) AGM; and (ii) EGM. Our Company must hold its AGM within six months after the expiry of each Fiscal provided that not more than 15 months shall elapse between the AGM and next one, unless extended by the RoC at its request for any special reason for a period not exceeding three months. Our Board may convene an EGM when necessary or at the request of a shareholder or shareholders holding in the aggregate not less than one tenth of our Company's issued paid-up capital carrying a right to vote on such date.

As per the provisions of the Companies Act and the Articles of Association, all general meetings other than Annual General Meetings shall be called Extraordinary General Meetings. The Board may, whenever it thinks fit, call an Extraordinary General Meeting. 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. The quorum for a general meeting shall be as provided in the Companies Act. The Chairperson of the Company shall preside as Chairperson at every general meeting of the Company.

Voting rights

Subject to provisions of the Companies Act and in accordance with the Articles of Association, subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands, every member present in person shall have one vote and 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. A member may exercise his vote at a meeting by electronic means in accordance with the Companies Act and shall vote only once. 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.

Transfer of shares

Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by the SEBI. These regulations provide the regime for the functioning of the depositories and the participants and set out in the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. We have entered into an agreement for such depository services with NSDL and CDSL. SEBI requires that our shares for trading and settlement purposes be in book-entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are not required to be reported to the stock exchange. The registrar and transfer agent shall maintain a register in which every transfer or transmission of shares will be entered. In addition to complying with the Companies Act, 2013 and the other applicable laws, our Company is also required to comply with the provisions of the SEBI Listing Regulations for effecting the transfer of shares. In terms of the SEBI Listing Regulations, except in case of transmission or transposition of shares, requests for effecting transfer of shares shall not be processed unless the shares are held in the dematerialized form with a depository and that transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form. The Equity Shares shall be freely transferable, subject to applicable laws.

Winding up

Our Articles of Association provide that subject to the provisions of the Companies Act and the Rules made thereunder, 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. 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. 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.

TAXATION

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

The Board of Directors

Capacit'e Infraprojects Limited

605 Shrikant Chambers
Phase I, 6th Floor
Adjacent to R.K. Studios
Sion-Trombay Road,
Chembur, Mumbai - 400 071, India

Dear Sirs,

Statement of Possible Tax Benefits available to Capacit'e Infraprojects Limited and its shareholders under the Indian tax laws (“**Statement**”)

1. We hereby confirm that the enclosed Annexure, prepared by Capacit'e Infraprojects Limited (“**the Company**”), provides the possible tax benefits available to the Company and to the shareholders of the Company under the Income-tax Act, 1961 (“**the Act**”) as amended by the Finance Act 2023, i.e. applicable for the Financial Year 2023-24 relevant to the assessment year 2024-25, presently in force in India (referred to as the “**Direct Tax Laws**”). Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company and / or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.
2. The benefits discussed in the enclosed Annexure are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the 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 proposed offering of equity shares of face value of Rs. 10 each by the Company in a Qualified Institutions Placement in accordance with the provisions of Chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “**Offering**”).
3. We do not express any opinion or provide any assurance as to whether:
 - i) the Company or its shareholders will continue to obtain these benefits in future;
 - ii) the conditions prescribed for availing the benefits have been / would be met with; and
 - iii) the revenue authorities/courts will concur with the views expressed herein.
4. We assume no obligation to update the Statement on any events subsequent to this date, which may have a material effect on the discussion herein.
5. The contents of the enclosed Annexure are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.
6. This Statement is issued solely for inclusion in the Preliminary Placement Document (PPD) and the Placement Document (PD) in connection with the Offering, to be filed by the Company with the National Stock Exchange of India Limited and BSE Limited, and is not to be used, referred to or distributed for any other purpose.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Jayesh Gandhi
Partner
Membership Number:
UDIN: 24037924BKELUR9444

Place: Mumbai
Date: January 8, 2024

ANNEXURE 1

THE STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO CAPACIT'E INFRAPROJECTS LTD ('THE COMPANY') AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

The information provided below sets out the possible tax benefits available to the Company and its Shareholders under the Act presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the equity shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

You should consult your own tax advisors concerning the Indian tax implications and consequences of purchasing, owning and disposing of equity shares in your particular situation.

TAXABILITY UNDER THE INCOME-TAX ACT, 1961 (HEREINAFTER REFERRED TO AS 'THE ACT') POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY UNDER THE ACT

The following benefits are available to the Company after fulfilling conditions as per the applicable provisions of the Act:

1. Lower corporate tax rate under Section 115BAA

Section 115BAA has been inserted in the Act by the Taxation Laws (Amendment) Act, 2019 ("the Amendment Act, 2019") w.e.f. FY 2019-20, which grants an option to all domestic companies to compute corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and cess of 4%). The said benefit is available subject to the condition that the Company does not claim the deductions/ incentives as specified in sub-clause 2(i) of section 115BAA of the Act.

A company opting for taxation under section 115BAA of the Income-tax Act, 1961 ('the Act') has to compute its total income:

- i. without any profit or incentive linked deduction under section 10AA, 32(1)(ia), 32AD, 33AB, 33ABA, 35(1)(ii)/(ia)/(iii), 35(2AA)/(2AB), 35AD, 35CCC, 35CCD, or under Chapter VIA other than section 80JAA and section 80M; and
- ii. without set off of any loss carried forward from any earlier assessment year if such loss is attributable to any of the deductions referred to in sub-clause (i); and
- iii. by claiming the depreciation, if any, under section 32, other than clause (ia) of sub-section (1) of the said section, determined in such manner as may be prescribed.

In case a company opts for section 115BAA of the Act, provisions of 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 of a specific year. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year.

We understand that the Company has opted for the lower tax regime under section 115BAA for FY 2023-24 (AY 2024-25). Hence, the MAT provisions shall not be applicable.

2. Benefits while computing total taxable income

- i) Section 32 of the Act – Depreciation Allowance

As per section 32(1) of the Act, the Company can claim depreciation allowance at the prescribed rates in respect of its tangible and intangible assets.

Further, as per the provisions of section 32(1)(ia) of the Act, the Company is entitled to claim additional depreciation at the rate of 20% of the actual cost of any new plant or machinery acquired and installed during the year. In case such new plant or machinery is put to use for less than 180 days, the additional depreciation is allowed at 10% of its actual cost in such year and balance 10% of the actual cost in the immediately succeeding year. However, the Company will not be eligible

to claim deduction under section 32(1)(iia) in case it opts for the benefit of concessional rate of tax under section 115BAA of the Act.

The Finance Act, 2021 amended the definition of block of assets provided under section 2(11) of the Act, section 32(1)(ii) of the Act and Explanation 3 to Section 32 of the Act to specifically exclude goodwill of business or profession from being eligible for depreciation. Further, the said amendments are made applicable from AY 2021-22 and thus, taxpayers are not eligible to claim depreciation on goodwill from FY 2020-21 onwards.

ii) Deduction against/ with respect to income by way of dividends

As per amendment vide Finance Act, 2020 with effect from 1 April 2020, dividend income is taxable in the hands of shareholders/ unitholders at the applicable rates and the domestic company or specified company or mutual funds is not required to pay dividend distribution tax.

Deduction of interest expense wholly and exclusively incurred for earning of such dividend income can be claimed under section 57 of the Act. However, such deduction is restricted to 20 per cent of dividend received.

Further, the Finance Act, 2020 has inserted Section 80M to eliminate the cascading tax effect in case of inter-corporate dividends by providing a deduction in respect of dividends received by a domestic company, to the extent such dividend is distributed by it on or before the due date of filing return of income for such year. The Company shall continue to be entitled for this deduction even if it opts for the benefit of lower rate of tax under section 115BAA of the Act.

iii) Section 36(1)(vii) of the Act – Allowance of bad debts written off

Under section 36(1)(vii), any bad debt or part thereof which has been written off as irrecoverable in the books of accounts is allowable as a deduction for computing the income under the head “Profits and gains of business or profession”, subject to the fulfilment of the conditions as specified in section 36(2) read with section 36(1)(vii) of the Act.

iv) Taxability of income from capital gains

As per section 2(42A) of the Act, if the period of holding of a security (other than a unit) listed on a recognised stock exchange in India or a unit of the Unit Trust of India or a unit of an equity oriented fund or a zero coupon bond is more than 12 months, it will be considered a long term capital asset. With respect to immovable property (being land or building or both) and shares of a company not being listed on a recognised stock exchange, the determinative period of holding shall be more than 24 months for it to be regarded as long-term capital asset. With respect to other assets including a unit of a mutual fund other than equity oriented mutual fund or unit of a business trust, the determinative period of holding is more than 36 months for it to be regarded as long-term capital asset. Asset not considered as long-term capital asset shall be regarded as short-term capital assets. Long-term capital gains (exceeding Rs 1,00,000) from equity shares, equity oriented mutual fund units and units of a business trust shall be taxable at the concessional rate of 10% (plus applicable surcharge and cess) under section 112A of the Act, if Securities Transaction Tax (‘STT’) has been paid on both acquisition and transfer in case of equity shares and STT has been paid on transfer in case of units of equity-oriented mutual funds or units of business trust. In such case, the Company shall not be entitled for benefit of indexation under the second proviso to section 48 of the Act.

As per section 112A(4) of the Act read with Notification No. 60/2018 dated 1 October 2018, the Central Government has specified that following transactions of acquisition of equity shares which shall be exempt from the condition of payment of STT:

- (a) share acquisitions undertaken prior to October 1, 2004
- (b) share acquisitions undertaken on or after October 1, 2004, subject to following specified exceptions.
 - where acquisition is of existing listed equity share in a company, whose equity shares are not frequently traded in a recognised stock exchange (RSE) of India, is made

through a preferential issue, subject to certain exceptions specified in the said notification;

- where acquisition of existing listed equity share is not entered through an RSE in India, subject to certain exceptions specified in the said notification; and
- acquisition of equity share during the period beginning from the date on which the company is delisted from an RSE and ending on the date immediately preceding the date on which the company is again listed on an RSE.

As per the provisions of section 111A of the Act, any income arising from transfer of a short term capital asset being an equity share in a company or a unit of an equity oriented fund or a unit of an eligible business trust, transacted through a recognized stock exchange and subject to STT, shall be taxable at a concessional rate of 15% (plus applicable surcharge and cess if any).

The requirement of chargeability to STT under section 112A and section 111A is not applicable to transactions undertaken on a recognized stock exchange located in International Financial Services Centre where the consideration for such transactions is payable in foreign currency.

Section 48 of the Act provides for deduction of cost of acquisition/ improvement and expenses incurred in connection with the transfer of a capital asset from the sale consideration, to arrive at the amount of Capital Gains. However, in respect of long-term capital assets, section 48 provides for substitution of cost of acquisition/ improvement with indexed cost of acquisition/ improvement, which adjusts the cost of acquisition/ improvement by a cost inflation index as prescribed from time to time. Such indexation benefit would not be available on bonds and debentures.

As per the provisions of section 112(1)(d) of the Act, gains arising on the transfer of long-term capital assets shall be chargeable to tax at the rate of 20% (plus applicable surcharge and cess). However, as per the proviso to section 112 of the Act, the tax on long term capital gains resulting on transfer of listed securities (other than those covered under section 112A) and Zero-Coupon Bonds shall be the lower of the following:

- a. 20% (plus applicable surcharge and cess) with indexation benefit; or
- b. 10% (plus applicable surcharge and cess) without indexation benefit.

The short-term capital gains are chargeable to tax at a normal tax rate (plus applicable surcharge and cess). In accordance with, and subject to the conditions, including the limit of investment of Rs. 0.50 crore, capital gains arising on transfer of a long term capital asset (being land or building) shall be exempt from capital gains under section 54EC if the gains are invested within 6 months from the date of transfer in long term specified asset. In case the whole of the gains are not so invested, the exemption shall be allowed on a pro rata basis. The definition of 'long term specified assets' has been amended vide Finance Act, 2018 to mean bonds issued after 1 April 2018, redeemable after five years by the National Highways Authority of India or by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956 or any other bond notified in the Official Gazette by the Central Government in this behalf.

In case of an individual or HUF, where the total taxable income as reduced by short-term capital gains is below the basic exemption limit, the short-term capital gains will be reduced to the extent of the shortfall and only the balance short-term capital gains will be subjected to such tax in accordance with the proviso to sub-section (1) of section 111A of the Act.

In accordance with, and subject to the conditions including ownership of not more than one residential house on the date of transfer (other than the new residential house referred hereinafter) and to the extent specified in section 54F of the Act, long term capital gains arising on transfer of the shares of the company shall be exempt from capital gains under section 54F, if the net sale consideration is utilised, within a period of one year before, or two years after the date of transfer, for the purchase of a new residential house, or is utilised for construction of a residential house within three years. If the whole of the net sale consideration is not so utilised, the exemption shall be allowed on a pro rata basis.

As per section 70 read with section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term capital gains as well as long term capital gains. Balance loss, if any, shall

be carried forward and set-off against any capital gains arising during subsequent eight assessment years. Long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent eight assessment years.

POSSIBLE TAX BENEFITS AVAILABLE TO SHAREHOLDERS OF THE COMPANY

The following tax benefits are generally available to the shareholders of all companies subject to the fulfilment of the conditions specified in the Act:

For resident shareholders:

1) Taxability of dividend income from shares of the Company

Dividend income earned on shares of the Company will be taxable in the hands of shareholders as 'income from other sources' at tax rate applicable to such shareholder. The shareholder is eligible to claim deduction of interest expense wholly and exclusively incurred for earning of such dividend income under section 57 of the Act. However, such deduction is restricted to 20 per cent of dividend received.

Further, in case of a shareholder being a company, deduction in respect of dividends received from the Company shall be available under section 80M of the Act, to the extent such dividend is distributed by it on or before one month before the due date of filing return of income for such year.

2) Taxability of gain/ loss arising from sale of shares of the Company

The characterisation of gains/ losses, arising from sale of shares, as capital gains or business income would depend on the nature of holding in the hands of the shareholder and various other factors.

a. Taxability under the head 'capital gains'

Income arising from transfer of shares of the Company held for more than 12 months and subject to securities transaction tax, shall be considered as long-term capital assets. The shares which are not considered as long-term capital assets shall be considered as short-term capital assets.

Section 112A of the Act provides for concessional rate of 10% (plus applicable surcharge and cess) on long term capital gains (exceeding Rs. 1,00,000) arising from equity shares of the Company, if STT has been paid on both acquisition and transfer of such shares. The benefit of indexation under the second proviso to section 48 of the Act shall not be applicable for computing long term capital gains taxable under section 112A of the Act.

As per section 112 of the Act, the tax on long term capital gains resulting on transfer of listed shares of the Company (other than those covered under section 112A) shall be the lower of the following:

- a. 20% (plus applicable surcharge and cess) with indexation benefit; or
- b. 10% (plus applicable surcharge and cess) without indexation benefit.

As per the provisions of section 111A of the Act, short term capital gain arising from transfer of equity share in the Company through a recognized stock exchange and subject to STT shall be taxable at a concessional rate of 15% (plus applicable surcharge and cess if any).

In case of an individual or HUF, where the total taxable income as reduced by short-term capital gains is below the basic exemption limit, the short-term capital gains will be reduced to the extent of the shortfall and only the balance short-term capital gains will be subjected to such tax in accordance with the proviso to sub-section (1) of section 111A of the Act.

In accordance with, and subject to the conditions including ownership of not more than one residential house on the date of transfer (other than the new residential house referred hereinafter) and to the extent specified in section 54F of the Act, long term capital gains arising on transfer of the shares of the company shall be exempt from capital gains under section 54F, if the net sale consideration is utilised, within a period of one year before, or two years after the date of transfer, for the purchase of a new residential house, or is utilised for construction of a residential house

within three years. If the whole of the net sale consideration is not so utilised, the exemption shall be allowed on a pro rata basis.

As per section 70 read with section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term capital gains as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years. Long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent eight assessment years.

- b. **Taxability under the head ‘income from business and profession’**
Where the gains arising on the transfer of shares of the Company are included in the business income of a shareholder and assessable under the head “Profits and Gains from Business or Profession” and on such transfer is subjected to STT, then such STT shall be a deductible expense from the business income as per the provisions of section 36(1)(xv) of the Act.

3) **For non-resident shareholders being Foreign Portfolio Investors (‘FPIs’)/ Foreign Institutional Investors (‘FIIs’)**

- a. **Taxability of dividend income from shares of the Company**

Dividend income earned on shares of the Company will be taxable in the hands of shareholders as ‘income from other sources’ at tax rate applicable to such shareholder.

- b. **Taxability of gain/ loss arising from sale of shares of the Company**

As per section 2(14) of the Act, transfer of any shares/ securities (other than those held as stock in trade) being invested in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992 shall be deemed to be treated as Capital Gains.

Income arising from transfer of shares of the Company held for more than 12 months and subject to securities transaction tax, shall be considered as long-term capital assets. The shares which are not considered as long-term capital assets shall be considered as short-term capital assets.

Section 115AD read with section 112A of the Act provides for concessional rate of 10% (plus applicable surcharge and cess) on long term capital gains (exceeding Rs. 1,00,000) arising from equity shares of the Company, if STT has been paid on both acquisition and transfer of such shares. The benefit of indexation under the second proviso to section 48 of the Act shall not be applicable for computing long term capital gains taxable under section 112A of the Act.

As per section 115AD of the Act, the tax on long term capital gains resulting on transfer of listed shares of the Company (other than those covered under section 112A) shall be 10% (plus applicable surcharge and cess) without indexation benefit.

Under section 115AD(1)(ii) of the Act, income by way of short term capital gains arising to the FPI/ FII on transfer of shares of the Company shall be chargeable at the rate of 15% (plus applicable surcharge and cess) if such transaction of sale is entered on a recognised stock exchange in India and is chargeable to STT.

As per section 70 read with section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term capital gains as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years. Long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent eight assessment years.

Other aspects:

Under the provisions of section 90(2) of the Act, a non-resident will be governed by the provisions of the Double Taxation Avoidance Agreement ('DTAA') between India and the country of tax residence of the FII/ FPI or the provisions of the Act, to the extent they are more beneficial to the FII/ FPI.

Pursuant to Central Board of Direct Tax press release dated 24 September 2015, the Government has clarified the inapplicability of Minimum Alternate Tax provisions to FIIs/FPIs.

- 4) For non-resident shareholders, other than FPIs/ FIIs

Taxability of dividend income from shares of the Company

Dividend income earned on shares of the Company will be taxable in the hands of shareholders as 'income from other sources' at tax rate applicable to such shareholder. The shareholder is eligible to claim deduction of interest expense wholly and exclusively incurred for earning of such dividend income under section 57 of the Act. However, such deduction is restricted to 20 per cent of dividend received.

Taxability of gain/ loss arising from sale of shares of the Company

- a. Taxability under the head 'capital gains'

Income arising from transfer of shares of the Company held for more than 12 months and subject to securities transaction tax, shall be considered as long-term capital assets. The shares which are not considered as long-term capital assets shall be considered as short-term capital assets.

Section 112A of the Act provides for concessional rate of 10% (plus applicable surcharge and cess) on long term capital gains (exceeding Rs. 1,00,000) arising from equity shares of the Company, if STT has been paid on both acquisition and transfer of such shares. The benefit of indexation under the second proviso to section 48 of the Act shall not be applicable for computing long term capital gains taxable under section 112A of the Act.

Separately, section 55(2)(ac) provides that cost of acquisition of the specified capital asset (referred to in the aforesaid section 112A of the Act) acquired prior to 1 February 2018, shall be higher of –

- (a) Cost of acquisition of asset; and
(b) Lower of –
a. the fair market value of the asset (as defined in Explanation to section 55(2)(ac)); and
b. the full value of consideration received or accruing as a result of the transfer of the capital asset.

As per section 112 of the Act, the tax on long term capital gains resulting on transfer of listed shares of the Company (other than those covered under section 112A) shall be the lower of the following:

- a. 20% (plus applicable surcharge and cess) with indexation benefit; or
b. 10% (plus applicable surcharge and cess) without indexation benefit.

As per the provisions of section 111A of the Act, short term capital gain arising from transfer of equity share in the Company through a recognized stock exchange and subject to STT shall be taxable at a concessional rate of 15% (plus applicable surcharge and cess if any).

As per section 70 read with section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term capital gains as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years. Long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent eight assessment years.

b. Taxability under the head ‘income from business and profession’

Where the gains arising on the transfer of shares of the Company are included in the business income of a shareholder and assessable under the head “Profits and Gains from Business or Profession” and on such transfer is subjected to STT, then such STT shall be a deductible expense from the business income as per the provisions of section 36(1)(xv) of the Act.

c. Other aspects:

Under the provisions of section 90(2) of the Act, a non-resident will be governed by the provisions of the Agreement for Avoidance of Double Taxation (‘AADT’) between India and the country of tax residence of the non-resident or the provisions of the Act, to the extent they are more beneficial to the non-resident.

As per Explanation 4 to section 115JB(2), the provisions of section 115JB shall not be applicable to a foreign company if the foreign company is a resident of a country having AADT with India and such foreign company does not have a permanent establishment within the definition of the term in the relevant AADT, or the foreign company is a resident of a country which does not have a AADT with India and such foreign company is not required to seek registration under section 592 of the Companies Act 1956 or section 380 of the Companies Act 2013.

5) For shareholders who are Mutual Funds:

Under section 10(23D) of the Act, any income earned by a Mutual Fund registered under the Securities and Exchange Board of India Act, 1992, or a Mutual Fund set up by a public sector bank or a public financial institution, or a Mutual Fund authorised by the Reserve Bank of India would be exempt from income-tax, subject to such conditions as the Central Government may by notification in the Official Gazette specify in this behalf.

6) For Venture Capital Companies/ Funds:

Under Section 10(23FB) of the Act, any income of Venture Capital Company to whom the certificate of registration is granted under SEBI (Venture Capital Funds) Regulations, 1996 before 21 May 2012 or as a sub-category I Alternative Investment Fund and is regulated under SEBI (Alternative Investment Funds Regulations) 2012, under the SEBI Act, 1992, from a Venture Capital Undertaking would be exempt from income tax, subject to conditions specified therein.

As per Section 115U of the Act, any income derived by a person from his investment in Venture Capital Company/ Venture Capital Fund would be taxable in the hands of the person making an investment in the same manner as if it were the income accruing or arising to or received by such person had the investments been made directly in the Venture Capital Undertaking.

7) For Investment Funds:

Income of an Investment Fund, being a Trust, Company, Limited Liability Partnership or a body corporate which has been granted a certificate of registration is granted under and is regulated under SEBI (Alternative Investment Funds Regulations), 2012 as Category I or Category II Alternate Investment Fund, other than the income chargeable under the head ‘profits and gains of business and profession’, shall be exempt from tax under 10(23FBA).

As per Section 115UB of the Act, any income derived by a person from his investment in an Investment Fund covered under section 10(23FBA), other than that proportion which is of the same nature as ‘profits and gains of business and profession’, would be taxable in the hands of the person making such investment in the same manner as if it were the income accruing or arising to or received by such person had the investments made by the Investment Fund been made directly by him.

TAX DEDUCTION AT SOURCE UNDER THE ACT

a) Section 194 – Dividend distribution by the Company to resident shareholders:

As per section 194 of the Act, dividend income distributed/ paid by the Company shall be subject to withholding tax at the rate of 10%. However, such withholding tax requirement is not applicable in case of distribution/ payment of dividend to Life Insurance Corporation of India, General Insurance Corporation of India and any other insurer. Also, in case of individual resident shareholders where the amount does not exceed INR 5,000, no TDS is required to be deducted.

b) Section 195 – Dividend distribution by the Company to non-resident shareholders:

As per the provisions of Section 195 of the Act, any income by way of dividend payable to non-residents may be subject to withholding of tax at the rate of 20% under the domestic tax laws or under the AADT, whichever is beneficial to the non-resident, unless a lower withholding tax certificate is obtained from the tax authorities.

c) Section 196 – Dividend distribution by the Company to Mutual Funds:

As per section 196 of the Act, no tax is to be deducted from dividend income distributed/ paid by the Company to a Mutual Fund specified under section 10(23D) of the Act.

d) Section 196D – Dividend distribution by the Company to Foreign Institutional Investors:

1. As per the provisions of Section 196D of the Act, any income by way of dividend payable to non-residents may be subject to withholding of tax at the rate of 20% (with applicable surcharge and cess) under the domestic tax laws or under the AADT, whichever is beneficial to the non-resident, unless a lower withholding tax certificate is obtained from the tax authorities.

Withholding tax provisions for capital gains:

No income tax is required to be withheld at source from income by way of capital gains arising to a resident shareholder under the present provisions of the Act.

As per the provisions of Section 195 of the Act, any income by way of capital gains payable to non-residents may be subject to withholding of tax at the rate under the domestic tax laws or under the DTAA, whichever is beneficial to the non-resident, unless a lower withholding tax certificate is obtained from the tax authorities.

Other aspects:

For claiming the beneficial provisions under the DTAA, the non-resident investor will have to furnish a certificate of him being a tax resident ('TRC') in a country outside India and a suitable declaration for not having a fixed base/ permanent establishment in India, to get the benefit of the applicable AADT and such other document as may be prescribed as per the provision of section 90(4) of Act. Where the TRC reflects a few details, for it to be considered valid viz. name, address, legal entity status, country of incorporation, the tax identification / unique identification number in the country of residence, residential status, and the period for which such TRC pertains. In case all these details are not coming in the TRC, a self-declaration in electronic Form 10F would have to be furnished.

Further, pursuant to amendment in section 206AA vide notification 53/2016 dated 24 June 2016 introducing Rule 37BC, requirement of quoting permanent account number ('PAN') in case of certain specified income is eliminated by maintaining specified documents as mentioned in the said Rule.

Notes:

1. The income-tax rates specified in this note are as applicable for the financial year 2023-24, and are exclusive of surcharge and education cess, if any. Rate of surcharge and cess are provided below:

Surcharge: Domestic companies (opting for Section 115BAA/ 115BAB): 10%

2. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

3. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
4. The above statement of possible tax benefits is as per the current direct tax laws relevant for the assessment year 2024-25. Several of these benefits are dependent on the Company or its shareholder fulfilling the conditions prescribed under the relevant tax laws.
5. This statement is intended only 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 tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
6. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

LEGAL PROCEEDINGS

Our Company is involved in various legal proceedings from time to time, mostly arising in the ordinary course of business. These legal proceedings are primarily in the nature of civil proceedings and tax disputes, which are pending before various adjudicating forums.

In accordance with the “Policy on Disclosure of Material Events or Information” adopted by the Board on March 8, 2017, as amended, the following outstanding legal proceedings have been disclosed in this section involving our Company, its Directors, its Subsidiaries and our Promoters (as applicable):

- *outstanding criminal proceedings involving our Company, our Subsidiaries, our Directors and our Promoters;*
- *outstanding actions by statutory or regulatory authorities against our Company, our Subsidiaries, our Directors and Promoters;*
- *outstanding civil proceedings involving our Company and our Subsidiaries, where the amount involved in such proceeding exceeds, the lower of the following:*
 - i. two percent of turnover, as per the last audited consolidated financial statements of the listed entity;*
 - ii. two percent of net worth, as per the last audited consolidated financial statements of the listed entity, except in case the arithmetic value of the net worth is negative;*
 - iii. five percent of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the listed entity;*

being ₹234.69 lakhs i.e., 5% of the average of absolute value of profit after tax as per the Audited Consolidated Financial Statements for Fiscal 2023, Fiscal 2022 and Fiscal 2021;

- *outstanding direct and indirect tax matters involving our Company and our Subsidiaries (disclosed in a consolidated manner);*
- *any other outstanding litigation involving our Company and our Subsidiaries, wherein the amount involved cannot be determined or is below the Materiality Threshold, but an adverse outcome of which could, individually or in the aggregate, materially and adversely affect the reputation, operations or financial position of our Company on a consolidated basis, and*
- *other outstanding litigation involving our Promoters and our Directors wherein an adverse outcome could materially and adversely affect the reputation, operations or financial position of our Company, on a consolidated basis.*

Further, except as disclosed in this section, there are no:

- *inquiries, inspections or investigations initiated or conducted (for which notices have been issued) under the Companies Act, 2013 in the last three years preceding the year of this Preliminary Placement Document, involving our Company and its Subsidiaries, and any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Preliminary Placement Document, involving our Company and our Subsidiaries;*
- *material frauds committed against our Company and our Subsidiaries in the last three years, and if so, the action taken by our Company and our Subsidiaries;*
- *significant and material order passed by the regulators, courts and tribunals impacting the going concern status of our Company on a consolidated basis;*
- *defaults by our Company and our Subsidiaries, including therein the amount involved, duration of default and present status, in repayment of: (a) statutory dues; (b) debentures and interest thereon; (c) deposits and interest thereon; or (d) loan from any bank or financial institution and interest thereon;*
- *defaults in annual filings of our Company under the Companies Act, 2013; and*
- *any litigation or legal actions, pending or taken, by any ministry or department of the government or a statutory authority against the Promoter of our Company during the last three years immediately preceding*

the year of this Preliminary Placement Document, and any direction issued by such ministry or department or statutory authority upon conclusion of such litigation or legal action, if any.

It is clarified that for the purposes of the above, pre-litigation notices received by any of our Company, our Subsidiaries, our Directors and our Promoters, from third parties (excluding statutory/ regulatory/ governmental authorities or notices threatening criminal action) shall, not be considered as litigation proceedings till such time that any of our Company, our Subsidiaries, our Directors and our Promoters, are impleaded as parties in any such litigation proceedings before any court, tribunal or governmental authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced. Capitalised terms used herein shall, unless otherwise specified, have the meanings ascribed to such terms in this section.

Litigation involving our Company

Litigation against our Company

Criminal proceedings

1. Jain Sales Corporation (“**Complainant**”) has filed a case against our Company before the 58th Metropolitan Magistrate Court, Mumbai alleging a violation of Section 138 of the Negotiable Instruments Act, 1881, for alleged recovery of the amount of ₹8.20 lakhs in respect of a cheque issued in favour of the Complainant which was dishonoured. The matter is currently pending.

Actions taken by regulatory and statutory authorities

Nil

Civil proceedings above the Materiality Threshold

1. Nuvoco Vistas Corporation Limited (“**Claimant**”) has filed a Statement of Claim (“**SoC**”) dated May 5, 2022 before the arbitral tribunal comprising of a sole arbitrator against our Company (“**Respondent**”). Another application had also been filed under Section 17 of the Arbitration and Conciliation Act, 1996 (“**Application**”) by the Claimant for certain interim reliefs against the Respondent. In the SoC, the Claimant has alleged that the Respondent has (a) defaulted in payment of certain outstanding invoices in relation to supply of concrete; and (b) failed to meet the committed amount of concrete to be ordered by the Respondent in terms of the agreement dated July 28, 2017 (“**Agreement**”), on account of which the Claimant has suffered losses and has sought an amount of ₹4,125.27 lakhs from the Respondent. The Respondent in its reply has denied the allegations of the Claimant and has filed a counter claim against the Claimant dated July 14, 2022 (“**Counter Claim**”). In the Counter Claim, the Respondent has alleged *inter alia* (a) the Claimant failed to meet the requirements of the Respondent, as per the Agreement, for supply of concrete due to which the Respondent had to procure concrete from external agencies (b) the Claimant failed to undertake the relocation of the plant assets in accordance with the requirements of the Agreement for which the Respondent had to outsource the work to third party agencies (c) on account of the non-performance and delay by the Claimant in completion of its obligations under the Agreement, the bank guarantees issued by the Respondent were invoked; resulting in losses for the Respondent. In the Counter Claim, the Respondent has sought an amount of ₹11,375.66 lakhs from the Claimant. The Claimant has filed its reply dated August 12, 2022, to the Counter Claim. The Application has been disposed *vide* consent terms executed amongst the parties. The sole arbitrator shall adjudicate on the claims and counter claims of the parties respectively. The matter is currently pending.
2. R.A.J. Krishna Construction Co. Private Limited (“**Applicant**”) has filed an application dated July 25, 2023, to initiate the corporate insolvency resolution process against our Company (“**Respondent**”) before the National Company Law Tribunal, Mumbai Bench under Section 9 of the Insolvency and Bankruptcy Code, 2016 (“**Application**”). The Applicant has stated in the Application, that it had issued a demand notice to the Respondent on March 7, 2023, for payment of an alleged sum aggregating to ₹388.46 lakhs, in relation to performance of certain obligations by the Applicant with respect to the construction of eight buildings at various locations in India and that the Respondent has defaulted in making the payment due to the Applicant. The matter is currently pending.
3. Shree Shantinath Steels (“**Applicant**”) has filed an application for pre-institution mediation for a commercial dispute dated April 18, 2023 (“**Application**”), before the Main Mediation Center, Bombay High Court against our Company, its Directors and an erstwhile director of the Company (“**Respondents**”) under Section

12A of Chapter IIIA of Commercial Courts Act, 2015. In the Application, the Applicant has alleged that the Respondents defaulted in payment of a sum aggregating to ₹294.13 lakhs for purchase of TMT steel and structural steel items from the Applicant and has claimed the outstanding amount along with interest till realization of such amount, to be paid to the Applicant. In this regard, a non-starter report was issued by the Main Mediation Centre, Bombay High Court on July 19, 2023. The matter is currently pending.

4. RMD Kwikform India Private Limited (“**Applicant**”) has filed an application dated September 30, 2021 (“**Application**”) to initiate the corporate insolvency resolution process against our Company (“**Respondent**”) before the National Company Law Tribunal, Mumbai Bench, under Section 9 of the Insolvency and Bankruptcy Code, 2016 for recovery of an alleged amount of ₹786.18 lakhs. The Applicant has alleged that the Respondent has defaulted in payments of sum aggregating to ₹1,836.20 lakhs. Subsequently, the Applicant and the Respondent entered into a settlement agreement dated November 18, 2020 (“**Agreement**”) to settle the dispute. Thereafter, the Applicant had issued a demand notice under Section 8 of the Insolvency and Bankruptcy Code to the Respondent on July 30, 2021 seeking a payment of a sum of ₹922.32 lakhs inclusive of interest (“**Demand Notice**”). Pursuant to the Demand Notice, the Respondent paid a sum of ₹162.21 lakhs to the Applicant. The Respondent filed an affidavit in reply dated July 16, 2022 in which it contended that the Petitioner had not raised invoices required under the Agreement and that the Respondent had paid all amounts which were lawfully due and payable to the Applicant. Further the Respondent sought the dismissal of the Application. The matter is currently pending.

Litigation by our Company

Criminal proceedings

1. Our Company has filed two cases pending before various judicial forums for alleged violations of Section 138 of the Negotiable Instruments Act, 1881, for recovery of amounts for which cheques issued in favour of our Company have been dishonoured. The total monetary value involved in these cases is ₹250.00 lakhs.

Civil proceedings above the Materiality Threshold

1. Our Company (“**Applicant**”) had filed an arbitration application on May 5, 2016, before the Bombay High Court against M/s Patel Group & Co. and certain others (collectively “**Respondents**”), under Section 11(6) of the Arbitration and Conciliation Act, 1996, for appointment of an arbitrator, for settlement of payment of ₹3,461.16 lakhs, including damages. Our Company has alleged breach of payment obligations by the Respondents, under multiple work orders for construction of buildings and flats issued by the Respondents to our Company as well as dishonour of cheques presented as payment for the work orders. Subsequently, pursuant to an award dated February 26, 2018 (“**Arbitral Award**”), the arbitrator awarded our Company an amount of ₹386.00 lakhs as damages in accordance with the consent terms between the Company and the Respondents, subject to payment of amount by March 15, 2018. Pursuant to the Arbitral Award, in the event the Respondents failed to pay the said amount, they would be liable to pay an amount of ₹450.00 lakhs to our Company along with interest. Our Company has filed an execution application dated March 27, 2019 before the Bombay High Court against the Respondents for execution of the Arbitral Award by issuing warrant of attachment and sale of properties of the Respondents. The matter is currently pending.
2. Our Company (“**Petitioner**”) has filed a commercial arbitration petition dated August 25, 2022 before the Bombay High Court against the Institute of Chemical Technology (“**Respondent No. 1**”) and Bank of Baroda (“**Respondent No. 2**”) under Section 9 of the Arbitration and Conciliation Act, 1996 (“**Petition**”). In the Petition, it is stated that the Petitioner and Respondent No. 1 had entered into a construction contract dated January 25, 2019 (“**Agreement**”) for construction of a research center building (“**Project**”). In terms of the Agreement, the Petitioner provided a bank guarantee to the Respondent No. 1 dated January 19, 2019, for an amount of ₹195.40 lakhs which was issued by Respondent No. 2 (“**Deposit Bank Guarantee**”). Further, the Petitioner also provided a performance bank guarantee dated January 19, 2019, to the Respondent No. 1 for an amount of ₹89.88 lakhs issued by Respondent No. 2 (“**Performance Bank Guarantee**”). In the Petition, the Petitioner has alleged that it was unable to complete the work under the Agreement on account of Respondent No. 1 failing to obtain certain relevant permissions. Subsequently, the Respondent sought to terminate the Agreement pursuant to which the Petitioner filed the Petition seeking ad-interim relief by restraining the Respondents from invoking and/or encashing the Deposit Bank Guarantee and the Performance Bank Guarantee. The matter is currently pending.
3. Our Company (“**Applicant**”) has filed a commercial arbitration application dated February 11, 2021 before the Bombay High Court against T. Bhimjyani Realty Private Limited (“**Respondent**”) under Section 9 of the

Arbitration and Conciliation Act, 1996 (“**Application**”). In the Application, the Applicant has stated that pursuant to a letter of award dated January 20, 2014, articles of agreement dated March 13, 2014, work orders and certain other documents (collectively, the “**Contract**”) for carrying out the construction and development of a residential project (“**Project**”), the Applicant had carried out its obligations in relation to the Project under the Contract. The Applicant has alleged that the Respondent has defaulted in payment of outstanding dues amounting to ₹5,808.29 lakhs to the Applicant and has stated to the Applicant, its intention to unilaterally terminate the Contract and enter into a fresh contract with a new contractor. The Applicant has sought (a) for an injunction restraining the Respondent from terminating or taking any action or step to terminate the Contract and from entering into any contract or issuing any work order or awarding balance work to any other contractor in respect of the Project (b) to restrain the Respondent from selling, parting with possession of, giving on leave and license basis or creating any third party rights and/or encumbrances on the unsold flats in the Project and from utilizing any funds from the RERA designated accounts or any other account of the Respondent in respect of the Project (c) to direct the Respondent to deposit to the court or be directed to furnish security by way of security, sums towards cost compensation, payment of RA Bills, release of retention money and damages amounting to ₹3,008.70 lakhs or to furnish security of unsold flats in the Project or any other project sufficient to secure the claim of the Applicant, amounting to ₹5,800.00 lakhs. The Respondent has, in its reply dated February 26, 2021, denied the allegations made by the Petitioner in the Application and prayed for dismissal of the Application with heavy costs. The Applicant has, in its rejoinder to the Reply dated March 7, 2021, denied the contents of the Reply and prayed for the Application to be made absolute with costs. The matter is currently pending.

4. Our Company (“**Complainant**”) has filed a complaint before the Maharashtra Real Estate Regulatory Authority against Radius & Deserve Builders LLP (“**Respondent**”) under section 13(1) of the Real Estate (Regulation and Development) Act, 2016 (“**Complaint**”). In the Complaint, it has been alleged that the Respondent had appointed the Complainant as the contractor to carry out certain civil engineering and construction works *vide* its letter of intent dated July 16, 2015, however, despite the works being done to the satisfaction of the Respondent, the Respondent had failed to clear certain dues including *inter alia* the monthly RA Bills of the Complainant amounting to ₹4,271.27 lakhs. Pursuant to a petition filed on February 22, 2021 by the Complainant before the National Company Law Tribunal, Mumbai against the Respondent to initiate corporate insolvency resolution process for the outstanding amount owed to it (“**Insolvency Petition**”), the Respondent in its replies to the Insolvency Petition stated that the dues outstanding to the Complainant had been settled through the issuance of ten confirmation of allotment letters dated August 20, 2020 for allotment of ten flats amounting to ₹2,031.45 lakhs to the Complainant by the Respondent, and accordingly, the Insolvency Petition was disposed of *vide* order dated April 19, 2023. However, the Respondent failed to execute and register the agreement of sale in respect of the ten flats in spite of repeated requests from the Complainant and hence, the Complainant filed the Complaint. In the Complaint, the Complainant has prayed for (i) an interim order to restrain the Respondent from dealing with or disposing the ten flats; (ii) an order to execute and register the agreements for sale in respect of the ten flats; (iii) to direct the Respondent to pay penalty to the Complainant for alleged violation of Section 13(1) of the Real Estate (Regulation and Development) Act, 2016. The matter is currently pending.
5. Our Company (“**Complainant**”) has filed a complaint dated September 25, 2023 before the Adjudicating Officer, Maharashtra Real Estate Regulatory Authority against Sumer Radius Realty Private Limited (“**Respondent No. 1**”), Sumer Buildcorp Private Limited (“**Respondent No. 2**”) and Radius Estate Projects Private Limited (“**Respondent No. 3**”, and collectively, the “**Respondents**”) under section 31 of the Real Estate (Regulation and Development) Act, 2016 (“**Complaint**”). In the Complaint, it has been alleged that Respondent No. 1 has failed to fulfil certain payment obligations pursuant to the appointment of the Complainant as the contractor to carry out civil engineering and construction works of a project (“**Project**”) *vide* their work orders dated January 21, 2018 and October 5, 2018. The Complainant and Respondent No. 1 entered into a memorandum of understanding dated January 24, 2020 to settle the outstanding amount due to the Complainant by allotment two flats in the Project (“**Flats**”) to the Complainant. The Respondent No. 1 issued two allotment letters, each dated August 20, 2020 in respect of the Flats to the Complainant. The Complainant has alleged that Respondent No. 1 failed to execute and register the agreement for sale in respect of the Flats. The Complainant has sought (i) an interim order to restrain the Respondents from dealing with or disposing the Flats; (ii) execution and registration of the agreements for sale in respect of the Flats; and (iii) payment of penalty to the Complainant. The matter is currently pending.

Litigation involving our Subsidiaries

Litigation against our Subsidiaries

Criminal proceedings

Nil

Actions taken by regulatory and statutory authorities

Nil

Civil proceedings above the Materiality Threshold

Nil

Litigation by our Subsidiaries

Criminal proceedings

NIL

Civil proceedings above the Materiality Threshold

Nil

Other outstanding litigation involving our Company and our Subsidiaries, wherein the amount involved cannot be determined or is below the Materiality Threshold, but an adverse outcome of which could, individually or in the aggregate, materially and adversely affect the reputation, operations or financial position of our Company on a consolidated basis

Nil

Litigation involving our Directors

Criminal proceedings against our Directors

Nil

Criminal proceedings by our Directors

Nil

Actions taken by regulatory and statutory authorities

Nil

Litigation involving our Promoters

Criminal proceedings against our Promoters

Nil

Criminal proceedings by our Promoters

Nil

Actions taken by regulatory and statutory authorities

Nil

Other outstanding litigation involving our Promoters and our Directors wherein an adverse outcome could materially and adversely affect the reputation, operations or financial position of our Company, on a consolidated basis

Nil

Inquiries, inspections or investigations initiated or conducted (for which notices have been issued) under the Companies Act, 2013 in the last three years preceding the year of this Preliminary Placement Document, involving our Company and its Subsidiaries, and any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Preliminary Placement Document, involving our Company and its Subsidiaries

Nil

Material frauds committed against our Company and its Subsidiaries in the last three years, and if so, the action taken by our Company and Subsidiaries

Nil

Significant and material order passed by the regulators, courts and tribunals impacting the going concern status of our Company on a consolidated basis

Nil

Default by our Company and its Subsidiaries, including therein the amount involved, duration of default and present status, in repayment of statutory dues, debentures and interest thereon, deposits and interest thereon and loan from any bank or financial institution and interest thereon.

Nil

Default in annual filings of our Company under the Companies Act, 2013

Nil

Litigation or legal actions, pending or taken, by any ministry or department of the government or a statutory authority against the Promoter of our Company during the last three years immediately preceding the year of this Preliminary Placement Document, and any direction issued by such ministry or department or statutory authority upon conclusion of such litigation or legal action, if any.

Nil

Tax litigation

As on the date of this Preliminary Placement Document, except as disclosed below, there are no outstanding tax litigations, involving our Company and its Subsidiaries:

Nature of case	Number of cases	Amount involved (in ₹lakhs)*
<i>Tax litigation involving our Company</i>		
Direct tax	Nil	Nil
Indirect tax	3	4,284.99
Total	3	4,284.99
<i>Tax litigation involving our Subsidiaries</i>		
Direct tax	Nil	Nil
Indirect tax	Nil	Nil
Total	Nil	Nil

*To the extent quantifiable, including interest and penalty thereon.

STATUTORY AUDITORS

M/s. S R B C & CO LLP, Chartered Accountants, are our Statutory Auditors.

The Audited Consolidated Financial Statements have been audited by our Statutory Auditors, M/s. S R B C & CO LLP, Chartered Accountants.

The peer review certificate of our Statutory Auditor is valid as of the date of this Preliminary Placement Document.

FINANCIAL INFORMATION

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Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**Review Report to
The Board of Directors
Capacit'e Infraprojects Limited**

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of Capacit'e Infraprojects Limited (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and joint ventures for the quarter ended September 30, 2023 and year to date from April 01, 2023 to September 30, 2023 (the "Statement") attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. The Holding Company's Management is responsible for the preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Statement has been approved by the Holding Company's Board of Directors. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the following entities:

Holding Company:
Capacit'e Infraprojects Limited

Subsidiaries:
a. CIPL PPSL Yongnam Joint Venture Construction Private Limited
b. Capacite-E-Governance JV

Joint Ventures
a. PPSL Capacite JV
b. Capacite Viraj AOP
c. CEPL- CIL Joint Venture
d. CIL- SIPL JV

Associates:
a. TPL-CIL Construction LLP
b. TCC Construction Private Limited

5. As described in Note 7 to the Statement, Trade Receivable as at September 30, 2023 includes INR 1,156 Lakhs in respect of one party which was earlier considered as Bad-debts/Provided as Expected Credit Loss Allowance, the management has now recorded recovery of the said receivables by giving effect in Other Income/Expected Credit Loss Allowance for the quarter ended September 30, 2023 and year to date from April 01, 2023 to September 30, 2023, based on future recoverability projections. In the absence of sufficient appropriate evidence about the recoverability of the said Receivable, we are unable to comment on the recoverability and provision, if any, required on such Receivable.
6. Based on our review conducted as above, except for the possible effects of our observations in paragraph 5, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement
7. Emphasis of Matter paragraph

We draw attention to Note 6 of the Statement in respect of the Group's operations included trade receivables, other exposures and contract asset with long time outstanding amount of INR 6,020 Lakhs as on September 30, 2023. The Group has taken legal course against those parties, including enforcement of available security, to recover those assets. The outcome of such legal action is not ascertainable at present. The management is confident of its recoverability and hence no further provision is required in these unaudited consolidated financial results.

Our conclusion is not modified in respect of this matter.

8. The accompanying Statement includes the unaudited interim financial results and other unaudited financial information, in respect of:
 - subsidiaries, whose unaudited interim financial results include total assets of INR 3,043.81 Lakhs as at September 30, 2023, total revenues of INR 356.50 Lakhs and INR 1,344.39 Lakhs, total net profit after tax of INR 28.42 Lakhs and INR 66.74 Lakhs, total comprehensive income of INR 28.42 Lakhs and INR 66.74 Lakhs, for the quarter ended September 30, 2023 and the period ended on that date respectively, and net cash outflows of INR 837.68 Lakhs for the period from April 01, 2023 to September 30, 2023, as considered in the Statement which has been reviewed by their respective independent auditors.
 - four joint ventures, whose unaudited interim financial results include Group's share of net loss of INR 0.02 Lakhs and INR 0.72 Lakhs and Group's share of total comprehensive loss of INR 0.02 Lakhs and INR 0.72 Lakhs, for the quarter ended September 30, 2023 and for the period ended on that date respectively, as considered in the Statement which has been reviewed by their respective independent auditors.

The independent auditor's report on interim financial results of these entities have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosure in respect of the subsidiary and joint ventures is based solely on the report of such auditors and procedures performed by us stated in paragraph 3 above.

9. The accompanying Statement includes the unaudited interim financial results and other unaudited financial information, in respect of:
- two associates, whose unaudited interim financial results include Group's share of net profit of INR 36.69 Lakhs and INR 2.35 Lakhs and Group's share of total comprehensive profit of INR 36.69 Lakhs and INR 2.35 Lakhs, for the quarter ended September 30, 2023 and for the period ended on that date respectively.

The unaudited interim financial results and other unaudited financial information of associates have not been reviewed by their auditors and have been approved and furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the affairs of these subsidiaries, joint ventures and associates, is based solely on such unaudited interim financial results and other unaudited financial information. According to the information and explanations given to us by the Management, these interim financial results are not material to the Group.

10. Our conclusion on the Statement in respect of matters stated in para 8 and 9 above is not modified with respect to our reliance on the work done and the reports of the other auditors and the financial results certified by the Management.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm registration number: 324982E/E300003

per Jai Prakash Yadav
Partner
Membership No.: 066943

UDIN: 23066943BGZVEZ6369
Mumbai
November 14, 2023

CAPACITE INFRAPROJECTS LIMITED

Registered Address of the Company - 605-607, Shrikant Chambers, 6th Floor, Phase I
Adjacent to R K Studios, Sion- Trombay Road, Mumbai- 400 071

Tel : +91-22 717 33 717

Fax : +91-22 717 33 733

Email: compliance@capacite.in

Website : www.capacite.in

CIN : L45400MH2012PLC234318

Note : 1

Consolidated Statement of Assets and Liabilities (INR in lakhs)

Particulars	As at Sept 30, 2023 (Unaudited)	As at March 31, 2023 Audited
A - Assets		
1) Non-current assets		
(a) Property, plant and equipment	61,710.11	64,785.95
(b) Capital work-in-progress	1,932.54	2,017.63
(c) Intangible assets	55.05	54.16
(d) Right-of-use assets	238.35	340.21
(e) Investment properties	1,059.40	724.79
(f) Intangible assets under development	38.62	38.62
(g) Investment in associates and joint ventures	164.00	92.87
(h) Investment		
(i) Investment	8.50	8.50
(ii) Trade receivables	11,447.94	9,664.39
(iii) Other financial assets	1,565.72	2,088.74
(i) Non-current tax assets (net)	247.60	2,510.78
(j) Other non-current assets	4,798.80	6,277.44
Total non-current assets	83,266.63	88,604.08
2) Current assets		
(a) Inventories	8,770.64	9,854.69
(b) Contract assets	1,05,302.73	92,383.91
(c) Financial assets		
(i) Trade receivables	41,787.13	34,766.71
(ii) Cash and cash equivalents	740.71	2,888.53
(iii) Bank balances other than (iii) above	13,274.62	14,567.74
(iv) Other financial assets	4,376.70	3,429.77
(d) Other current assets	11,828.41	14,707.71
Total current assets	1,86,080.94	1,72,599.06
Total-Assets	2,69,347.57	2,61,203.14
B - Equity and Liabilities		
1) Equity		
(a) Equity share capital	7,355.65	6,789.15
(b) Other equity	1,13,524.98	1,00,555.50
Total equity	1,20,880.63	1,07,344.65
Non-Controlling Interest	3.26	0.56
Total equity	1,20,883.89	1,07,345.21
2) Liabilities		
Non-current liabilities		
(a) Contract Liability	6,278.38	13,172.58
(b) Financial liabilities		
(i) Borrowings	4,840.02	11,162.49
(ii) Lease liability	153.42	165.24
(iii) Other financial liabilities	4,108.68	4,413.88
(c) Provisions	286.44	181.45
(d) Deferred tax liabilities (net)	4,873.71	5,290.91
Total non-current liabilities	20,540.65	34,386.55
Current liabilities		
(a) Contract Liability	24,599.65	17,880.81
(b) Financial liabilities		
(i) Borrowings	30,908.07	25,802.70
(ii) Lease liability	126.23	219.62
(iii) Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	2,377.67	2,709.90
- Total outstanding dues of trade payables other than micro enterprises and small enterprises.	58,752.53	60,654.12
(iv) Other financial liabilities	4,870.00	5,541.36
(c) Provisions	471.20	463.98
(d) Current tax liabilities (net)	1,491.68	881.10
(e) Other current liabilities	4,326.00	5,317.79
Total current liabilities	1,27,923.03	1,19,471.38
Total Liabilities	1,48,463.68	1,53,857.93
Total Equity and Liabilities	2,69,347.57	2,61,203.14

Statement of unaudited consolidated financial results for the quarter and six months ended September 30,2023

(INR in lakhs except otherwise stated)

Sr. No.	Particulars	Consolidated					
		Quarter Ended			Six Months Ended		Year Ended
		Sept 30, 2023	June 30, 2023	Sep 30, 2022	Sept 30, 2023	Sept 30, 2022	March 31, 2023
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	
1	Income						
	a. Revenue from operations	42,161.43	43,045.08	43,136.60	85,206.51	90,843.67	1,79,858.70
	b. Other income	1,497.72	479.01	322.99	1,976.73	512.86	951.86
	Total Income [1(a)+1(b)]	43,659.15	43,524.09	43,459.59	87,183.24	91,356.53	1,80,810.56
2	Expenses						
	a. Cost of material consumed	14,576.43	15,293.23	16,304.29	29,869.66	35,344.14	66,830.14
	b. Construction expenses	13,012.31	14,163.56	12,926.42	27,175.87	26,625.40	54,507.52
	c. Employee benefit expenses	3,206.61	3,213.00	3,261.19	6,419.61	6,289.02	12,763.84
	d. Finance costs	2,250.02	2,485.41	2,294.01	4,735.43	4,315.08	8,942.64
	e. Depreciation and amortisation expenses	2,769.65	2,449.74	3,214.71	5,219.39	7,448.34	13,599.63
	f. Other expenses	5,121.87	3,288.51	2,489.51	8,410.38	4,540.46	10,621.05
	Total expenses [2(a) to 2(f)]	40,936.89	40,893.45	40,490.13	81,830.34	84,562.44	1,67,264.82
3	Profit before tax (1-2)	2,722.26	2,630.64	2,969.46	5,352.90	6,794.09	13,545.74
4	Share of Profit/(loss) of Joint Ventures & Associates (net)	36.69	(35.06)	(0.92)	1.63	(9.34)	49.60
5	Profit before Tax (3+4)	2,758.95	2,595.58	2,968.54	5,354.53	6,784.75	13,595.34
6	Tax expense						
	Current tax	1,112.26	770.70	1,073.57	1,882.96	1,529.59	3,220.31
	Deferred tax charge/(credit)	(338.61)	(83.47)	(325.95)	(422.08)	185.46	845.35
	Total tax expenses	773.65	687.23	747.62	1,460.88	1,715.05	4,065.66
7	Net profit after tax (5-6)	1,985.30	1,908.35	2,220.92	3,893.65	5,069.70	9,529.68
8	Other comprehensive income						
	(i) Items that will not be reclassified to profit or loss	5.03	14.34	47.66	19.37	85.74	77.73
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(1.27)	(3.61)	(12.00)	(4.88)	(21.58)	(19.56)
9	Total comprehensive income for the period/year (7+8)	1,989.06	1,919.08	2,256.58	3,908.14	5,133.86	9,587.84
10	Profit/(Loss) for the period/year						
	a) Owners of the Company	1,984.15	1,906.80	2,220.92	3,890.95	5,069.70	9,529.12
	b) Non-controlling interest	1.15	1.55	-	2.70	-	0.56
11	Other comprehensive income for the period/year						
	a) Owners of the Company	3.76	10.73	35.66	14.49	64.16	58.17
	b) Non-controlling interest	-	-	-	-	-	-
12	Total Comprehensive income for the period/year						
	a) Owners of the Company	1,987.91	1,917.53	2,256.58	3,905.44	5,133.86	9,587.28
	b) Non-controlling interest	1.15	1.55	-	2.70	-	0.56
13	Paid up equity share capital (face value: INR 10/- each)	7,355.65	6,789.15	6,789.15	7,355.65	6,789.15	6,789.15
14	Other equity						
15	Earning per share (of INR 10/- each) (not annualised for quarters)						
	(a) Basic (INR)	2.71	2.81	3.27	5.52	7.47	14.04
	(b) Diluted (INR)	2.71	2.81	3.23	5.52	7.24	13.97

CAPACITE INFRAPROJECTS LIMITED
Registered Address of the Company - 605-607, Shrikant Chambers, 6th Floor, Phase I
Adjacent to R K Studios, Sion- Trombay Road, Mumbai- 400 071
Tel : +91-22 717 33 717 Fax : +91-22 717 33 733 Email: compliance@capacite.in
Website : www.capacite.in
CIN : L45400MH2012PLC234318

Note -2

Consolidated Cash Flow Statement

(INR in lakhs)

Sr No	Particulars	For the period ended Sept 30, 2023	For the period ended Sept 30, 2022
		Unaudited	Unaudited
A	Cash flow from operating activities		
	Profit before tax	5,354.53	6,784.75
	Adjustment for		
	Depreciation and amortisation expenses	5,219.39	7,448.34
	Finance costs	4,735.43	4,315.08
	Impairment allowance for Trade Receivables	1,234.72	1,575.70
	Trade Receivable considered as Bad debts	2,400.00	-
	Balances with Government authorities written off	1,557.00	-
	Security deposits written off	100.00	-
	Liability no longer required written back	(1,513.00)	-
	Share of (loss)/ profit of Joint ventures & Associates	(1.63)	9.34
	Loss on sale of plant, property and equipment	5.79	534.51
	Impairment of investment	340.16	-
	Gain on current investments on fair value through P&L	-	(35.10)
	Sundry balance written back	(947.39)	26.32
	Interest income	(1,019.25)	(354.30)
	Operating profit before working capital changes	17,465.75	20,304.64
	Adjustment for		
	(Increase)/Decrease in trade receivables (Including bills discounted with banks)	(11,364.94)	7,942.11
	(Increase)/Decrease in loans	-	300.00
	(Increase)/Decrease in inventories	1,084.05	1,938.76
	(Increase)/Decrease in other assets, other financial assets and contract assets	(11,050.16)	(34,710.68)
	Increase/(Decrease) in trade payables	(953.14)	9,086.63
	Increase/(Decrease) in provisions	131.58	80.16
	Increase/(Decrease) in other liabilities, other financial liabilities and contract liabilities	(854.21)	(6,433.89)
	Cash flow from operating activities	(5,541.07)	(1,492.27)
	Direct taxes paid (net of refunds)	1,241.80	(1,013.94)
	Net cash flow from operating activities	(4,299.27)	(2,506.21)
B	Cash flow from investing activities		
	Purchase of property, plant and equipment including CWIP and capital advances	(3,847.69)	(5,384.02)
	Proceeds from sale of property, plant and equipment	10.65	375.56
	Net proceeds from sale of current investments	-	62.00
	Investments in bank deposits (having original maturity of more than three months), net	1,713.01	830.50
	Interest received	411.64	614.58
	Net cash flow from investing activities	(1,712.39)	(3,501.38)
C	Cash flow from financing activities		
	Repayment of long-term borrowings	(3,149.76)	(2,328.51)
	Proceeds from long-term borrowings	448.05	4,532.33
	Payment of lease liability	(118.05)	(105.38)
	Proceeds/ (Repayments) from short-term borrowings, net	1,386.48	4,995.83
	Money received against share warrants	-	1,240.00
	Interest paid including interest on lease liability	(4,333.38)	(3,933.30)
	Proceeds from issue of Share Capital	9,630.50	-
	Net cash flow from financing activities	3,863.84	4,400.97
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	(2,147.82)	(1,606.62)
	Cash and Cash Equivalents at the beginning of the period	2,888.53	2,211.30
	Cash and cash equivalents at end of the period	740.71	604.68
	Components of cash and cash equivalents		
	Cash in hand	30.77	18.17
	Foreign currency on hand	3.36	3.29
	Balances with banks:		
	- on current accounts	706.58	264.83
	- Term deposits with less than 3 months of original maturity	-	318.39
	Total cash & cash equivalents	740.71	604.68

Notes:

- 3 The above unaudited consolidated financial results have been prepared in accordance with Indian Accounting Standard as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015 and the Companies (Indian Accounting Standard) rules as amended from time to time.
- 4 The above unaudited consolidated financial results have been reviewed by the Audit Committee and thereafter approved by the Board of Directors at its meeting held on November 14, 2023. The Statutory Auditors of the Group have carried out a limited review of the aforesaid results.
- 5 The Group's business segment consists of a single segment of 'Engineering, Procurement and Construction contracts' (EPC) in accordance with the requirement of Indian Accounting Standard (Ind AS) 108: Operating Segments. Accordingly, no separate segment information has been provided.
- 6 Against certain trade receivables, other exposures and contracts assets amounting to INR 6,020 Lakhs as on September 30, 2023, the Group has entered into agreements with respective clients and got allotment letter in its favor. The Group has taken legal steps to register the flats in its name to secure its commercial interest. The management is confident of its recoverability in due course and hence no further provision is required in these unaudited consolidated financial results.
- 7 The Group had long outstanding Trade Receivables of INR 1,156 Lakhs recoverable from one party which was written off as Bad-debts/Provided as Expected Credit Loss Allowance in the earlier periods. National Company Law Tribunal, Amaravati Bench (AP), appointed Resolution Professional (RP) relating to settlement of said Receivable and RP has approved an amount of INR 1,156 Lakhs against Group's claim of INR 1,583 Lakhs. Considering this fact and currently the Group is in the process of getting the settlement done by December'23 and to recover the said amount immediately post the settlement agreement and accordingly it has recorded the recovery of said receivables by giving effect in Other Income/Expected Credit Loss Allowance for the quarter and period ended September 30, 2023 based on future recoverability projections. The Statutory Auditors have expressed modified conclusion in respect of this matter.
- 8 The Holding Company on July 06, 2023 issued 56,65,000 Equity Shares on a preferential basis for an aggregate consideration of INR 9,630.50 Lakhs. The money has been utilised for working capital purpose.
- 9 Figures for the previous period have been regrouped / reclassified, where necessary, to confirm to the current period classification.

**For and on behalf of the Board of Directors of
Capacite Infraprojects Limited**

Place: Mumbai
Date: November 14, 2023

Rahul Katyal
Managing Director
DIN: 00253046

INDEPENDENT AUDITOR'S REPORT

To the Members of Capacit'e Infraprojects Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Capacit'e Infraprojects Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and joint ventures comprising of the consolidated Balance sheet as at March 31 2023, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint ventures, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at March 31, 2023, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group, associates, joint ventures in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Emphasis of Matter

We draw attention to:

- 1) Note 54 of the accompanying consolidated Ind AS financial statements which is in relation to the change in accounting policy of measuring the progress towards satisfaction of performance obligation for revenue recognition from output method to input method. Consequent to aforementioned change in accounting policy by the Holding Company, the Group has re-stated the comparative financial figures as at April 01, 2021 and for the year ended March 31, 2022 included in the consolidated Ind AS financial statements, in accordance with the requirements of Ind AS 8 – 'Accounting Policies, Changes in Accounting Estimates and Errors'.
- 2) Note 12(d) of the accompanying consolidated Ind AS financial statements in respect of the Group's trade receivables, other exposures and contract asset with long time outstanding amount of INR 6,809 Lakhs as on the balance sheet date. The Group has taken legal course against those parties, including enforcement of available security, to recover those assets. The outcome of such legal action is not ascertainable at present. The Group's management is confident of its recoverability and hence no provision has been made against the same in the books of accounts.

Our conclusion is not modified in respect of the above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
<p><u>Revenue recognition of contract revenue and margin (as described in Note 36 of the consolidated Ind AS financial statements)</u></p>	
<p>The Group enters into Engineering Procurement and Construction (EPC) contracts, which are complex in nature and span over a number of reporting periods.</p> <p>The accounting standard requires an entity to select a single measurement method for the relevant performance obligation which depicts the entity's performance in transferring goods or services. In case of onerous contract, present obligations are recognised and measured as provisions.</p> <p>During the current year, the Group has reassessed its method of measuring progress i.e. from output method to input method as specified in Ind AS 115- 'Revenue from Contract with Customers' consequent to change in the circumstances including change in the nature of contracts secured by the Group during recent years. Accordingly, the Group recognises revenue and the resultant profit/loss on the basis of stage of completion based on the proportion of contract costs incurred at balance sheet date, relative to the total estimated costs of the contract at completion. Pursuant to the impact of this change in method, the Company has restated the financial figures for the year ended March 31, 2022 and restated figures as at April 01, 2021 have also been provided.</p> <p>We identified contract accounting as a key audit matter because the estimation of total revenue and total cost to complete the contract is inherently subjective, complex and require significant judgment. The same may get subsequently changed due to change in prevailing circumstances, assumptions, contract variations, etc., and could result in significant variance in the revenue and profit or loss from contract for the reporting period.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> • Evaluated the appropriateness of the Group's change in revenue recognition policy, including the change in method of measuring progress; • Evaluated the design and implementation of key internal controls over the contract revenue and cost estimation process through the combination of procedures involving inquiry, observations, reperformance and inspection of evidence; • Verified the management's computation of impact of change in measure of progress and its consequential impact on the financial statements including restatement of earlier periods; • Assessed compliance of the Group's policies in respect of revenue recognition with the applicable accounting standards; • Selected a sample of contracts to test, using a risk-based criteria's which included individual contracts with: - significant revenue recognised during the year; - significant accrued value of work done balances held at the year-end; or - low profit margins/no profit margins' • Obtained an understanding of Group's process for analysing long term contracts, the risk associated with the contract and any key judgments' • Verified underlying documents such as original contract, and its amendments, key contract terms and milestones, etc. for verifying the estimation of

Key audit matters	How our audit addressed the key audit matter
	<p>contract revenue and costs and/or any change in such estimation;</p> <ul style="list-style-type: none"> • Evaluated the outcome of previous estimates by comparing the actual cost for the year to the forecasted costs for that year; • Considered the adequacy of disclosures made in note 36 to the Group's consolidated Ind AS financial statements in respect of these judgments and estimates.
<p>Recoverability of trade receivables and contract assets (as described in Note 36 of the consolidated Ind AS financial statements)</p>	
<p>Trade receivables and contract assets amounting to INR 44,431.10 lakhs and INR 92,383.91 lakhs respectively, represents approximately 52.14% of the total assets of the Company as at March 31, 2023. During the year, the Company has written off INR 6,624.03 lakhs out of Trade receivables and INR 3,013.59 lakhs as allowance for expected credit loss.</p> <p>In assessing the recoverability of the aforesaid balances and determination of allowance for expected credit loss, management's judgement involves consideration of aging status, historical payment records, evaluation of litigations, the likelihood of collection based on the terms of the contract and the credit information of its customer.</p> <p>We considered this as key audit matter due to the materiality of the amounts and significant estimates and judgements as stated above.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> • Understood and tested on a sample basis the design and operating effectiveness of management control over assessing the recoverability of the trade receivables and contract assets; • Performed test of details and tested relevant contracts, documents and subsequent receipts for material trade receivable balances and amounts included in contract assets that are due on performance of future obligations; • Tested the ageing of trade receivables at year end; • Performed test of details and tested relevant contracts and documents with focus on measurement of work completed during the period for material unbilled revenue balances included in contract asset; • Performed additional procedures which include, on test check basis, reading the communications to/from customer, physical site visits, verification of last bills certified and subsequent client certifications; • Assessed the allowance for expected credit loss made by management including the possible effect from the pandemic.

Other Information

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

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

In connection with our audit of the Ind AS consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the Ind AS consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of their respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associates and joint ventures are also responsible for overseeing the financial reporting process of their respective companies.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit

evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group, its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements and other financial information, in respect of two subsidiaries whose financial statements include total assets of INR 2,735.95 lakhs as at March 31, 2023, and total revenues of INR 782.86 lakhs and net cash inflows of INR 840.38 lakhs for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net profit of INR 49.60 lakhs for the year ended March 31, 2023, as considered in the consolidated financial statements, in respect of three associates and four joint ventures, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and joint operations and associates, is based solely on the reports of such other auditors.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies, associate companies and joint ventures companies, incorporated in India, as noted in the 'Other Matter' paragraph we give in "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, associates and joint ventures, as noted in the 'other matter' paragraph we report, to the extent applicable, that:
 - (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, associate companies and joint ventures, none of the directors of the Group's companies, its associates and joint ventures, incorporated in India, is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies, associate companies and joint ventures, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, associates and joint ventures incorporated in India, the managerial remuneration for the year ended March 31, 2023 has been paid/ provided by the Holding Company, its subsidiaries, associates and joint ventures incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V of the Act;
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates and joint ventures, as noted in the 'Other matter' paragraph:
 - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associates and joint ventures in its consolidated Ind AS financial statements – Refer Note 37 to the consolidated financial statements;
 - ii. The Group, its associates and joint ventures did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2023;

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, associates and joint ventures, incorporated in India during the year ended March 31, 2023.
- iv. a) The respective managements of the Holding Company and its subsidiaries, associates and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, associates and joint ventures respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries, associates and joint ventures to or in any other person or entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries, associates and joint ventures ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiaries, associates and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, associates and joint ventures respectively that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such subsidiaries, associates and joint ventures from any person or entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries, associates and joint ventures shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries, associates and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- v. No dividend has been declared or paid during the year by the Holding Company, its subsidiaries, associates and joint venture companies, incorporated in India and hence, no comment is required on compliance of Section 123 of the Companies Act, 2013.
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable only w.e.f. April 01, 2023 and hence reporting under this clause is not applicable.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Jayesh Gandhi
Partner
Membership Number: 037924
UDIN: 23037924BGXUAE4574
Place of Signature: Mumbai
Date: May 26, 2023

ANNEXURE 1 TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF CAPACIT'E INFRAPROJECTS LIMITED

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

(xxi) Qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated Ind AS financial statements are:

Sr. no.	Name	CIN	Holding Company/ Subsidiary/ Associate/ Joint Venture	Clause number of CARO report which is qualified or is adverse
1	Capacit'e Infraprojects Limited	L45400MH2012PLC234318	Holding Company	3(ii)(b)
2	Capacit'e Infraprojects Limited	L45400MH2012PLC234318	Holding Company	3(iii)(c)
3	Capacit'e Infraprojects Limited	L45400MH2012PLC234318	Holding Company	3(vii)(a)
4	Capacit'e Infraprojects Limited	L45400MH2012PLC234318	Holding Company	3(xiii)
5	TCC Construction Private Limited	U45202MH2018PTC314429	Associate	3(vii)(a)

For S R B C & CO LLP
 Chartered Accountants
 ICAI Firm Registration Number: 324982E/E300003

per Jayesh Gandhi
 Partner
 Membership Number: 037924
 UDIN: 23037924BGXUAE4574
 Place of Signature: Mumbai
 Date: May 26, 2023

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF CAPACIT'E INFRAPROJECTS LIMITED

Report on the Internal Financial Controls under Clause (l) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of Capacit'e Infraprojects Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated Ind AS financial statements of Capacit'e Infraprojects Limited (herein referred to as 'the Holding Company') and its subsidiary, associates and joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated Ind AS financial statements.

Meaning of Internal Financial Controls With Reference to Consolidated Ind AS Financial Statements

A company's internal financial control with reference to consolidated Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding

prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Ind AS Financial Statements

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

Opinion

In our opinion, the Group, its associates and joint ventures, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated Ind AS financial statements and such internal financial controls with reference to consolidated Ind AS financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matter

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company, in so far as it relates to the two subsidiaries, two associates and four joint ventures, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary, associates and joint ventures incorporated in India.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Jayesh Gandhi
Partner
Membership Number: 037924
UDIN: 23037924BGXUAE4574
Place of Signature: Mumbai
Date: May 26, 2023

CAPACIT'E INFRAPROJECTS LIMITED
CIN - L45400MH2012PLC234318
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2023

Particulars	Notes	As at	As at	As at
		March 31, 2023 INR Lakhs	March 31, 2022 ^ INR Lakhs	April 01, 2021 ^ INR Lakhs
A - Assets				
1) Non-current assets				
Property, plant and equipment	4	64,785.95	67,922.27	65,085.69
Capital work-in-progress	4	608.01	1,366.08	587.83
Investment properties	5B	724.79	737.72	750.67
Intangible assets	5	54.16	77.80	101.82
Right-of-use assets	5A	340.21	632.40	504.21
Intangible assets under development	5	38.62	38.62	11.74
Investment in associates and joint ventures	6	92.87	35.02	108.86
Financial assets				
Investment	6A	8.50	8.50	8.50
Trade receivables	12	9,664.39	7,086.24	8,147.76
Other financial assets	8	2,088.74	2,312.28	10,741.78
Non current tax assets (net)	10	2,510.78	3,183.34	2,219.36
Other non-current assets	9	7,687.06	9,392.95	11,966.07
Total non-current assets		88,604.08	92,793.22	1,00,234.29
2) Current assets				
Inventories	11	9,854.69	11,153.96	10,044.86
Financial assets				
Investments	6	-	25.89	32.44
Trade receivables	12	34,766.71	39,468.89	28,578.34
Cash and cash equivalents	13	4,706.53	2,211.30	983.65
Bank balances other than cash and cash equivalents	14	12,749.74	16,176.82	14,638.60
Loans	7	-	1,300.00	1,300.00
Other financial assets	8	95,813.68	63,292.80	54,784.92
Other current assets	9	15,885.34	11,710.20	12,419.51
Total current assets		1,73,776.69	1,45,339.86	1,22,782.32
Total-Assets		2,62,380.77	2,38,133.08	2,23,016.61
B - Equity and Liabilities				
1) Equity				
Equity share capital	15A	6,789.15	6,789.15	6,789.15
Other equity	15B	1,00,555.50	89,728.25	84,925.95
Total equity attributable to owners of the parent		1,07,344.65	96,517.40	91,715.10
Non-Controlling Interest		0.56	-	-
Total equity		1,07,345.21	96,517.40	91,715.10
2) Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	16	11,162.49	13,736.60	8,233.79
Lease liability	16A	165.24	443.21	294.50
Other financial liabilities	18	4,413.88	3,589.41	2,820.92
Provisions	19	181.45	316.34	214.82
Deferred tax liabilities (net)	21	5,290.91	3,248.37	3,082.42
Other non-current liabilities	22	13,172.58	18,961.87	25,985.84
Total non-current liabilities		34,386.55	40,295.80	40,632.29
Current liabilities				
Financial liabilities				
Borrowings	16	25,441.96	19,092.91	20,393.32
Lease liability	16A	219.62	244.03	220.96
Trade payables	17			
- Total outstanding dues of micro enterprises and small enterprises		2,709.90	2,080.97	953.02
- Total outstanding dues of trade payables other than micro enterprises and small enterprises		60,654.12	50,818.83	41,306.64
Other financial liabilities	18	5,902.10	4,627.23	3,017.63
Provisions	19	463.98	244.90	219.26
Current tax liabilities (net)	20	2,058.73	1,258.49	1,251.53
Other current liabilities	22	23,198.60	22,952.52	23,306.86
Total current liabilities		1,20,649.01	1,01,319.88	90,669.22
Total liabilities		1,55,035.56	1,41,615.68	1,31,301.51
Total Equity and Liabilities		2,62,380.77	2,38,133.08	2,23,016.61
Summary of significant accounting policies	3			

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

^ Restated (refer Note 54)

As per our report of even date attached
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No: 324982E/E300003

For and on behalf of the Board of Directors
Capacit'e Infraprojects Limited

per Jayesh Gandhi
Partner
Membership No : 37924

Rahul Katyal Rohit Katyal
Managing Director Executive Director &
DIN: 00253046 Chief Financial Officer
DIN: 00252944

Place: Mumbai
Date: May 26, 2023

CAPACIT'E INFRAPROJECTS LIMITED
CIN - L45400MH2012PLC234318
CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2023

Particulars	Notes	March 31, 2023 INR Lakhs	March 31, 2022 ^ INR Lakhs
Income			
Revenue from operations	23	1,79,858.70	1,33,982.81
Other income	24	951.86	1,313.59
Total income		1,80,810.56	1,35,296.40
Expenses			
Cost of material consumed	25	66,830.14	55,488.86
Construction expenses	26	54,507.52	37,580.83
Employee benefit expense	27	12,763.84	10,889.09
Finance costs	28	8,942.64	6,697.82
Depreciation and amortisation expenses	29	13,599.63	9,881.31
Other expenses	30	10,621.05	8,170.58
Total expenses		1,67,264.82	1,28,708.49
Profit before tax and share of profit/(loss) of Joint Ventures and Associates		13,545.74	6,587.91
Share of (loss)/ profit of Joint ventures		47.77	(26.17)
Share of profit/ (loss) of Associates		1.83	(47.95)
Profit before tax		13,595.34	6,513.79
Current tax	31	3,220.31	1,581.05
Deferred tax	31	845.35	157.01
Total tax expense		4,065.66	1,738.06
Profit after tax		9,529.68	4,775.73
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Re-measurement gains on defined benefit plans		77.73	35.51
Income tax effect		(19.56)	(8.94)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		58.17	26.57
Total comprehensive income for the period/year		9,587.84	4,802.30
Profit for the year			
- Owners of the Group		9,529.12	4,775.73
- Non-controlling interest		0.56	-
Other comprehensive income for the year			
- Owners of the Group		58.17	26.57
- Non-controlling interest		-	-
Total comprehensive income for the year			
- Owners of the Group		9,587.28	4,802.30
- Non-controlling interest		0.56	-
Earning per share (of INR 10/- each)			
- Basic (INR)	33	14.04	7.03
- Diluted (INR)		13.97	7.03
Summary of significant accounting policies	3		

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

^ Restated (refer Note 54)

As per our report of even date attached
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No: 324982E/E300003

For and on behalf of the Board of Directors
Capacit'e Infraprojects Limited

per **Jayesh Gandhi**
Partner

Membership No : 37924

Rahul Katyal
Managing Director

DIN: 00253046

Rohit Katya
Executive Director &
Chief Financial Officer
DIN: 00252944

Place: Mumbai
Date: May 26, 2023

CAPACIT'E INFRAPROJECTS LIMITED
CIN - L45400MH2012PLC234318
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

Particulars	March 31, 2023	March 31, 2022 ^
	INR Lakhs	INR Lakhs
A Cash flow from operating activities		
Profit before tax	13,595.34	6,513.79
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortisation expenses	13,599.63	9,881.31
Finance costs	8,942.64	6,697.82
Share of profit/(loss) of Joint Ventures and Associates	(49.60)	74.12
Impairment allowance for trade receivables	4,844.12	3,171.83
(Profit)/Loss on sale of property, plant and equipment	534.51	(225.80)
Fair value gain on financial instruments at fair value through profit and loss	-	(0.19)
Profit on Sale of Investment in group companies	(37.30)	
Sundry balance written back	(3.37)	7.41
Finance income	(717.62)	(1,032.11)
Operating profit before working capital changes	40,708.35	25,088.18
Movement in working capital :		
(Increase)/Decrease in Trade Receivables (Including bills discounted with banks)	(1,641.76)	(15,638.33)
(Increase)/Decrease in Loans	1,300.00	-
(Increase)/Decrease in Inventories	1,299.27	(1,109.12)
(Increase)/Decrease in other assets and other financial assets	(34,481.00)	(6,974.34)
Increase/(Decrease) in Trade payables	9,111.90	10,568.48
Increase/ (Decrease) in Other Financial Liabilities		
Increase/(Decrease) in Provisions	161.92	162.67
Increase/(Decrease) in Other liabilities and other financial liabilities	(4,576.34)	(6,110.01)
Cash generated from operations	11,882.34	5,987.53
Direct taxes paid (net of refunds)	(1,747.51)	(2,538.07)
Net cash flow from operating activities (A)	10,134.83	3,449.46
B Cash flow from investing activities		
Purchase of property, plant and equipment including CWIP and capital advances	(9,237.26)	(10,213.65)
Proceeds from sale of property, plant and equipment	375.57	225.80
Proceeds from sale of current investments	62.00	32.63
Maturity proceeds from bank deposits (having original maturity of more than three months), net	3,389.91	6,708.59
Interest received	1,130.62	953.53
Net cash used in investing activities (B)	(4,279.16)	(2,293.10)
C Cash flow from financing activities		
Repayment of long-term borrowings	(4,736.69)	(4,374.27)
Proceeds from long-term borrowings	5,332.50	10,030.26
Payment of principal portion of lease liability	(163.81)	(159.63)
Proceeds/ (Repayments) from short-term borrowings, net	3,251.15	806.22
Money received against share warrants	1,240.00	-
Interest paid including interest on lease liability	(8,283.59)	(6,231.29)
Net cash from/(used in) financing activities (C)	(3,360.44)	71.29
Net increase/(decrease) in cash and cash equivalents (A + B + C)	2,495.23	1,227.65
Cash and cash equivalents at the beginning of the year	2,211.30	983.65
Cash and cash equivalents at end of the period (note 13)	4,706.53	2,211.30
Components of cash and cash equivalents		
Cash in hand	27.15	14.15
Foreign currency on hand	3.32	3.08
Balances with banks:		
- on current accounts	2,736.57	1,255.33
- Term Deposits with less than 3 months of original maturity	1,939.49	938.74
Total cash & cash equivalents (note 13)	4,706.53	2,211.30

^ Restated (refer Note 54)

As per our report of even date attached

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No: 324982E/E300003

For and on behalf of the Board of Directors
Capacit'e Infraprojects Limited

per **Jayesh Gandhi**
Partner
Membership No : 37924

Rahul Katyal
Managing Director
DIN: 00253046

Rohit Katyal
Executive Director and
Chief Financial Officer
DIN: 00252944

Place: Mumbai
Date: May 26, 2023

CAPACIT'E INFRAPROJECTS LIMITED
CIN - L45400MH2012PLC234318
Consolidated Statement of Changes in Equity for the year ended March 31, 2023

A) Equity Share Capital

For the year ended 31 March, 2023

	Nos.	INR Lakhs
At April 01, 2022	6,78,91,497	6,789.15
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance	6,78,91,497	6,789.15
Issue of share capital	-	-
At March 31, 2023	6,78,91,497	6,789.15

For the year ended March 31, 2022

	Nos.	INR Lakhs
At April 01, 2021	6,78,91,497	6,789.15
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance	6,78,91,497	6,789.15
Issue of share capital	-	-
At March 31, 2022	6,78,91,497	6,789.15

As at April 01, 2021

	Nos.	INR Lakhs
At April 01, 2020	6,78,91,497	6,789.15
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance	6,78,91,497	6,789.15
Issue of share capital	-	-
At April 01, 2021	6,78,91,497	6,789.15

B) Other equity

	Reserves and surplus		Items of other	Money received	Total equity attributable	Non-controlling	Total
	Securities premium	Retained earnings	comprehensive income	against share warrant	to equity holders of the	interest	equity
At April 01, 2022	45,713.14	43,850.01	165.10	-	89,728.25	-	89,728.25
Profit for the year	-	9,529.12	-	-	9,529.12	0.56	9,529.68
Other comprehensive income / (losses)	-	-	58.17	-	58.17	-	58.17
Share Warrant	-	-	-	1,240.00	1,240.00	-	1,240.00
At March 31, 2023	45,713.14	53,379.13	223.27	1,240.00	1,00,555.54	0.56	1,00,556.06

	Reserves and surplus		Items of other	Money received	Total equity attributable	Non-controlling	Total
	Securities premium	Retained earnings	comprehensive income	against share warrant	to equity holders of the	interest	equity
At April 01, 2021	45,713.14	39,074.28	138.53	-	84,925.95	-	84,925.95
Profit for the year	-	4,775.73	-	-	4,775.73	-	4,775.73
Other comprehensive income / (losses)	-	-	26.57	-	26.57	-	26.57
Share Warrant	-	-	-	-	-	-	-
Restatement of revenue	-	-	-	-	-	-	-
At March 31, 2022	45,713.14	43,850.01	165.10	-	89,728.25	-	89,728.25

	Reserves and surplus		Items of other	Money received	Total equity attributable	Non-controlling	Total
	Securities premium	Retained earnings	comprehensive income	against share warrant	to equity holders of the	interest	equity
At April 01, 2020	45,713.14	40,088.11	-	-	85,801.25	-	85,801.25
Profit for the year	-	138.32	-	-	138.32	-	138.32
Other comprehensive income for the year	-	-	138.53	-	138.53	-	138.53
Restatement due change in method of measuring progress	-	(1,152.15)	-	-	(1,152.15)	-	(1,152.15)
At March 31, 2021	45,713.14	39,074.28	138.53	-	84,925.95	-	84,925.95

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

As per our report of even date attached
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No: 324982E/E300003

For and on behalf of the Board of Directors
Capacit'e Infraprojects Limited

per **Javesh Gandhi**
Partner
Membership No : 37924
Place: Mumbai
Date: May 26, 2023

Rahul Katyal
Managing Director
DIN: 00253046

Rohit Katyal
Executive Director & Chief Financial Officer
DIN: 00252944

CAPACITE INFRAPROJECTS LIMITED

CIN - L45400MH2012PLC234318

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

1 Corporate information

The consolidated financial statements comprise financial statements of Capacite Infraprojects Limited ("the Group") for the year ended March 31, 2023. The Group is a Group domiciled in India and incorporated under the provisions of Companies Act applicable in India on August 09, 2012. The Group is an ISO-9001:2015, ISO-14001:2015 and OHSAS-45001:2018 certified Group. Its shares are listed on two recognised stock exchanges in India. The registered office of the Group is located at 605-607, Shrikant Chambers, 6th Floor, Phase I, Adjacent to R K Studios, Sion- Trombay Road, Mumbai- 400 071.

The Group is primarily engaged in the business of Engineering, Procurement and Construction. The Group was incorporated as a Private Limited Group and became a Limited Group in March 2014 (Public limited in September 2017).

The financial statements were authorised for issue in accordance with a resolution of directors on May 26, 2023.

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the consolidated financial statement.

2.2 Basis of preparation and presentation

These financial statements have been prepared in Indian Rupee ("INR") which is the functional currency of the Group. These financial statements have been prepared on historical cost basis, except for certain financial assets and liabilities which are measured at fair value or amortised cost at the end of each reporting period, as explained in the accounting policies below.

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3 Summary of significant accounting policies

a Current versus non-current classification

The Group presents assets and liabilities in the standalone balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

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

A liability is current when:

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

All other liabilities are classified as non-current.

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

Operating cycle for current and non-current classification

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

b Fair value measurement of financial instruments

The Group measures financial instruments at fair value at each balance sheet date using valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a) In the principal market for the asset or liability, or

b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the standalone financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

c Revenue Recognition

Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers.

Description of performance obligation:

During the current period, the holding Group changed the method of measuring progress i.e. from output method to input method as specified in Ind-AS 115 – 'Revenue from Contract with Customers'. Refer note no. 54.

Contract revenue is recognized over time by measuring progress on the basis of the entity's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation.

Input method takes into accounts entity's efforts i.e. costs incurred on an accrual basis (for example direct material, direct labour, subcontractors cost, resources consumed, allocations of costs related directly to contract activities, if those depict the transfer of control to the customer, costs which can be identified and directly contributing towards the progress / completion of the goods/services) relative to total estimated costs to determine the extent of progress towards completion of the contract. Costs so incurred in connection with the work performed for satisfaction of performance obligation are recognised as an expense.

Costs that are not related to the contract, or that do not contribute towards satisfying a performance obligation, are not included in measuring progress.

The Group recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognise revenue when (or as) the entity satisfies a performance obligation.

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
2. The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Group's performance does not create an asset with an alternative use to the Group and the entity has an enforceable right to payment for performance completed to date.

Revenue from works contracts, where the outcome can be estimated reliably, is recognised under the percentage of completion method by reference to the stage of completion of the contract activity. The stage of completion is measured by calculating the proportion that costs incurred to date bear to the estimated total costs of a contract. Determination of revenues under the percentage of completion method necessarily involves making estimates by the management.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract cost incurred that are likely to be recoverable.

Any costs incurred that do not contribute to satisfying performance obligations are excluded from the Group's input methods of revenue recognition as the amounts are not reflective of our transferring control of the system to the customer. Significant judgment is required to evaluate assumptions related to the amount of net contract revenues, including the impact of any performance incentives, liquidated damages, and other forms of variable consideration.

If estimated incremental costs on any contract, are greater than the net contract revenues, the Group recognises the entire estimated loss in the period the loss becomes known.

When the Group satisfies a performance obligation by delivering the promised goods or services it creates a contract asset based on the amount of consideration to be earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

Any variations in contract work, claims, incentive payments are included in the transaction price if it is highly probable that a significant reversal of revenue will not occur once associated uncertainties are resolved.

Variable consideration is included in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when that uncertainty associated with the variable consideration is subsequently resolved.

The Group accounts for a contract modification (change in the scope or price (or both)) when that is approved by the parties to the contract. Where the outcome of a performance obligation cannot be reasonably measured, contract revenue is recognised to the extent of costs incurred in satisfying the performance obligation that is expected to be recovered.

Provision for future losses are recognised as soon as it becomes evident that the total costs expected to be incurred in a contract exceed the total expected revenue from that contract.

Revenue from rendering of services is recognised over time as and when the customer receives the benefit of the Group's performance and the Group has an enforceable right to payment for services transferred. Unbilled revenue represents value of services performed in accordance with the contract terms but not billed.

Contract balances:

i) Contract assets
Due from customers

For contracts where the aggregate of contract cost incurred to date plus recognised profits (or minus recognised losses as the case may be) exceeds the progress billing, the surplus is shown as contract asset and termed as "Due from customers".

ii) Trade receivables

The amounts billed on customer for work performed and are unconditionally due for payment i.e. only passage of time is required before payment falls due, are disclosed in the Balance Sheet as trade receivables. The amount of retention money held by the customers pending completion of performance milestone is disclosed as part of contract asset and is reclassified as trade receivables when it becomes due for payment.

Retention money are specific to project and generally receivable within 12 months of project completion.

iii) Contract liabilities

Due to customers :

For contracts where progress billing exceeds the aggregate of contract costs incurred to-date plus recognised profits (or minus recognised losses, as the case may be), the surplus is shown as contract liability and termed as "Due to customers".

Advances from customer:

Amounts received before the related work is performed are disclosed in the Balance Sheet as contract liability and termed as "Advances from customer".

Supply contracts-sale of goods

Revenue, if any from supply contract is recognized when the control is transferred to the buyer.

Management consultancy and other services

Revenues from management consultancy and other services are recognized pro-rata over the period of the contract as and when services are rendered.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable. For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

Dividend

Dividend income is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

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d Property, plant and equipment (PPE)

PPE is recognised 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 is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. PPE acquired on hire purchase basis are recognised at their cash values. Cost includes professional fees related to the acquisition of PPE and for qualifying assets, borrowing costs are capitalised in accordance with the Group's accounting policy. PPE not ready for the intended use on the date of the Balance Sheet are disclosed as "capital work-in-progress". (Also refer to policy on leases, borrowing costs, impairment of assets and foreign currency transactions infra).

Group is capitalising Site Establishments at site . Site establishments includes temporary structures build on project site and is used in the process of construction. Site establishments items and activities includes excavation , Ground levelling, making approach road, boundary making, barricading, security gate, labour colony, store rooms, professional fees for designing site establishments, monsoon protection sheds, all electrical lines at project site etc. All material and manpower cost used in building these site establishments are capitalised at that project site.

The Group identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

e Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period with the affect of any change in the estimate being accounted for on a prospective basis. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

f Depreciation and amortisation

Depreciation on Property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management.

Intangible assets in the form of computer software are amortised over their respective individual estimated useful lives on a straight line basis.

The Group has assessed the following useful life to depreciate and amortize on its property, plant and equipment and intangible assets respectively.

The useful life of major assets are as under:

Particulars	Useful Lives of the Assets estimated by the management (years)
Plant and Machinery *	20
Furniture and fixtures *	10
Office Equipment	10
Formwork *	7 to 15
Building	60
Vehicles	10
Computer	5
Computer Software	5

* Group has used useful life other than as indicated in Schedule II which is as per management estimate, supported by independent assessment by professionals. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Site Establishments are amortised systematically over the life of the contract.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. The amortization period and the amortization method are reviewed at least at each financial year end.

g Investment property and depreciation

i) Recognition and measurement:

Investment properties comprises of land and building are measured initially at cost, including transaction costs. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

All other repair and maintenance costs are recognised in Statement of Profit and Loss as incurred. Though the Group measures investment property using cost based measurement

ii) Depreciation

Depreciation on Investment Property is provided using the straight-line basis method based on the useful lives specified in Schedule II to the Companies Act, 2013. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. 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.

All other repair and maintenance costs are recognised in Statement of Profit and Loss as incurred.

h Impairment of non-financial assets

As at the end of each accounting year, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the said assets are tested for impairment so as to determine the impairment loss, if any. The intangible assets with indefinite life are tested for impairment each year. Useful life of the all the assets are mentioned in note 3(f) -Depreciation and amortisation .

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

- (i) in the case of an individual asset, at the higher of the net selling price and the value in use; and
- (ii) in the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

(The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the Group suitably adjusted for risks specified to the estimated cash flows of the asset).

For this purpose, a cash generating unit is ascertained as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

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

i Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are

Subsequent measurement of financial assets:

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification financial assets.

Following are the categories of financial instrument:

- a) Financial assets at amortised cost
- b) Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- c) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- d) Financial assets at fair value through profit or loss (FVTPL)

a) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using the effective interest rate method if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)

Debt financial assets measured at FVOCI:

Debt instruments are subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments) :

On initial recognition, the Group makes an irrevocable election on an instrument-by-instrument basis to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments, other than equity investment which are held for trading. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

d) Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading. Other financial assets such as unquoted Mutual funds are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition.

Derecognition

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

- a) the rights to receive cash flows from the asset have expired, or
- b) the Group has transferred its rights to receive cash flows from the asset, and
 - i. the Group has transferred substantially all the risks and rewards of the asset, or
 - ii. the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

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 following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits, trade receivables and bank balance
- b) Financial assets that are debt instruments and are measured at FVTOCI.
- c) Financial guarantee contracts which are not measured as at FVTPL.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

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

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

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

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss. In the balance sheet, ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

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

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

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

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

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

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

Loans and borrowings

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

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

This category generally applies to borrowings.

De-recognition

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.

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

i Inventories

Inventories are valued at the lower of cost and net realisable value.

a. Construction material, raw materials, components, stores and spares are valued at lower of cost and net realizable value. However material and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost are determined on weighted average method.

b. Ply and Batten (included in cost of material consumed).

Ply and batten are part of material and supplies used in the construction process and are hence part of inventory which are valued at cost less amortisation/charge based on their usages.

k Foreign currencies

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

In preparing the financial statements, transactions in the currencies other than the Group's functional currency are recorded at the rates of exchange prevailing on the date of transaction. At the end of each reporting period, monetary items denominated in the foreign currencies are re-translated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the retranslation or settlement of other monetary items are included in the statement of profit and loss for the period.

l Employee benefit expenses

Defined Benefit Plan

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on Projected Unit Credit Method made at the end of the financial year. Actuarial gains and losses for both defined benefit plans are recognized in full in the period in which they occur in the statement of OCI.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the standalone balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

Termination Benefits

The Group recognizes termination benefit as a liability and an expense when the Group has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the termination benefits fall due more than 12 months after the balance sheet date, they are measured at present value of future cash flows using the discount rate determined by reference to market yields at the balance sheet date on government bonds.

Compensated Absences

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated advances are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Remeasurement gains/losses on defined benefit plans are immediately taken to the Statement of Profit & Loss and are not deferred.

m Taxes on income

Current income tax

Tax expense for the year comprises current and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the standalone statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiary and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

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

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

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

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

All other acquired tax benefits realised are recognised in profit or loss.

n Cash and cash equivalent

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, which are 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.

o Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds including interest expense calculated using the effective interest method, finance charges in respect of assets acquired on finance lease. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset until such time as the assets are substantially ready for the intended use or sale. All other borrowing costs are expensed in the period in which they occur.

p Trade payables:

These amounts represents liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 to 180 days of recognition other than usance letter of credit. Trade payables are presented as current financial liabilities.

The Group enters into deferred payment arrangements (acceptances) for purchase of raw materials under Letter of Credit (LCs) under non-fund based working capital facility approved by Banks for the Group. Considering these arrangements are majorly for raw materials with a maturity ranging from 90 to 180 days, the economic substance of the transaction is determined to be operating in nature and these are recognised as Acceptances under Trade payables. Interest borne by the Group on such arrangements is accounted as finance cost.

q Leases

Where the Group is lessee

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

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of Building which is 3 to 5 years.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in note (h) Impairment of non-financial assets.

ii) Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Interest-bearing loans and borrowings (see note (n)).

iii) Short-term leases and leases of low-value assets

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

r Provisions and Contingencies

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. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the standalone financial statements.

Provisions and contingent liability are reviewed at each balance sheet.

s Related party transactions

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the period-end are unsecured and settlement occurs in cash or credit as per the terms of the arrangement. Impairment assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

t 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, associate and joint venture companies; and
 - (iv) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.
- Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

u Dividend

(i) Proposed Dividend:

The Group recognises a liability to make cash distributions to equity holders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Group's Board of Directors.

(ii) Final dividend:

Final dividend on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Group's Board of Directors. The Group declares and pays dividend in Indian rupees. The Finance Act 2020 has repealed the Dividend Distribution Tax (DDT). Companies are now required to pay/distribute dividend after deducting applicable taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates.

v Earnings per share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity share holders of the Group by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as fresh issue, bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity shares holders of the Group by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

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CAPACITY INFRAPROJECTS LIMITED

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

4 Property plant and equipment

	Plant and Machinery	Furniture & Fixtures	Office Equipment	Site Establishment	Computers	Formwork	Vehicles	Building	Total
	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs
Cost or Valuation									
At April 01, 2021	13,264.59	1,126.50	108.62	37,080.54	560.05	42,312.38	465.40	627.58	95,545.66
Additions	141.51	25.50	-	4,956.87	61.57	7,059.44	21.45	746.21	13,012.55
Disposals	(86.98)	-	-	-	-	-	-	(535.00)	(621.98)
At March 31, 2022	13,319.12	1,152.00	108.62	42,037.41	621.62	49,371.82	486.85	838.79	1,07,936.23
Additions	949.01	-	4.48	2,751.29	77.20	6,197.59	26.24	1,594.35	11,600.16
Disposals	(321.88)	-	-	(1,507.74)	-	-	-	(481.35)	(2,310.97)
At March 31, 2023	13,946.25	1,152.00	113.10	43,280.96	698.82	55,569.41	513.09	1,951.79	1,17,225.42
Depreciation									
At April 01, 2021	2,783.77	298.49	68.05	15,646.21	306.96	11,174.78	132.93	48.77	30,459.96
Depreciation charge for the period	651.94	70.25	9.46	5,001.13	86.24	3,755.31	46.97	6.77	9,628.07
Disposals	(20.41)	-	-	-	-	-	-	(53.66)	(74.07)
At March 31, 2022	3,415.30	368.74	77.51	20,647.34	393.20	14,930.09	179.90	1.88	40,013.96
Depreciation charge for the period	700.07	92.17	9.64	7,845.55	88.99	4,513.60	49.85	23.59	13,323.46
Disposals	(130.69)	-	-	(763.45)	-	-	-	(3.81)	(897.95)
At March 31, 2023	3,984.68	460.91	87.15	27,729.44	482.19	19,443.69	229.75	21.66	52,439.47
Net Book Value									
At March 31, 2023	9,961.57	691.09	25.95	15,551.52	216.63	36,125.72	283.34	1,930.13	64,785.95
At March 31, 2022	9,903.82	783.26	31.11	21,390.07	228.42	34,441.73	306.95	836.91	67,922.27
At April 01, 2021	10,480.82	828.01	40.57	21,434.33	253.09	31,137.60	332.47	578.81	65,085.70
Net Book Value	Mar 31, 2023	Mar 31, 2022	At April 01, 2021						
	INR Lakhs	INR Lakhs	INR Lakhs						
Property, plant and equipment	64,785.95	67,922.27	65,085.70						
Capital Work-in-Progress	673.01	1,366.08	587.83						
Impairment of CWIP	(65.00)	-	-						
	608.01	1366.08	587.83						

Note 1:

Charge on the Assets:

Please refer note 16 for the details of charge created on assets.

Note 2:

Capital work in progress (CWIP) ageing schedule

At March 31, 2023

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2 - 3 years	More than 3 years	
	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs
Project in progress	476.37	-	-	73.56	549.92
Projects temporarily suspended	-	-	-	58.09	58.09
Total	476.37	-	-	131.65	608.01

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

At March 31, 2022

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2 - 3 years	More than 3 years	
	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs
Project in progress	1,273.05	-	-	34.94	1,307.99
Projects temporarily suspended	-	-	-	58.09	58.09
Total	1,273.05	-	-	93.03	1,366.08

At April 01, 2021

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2 - 3 years	More than 3 years	
	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs
Project in progress	338.93	-	190.81	-	529.74
Projects temporarily suspended	-	-	58.09	-	58.09
Total	338.93	-	248.90	-	587.83

Details of Projects temporarily suspended as at March 31, 2023

	Amount in CWIP to be completed in				Total
	Less than 1 year	1-2 years	2 - 3 years	More than 3 years	
	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs
CWIP					
Ajinkya Hughes Projects	-	-	-	58.09	58.09
	-	-	-	58.09	58.09

5 Intangible Assets

	Computer Software	Total
	INR Lakhs	INR Lakhs
Cost or Valuation		
At April 01, 2021	418.43	418.43
Additions	15.81	15.81
Disposals	-	-
At March 31, 2022	434.24	434.24
Additions	7.90	7.90
Disposals	-	-
At March 31, 2023	442.14	442.14
Depreciation		
At April 01, 2021	316.62	316.62
Depreciation charge for the period	39.82	39.82
Disposals	-	-
At March 31, 2022	356.44	356.44
Depreciation charge for the period	31.54	31.54
Disposals	-	-
At March 31, 2023	387.98	387.98

CAPACIT'VE INFRAPROJECTS LIMITED
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Net Book Value

At March 31, 2023	54.16	54.16
At March 31, 2022	77.80	77.80
At April 01, 2021	101.82	101.82

Intangible assets under development

Particular	March 31, 2023	March 31, 2022	March 31, 2021
	INR Lakhs	INR Lakhs	INR Lakhs
Opening balance	38.62	11.74	-
Additions during the year	-	31.50	11.74
Capitalised during the year	-	4.62	-
Closing balance	38.62	38.62	11.74

Intangible assets under development ageing schedule

At March 31, 2023

	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2 - 3 years	More than 3 years	
	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	
Project in progress	-	31.50	7.12	-	38.62
Projects temporarily suspended	-	-	-	-	-
Total	-	31.50	7.12	-	38.62

At March 31, 2022

	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2 - 3 years	More than 3 years	
	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	
Project in progress	31.50	7.12	-	-	38.62
Projects temporarily suspended	-	-	-	-	-
Total	31.50	7.12	-	-	38.62

At April 01, 2021

	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2 - 3 years	More than 3 years	
	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	
Project in progress	11.74	-	-	-	11.74
Projects temporarily suspended	-	-	-	-	-
Total	11.74	-	-	-	11.74

CAPACIT'E INFRAPROJECTS LIMITED

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**5A Lease****Company as a Lessee**

Company has lease contracts for various items of machinery , office and other equipment used in its operations having lease terms between 3 months to 11 months. The Company also has certain leases of office premises, staff accommodation, Labour colony and Godowns used in its operations having lease terms between 11 months to 72 months. The lease terms are fixed in nature. For leases having lease terms of 12 months or less and leases of office equipment with low value, Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions.

Set out below is the carrying amounts of right-of-use assets recognised and the movements during the period:

	INR Lakhs
<u>Right to use Asset</u>	
At April 01, 2021	1,113.31
Additions during the year	328.67
Disposals	-
At March 31, 2022	1,441.98
Additions during the year	185.53
Disposals	(989.22)
At March 31, 2023	638.29
Depreciation	
At April 01, 2021	609.10
Additions during the year	200.48
Disposals	-
At March 31, 2022	809.58
Additions during the year	231.71
Disposals	(743.21)
At March 31, 2023	298.08
Net Book Value	
At Mar 31, 2023	340.21
At March 31, 2022	632.40
At April 01, 2021	504.21

CAPACITE INFRAPROJECTS LIMITED
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

5B Investment property

Cost or Valuation	INR Lakhs
At April 01, 2021	<u><u>812.44</u></u>
Additions	-
Disposals	-
At April 01, 2022	<u><u>812.44</u></u>
Additions	-
Disposals	-
At March 31, 2023	<u><u>812.44</u></u>
 Depreciation	
At April 01, 2021	<u><u>61.77</u></u>
Additions	12.94
Disposals	-
At April 01, 2022	<u><u>74.72</u></u>
Additions	12.93
Disposals	-
At March 31, 2023	<u><u>87.65</u></u>
 Net Book Value	
At March 31, 2023	724.79
At Mar 31, 2022	737.72
At Mar 31, 2021	750.67

Information regarding income and expenditure of Investment properties

	March 31, 2023	March 31, 2022
	INR Lakhs	INR Lakhs
Rental income derived from investment properties	23.67	23.68
Direct operating expenses (including repairs and maintenance)	-	-
Profit arising from investment properties before depreciation and indirect expenses	<u>23.67</u>	<u>23.68</u>
Less :- Depreciation	12.93	12.94
Profit arising from investment properties before indirect expenses	<u><u>10.74</u></u>	<u><u>10.74</u></u>

Fair Valuation of Investment properties

Investment properties	Fair Value (INR Lakhs)
Retails properties	726.38

6 Financial Assets: Investments
Non Current Investments

	As at March 31, 2023 INR Lakhs	As at March 31, 2022 INR Lakhs	As at April 01, 2021 INR Lakhs
I. Investment in equity shares carried at cost, fully paid up (unquoted)			
a) In Associates in India			
- TCC Constructions Pvt Ltd	14.44	11.37	16.01
- TPL - CIL Construction LLP	19.19	19.85	24.26
- Captech Technologies Private Limited [NIL (March 31, 2022: 1,24,000 ; April 01, 2021: 1,24,000) shares of INR 10 each]	-	-	64.78
	33.63	31.22	105.06
b) In Joint Ventures			
- PPSL JV	3.80	3.80	3.80
- CEPL- CIL Joint Venture	35.25	-	-
- CIL- SIPL JV	20.19	-	-
	59.24	3.80	3.80
Total	92.87	35.02	108.86
Current investments			
	As at March 31, 2023 INR Lakhs	As at March 31, 2022 INR Lakhs	As at April 01, 2021 INR Lakhs
II I. Investment in mutual funds carried at fair value through profit and loss, fully paid up (Unquoted) (under lien)			
-Union Capital Protection Oriented Fund [NIL ((March 31, 2021: NIL ; April 01, 2021: 2,50,000)]	-	-	32.44
a) In Associates in India			
- Captech Technologies Private Limited [NIL (March 31, 2022: 1,24,000 ; April 01, 2021: 1,24,000) shares of INR 10 each]	-	25.89	-
	-	25.89	32.44
Details:			
Aggregate value of unquoted investments	-	25.89	32.44
Market value of unquoted investments	-	25.89	32.44
6 A Financial Assets: Investments			
d) In others			
- Janakalyan Sahakari Bank [85,000 (March 31, 2022: 85,000 ; April 01, 2021: 85,000) shares of INR 10 each]	8.50	8.50	8.50
	8.50	8.50	8.50
Total	8.50	8.50	8.50
Details:			
Aggregate value of unquoted investments	8.50	8.50	8.50
Market value of unquoted investments	8.50	8.50	8.50

7 Loans

	As at March 31, 2023 INR Lakhs	As at March 31, 2022 INR Lakhs	As at April 01, 2021 INR Lakhs
Current			
Loans Receivable- Considered good - Secured	-	1,000.00	1,000.00
Loans Receivable- Considered good - Unsecured	-	300.00	300.00
Total	-	1,300.00	1,300.00

8 Other financial assets

	As at March 31, 2023 INR Lakhs	As at March 31, 2022 INR Lakhs	As at April 01, 2021 INR Lakhs
Non-current			
Deposits with banks (under lien)	1,006.75	1,584.55	338.28
Margin money deposits with banks	614.97	-	9,493.08
Interest accrued but not due on deposits with banks	61.90	364.19	327.71
Security deposits - others	405.12	363.54	382.71
Unbilled revenue	-	-	200.00
Total	2,088.74	2,312.28	10,741.78
	As at March 31, 2023 INR Lakhs	As at March 31, 2022 INR Lakhs	As at April 01, 2021 INR Lakhs
Current			
Interest accrued but not due on deposits with banks	208.86	319.57	277.47
Contract assets	70,532.40	44,718.01	44,235.75
Submitted bills due for certification	21,851.51	12,545.50	8,135.83
Security deposits - others	1,214.27	1,152.95	1,138.18
Security deposits - unsecured	277.88	524.51	444.51
Other receivables	1,482.24	4,032.26	553.18
Receivable from related party	246.52	-	-
Total	95,813.68	63,292.80	54,784.92

Term & conditions:

Security deposits - unsecured are Earnest Money Deposits (EMDs) given while submitting tender for prospective business. EMDs are refundable after the award of tender .

Security deposits - others are given for lease agreements , utilities services & other services ranging from 11 months to 72 months. These security deposits are refundable at the end the lease period.

Contract assets to the extent of INR 1,305.69 Lakhs is secured by guarantee provided by the promoters (Refer Note No. 12(c))

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9 Other assets

Non-Current

i. Capital advances

Less:- Impairment of capital advance

As at March 31, 2023 INR Lakhs	As at March 31, 2022 INR Lakhs	As at April 01, 2021 INR Lakhs
5,911.39	6,704.94	8,753.76
(235.00)	-	-
5,676.39	6,704.94	8,753.76

ii. Advances other than Capital Advances

Balances with government authorities

Prepaid expenses

Advances to others (refer to note 30)

Total

1,439.60	2,052.91	1,997.43
571.07	523.62	1,064.93
-	111.48	149.95
7,687.06	9,392.95	11,966.07

Other Current Assets

i. Advances other than Capital Advances

Advances to employees

Advances to related parties

Advances to others

As at March 31, 2023 INR Lakhs	As at March 31, 2022 INR Lakhs	As at April 01, 2021 INR Lakhs
215.09	151.22	114.76
2,409.51	73.96	110.48
8,997.43	9,423.98	9,530.50

ii. Others

Balances with government authorities

Prepaid expenses

Total

2,808.72	903.48	959.60
1,454.59	1,157.56	1,704.17
15,885.34	11,710.20	12,419.51

10 Non current tax assets (net)

Advance tax

[net of provision for taxation INR 15,603.44 Lakhs (March 31, 2022 INR 10,222.06 Lakhs ; April 01, 2021 INR 10,954.07 Lakhs)]

Total

As at March 31, 2023 INR Lakhs	As at March 31, 2022 INR Lakhs	As at April 01, 2021 INR Lakhs
2,510.78	3,183.34	2,219.36
2,510.78	3,183.34	2,219.36

11 Inventories

Raw materials (at lower of cost and net realisable value)

Total

As at March 31, 2023 INR Lakhs	As at March 31, 2022 INR Lakhs	As at April 01, 2021 INR Lakhs
9,854.69	11,153.96	10,044.86
9,854.69	11,153.96	10,044.86

12 Trade receivables

Non-current

Trade receivables (retention)- unsecured

Total

As at March 31, 2023 INR Lakhs	As at March 31, 2022 INR Lakhs	As at April 01, 2021 INR Lakhs
9,664.39	7,086.24	8,147.76
9,664.39	7,086.24	8,147.76

Current

Trade receivables including retention balance- unsecured

[including retention of INR 7,875.47 lakhs (March 31, 2022 INR 9,538.96 lakhs ; April 01, 2021 INR 6,169.58 lakhs)]

Receivable from related party (Refer note (a) below)

Less: Impairment allowances (allowance for bad and doubtful debts)

Total

As at March 31, 2023 INR Lakhs	As at March 31, 2022 INR Lakhs	As at April 01, 2021 INR Lakhs
37,282.44	46,178.63	33,198.79
497.86	537.16	354.62
37,780.30	46,715.79	33,553.41
(3,013.59)	(7,246.90)	(4,975.07)
34,766.71	39,468.89	28,578.34

Break-up of Receivables:

Secured - Considered good (Refer note c below)

Unsecured - Considered good

- Trade Receivables which have significant increase in credit risk

- Credit Impaired

As at March 31, 2023 INR Lakhs	As at March 31, 2022 INR Lakhs	As at April 01, 2021 INR Lakhs
1,440.84	1,144.54	37,610.95
42,931.94	47,833.89	4,090.22
3,071.91	4,823.60	-
-	-	-
47,444.69	53,802.03	41,701.17

Impairment allowances (allowed for bad and doubtful debts)

Secured - Considered good

Unsecured - Considered good

- Trade Receivables which have significant increase in credit risk

Total

-	-	-
2,483.04	3,136.75	3,053.58
830.55	4,110.15	1,921.49
44,131.10	46,555.13	36,726.10

Notes:

a) No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person.

b) Receivable from related party (refer note 40)

c) During the year, the promoter group has entered into an agreement with Group by which any shortfall in the realisation by 30th September, against the outstanding carrying value of INR 2,746.53 Lakhs from certain parties shall made good to the Group. The said carrying value includes trade receivable of INR 1,440.84 lakhs and contract asset of INR 1305.69 lakhs as on balance sheet date. Considering the same, trade receivable and contract asset of the said parties as on the balance sheet date has been considered secured and good.

d) Against certain trade receivables, other exposures and contracts assets amounting to INR 6,809 Lakhs as on March 31, 2023, the Group has entered into agreements with respective clients and got allotment letter in its favour. The Group has taken legal steps to register the flats in its name to secure its commercial interest. The management is confident of its recoverability in due course and hence no provision has been made against the same in the books of accounts.

e) Trade receivables are non-interest bearing and are generally on terms of 45 to 90 days.

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Trade receivable ageing schedule
At March 31, 2023

	Outstanding for the following period from due date of payment					INR Lakhs
	Less than 6 months	6 months - 1 year	1-2 years	2- 3 years	More than 3 Years	Total
	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs
Undisputed trade receivable - considered good	27,863.21	3,164.85	4,302.74	5,074.35	3,967.63	44,372.78
Undisputed trade receivable - significant increase in credit risk	-	-	-	293.34	2,778.57	3,071.91
Undisputed trade receivable - credit impaired	-	-	-	-	-	-
Disputed trade receivable - considered good	-	-	-	-	-	-
Disputed trade receivable - significant increase in credit risk	-	-	-	-	-	-
Disputed trade receivable - credit impaired	-	-	-	-	-	-
Total	27,863.21	3,164.85	4,302.74	5,367.69	6,746.20	47,444.69

At March 31, 2022

	Outstanding for the following period from due date of payment					INR Lakhs
	Less than 6 months	6 months - 1 year	1-2 years	2- 3 years	More than 3 Years	Total
	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs
Undisputed trade receivable - considered good	29,161.68	4,742.63	3,326.83	6,607.32	4,559.26	48,397.72
Undisputed trade receivable - significant increase in credit risk	-	-	60.44	584.90	4,178.26	4,823.60
Undisputed trade receivable - credit impaired	-	-	-	-	-	-
Disputed trade receivable - considered good	-	261.30	319.41	-	-	580.71
Disputed trade receivable - significant increase in credit risk	-	-	-	-	-	-
Disputed trade receivable - credit impaired	-	-	-	-	-	-
Total	29,161.68	5,003.93	3,706.68	7,192.22	8,737.52	53,802.03

As at April 01, 2021

	Outstanding for the following period from due date of payment					INR Lakhs
	Less than 6 months	6 months - 1 year	1-2 years	2- 3 years	More than 3 Years	Total
	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs
Undisputed trade receivable - considered good	17,198.82	2,806.10	9,331.11	4,148.58	4,114.34	37,598.95
Undisputed trade receivable - significant increase in credit risk	-	-	1,062.72	2,761.44	278.06	4,102.22
Undisputed trade receivable - credit impaired	-	-	-	-	-	-
Disputed trade receivable - considered good	-	-	-	-	-	-
Disputed trade receivable - significant increase in credit risk	-	-	-	-	-	-
Disputed trade receivable - credit impaired	-	-	-	-	-	-
Total	17,198.82	2,806.10	10,393.83	6,910.02	4,392.40	41,701.17

Unbilled revenue and submitted bills due for certification of INR 92,383.91 lakhs as on March 31, 2023 (March 31, 2022: INR 57,263.51 lakhs ; April 01, 2021: 52,371.57 lakhs) has been shown as contract assets in Note 8 "Other financial assets".

Note (a) : Receivable from related party

Particulars	As at	As at	As at
	March 31, 2023	March 31, 2022	April 01, 2021
	INR Lakhs	INR Lakhs	INR Lakhs
TPL- CIL Construction LLP	-	289.01	69.27
Capacite Viraj AOP	239.01	234.01	244.16
Capacite E Governance	258.85	-	-
Captech Technologies Private Limited	-	8.63	28.69
Capacite Engineering Private Ltd	-	12.50	12.50
Total	497.86	544.15	354.62

Expected credit loss allowances on receivables

Impairment of financial assets: The Group recognises impairment loss on trade receivables using expected credit loss model, which involves use of a provision matrix constructed on the basis of historical credit loss experience as permitted under Ind AS 109.

Movement in expected credit loss allowance

Particulars	As at	As at	As at
	March 31, 2023	March 31, 2022	April 01, 2021
	INR Lakhs	INR Lakhs	INR Lakhs
Balance at the beginning of the year	7,246.90	4,975.07	2,845.97
Allowance during the year trade receivables	4,544.12	3,172.74	2,129.10
Bad Debt written of against trade receivables	(6,624.03)	(900.91)	-
Bad Debt written of against other receivables\ loan	(2,153.40)	-	-
Total	3,013.59	7,246.90	4,975.07

13 Cash and cash equivalents

Particulars	As at	As at	As at
	March 31, 2023	March 31, 2022	April 01, 2021
	INR Lakhs	INR Lakhs	INR Lakhs
Balances with banks:			
-On current accounts	2,736.57	1,255.33	832.98
-Deposits with original maturity of less than three months	1,939.49	938.74	128.69
Cash on hand	27.15	14.15	19.04
Foreign currency on hand	3.32	3.08	2.94
Total	4,706.53	2,211.30	983.65

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates.

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14 Bank balances other than cash and cash equivalents

	As at March 31, 2023 INR Lakhs	As at March 31, 2022 INR Lakhs	As at April 01, 2021 INR Lakhs
Deposits kept as margin money	1,882.12	7,019.38	3,907.70
Deposits having maturity more than three months but less than 12 months	10,867.62	9,157.44	10,730.90
Total	12,749.74	16,176.82	14,638.60

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

15A Equity share capital

	As at March 31, 2023 INR Lakhs	As at March 31, 2022 INR Lakhs	As at April 01, 2021 INR Lakhs
(a) Authorised capital			
8,00,00,000 (March 31,2022: 8,00,00,000 ; April 01, 2021: 8,00,00,000) Equity shares of INR 10/- each	8,000.00	8,000.00	8,000.00
Total	8,000.00	8,000.00	8,000.00
(b) Issued, subscribed and paid up			
6,78,91,497 Equity shares of INR 10/- each fully paid (March 31,2022: 6,78,91,497 ; April 01, 2021: 6,78,91,497)	6,789.15	6,789.15	6,789.15
Total issued, subscribed and fully paid-up share capital	6,789.15	6,789.15	6,789.15

(c) Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period:

Particulars	March 31, 2023		March 31, 2022		April 01, 2021	
	Nos.	INR Lakhs	Nos.	INR Lakhs	Nos.	INR Lakhs
At the beginning of the year	6,78,91,497	6,789.15	6,78,91,497	6,789.15	6,78,91,497	6,789.15
Shares issued during the year	-	-	-	-	-	-
Outstanding at the end of the year	6,78,91,497	6,789.15	6,78,91,497	6,789.15	6,78,91,497	6,789.15

(d) Terms/Rights attached to equity shares

The Group has only one class of equity shares having a par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. The Group declares and pays dividends in Indian rupees. However, no dividend is declared in current year.

In the event of liquidation of the Group, the holders of shares will be entitled to receive remaining assets of the Group, after distribution of all preferential amounts. The distribution will be in proportion to the number of shares held by the shareholder INR.

(e) Details of Shareholders holding more than 5% Equity Shares

Name of shareholders	March 31, 2023		March 31, 2022		April 01, 2021	
	Number of shares held	% of Holding	Number of shares held	% of Holding	Number of shares held	% of Holding
Rohit Ramnath Katyal	50,00,000	7.36%	50,00,000	7.36%	63,04,144	9.29%
Rahul Ramnath Katyal	73,80,953	10.87%	73,80,953	10.87%	83,80,953	12.34%
Katyal Merchandise Private Limited	90,72,994	13.36%	90,72,994	13.36%	90,72,994	13.36%
New Quest Asia Investments II Limited	49,21,080	7.25%	66,17,254	9.75%	66,17,254	9.75%
Paragon Partners Growth Fund	60,36,303	8.89%	60,36,303	8.89%	60,36,303	8.89%
ICICI Prudential Multicap Fund	-	-	12,42,371	1.83%	42,05,451	6.19%

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(f) Disclosure of Shareholding of Promoters

Name of shareholders	March 31, 2023		March 31, 2022		% change during the year
	Number of shares held	% of Holding	Number of shares held	% of Holding	
Promoters					
Rohit Ramnath Katyal	50,00,000	7.36%	50,00,000	7.36%	0.00%
Rahul Ramnath Katyal	73,80,953	10.87%	73,80,953	10.87%	0.00%
Subir Malhotra	25,25,439	3.72%	25,25,439	3.72%	0.00%
Promoter group					
Katyal Merchandise Private Limited	90,72,994	13.36%	90,72,994	13.36%	0.00%
Sakshi Rohit Katyal	22,56,093	3.32%	22,56,093	3.32%	0.00%
Nidhi Rahul Katyal	70	-	70	-	0.00%
Monita Malhotra	1,616	-	-	-	0.01%
Total	2,62,37,165	38.65%	2,62,35,549	38.64%	0.01%

Disclosure of Shareholding of Promoters

Name of shareholders	As at March 31, 2022		April 01, 2021		% change during the Previous year
	Number of shares held	% of Holding	Number of shares held	% of Holding	
Promoters					
Rohit Ramnath Katyal	50,00,000	7.36%	63,04,144	9.29%	-1.93%
Rahul Ramnath Katyal	73,80,953	10.87%	83,80,953	12.34%	-1.47%
Subir Malhotra	25,25,439	3.72%	25,25,439	3.72%	-
Promoter group					
Katyal Merchandise Private Limited	90,72,994	13.36%	90,72,994	13.36%	-
Sakshi Rohit Katyal	22,56,093	3.32%	22,56,093	3.32%	-
Nidhi Rahul Katyal	70	-	70	-	-
Rahul Ramnath Katyal (Acting As A Partner Of M/S Asutosh Trade Links)	-	-	11,89,153	1.75%	-1.75%
Total	2,62,35,549	38.64%	2,97,28,846	43.79%	-5.15%

15B Other equity

	As at March 31, 2023 INR Lakhs	As at March 31, 2022 INR Lakhs	As at April 01, 2021 INR Lakhs
(a) Securities premium			
Balance as per the last financial statements	45,713.14	45,713.14	45,713.14
Total	45,713.14	45,713.14	45,713.14

Note: Securities premium is used to record the excess of the amount received over the face value of the shares. The issue expenses of securities which qualify as equity instruments are written off against Securities premium. This reserve will be utilised in accordance with the provision of the Companies Act, 2013.

(b) Retained earnings

	As at March 31, 2023 INR Lakhs	As at March 31, 2022 INR Lakhs	As at April 01, 2021 INR Lakhs
Balance as per last financial statement	44,015.11	39,212.81	40,088.11
Add: Profit for the year	9,529.68	4,775.73	153.22
Add: Other comprehensive income for the year	58.17	26.57	138.53
Less: Restatement due change in method of measuring progress	-	-	(1,152.15)
Adjustment for joint venture	-	-	(14.90)
Total	53,602.92	44,015.11	39,212.81

Note: The portion of profits not distributed among the shareholders but retained and used in business are termed as retained earnings. It is also referred to as ploughing back of profit. The Group should ensure to strike the right balance between the quantum of dividend paid and amount of profits retained in the business for various purposes. These earnings may be utilized for internal financing of its various projects and for fixed as well as working capital. Thus the retained earnings shall be utilized for carrying out the main objectives of the Group and maintaining adequate liquidity levels.

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(c) Money received against share warrants *

	As at March 31, 2023 INR Lakhs	As at March 31, 2022 INR Lakhs	As at April 01, 2021 INR Lakhs
Opening balance	-	-	-
Add:- Subscription amount towards share warrants	1,240.00	-	-
Closing balance	1,240.00	-	-
Grand Total	1,00,556.06	89,728.25	84,925.95

* During the year, the Group has issued and allotted 31,00,000 fully convertible warrants, each convertible into one equity share, on preferential basis at an issue price of INR 160/- each, as determined in accordance with the Regulation 28(1) of the SEBI (LODR) Regulations, 2018, after receipt of subscription money of 25% of the issue price (i.e. INR 40/- per warrant). Balance 75% of the issue price (i.e. INR 120/- per warrant) shall be payable, at the time of exercising the option to apply for fully paid-up equity share of INR 10/- each of the Group.

Balance 75% money towards such remaining warrants is yet to be received. The last day for exercising the option for conversion/exchange the warrants into/for equity shares of the Group is December 08, 2023, being 18 months from the date of allotment of warrants i.e. June 09, 2022.

Notes to reserves**i) Securities premium**

The amount received in excess of face value of the equity shares is recognised in Securities Premium.

ii) Retained earnings

Retained earnings are the profits that the Group has earned till date.

iii) Debenture redemption reserve (DRR)

No DRR is required as per notification by MCA issued on August 16, 2019 as the debentures are issued by listed company on private placement basis.

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16 Borrowings

	As at March 31, 2023 INR Lakhs	As at March 31, 2022 INR Lakhs	As at April 01, 2021 INR Lakhs
(a) Non-Current borrowings			
Debentures			
12.5% Redeemable Non-Convertible Debentures (NCDs) (Secured)	5,432.38	7,551.01	-
	5,432.38	7,551.01	-
Term loans			
From banks (secured)	3,282.00	5,007.15	7,208.08
From financial institutions (secured)	2,448.11	1,178.44	1,025.71
	5,730.11	6,185.59	8,233.79
Total	11,162.49	13,736.60	8,233.79

	As at March 31, 2023		As at March 31, 2022		As at April 01, 2021
	Gross amount	Carrying value	Gross amount	Carrying value	Carrying value
Secured Redeemable Non-Convertible Debentures (NCDs)					
12.5% Redeemable Non-Convertible Debentures	10,000.00	9,718.09	10,000.00	7,551.01	-

NCD carries Coupon Rate of 12.50% p.a. The principal amount is payable after moratorium of 15 months in seven quarterly instalments. The debentures are redeemable at a premium equivalent of IRR of 15.22% to 16.06% to investors. These debentures are secured by hypothecation of equipments and properties against which these loans are taken along with Personal Guarantee by Mr. Rohit Katyal, Mr. Rahul Katyal and Mrs. Shakshi Katyal

	As at March 31, 2023 INR Lakhs	As at March 31, 2022 INR Lakhs	As at April 01, 2021 INR Lakhs
(b) Current borrowings			
Working capital loan (secured)			
From bank	15,818.46	9,570.39	13,723.53
Debentures			
12.5% Redeemable Non-Convertible Debentures (NCDs) (Secured)	4,285.71	-	-
Bills discounted with bank (secured)	-	-	2,259.82
Current maturity of long term loans (secured)			
From banks	2,390.28	3,522.73	3,518.49
From financial institutions	894.77	878.13	729.19
From related parties			
Intercorporate deposits from related party (unsecured)	21.16	105.62	104.25
Loans from directors (unsecured) (refer note 'd' below)	2,031.58	5,016.04	58.04
Total	25,441.96	19,092.91	20,393.32
Less: Amount clubbed under "other current liabilities"	-	-	-
Net current borrowings	25,441.96	19,092.91	20,393.32

Aggregate secured borrowings	34,551.71	27,707.85	28,464.82
Aggregate unsecured borrowings	2,052.74	5,121.66	162.29

Terms and conditions of the borrowings

- Term loan from bank carries interest ranging between 7.40% to 14.70% p.a. These loans are repayable in 36 to 84 months with structured monthly instalments ranging between INR 0.15 Lakhs to INR 22.17 Lakhs each along with interest, from the date of loan. These loans are secured by hypothecation of respective equipment's/vehicles against which these loans are taken with additional mortgage/charge aggregating to an amount of INR 14,195.76 Lakhs (March 31, 2022 INR 12,858.20 Lakhs ; April 01, 2021 INR 18,078.00 lakhs), on the plant and machinery and formwork placed at various sites and used for the purpose of construction. Further, these loans has been guaranteed by the personal guarantee of the directors of the holding company.
- Term loan from financial institutions carries interest ranging between 8.00% to 12.50% p.a. These loans are repayable in 24 to 180 months with structured monthly instalments ranging between INR 0.12 Lakhs to INR 14 Lakhs each along with interest, from the date of loan. These loans are secured by hypothecation of respective equipment's against which these loans are taken with additional mortgage/charge aggregating to an amount of INR 15,297.43 Lakhs (March 31, 2022 INR 4,183.29 Lakhs ; April 01, 2021 INR 3,801.00 lakhs) on the plant and machinery placed at various sites and used for the purpose of construction. Further, these loans has been guaranteed by the personal guarantee of the directors of the holding company.
- Working capital loan from banks is secured against Mortgage of fixed assets, and Hypothecation of inventory, trade receivables, and other current assets on pari passu basis with other member banks in the consortium. The Working capital loan is repayable on demand and carries interest range between 6 Month to 1 year MCLR +2.65% to 3.650% presently, in range of 9.90% to 12.10% p.a.
- Loan from directors are unsecured and subject to the guarantees provided by Mr. Rohit katyal and Rahul Katyal in respect of outstanding trade receivable as covered in note no. 12. The loan will get adjusted to the extent of short fall in recovery of the specified trade receivable before September 30, 2023.
- Guarantee provided by Mr. Rohit Katyal & Mr. Rahul Katyal (Promoters) to the Company for the recovery of Trade receivables, on or before February 27, 2023, to the extent of INR 3,281 lakhs.
- Guarantee mentioned in e) above has been extended to September 30, 2023, for the remaining outstanding Trade receivables of INR 2,746.53 lakhs.

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g) Statements/returns submitted to the banks vis-a-vis balances as per books of accounts:

Quarter ending	Value as per books of accounts	Value as per quarterly return/statement	Discrepancy
Inventory			
June 30, 2022	5,817.98	5,191.24	626.74
September 30, 2022	5,063.70	5,037.55	26.15
December 31, 2022	5,349.32	4,715.04	634.28
March 31, 2023	7,685.93	3,794.51	3,891.42

Quarter ending	Value as per books	Value as per quarterly	Discrepancy
Trade receivable + WIP (Unbilled revenue)			
June 30, 2022	81,972.51	69,596.52	12,375.99
September 30, 2022	1,08,879.28	87,378.76	21,500.52
December 31, 2022	79,471.73	89,799.90	(10,328.17)
March 31, 2023	82,958.13	97,011.25	(14,053.12)

Quarter ending	Value as per books	Value as per quarterly	Discrepancy
Trade payable			
June 30, 2022	31,902.69	24,559.21	7,343.48
September 30, 2022	29,964.46	28,398.51	1,565.95
December 31, 2022	24,382.66	25,752.58	(1,369.92)
March 31, 2023	27,685.53	20,320.01	7,365.52

The overall difference between the statements/returns submitted to the banks is INR 231.23 Lakhs (derived after deducting the trade payables from the total of inventory, WIP (unbilled revenue) and trade receivable) is higher than the books of account. The difference is mainly on account of timing difference of the preparation and submission of statements/returns with the bank and the accounting in the books of account at the end of the quarter/year.

The value excludes the amount pertaining to projects which are specifically charged to project financier.

Net debt reconciliation with cash flow statements

Particulars	Liabilities from Financing Activities		
	Non Current borrowings (included interest accrued)	Current borrowings	Total
April 01, 2021	12,536.39	16,127.11	28,663.50
Cash flow (As per statement of cash flow) (net)	5,655.99	(1,608.14)	4,047.85
Interest expense	6,696.41	-	6,696.41
Interest paid	(6,229.88)	-	(6,229.88)
Balance as on March 31,2022	18,658.91	14,518.97	33,177.88
Cash flow (As per statement of cash flow) (net)	595.81	3,179.65	3,775.46
Interest expense	8,942.64	-	8,942.64
Interest paid	(8,950.66)	-	(8,950.66)
Balance as on March 31,2023	19,246.70	17,698.62	36,945.32

16A Lease Liability

	As at March 31, 2023 INR Lakhs	As at March 31, 2022 INR Lakhs	As at April 01, 2021 INR Lakhs
(a) Non-current lease liability	165.24	443.21	294.50
(b) Current lease liability	219.62	244.03	220.96
Total	384.86	687.24	515.46

(c) Reconciliation between total future minimum lease payments and their present value:

	As at March 31, 2023 INR Lakhs	As at March 31, 2022 INR Lakhs
Total future minimum lease payments	456.74	843.84
Less: Future liability on interest account	71.88	156.60
Present value of future minimum lease payments	384.86	687.24

(d) Year wise future minimum lease rental payments:

Particulars	As at March 31, 2023 INR Lakhs		As at March 31, 2022 INR Lakhs	
	Total Minimum Lease payments	Present value of lease payments	Total Minimum Lease payments	Present value of lease payments
(i) Not later than one year	261.96	219.62	320.12	244.47
(ii) Later than one year but not later than five years	194.78	165.24	524.16	442.77
Total	456.74	384.86	844.28	687.24

(e) Lease liability movement

	During the year ended March 31, 2023 INR Lakhs	During the year ended March 31, 2022 INR Lakhs
Opening balance	687.24	515.46
Less: Lease liability terminated during the year	314.25	-
Add: Contract assets during the year	182.06	328.22
Add: Finance cost charged during the year	52.81	90.50
Less: Lease payments during the year	223.00	246.94
Closing balance	384.86	687.24

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17 Trade payables

	As at March 31, 2023 INR Lakhs	As at March 31, 2022 INR Lakhs	As at April 01, 2021 INR Lakhs
Total outstanding dues of micro enterprises and small enterprises (Refer note 35)	2,709.90	2,080.97	953.02
Total outstanding dues of creditors other than micro enterprises and small enterprises.			
Acceptances (refer note (a) below)	15,122.43	12,932.29	9,766.26
Trade payables (refer note (b) below)	45,404.47	37,805.71	30,686.80
Trade payables to related parties	127.22	80.83	853.58
Sub Total	60,654.12	50,818.83	41,306.64
Total	63,364.02	52,899.80	42,259.66

Notes:

- (a) Acceptances represent amounts payable to banks on due date as per usance period of Letter of Credit (LCs) issued to raw material vendors under non-fund based working capital facility approved by banks for the Group. The arrangements are interest-bearing with a maturity ranging from 90 to 180 days.
- (b) Others includes amount payable to vendors and accrual of expenses that are expected to be settled in the Group's normal operating cycle or due to be settled within 30 to 180 days from the reporting date.
- (c) For explanations on the Group's liquidity risk management processes Refer note 44 (c).

Trade payable ageing schedule

At March 31, 2023

	Outstanding for following periods from due date of payment				INR Lakhs
	Less than 1 Year	1-2 years	2- 3 years	More than 3 Years	Total
	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs
Total outstanding due to MSME	2,462.73	188.47	18.97	39.73	2,709.90
Total outstanding due to creditors other than MSME	55,994.28	2,307.95	1,050.32	1,301.58	60,654.12
Disputed dues MSME	-	-	-	-	-
Disputed dues others than MSME	-	-	-	-	-
Total	58,457.01	2,496.42	1,069.29	1,341.31	63,364.02

At March 31, 2022

	Outstanding for following periods from due date of payment				INR Lakhs
	Less than 1 Year	1-2 years	2- 3 years	More than 3 Years	Total
	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs
Total outstanding due to MSME	1,928.46	47.90	83.31	21.30	2,080.97
Total outstanding due to creditors other than MSME	46,671.08	1,680.24	1,684.18	783.34	50,818.83
Disputed dues MSME	-	-	-	-	-
Disputed dues others than MSME	-	-	-	-	-
Total	48,599.54	1,728.14	1,767.49	804.64	52,899.80

At April 01, 2021

	Outstanding for following periods from due date of payment				INR Lakhs
	Less than 1 Year	1-2 years	2- 3 years	More than 3 Years	Total
	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs
Total outstanding due to MSME	837.52	87.63	21.20	6.68	953.03
Total outstanding due to creditors other than MSME	36,505.55	3,688.45	951.58	161.05	41,306.63
Disputed dues MSME	-	-	-	-	-
Disputed dues others than MSME	-	-	-	-	-
Total	37,343.07	3,776.08	972.78	167.73	42,259.66

18 Other financial liabilities

Non-current

Other financial liabilities at amortized cost

	As at March 31, 2023 INR Lakhs	As at March 31, 2022 INR Lakhs	As at April 01, 2021 INR Lakhs
Retention money payable to others	4,134.97	3,382.94	2,756.00
Retention money payable to related parties	278.91	206.47	64.92
Total	4,413.88	3,589.41	2,820.92

Current

	As at March 31, 2023 INR Lakhs	As at March 31, 2022 INR Lakhs	As at April 01, 2021 INR Lakhs
Group's share in joint ventures and associates	51.56	43.89	17.71
Other financial liabilities at amortized cost			
Interest accrued but not due on borrowings	-	51.62	51.62
Interest accrued on loans from directors	157.67	296.73	1.38
Interest accrued but not due on ICD taken	-	17.67	3.34
Interest accrued but not due on Non Convertible Debentures	203.07	2.74	1,844.70
Creditors for capital goods/services	3,565.94	2,793.20	-
Employee dues	1,923.86	1,421.38	1,098.88
Total	5,902.10	4,627.23	3,017.63

Terms and conditions:

- Creditors for capital goods are non-interest bearing and are normally settled on 90 to 180 day terms.
- Retention money are payable after the defect liability periods is over as per the terms of the contract.
- Long term loans maturity and interest accrued but not due are as per the terms with bank's loan sanction letter. (Refer note 16)
- Interest accrued but not due on ICDs are payable within 1 to 3 months as per the terms of loan.
- Employee dues are payable within 30 days.

19 Provisions

	As at March 31, 2023 INR Lakhs	As at March 31, 2022 INR Lakhs	As at April 01, 2021 INR Lakhs
Non-current			
Provision for employee benefits			
Gratuity	181.45	316.34	214.82
Total	181.45	316.34	214.82

	As at March 31, 2023 INR Lakhs	As at March 31, 2022 INR Lakhs	As at April 01, 2021 INR Lakhs
Current			
Provision for employee benefits			
Gratuity	366.07	137.64	107.72
Leave encashment	66.63	75.98	75.53
Other provisions	31.28	31.28	36.01
Total	463.98	244.90	219.26

Movement in provisions

	Workman Compensation	Employee Term Insurance Payable	Total
At April 01, 2022	31.28	-	31.28
Addition:	-	-	-
Utilised :	-	-	-
At March 31, 2023	31.28	-	31.28

	Workman Compensation	Employee Term Insurance Payable	Total
At April 01, 2021	8.35	27.66	36.01
Addition:	31.28	-	31.28
Utilised :	8.35	27.66	36.01
At March 31, 2022	31.28	-	31.28

20 Current tax liabilities (net)

	As at March 31, 2023 INR Lakhs	As at March 31, 2022 INR Lakhs	As at April 01, 2021 INR Lakhs
Provision for tax	2,058.73	1,258.49	1,251.53
[net of advance tax INR 2,100.73 Lakhs (March 31, 2022 INR 2,306.71 Lakhs ; April 01, 2022 INR 2,305.83 Lakhs)]			
Total	2,058.73	1,258.49	1,251.53

21 Deferred tax liabilities (net)

	As at March 31, 2023 INR Lakhs	As at March 31, 2022 INR Lakhs	As at April 01, 2021 INR Lakhs
Deferred tax liabilities (net)	5,290.91	3,248.37	3,082.42
Total	5,290.91	3,248.37	3,082.42

Deferred tax assets in relation to:

	As at March 31, 2022 INR Lakhs	Recognised in Profit or Loss INR Lakhs	As at March 31, 2023 INR Lakhs
Provisions	2,229.14	(1,316.11)	913.03
Retention	1,130.33	(1,130.33)	-
Impact of deferred tax for rent paid on INDAS 116	-	52.61	52.61
Impact of deferred tax due to restatement (Refer note 54)	260.63	(260.63)	-
	3,620.10	(2,654.46)	965.64

Deferred tax liabilities in relation to:

	As at March 31, 2022 INR Lakhs	Recognised in Profit or Loss INR Lakhs	As at March 31, 2023 INR Lakhs
Property, plant and equipment	4,820.30	176.94	4,997.24
Retention money	1,500.78	(261.03)	1,239.75
Impact on adoption of Ind AS 115	203.17	(203.17)	-
Bad Debt	226.80	(226.80)	-
Others	117.42	(97.86)	19.56
Total	6,868.47	(611.92)	6,256.55

Net deferred tax liabilities	3,248.37	2,042.54	5,290.91
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	As at March 31, 2021 INR Lakhs	Recognised in Profit or Loss INR Lakhs	As at March 31, 2022 INR Lakhs
Deferred tax assets in relation to:			
Provisions	1,388.50	840.64	2,229.14
Others	1,085.31	45.02	1,130.33
Impact of deferred tax due to restatement (Refer note 54)	387.50	-126.87	260.63
	2,861.31	758.79	3,620.10
Deferred tax liabilities in relation to:			
Property, plant and equipment	4,173.51	646.79	4,820.30
Retention money	1,500.78		1,500.78
Impact on adoption of Ind AS 115	203.17		203.17
Bad Debt	-	226.80	226.80
Others	66.27	51.15	117.42
Total	5,943.73	924.74	6,868.47
Net deferred tax liabilities	3,082.42	165.95	3,248.37
	As at March 31, 2020 INR Lakhs	Recognised in Profit or Loss INR Lakhs	As at April 01, 2021 INR Lakhs
Deferred tax assets in relation to:			
Provisions	853.06	535.44	1,388.50
Retention	-	1,085.31	1,085.31
Impact of change in method of revenue recognition (Refer note 54)	-	387.50	387.50
	853.06	2,008.25	2,861.31
Deferred tax liabilities in relation to:			
Property, plant and equipment	3,114.32	1,059.19	4,173.51
Retention money	1,384.82	115.96	1,500.78
Impact on adoption of Ind AS 115	203.17	-	203.17
Others	19.68	46.59	66.27
Total	4,721.99	1,221.74	5,943.73
Net deferred tax liabilities	3,868.93	(786.51)	3,082.42
22 Other liabilities			
Non-current			
Contract liabilities			
Advance from customers	12,126.88	18,961.87	25,985.84
Advance from customers- related party/others	1,045.70	-	-
Deferred income	-	-	-
Total	13,172.58	18,961.87	25,985.84
Current			
Contract liabilities			
Advance from customers	17,880.81	20,810.13	22,835.06
Statutory dues	5,317.79	2,142.39	471.80
Total	23,198.60	22,952.52	23,306.86

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CAPACIT'E INFRAPROJECTS LIMITED
CIN - L45400MH2012PLC234318

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

23 Revenue from operations	March 31, 2023	March 31, 2022
	INR Lakhs	INR Lakhs
Contract revenue	1,78,350.86	1,32,672.46
Other operating income		
- Scrap sales	1,507.84	1,310.35
Total	1,79,858.70	1,33,982.81
24 Other income	March 31, 2023	March 31, 2022
	INR Lakhs	INR Lakhs
(a) Interest income		
- Interest on fixed deposits	716.44	823.94
- Other interest income	1.18	208.17
(b) Other non operating income		
- Equipment hire charges	-	4.50
- Service charge income	-	5.04
- Net Gain on sale of investments	36.70	0.19
- Miscellaneous income	197.54	271.75
Total	951.86	1,313.59
Net gains (losses) on sale of Investments	March 31, 2023	March 31, 2022
	INR Lakhs	INR Lakhs
Investments classified at FVTPL	36.70	0.19
Total Net gains (losses) on fair value changes	36.70	0.19
25 Cost of material consumed	March 31, 2023	March 31, 2022
	INR Lakhs	INR Lakhs
Opening stock	11,153.96	10,044.86
Add: Purchase of material (other than Capitalisation)	65,530.87	56,597.96
Less: Closing stock	(9,854.69)	(11,153.96)
Total	66,830.14	55,488.86
26 Construction expenses	March 31, 2023	March 31, 2022
	INR Lakhs	INR Lakhs
Labour/Subcontractor charges	45,836.67	30,189.75
Electricity expenses (Site)	1,571.49	1,107.29
Equipment hire charges	2,169.49	1,135.71
Formwork hire charges	1,079.83	1,479.68
Other construction expenses	3,850.04	3,668.40
Total	54,507.52	37,580.83

CAPACIT'E INFRAPROJECTS LIMITED
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

27 Employee benefit expenses	March 31, 2023	March 31, 2022
	INR Lakhs	INR Lakhs
Salaries, wages and bonus	11,995.47	10,256.22
Contributions to provident and other funds	316.20	261.12
Staff welfare expenses	452.17	371.75
Total	12,763.84	10,889.09

Note:

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The said code is made effective prospectively from May 03, 2023. The Company is assessing the impact, if any, of the Code.

28 Finance cost	March 31, 2023	March 31, 2022
	INR Lakhs	INR Lakhs
Interest on borrowings *	4,808.76	2,745.27
Other interest expenses	2,138.13	1,583.70
Bank guarantee commission	1,289.72	1,771.08
Bank charges	706.03	597.77
Total	8,942.64	6,697.82

* Includes INR 357.09 Lakhs as Interest on financial liabilities measured at amortised cost (March 31, 2022: INR 1.01 Lakhs)

29 Depreciation and amortisation expenses	March 31, 2023	March 31, 2022
	INR Lakhs	INR Lakhs
Depreciation of property, plant and equipment	13,323.46	9,628.07
Depreciation of Investment properties	12.92	12.94
Amortization of intangible assets	31.54	39.82
Depreciation of right-of-use assets	231.71	200.48
Total	13,599.63	9,881.31

30 Other expenses	March 31, 2023	March 31, 2022
	INR Lakhs	INR Lakhs
Electricity charges	20.16	40.67
Rent	565.63	555.55
Rates and taxes	493.98	332.61
Insurance expenses	215.74	232.47
Repairs and maintenance of:		
Plant and machinery	286.20	215.53
CSR expenditure (refer note below)	111.80	170.42
Commission and brokerage	33.66	22.87
Legal and professional charges	1,341.66	1,301.42
Payment to auditor (refer note below)	78.55	69.05
Advertising and sales promotion	85.32	63.25
Travelling expenses	297.79	328.60
Vehicle hiring charges	303.99	296.89
Communication costs	53.95	40.66
Impairment allowance for trade receivables	4,844.12	3,172.74
Donation	2.00	-
Office expenses	991.50	958.53
Printing and stationery	127.35	104.85
Loss on sale of site establishment	577.78	-
Miscellaneous expenses	189.87	264.47
Total	10,621.05	8,170.58

Corporate Social Responsibility expenditure

As per section 135 of the Companies Act, 2013 read with relevant rules thereon, the Group was required to spend INR 111.80 Lakhs (March 31, 2022: INR 170.42 Lakhs) on Corporate Social Responsibility (CSR) activities during FY 2022-23. Against it, the Group has adjusted the said amount out of excess amount spent in earlier year brought forward INR 148.53 Lakhs (March 31, 2021: INR 318.95 lakh) towards CSR activities. The balance excess CSR amount of INR 36.73 lakhs (March 31, 2022: INR 148.53 lakhs) has been carried forward to next year.

Amount spent during the year ended March 31, 2023 on:	Excess brought forward	Amount adjusted during the year	Amount to be carried forward
(i) Construction of any asset	-	-	-
(ii) Purposes other than (i) above	148.53	(36.73)	111.80
Total	148.53	(36.73)	111.80
Amount spent during the year ended March 31, 2022 on:	Excess brought forward	Amount adjusted during the year	Amount to be carried forward
(i) Construction of any asset	-	-	-
(ii) Purposes other than (i) above	318.95	(148.53)	170.42
Total	318.95	(148.53)	170.42

Payment to auditors (excluding GST)	March 31, 2023 INR Lakhs	March 31, 2022 INR Lakhs
As auditors:		
Statutory audit fees	44.05	38.50
Limited review of standalone and consolidated financial statement on quarterly basis	31.50	27.50
For Other services including certification works	3.00	3.00
	78.55	69.00

31 Income tax

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	March 31, 2023 INR Lakhs	March 31, 2022 INR Lakhs
Profit before tax	13,545.74	6,587.91
Less:- Adjustment for sale of investment in group	35.10	-
Income tax expense calculated at 25.168% (applicable tax rate)	3,400.36	1,658.04
Add/(Less) tax effect on account of :		
Deferred tax charged on account of timing difference	359.97	-
Other impacts		
Tax effect of permanent non deductible expenses	305.33	81.03
Income tax expense recognised in statement of profit and loss	4,065.66	1,739.06

CAPACITE INFRAPROJECTS LIMITED

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**32 During the year, following expenses are capitalised to site establishment (also refer note 3(d) on PPE)**

Particulars	March 31, 2023	March 31, 2022
	INR Lakhs	INR Lakhs
Raw material consumed	1,637.06	4,147.53
Labour/Subcontractor charges	573.23	797.57
Equipment's hire charges	35.91	-
Others	-	11.77
Total	2,246.20	4,956.87

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33 Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders after adjusting for estimated interest saving in future due to conversion of share warrants by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of share warrants into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars		As at	
		March 31, 2023	March 31, 2022
Basic earnings per share			
Profit after tax as per accounts (INR In Lakhs)	A	9,529.12	4,775.73
Weighted average number of equity shares outstanding	B	6,78,91,497	6,78,91,497
Basic EPS	A/B	14.04	7.03
Diluted earnings per share			
Profit after tax as per accounts (INR In Lakhs)	A	9,529.12	4,775.73
Estimated interest savings on conversion of share warrants		385.55	-
Total profit attributable to equity holders	C	9,914.67	4,775.73
Weighted average number of equity shares outstanding for basic EPS		6,78,91,497	6,78,91,497
Effect of dilution: Share warrant		31,00,000	-
Weighted average number of equity shares outstanding for diluted EPS	D	7,09,91,497	6,78,91,497
Diluted EPS	C/D	13.97	7.03
Face Value per share (INR)		10	10

34 Segment Reporting

For management purposes, the Group is organised into business units based on its services and has single reportable segments namely "Engineering, Procurement and Construction Contracts".

35 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Based on the information available with the Group, the dues payable to micro, small and medium enterprises as defined in "The Micro, Small & Medium Enterprises Development Act, 2006" as at March 31, 2022 amounts to INR 2709.90 Lakhs (March 31,2022: INR 2042.31 Lakhs)

Particulars	INR Lakhs		
	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
-Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	2,709.90	2,042.31	953.02
-Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	167.25	167.25	167.25
-Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-
-Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-
-Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-
-Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	167.25	106.62
-Further interest remaining due and payable for earlier years	167.25	167.25	60.62

36 Disclosure pursuant to Ind AS 115

a) Contract balances

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

Particulars	INR Lakhs		
	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
Contract assets			
Unbilled revenue			
Non-current	-	-	200
Current	92,383.91	57,263.51	52,371.57
Total Contract assets	92,383.91	57,263.51	52,571.57
Contract liabilities			
Advance from customers			
Non-current	13,172.58	18,961.87	25,985.84
Current	17,880.81	20,803.14	22,828.07
Total Contract liabilities	31,053.39	39,765.01	48,813.91
Receivables			
Trade receivables (gross)			
Non current	9,664.39	7,086.24	8,147.74
Current	37,780.30	46,715.79	33,447.49
Less : Impairment allowance	(3,013.59)	(7,246.90)	(4,975.07)
Net receivables	44,431.10	46,555.13	36,620.16
Total	1,05,761.62	64,053.63	40,377.82

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance. Contract assets are transferred to receivables when the rights become unconditional and contract liabilities are recognized as and when the performance obligation is satisfied.

Significant changes in the contract assets and the contract liabilities balances during the year are as follows:

Particulars	INR Lakhs					
	As at March 31, 2023		As at March 31, 2022		As at April 01, 2021	
	Contract Assets	Contract Liabilities	Contract Assets	Contract Liabilities	Contract Assets	Contract Liabilities
Opening balance (unbilled revenue)	57,263.51	39,765.01	52,571.57	48,813.92	53,910.60	40,636.81
Less : Revenue recognized during the year from balance at the beginning of the year, (net)	36,645.87	16,231.50	37,565.73	33,315.33	52,419.38	8,963.55
Add : Advance received during the year not recognized as revenue	-	1,063.78	-	24,266.43	-	-
Add : Revenue recognized during the year apart from above, (net)	71,766.27	6,456.10	42,257.67	-	51,080.35	17,140.65
Closing balance	92,383.91	31,053.39	57,263.51	39,765.02	52,571.57	48,813.91

b) Transaction Price - Remaining Performance Obligation

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Group expects to recognize these amounts in revenue. The aggregate value of performance obligations (completely or partially unsatisfied) as of March 31, 2023 is INR 994,024.82 (March 31, 2022 is INR 9,77,069.92 Lakhs), out of which, majority is expected to be recognised as revenue within 36 months. The performance obligation to be recognized includes the work order/letter of intent of INR 28,292.57 for which no revenue has been booked in the current year as the projects are under hold.

37 Contingent liabilities

Particulars	As at March 31, 2023 INR Lakhs	As at March 31, 2022 INR Lakhs	As at April 01, 2021 INR Lakhs
Corporate guarantee given on behalf of subsidiary Group	-	-	1,095.00
Bank guarantees	8,014.67	9,013.09	11,900.95
Provident fund	106.29	106.29	-
GST demand	4,000.17	4,000.17	-
Maharashtra Value added Tax	178.53	178.53	178.53
Income tax demand	-	3,115.04	-
Total	12,299.65	16,413.12	13,174.48

- a) With respect to certain matters relating to issue of shares in earlier years, the Group has made suo-moto application to Registrar of Companies (ROC), Mumbai, for compounding of offences under Section 42, 62 read with the applicable rules thereunder of the Companies Act. The matter is still pending with the ROC, Mumbai, the impact of the same on the financial statements is not ascertainable. There is no further development in this matter

38 Capital and other commitments

	As at March 31, 2023 INR Lakhs	As at March 31, 2022 INR Lakhs	As at April 01, 2021 INR Lakhs
Estimated amount of contracts remaining to be executed on capital account (net of advances) -on Property, plant & equipment	669.16	88.77	410.70
Total	669.16	88.77	410.70

39 Disclosure pursuant to Ind AS 19 "Employee Benefits"

The Group operates one defined benefit plan viz. gratuity benefit for its employees which is funded. The gratuity benefit is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The scheme is funded with insurance companies.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the gratuity benefit plan:

- (i) Net benefit expenses (recognised in profit or loss)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Current service cost	94.80	111.90
Net interest cost	41.56	33.68
Net benefit expenses	136.36	145.58

- (ii) Re-measurement (gain)/loss recognised in other comprehensive income

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Actuarial loss / (gain) due to defined benefit obligation ('DBO') and assumption changes	(41.85)	(11.92)
Return on plan assets less / greater than discount rate	5.39	8.32
Actuarial losses / (gains) due recognised in OCI	(36.46)	(3.60)

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(iii) The amounts recognised in the Balance Sheet are as follows:

Particulars	As at	As at	As at
	March 31, 2023	March 31, 2022	April 01, 2021
	INR Lakhs	INR Lakhs	INR Lakhs
Defined benefit obligation	569.54	589.51	534.93
Fair value of plan assets	22.02	135.53	212.40
Net Plan Liability/ (Asset)	547.52	453.98	322.53

(iv) The changes in the present value of defined benefit obligation for Gratuity are as follows:

Particulars	As at	As at	As at
	March 31, 2023	March 31, 2022	April 01, 2021
	INR Lakhs	INR Lakhs	INR Lakhs
Opening defined benefit obligation	589.51	534.93	564.42
Add: Service cost	94.80	111.90	113.37
Add: Interest cost	41.56	33.68	29.07
Add: Contributions by employer	-	-	-
Add/(Less): Actuarial losses/(gains) - arising from changes in financial assumptions	-	-	-
Add: Actuarial Gain on obligation arising from changes in experience adjustments	(41.85)	(11.92)	(38.24)
Less: Benefit paid	(114.48)	(79.08)	(133.69)
Closing defined benefit obligation	569.54	589.51	534.93

(v) Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows:

Particulars	As at	As at	As at
	March 31, 2023	March 31, 2022	April 01, 2021
	INR Lakhs	INR Lakhs	INR Lakhs
Opening balance of the fair value of plan assets	135.53	212.40	343.86
Add: Interest income on plan assets	6.36	10.54	17.41
Add/(Less): Actuarial gains/(losses)	(5.39)	(8.32)	(15.18)
Less: Benefits paid	(114.48)	(79.09)	(133.69)
Closing balance of the fair value of plan assets	22.02	135.53	212.40

(vi) The Major category of plan asset as a percentage of fair value of total plan assets is as follows

Particulars	For the Year	For the Year
	Ended March 31, 2023	Ended March 31, 2022
Investments with insurer managed funds	100%	100%

(vii) Principal actuarial assumptions as at Balance Sheet date:

Particulars	As at	As at	As at
	March 31, 2023	March 31, 2022	April 01, 2021
Discount rate	7.50%	6.00%	6.00%
Expected return on assets	6.50%	6.50%	6.50%
Employee attrition rate	35.00%	35.00%	24.00%
Salary growth rate	5.00%	5.00%	5.00%

(viii) Sensitivity Analysis

Particulars	For the Year Ended March 31, 2023			
	Discount rate		Future Salary Increase	
Assumptions	1% Increase	1% Decrease	1% Increase	1% Decrease
Sensitivity Analysis	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs
Impact on define benefit obligation	-13.48	14.16	14.37	-13.94

Particulars	For the Year Ended March 31, 2022			
	Discount rate		Future Salary Increase	
Assumptions	1% Increase	1% Decrease	1% Increase	1% Decrease
Sensitivity Analysis	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs
Impact on define benefit obligation	-19.41	20.77	20.77	-19.76

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

(ix) The expected maturity analysis of undiscounted defined benefit obligation is as follows:

Particulars	For the Year	For the Year
	Ended March 31, 2023	Ended March 31, 2022
Within 1 year	229.63	137.63
Between 1 - 2 years	61.46	58.76
Between 2 - 3 years	68.05	60.48
Between 3 - 4 years	52.55	72.05
Between 4 - 5 years	41.92	61.13
Beyond 5 years	275.09	310.02

The average duration of the defined benefit plan obligation at the end of the reporting period is 16 years (March 31, 2022 - 15 years).

The contribution expected to be made by the Group during the next financial year 153.95 Lakhs (2021-22: INR 169.20 Lakhs)

Compensated absences (unfunded)

In respect of Compensated absences, accrual is made on the basis of a year-end actuarial valuation. The Group has provided for compensated absences based on the actuarial valuation done as per Project Unit Credit Method. The leave obligation cover the Group's liability for earned leave. The amount of the provision of INR 66.62 lakh (year ended 31 March 2022: INR 75.98 lakh) is presented as current. The Group provided INR 31.92 lakh (31 March 2022: INR 32.37 lakh) for Compensated absences in the Statement of Profit and Loss.

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40. Related party transactions

Names of related parties and related party relationship

Joint Venture	PPSL Capacite JV Capacite Viraj AOP CEPL- CIL Joint Venture CIL- SIPL JV
Enterprises directly or indirectly owned / significantly influenced by directors/key management personnel or their relatives.	Katyal Merchandise Pvt Ltd Capacite Engineering Private Limited Katyal Ventures Private Limited (Formerly Capacit'e Ventures) Private Limited
Associates (where transactions have taken place during the year and previous year / balances outstanding)	TPL-CIL Construction LLP TCC Construction Pvt Ltd Captech Technologies Pvt Ltd (up to 29 September, 2022)
Key Management Personnel	Rohit Katyal – Executive Director and Chief Financial Officer Rahul Katyal – Managing Director & Chief Executive Officer (Re-designated from December 01, 2021) Varsha Malkani Company Secretary (from August 10, 2022) Subir Malhotra - Executive director
Non-Executive Director and Independent director	Farah Nathani Menzies - Independent director Sumeet Nindrajog- Non-Executive Director Siddharth Parekh- Non- Executive Director Arun Karambelkar- - Independent director (Re-appointment as from May 18, 2021) Manjushree Nitin Ghodke- Independent Director
Relatives of Key Management Personnel	Sakshi Katyal - Wife of Mr. Rohit Katyal Monita Malhotra - Wife of Mr. Subir Malhotra

Related Party Transaction (including provisions and accruals)

(INR Lakhs)

Name of Related Party	Relation with related parties	Nature of Transaction	As at March 31, 2023	As at March 31, 2022
Capacite- E- Governance JV	Subsidiary Company	Sale of properties/rights/Material/services	789.24	-
Capacite Viraj AOP	Associate	Revenue	-	21.51
		Purchase of Material	-	2.00
		Expenses recovered	251.45	-
		Subcontracting charges	144.63	-
		Security deposit	7.23	-
		Advances given under sale/purchase of goods and services	403.95	-
CIL- SIPL JV	Joint Venture	Expenses recovered	0.10	-
		Other income	-	1,358.63
TPL-CIL Construction LLP	Associates	Sale of goods or services	4,790.34	-
		Purchase of goods or services	1,010.21	-
Captech Technologies Private Limited	Enterprises Owned by or significantly influenced by key management personnel or their relatives	Other income	-	17.00
		Legal and professional charges	-	57.25
		Miscellaneous expenses	-	60.96
		Subcontracting charges	2,077.64	1,060.72
		Other construction expenses	-	66.35
		Legal and professional charges	-	298.36
		Architectural Fees	-	395.00
		Purchase of Material	18.86	432.34
		Sale of investments on Captech Technologies Private Limited	62.00	-
		Security deposit	102.37	54.04
		Interest expense	0.79	15.93
		Interest paid	18.38	-
		Intercompany deposits repaid	85.72	150.00
		Intercompany deposits taken	-	150.00
Katyal Ventures Private Limited	Enterprises Owned by or significantly influenced by key management personnel or their relatives	Rent expenses	0.46	4.41
Sakshi Rohit Katyal Jointly with Rohit Ramnath Katyal	Relatives of directors	Money Received Against Share Warrants	620.00	-
Sakshi Katyal	Relatives of Directors	Rent expenses	9.00	7.50

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Name of Related Party	Relation with related parties	Nature of Transaction	As at March 31, 2023	As at March 31, 2022
Rohit Katyal	Executive Director and Chief Financial Officer	Loan from director	117.19	3,240.00
		Loan repaid to director	1,036.50	823.00
		Debt assignment adjusted against loan	1,373.45	
		Interest on Loan (Gross)	153.24	166.74
		Interest paid/adjusted to director	222.01	-
		Directors Remuneration (refer note below)	204.30	94.20
Rahul Katyal	Managing Director	Directors Remuneration (refer note below)	203.55	97.20
		Sale of premises	517.00	-
		Principle adjusted	71.70	
		Loan from director	517.00	3,220.00
		Loan repaid/adjusted to director	1,137.00	679.00
		Interest repaid/adjusted to	224.87	-
		Money Received Against Share Warrants	620.00	-
Interest on Loan (Gross)	187.02	161.42		
Mrs. Monita Malhotra	Relatives of Directors	Rent expenses	6.74	29.21
Subir Malhotra	Executive Director	Directors Remuneration (refer note below)	86.20	86.20
Varsha Malkani	Company Secretary	Remuneration	19.25	11.76
Manjushree Ghodke	Independent director	Sitting Fees	3.30	4.15
Manjushree Ghodke	Independent director	Commission	3.00	3.00
Arun Karambelkar	Independent director	Sitting Fees	2.75	3.20
Arun Karambelkar	Independent director	Commission	3.00	3.00
Farah Nathani Menzies	Independent director	Sitting Fees	3.30	2.50
Farah Nathani Menzies	Independent director	Commission	3.00	3.00
Saroj Kumar Pati	Chief Executive Officer	Remuneration	-	81.70

Note: The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

Over and above the transactions disclosed above, following transactions have also been entered into with the promoters, which does not have impact on the profit & loss of the company during the year:

- Guarantee provided by Mr. Rohit Katyal & Mr. Rahul Katyal (Promoters) to the Group for the recovery of Trade receivables, on or before February 27, 2023, to the extent of INR 3,281 lakhs.
- Guarantee mentioned in a) above has been extended to September 30, 2023, for the remaining outstanding Trade receivables of INR 2,746.53 lakhs
- Assignment of receivables of INR 1,373.45 lakhs to Mr Rohit Katyal, the consideration of which is settled by way of adjustment from the loan outstanding to Mr. Rohit Katyal as on March 30, 2023.

Compensation of key management personnel of the Group

Particulars	As at March 31, 2023	As at March 31, 2022
Compensation including sitting fees	531.65	389.91
Total	531.65	389.91

Closing Balances of Related Parties (including provisions and accruals)

Name of Related Party	Relation with related parties	Nature of Balance	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
PPSL Capacite JV	Joint Venture	Trade payable	6.39	6.39	6.39
Capacite Viraj AOP	Joint Venture	Trade receivables	239.01	234.01	218.93
CEPL- CIL Joint Venture	Joint Venture	Trade receivables	761.78	-	-
		Security Deposit	7.23	-	-
CIL- SIPL JV	Joint Venture	Receivable	0.10	-	-
TPL-CIL Construction LLP	Associates	Trade receivables	-	289.01	69.27
		Trade payable	1,045.70	-	-
Captech Technologies Private Limited	Associate	Investment	-	60.40	60.40
		Trade payable	26.48	27.23	43.16
Capacite Engineering Private Limited	Enterprises Owned by or significantly influenced by key management personnel or their relatives	Trade Payable	-	-	652.59
		Mobilization advance	102.37	-	-
		Trade receivables	1,515.15	53.94	-
Katyal Merchandise Private Limited	Enterprises Owned by or significantly influenced by key management personnel or their relatives	Intercompany deposit	-	103.39	89.06
Katyal Ventures Private Limited	Enterprises Owned by or significantly influenced by key management personnel or their relatives	Other Payable	0.02	0.39	0
Sakshi Katyal	Relatives of Directors	Other Payable	7.43	2.03	0
Rohit Katyal	Director and Chief Financial Officer	Unsecured loan from director	368.86	2,745.70	59.42
Rahul katyal	Managing Director	Unsecured loan from director	1,818.81	2,567.07	0
Mrs. Monita Malhotra	Relatives of Directors	Trade payable	0.31	6.06	2.99

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41 Group information

Information about subsidiaries

The consolidated financial statements of the Group includes subsidiaries listed in the table below:

Name	Incorporated in	Principle activities	% Equity interest	
			March 31, 2023	March 31, 2022
CIPL-PPSL-Yongnam Joint Venture Constructions Private Limited	India	Engineering Procurement and Construction	100%	100%
Capacite- E- Governance JV *	India	Engineering Procurement and Construction	96%	NA

* Unincorporated entities - treated as subsidiary

42 Interest in Joint Ventures and Associates

The Group has a 49% interest in PPSL Capacite JV, a joint venture involved in the construction and infrastructure development in India. The Group has 70% profit/(loss) sharing in Capacite-Viraj AOP involved in the construction and infrastructure development in India. The Group has 74% profit/(loss) sharing in CEPL- CIL Joint Venture - JNPT project and 65% profit/(loss) sharing in CEPL- CIL Joint Venture - Gift City project involved in the construction and infrastructure development in India. The Group has 51% profit/(loss) sharing in CIL- SIPL JV involved in the construction and infrastructure development in India.

PPSL Capacite JV , Capacite-Viraj AOP, CEPL- CIL Joint Venture & CIL- SIPL JV are an unincorporated entities. The Group's interest in PPSL Capacite JV, CEPL- CIL Joint Venture & CIL- SIPL JV & Capacite-Viraj AOP is accounted for using the equity method in the consolidated financial statements.

The Group has investments in associates - 40% profit/(loss) sharing in Capacite Engineering Private Limited, 35% profit/(loss) sharing in TPL-CIL-LLP , 37.10% profit/(loss) in TCC Constructions Private Limited, 40% profit/(loss) in Captech Technologies Private Limited(ceased to be associate w.e.f. 29 September, 2022).

Summarised financial information of the joint ventures, based on its Ind AS financial statements are set out below:

Summarised balance sheet of the Joint ventures as at 31 March 2023:

	INR Lakhs					
	PPSL Capacite JV		Capacite-Viraj AOP		CEPL- CIL JV	CIL- SIPL JV
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2023
Non-current assets						
Property, plant and equipment	-	-	188.46	188.46	10.24	-
Non-current tax assets (net)	-	-	-0.67	11.20	25.29	-
Other non-current assets	-	-	-	-	5.25	14.23
Current assets						
Inventories	-	-	17.64	17.64	-	-
Financial assets	-	-	-	-	1,402.37	-
Trade receivables	-	-	462.17	705.73	13.92	825.56
Cash and cash equivalent	1.30	1.30	0.34	0.69	59.47	-
Loans	-	-	1.18	1.18	-	-
Other financial assets	-	-	370.00	370.00	209.93	-
Current Tax Assets (net)	-	-	-	-	-	-
Other current assets	6.45	6.45	138.50	138.12	167.91	35.91
Total Assets	7.75	7.75	1,177.62	1,433.02	1,894.38	875.70
Equity and Liabilities						
Equity						
Other equity	7.75	7.75	-73.70	-62.74	53.39	39.59
Non-current liabilities						
Financial liabilities						
Other financial liabilities	-	-	20.31	20.24	403.95	0.90
Deferred tax liabilities (net)	-	-	-	-	0.14	-
Other non-current liabilities	-	-	371.31	371.31	-	-
Current liabilities						
Financial liabilities						
Trade payables	-	-	679.79	925.04	1,408.83	601.85
Other financial liabilities	-	-	19.33	19.32	28.07	-
Current tax liabilities (net)	-	-	-	-	-	13.32
Other current liabilities	-	-	160.58	159.85	-	220.04
Total equity and liabilities	7.75	7.75	1,177.62	1,433.02	1,894.38	875.70
Proportion of the Group's ownership	49%	49%	70%	70%	74%	51%
Carrying amount of the investment	3.80	3.80	(51.51)	(43.92)	35.25	20.19

Summarised statement of profit and loss of Joint Ventures

	INR Lakhs					
	PPSL Capacite JV		Capacite-Viraj AOP		CEPL- CIL JV	CIL- SIPL JV
	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022	For the Year Ended March 31, 2023	For the Year Ended March 31, 2023
Contract revenue	-	-	-	-	2,116.09	631.10
Other income	-	-	0.77	49.34	-	-
Cost of raw material consumed	-	-	-	9.31	848.40	328.68
Construction expenses	-	-	7.49	56.07	1,148.73	100.34
Employee benefits expense	-	-	-	15.15	33.01	34.99
Finance costs	-	-	0.13	0.16	0.01	71.15
Depreciation and amortization expenses	-	-	-	-	0.10	-
Other expenses	-	-	4.12	6.08	14.49	43.03
Profit before tax	-	-	-10.97	-37.43	71.35	52.91
Tax expenses	-	-	-	-	17.96	13.32
Profit/(Loss) for the year	-	-	(10.97)	(37.43)	53.39	39.59
Group's share of profit/(loss) for the year	-	-	(7.68)	(26.20)	35.25	20.20

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The Group had no contingent liabilities or capital commitments relating to its share in PPSL Capacite JV & Capacite-Viraj AOP as at March 31, 2023 and March 31, 2022.

43 Non-controlling interests

Non-controlling interests represent proportionate share held by minority shareholders in the net assets of subsidiaries which are not wholly-owned by the holding Company. The following table summarises the information relating to each of the subsidiaries that has NCI. The amounts disclosed for each subsidiary are before intra-group eliminations

Balance Sheet	CIPL-PPSL-Yongnam Joint venture Constructions Private Limited		Capacite- E- Governance JV
	31-Mar-23	31-Mar-22	31-Mar-23
Non-current assets	-	-	578.46
Current assets	470.49	469.59	1,687.00
Current liabilities	75.48	74.18	2,251.49
Net assets / (liabilities)	395.01	395.41	13.97
Net assets attributable to NCI	-	-	0.56
Total income	-	5.87	782.86
Net Profit / (loss) for the year	(2.15)	4.16	13.97
Cash flow from operating activities	(0.69)	8.58	1,344.56
Cash flow from investing activities	-	5.87	(505.09)
Cash flow from financing activities	1.60	(15.21)	-
Net increase/ (decrease) in cash and cash equivalents	0.90	(0.76)	839.47

44 Statutory Group Information

Name of the entity in the Group	Net Assets i.e. total assets minus total liabilities		Share in profit/(loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Capacite Infraprojects Limited								
Balance as at March 31, 2023	100%	1,06,966.99	99%	9,467.70	100%	58.17	99%	9,525.87
Balance as at March 31, 2022	100%	96,237.52	101%	4,845.67	100%	26.57	102%	4,872.24
Subsidiaries(Indian)								
CIPL-PPSL-Yongnam Joint Venture Constructions Private Limited								
Balance as at March 31, 2023	0%	395.01	0%	(2.15)	0%	-	0%	(2.15)
Balance as at March 31, 2022	0%	395.42	0%	4.16	0%	-	0%	4.16
Capacite- E- Governance JV								
Balance as at March 31, 2023	0%	13.97	0%	13.97	0%	-	0%	13.97
Joint Ventures (investment as per equity method)								
PPSL Capacite JV								
Balance as at March 31, 2023	0%	3.80	0%	-	0%	-	0%	-
Balance as at March 31, 2022	0%	3.80	0%	-	0%	-	0%	-
Capacite Viraj AOP								
Balance as at March 31, 2023	0%	(51.51)	0%	(7.68)	0%	-	0%	(7.68)
Balance as at March 31, 2022	0%	(43.92)	-1%	(26.17)	0%	-	-1%	(26.17)
CEPL- CIL JV								
Balance as at March 31, 2023	0%	35.25	0%	35.25	0%	-	0%	35.25
CIL- SIPL JV								
Balance as at March 31, 2023	0%	20.19	0%	20.20	0%	-	0%	20.20
Associates (investment as per equity method)								
TCC Construction Private Limited								
Balance as at March 31, 2023	0%	(22.66)	0%	3.08	0%	-	0%	3.08
Balance as at March 31, 2022	0%	(25.73)	0%	(4.64)	0%	-	0%	(4.64)
TPL-CIL Construction LLP								
Balance as at March 31, 2023	0%	(15.81)	0%	(0.66)	0%	-	0%	(0.66)
Balance as at March 31, 2022	0%	(15.19)	0%	(4.41)	0%	-	0%	(4.41)
Captech Technologies Private Limited								
Balance as at March 31, 2023	0%	(0.59)	0%	(0.59)	0%	-	0%	(0.59)
Balance as at March 31, 2022	0%	(34.51)	-1%	(38.89)	0%	-	-1%	(38.89)
Total								
Balance as at March 31, 2023	100%	1,07,344.65	99%	9,529.12	100%	58.17	99%	9,587.29
Balance as at March 31, 2022	100%	96,517.40	100%	4,775.73	100%	26.57	100%	4,802.30

45 Significant accounting judgements, estimates and assumptions

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

A) Significant Judgements

In the process of applying the Groups accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the standalone financial statements:

i) Operating lease commitments – Group as lessee

The Group has entered into leases for office premises. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the office premises and the fair value of the asset, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

ii) Taxes

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the same can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Refer note 32 for further disclosures.

iii) Revenue Recognition

The Group recognises revenue and profit/loss on the basis of (Input method) entity's efforts i.e. costs incurred on an accrual basis to the total expected inputs to the satisfaction of that performance obligation. The recognition of revenue and profit/loss therefore rely on estimates in relation to total estimated costs of each contract. Cost contingencies are included in these estimates to take into account specific uncertain risks, or disputed claims against the Group, arising within each contract. These contingencies are reviewed by the Management on a regular basis throughout the contract life and adjusted where appropriate. The revenue on contracts may also include variable consideration (variations and claims). Variable consideration is recognised when the recovery of such consideration is highly probable.

B) Estimates and assumptions**Key sources of estimation**

The preparation of the financial statements in conformity with Ind AS requires that the management of the Group makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates include useful lives of property, plant and equipment & intangible assets, allowance for expected credit loss, future obligations in respect of retirement benefit plans, expected cost of completion of contracts, provision for rectification costs, fair value measurement etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

i) Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to guarantees given by the Group. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

ii) Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations.

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about gratuity obligations are given in note 40.

iii) Cost to complete

For assessing onerous contracts the Group is required to estimate the costs to complete of each contract. Provision for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

iv) Expected credit loss (ECL)

The Group has used an internal rating based approach in building its ECL model, using its own internal estimates for some or all of the credit risk components such as the Probability of Default ("PD"), Loss Given Default ("LGD") and Effective Maturity ("M"). Each of these elements are critical estimates in the measurement of impairment on such financial assets.

46 Disclosures on Financial instruments

This section gives an overview of the significance of financial instruments for the Group and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in accounting policies, to the financial statements.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(A) Fair Values:

The following tables presents the carrying amount and fair value of each category of financial assets and liabilities as at March 31, 2023 , March 31, 2022 & April 01, 2021.

As at March 31, 2023

Particulars	Level	INR Lakhs			
		Fair value through statement of profit and loss account	Amortised cost	Total carrying value	Total fair value
Financial assets					
Investments*	Level 2	8.50	-	8.50	8.50
Trade receivables		-	44,431.10	44,431.10	44,431.10
Cash and cash equivalent		-	4,706.53	4,706.53	4,706.53
Bank balances other than cash and cash equivalent		-	12,749.74	12,749.74	12,749.74
Loans		-	-	-	-
Other Financial Assets		-	97,902.42	97,902.42	97,902.42
Total		8.50	1,59,789.79	1,59,798.29	1,59,798.29
Financial Liabilities					
Borrowings (including current maturities)		-	36,604.45	36,604.45	36,604.45
Trade payables		-	63,364.02	63,364.02	63,364.02
Other financial liabilities (excluding current maturities)		-	10,700.84	10,700.84	10,700.84
Total		-	1,10,669.31	1,10,669.31	1,10,669.31

As at March 31, 2022

Particulars	Level	INR Lakhs			
		Fair value through statement of profit and loss account	Amortised cost	Total carrying value	Total fair value
Financial assets					
Investments*	Level 2	8.50	-	8.50	8.50
Trade receivables		-	46,555.13	46,555.13	46,555.13
Cash and cash equivalent		-	2,211.30	2,211.30	2,211.30
Bank balances other than cash and cash equivalent		-	16,176.82	16,176.82	16,176.82
Loans		-	1,300.00	1,300.00	1,300.00
Other Financial Assets		-	65,605.08	65,605.08	65,605.08
Total		8.50	1,31,848.33	1,31,856.83	1,31,856.83
Financial Liabilities					
Borrowings (including current maturities)		-	32,829.51	32,829.51	32,829.51
Trade payables		-	52,899.80	52,899.80	52,899.80
Lease liabilities		-	687.24	687.24	687.24
Other financial liabilities (excluding current maturities)		-	8,216.64	8,216.64	8,216.64
Total		-	94,633.19	94,633.19	94,633.19

As at April 01, 2021

Particulars	Level	INR Lakhs			
		Fair value through statement of profit and loss account	Amortised cost	Total carrying value	Total fair value
Financial assets					
Investments*	Level 2	40.94	-	40.94	40.94
Trade receivables		-	36,726.10	36,726.10	36,726.10
Cash and cash equivalent		-	983.65	983.65	983.65
Bank balances other than cash and cash equivalent		-	14,638.60	14,638.60	14,638.60
Loans		-	1,300.00	1,300.00	1,300.00
Other Financial Assets		-	65,526.70	65,526.70	65,526.70
Total		40.94	1,19,175.05	1,19,215.99	1,19,215.99
Financial Liabilities					
Financial Liabilities		-	28,627.11	28,627.11	28,627.11
Borrowings		-	42,259.66	42,259.66	42,259.66
Lease liabilities		-	515.46	515.46	515.46
Trade payables		-	5,838.55	5,838.55	5,838.55
Total		-	77,240.77	77,240.77	77,240.77

*Excludes Group companies investments INR 92.87 Lakhs (March 31, 2022 INR 60.91 Lakhs) measured at cost. Refer note no. 6.

Fair value of financial assets and financial liabilities measured at amortised cost:

The carrying amounts of trade receivables, loans, advances and cash and other bank balances are considered to be the same as their fair values due to their short term nature. The carrying amounts of long term loans given with floating rate of interest are considered to be close to the fair value.

The carrying amounts of trade and other payables are considered to be the same as their fair values due to their short term nature. The carrying amounts of borrowings with floating rate of interest are considered to be close to the fair value.

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47 Capital Management

For the purpose of the Group's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents, excluding discontinued operations.

Gearing ratio

The gearing ratio at the end of the reporting period was as follows:

	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
	INR Lakhs	INR Lakhs	INR Lakhs
Debt (i)	36,604.45	32,829.51	28,627.11
Less: Cash and Bank balances	4,706.53	2,211.30	983.65
Net debt	31,897.92	30,618.21	27,643.46
Total Capital (ii)	1,07,344.65	96,517.40	91,715.10
Capital and Net Debt	1,39,242.57	1,27,135.61	1,19,358.56
Net debt to Total Capital plus net debt ratio (%)	22.91%	24.08%	23.16%

- (i) Debt is defined as long-term borrowings (including current maturities) and short-term borrowings.
(ii) Equity is defined as equity share capital and other equity including reserves and surplus.

In order to achieve this overall objective, the Group'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.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023, March 31, 2022 and April 01, 2021.

48 Financial risk management objectives and policies

The Group's principal financial liabilities comprise borrowings, trade and other payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include investments, loans, trade and other receivables, cash and cash equivalents, other bank balances and other financial assets that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by a risk committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified measured and managed in accordance with the Group's policies and risk objectives. The Board of directors reviews and agrees policies for managing each of these risks, which are 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 two types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include borrowings.

a) Interest rate risk

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

b) Interest rate sensitivity:

The sensitivity analysis below have been determined based on exposure to interest rates for long-term debt obligations with floating interest rates at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in case of term loans that have floating rates:

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
	INR Lakhs	INR Lakhs	INR Lakhs
Increase in basis points	+50	+50	+50
Effect on profit before tax	(173.58)	(153.60)	(148.52)
Decrease in basis points	(50)	(50)	(50)
Effect on profit before tax	173.58	153.60	148.52

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 Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Group only deals with parties which has good credit rating/ worthiness given by external rating agencies or based on companies internal assessment.

The Group's customer profile includes mainly large private corporates. The Group's average project execution cycle is around 36 to 48 months. General payment terms include mobilisation advance, monthly progress payments with a credit period ranging from 45 to 90 days and certain retention money to be released at the end of the project. In some cases retentions are substituted with bank/corporate guarantees. The Group has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation.

The Group has not acquired any credit impaired asset. There was no modification in any financial assets.

Non certification of works billed

The costs incurred on projects are regularly monitored through the Project budgets. Costs which are incurred beyond the agreed terms and conditions of the contract, would be claimed from the customer, based on the actual works performed. The realisability of such claims, is verified by professionals, who certify the tenability of such claims and also the collectible amounts, by applying appropriate probabilities. Costs, which are identified as non tenable or costs beyond the collectible amounts, as mentioned above, would be provided in the books of accounts.

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Set out below the information about the credit risk exposure of the Group's trade receivable using provision matrix:-

	INR Lakhs					
At March 31, 2023	< 6 months	6 months - 1 year	1-2 years	2- 3 years	More than 3 Years	Total
ECL Rate	0.60%	8.10%	7.20%	6.80%	28.40%	
Estimated total gross carrying amount at default	27,863.21	3,164.85	4,302.74	5,367.69	6,746.20	47,444.69
ECL specified approach	169.77	255.07	310.01	362.69	1,916.04	3,013.59
Net carrying amount	27,693.44	2,909.77	3,992.72	5,005.00	4,830.16	44,431.10

	INR Lakhs					
At March 31, 2022	< 6 months	6 months - 1 year	1-2 years	2- 3 years	More than 3 Years	Total
ECL Rate	0.70%	1.70%	22.60%	35.20%	41.60%	
Estimated total gross carrying amount at default	29,161.68	5,003.93	3,706.68	7,192.22	8,737.52	53,802.03
ECL specified approach	204.17	86.62	836.69	2,525.39	3,594.03	7,246.90
Net carrying amount	28,957.51	4,917.31	2,869.99	4,666.83	5,143.49	46,555.13

	INR Lakhs					
At April 01, 2021	< 6 months	6 months - 1 year	1-2 years	2- 3 years	More than 3 Years	Total
ECL Rate	0.40%	12.20%	14.00%	31.20%	21.50%	
Estimated total gross carrying amount at default	17,198.82	2,806.10	10,393.83	6,910.02	4,392.40	41,701.17
ECL specified approach	75.17	341.67	1,459.56	2,152.84	945.83	4,975.07
Net carrying amount	17,123.65	2,464.43	8,934.27	4,757.18	3,446.57	36,726.10

Reconciliation of impairment allowance on trade and other receivables

	INR Lakhs
Impairment allowance as on April 1, 2021	4,975.07
Add/(Less): provision on expected credit loss	3,172.74
(Less): Bad debt written off	(900.91)
Impairment allowance as on April 1, 2022	7,246.90
Add/(Less): provision on expected credit loss	4,544.12
(Less) Bad debt written off	(6,624.03)
(Less) Bad debt written off on other receivables	(2,153.40)
Impairment allowance as on March 31, 2023	3,013.59

C) Liquidity risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

	INR Lakhs			
Particulars	On demand	Within 12 months	After 12 months	Total
Year ended March 31, 2023				
Borrowings (including current maturities)	15,818.46	9,623.50	11,162.49	36,604.45
Other financial liabilities	-	5,902.10	4,413.88	10,315.98
Lease liabilities	-	219.62	165.24	384.86
Trade payables	-	63,364.02	-	63,364.02
	15,818.46	79,109.24	15,741.61	1,10,669.31
Year ended March 31, 2022				
Borrowings (including current maturities)	9,570.39	9,522.52	13,736.60	32,829.51
Other financial liabilities	-	4,627.23	3,589.41	8,216.64
Lease liabilities	-	244.03	443.21	687.24
Trade payables	-	52,899.80	-	52,899.80
	9,570.39	67,293.57	17,769.22	94,633.19
As at April 01, 2021				
Borrowings (including current maturities)	13,723.53	6,669.79	8,233.79	28,627.11
Other financial liabilities	-	3,017.63	2,820.92	5,838.55
Lease liabilities	-	220.96	294.50	515.46
Trade payables	-	42,259.66	-	42,259.66
	13,723.53	52,168.03	11,349.21	77,240.78

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49 Significant event after the reporting period

There were no significant adjusting event that accrued subsequent to the reporting period which may require an adjustment to the balance sheet.

50 Estimation of uncertainties relating to the global health pandemic from COVID-19

The Corona Virus (COVID-19) had some impact on the operation of the Group during the current financial year. The Group has considered internal and external source of information up to the date of approval of standalone financial statements in the preparation of the financial statements.

51 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The said code is made effective prospectively from May 03, 2023. The Company is assessing the impact, if any, of the Code

52 Ratio	Numerator	Denominator	31-Mar-23	31-Mar-22	% Change	Remark
a) Current ratio	Current Assets	Current Liabilities	1.44	1.43	0%	-
b) Debt equity ratio	Total Debt	Share Holder's Equity	0.34	0.34	0%	-
c) Debt service coverage ratio	Earnings of Debt service= Net profit after tax + non cash expenses	Debt service= Interest and lease payment+ Principal repayment	3.02	2.47	22%	-
d) Return on equity	Net profit after tax - preference dividend	Average share holder's equity	9.35%	5.07%	84%	Increase in the ratio is due to increase in PAT in FY 2022-23 by INR 4,753.95 Lakhs
e) Inventory turnover ratio	Cost of goods sold	Average inventory	11.55	8.78	32%	Ratio increased due to increase in COGS for F.Y 2022-23 to INR 1,21,337.66 Lakhs vis-à-vis INR 93,069.69 for F.Y 2021-22 as the turnover of the current year is INR 179,858.70 Lakhs vis-a-vis INR 133,982.81 Lakhs of FY 2021-22
f) Trade receivable turnover ratio	Net Credit sale= Gross credit sale - sale return	Average trade receivable	3.95	3.22	23%	-
g) Trade payable turnover ratio	Net Credit sale= Gross credit sale - sale return	Average trade receivable	2.06	1.98	4%	-
h) Net capital turnover ratio	Net Credit sale= Gross credit sale - sale return	Average trade receivable	3.39	3.04	11%	-
i) Net profit ratio	Net profit	Net sales = Total sales - sales return	5.30%	3.56%	49%	Increase due to increase in PAT of INR 9,529.67 Lakhs Vis-à-vis INR 4,775.73 lakhs in the financial year 21-22
j) Return on capital employed	Earning before interest & tax	Capital employed = Tangible net worth + total debt - deferred tax liability	12.33%	6.98%	77%	Increase in the ration due to increase in PAT of FY 2022-23 INR 9,529.67 Lakhs Vis-à-vis INR 4,775.73 lakhs in the year 2021-22
k) Return on investments	Income generated from investment fund	Average investment in treasury investments	-	0.008	-100%	There is no income generated from sale of investment in 2022-23 Vis-à-vis INR 0.19 Lakhs in the year 2021-22.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

53 Other statutory information's

- (i) The Group do not have any Benami property where any proceeding has been initiated or pending against the Group for holding any Benami property under the Benami
(ii) The Group do not have any transaction with companies struck - off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956:

(INR in Lakhs)				
Name of the Struck off company	Nature of transaction with struck off companies	Balance as at March 31, 2023	Balance as at March 31, 2022	Relationship with the struck off company
NLCS Communications Private Limited	Receiving of services	-	(2.55)	Advance to subcontractor
Avantika Glass And Kitchen Technologies Private Limited	Purchase of material	-	0.65	Material vendor
Aramco Engineering Private Limited	Receiving of services	(1.91)	-	Advance to subcontractor
Mechwing Engineering & Services Private Limited	Receiving of services	(9.02)	(9.02)	Advance to subcontractor
Aft Infrastructure (OPC) Private Limited	Receiving of services	10.90	10.90	Subcontracting vendor
Viva Concrete Technologies Private Limited	Receiving of services	(0.73)	(0.73)	Advance to subcontractor
Nmic Interior Private Limited	Receiving of services	-	0.69	Subcontracting vendor
Super Gypsum Private Limited	Receiving of services	0.01	(2.68)	Subcontracting vendor
Avk Castings Private Limited	Purchase of material	12.29	110.37	Material vendor
Amritvarsha Constructions Private Limited	Receiving of services	7.53	7.53	Subcontracting vendor
Royal Palazzo Private Limited	Receiving of services	-	0.14	Subcontracting vendor
Ambakkudy Builders Private Limited	Receiving of services	0.07	0.07	Subcontracting vendor
Hitek Air Engineers Private Limited	Purchase of material	-	0.03	Material vendor
Hanumat Multi Services Private Limited	Receiving of services	(1.68)	(1.68)	Advance to subcontractor
Kohinoor Investigation Services Private Limited	Receiving of services	9.64	10.14	Subcontracting vendor
Amritvarsha Infraprojects Private Limited	Receiving of services	0.12	0.12	Subcontracting vendor
Bralic Infrastructure Private Limited	Receiving of services	(6.82)	(6.82)	Advance to subcontractor
Other entities	Subscription to equity shares	3.98	2.99	Equity shareholder

Details of other struck off entities holding equity shares in the company is as below :

Name of the struck off company	Number of shares held	Paid up value as at March 31, 2023 (INR in Lakhs)	Paid up value as at March 31, 2022 (INR in Lakhs)
Pragya Mercantile Pvt Ltd	15,000	1.50	1.50
Salasar Securities Pvt Ltd	14,815	1.48	1.48
Kaveri Impex Private	10,000	1.00	-
Madhva Textile Processors	15	0.00	0.00
Arihant Capital Markets Ltd	-	-	0.00
Total	39,830.00	3.98	2.99

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

(iv) The Group have not traded or invested in Crypto currency or Virtual currency during the financial year.

(v) The Group have not advanced or loaned or invested fund to any other person (s) or entity (ies), including foreign entities (intermediaries) with the understanding that intermediary shall :

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

(b) provided any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

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

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provided any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

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

(viii) The Group has complied with the relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and the Companies Act, 2013 for the above transactions and the transactions are not violative of the Prevention of Money-Laundering Act, 2002 (15 of 2003)

54 During the year, the Group has changed the method of measuring progress i.e. from output method to input method as specified in Ind-AS 115 – 'Revenue from Contract with Customers' consequent to change in the circumstances including change in the nature of contracts secured by the Group during recent years. Management believes that input method, a method widely used by most other engineering and construction companies, would be more reliable and relevant in measuring the progress of the projects and therefore also be more accurate on a comparative basis in measuring the Group's performance in transferring control of goods and services promised to the customers until completion of the contracts. Pursuant to the impact of this change in method, the Group had restated the comparative financial statements for the year ended March 31, 2022, in accordance with the requirements of Ind-AS 8 - 'Accounting Policies, Changes in Accounting Estimates and Errors'. Retained earnings (other equity) as at April 01, 2021 within the statement of changes in equity has also been restated to adjust the impact of such adjustments relating to prior years.

Impact on Statement of Profit and Loss: Increase/(decrease) in INR Lakhs

Particulars	Increase/(decrease) in INR Lakhs	
	Year ended 31 March 2023	Year ended 31 March 2022
Revenue from operations	851.75	504.07
Profit before tax	851.75	504.07
Tax Expenses	214.37	126.86
Profit for the period	637.38	377.21
Basic earning per share	0.94	0.56
Diluted earning per share	0.90	0.56

CAPACIT'E INFRAPROJECTS LIMITED

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Impact on Balance Sheet: Particulars	Increase/(decrease) in INR Lakhs		
	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
Unbilled work-in-progress (Other current financial asset)	851.75	504.07	(1,539.65)
Retained earnings (Under equities)	637.38	377.21	(1,152.15)
Current tax	214.37	-	-
Deferred tax assets	-	-	387.50
Deferred tax liabilities	-	126.86	-

55 Previous year figures

The figures for the corresponding previous year have been regrouped / reclassified whenever necessary, to make them comparable

As per our report of even date attached**For S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration No:

324982E/E300003

per **Jayesh Gandhi**

Partner

Membership No : 37924

Place: Mumbai

Date: May 26, 2023

For and on behalf of the Board of Directors**Capacit'e Infraprojects Limited****Rahul Katyal**

Managing Director

DIN: 00253046

Rohit Katyal

Executive Director &

Chief Financial Officer

DIN: 00252944

INDEPENDENT AUDITOR'S REPORT

To the Members of Capacit'e Infraprojects Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Capacit'e Infraprojects Limited (hereinafter referred to as "the Holding Company"), its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") its associates and joint ventures comprising of the consolidated Balance sheet as at March 31 2022, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiary, associates and joint ventures , the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at March 31, 2022, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS financial statements' section of our report. We are independent of the Group, associates, joint ventures in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Emphasis of Matter

We draw attention to note 49 of the consolidated Ind AS financial statements, which describes the management assessment of uncertainties related to COVID-19 and its consequential impact, including the recoverability of its assets and operations of the Group. Our opinion is not modified with respect to this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Revenue recognition (as described in Note 36 of the consolidated Ind AS financial statements)	
<p>The Group's significant portion of business is undertaken through engineering, procurement and construction contracts.</p> <p>Revenue from these contracts are recognized over a period of time or at a point of time, in accordance with the requirements of Ind AS 115, 'Revenue from Contracts with Customers'.</p> <p>Due to the nature of the contracts, revenue recognition involves usage of percentage of completion method which is determined based on survey of work done by the Group.</p> <p>This involves significant judgments, identification of contractual obligations and the Group's rights to receive payments for performance obligation completed till date.</p> <p>Accuracy of revenues and determination of onerous obligations involves significant judgements and estimates, which may impact the profits.</p> <p>Accordingly, this is considered as a key audit matter.</p>	<ul style="list-style-type: none"> • Our audit procedures included reading the Group's revenue recognition accounting policies and assessing compliance with the policies in terms of Ind AS 115 - Revenue from Contracts with Customers. • Understood and tested on a sample basis the design and operating effectiveness of management control over revenue recognition with focus on determination of extent of completion. • Performed test of details, on a sample basis, and read the underlying customer contracts for terms and conditions. • Understood the management's process to recognize revenue over a period of time or at a point of time, status of completion of projects and total cost to completion estimates. • Tested contracts with low or negative margins to assess the level of provisioning required, including for onerous obligations. • Tested that the contractual positions and revenue for the year are presented and disclosed in compliance of Ind AS 115 in the financial statements. <p>Read the disclosures made by management in compliance of Ind AS 115, tested the disclosures made with underlying transactions.</p>
Recoverability of trade receivables (as described in Note 36 of the consolidated Ind AS financial statements)	
<p>Trade receivables and contract assets amounting to INR 46,555.13 lakhs and INR 58,299.09 lakhs respectively, represents approximately 43.85% of the total assets of the Group as at March 31, 2022 against which provision for doubtful debts amounting to INR 7,246.90 lakhs was made.</p> <p>In assessing the recoverability of the aforesaid balances and determination of allowance for expected credit loss, management's judgement involves consideration of aging status, historical payment records, evaluation of litigations, the likelihood of collection based on the terms of the contract and the credit information of its</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> • Understood and tested on a sample basis the design and operating effectiveness of management control over assessing the recoverability of the trade receivables and contract assets. • Performed test of details and tested relevant contracts, documents and subsequent receipts for material trade receivable balances and amounts included in contract assets that are due on performance of future obligations. • Tested the ageing of trade receivables at year end.

<p>customer including the possible effect from the pandemic relating to COVID-19.</p> <p>Management estimation is required in the measurement of work completed during the period for recognition of unbilled revenue.</p> <p>We considered this as key audit matter due to the materiality of the amounts and significant estimates and judgements as stated above.</p>	<ul style="list-style-type: none"> • Performed test of details and tested relevant contracts and documents with focus on measurement of work completed during the period for material unbilled revenue balances included in contract asset. • Performed additional procedures which include, on test check basis, read the communications to/ from customer, physical site visits, verification of last bills certified and subsequent client certifications. • Assessed the allowance for expected credit loss made by management including the possible effect from the pandemic relating to COVID-19.
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Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

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

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

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the Group and of its associates and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associates and joint ventures are also responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS financial statements

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

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

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

financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements and other financial information, in respect of one subsidiary, whose Ind AS financial statements include total assets of INR 469.59 Lakhs as at March 31, 2022, and total revenues of Nil and net cash outflows INR 0.76 Lakhs for the year ended on that date. This financial statement and other financial information has been audited by other auditor, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net loss of INR 74.12 Lakhs for the year ended March 31, 2022, as considered in the consolidated Ind AS financial statements, in respect of three associates and two joint ventures, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary, joint ventures and associates, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, joint ventures and associates, is based solely on the reports of such other auditors.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiary, associates and joint ventures , as noted in the 'other matter' paragraph we report, to the extent applicable, that:
- (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
 - (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, associate companies and joint ventures, none of the directors of the Group companies, its associates and joint ventures, incorporated in India, is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company and its subsidiary companies, associate companies and joint ventures and, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiary, associates and joint ventures incorporated in India, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Holding Company, its subsidiary, associates and joint ventures incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiary, associates and joint ventures, as noted in the 'Other matter' paragraph:
 - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associates and joint ventures in its consolidated Ind AS financial statements – Refer Note 37 to the consolidated Ind AS financial statements;
 - ii. The Group, its associates and joint ventures did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2022;

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary, associates and joint ventures , incorporated in India during the year ended March 31, 2022.
- iv. a) The respective managements of the Holding Company and its subsidiary, associate and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary, associate and joint ventures respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary, associates and joint ventures to or in any other person or entity, with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiary, associate and joint ventures ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The respective managements of the Holding Company and its subsidiary, associate and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary, associate and joint ventures respectively that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such subsidiary, associate and joint ventures from any persons or entities, with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary, associate and joint ventures shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary, associate and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Jayesh Gandhi
Partner
Membership Number: 037924
UDIN: 22037924AJTMJF4126
Place of Signature: Mumbai
Date: May 27, 2022

ANNEXURE 1 TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF CAPACIT'E INFRAPROJECTS LIMITED

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

- (xxi) Qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated Ind AS financial statements are:

Sr. No.	Name	CIN	Holding Company/Subsidiary/Associate/ Joint Venture	Clause number of CARO report which is qualified or is adverse
1	Capacit'e Infraprojects Limited	L45400MH2012PLC234318	Holding Company	3(ii)(b)
2	Capacit'e Infraprojects Limited	L45400MH2012PLC234318	Holding Company	3((iii)(c)
3	Capacit'e Infraprojects Limited	L45400MH2012PLC234318	Holding Company	3((iii)(e)
4	Capacit'e Infraprojects Limited	L45400MH2012PLC234318	Holding Company	3(vii)(a)
5	Capacit'e Infraprojects Limited	L45400MH2012PLC234318	Holding Company	3(ix)(a)

For S R B C & CO LLP
 Chartered Accountants
 ICAI Firm registration number: 324982E/E300003

per Jayesh Gandhi
 Partner
 Membership No.: 037924
 UDIN: 22037924AJTMJF4126
 Place of Signature: Mumbai
 Date: May 27, 2022

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF CAPACIT'E INFRAPROJECTS LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of Capacit'e Infraprojects Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to consolidated Ind AS financial statements of Capacit'e Infraprojects Limited (herein referred to as 'the Holding Company') and its subsidiary, associates and joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated Ind AS financial statements.

Meaning of Internal Financial Controls With Reference to Consolidated Ind AS Financial Statements

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

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Ind AS Financial Statements

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

Opinion

In our opinion, the Group, its associates and joint ventures, which are companies incorporated in India, have maintained in all material respects, adequate internal financial controls with reference to consolidated Ind AS financial statements and such internal financial controls with reference to consolidated Ind AS financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company, in so far as it relates to these one subsidiary, three associates and two joint ventures, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary, associates and joint ventures incorporated in India.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Jayesh Gandhi

Partner
Membership Number: 037924
UDIN: 22037924AJTMJF4126
Place of Signature: Mumbai
Date: May 27, 2022

CAPACIT'E INFRAPROJECTS LIMITED
CIN - L45400MH2012PLC234318
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2022

Particulars	Notes	As at	As at
		March 31, 2022	March 31, 2021
		INR Lakhs	INR Lakhs
A - Assets			
1) Non-current assets			
Property, plant and equipment	4	67,922.27	65,085.69
Capital work-in-progress	4	1,366.08	587.83
Investment properties	4A	737.72	750.67
Intangible assets	5	77.80	101.82
Right-of-use assets	5A	632.40	504.21
Intangible assets under development	5	38.62	11.74
Investment in associates and joint ventures	6	35.02	108.86
Financial assets			
Investment	6A	8.50	8.50
Trade receivables (retention)	12	7,086.24	8,147.76
Other financial assets	8	2,312.28	10,741.78
Non current tax assets (net)	10	3,183.34	2,219.36
Other non-current assets	9	9,392.95	11,966.07
Total non-current assets		92,793.22	1,00,234.29
2) Current assets			
Inventories	11	11,153.96	10,044.86
Financial assets			
Investments	6	25.89	32.44
Trade receivables	12	39,468.89	28,578.34
Cash and cash equivalents	13	2,211.30	983.65
Bank balances other than cash and cash equivalents	14	16,176.82	14,638.60
Loans	7	1,300.00	1,300.00
Other financial assets	8	64,328.38	56,324.57
Other current assets	9	11,671.54	12,419.51
Total current assets		1,46,336.78	1,24,321.97
Total-Assets		2,39,130.00	2,24,556.26
B - Equity and Liabilities			
1) Equity			
Equity share capital	15A	6,789.15	6,789.15
Other equity	15B	90,503.19	86,078.10
Total equity		97,292.34	92,867.25
2) Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	16	13,736.60	8,233.79
Lease liabilities	16A	443.21	294.50
Other financial liabilities	18	3,589.41	2,820.92
Provisions	19	316.34	214.82
Deferred tax liabilities (net)	21	3,509.00	3,469.92
Other non-current liabilities	22	18,961.87	25,985.84
Total non-current liabilities		40,556.43	41,019.79
Current liabilities			
Financial liabilities			
Borrowings	16	19,092.91	20,393.32
Lease liabilities	16A	244.03	220.96
Trade payables	17		
- Total outstanding dues of micro enterprises and small enterprises		2,042.31	953.02
- Total outstanding dues of trade payables other than micro enterprises and small enterprises		50,818.83	41,306.64
Other financial liabilities	18	4,627.23	3,017.63
Provisions	19	244.90	219.26
Current tax liabilities (net)	20	1,258.49	1,251.53
Other current liabilities	22	22,952.53	23,306.86
Total current liabilities		1,01,281.23	90,669.22
Total liabilities		1,41,837.66	1,31,689.01
Total Equity and Liabilities		2,39,130.00	2,24,556.26
Summary of significant accounting policies	3		

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

As per our report of even date attached
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No: 324982E/E300003

For and on behalf of the Board of Directors
Capacit'e Infraprojects Limited

per Jayesh Gandhi
Partner
Membership No : 37924

Rahul Katyal
Managing Director
DIN: 00253046

Rohit Katyal
Executive Director &
Chief Financial Officer
DIN: 00252944

Place: Mumbai
Date: May 27, 2022

Varsha Malkani
Group Secretary

CAPACIT'E INFRAPROJECTS LIMITED
CIN - L45400MH2012PLC234318
CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2022

Particulars	Notes	Mar 31, 2022	Mar 31, 2021
		INR Lakhs	INR Lakhs
Income			
Revenue from operations	23	1,33,478.74	87,972.19
Other income	24	1,313.59	2,879.54
Total income		1,34,792.33	90,851.73
Expenses			
Cost of material consumed	25	55,488.86	35,691.33
Construction expenses	26	37,580.83	24,523.99
Employee benefit expense	27	10,889.09	7,880.75
Finance costs	28	6,697.82	7,029.65
Depreciation and amortisation expenses	29	9,881.31	9,016.23
Other expenses	30	8,170.58	6,227.72
Total expenses		1,28,708.49	90,369.67
Profit before tax and share of profit/(loss) of Joint Ventures and Associates (1-2)		6,083.84	482.06
Share of (loss)/ profit of Joint ventures	43	(26.17)	(8.75)
Share of profit/ (loss) of Associates	43	(47.95)	(15.54)
Profit before tax		6,009.72	457.77
Tax expense			
Current tax	31	1,581.05	636.44
Deferred tax	31	30.15	(445.60)
Adjustment of tax of earlier years		-	113.71
Total tax expense		1,611.20	304.55
Profit after tax		4,398.52	153.22
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Re-measurement gains on defined benefit plans		35.51	185.12
Income tax effect		(8.94)	(46.59)
Net other comprehensive income not to be reclassified to profit or loss in subsequent		26.57	138.53
Total comprehensive income for the period/year		4,425.09	291.75
Profit for the year			
- Owners of the Group		4,398.52	153.22
- Non-controlling interest		-	-
Other comprehensive income for the year			
- Owners of the Group		26.57	138.53
- Non-controlling interest		-	-
Total comprehensive income for the year			
- Owners of the Group		4,425.09	291.75
- Non-controlling interest		-	-
Earning per share (of INR 10/- each)			
- Basic (INR)	33	6.48	0.23
- Diluted (INR)		6.48	0.23
Summary of significant accounting policies	3		

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

As per our report of even date attached
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No: 324982E/E300003

For and on behalf of the Board of Directors
Capacit'e Infraprojects Limited

per Jayesh Gandhi
Partner
Membership No : 37924

Rahul Katyal Managing Director
DIN: 00253046
Rohit Katyal Executive Director & Chief Financial Officer
DIN: 00252944

Place: Mumbai
Date: May 27, 2022

Varsha Malkani
Group Secretary

CAPACIT'E INFRAPROJECTS LIMITED
CIN - L45400MH2012PLC234318
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

Particulars	Mar 31, 2022 INR Lakhs	Mar 31, 2021 INR Lakhs
A Cash flow from operating activities		
Profit before tax	6,009.72	457.77
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortisation expenses	9,881.31	9,016.23
Finance costs	6,697.82	7,029.65
Share of Profit/Loss from Joint Ventures & associates	74.12	24.29
Impairment allowance for trade receivables	2,271.83	2,129.10
Gain on disposal of property, plant and equipment	(225.80)	(15.93)
Fair value gain on financial instruments at fair value through profit and loss	(0.19)	(3.60)
Sundry balance written back	7.41	(74.81)
Finance income	(1,032.11)	(1,720.24)
Operating profit before working capital changes	23,684.11	16,842.46
Movement in working capital :		
(Increase)/Decrease in Trade Receivables (Including bills discounted with banks)	(14,738.33)	(2,126.96)
(Increase)/Decrease in Loans	-	-
(Increase)/Decrease in Inventories	(1,109.12)	366.95
(Increase)/Decrease in other assets and other financial assets	(6,470.27)	(2,841.96)
Increase/(Decrease) in Trade payables	10,568.48	(9,327.99)
Increase/(Decrease) in Provisions	162.67	(984.89)
Increase/(Decrease) in Other liabilities and other financial liabilities	(6,110.01)	6,595.38
Cash generated from operations	5,987.53	8,522.99
Income tax paid (net of refunds)	(2,538.07)	(819.71)
Net cash flow from operating activities (A)	3,449.46	7,703.28
B Cash flow from investing activities		
Purchase of property, plant and equipment including CWIP and capital advances	(10,213.65)	(11,256.74)
Proceeds from sale of property, plant and equipment	225.80	80.60
Purchase of other investments	-	(60.30)
Proceeds from sale of financial instruments	32.63	20.56
Investments in bank deposits (having original maturity of more than three months), net	6,708.59	(2,508.57)
Interest received	953.53	1,510.96
Net cash used in investing activities (B)	(2,293.10)	(12,213.49)
C Cash flow from financing activities		
Repayment of long-term borrowings	(4,374.27)	(3,251.24)
Proceeds from long-term borrowings	10,030.26	3,293.43
Payment of principal portion of lease liabilities	(159.63)	(413.89)
Proceeds/ (Repayments) from short-term borrowings, net	806.22	1,839.13
Interest paid including interest on lease liability	(6,231.29)	(6,732.59)
Net cash from/(used in) financing activities (C)	71.29	(5,265.16)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	1,227.65	(9,775.37)
Cash and cash equivalents at the beginning of the year	983.65	10,759.02
Cash and cash equivalents at end of the period (note 13)	2,211.30	983.65
Components of cash and cash equivalents		
Cash in hand	14.15	19.04
Foreign currency on hand	3.08	2.94
Balances with banks:		
- on current accounts	1,255.33	832.98
- Term Deposits with less than 3 months of original maturity	938.74	128.69
Total cash & cash equivalents (note 13)	2,211.30	983.65

Supplemental information	Note	
Non cash item : Gain/(Loss) on Current Investments on fair value through P&L	-	3.60
Summary of significant accounting policies	3	
Net Debt reconciliation to cash flows	16	

As per our report of even date attached

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No: 324982E/E300003

For and on behalf of the Board of Directors
Capacit'e Infraprojects Limited

per **Jayesh Gandhi**

Partner
Membership No : 37924

Rahul Katyal
Managing Director

DIN: 00253046

Rohit Katyal
Executive Director and
Chief Financial Officer

DIN: 00252944

Place: Mumbai
Date: May 27, 2022

Varsha Malkani
Group Secretary

CAPACIT'E INFRAPROJECTS LIMITED
CIN - L45400MH2012PLC234318
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

A) Equity Share Capital

For the year ended 31 March, 2022

	Nos.	INR Lakhs
At 1 April 2021	6,78,91,497	6,789.15
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance	6,78,91,497	6,789.15
Issue of share capital	-	-
At 31 March 2022	6,78,91,497	6,789.15

For the year ended 31 March 2021

	Nos.	INR Lakhs
At 1 April 2020	6,78,91,497	6,789.15
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance	6,78,91,497	6,789.15
Issue of share capital	-	-
At 31 March 2021	6,78,91,497	6,789.15

B) Other equity

	Reserves and surplus Securities premium	Retained earnings	Items of other comprehensive income	Total equity
Balance as at April 1, 2021	45,713.14	40,226.43	138.53	86,078.10
Profit for the year	-	4,398.52	-	4,398.52
Other comprehensive income / (losses)	-	-	26.57	26.57
At March 31, 2022	45,713.14	44,624.95	165.10	90,503.19

	Reserves and surplus Securities premium	Retained earnings	Items of other comprehensive income	Total equity
Balance as at April 1, 2020	45,713.14	40,088.11	-	85,801.25
Profit for the year	-	138.32	-	138.32
Other comprehensive income / (losses)	-	-	138.53	138.53
At March 31, 2021	45,713.14	40,226.43	138.53	86,078.10

Summary of significant accounting policies

3

The acGrouping notes are an integral part of the financial statements.

As per our report of even date attached
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No: 324982E/E300003

For and on behalf of the Board of Directors
Capacit'e Infraprojects Limited

per Jayesh Gandhi
Partner

Rahul Katyal
Managing Director

Rohit Katyal
Executive Director &
Chief Financial Officer
DIN: 00252944

Membership No : 37924

DIN: 00253046

Place: Mumbai
Date: May 27, 2022

Varsha Malkani
Group Secretary

CAPACITE INFRAPROJECTS LIMITED

CIN - L45400MH2012PLC234318

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

1 Corporate information

The consolidated financial statements comprise financial statements of Capacite Infraprojects Limited ("the Group") and its subsidiary (collectively, the Group) for the year ended March 31, 2022. The Group is a public limited Group domiciled in India and its incorporated under the provisions of Companies Act applicable in India on August 09, 2012. The Group is an ISO-9001:2015, ISO-14001:2015 and OHSAS-45001:2018 certified Group. Its shares are listed on two recognised stock exchanges in India. The registered office of the Group is located at 6th Floor, 605-607, "A" Wing, Shrikant Chambers, Next to R. K. Studios, Sion Trombay Road, Chembur, Mumbai, Maharashtra 400071.

The Group is primarily engaged in the business of Engineering, Procurement and Construction. The Group was incorporated as a Private Limited Group and became a Limited Group in March 2014 (Public limited in September 2017).

The consolidated financial statements were authorised for issue in accordance with a resolution of directors on May 27, 2022.

2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the consolidated financial statement.

2.2 Basis of preparation and presentation

These consolidated financial statements have been prepared in Indian Rupee ("INR") which is the functional currency of the Group. These consolidated financial statements have been prepared on historical cost basis, except for certain financial assets and liabilities which are measured at fair value or amortised cost at the end of each reporting period, as explained in the accounting policies below.

2.3 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Parent Group and its subsidiary as at 31 March 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

1. Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
2. Exposure, or rights, to variable returns from its involvement with the investee, and
3. The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

1. The contractual arrangement with the other vote holders of the investee;
2. Rights arising from other contractual arrangements;
3. The Group's voting rights and potential voting rights;
4. The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Group, i.e., year ended Consolidation procedure:

- (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiary. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- (b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- (c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries 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.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

1. Derecognises the assets (including goodwill) and liabilities of the subsidiary
2. Derecognises the carrying amount of any non-controlling interests
3. Derecognises the cumulative translation differences recorded in equity
4. Recognises the fair value of the consideration received
5. Recognises the fair value of any investment retained
6. Recognises any surplus or deficit in profit or loss
7. Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

3 Summary of significant accounting policies

a Current versus non-current classification

The Group presents assets and liabilities in the consolidated balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

Operating cycle for current and non-current classification

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

b Fair value measurement of financial instruments

The Group measures financial instruments at fair value at each balance sheet date using valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

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

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

c Revenue Recognition

Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers.

Description of performance obligation:

Contract revenue is recognized over time by measuring progress towards complete satisfaction of the performance obligation at the reporting date, measured on the basis of stage of completion which is as per survey of work done (output method). Contract costs related to work performed in projects are recognised on an accrual basis. Costs incurred in connection with the work performed are recognised as an expense.

Variable consideration is included in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when that uncertainty associated with the variable consideration is subsequently resolved.

The Group accounts for a contract modification (change in the scope or price (or both)) when that is approved by the parties to the contract. Where the outcome of a performance obligation cannot be reasonably measured, contract revenue is recognised to the extent of costs incurred in satisfying the performance obligation that is expected to be recovered.

Provision for future losses are recognised as soon as it becomes evident that the total costs expected to be incurred in a contract exceed the total expected revenue from that contract.

Revenue from rendering of services is recognised over time as and when the customer receives the benefit of the Group's performance and the Group has an enforceable right to payment for services transferred. Unbilled revenue represents value of services performed in accordance with the contract terms but not billed.

Contract balances:

- i) Contract assets
Due from customers

For contracts where the aggregate of contract cost incurred to date plus recognised profits (or minus recognised losses as the case may be) exceeds the progress billing, the surplus is shown as contract asset and termed as "Due from customers".

- ii) Trade receivables

The amounts billed on customer for work performed and are unconditionally due for payment i.e. only passage of time is required before payment falls due, are disclosed in the Balance Sheet as trade receivables. The amount of retention money held by the customers pending completion of performance milestone is disclosed as part of contract asset and is reclassified as trade receivables when it becomes due for payment.

Retention money are specific to project and generally receivable within 12 months of project completion.

- iii) Contract liabilities

Due to customers :

For contracts where progress billing exceeds the aggregate of contract costs incurred to-date plus recognised profits (or minus recognised losses, as the case may be), the surplus is shown as contract liability and termed as "Due to customers".

Advances from customer:

Amounts received before the related work is performed are disclosed in the Balance Sheet as contract liability and termed as "Advances from customer".

Supply contracts-sale of goods

Revenue from supply contract is recognized when the control is transferred to the buyer.

Management consultancy and other services

Revenues from management consultancy and other services are recognized pro-rata over the period of the contract as and when services are rendered.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

Dividend

Dividend income is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

d Property, plant and equipment (PPE)

PPE is recognised 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 is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. PPE acquired on hire purchase basis are recognised at their cash values. Cost includes professional fees related to the acquisition of PPE and for qualifying assets, borrowing costs are capitalised in accordance with the Group's accounting policy.

PPE not ready for the intended use on the date of the Balance Sheet are disclosed as "capital work-in-progress". (Also refer to policy on leases, borrowing costs, impairment of assets and foreign currency transactions infra).

Group is capitalising Site Establishments at site. Site establishments includes temporary structures build on project site and is used in the process of construction. Site establishments items and activities includes excavation, Ground levelling, making approach road, boundary making, barricading, security gate, labour colony, store rooms, professional fees for designing site establishments, monsoon protection sheds, all electrical lines at project site, etc. All material and manpower cost used in building these site establishments are capitalised at that project site.

The Group identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

e Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period with the affect of any change in the estimate being accounted for on a prospective basis. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

f Depreciation and Amortisation

Depreciation on Property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management.

Intangible assets in the form of computer software are amortised over their respective individual estimated useful lives on a straight line basis.

The Group has assessed the following useful life to depreciate and amortize on its property, plant and equipment and intangible assets respectively.

The useful life of major assets are as under:

Particulars	Useful lives of the assets estimated by the management (years)
Plant and Machinery *	20
Furniture and fixture *	10
Office Equipment	10
Formwork *	7 to 15
Vehicles	10
Computer	5
Computer Software	5

* Group has used useful life other than as indicated in Schedule II which is as per management estimate, supported by independent assessment by professionals. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Site Establishments are amortised systematically over the life of the contract.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. The amortization period and the amortization method are reviewed at least at each financial year end.

g Investment property and depreciation

i) Recognition and measurement:

Investment properties comprises of land and building are measured initially at cost, including transaction costs. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

All other repair and maintenance costs are recognised in Statement of Profit and Loss as incurred. Though the Group measures investment property using cost based measurement

ii) Depreciation

Depreciation on Investment Property is provided using the straight-line basis method based on the useful lives specified in Schedule II to the Companies Act, 2013. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. 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 Company.

All other repair and maintenance costs are recognised in Statement of Profit and Loss as incurred.

h Impairment of non-financial assets

As at the end of each accounting year, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the said assets are tested for impairment so as to determine the impairment loss, if any. The intangible assets with indefinite life are tested for impairment each year. Useful life of the all the assets are mentioned in note 3(f) - Depreciation and amortisation .

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

(i) in the case of an individual asset, at the higher of the net selling price and the value in use; and

(ii) in the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

(The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the Group suitably adjusted for risks specified to the estimated cash flows of the asset).

For this purpose, a cash generating unit is ascertained as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

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

i Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

If an entity's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long-term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit and loss outside operating profit.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit and loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss

j Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, 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.

Subsequent measurement

Subsequent measurement of financial assets:

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification financial assets.

Following are the categories of financial instrument:

- a) Financial assets at amortised cost
- b) Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- c) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- d) Financial assets at fair value through profit or loss (FVTPL)

a) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using the effective interest rate method if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income (FVTOCI)

Debt financial assets measured at FVOCI:

Debt instruments are subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity Instruments designated at FVOCI:

On initial recognition, the Group makes an irrevocable election on an instrument-by-instrument basis to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments, other than equity investment which are held for trading. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

c) Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading. Other financial assets such as unquoted Mutual funds are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition.

Derecognition

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

- a) the rights to receive cash flows from the asset have expired, or
 - b) the Group has transferred its rights to receive cash flows from the asset, and
- i. the Group has transferred substantially all the risks and rewards of the asset, or
- ii. the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

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 following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits, trade receivables and bank balance
- b) Financial assets that are debt instruments and are measured at FVTOCI.
- c) Financial guarantee contracts which are not measured as at FVTPL.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

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

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

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

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss. In the balance sheet, ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

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

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

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

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

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

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

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

De-recognition

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.

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

k Inventories

Inventories are valued at the lower of cost and net realisable value.

a. Construction material, raw materials, components, stores and spares are valued at lower of cost and net realizable value. However material and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost are determined on weighted average method.

b. Ply and Batten (included in cost of material consumed).

Ply and batten are part of material and supplies used in the construction process and are hence part of inventory which are valued at cost less amortisation/charge based on their usages.

l Foreign currencies

The Group's consolidated financial statements are presented in INR, which is also the Group's functional currency.

In preparing the consolidated financial statements, transactions in the currencies other than the Group's functional currency are recorded at the rates of exchange prevailing on the date of transaction. At the end of each reporting period, monetary items denominated in the foreign currencies are re-translated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the retranslation or settlement of other monetary items are included in the statement of profit and loss for the period.

Exchange differences arising on the retranslation or settlement of other monetary items are included in the statement of profit and loss for the period.

m Employee benefit expenses

Defined Benefit Plan

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on Projected Unit Credit Method made at the end of the financial year. Actuarial gains and losses for both defined benefit plans are recognized in full in the period in which they occur in the statement of OCI.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the consolidated balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

Termination Benefits

The Group recognizes termination benefit as a liability and an expense when the Group has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the termination benefits fall due more than 12 months after the balance sheet date, they are measured at present value of future cash flows using the discount rate determined by reference to market yields at the balance sheet date on government bonds.

Compensated Absences

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated advances are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Remeasurement gains/losses on defined benefit plans are immediately taken to the Statement of Profit & Loss and are not deferred.

n Taxes on income

Current income tax

Tax expense for the year comprises current and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the consolidated statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

i) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

ii) In respect of taxable temporary differences associated with investments in subsidiary and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

i) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

ii) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

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

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

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

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

All other acquired tax benefits realised are recognised in profit or loss.

o Cash and cash equivalent

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, which are 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.

p Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds including interest expense calculated using the effective interest method, finance charges in respect of assets acquired on finance lease. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset until such time as the assets are substantially ready for the intended use or sale. All other borrowing costs are expensed in the period in which they occur.

q Trade payables:

These amounts represents liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 to 180 days of recognition other than usance letter of credit. Trade payables are presented as current financial liabilities.

The Group enters into deferred payment arrangements (acceptances) for purchase of raw materials under Letter of Credit (LCs) under non-fund based working capital facility approved by Banks for the Group. Considering these arrangements are majorly for raw materials with a maturity ranging from 90 to 180 days, the economic substance of the transaction is determined to be operating in nature and these are recognised as Acceptances under Trade payables. Interest borne by the Group on such arrangements is accounted as finance cost.

r Leases

Where the Group is lessee

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

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of Building which is 3 to 5 years.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in note (h) Impairment of non-financial assets.

ii) Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Interest-bearing loans and borrowings (see note (n)).

iii) Short-term leases and leases of low-value assets

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

s Provisions and Contingencies

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. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

Provisions and contingent liability are reviewed at each balance sheet.

t Related party transactions

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the period-end are unsecured and settlement occurs in cash or credit as per the terms of the arrangement. Impairment assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

u 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, associate and joint venture companies; and
 - (iv) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.
- Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

v Dividend

(i) Proposed dividend:

The Group recognises a liability to make cash distributions to equity holders of the Parent Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Group's Board of Directors.

(ii) Final dividend

Final dividend on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Parent Group's Board of Directors. The Parent Group declares and pays dividend in Indian rupees. The Finance Act 2020 has repealed the Dividend Distribution Tax (DDT). Companies are now required to pay/distribute dividend after deducting applicable taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates.

CAPACITE INFRAPROJECTS LIMITED

CIN - L45400MH2012PLC234318

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

w Earnings per share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity share holders of the Parent Group by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as fresh issue, bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity shares holders of the Parent Group by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

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CAPACITE INFRAPROJECTS LIMITED

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

4 Property plant and equipment

	Plant and Machinery	Furniture & Fixtures	Office Equipment	Site Establishment	Computers	Formwork	Vehicles	Building	Total
	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs
Cost or Valuation									
At March 31, 2020	13,086.93	956.33	108.62	35,071.65	478.52	39,306.39	465.40	627.58	90,101.42
Additions	260.08	170.17	-	6,282.75	104.77	3,005.99	-	-	9,823.76
Impact on adoption of Ind AS 116									
Disposals	(82.42)	-	-	(4,273.86)	(23.24)	-	-	-	(4,379.52)
At March 31, 2021	13,264.59	1,126.50	108.62	37,080.54	560.05	42,312.38	465.40	627.58	95,545.66
Additions	141.51	25.50	-	4,956.87	61.57	7,059.44	21.45	746.21	13,012.55
Disposals	(86.98)	-	-	-	-	-	-	(535.00)	(621.98)
At March 31, 2022	13,319.12	1,152.00	108.62	42,037.41	621.62	49,371.82	486.85	838.79	1,07,936.23
Depreciation									
At March 31, 2020	2,152.27	215.86	57.74	15,666.30	252.37	7,801.84	86.98	25.81	26,259.17
Depreciation charge for the year	649.25	82.63	10.31	4,253.77	77.83	3,372.94	45.95	22.96	8,515.64
Disposals	(17.75)	-	-	(4,273.86)	(23.24)	-	-	-	(4,314.85)
At March 31, 2021	2,783.77	298.49	68.05	15,646.21	306.96	11,174.78	132.93	48.77	30,459.96
Depreciation charge for the year	651.94	70.25	9.46	5,001.13	86.24	3,755.31	46.97	6.77	9,628.07
Disposals	(20.41)	-	-	-	-	-	-	(53.66)	(74.07)
At March 31, 2022	3,415.30	368.74	77.51	20,647.34	393.20	14,930.09	179.90	1.88	40,013.96
Net Book Value									
At March 31, 2022	9,903.82	783.26	31.11	21,390.07	228.42	34,441.73	306.95	836.91	67,922.27
At March 31, 2021	10,480.82	828.01	40.57	21,434.33	253.09	31,137.60	332.47	578.81	65,085.70
Net Book Value	Mar 31, 2022	Mar 31, 2021							
	INR Lakhs	INR Lakhs							
Capital Work-in-Progress	1,366.08	587.83							

Note 1:

Charge on the Assets:

Please refer note 16 for the details of charge created on assets.

Note 2:

No borrowing costs are capitalised.

CAPACITIE INFRAPROJECTS LIMITED

CIN - L45400MH2012PLC234318

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Capital work in progress (CWIP) ageing schedule

At 31 March 22

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2 - 3 years	More than 3 years	
	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs
Project in progress	1,273.05	-	-	34.94	1,307.99
Projects temporarily suspended	-	-	-	58.09	58.09
Total	-	-	-	58.09	58.09

At 31 March 21

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2 - 3 years	More than 3 years	
	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs
Project in progress	338.93	-	190.81	-	529.74
Projects temporarily suspended	-	-	58.09	-	58.09
Total	338.93	-	248.90	-	587.83

Details of Projects temporarily suspended

CWIP	Amount in CWIP to be completed in				Total
	Less than 1 year	1-2 years	2 - 3 years	More than 3 years	
	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs
Ajinkya Hughes Projects	58.09	-	-	-	58.09
	58.09	-	-	-	58.09

5 Intangible Assets

	Computer Software	Total
	INR Lakhs	INR Lakhs
Cost or Valuation		
At March 31, 2021	418.43	418.43
Additions	15.81	15.81
Disposals	-	-
At March 31, 2022	434.24	434.24
Depreciation		
At March 31, 2021	316.62	316.62
Depreciation charge for the year	39.82	39.82
Disposals	-	-
At March 31, 2022	356.44	356.44
Net Book Value		
At March 31, 2022	77.80	77.80
At March 31, 2021	101.81	101.81

CAPACITE INFRAPROJECTS LIMITED
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Intangible assets under development

Particular	At March 31, 2022	At March 31, 2021
	INR Lakhs	INR Lakhs
Opening balance	11.74	-
Additions during the year	31.50	11.74
Capitalised during the year	4.62	-
Closing balance	38.62	11.74

Intangible assets under development ageing schedule

At 31 March 22

	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2 - 3 years	More than 3 years	
	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs
Project in progress	31.50	7.12	-	-	38.62
Projects temporarily suspended	-	-	-	-	-
Total	31.50	7.12	-	-	38.62

At 31 March 21

	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2 - 3 years	More than 3 years	
	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs
Project in progress	11.74	-	-	-	11.74
Projects temporarily suspended	-	-	-	-	-
Total	11.74	-	-	-	11.74

CAPACITE INFRAPROJECTS LIMITED
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

4A Investment property

	INR Lakhs
Cost or Valuation	
At March 31, 2020	812.44
Additions	-
Disposals	-
At March 31, 2021	812.44
Additions	-
Disposals	-
At March 31, 2022	812.44
Depreciation	
At March 31, 2020	48.84
Additions	12.94
Disposals	-
At March 31, 2021	61.78
Additions	12.94
Disposals	-
At March 31, 2022	74.72
Net Book Value	
At March 31, 2022	737.72
At March 31, 2021	750.67

Information regarding income and expenditure of Investment properties

	March 31, 2022 INR Lakhs	March 31, 2021 INR Lakhs
Rental income derived from investment properties	23.67	23.20
Direct operating expenses (including repairs and maintenance)	-	-
Profit arising from investment properties before depreciation and indirect expenses	12.94	12.94
Less - Depreciation	-	-
Profit arising from investment properties before indirect expenses	10.73	10.26

Fair Valuation of Investment properties

Investment properties	Fair Value
Retails properties	737.72

5A Lease**Group as a Lessee**

Group has lease contracts for various items of machinery , office and other equipment used in its operations having lease terms between 3 months to 11 months.The Group also has certain leases of office premises, staff accomodation, Labour colony and Godowns used in its operations having lease terms between 11 months to 72 months. The lease terms are fixed in nature. For leases having lease terms of 12 months or less and leases of office equipment with low value, Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions.

Set out below is the carrying amounts of right-of-use assets recognised and the movements during the period:

<u>Right to use Asset</u>	<u>INR Lakhs</u>
At March 31, 2020	1,645.91
Additions during the year	172.00
Disposals	704.60
At March 31, 2021	1,113.31
Additions during the year	328.67
Disposals	-
At March 31, 2022	1,441.98
 Depreciation	
At March 31, 2020	490.11
Additions during the year	451.80
Disposals	332.81
At March 31, 2021	609.10
Additions during the year	200.48
Disposals	-
At March 31, 2022	809.58
 Net Book Value	
At March 31, 2022	632.40
At March 31, 2021	504.21

CAPACITE INFRAPROJECTS LIMITED

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

6 Financial Assets: Investment in associates and joint ventures

Non Current Investments

I. Investment in equity shares carried at cost, fully paid up (unquoted)

a) In Associates in India

- TCC Constructions Pvt Ltd	11.37	16.01
- TPL - CIL Construction LLP	19.85	24.26
- Captech Technologies Private Limited [1,24,000 (March 31, 2021: 1,24,000) shares of INR 10 each]	-	64.78
	31.22	105.06

c) Investment in Joint Venture

- PPSL JV		-
Add: Profit recognised	3.80	3.80
	3.80	3.80

Total

Details:

Aggregate value of unquoted investments	35.02	108.86
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*In the financial year 2018-19, the Group had converted the outstanding balance of loan given to CIPL PPSL Yongnam Joint Ventures Constructions Private Limited, its subsidiary Group into unsecured subordinated perpetual securities. During the previous year there has been a net reduction in same securities amounting to INR 15.16 Lakhs (also refer Note- 40 on Related party). These securities are redeemable at the issuer's option and carry non-cumulative interest coupon at the rate of dividend paid on the issuer's ordinary shares. The interest can be deferred if the issuer does not pay any dividend on its ordinary shares for the financial year. The issuer has classified this instrument as equity under Ind AS -32 Financial Instruments Presentation. Accordingly, the Group has classified this investment as Equity Instrument and has accounted at cost as per Ind AS -27 Separate Financial Statements.

6 A Financial Assets: Investments

Non Current Investments

Investment in equity shares carried at cost, fully paid up (unquoted)

- Janakalyan Sahakari Bank [85,000 (March 31, 2021: 85,000) shares of INR 10 each]	8.50	8.50
	8.50	8.50

Current investments

I. Investment in mutual funds carried at fair value

through profit and loss, fully paid up (Unquoted) (under lien)

-Union Capital Protection Oriented Fund [NIL units (March 31, 2021:2,50,000)]	-	32.44
	-	32.44

Total

II. Investment in equity shares carried at cost, fully paid up (unquoted)

In Associates in India

- Captech Technologies Private Limited [1,24,000 (March 31, 2021: 1,24,000) shares of INR 10 each]	25.89	-
	25.89	-

Total

Details:

Aggregate value of unquoted investments	25.89	32.44
Market value of unquoted investments	25.89	32.44

7 Loans

Current

Loans Receivable- Considered good - Secured	1,000.00	1,000.00
Loans Receivable- Considered good - Unsecured	300.00	300.00
	1,300.00	1,300.00

Term & conditions:

Loans: INR 300 lakhs loan is given to Tridhaatu Asset Holdings LLP at an interest rate of 15% p.a. which is falling due on June 11, 2022. INR 1,000 lakhs loan is given to Epitome Residency Pvt. Ltd. at an interest rate of 15% p.a. which is falling due on June 12, 2022.

8 Other financial assets

	As at March 31, 2022 INR Lakhs	As at March 31, 2021 INR Lakhs
Non-current		
Deposits with banks (under lien)	1,584.55	338.28
Margin money deposits with banks	-	9,493.08
Interest accrued but not due on deposits with banks	364.19	327.71
Security deposits - others	363.54	382.71
Unbilled revenue	-	200.00
Total	2,312.28	10,741.78
	As at March 31, 2022 INR Lakhs	As at March 31, 2021 INR Lakhs
Current		
Interest accrued but not due on deposits with banks	319.57	277.47
Contract assets (Refer Note 36)		
Unbilled revenue	45,753.59	45,775.39
Submitted bills due for certification	12,545.50	8,135.83
Security deposits - others	1,152.95	1,138.18
Security deposits - unsecured	524.51	444.51
Other receivables	4,032.26	553.19
Total	64,328.38	56,324.57

Term & conditions:

Security deposits - unsecured are Earnest Money Deposits (EMDs) given while submitting tender for prospective business. EMDs are refundable after the award of tender .

Security deposits - others are given for lease agreements , utilities services & other services ranging from 11 months to 72 months. These security deposits are refundable at the end the lease period.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

9 Other assets	As at	As at
	March 31, 2022	March 31, 2021
	INR Lakhs	INR Lakhs
Other Non-Current assets		
i. Capital advances	6,704.94	8,753.76
ii. Advances other than Capital Advances		
Balances with government authorities	2,052.91	1,997.43
Prepaid expenses	523.62	1,064.93
Advances to others	111.48	149.95
Total	9,392.95	11,966.07
	As at	As at
	March 31, 2022	March 31, 2021
	INR Lakhs	INR Lakhs
Other Current Assets		
i. Advances other than Capital Advances		
Advances to employees	151.22	114.76
Advances to related parties	73.96	110.48
Advances to others	9,385.32	9,530.50
ii. Others		
Balances with government authorities	903.48	959.60
Prepaid expenses	1,157.56	1,704.17
Total	11,671.54	12,419.51
10 Non current tax assets (net)	As at	As at
	March 31, 2022	March 31, 2021
	INR Lakhs	INR Lakhs
Advance tax	3,183.34	2,219.36
[net of provision for taxation INR 10,222.06 Lakhs (March 31, 2021 INR 10,954.67 Lakhs)]		
Total	3,183.34	2,219.36
11 Inventories	As at	As at
	March 31, 2022	March 31, 2021
	INR Lakhs	INR Lakhs
Raw materials (at lower of cost and net realisable value)	11,153.96	10,044.86
Total	11,153.96	10,044.86
12 Trade receivables	As at	As at
	March 31, 2022	March 31, 2021
	INR Lakhs	INR Lakhs
Non-current		
Trade receivables (retention)- unsecured	7,086.24	8,147.76
Total	7,086.24	8,147.76
Current	As at	As at
	March 31, 2022	March 31, 2021
	INR Lakhs	INR Lakhs
Trade receivables including retention balance	46,178.63	33,198.79
[including retention of INR 9,538.96 lakhs (March 31, 2021 INR 6,169.58 lakhs)]		
Receivable from related party- (Refer note (a) below)	537.16	354.62
	46,715.79	33,553.41
Less: Impairment allowances (allowance for bad and doubtful debts)	(7,246.90)	(4,975.07)
Total	39,468.89	28,578.34
Break-up of Receivables:	As at	As at
	March 31, 2022	March 31, 2021
	INR Lakhs	INR Lakhs
Secured - Considered good (Refer note 3 below)	1,038.60	-
Unsecured - Considered good	47,939.83	37,598.95
- Trade Receivables which have significant increase in credit risk	4,823.60	4,102.22
- Credit Impaired	-	-
	53,802.03	41,701.17
Impairment allowances (allowed for bad and doubtful debts)		
Unsecured - Considered good	3,136.75	3,053.58
Trade Receivables which have significant increase in credit risk	4,110.15	1,921.49
Total	46,555.13	36,726.10

Notes:

- 1) No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person.
- 2) Receivable from related party (refer note 40)
- 3) Subsequent to the balance sheet date, the promoter group has entered into an agreement with Company by which any shortfall in the realisation within 9 months from the date of agreement against the outstanding carrying value from certain parties shall be indemnified to the Company. The said carrying value includes trade receivable of INR 1,038.60 lakhs and contract asset of INR 2,242.40 lakhs as on balance sheet date. Considering the same, trade receivable and contract asset of the said parties as on the balance sheet date has been considered secured and good.
- 4) Trade receivables are non-interest bearing and are generally on terms of 45 to 90 days.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Trade receivable ageing schedule
At 31 March 22

	Outstanding for the following period from due date of payment					INR Lakhs
	Less than 6 months	6 months - 1 year	1-2 years	2- 3 years	More than 3 Years	Total
	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs
Undisputed trade receivable -- considered good	29,161.68	4,742.63	3,326.83	6,607.32	4,559.26	48,397.72
Undisputed trade receivable -- significant increase in credit risk	-	-	60.44	584.90	4,178.26	4,823.60
Undisputed trade receivable -- credit impaired	-	-	-	-	-	-
Disputed trade receivable -- considered good	-	261.30	319.41	-	-	580.71
Disputed trade receivable -- significant increase in credit risk	-	-	-	-	-	-
Disputed trade receivable -- credit impaired	-	-	-	-	-	-
Total	29,161.68	5,003.93	3,706.68	7,192.22	8,737.52	53,802.03

At 31 March 21

	Outstanding for the following period from due date of payment					INR Lakhs
	Less than 6 months	6 months - 1 year	1-2 years	2- 3 years	More than 3 Years	Total
	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs
Undisputed trade receivable -- considered good	17,198.82	2,806.10	9,331.11	4,148.58	4,114.34	37,598.95
Undisputed trade receivable -- significant increase in credit risk	-	-	1,062.72	2,761.44	278.06	4,102.22
Undisputed trade receivable -- credit impaired	-	-	-	-	-	-
Disputed trade receivable -- considered good	-	-	-	-	-	-
Disputed trade receivable -- significant increase in credit risk	-	-	-	-	-	-
Disputed trade receivable -- credit impaired	-	-	-	-	-	-
Total	17,198.82	2,806.10	10,393.83	6,910.02	4,392.40	41,701.17

Unbilled revenue and submitted bills due for certification of INR 58,299.09 lakhs as on March 31,2022 (March 31, 2021: INR 54,111.22 lakhs) has been shown as contract assets in Note 8 -"Other financial assets".

Note (a) :Receivable from related party

Particulars	As at	As at
	March 31, 2022	March 31, 2021
	INR Lakhs	INR Lakhs
TPL- CIL Construction LLP	289.01	69.27
Capacite Viraj AOP	234.01	244.16
Captech Technologies Private Limited	8.63	28.69
Capacite Engineering Private Ltd	12.50	12.50
Total	544.15	354.62

Unbilled revenue of INR 45,753.59 lakhs as on March 31,2022 (March 31, 2021: INR 45,775.39 lakhs) has been shown as contract asset in Note 8 -"Other financial assets".

Expected credit loss allowances on receivables

Impairment of financial assets: The Group recognises impairment loss on trade receivables using expected credit loss model, which involves use of a provision matrix constructed on the basis of historical credit loss experience as permitted under Ind AS 109.

Movement in expected credit loss allowance

Particulars	As at	As at
	March 31, 2022	March 31, 2021
	INR Lakhs	INR Lakhs
Balance at the beginning of the year	4,975.09	2,845.98
Allowance during the year	2,271.83	2,129.11
Total	7,246.92	4,975.09

13 Cash and cash equivalents

	As at	As at
	March 31, 2022	March 31, 2021
	INR Lakhs	INR Lakhs
Balances with banks:		
-On current accounts	1,255.33	832.98
-Deposits with original maturity of less than three months	938.74	128.69
Cash on hand	14.15	19.04
Foreign currency on hand	3.08	2.94
Total	2,211.30	983.65

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates.

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14 Bank balances other than cash and cash equivalents

	As at March 31, 2022	As at March 31, 2021
	INR Lakhs	INR Lakhs
Deposits kept as margin money- Less than 3 months	7,019.38	3,907.70
Deposits having maturity more than three months but less than 12 months	9,157.44	10,730.90
Total	16,176.82	14,638.60

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

15A Equity share capital

	As at March 31, 2022 INR Lakhs	As at March 31, 2021 INR Lakhs
(a) Authorised capital		
8,00,00,000 (March 31,2021: 8,00,00,000) Equity shares of INR 10/- each	8,000.00	8,000.00
Total	8,000.00	8,000.00
(b) Issued, subscribed and paid up		
6,78,91,497 Equity shares of INR 10/- each fully paid (March 31,2021: 6,78,91,497)	6,789.15	6,789.15
Total issued, subscribed and fully paid-up share capital	6,789.15	6,789.15

Particulars	As at	As at	As at	As at	As at
	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018
(c) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:					
Equity shares allotted as fully paid-up pursuant to conversion of CCPS in ratio 7:1	-	-	-	-	1,15,96,816

(d) **Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period:**

Particulars	March 31, 2022		March 31, 2021	
	Nos.	INR Lakhs	Nos.	INR Lakhs
At the beginning of the year	6,78,91,497	6,789.15	6,78,91,497	6,789.15
Shares issued during the year	-	-	-	-
Outstanding at the end of the year	6,78,91,497	6,789.15	6,78,91,497	6,789.15

(e) **Terms/Rights attached to equity shares**

The Group has only one class of equity shares having a par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. The Group declares and pays dividends in Indian rupees. However, no dividend is declared in current year.

In the event of liquidation of the Group, the holders of shares will be entitled to receive remaining assets of the Group, after distribution of all preferential amounts. The distribution will be in proportion to the number of shares held by the shareholder INR.

(f) **Details of Shareholders holding more than 5% Equity Shares**

Name of shareholders	As at March 31, 2022		As at March 31, 2021	
	Number of shares held	% of Holding	Number of shares held	% of Holding
Rohit Ramnath Katyal	50,00,000	7.36%	63,04,144	9.29%
Rahul Ramnath Katyal	73,80,953	10.87%	83,80,953	12.34%
Katyal Merchandise Private Limited	90,72,994	13.36%	90,72,994	13.36%
New Quest Asia Investments II Limited	66,17,254	9.75%	66,17,254	9.75%
Paragon Partners Growth Fund	60,36,303	8.89%	60,36,303	8.89%
ICICI Prudential Multicap Fund	12,42,371	1.83%	42,05,451	6.19%

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(g) Disclosure of Shareholding of Promoters

	As at March 31, 2022		As at March 31, 2021		% change during the year
	Number of shares held	% of Holding	Number of shares held	% of Holding	
Promoters					
Rohit Ramnath Katyal	50,00,000	7.36%	63,04,144	9.29%	-1.93%
Rahul Ramnath Katyal	73,80,953	10.87%	83,80,953	12.34%	-1.47%
Subir Malhotra	25,25,439	3.72%	25,25,439	3.72%	0.00%
Promoter group					
Katyal Merchandise Private Limited	90,72,994	13.36%	90,72,994	13.36%	0.00%
Sakshi Rohit Katyal	22,56,093	3.32%	22,56,093	3.32%	0.00%
Nidhi Rahul Katyal	70	0.00%	70	0.00%	0.00%
Rahul Ramnath Katyal (Acting As A Partner Of M/S Asutosh Trade Links)	-	0.00%	11,89,153	1.75%	-1.75%
Total	2,62,35,549	38.64%	2,97,28,846	43.79%	-5.15%

15B Other equity

	As at	As at
	March 31, 2022	March 31, 2021
	INR Lakhs	INR Lakhs
(a) Securities premium		
Balance as per the last financial statements	45,713.14	45,713.14
Total	45,713.14	45,713.14

Note: Securities premium is used to record the excess of the amount received over the face value of the shares. The issue expenses of securities which qualify as equity instruments are written off against Securities premium. This reserve will be utilised in accordance with the provision of the Companies Act, 2013.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

	As at March 31, 2022	As at March 31, 2021
	INR Lakhs	INR Lakhs
	40,364.96	40,088.11
	4,398.52	153.22
	26.57	138.53
	-	(14.90)
	44,790.05	40,364.96
	90,503.19	86,078.10

(b) Retained earnings

Balance as per last financial statement
Add: Profit for the year
Add: Other comprehensive income for the year
Less: Adjustment for joint venture (Refer note 53)
Total

Grand Total

Note: The portion of profits not distributed among the shareholders but retained and used in business are termed as retained earnings. It is also referred to as ploughing back of profit. The Group should ensure to strike the right balance between the quantum of dividend paid and amount of profits retained in the business for various purposes. These earnings may be utilized for internal financing of its various projects and for fixed as well as working capital. Thus the retained earnings shall be utilized for carrying out the main objectives of the Group and maintaining adequate liquidity levels.

Notes to reserves**i) Securities premium**

Securities premium The amount received in excess of face value of the equity shares is recognised in Securities Premium

ii) Retained earnings

Retained earnings Retained earnings are the profits that the Group has earned till date

iii) Debenture redemption reserve (DRR)

Debenture redemption reserve (DRR) The Companies Act requires that where a Group issues debentures, it shall create a debenture redemption reserve out of profits of the Group available for payment of dividend. The Group is required to maintain a Debenture Redemption Reserve of 15% of the value of debentures issued, either by a public issue or on a private placement basis. The amounts credited to the debenture redemption reserve may not be utilised by the Group except to redeem debentures. No DRR is required for debentures issued after August 16, 2019

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16 Borrowings

	As at March 31, 2022 INR Lakhs	As at March 31, 2021 INR Lakhs
(a) Non-Current borrowings		
Debentures		
12.5% Redeemable Non-Convertible Debentures (NCDs) (Secured)	7,551.01	-
	7,551.01	-
Term loans		
From banks (secured)	5,007.15	7,208.08
From financial institutions (secured)	1,178.44	1,025.71
Total	6,185.59	8,233.79

	As at Mar 31, 2022	
	Gross amount	Carrying value
Secured Redeemable Non-Convertible Debentures (NCDs)		
12.5% Redeemable Non-Convertible Debentures	8,000.00	7,551.01

NCD carries Coupon Rate of 12.50% p.a. The principal amount is payable after moratorium of 15 months in seven quarterly instalments. The debentures are redeemable at a premium equivalent of IRR of 15.22% to 16.06% p.a. to investors. These debentures are secured by hypothecation of equipment's and properties against which these loans are taken along with Personal Guarantee by Mr Rohit Katyal , Mr Rahul Katyal and Mrs Shakshi Katyal

(b) Current borrowings		
Working capital loan (secured)		
From bank	9,570.39	13,723.53
Bills discounted with bank (secured)	-	2,259.82
Current maturity of long term loans (secured)		
From banks	3,522.73	3,518.49
From financial institutions	878.13	729.19
From related parties		
Intercompany deposits from related party (unsecured)	105.62	104.25
Loans from directors (unsecured)	5,016.04	58.04
Total	19,092.91	20,393.32
Less: Amount clubbed under "other current liabilities"		
Net current borrowings	19,092.91	20,393.32
Aggregate secured borrowings	27,707.85	28,464.82
Aggregate unsecured borrowings	5,121.66	162.29

Terms and conditions of the borrowings

- Term loan from bank carries interest ranging between 7.40% to 14.70% p.a. These loans are repayable in 36 to 84 months with structured monthly instalments ranging between INR 0.15 Lakhs to INR 22.17 Lakhs each along with interest, from the date of loan. These loans are secured by hypothecation of respective equipment's/vehicles against which these loans are taken with additional mortgage/charge aggregating to an amount of INR 12,858.20 Lakhs (March 31, 2021 INR 18,078.00 Lakhs), on the plant and machinery and formwork placed at various sites and used for the purpose of construction. Further, these loans has been guaranteed by the personal guarantee of the directors of the Company.
- Term loan from financial institutions carries interest ranging between 8.00% to 12.50% p.a. These loans are repayable in 24 to 180 months with structured monthly instalments ranging between INR 0.28 Lakhs to INR 11.85 Lakhs each along with interest, from the date of loan. These loans are secured by hypothecation of respective equipment's against which these loans are taken with additional mortgage/charge aggregating to an amount of INR 4,183.29 Lakhs (March 31, 2021 INR 3,801 Lakhs), on the plant and machinery placed at various sites and used for the purpose of construction. Further, these loans has been guaranteed by the personal guarantee of the directors of the Company.
- Working capital loan from banks is secured against hypothecation of fixed assets, inventory, trade receivables, and other current assets on pari passu basis with other member banks in the consortium. The Working capital loan is repayable on demand and carries interest range between 6 Month to 1 year MCLR + 1.5% to 3.50% presently, in range of 9.50% to 11.70% p.a.
- Unsecured Loan from related parties carry interest rate of 8.15% p.a. to 12% p.a.

(e) Statements/returns submitted to the banks vis-a-vis balances as per books of accounts as on the date of closing for limited review/ statutory audit

The overall difference between the statements/returns submitted to the banks is INR 533.26 Lakhs (derived after deducting the trade payables from the total of inventory, WIP (unbilled revenue) and trade receivable) is lower than the books of account. Therefore the drawing power computed by the banks is lower. The difference is mainly on account of timing difference of the preparation and submission of statements/returns with the bank and the accounting in the books of account at the end of the quarter/year.

The value excludes the amount pertaining to projects which are specifically charged to project financier.

Net debt reconciliation with cash flow statements

Particulars	Liabilities from Financing Activities		
	Non Current borrowings (included interest accrued)	Current borrowings	Total
At March 31, 2020	12,446.69	18,380.55	30,827.24
Cash flow (As per statement of cash flow) (net)	43.47	(2,234.91)	(2,191.44)
Interest expense	6,777.38	-	6,777.38
Interest paid	(6,731.11)	-	(6,731.11)
At March 31,2021	12,536.43	16,145.64	28,682.07
Cash flow (As per statement of cash flow) (net)	5655.99	(1,606.32)	4,049.67
Interest expense	6,697.82	-	6,697.82
Interest paid	(6,231.29)	-	(6,231.29)
At March 31,2022	18,658.95	14,539.32	33,198.27

16A Lease Liability

	As at March 31, 2022 INR Lakhs	As at March 31, 2021 INR Lakhs
(a) Non-current lease liability	443.21	294.50
(b) Current lease liability	244.03	220.96
Total	687.24	515.46

The effective interest rate for lease liability is 11% with maturity between 2022-2027

(c) Reconciliation between total future minimum lease payments and their present value:	As at March 31, 2022 INR Lakhs	As at March 31, 2021 INR Lakhs
Total future minimum lease payments	844.28	645.23
Less: Future liability on interest account	156.60	129.77
Present value of future minimum lease payments	687.68	515.46

(d) Year wise future minimum lease rental payments:	As at March 31, 2022 INR Lakhs		As at March 31, 2021 INR Lakhs	
	Total Minimum Lease payments	Present value of lease payments	Total Minimum Lease payments	Present value of lease payments
(i) Not later than one year	320.12	244.47	196.53	139.83
(ii) Later than one year but not later than five years	524.16	443.21	448.70	375.63
Total	844.28	687.68	645.23	515.46

(e) Lease liability movement	During the year ended March 31, 2022 INR Lakhs	During the year ended March 31, 2021 INR Lakhs
Opening balance	515.46	1,183.49
Add: Lease liability recognised during the year	-	-
Less: Lease liability derecognised during the year	-	422.09
Add: Contract assets during the year	328.66	167.95
Add: Finance cost charged during the year	90.50	134.45
Less: Lease payments during the year	246.94	548.34
Closing balance	687.68	515.46

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17 Trade payables

	As at March 31, 2022 INR Lakhs	As at March 31, 2021 INR Lakhs
Total outstanding dues of micro enterprises and small enterprises (Refer note 35)	2,042.31	953.02
Total outstanding dues of creditors other than micro enterprises and small enterprises.		
Acceptances (refer note (a) below)	12,932.29	9,766.26
Trade payables (refer note (b) below)	37,805.71	30,686.80
Trade payables to related parties	80.83	853.58
Sub Total	50,818.83	41,306.64
Total	52,861.14	42,259.66

Notes:

(a) Acceptances represent amounts payable to banks on due date as per usance period of Letter of Credit (LCs) issued to raw material vendors under non-fund based working capital facility approved by banks for the Group. The arrangements are interest-bearing with a maturity ranging from 90 to 180 days.

(b) Others includes amount payable to vendors and accrual of expenses that are expected to be settled in the Group's normal operating cycle or due to be settled within 30 to 180 days from the reporting date.

(c) For explanations on the Group's liquidity risk management processes Refer note 44 (c).

Trade payable ageing schedule
As at 31 March 22

	Outstanding for following periods from due date of payment				INR Lakhs
	Less than 1 Year	1-2 years	2- 3 years	More than 3 Years	Total
	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs
Total outstanding due to MSME	1,928.46	47.90	44.64	21.30	2,042.30
Total outstanding due to creditors other than MSME	46,671.08	1,680.24	1,684.18	783.34	50,818.84
Disputed dues MSME	-	-	-	-	-
Disputed dues others than MSME	-	-	-	-	-
Total	48,599.54	1,728.14	1,728.82	804.64	52,861.14

As at 31 March 21

	Outstanding for following periods from due date of payment				INR Lakhs
	Less than 1 Year	1-2 years	2- 3 years	More than 3 Years	Total
	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs
Total outstanding due to MSME	837.52	87.63	21.20	6.68	953.03
Total outstanding due to creditors other than MSME	36,505.55	3,688.45	951.58	161.05	41,306.63
Disputed dues MSME	-	-	-	-	-
Disputed dues others than MSME	-	-	-	-	-
Total	37,343.07	3,776.08	972.78	167.73	42,259.66

18 Other financial liabilities

	As at March 31, 2022 INR Lakhs	As at March 31, 2021 INR Lakhs
Non-current		
Other financial liabilities at amortized cost		
Retention money payable to others	3,382.94	2,756.00
Retention money payable to related parties	206.47	64.92
Total	3,589.41	2,820.92

	As at March 31, 2022 INR Lakhs	As at March 31, 2021 INR Lakhs
Current		
Other financial liabilities at amortized cost		
Group's share in joint ventures and associates	43.89	17.71
Interest accrued but not due on borrowings	51.62	51.62
Interest accrued on loans from directors	296.73	1.38
Interest accrued but not due on ICD taken	17.67	3.34
Interest accrued but not due on Non-Convertible Debentures	2.74	-
Creditors for capital goods/services	2,793.20	1,844.70
Employee dues	1,421.38	1,098.88
Total	4,627.23	3,017.63

Terms and conditions:

-Creditors for capital goods are non-interest bearing and are normally settled on 90 to 180 day terms.

-Retention money are payable after the defect liability periods is over as per the terms of the contract.

-Long term loans maturity and interest accrued but not due are as per the terms with bank's loan sanction letter. (Refer note 16)

-Interest accrued but not due on ICDs are payable within 1 to 3 months as per the terms of loan.

-Employee dues are payable within 30 days.

19 Provisions

	As at March 31, 2022 INR Lakhs	As at March 31, 2021 INR Lakhs
Non-current		
Provision for employee benefits		
Gratuity	316.34	214.82
Total	316.34	214.82

	As at March 31, 2022 INR Lakhs	As at March 31, 2021 INR Lakhs
Current		
Provision for employee benefits		
Gratuity	137.64	107.72
Leave encashment	75.98	75.53
Other provisions	31.28	36.01
Total	244.90	219.26

Movement in provisions

Provisions	Workman Compensation	Employee Term Insurance Payable	Total
At April 01, 2021	8.35	27.66	36.01
Addition:	31.28	-	31.28
Utilised :	8.35	27.66	36.01
At March 31, 2022	31.28	-	31.28

Provisions

	Service Tax Payable	Workman Compensation	Employee Term Insurance Payable	Total
At April 01, 2020	1,158.57	8.35	12.42	12.42
Addition:	-	-	15.24	15.29
Utilised :	1,158.57	8.35	-	-
At March 31, 2021	-	-	27.66	27.71

20 Current tax liabilities (net)

	As at March 31, 2022 INR Lakhs	As at March 31, 2021 INR Lakhs
Provision for tax	1,258.49	1,251.53
[net of advance tax INR 2,306.71 Lakhs (March 31, 2021 INR 2,305.83 Lakhs)]		
Total	1,258.49	1,251.53

21 Deferred tax liabilities (net)

	As at March 31, 2022 INR Lakhs	As at March 31, 2021 INR Lakhs
Deferred tax liabilities (net)	3,509.00	3,469.92
Total	3,509.00	3,469.92

Deferred tax assets in relation to:

	As at March 31, 2021 INR Lakhs	Recognised in Profit or Loss INR Lakhs	As at March 31, 2022 INR Lakhs
Provisions	1,388.50	840.64	2,229.14
Retention	1,085.31	45.02	1,130.33
	2,473.81	885.66	3,359.47

Deferred tax liabilities in relation to:

Property, plant and equipment	4,173.51	646.79	4,820.30
Retention money	1,500.78		1,500.78
Impact on adoption of Ind AS 115	203.17		203.17
Bad Debt	-	226.80	226.80
Others	66.27	51.15	117.42
Total	5,943.73	924.74	6,868.47

Net deferred tax liabilities

	3,469.92	39.08	3,509.00
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

	As at March 31, 2020 INR Lakhs	Recognised in Profit or Loss INR Lakhs	As at March 31, 2021 INR Lakhs
Deferred tax assets in relation to:			
Provisions	853.06	535.44	1,388.50
Others	-	1085.31	1,085.31
	853.06	1,620.75	2,473.81
Deferred tax liabilities in relation to:			
Property, plant and equipment	3,114.32	1,059.19	4,173.51
Retention money	1,384.82	115.96	1,500.78
Impact on adoption of Ind AS 115	203.17	-	203.17
Others	19.68	46.59	66.27
Total	4,721.99	1,221.74	5,943.73
Net deferred tax liabilities	3,868.93	(399.01)	3,469.92

* Includes effect of transfer from provision for taxes to deferred tax liability.

22 Other liabilities

	As at March 31, 2022 INR Lakhs	As at March 31, 2021 INR Lakhs
Non-current		
Contract liabilities		
Advance from customers (refer note 36)	18,961.87	25,985.84
Deferred income	-	-
Total	18,961.87	25,985.84
Current		
Contract liabilities		
Advance from customers (refer note 36)	20,810.13	22,835.06
Deferred income	-	-
Statutory dues	2,142.40	471.80
Total	22,952.53	23,306.86

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 NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

23 Revenue from operations	March 31, 2022 INR Lakhs	March 31, 2021 INR Lakhs
Contract revenue	1,32,168.39	87,429.96
Other operating income		
- Scrap sales	1,310.35	542.23
Total	1,33,478.74	87,972.19

24 Other income	March 31, 2022 INR Lakhs	March 31, 2021 INR Lakhs
(a) Interest income		
- Interest on fixed deposits	823.94	1,500.80
- Other interest income	208.17	219.44
(b) Other non operating income		
- Equipment hire charges	4.50	49.05
- Service charge income	5.04	-
- Net gain on sale or fair valuation of mutual funds	0.19	3.60
- Miscellaneous income	271.75	1,106.65
Total	1,313.59	2,879.54

Net gains (losses) on fair value changes	March 31, 2022 INR Lakhs	March 31, 2021 INR Lakhs
Investments classified at FVTPL	0.19	3.60
Investments designated at FVTPL	-	-
Derivatives at FVTPL	-	-
Other Financial Instruments classified as FVTPL	-	-
Reclassification adjustments	-	-
Realised gain on debt investments classified as FVOCI	-	-
Total Net gains (losses) on fair value changes*	0.19	3.60

* Total Net gains (losses) on fair value changes include INR 0.19 Lakhs (March 21, 2021 INR 0.04 Lakhs) as 'Net gain or loss on sale of investments'.

25 Cost of material consumed	March 31, 2022 INR Lakhs	March 31, 2021 INR Lakhs
Opening stock	10,044.86	9,105.69
Add: Purchase of material (refer note 32)	56,597.96	36,630.50
Less: Closing stock	(11,153.96)	(10,044.86)
Total	55,488.86	35,691.33

26 Construction expenses	March 31, 2022 INR Lakhs	March 31, 2021 INR Lakhs
Labour/Subcontractor charges (refer note 32)	30,189.75	17,850.35
Electricity expenses (Site)	1,107.29	697.78
Equipment hire charges (refer note 32)	1,135.71	1,086.21
Formwork hire charges	1,479.68	944.65
Other construction expenses	3,668.40	3,945.00
Total	37,580.83	24,523.99

27 Employee benefit expenses	March 31, 2022 INR Lakhs	March 31, 2021 INR Lakhs
Salaries, wages and bonus	10,256.22	7,405.93
Contributions to provident and other funds	261.12	239.04
Staff welfare expenses	371.75	235.78
Total	10,889.09	7,880.75

Note:

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective. Impact if any of the change will be assessed and accounted in period of notification of the relevant provisions.

28 Finance cost	March 31, 2022 INR Lakhs	March 31, 2021 INR Lakhs
Interest on borrowings *	2,745.27	3,674.98
Other interest expenses	1,583.70	1,601.93
Bank guarantee commission	1,771.08	1,220.32
Bank charges	597.77	532.42
Total	6,697.82	7,029.65

* Includes INR 1.01 Lakhs as Interest on financial liabilities measured at amortised cost (March 31, 2021: NIL)

29 Depreciation and amortisation expenses	March 31, 2022 INR Lakhs	March 31, 2021 INR Lakhs
Depreciation of property, plant and equipment	9,628.07	8,502.78
Depreciation of Investment properties	12.94	12.94
Amortization of intangible assets	39.82	48.71
Depreciation of right-of-use assets	200.48	451.80
Total	9,881.31	9,016.23

30 Other expenses	March 31, 2022 INR Lakhs	March 31, 2021 INR Lakhs
Electricity charges	40.67	72.50
Rent	555.55	503.62
Rates and taxes	332.61	349.46
Insurance expenses	232.47	194.04
Repairs and maintenance of:		
Plant and machinery	215.53	182.44
CSR expenditure (refer note below)	170.42	249.91
Commission and brokerage	22.87	19.01
Legal and professional charges (refer note 32)	1,301.42	667.36
Payment to auditor (refer note below)	69.05	65.38
Advertising and sales promotion	63.25	43.28
Travelling expenses	328.60	155.29
Vehicle hiring charges	296.89	298.23
Communication costs	40.66	50.98
Impairment allowance for trade receivables	2,271.83	2,129.10
Bad debt	900.91	-
Donation	0.70	6.29
Office expenses	958.53	827.81
Printing and stationery	104.85	87.16
Miscellaneous expenses	263.77	325.86
Total	8,170.58	6,227.72

Corporate Social Responsibility expenditure

As per section 135 of the Companies Act, 2013 read with relevant rules thereon, the Company was required to spend INR 170.42 Lakhs (March 31, 2021 INR 249.91 Lakhs) on Corporate Social Responsibility (CSR) activities during FY 2021-22. Against it, the Company has adjusted an amount of INR 170.42 lakhs with a balance of INR 318.95 lakhs (March 31, 2021 INR 568.86 lakh) towards CSR activities. The balance excess CSR amount for FY 2021-22 of INR 148.53 lakhs has been carried forward to next year.

Amount spent during the year ended March 31, 2022 on:	In Cash	(excess spent)/ yet to be paid	Total
(i) Construction of any asset	-	-	-
(ii) Purposes other than (i) above	318.95	(148.53)	170.42
Total	318.95	(148.53)	170.42

Amount spent during the year ended March 31, 2021 on:	In Cash	(excess spent)/ yet to be paid	Total
(i) Construction of any asset	-	-	-
(ii) Purposes other than (i) above	568.86	(318.95)	249.91
Total	568.86	(318.95)	249.91

Payment to auditors (excluding GST)

As auditors:

Statutory audit fees	38.55	36.75
Limited review of standalone and consolidated financial statement on quarterly basis	27.50	25.50
For Other services including certification works	3.00	3.00
Reimbursement of expenses	-	0.13
	69.05	65.38

31 Income tax

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	March 31, 2022	March 31, 2021
	INR Lakhs	INR Lakhs
Profit before tax	6,079.68	482.06
Profit before tax considered for tax working	6,079.68	482.06
Income tax expense calculated at 25.168%	1,530.13	121.31
Add/(Less) tax effect on account of :		
Impact of new tax rate adoption		
MAT write-off	-	-
Effect of Rate change due to new tax regime	-	-
Other impacts		
Tax effect on permanent non deductible expenses	81.07	69.53
Adjustments of tax of earlier years		112.17
Income tax expense recognised in statement of profit and loss	1,611.20	303.01
Statement of other comprehensive income:		
Current tax related to items recognised in OCI during the year:		
In respect of current year	35.51	185.12
Income tax charged to OCI	8.94	46.59

32 During the year, following expenses are capitalised to site establishment (also refer note 3(d) on PPE)

Particulars	March 31, 2022	March 31, 2021
	INR Lakhs	INR Lakhs
Raw material consumed	4,147.53	4,696.57
Labour/Subcontractor charges	797.57	1,320.50
Equipment hire charges	-	88.86
Legal and professional charges	-	152.05
Others	11.77	25.00
Total	4,956.87	6,282.98

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33 Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars		March 31, 2022	March 31, 2021
Basic earnings per share			
Profit after tax as per accounts (INR In Lakhs)	A	4,398.52	153.22
Weighted average number of equity shares outstanding	B	6,78,91,497	6,78,91,497
Basic EPS	A/B	6.48	0.23
Diluted earnings per share			
Profit after tax as per accounts (INR In Lakhs)	A	4,398.52	153.22
Weighted average number of equity shares outstanding for diluted EPS	B	6,78,91,497	6,78,91,497
Diluted EPS	A/B	6.48	0.23
Face Value per share (INR)		10	10

34 Segment Reporting

For management purposes, the Group is organised into business units based on its services and has single reportable segments namely "Engineering, Procurement and Construction Contracts".

The Board of directors of the Group monitors the operating results of this segment for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

35 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Based on the information available with the Company, the dues payable to micro, small and medium enterprises as defined in "The Micro, Small & Medium Enterprises Development Act, 2006" as at March 31, 2022 amounts to INR 2,042.31 Lakhs (March 31, 2021: INR 953.02 Lakhs)

	INR Lakhs	
	March, 31 2022	March, 31 2021
-Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	2,042.31	953.02
-Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	167.25	167.25
-Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
-Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
-Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
-Interest due and payable towards suppliers registered under MSMED Act, for payments already made	167.25	106.62
-Further interest remaining due and payable for earlier years	106.62	60.62

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36 Disclosure pursuant to Ind AS 115

a) Contract balances

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

Particulars	INR Lakhs	
	As at March 31, 2022	As at March 31, 2021
Contract assets		
Unbilled revenue		
Non-current	-	200.00
Current	58,299.09	53,911.22
Total Contract assets	58,299.09	54,111.22
Contract liabilities		
Advance from customers		
Non-current	18,961.87	25,985.84
Current	20,810.13	22,835.06
Total Contract liabilities	39,772.00	48,820.90
Receivables		
Trade receivables (gross)		
Non current	7,086.24	8,147.76
Current	46,715.79	33,553.41
Less : Impairment allowance	(7,246.90)	(4,975.07)
Net receivables	46,555.13	36,726.10
Total	65,082.22	42,016.42

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance. Contract assets are transferred to receivables when the rights become unconditional and contract liabilities are recognized as and when the performance obligation is satisfied.

Significant changes in the contract assets and the contract liabilities balances during the year are as follows:

Particulars	INR Lakhs	
	As at March 31, 2022	
	Contract Assets	Contract Liabilities
Opening balance (unbilled revenue)	54,111.22	48,813.91
Less : Revenue recognized during the year from balance at the beginning of the year, (net)	38,069.80	33,308.34
Add : Advance received during the year not recognized as revenue	-	24,266.43
Add : Revenue recognized during the year apart from above, (net)	42,257.67	
Closing balance	58,299.09	39,772.00

b) Transaction Price - Remaining Performance Obligation

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Group expects to recognize these amounts in revenue. The aggregate value of performance obligations (completely or partially unsatisfied) as of March 31, 2022 is INR 9,77,069.92 Lakhs (excluding MHADA project), out of which, majority is expected to be recognised as revenue within a period of 18-36 months. MHADA project is a Joint venture project between Capacite Infraprojects Limited & Tata Projects Limited.

37 Contingent liabilities**a) Particulars**

	As at March 31, 2022 INR Lakhs	As at March 31, 2021 INR Lakhs
Corporate guarantee given on behalf of subsidiary Group	-	1,095.00
Bank guarantees	9,013.09	11,900.95
Provident fund	106.29	-
GST demand	4,000.17	-
Income Tax demand	3,115.04	-
Total	16,234.59	12,995.95

- b) For the year 13-14 & 14-15, Company has received assessment orders under Maharashtra Value Added Tax Act, 2002 (MVAT) with disallowance of input Tax Credit and Tax deducted at source amounting to INR 63,22,130/- and INR 1,15,31,314/- respectively. The Company has filed an appeal against the said orders. Pending outcome of the same, no adjustment has been made in the financial statements. The outcome of the appeal shall not result into cash outflow for the company.
- c) With respect to certain matters relating to issue of shares in earlier years, the Group has made suo-moto application to Registrar of Companies (ROC), Mumbai, for compounding of offences under Section 42, 62 read with the applicable rules thereunder of the Companies Act. The matter is still pending with the ROC, Mumbai, the impact of the same on the financial statements is not ascertainable.
- d) One of the customer has encashed performance bank guarantee of INR 2,226.98 Lakhs during the year. This amount has been shown as "Other receivable" in Note no. 8. The company has filed a case against the customer for wrongful encashment of the guarantee. The management is confident of positive outcome of the case.

38 Capital and other commitments

	As at March 31, 2022 INR Lakhs	As at March 31, 2021 INR Lakhs
Estimated amount of contracts remaining to be executed on capital account (net of advances) -on Property, plant & equipment	88.77	410.70
Total	88.77	410.70

39 Disclosure pursuant to Ind AS 19 "Employee Benefits"

The Group operates one defined benefit plan viz. gratuity benefit for its employees which is funded. The gratuity benefit is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The scheme is funded with insurance companies.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the gratuity benefit plan:

(i) Net benefit expenses (recognised in profit or loss)

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Current service cost	111.90	113.37
Net interest cost	33.68	29.07
Net benefit expenses	145.58	142.44

(ii) Re-measurement (gain)/loss recognised in other comprehensive income

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Actuarial loss / (gain) due to defined benefit obligation ('DBO') and assumption changes	(11.92)	(226.58)
Return on plan assets less / greater than discount rate	8.32	15.14
Actuarial losses / (gains) due recognised in OCI	(3.60)	(211.44)

(iii) The amounts recognised in the Balance Sheet are as follows:

Particulars	As at March 31, 2022 INR Lakhs	As at March 31, 2021 INR Lakhs
Defined benefit obligation	589.52	534.94
Fair value of plan assets	135.53	212.40
Net Plan Liability/ (Asset)	453.99	322.54

(iv) The changes in the present value of defined benefit obligation for Gratuity are as follows:

Particulars	As at March 31, 2022 INR Lakhs	As at March 31, 2021 INR Lakhs
Opening defined benefit obligation	534.93	564.42
Add: Service cost	111.90	113.37
Add: Interest cost	33.68	29.07
Add: Actuarial Gain on obligation arising from changes in experience adjustments	(11.92)	(38.24)
Less: Benefit paid	(79.08)	(133.69)
Closing defined benefit obligation	589.51	534.93

(v) Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows:

Particulars	As at	As at
	March 31, 2022	March 31, 2021
	INR Lakhs	INR Lakhs
Opening balance of the fair value of plan assets	212.40	343.86
Add: Interest income on plan assets	10.54	17.41
Add/(Less): Actuarial gains/(losses)	(8.32)	(15.18)
Less: Benefits paid	(79.08)	(133.69)
Closing balance of the fair value of plan assets	135.54	212.40

(vi) The Major category of plan asset as a percentage of fair value of total plan assets is as follows

Particulars	For the Year Ended	For the Year Ended
	March 31, 2022	March 31, 2021
Investments with insurer managed funds	100%	100%

(vii) Principal actuarial assumptions as at Balance Sheet date:

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Discount rate	6.00%	6.50%
Expected return on assets	6.50%	6.50%
Employee attrition rate	24.00%	24.00%
Salary growth rate	5.00%	5.00%

Employee attrition rate and Salary growth rate assumptions considered excluding COVID 19 period. (Years included in calculation are 16-17,17-18,18-19)

(viii) Sensitivity Analysis

Particulars	For the Year Ended March 31, 2022			
	Discount rate		Future Salary Increase	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Assumptions				
Sensitivity Analysis				
	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs
Impact on define benefit obligation	-19.41	20.77	20.77	-19.76

Particulars	For the Year Ended March 31, 2021			
	Discount rate		Future Salary Increase	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Assumptions				
Sensitivity Analysis				
	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs
Impact on define benefit obligation	-18.08	19.37	19.37	-18.41

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

(ix) The expected maturity analysis of undiscounted defined benefit obligation is as follows:

Particulars	For the Year Ended	For the Year Ended
	March 31, 2022	March 31, 2021
Within 1 year	137.63	97.99
Between 1 - 2 years	52.84	47.19
Between 2 - 3 years	53.88	53.77
Between 3 - 4 years	63.49	48.28
Between 4 - 5 years	50.36	47.21
Beyond 5 years	231.30	269.98

The average duration of the defined benefit plan obligation at the end of the reporting period is 15 years (March 31, 2021 - 17 years).

The contribution expected to be made by the Group during the financial period July 2022- June 23 is INR 169.20 Lakhs (2020-21: INR 173.03 Lakhs)

Compensated absences (unfunded)

In respect of Compensated absences, accrual is made on the basis of a year-end actuarial valuation. The Group has provided for compensated absences based on the actuarial valuation done as per Project Unit Credit Method. The leave obligation cover the Group's liability for earned leave. The amount of the provision of INR 75.98 lakh (year ended 31 March 2021: INR 75.53 lakh) is presented as current. The Group contributes towards has recognised INR 32.37 lakh (31 March 2021: INR 33.41 lakh) for Compensated absences in the Statement of Profit and Loss

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

40. Related party transactions

Names of related parties and related party relationship

Joint Venture	PPSL Capacite JV Capacite Viraj AOP
Enterprises directly or indirectly owned / significantly influenced by directors/key management personnel or their relatives.	Katyal Merchandise Pvt Ltd Capacite Engineering Private Limited Katyal Ventures Private Limited (Formerly Capacite's Ventures) Private Limited
Associates (where transactions have taken place during the year and previous year / balances outstanding)	TPL-CIL Construction LLP TCC Construction Pvt Ltd Captech Technologies Pvt Ltd (w.e.f. July 24, 2020)
Key Management Personnel & their relatives	Rohit Katyal – Executive Director and Chief Financial Officer Rahul Katyal – Managing Director & Chief Executive Officer (Re-designated from December 01, 2021) Varsha Malkani Group Secretary (from August 10, 2022) Subir Malhotra - Executive director Sakshi Katyal - Wife of Mr. Rohit Katyal Farah Nathani Menzies - Independent director Saroj Kumar Pati - Chief Executive Officer (Upto November 30, 2021) Sumeet Nindrajog- Non-Executive Director Siddharth Parekh- Non- Executive Director Arun Karambelkar - Independent director (Re-appointment as from May 18, 2021) Monita Malhotra - Wife of Mr. Subir Malhotra Manjushree Nitin Ghodke- Independent Director

Related Party Transaction (including provisions and accruals)

(INR Lakhs)

Name of Related Party	Relation with related parties	Nature of Transaction	As at March 31, 2022	As at March 31, 2021
Capacite Viraj AOP	Associate	Revenue	21.51	23.11
		Equipment hire charges	-	49.79
		Formwork hire charges	-	39.98
		Purchase of Material	2.00	21.58
		Other Income	-	3.72
		Subcontracting charges	-	55.64
Capacite Engineering Private Limited	Enterprises directly or indirectly owned / significantly influenced by directors/key management personnel or their relatives	Subcontracting charges	1,060.72	79.77
		Other construction expenses	66.35	1,474.51
		Archaeological Fees	395.00	-
		Legal and professional charges	298.36	30.60
		Purchase of Material	432.34	260.08
		Interest on Intercorporate Deposits	1.40	1.39
		Other Income	-	6.33
Security deposit	54.04	8.40		
TPL-CIL Construction LLP	Associates	Other income	1,358.63	277.71
Rahul Katyal	Managing Director	Loan from director	3,240.00	-
		Loan repaid to director	823.00	11.24
		Interest on Loan (Gross)	166.74	0.50
		Directors Remuneration (refer note below)	94.20	66.92
Rohit Katyal	Director and Chief Financial Officer	Directors Remuneration (refer note below)	97.20	69.05
		Loan from director	3,220.00	-
		Loan repaid to director	679.00	30.00
		Interest Paid	-	9.69
Interest on Loan (Gross)	161.42	10.55		
Varsha Malkani	Group Secretary	Remuneration	11.76	7.06
Subir Malhotra	Executive Director	Directors Remuneration (refer note below)	86.20	61.24
Manjushree Ghodke	Independent director	Sitting Fees	4.15	1.80
		Commission	3.00	-
Arun Karambelkar	Independent director	Sitting Fees	3.20	3.60
		Commission	3.00	3.00
Farah Nathani Menzies	Independent director	Sitting Fees	2.50	2.90
		Commission	3.00	3.00
Saroj Kumar Pati	Chief Executive Officer	Remuneration	81.70	86.42
Katyal Ventures Private Limited	Enterprises Owned by or significantly influenced by key management personnel or their relatives	Rent expenses	4.41	0.41
Mrs. Monita Malhotra	Relatives of Directors	Rent expenses	29.21	17.98
Sakshi Katyal	Relatives of Directors	Rent expenses	7.50	1.50
Katyal Merchandise Private Limited	Enterprises Owned by or significantly influenced by key management personnel or their relatives	Interest expense	15.93	11.41
		Interest paid	-	12.67
		Intercorporate deposits repaid	150.00	35.00
		Intercorporate deposits taken	150.00	30.00

Captech Technologies Private Limited	Associates	Other income	17.00	17.00
		Legal and professional charges	57.25	57.16
		Miscellaneous expenses	60.96	41.29

Note: The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Group as a whole.

Compensation of key management personnel of the Group

Particulars	As at March 31, 2022	As at March 31, 2021
Compensation including sitting fees	389.91	304.99
Total	389.91	304.99

Closing Balances of Related Parties (including provisions and accruals)

Name of Related Party	Relation with related parties	Nature of Balance	As at March 31, 2022	As at March 31, 2021
PPSL Capacite JV	Joint Venture	Trade payable	6.39	6.39
Capacite Viraj AOP	Joint Venture	Trade receivables	234.01	218.93
Capacite Engineering Private Limited	Enterprises Owned by or significantly influenced by key management personnel or their relatives	Trade payable	-	652.59
		Intercompany deposit	19.90	18.53
		Trade receivables	53.94	-
Captech Technologies Private Limited	Associate	Investment	60.40	60.40
		Trade payable	27.23	43.16
TPL-CIL Construction LLP	Associates	Trade receivables	289.01	69.26
Katyal Merchandise Private Limited	Enterprises Owned by or significantly influenced by key management personnel or their relatives	Intercompany deposit	103.39	89.05
Katyal Ventures Private Limited	Enterprises Owned by or	Other Payable	0.39	-
Sakshi Katyal	Relatives of Directors	Other Payable	2.03	-
Rohit Katyal	Director and Chief Financial Officer	Unsecured loan from director	2,745.70	59.42
Rahul katyal	Managing Director	Unsecured loan from director	2,567.07	-
Mrs. Monita Malhotra	Relatives of Directors	Trade payable	6.06	2.99

Note: Loans given to related party are repayable on demand. These loans carries interest at 8.15% p.a to 12% p.a.

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41 Group information

Information about subsidiaries

The consolidated financial statements of the Group includes subsidiaries listed in the table below:

Name	Incorporated in	Principle activities	% Equity interest	
			March 31, 2022	March 31, 2021
CIPL-PPSL-Yongnam Joint Venture Constructions Private Limited	India	Engineering Procurement and Construction	100%	100%

42 Interest in Joint Ventures and Associates

The Group has a 49% interest in PPSL Capacite JV, a joint venture involved in the construction and infrastructure development in India. The Group has 70% profit/(loss) sharing in Capacite-Viraj AOP involved in the construction and infrastructure development in India. PPSL Capacite JV & Capacite-Viraj AOP are an unincorporated entities. The Group's interest in PPSL Capacite JV & Capacite-Viraj AOP is accounted for using the equity method in the consolidated financial statements.

The Group has investments in associates - 40% profit/(loss) sharing in Capacite Engineering Private Limited, 35% profit/(loss) sharing in TPL-CIL-LLP , 37.10% profit/(loss) in TCC Constructions Private Limited, 40% profit/(loss) in Captech Technologies Private Limited.

Summarised financial information of the joint ventures, based on its Ind AS financial statements are set out below:

Summarised balance sheet of the Joint ventures as at 31 March 2022:

	PPSL Capacite JV		Capacite-Viraj AOP	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs
Non-current assets				
Property, plant and equipment	-	-	188.46	315.50
Non-current tax assets (net)	-	-	11.20	12.70
Current assets				
Inventories	-	-	17.64	31.08
Financial assets				
Trade receivables	-	-	705.73	724.73
Cash and cash equivalent	1.30	1.30	0.69	27.03
Loans	-	-	1.18	1.18
Other financial assets	-	-	370.00	370.00
Other current assets	6.45	6.45	138.12	128.53
Total Assets	7.75	7.75	1,433.02	1,610.74
Equity and Liabilities				
Equity				
Other equity	7.75	7.75	(62.74)	(25.30)
Non-current liabilities				
Financial liabilities				
Other financial liabilities	-	-	20.24	18.01
Other non-current liabilities	-	-	371.31	371.31
Current liabilities				
Financial liabilities				
Trade payables	-	-	925.04	1,070.46
Other financial liabilities	-	-	19.32	22.26
Other current liabilities	-	-	159.85	154.00
Total equity and liabilities	7.75	7.75	1,433.02	1,610.74
Proportion of the Group's ownership	49%	49%	70%	70%
Carrying amount of the investment	3.80	3.80	(43.92)	(17.71)

Summarised statement of profit and loss of Joint Ventures

	PPSL Capacite JV		Capacite-Viraj AOP	
	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs
Contract revenue	-	-	49.34	1,022.15
Cost of raw material consumed	-	-	(9.31)	(381.13)
Construction expenses	-	-	(56.07)	(504.16)
Employee benefits expense	-	-	(15.15)	(78.10)
Finance costs	-	-	(0.16)	(0.05)
Depreciation and amortization expenses	-	-	-	(12.82)
Other expenses	-	-	(6.08)	(58.39)
Profit before tax	-	-	(37.43)	(12.50)
Tax expenses	-	-	-	-
Profit/(Loss) for the year	-	-	(37.43)	(12.50)
Group's share of profit/(loss) for the year	-	-	(26.17)	(8.75)

The Group had no contingent liabilities or capital commitments relating to its share in PPSL Capacite JV & Capacite-Viraj AOP as at March 31, 2022 and March 31, 2021.

43 Statutory Group Information

Name of the entity in the Group	Net Assets i.e. total assets minus total liabilities		Share in profit/(loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Capacite Infraprojects Limited								
Balance as at March 31, 2022	100%	97,012.46	102%	4,468.48	100%	26.57	102%	4,495.05
Balance as at March 31, 2021	100%	92,502.16	108%	179.05	100%	112.40	105%	291.45
Subsidiaries(Indian)								
CIPL-PPSL-Yongnam Joint Venture								
Constructions Private Limited								
Balance as at March 31, 2022	0%	395.42	0%	4.16	0%	-	0%	4.16
Balance as at March 31, 2021	0%	406.42	-1%	(1.55)	0%	-	-1%	(1.55)
Joint Ventures (investment as per equity method)								
PPSL Capacite JV								
Balance as at March 31, 2022	0%	3.80	0%	-	0%	-	0%	-
Balance as at March 31, 2021	0%	3.80	0%	-	0%	-	0%	-
Capacite Viraj AOP								
Balance as at March 31, 2022	0%	(43.92)	-1%	(26.17)	0%	-	-1%	(26.17)
Balance as at March 31, 2021	0%	(17.71)	-5%	(8.75)	0%	-	-3%	(8.75)
Associates (investment as per equity method)								
TCC Construction Private Limited								
Balance as at March 31, 2022	0%	(25.73)	0%	(4.64)	0%	-	0%	(4.64)
Balance as at March 31, 2021	0%	(21.09)	-4%	(6.90)	0%	-	-2%	(6.90)
TPL-CIL Construction LLP								
Balance as at March 31, 2022	0%	(15.19)	0%	(4.41)	0%	-	0%	(4.41)
Balance as at March 31, 2021	0%	(10.74)	0%	(0.43)	0%	-	0%	(0.43)
Captech Technologies Private Limited								
Balance as at March 31, 2022	0%	(34.51)	-1%	(38.89)	0%	-	-1%	(38.89)
Balance as at March 31, 2021	0%	4.38	3%	4.38	0%	-	2%	4.38
Total								
Balance as at March 31, 2022	100%	97,292.34	100%	4,398.52	100%	26.57	100%	4,425.09
Balance as at March 31, 2021	100%	92,867.25	100%	165.80	100%	112.40	100%	278.20

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44 Significant accounting judgements, estimates and assumptions

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

A) Significant Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the standalone financial statements:

i) Operating lease commitments – Group as lessee

The Group has entered into leases for office premises. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the office premises and the fair value of the asset, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

ii) Taxes

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the same can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Refer note 31 for further disclosures.

iii) Revenue Recognition

The Group recognises revenue and profit/loss on the basis of stage of completion based on the proportion of contract costs incurred at balance sheet date, relative to the total estimated costs of the contract at completion. The recognition of revenue and profit/loss therefore rely on estimates in relation to total estimated costs of each contract. Cost contingencies are included in these estimates to take into account specific uncertain risks, or disputed claims against the Group, arising within each contract. These contingencies are reviewed by the Management on a regular basis throughout the contract life and adjusted where appropriate. The revenue on contracts may also include variable consideration (variations and claims). Variable consideration is recognised when the recovery of such consideration is highly probable.

B) Estimates and assumptions

Key sources of estimation

The preparation of the financial statements in conformity with Ind AS requires that the management of the Group makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates include useful lives of property, plant and equipment & intangible assets, allowance for expected credit loss, future obligations in respect of retirement benefit plans, expected cost of completion of contracts, provision for rectification costs, fair value measurement etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

i) Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to guarantees given by the Group. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

ii) Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations.

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about gratuity obligations are given in note 40.

iii) Cost to complete

For assessing onerous contracts the Group is required to estimate the costs to complete of each contract. Survey of work done have been used to measure progress towards completion as there is a direct relationship. Provision for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

iv) Expected credit loss (ECL)

The Group has used an internal rating based approach in building its ECL model, using its own internal estimates for some or all of the credit risk components such as the Probability of Default ("PD"), Loss Given Default ("LGD") and Effective Maturity ("M"). Each of these elements are critical estimates in the measurement of impairment on such financial assets.

45 Disclosures on Financial instruments

This section gives an overview of the significance of financial instruments for the Group and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in accounting policies, to the financial statements.

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(A) Fair Values:

The following tables presents the carrying amount and fair value of each category of financial assets and liabilities as at March 31, 2022 & March 31, 2021
As at March 31, 2022

Particulars	Level	INR Lakhs			
		Fair value through statement of profit and loss account	Amortised cost	Total carrying value	Total fair value
Financial assets					
Investments*	Level 2	8.50	-	8.50	8.50
Trade receivables		-	46,555.13	46,555.13	46,555.13
Cash and cash equivalent		-	2,211.30	2,211.30	2,211.30
Bank balances other than cash and cash equivalent		-	16,176.82	16,176.82	16,176.82
Loans		-	1,300.00	1,300.00	1,300.00
Other Financial Assets		-	66,640.66	66,640.66	66,640.66
Total		8.50	1,32,883.91	1,32,892.41	1,32,892.41
Financial Liabilities					
Borrowings (including current maturities)		-	32,829.51	32,829.51	32,829.51
Trade payables		-	52,861.14	52,861.14	52,861.14
Lease liabilities		-	687.24	687.24	687.24
Other financial liabilities		-	8,216.64	8,216.64	8,216.64
Total		-	94,594.53	94,594.53	94,594.53

As at March 31, 2021

Particulars	Level	INR Lakhs			
		Fair value through statement of profit and loss account	Amortised cost	Total carrying value	Total fair value
Financial assets					
Investments*	Level 2	40.94	-	40.94	40.94
Trade receivables		-	36,726.10	36,726.10	36,726.10
Cash and cash equivalent		-	983.65	983.65	983.65
Bank balances other than cash and cash equivalent		-	14,638.60	14,638.60	14,638.60
Loans		-	1,300.00	1,300.00	1,300.00
Other Financial Assets		-	67,066.35	67,066.35	67,066.35
Total		40.94	1,20,714.70	1,20,755.64	1,20,755.64
Financial Liabilities					
Borrowings		-	28,627.11	28,627.11	28,627.11
Trade payables		-	42,259.66	42,259.66	42,259.66
Lease liabilities		-	515.46	515.46	515.46
Other financial liabilities		-	5,838.55	5,838.55	5,838.55
Total		-	77,240.78	77,240.78	77,240.78

*Excludes Group companies investments INR 69.41 Lakhs (March 31, 2021 INR 117.36 Lakhs) measured at cost. Refer Note 6.

Fair value of financial assets and financial liabilities measured at amortised cost:

The carrying amounts of trade receivables, loans, advances and cash and other bank balances are considered to be the same as their fair values due to their short term nature.

The carrying amounts of long term loans given with floating rate of interest are considered to be close to the fair value.

The carrying amounts of trade and other payables are considered to be the same as their fair values due to their short term nature. The carrying amounts of borrowings with floating rate of interest are considered to be close to the fair value

46 Capital Management

For the purpose of the Group's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents, excluding discontinued operations.

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Gearing ratio

The gearing ratio at the end of the reporting period was as follows:

	As at March 31, 2022	As at March 31, 2021
	INR Lakhs	INR Lakhs
Borrowings (i)	32,829.51	28,627.11
Less: Cash and cash equivalents	2,211.30	983.65
Net debt	30,618.21	27,643.46
Total Capital (ii)	97,292.34	92,867.25
Capital and Net Debt	1,27,910.55	1,20,510.71
Net debt to Total Capital plus net debt ratio (%)	23.94%	22.94%

(i) Debt is defined as long-term borrowings (including current maturities) and short-term borrowings.

(ii) Equity is defined as equity share capital and other equity including reserves and surplus.

In order to achieve this overall objective, the Group'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.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31,

47 Financial risk management objectives and policies

The Group's principal financial liabilities comprise borrowings, trade and other payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include investments, loans, trade and other receivables, cash and cash equivalents, other bank balances and other financial assets that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by a risk committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified measured and managed in accordance with the Group's policies and risk objectives. The Board of directors reviews and agrees policies for managing each of these risks, which are 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 two types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include borrowings.

a) Interest rate risk

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

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate borrowings.

b) Interest rate sensitivity:

The sensitivity analysis below have been determined based on exposure to interest rates for long-term debt obligations with floating interest rates at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in case of term loans that have floating rates:

Particulars	As at March 31, 2022	As at March 31, 2021
	INR Lakhs	INR Lakhs
Increase in basis points	+50	+50
Effect on profit before tax	(153.64)	(148.61)
Decrease in basis points	(50)	(50)
Effect on profit before tax	153.64	148.61

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 Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Group only deals with parties which has good credit rating/ worthiness given by external rating agencies or based on companies internal assessment.

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The Group's customer profile includes mainly large private corporates. The Group's average project execution cycle is around 36 to 48 months. General payment terms include mobilisation advance, monthly progress payments with a credit period ranging from 45 to 90 days and certain retention money to be released at the end of the project. In some cases retentions are substituted with bank/corporate guarantees. The Group has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation.

The Group has not acquired any credit impaired asset. There was no modification in any financial assets.

Non certification of works billed

The costs incurred on projects are regularly monitored through the Project budgets. Costs which are incurred beyond the agreed terms and conditions of the contract, would be claimed from the customer, based on the actual works performed. The realisability of such claims, is verified by professionals, who certify the tenability of such claims and also the collectible amounts, by applying appropriate probabilities. Costs, which are identified as non tenable or costs beyond the collectible amounts, as mentioned above, would be provided in the books of accounts.

Set out below the information about the credit risk exposure of the group company's trade receivable using provision matrix:-

At March 31, 22	< 6 months	6 months - 1	1-2 years	2- 3 years	More than 3	Total
	year				Years	
ECL Rate	0.70%	1.70%	22.60%	35.10%	41.10%	
Estimated total gross carrying amount at default	29,161.68	5,003.93	3,706.68	7,192.22	8,737.52	53,802.03
ECL specified approach	204.17	86.62	836.69	2,525.39	3,594.03	7,246.90
Net carrying amount	28,957.51	4,917.31	2,869.99	4,666.83	5,143.49	46,555.13

At March 31, 21	< 6 months	6 months - 1	1-2 years	2- 3 years	More than 3	Total
	year				Years	
ECL Rate	0.40%	12.20%	14.00%	31.20%	21.50%	
Estimated total gross carrying amount at default	17,198.82	2,806.10	10,393.83	6,910.02	4,392.40	41,701.17
ECL specified approach	75.17	341.67	1,459.56	2,152.84	945.83	4,975.07
Net carrying amount	17,123.65	2,464.43	8,934.27	4,757.18	3,446.57	36,726.10

Reconciliation of impairment allowance on trade and other receivables

	INR Lakhs
Impairment allowance as on April 1, 2020	2,845.97
Add/ (Less): provision on expected credit loss	2,129.10
Impairment allowance as on April 1, 2021	4,975.07
Add/ (Less): provision on expected credit loss	3,172.74
(Less): Bad debt written off	(900.91)
Impairment allowance as on March 31, 2022	7,246.90

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

Particulars	INR Lakhs			
	On demand	Within 12 months	After 12 months	Total
Year ended March 31, 2022				
Borrowings (including current maturities)	9,570.39	9,522.52	13,736.60	32,829.51
Other financial liabilities	-	4,627.23	3,589.41	8,216.64
Lease liabilities	-	244.03	443.21	687.24
Trade payables	-	52,861.14	-	52,861.14
	9,570.39	67,254.92	17,769.22	94,594.53
Year ended March 31, 2021				
Borrowings (including current maturities)	13,723.53	6,669.79	8,233.79	28,627.11
Other financial liabilities	-	3,017.63	2,820.92	5,838.55
Lease liabilities	-	220.96	294.50	515.46
Trade payables	-	42,259.66	-	42,259.66
	13,723.53	52,168.04	11,349.21	77,240.78

48 Significant event after the reporting period

There were no significant adjusting event that accrued subsequent to the reporting period which may require an adjustment to the balance sheet.

49 Estimation of uncertainties relating to the global health pandemic from COVID-19

The Corona Virus (COVID-19) had some impact on the operation of the Group during the current financial year. The Group has considered internal and external source of information upto the date of approval of consolidated financial statements in the preparation of the financial statements

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- 50 The Code on Social Security, 2020 ("Code") relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective. Impact if any of the change will be assessed and accounted in period of notification of the relevant provisions.

51 Ratio	Numerator	Denominator	31-Mar-22	31-Mar-21	% Change	Remark
a) Current ratio	Current Assets	Current Liabilities	1.445	1.371	5%	
b) Debt equity ratio	Total Debt	Share Holder's Equity	0.337	0.308	9%	
c) Debt service coverage ratio	Earnings of Debt service= Net profit after tax + non cash expenses	Debt service= Interest and lease payment+ Principal repayment	2.396	1.790	34%	Increase due to increase in PAT of INR 4,398.52 Lakhs Vis-à-vis INR 153.22 lakhs in the year 20-21
d) Return on equity	Net profit after tax	Average share holder's equity	0.046	0.002	2700%	Increase in the ratio is due to increase in PAT in 2021-22 INR 4,398.52 Lakhs Vis-à-vis INR 153.22 lakhs in the year 20-21
e) Inventory turnover ratio	Cost of goods sold	Average inventory	8.781	5.887	49%	Ratio increased due to increase in COGS F.Y 2021-22 INR 93,069.69 Lakhs vis-à-vis INR 60,215.32 for F.Y 2020-21 as the turnover of the current year increase to INR 1,33,478 Lakhs vis-a-vis INR 87,972 Lakhs of FY 20-21.
f) Trade receivable turnover ratio	Net Credit sale= Gross credit sale - sale return	Average trade receivable	3.205	2.095	53%	Ratio increased due to turnover of the current year increase to INR 1,33,478 for F.Y. 2021-22 vis-à-vis INR 87,972 Lakhs of FY20-21.
g) Trade payable turnover ratio	Net Credit purchases= Gross credit purchases - purchase return	Average trade payable	1.980	1.245	59%	Increased due to increase in net credit purchases. For 21-22 the net credit purchases is INR 94,178.79 lakhs vis-à-vis INR 61,154.49 which resulted in increase in the ratio in the current year.
h) Net capital turnover ratio	Net sales = Total sales - sales return	Working capital = Current Assets - Current Liabilities	2.963	2.614	13%	
i) Net profit ratio	Net profit	Net sales = Total sales - sales return	0.033	0.002	1792%	Increase due to increase in PAT of INR 4,398.52 Lakhs Vis-à-vis INR 153.22 lakhs in the year
j) Return on capital employed	Earning before interest & tax	Capital employed = Tangible net worth + total debt - deferred tax liability	0.066	0.032	104%	Increase due to increase in PAT of INR 4,398.52 Lakhs Vis-à-vis INR 153.22 lakhs in the year
k) Return on investments	Income generated from investment fund	Average investment in treasury investments	0.008	0.073	-89%	The income is not material to the company. The income generated from sale of investment is INR 0.19 Lakhs in 21-22 vis - vis INR 3.6 Lakhs in the year 2020-21. Consequently the investment value has gone down.

52 Other statutory informations

- (i) The Group do not have any Benami property where any proceeding has been initiated or pending against the Group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) The Group do not have any transaction with companies struck - off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.
- (iii) The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Group have not traded or invested in Crypto currency or Virtual currency during the financial year.
- (v) The Group have not advanced or loaned or invested fund to any other person (s) or entity (ies), including foreign entities (intermediaries) with the understanding that intermediary shall :
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
- (b) provided any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vi) The Group have not received any fund from any person (s) or entity (ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provided any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

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(vii) The Group have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as search or survey or any other relevant provisions of the Income Tax Act, 1961). The Group has complied with the relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and the Companies Act 2013 for the above transactions and the transactions are not violative of the Prevention of Money-Laundering Act, 2002 (15 of 2003).

53 Retained earnings of earlier years is adjusted to the extent of INR 14.90 lakhs, on account of one of the joint venture entity which was wound up in the earlier year

54 Previous year figures

The figures for the corresponding previous year have been regrouped / reclassified whenever necessary, to make them comparable.

As per our report of even date attached
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No:
324982E/E300003

For and on behalf of the Board of Directors
Capacit'e Infraprojects Limited

per **Jayesh Gandhi**
Partner

Membership No : 37924

Rahul Katyal
Managing
Director
DIN: 00253046

Robit Katyal
Executive
Director &
DIN: 00252944

Place: Mumbai
Date: May 27, 2022

Varsha Malkani
Group Secretary

INDEPENDENT AUDITOR'S REPORT

To the Members of Capacit'e Infraprojects Limited

Report on the Audit of the Consolidated Ind AS financial statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Capacit'e Infraprojects Limited (hereinafter referred to as "the Holding Company"), its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") its associates and joint ventures comprising of the consolidated Balance sheet as at March 31, 2021, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiary, associates and joint ventures, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at March 31, 2021, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group, associates and joint ventures in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Emphasis of Matter

We draw attention to note 49 of the consolidated Ind AS financial statements, which describes the management assessment of uncertainties related to COVID-19 and its consequential impact, including the recoverability of its assets and operations of the Group. Our opinion is not modified with respect to this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
<p><u>Revenue recognition for construction contracts (as described in Note 36 of the consolidated Ind AS financial statements)</u></p>	
<p>The Group's significant portion of business is undertaken through engineering, procurement and construction contracts.</p> <p>Revenue from these contracts are recognized over a period of time or at a point of time, in accordance with the requirements of Ind AS 115, 'Revenue from Contracts with Customers'.</p> <p>Due to the nature of the contracts, revenue recognition involves usage of percentage of completion method which is determined based on survey of work done by the Group.</p> <p>This involves significant judgments, identification of contractual obligations and the Group's rights to receive payments for performance obligation completed till date.</p> <p>Accuracy of revenues and determination of onerous obligations involves significant judgements and estimates, which may impact the profits.</p> <p>Accordingly, this is considered as a key audit matter.</p>	<ul style="list-style-type: none"> • Our audit procedures included reading the Group's revenue recognition accounting policies and assessing compliance with the policies in terms of Ind AS 115 - Revenue from Contracts with Customers. • We understood and tested on a sample basis the design and operating effectiveness of management control over revenue recognition with focus on determination of extent of completion. • We performed test of details, on a sample basis, and read the underlying customer contracts for terms and conditions. • We understood the management's process to recognize revenue over a period of time or at a point of time, status of completion of projects and total cost to completion estimates. • We tested contracts with low or negative margins to assess the level of provisioning required, including for onerous obligations. • We tested that the contractual positions and revenue for the year are presented and disclosed in compliance of Ind AS 115 in the financial statements. We read the disclosures made by management in compliance of Ind AS 115, tested the disclosures made with underlying transactions.

Trade receivables and contract assets (as described in Note 36 of the standalone Ind AS financial statements)	
<p>Trade receivables and contract assets amounting to Rs. 36,726.10 lakhs and Rs. 54,111.22 lakhs respectively, represents approximately 40.46% of the total assets of the Group as at March 31, 2021.</p> <p>In assessing the recoverability of the aforesaid balances and determination of allowance for expected credit loss, management's judgement involves consideration of aging status, historical payment records, evaluation of litigations, the likelihood of collection based on the terms of the contract and the credit information of its customer including the possible effect from the pandemic relating to COVID-19.</p> <p>Management estimation is required in the measurement of work completed during the period for recognition of unbilled revenue.</p> <p>We considered this as key audit matter due to the materiality of the amounts and significant estimates and judgements as stated above.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> • We understood and tested on a sample basis the design and operating effectiveness of management control over assessing the recoverability of the trade receivables and contract assets. • We performed test of details and tested relevant contracts, documents and subsequent receipts for material trade receivable balances and amounts included in contract assets that are due on performance of future obligations. • We tested the aging of trade receivables at year end. • We performed test of details and tested relevant contracts and documents with focus on measurement of work completed during the period for material unbilled revenue balances included in contract asset. • We performed additional procedures which include, on test check basis, read the communications to/ from customer, physical site visits, verification of last bills certified and subsequent client certifications. • We assessed the allowance for expected credit loss made by management including the possible effect from the pandemic relating to COVID-19.

We have determined that there are no other key audit matters to communicate in our report.

Other Information

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

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

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management for the Consolidated Ind AS financial statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view

of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the Group and of its associates and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associates and joint ventures are also responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our

auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and joint ventures of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements and other financial information, in respect of one subsidiary, whose Ind AS financial statements include total assets of Rs 479.94 Lakhs as at March 31, 2021, and total revenues of Rs Nil and net cash outflows Rs 1.60 Lakhs for the year ended on that date. This financial statement and other financial information has been audited by other auditor, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net loss of Rs. 24.29 Lakhs for the year ended March 31, 2021, as considered in the consolidated Ind AS financial statements, in respect of three associates and two joint ventures, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary, joint ventures and associates, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, joint ventures and associates, is based solely on the reports of such other auditors.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiary, associates and joint ventures, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary company, associates and joint ventures, none of the directors of the Group's companies, its associates and joint ventures, incorporated in India, is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company and its subsidiary company, associates and joint ventures, incorporated in India, refer to our separate Report in “Annexure 1” to this report;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiary, associates and joint ventures incorporated in India, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Holding Company, its subsidiary, associates and joint ventures incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiary, associates and joint ventures, as noted in the ‘Other matter’ paragraph:
- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associates and joint ventures in its consolidated Ind AS financial statements – Refer Note 37 to the consolidated Ind AS financial statements;
 - ii. The Group, its associates and joint ventures did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2021;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary, associates and joint ventures, incorporated in India during the year ended March 31, 2021.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Jayesh Gandhi
Partner
Membership Number: 037924
UDIN: 21037924AAAAFD7418
Place of Signature: Mumbai
Date: June 12, 2021

Annexure 2 to the Independent Auditor's Report of even date on the consolidated Ind AS financial statements of Capacit'e Infraprojects Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of Capacit'e Infraprojects Limited as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Capacit'e Infraprojects Limited (hereinafter referred to as the "Holding Company") and its subsidiary, associates and joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements .

Meaning of Internal Financial Controls Over Financial Reporting with reference to these consolidated Ind AS financial statements

A Company's internal financial control over financial reporting with reference to these consolidated Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting with reference to these consolidated Ind AS financial statements includes those policies and procedures that (1) pertain to the

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these consolidated Ind AS financial statements

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

Opinion

In our opinion, the Holding Company, its subsidiary, associates and joint ventures, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company, insofar as it relates to these one subsidiary company, three associates and two joint ventures, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary, three associates and two joint ventures incorporated in India.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Jayesh Gandhi

Partner

Membership Number: 037924

UDIN: 21037924AAAAFD7418

Place of Signature: Mumbai

Date: June 12, 2021

CAPACIT'E INFRAPROJECTS LIMITED
CIN - L45400MH2012PLC234318
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2021

Particulars	Notes	As at	As at
		March 31, 2021	March 31, 2020
		INR Lakhs	INR Lakhs
A - Assets			
Non-current assets			
Property, plant and equipment	4	65,836.36	64,592.91
Capital work-in-progress	4	599.57	482.61
Other intangible assets	5	101.82	145.73
Right-of-use assets	5A	504.21	1,155.80
Financial assets			
Investment	6	141.00	80.70
Trade receivables (retention)	12	8,147.76	8,741.76
Other financial assets	8	10,741.78	7,085.25
Non-current tax assets (net)	10	2,219.36	2,146.20
Other non-current assets	9	11,935.96	9,109.92
Total non-current assets		1,00,227.82	93,540.88
Current assets			
Inventories	11	10,044.86	10,411.81
Financial assets			
Investments	6	32.44	49.39
Trade receivables	12	28,578.34	38,520.44
Cash and cash equivalents	13	983.65	10,759.02
Bank balances other than cash and cash equivalents	14	14,638.60	15,527.99
Loans	7	1,300.00	1,300.00
Other financial assets	8	56,324.57	56,084.85
Other current assets	9	12,382.95	10,251.71
Total current assets		1,24,285.41	1,42,905.21
Total assets		2,24,513.23	2,36,446.09
B - Equity and Liabilities			
Equity			
Equity share capital	15A	6,789.15	6,789.15
Other equity	15B	86,093.00	85,801.25
Total equity		92,882.15	92,590.40
Non-current liabilities			
Financial liabilities			
Borrowings	16	8,233.79	9,352.61
Lease liability	16A	294.50	786.93
Other financial liabilities	18	2,820.92	3,853.56
Provisions	19	214.82	122.58
Deferred tax liabilities (net)	21	3,469.92	3,868.93
Other non-current liabilities	22	25,985.84	29,285.99
Total non-current liabilities		41,019.79	47,270.60
Current liabilities			
Financial liabilities			
Borrowings	16	16,145.64	18,380.54
Lease liability	16A	220.96	396.56
Trade payables	17		
- Total outstanding dues of micro enterprises and small enterprises		953.02	1,416.27
- Total outstanding dues of trade payables other than micro enterprises and small enterprises		41,306.64	54,568.76
Other financial liabilities	18	7,274.06	5,954.37
Provisions	19	219.26	1,481.51
Current tax liabilities (net)	20	1,251.53	1,247.93
Other current liabilities	22	23,240.18	13,139.15
Total current liabilities		90,611.29	96,585.09
Total liabilities		1,31,631.08	1,43,855.69
Total Equity and Liabilities		2,24,513.23	2,36,446.09

Summary of significant accounting policies

3

The accompanying notes 1 to 52 are an integral part of the consolidated financial statements.

As per our report of even date attached
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No: 324982E/E300003

For and on behalf of the Board of Directors
Capacit'e Infraprojects Limited

per Jayesh Gandhi
Partner
Membership No : 37924

Rahul Katyal
Managing Director
DIN: 00253046

Rohit Katyal
Executive Director &
Chief Financial Officer
DIN: 00252944

Place: Mumbai
Date: June 12, 2021

Saroj Pati
Chief Executive Officer

CAPACIT'E INFRAPROJECTS LIMITED
CIN - L45400MH2012PLC234318
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Notes	March 31, 2021 INR Lakhs	March 31, 2020 INR Lakhs
Income			
Revenue from operations	23	87,972.19	1,52,899.17
Other income	24	2,879.54	2,539.78
Total income		90,851.73	1,55,438.95
Expenses			
Cost of material consumed	25	35,691.33	65,763.11
Construction expenses	26	24,523.99	40,638.34
Employee benefit expense	27	7,880.75	13,703.28
Finance costs	28	7,029.65	6,453.30
Depreciation and amortisation expenses	29	9,016.23	11,417.96
Other expenses	30	6,227.72	7,124.50
Total expenses		90,369.67	1,45,100.49
Profit before tax and share of profit/(loss) of Joint Ventures and Associates (1-2)		482.06	10,338.46
Share of (loss)/ profit of Joint ventures	43	(8.75)	8.55
Share of profit/ (loss) of Associates	43	(15.54)	(11.90)
Profit before tax		457.77	10,335.11
Tax expense			
Current tax	31	636.44	2,866.32
Deferred tax charge/(credit)	31	(445.60)	(1,634.36)
Adjustment of tax of earlier years		113.71	-
Total tax expenses		304.55	1,231.96
Profit after tax		153.22	9,103.15
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent year			
Re-measurement gains on defined benefit plans		185.12	6.87
Income tax effect		(46.59)	(1.73)
Net other comprehensive income not to be reclassified to profit or loss in subsequent year		138.53	5.14
Total comprehensive income for the year		291.75	9,108.29
Profit for the year			
- Owners of the company		153.22	9,103.15
- Non-controlling interest		-	-
Other comprehensive income for the year			
- Owners of the company		138.53	5.14
- Non-controlling interest		-	-
Total comprehensive income for the year			
- Owners of the company		291.75	9,108.29
- Non-controlling interest		-	-
Earning per share (of INR 10/- each)			
- Basic (INR)	33	0.23	13.41
- Diluted (INR)		0.23	13.41
Summary of significant accounting policies	3		

The accompanying notes 1 to 52 are an integral part of the consolidated financial statements.

As per our report of even date attached
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No: 324982E/E300003

For and on behalf of the Board of Directors
Capacit'e Infraprojects Limited

per Jayesh Gandhi
Partner
Membership No : 37924

Rahul Katyal
Managing Director
DIN: 00253046

Rohit Katyal
Executive Director &
Chief Financial Officer
DIN: 00252944

Place: Mumbai
Date: June 12, 2021

Saroj Pati
Chief Executive Officer

CAPACIT'E INFRAPROJECTS LIMITED
CIN - L45400MH2012PLC234318
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Note	(INR in lakhs)	
		For the year ended March 31, 2021	For the year ended March 31, 2020
A Cash flow from operating activities			
Profit before tax		457.77	10,335.11
Adjustment to reconcile profit before tax to net cash flows:			
Depreciation and amortisation expenses		9,016.23	11,417.96
Finance costs		7,029.65	6,453.30
Impairment allowance for trade receivables		2,129.10	1,545.00
(Profit)/Loss on sale of plant, property and equipment		(15.93)	29.06
Gain on current investments on fair value through P&L		(3.60)	(2.63)
Sundry balance written back		(74.81)	(34.14)
Interest income		(1,720.24)	(2,258.70)
Operating profit before working capital changes		16,818.17	27,484.96
Movement in working capital:			
(Increase)/Decrease in trade receivables (including bills discounted with banks)		(2,126.96)	7,225.66
(Increase)/Decrease in loans		-	100.00
(Increase)/Decrease in inventories		366.95	(1,306.12)
(Increase)/Decrease in other assets and other financial assets		(2,841.96)	(16,108.07)
Increase/(Decrease) in trade payables		(9,327.99)	2,643.95
Increase/(Decrease) in provisions		(984.89)	(700.97)
Increase/(Decrease) in other liabilities and other financial liabilities		6,619.67	20,085.11
Cash flow from operating activities		8,522.99	39,424.52
Direct taxes paid (net of refunds)		(819.71)	(3,675.85)
Net cash flow from operating activities (A)		7,703.28	35,748.67
B Cash flow used in investing activities			
Purchase of property, plant and equipment including CWIP and capital advances		(11,256.74)	(26,529.37)
Proceeds from sale of property, plant and equipment		80.60	64.09
Purchase of other investments		(60.30)	(50.70)
Proceeds from sale of current investments		20.56	-
Investments in bank deposits (having original maturity of more than three months), net		(2,508.57)	(3,338.27)
Interest received		1,510.96	2,160.61
Net cash flow used in investing activities (B)		(12,213.49)	(27,693.64)
C Cash flow from financing activities			
Repayment of long-term borrowings		(3,251.24)	(5,144.50)
Proceeds from long-term borrowings		3,293.43	7,997.88
Payment of lease liability		(413.89)	(410.54)
Proceeds/(Repayments) from short-term borrowings, net		1,839.13	4,729.09
Dividend paid including dividend distribution taxes		-	(822.52)
Interest paid including interest on lease liability		(6,732.59)	(6,629.86)
Net cash used in financing activities		(5,265.16)	(280.45)
Net increase/(decrease) in cash and cash equivalents (A + B + C)		(9,775.37)	7,774.58
Cash and Cash Equivalents at the beginning of the year		10,759.02	2,984.44
Cash and cash equivalents at end of the year (note 13)		983.65	10,759.02
Components of cash and cash equivalents			
Cash in hand		19.04	16.52
Foreign currency on hand		2.94	3.02
Balances with banks:			
- on current accounts		832.98	812.84
- Term deposits with less than 3 months of original maturity		128.69	9,926.64
Total cash & cash equivalents (note 13)		983.65	10,759.02
Supplemental information			
Non cash item : Gain/(Loss) on current investments on fair value through P&L		3.60	2.63
Summary of significant accounting policies	3		
Net Debt reconciliation to cash flows	16, 16A		

As per our report of even date attached

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No: 324982E/E300003

For and on behalf of the Board of Directors
Capacit'e Infraprojects Limited

per Jayesh Gandhi
Partner
Membership No : 37924

Rahul Katyal
Managing Director
DIN: 00253046

Rohit Katyal
Executive Director &
Chief Financial Officer
DIN: 00252944

Place: Mumbai
Date: June 12, 2021

Saroj Pati
Chief Executive Officer

CAPACIT'E INFRAPROJECTS LIMITED
CIN - L45400MH2012PLC234318
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

A) Equity share capital

Particulars	Notes	Amount	
		INR Lakhs	
Balance as at March 31, 2019			6,789.15
Changes in equity share capital during the year	15A		-
Balance as at March 31, 2020			6,789.15
Changes in equity share capital during the year	15A		-
Balance as at March 31, 2021			6,789.15

B) Other equity

Particulars	Attributable to the equity holders		
	Reserves and surplus		Total
	Securities premium	Retained earnings	
	INR Lakhs	INR Lakhs	INR Lakhs
Balance as at March 31, 2019	45,713.14	31,802.46	77,515.60
Profit for the year	-	9,103.03	9,103.03
Other comprehensive income for the year	-	5.14	5.14
Total comprehensive income for the year Mar 31, 2020	45,713.14	40,910.63	86,623.77
Final dividend paid	-	(678.79)	(678.79)
Dividend distribution tax	-	(143.73)	(143.73)
Balance as at Mar 31, 2020	45,713.14	40,088.11	85,801.25
Profit for the year	-	153.22	153.22
Other comprehensive income for the year	-	138.53	138.53
Balance as at March 31, 2021	45,713.14	40,379.86	86,093.00

Summary of significant accounting policies

3

The accompanying notes 1 to 52 are an integral part of the consolidated financial statements.

As per our report of even date attached
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No: 324982E/E300003

For and on behalf of the Board of Directors
Capacit'e Infraprojects Limited

per **Jayesh Gandhi**
Partner
Membership No : 37924

Rahul Katyal
Managing Director
DIN: 00253046

Rohit Katyal
Executive Director &
Chief Financial Officer
DIN: 00252944

Place: Mumbai
Date: June 12, 2021

Saroj Pati
Chief Executive Officer

CAPACIT'E INFRAPROJECTS LIMITED

CIN - L45400MH2012PLC234318

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

1 Corporate information

The consolidated financial statements comprise financial statements of Capacit'e Infraprojects Limited ("the Company") and its subsidiary (collectively, the Group) for the year ended March 31, 2021. The Company is a public limited company domiciled in India and its incorporated under the provisions of Companies Act applicable in India on August 09, 2012. The Company is an ISO-9001:2015, ISO-14001:2015 and OHSAS-45001:2018 certified Company. Its shares are listed on two recognised stock exchanges in India. The registered office of the Company is located at 6th Floor, 605-607, "A" Wing, Shrikant Chambers, Next to R. K. Studios, Sion Trombay Road, Chembur, Mumbai, Maharashtra 400071.

The Group is primarily engaged in the business of Engineering, Procurement and Construction. The Company was incorporated as a Private Limited Company and became a Limited Company in March 2014 (Public limited in September 2017).

The consolidated financial statements were authorised for issue in accordance with a resolution of directors on June 12, 2021.

2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the consolidated financial statement.

2.2 Basis of preparation and presentation

These consolidated financial statements have been prepared in Indian Rupee ("INR") which is the functional currency of the Group. These consolidated financial statements have been prepared on historical cost basis, except for certain financial assets and liabilities which are measured at fair value or amortised cost at the end of each reporting period, as explained in the accounting policies below.

2.3 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Parent company and its subsidiary as at 31 March 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

1. Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
2. Exposure, or rights, to variable returns from its involvement with the investee, and
3. The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

1. The contractual arrangement with the other vote holders of the investee;
2. Rights arising from other contractual arrangements;
3. The Group's voting rights and potential voting rights;
4. The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31.

Consolidation procedure:

- (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiary. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- (b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- (c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries 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.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

1. Derecognises the assets (including goodwill) and liabilities of the subsidiary
2. Derecognises the carrying amount of any non-controlling interests
3. Derecognises the cumulative translation differences recorded in equity
4. Recognises the fair value of the consideration received
5. Recognises the fair value of any investment retained
6. Recognises any surplus or deficit in profit or loss
7. Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

3 Summary of significant accounting policies

a Current versus non-current classification

The Group presents assets and liabilities in the consolidated balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

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

A liability is current when:

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

All other liabilities are classified as non-current.

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

Operating cycle for current and non-current classification

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

b Fair value measurement of financial instruments

The Group measures financial instruments at fair value at each balance sheet date using valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

c Revenue Recognition

Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers.

Description of performance obligation:

Contract revenue is recognized over time by measuring progress towards complete satisfaction of the performance obligation at the reporting date, measured on the basis of stage of completion which is as per survey of work done (output method). Contract costs related to work performed in projects are recognised on an accrual basis. Costs incurred in connection with the work performed are recognised as an expense.

Variable consideration is included in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when that uncertainty associated with the variable consideration is subsequently resolved.

The Group accounts for a contract modification (change in the scope or price (or both)) when that is approved by the parties to the contract. Where the outcome of a performance obligation cannot be reasonably measured, contract revenue is recognised to the extent of costs incurred in satisfying the performance obligation that is expected to be recovered.

Provision for future losses are recognised as soon as it becomes evident that the total costs expected to be incurred in a contract exceed the total expected revenue from that contract.

Revenue from rendering of services is recognised over time as and when the customer receives the benefit of the Group's performance and the Group has an enforceable right to payment for services transferred. Unbilled revenue represents value of services performed in accordance with the contract terms but not billed.

CAPACITE INFRAPROJECTS LIMITED

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Contract balances:

- i) **Contract assets**
Due from customers

For contracts where the aggregate of contract cost incurred to date plus recognised profits (or minus recognised losses as the case may be) exceeds the progress billing, the surplus is shown as contract asset and termed as "Due from customers".

- ii) **Trade receivables**

The amounts billed on customer for work performed and are unconditionally due for payment i.e. only passage of time is required before payment falls due, are disclosed in the Balance Sheet as trade receivables. The amount of retention money held by the customers pending completion of performance milestone is disclosed as part of contract asset and is reclassified as trade receivables when it becomes due for payment.

Retention money are specific to project and generally receivable within 12 months of project completion.

- iii) **Contract liabilities**

Due to customers :

For contracts where progress billing exceeds the aggregate of contract costs incurred to-date plus recognised profits (or minus recognised losses, as the case may be), the surplus is shown as contract liability and termed as "Due to customers".

Advances from customer:

Amounts received before the related work is performed are disclosed in the Balance Sheet as contract liability and termed as "Advances from customer".

Supply contracts-sale of goods

Revenue from supply contract is recognized when the control is transferred to the buyer.

Management consultancy and other services

Revenues from management consultancy and other services are recognized pro-rata over the period of the contract as and when services are rendered.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable. For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

Dividend

Dividend income is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

d Property, plant and equipment (PPE)

PPE is recognised 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 is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. PPE acquired on hire purchase basis are recognised at their cash values. Cost includes professional fees related to the acquisition of PPE and for qualifying assets, borrowing costs are capitalised in accordance with the Group's accounting policy.

PPE not ready for the intended use on the date of the Balance Sheet are disclosed as "capital work-in-progress". (Also refer to policy on leases, borrowing costs, impairment of assets and foreign currency transactions infra).

Group is capitalising Site Establishments at site. Site establishments includes temporary structures build on project site and is used in the process of construction. Site establishments items and activities includes excavation, Ground levelling, making approach road, boundary making, barricading, security gate, labour colony, store rooms, professional fees for designing site establishments, monsoon protection sheds, all electrical lines at project site, etc. All material and manpower cost used in building these site establishments are capitalised at that project site.

The Group identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

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e Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period with the affect of any change in the estimate being accounted for on a prospective basis. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

f Depreciation and amortisation

Depreciation on Property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management.

Intangible assets in the form of computer software are amortised over their respective individual estimated useful lives on a straight line basis.

The Group has assessed the following useful life to depreciate and amortize on its property, plant and equipment and intangible assets respectively. The useful life of major assets are as under:

Particulars	Useful lives of the assets estimated by the management (years)
Plant and Machinery *	20
Furniture and fixtures *	10
Office Equipment	10
Formwork *	7 to 15
Buildings	60
Vehicles	10
Computer	5
Computer Software	5

* Group has used useful life other than as indicated in Schedule II which is as per management estimate, supported by independent assessment by professionals. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Site Establishments are amortised systematically over the life of the contract.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. The amortization period and the amortization method are reviewed at least at each financial year end.

g Impairment of non-financial assets

As at the end of each accounting year, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the said assets are tested for impairment so as to determine the impairment loss, if any. The intangible assets with indefinite life are tested for impairment each year. Useful life of the all the assets are mentioned in note 3(f) - Depreciation and amortisation .

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

- (i) in the case of an individual asset, at the higher of the net selling price and the value in use; and
- (ii) in the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

(The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the Group suitably adjusted for risks specified to the estimated cash flows of the asset).

For this purpose, a cash generating unit is ascertained as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

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

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h Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets**Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, 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.

Subsequent measurement

Subsequent measurement of financial assets:

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification financial assets.

Following are the categories of financial instrument:

- a) Financial assets at amortised cost
- b) Financial assets at fair value through other comprehensive income (FVTOCI)
- c) Financial assets at fair value through profit or loss (FVTPL)

a) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using the effective interest rate method if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income (FVTOCI)

Debt financial assets measured at FVOCI:

Debt instruments are subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity Instruments designated at FVOCI:

On initial recognition, the Group makes an irrevocable election on an instrument-by-instrument basis to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments, other than equity investment which are held for trading. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

c) Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading. Other financial assets such as unquoted Mutual funds are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition.

Derecognition

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

- a) the rights to receive cash flows from the asset have expired, or
- b) the Group has transferred its rights to receive cash flows from the asset, and
 - i. the Group has transferred substantially all the risks and rewards of the asset, or
 - ii. the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

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 following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits, trade receivables and bank balance
- b) Financial assets that are debt instruments and are measured at FVTOCI.
- c) Financial guarantee contracts which are not measured as at FVTPL.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

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

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

- i) All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument

- ii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss. In the balance sheet, ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

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

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

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

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

Loans and borrowings

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

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

This category generally applies to borrowings.

De-recognition

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.

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

i Inventories

Inventories are valued at the lower of cost and net realisable value.

a. Construction material, raw materials, components, stores and spares are valued at lower of cost and net realizable value. However material and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost are determined on weighted average method.

b. Ply and Batten (included in cost of material consumed).

Ply and batten are part of material and supplies used in the construction process and are hence part of inventory which are valued at cost less amortisation/charge based on their usages.

j Foreign currencies

The Group's consolidated financial statements are presented in INR, which is also the Group's functional currency.

In preparing the consolidated financial statements, transactions in the currencies other than the Group's functional currency are recorded at the rates of exchange prevailing on the date of transaction. At the end of each reporting year, monetary items denominated in the foreign currencies are re-translated at the rates prevailing at the end of the reporting year. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the retranslation or settlement of other monetary items are included in the statement of profit and loss for the period.

k Employee benefit expenses

Defined Benefit Plan

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on Projected Unit Credit Method made at the end of the financial year. Actuarial gains and losses for both defined benefit plans are recognized in full in the year in which they occur in the statement of OCI.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the consolidated balance sheet with a corresponding debit or credit to retained earnings through OCI in the year in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

Termination Benefits

The Group recognizes termination benefit as a liability and an expense when the Group has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the termination benefits fall due more than 12 months after the balance sheet date, they are measured at present value of future cash flows using the discount rate determined by reference to market yields at the balance sheet date on government bonds.

Compensated Absences

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated advances are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Remeasurement gains/losses on defined benefit plans are immediately taken to the Statement of Profit & Loss and are not deferred.

l Taxes on income

Current income tax

Tax expense for the year comprises current and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the consolidated statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting year.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

i) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

ii) In respect of taxable temporary differences associated with investments in subsidiary and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

i) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

ii) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

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

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

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

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

All other acquired tax benefits realised are recognised in profit or loss.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

m Cash and cash equivalent

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, which are 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.

n Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds including interest expense calculated using the effective interest method, finance charges in respect of assets acquired on finance lease. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset until such time as the assets are substantially ready for the intended use or sale. All other borrowing costs are expensed in the year in which they occur.

o Trade payables:

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 to 180 days of recognition other than usance letter of credit. Trade payables are presented as current financial liabilities.

The Group enters into deferred payment arrangements (acceptances) for purchase of raw materials under Letter of Credit (LCs) under non-fund based working capital facility approved by Banks for the Group. Considering these arrangements are majorly for raw materials with a maturity ranging from 90 to 180 days, the economic substance of the transaction is determined to be operating in nature and these are recognised as Acceptances under Trade payables. Interest borne by the Group on such arrangements is accounted as finance cost.

p Leases

Where the Group is lessee

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

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets

The right-of-use assets are also subject to impairment. Refer to the accounting policies in note (g) Impairment of non-financial assets.

ii) Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the year in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Interest-bearing loans and borrowings (see note (n)).

iii) Short-term leases and leases of low-value assets

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

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q Provisions and Contingencies

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. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

Provisions and contingent liability are reviewed at each balance sheet.

r Related party transactions

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the period-end are unsecured and settlement occurs in cash or credit as per the terms of the arrangement. Impairment assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

s 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, associate and joint venture companies; and
- (iv) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

t Dividend

(i) Proposed dividend:

The Group recognises a liability to make cash distributions to equity holders of the Parent Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

(ii) Final dividend

Final dividend on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Parent Company's Board of Directors. The Parent Company declares and pays dividend in Indian rupees. The Finance Act 2020 has repealed the Dividend Distribution Tax (DDT). Companies are now required to pay/distribute dividend after deducting applicable taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates.

u Earnings per share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity share holders of the Parent Company by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as fresh issue, bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity shares holders of the Parent Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the year, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each year presented.

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CAPACITIE INFRAPROJECTS LIMITED
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

4 Property, plant and equipment

	Plant and Machinery INR Lakhs	Furniture and fixtures INR Lakhs	Office equipment INR Lakhs	Site establishment INR Lakhs	Computers INR Lakhs	Formwork INR Lakhs	Vehicles INR Lakhs	Building INR Lakhs	Total INR Lakhs
At March 31, 2019	11,819.93	922.73	106.52	24,625.55	396.73	31,384.87	377.91	1,440.02	71,074.26
Additions during the year	1,344.29	37.50	2.10	12,121.86	81.79	7,921.52	143.57	-	21,632.63
Disposals/adjustments during the year	(77.29)	(3.90)	-	(1,675.76)	-	-	(56.08)	-	(1,813.03)
At March 31, 2020	13,086.93	956.33	108.62	35,071.65	478.52	39,306.39	465.40	1,440.02	90,913.86
Additions during the year	260.08	170.17	-	6,282.75	104.77	3,005.99	-	-	9,823.76
Disposals/adjustments during the year	(82.42)	-	-	(4,273.86)	(23.24)	-	-	-	(4,379.52)
At March 31, 2021	13,264.59	1,126.50	108.62	37,080.54	560.05	42,312.38	465.40	1,440.02	96,358.10
Depreciation									
At March 31, 2019	1,475.56	137.35	41.05	10,339.23	177.94	4,865.26	76.19	64.64	17,177.22
Depreciation charge for the year	690.90	79.02	16.69	7,002.83	74.43	2,936.58	40.21	22.95	10,863.61
Disposals/adjustments during the year	(14.19)	(0.51)	-	(1,675.76)	-	-	(29.42)	-	(1,719.88)
At March 31, 2020	2,152.27	215.86	57.74	15,666.30	252.37	7,801.84	86.98	87.59	26,320.95
Depreciation charge for the year	649.25	82.63	10.31	4,253.77	77.83	3,372.94	45.95	22.96	8,515.64
Disposals/adjustments during the year	(17.75)	-	-	(4,273.86)	(23.24)	-	-	-	(4,314.85)
At March 31, 2021	2,783.77	298.49	68.05	15,646.21	306.96	11,174.78	132.93	110.55	30,521.74
Net book value									
At March 31, 2021	10,480.82	828.01	40.57	21,434.33	253.09	31,137.60	332.47	1,329.47	65,836.36
At March 31, 2020	10,934.66	740.47	50.88	19,405.35	226.15	31,504.55	378.42	1,352.43	64,592.91
Net book value									
	Mar 31, 2021	Mar 31, 2020							
	INR Lakhs	INR Lakhs							
Property, plant and equipment	65,836.36	64,592.91							
Capital work-in-progress	599.57	482.61							

Note 1:

Charge on the Assets:
Please refer note 16 for the details of charge created on assets.

Note 2:

No borrowing costs are capitalised.

5 Intangible assets

	Computer Software INR Lakhs	Total INR Lakhs
At March 31, 2019	363.89	363.89
Additions during the year	49.75	49.75
Disposals/adjustments during the year	-	-
At March 31, 2020	413.64	413.64
Additions during the year	4.79	4.79
Disposals/adjustments during the year	-	-
At March 31, 2021	418.43	418.43
Depreciation		
At March 31, 2019	203.91	203.91
Depreciation charge for the year	64.00	64.00
Disposals/adjustments during the year	-	-
At March 31, 2020	267.91	267.91
Depreciation charge for the year	48.71	48.71
Disposals/adjustments during the year	-	-
At March 31, 2021	316.62	316.62
Net book value		
At March 31, 2021	101.81	101.81
At March 31, 2020	145.73	145.73

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CAPACITE INFRAPROJECTS LIMITED

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**5A Right-of-use assets****As a lessee****i) Right-of-use assets**

The Group has lease contracts for various items of machinery, office and other equipment used in its operations having lease terms between 3 months to 11 months. The group also has certain leases of office premises, staff accommodation, labour colony and godowns used in its operations having lease terms between 11 months to 72 months. The lease terms are fixed in nature. For leases having lease terms of 12 months or less and leases of office equipment with low value, group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions.

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

Right-of-use assets	INR Lakhs
As at March 31, 2019	-
Additions on adoption of Ind AS 116 as on April 01, 2019	1,385.22
Additions during the year	260.69
Disposals/adjustments during the year	-
As at March 31, 2020	1,645.91
Additions during the year	172.00
Disposals/adjustments during the year	704.60
As at March 31, 2021	1,113.31
 Depreciation	
As at March 31, 2019	-
Additions on adoption of Ind AS 116 as on April 01, 2019	-
Additions during the year	490.11
Disposals/adjustments during the year	-
As at March 31, 2020	490.11
Additions during the year	451.80
Disposals/adjustments during the year	332.81
As at March 31, 2021	609.10
 Net Book Value	
As at 31 March 2021	504.21
As at 31 March 2020	1,155.80

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CAPACIT'E INFRAPROJECTS LIMITED
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

6 Financial assets: Investments
Non current investments

I. Investment in equity shares carried at Cost, fully paid up (Unquoted)

a) In Associates in India

- TCC Constructions Private Ltd
- TPL - CIL Construction LLP
- Captech Technologies Private Limited [1,24,000 (March 31, 2020: 1000) shares of INR 10 each]

	As at March 31, 2021 INR Lakhs	As at March 31, 2020 INR Lakhs
	37.10	37.10
	35.00	35.00
	60.40	0.10
	132.50	72.20

b) In others

- Janakalyan Sahakari Bank [85,000 (March 31, 2020: 85,000) shares of INR 10 each]

	8.50	8.50
	8.50	8.50

Total

	141.00	80.70
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Details:

Aggregate value of unquoted investments

141.00 80.70

Current investments

I. Investment in mutual funds carried at fair value

through profit and loss, fully paid up (Unquoted) (under lien)

- Birla Sun Life Mutual Fund [NIL Units (March 31, 2020: 7,748.349)]
- Union Capital Protection Oriented Fund [2,50,000 units (March 31, 2020: 2,50,000)]

	As at March 31, 2021 INR Lakhs	As at March 31, 2020 INR Lakhs
	-	19.20
	32.44	30.19
	32.44	49.39

Total

Details:

Aggregate value of unquoted investments

32.44 49.39

Market value of unquoted investments

32.44 49.39

7 Loans

Current

- Secured, Loans to others (considered good)
- Unsecured, Loans to others (considered good)

	As at March 31, 2021 INR Lakhs	As at March 31, 2020 INR Lakhs
	1,000.00	1,000.00
	300.00	300.00
	1,300.00	1,300.00

Total

Term and conditions:

Loans: INR 300 lakhs loan is given to Tridhaatu Asset Holdings LLP at an interest rate of 15% p.a. which is due on June 14, 2021. INR 1,000 lakhs loan is given to Epitome Residency Private Limited at an interest rate of 15% p.a. which is falling due on June 16th, 2021.

CAPACIT'E INFRAPROJECTS LIMITED

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

8 Other financial assets

Non-current

Deposits with banks (under lien)
 Margin money deposits with banks
 Interest accrued but not due on deposits with banks
 Security deposits - others
 Contract assets (Refer note 36)
 Unbilled revenue

Total

	As at March 31, 2021 INR Lakhs	As at March 31, 2020 INR Lakhs
	338.28	1,891.77
	9,493.08	4,541.63
	327.71	97.88
	382.71	354.75
	200.00	199.22
	10,741.78	7,085.25

Current

Interest accrued but not due on deposits with banks
 Contract assets (Refer note 36)
 Unbilled revenue
 Submitted bills due for certifications
 Security deposits - others
 Security deposits - unsecured
 Other receivables

Total

	As at March 31, 2021 INR Lakhs	As at March 31, 2020 INR Lakhs
	277.47	298.02
	45,775.39	38,562.00
	8,135.83	15,149.38
	1,138.18	1,147.92
	444.51	434.51
	553.19	493.02
	56,324.57	56,084.85

Term and conditions:

Security deposits - unsecured are Earnest Money Deposits (EMDs) given while submitting tender for prospective business. EMDs are refundable after the award of tender .

Security deposits - others are given for lease agreements , utilities services & other services ranging from 11 months to 72 months. These Security deposits are refundable at the end of the lease period.

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CAPACIT'E INFRAPROJECTS LIMITED

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

9 Other assets

	As at March 31, 2021 INR Lakhs	As at March 31, 2020 INR Lakhs
Non-current		
i Capital advances	8,753.76	6,812.43
ii Others		
Balances with government authorities	1,967.32	2,033.10
Prepaid expenses	1,064.93	264.39
Advances to others	149.95	-
Total	11,935.96	9,109.92
	As at March 31, 2021 INR Lakhs	As at March 31, 2020 INR Lakhs
Current		
i Advances		
Advances to employees	114.76	66.26
Advances to related parties	110.48	148.41
Advances to others	9,530.50	6,652.41
ii Others		
Balances with government authorities	923.04	1,834.93
Prepaid expenses	1,704.17	1,549.70
Total	12,382.95	10,251.71

10 Non current tax assets (net)

	As at March 31, 2021 INR Lakhs	As at March 31, 2020 INR Lakhs
Advance tax	2,219.36	2,146.20
[net of provision for taxation INR 10,954.67 Lakhs (March 31, 2020 INR 11,272.64 Lakhs)]		
Total	2,219.36	2,146.20

11 Inventories

	As at March 31, 2021 INR Lakhs	As at March 31, 2020 INR Lakhs
Raw materials (at lower of cost and net realisable value)	10,044.86	10,411.81
Total	10,044.86	10,411.81

12 Trade receivables

	As at March 31, 2021 INR Lakhs	As at March 31, 2020 INR Lakhs
Non-current		
Trade receivables (retention) unsecured	8,147.76	8,741.76
Total	8,147.76	8,741.76
	As at March 31, 2021 INR Lakhs	As at March 31, 2020 INR Lakhs
Current		
Trade receivables including retention balance- unsecured	33,198.79	41,064.87
[including retention of INR 6,169.58 lakhs (March 31, 2020 INR 7,329.82 lakhs)]		
Receivable from related party- (Refer note below)	354.62	301.55
	33,553.41	41,366.42
Less: Impairment allowances (allowance for bad and doubtful debts)	(4,975.07)	(2,845.98)
Total	28,578.34	38,520.44

CAPACITE INFRAPROJECTS LIMITED

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Break-up for security details:

	As at March 31, 2021 INR Lakhs	As at March 31, 2020 INR Lakhs
Trade receivables		
Considered good - unsecured	37,610.95	50,108.18
Trade receivables which have significant increase in credit risk	4,090.22	-
Receivables - credit impaired	-	-
Total	41,701.17	50,108.18

Impairment allowances (allowed for bad and doubtful debts)

Considered good - unsecured	3,053.58	2,845.98
Trade receivables which have significant increase in credit risk	1,921.49	-
Receivables - credit impaired	-	-
Total	36,726.10	47,262.20

Notes:

- 1) No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person.
- 2) Receivable from related party (refer note 40) :

Particulars	As at March 31, 2021 INR Lakhs	As at March 31, 2020 INR Lakhs
TPL- CIL Construction LLP	69.27	163.37
Capacite Viraj AOP	244.16	125.61
Captech Technologies Private Limited	28.69	9.91
Capacite Engineering Private Ltd	12.50	2.66
Total	354.62	301.55

- 3) Trade receivables are non-interest bearing and are generally on terms of 45 to 90 days.

Expected credit loss allowances on receivables

Impairment of financial assets: The Group recognises impairment loss on trade receivables using expected credit loss model, which involves use of a provision matrix constructed on the basis of historical credit loss experience as permitted under Ind AS 109.

Movement in expected credit loss allowance

Particulars	As at March 31, 2021 INR Lakhs	As at March 31, 2020 INR Lakhs
Balance at the beginning of the year	2,845.98	1,300.97
Allowance during the year	2,129.11	1,545.01
Total	4,975.09	2,845.98

CAPACIT'E INFRAPROJECTS LIMITED

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**13 Cash and cash equivalents**

	As at March 31, 2021 INR Lakhs	As at March 31, 2020 INR Lakhs
Balances with banks:		
-On current accounts	832.98	812.84
-Deposits with original maturity of less than three months	128.69	9,926.64
Cash on hand	19.04	16.52
Foreign currency on hand	2.94	3.02
Total	983.65	10,759.02

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates.

14 Bank balances other than cash and cash equivalents

	As at March 31, 2021 INR Lakhs	As at March 31, 2020 INR Lakhs
Deposits kept as margin money- Less than 3 months	3,907.70	6,823.25
Deposits having maturity more than three months but less than 12 months	10,730.90	8,704.74
Total	14,638.60	15,527.99

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15A Equity share capital

	As at March 31, 2021 INR Lakhs	As at March 31, 2020 INR Lakhs
(a) Authorised capital		
8,00,00,000 (March 31,2020: 8,00,00,000) Equity shares of INR 10/- each	8,000.00	8,000.00
Total	8,000.00	8,000.00
(b) Issued, subscribed and paid up		
6,78,91,497 equity shares of INR 10/- each fully paid (March 31,2020: 6,78,91,497)	6,789.15	6,789.15
Total issued, subscribed and fully paid-up share capital	6,789.15	6,789.15

(c) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

Particulars	As at	As at	As at	As at	As at
	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017
Equity shares allotted as fully paid bonus shares by capitalization of securities premium	-	-	-	-	3,45,38,298
Equity shares allotted as fully paid-up pursuant to conversion of CCPS in ratio 7:1	-	-	-	1,15,96,816	-
Equity shares allotted as fully paid-up pursuant to contracts for consideration other than cash	-	-	-	-	-

(d) Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year:

Particulars	March 31, 2021		March 31, 2020	
	Nos.	INR Lakhs	Nos.	INR Lakhs
At the beginning of the year	6,78,91,497	6,789.15	6,78,91,497	6,789.15
Shares issued during the year	-	-	-	-
Outstanding at the end of the year	6,78,91,497	6,789.15	6,78,91,497	6,789.15

(e) Terms/Rights attached to equity shares

The Company has only one class of equity shares having a par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. However, no dividend is declared in current year.

In the event of liquidation of the Company, the holders of shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of shares held by the shareholder INR.

(f) Details of Shareholders holding more than 5% Equity shares

Name of shareholders	March 31, 2021		March 31, 2020	
	Number of shares held	% of Holding	Number of shares held	% of Holding
Rohit Ramnath Katval	63,04,144	9.29%	63,04,144	9.29%
Rahul Ramnath Katval	83,80,953	12.34%	61,24,930	9.02%
Rohit Katval jointly with Rahul Katval	-	-	45,12,046	6.65%
Katval Merchandise Private Limited	90,72,994	13.36%	90,72,994	13.36%
New Quest Asia Investments II Limited	66,17,254	9.75%	66,17,254	9.75%
Paragon Partners Growth Fund	60,36,303	8.89%	60,36,303	8.89%
ICICI Prudential Multicap Fund	42,05,451	6.19%	34,40,460	5.07%

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

(g) Dividend on equity shares declared and paid during the year

	As at March 31, 2021 INR Lakhs	As at March 31, 2020 INR Lakhs
Final dividend of Rs 1.00 per share for FY 2018-19 (Proposed by Board of Directors in the meeting held on May 13, 2019 and was approved by Shareholders in the meeting held on August 20, 2019 and paid in FY 2019-20)	-	678.79
Dividend distribution tax	-	143.73
Total	-	822.52

15B Other equity

	As at March 31, 2021 INR Lakhs	As at March 31, 2020 INR Lakhs
(a) Securities premium		
Balance as per the last financial statements	45,713.14	45,713.14
Total	45,713.14	45,713.14

Note: Securities premium is used to record the excess of the amount received over the face value of the shares. The issue expenses of securities which qualify as equity instruments are written off against Securities premium. This reserve will be utilised in accordance with the provision of the Companies Act, 2013.

	As at March 31, 2021 INR Lakhs	As at March 31, 2020 INR Lakhs
(b) Retained earnings		
Balance as per last financial statement	40,088.11	31,802.34
Add: Profit for the year	153.22	9,103.15
Add: Other comprehensive income for the year	138.53	5.14
Less: Appropriation		
Dividend	-	(678.79)
Dividend distribution tax	-	(143.73)
Total	40,379.86	40,088.11
Grand Total	86,093.00	85,801.25

Note: The portion of profits not distributed among the shareholders but retained and used in business are termed as retained earnings. It is also referred to as ploughing back of profit. The group should ensure to strike the right balance between the quantum of dividend paid and amount of profits retained in the business for various purposes. These earnings may be utilized for internal financing of its various projects and for fixed as well as working capital. Thus the retained earnings shall be utilized for carrying out the main objectives of the group and maintaining adequate liquidity levels.

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CAPACITE INFRAPROJECTS LIMITED
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

16 Borrowings

	Effective Interest Rate (%)	As at March 31, 2021 INR Lakhs	As at March 31, 2020 INR Lakhs
(a) Non-current borrowings			
Term loans			
From banks (secured)	10.32%	7,208.08	7,973.26
From financial institutions (secured)	13.17%	1,025.71	1,379.35
Total		8,233.79	9,352.61
(b) Current borrowings			
Working capital loan (secured)			
From bank	10.91%	13,723.53	11,839.45
Bills discounted with bank (secured)	Refer Note Below	2,259.82	6,333.85
Current maturity of long term loans (secured)			
From banks	10.32%	3,518.49	2,543.80
From financial institutions	13.17%	729.19	541.59
From related parties			
Intercompany deposits from related party (unsecured)	12.00%	104.25	107.96
Loans from directors (unsecured)	12.00%	58.04	99.28
Total		20,393.32	21,465.93
Less: Amount clubbed under "other current liabilities"		(4,247.68)	(3,085.39)
Net current borrowings		16,145.64	18,380.54
Aggregate secured borrowings		28,464.82	30,611.30
Aggregate unsecured borrowings		162.29	207.24

Terms and conditions of the borrowings

Term loan from bank carries interest ranging between 7.50% to 14.70%p.a. These loans are repayable in 30 to 84 months with structured monthly instalments ranging between INR 0.15 lakhs to INR 68.57 lakhs each along with interest, from the date of loan. These loans are secured by hypothecation of respective equipments/vehicles against which these loans are taken with additional mortgage/charge aggregating to an amount of INR 18,078 lakhs (PY INR 18,078 lakhs), on the plant and machinery and formwork placed at various sites and used for the purpose of construction. Further, these loans has been guaranteed by the personal guarantee of the directors of the Company.

Term loan from financial institutions carries interest ranging between 7.99% to 14.16 % p.a. These loans are repayable in 29 to 59 months with structured monthly instalments ranging between INR 0.11 lakhs to INR 5.28 lakhs each along with interest, from the date of loan. These loans are secured by hypothecation of respective equipments against which these loans are taken with additional mortgage/charge aggregating to an amount of INR 3,801 lakhs (PY INR 3,801 lakhs), on the plant and machinery placed at various sites and used for the purpose of construction. Further, these loans has been guaranteed by the personal guarantee of the directors of the Company.

Working capital loan from banks is secured against hypothecation of fixed assets, inventory, trade receivables, and other current assets on paripassu basis with other member banks in the consortium. The Working capital loan is repayable on demand and carries interest range between 1 year MCLR + 0.15% to 4.35% presently, in range of 9.00% to 12.35% p.a.

Bills discounted with various banks from various banks are discounted at various rates ranging from 10.75%p.a. to 12.50% p.a. Tenure for bills discounted with banks are for 90 days . Bills discounted with banks are secured against the debtors of the bill discounted.

Unsecured loan from related parties carry interest rate of 12% and are repayable on demand.

Net debt reconciliation with cash flow statement

Particulars	Liabilities from financing activities		Total
	Non-current borrowings (included interest accrued)	Current borrowings	
Balance as on April 1,2019	9,620.94	17,788.47	27,409.41
Cash flows (As per statement of cash flow) (net)	2,853.38	592.08	3,445.46
Interest expense	6,453.30	-	6,453.30
Interest paid	(6,480.93)	-	(6,480.93)
Balance as on April 1,2020	12,446.69	18,380.55	30,827.24
Cash flows (As per statement of cash flow) (net)	43.47	(2,234.91)	(2,191.44)
Interest expense	6,777.38	-	6,777.38
Interest paid	(6,731.11)	-	(6,731.11)
Balance as on March 31,2021	12,536.43	16,145.64	28,682.07

CAPACITE INFRAPROJECTS LIMITED
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

16A Lease liability	As at March 31, 2021 INR Lakhs	As at March 31, 2020 INR Lakhs
(a) Non-current lease liability	294.50	786.93
(b) Current lease liability	220.96	396.56
Total	515.46	1,183.49

(c) Reconciliation between total future minimum lease payments and their present value:	As at March 31, 2021 INR Lakhs	As at March 31, 2020 INR Lakhs
Total future minimum lease payments	645.23	1,492.00
Less: Future liability on interest account	129.77	308.51
Present value of future minimum lease payments	515.46	1,183.49

(d) Year wise future minimum lease rental payments:	As at March 31, 2021 INR Lakhs		As at March 31, 2020 INR Lakhs	
	Total minimum lease payments	Present value of lease payments	Total minimum lease payments	Present value of lease payments
Particulars				
(i) Not later than one year	196.53	139.83	526.74	396.56
(ii) Later than one year but not later than five years	448.70	375.63	965.26	786.93
Total	645.23	515.46	1,492.00	1,183.49

(e) Lease Liability movement	During the year ended March 31, 2021 INR Lakhs	During the year ended March 31, 2020 INR Lakhs
Opening balance	1,183.49	-
Add: Lease liability recognised on adoption of IND AS 116 as on April 1,2019	-	1,333.33
Less: Lease liability derecognised during the year	422.09	-
Add: Contract assets during the year	167.95	260.69
Add: Finance cost charged during the year	134.45	175.34
Less: Lease payments during the year	548.34	585.87
Closing balance	515.46	1,183.49

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CAPACIT'E INFRAPROJECTS LIMITED

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

17 Trade payables

	As at March 31, 2021 INR Lakhs	As at March 31, 2020 INR Lakhs
Total outstanding dues of micro enterprises and small enterprises (Refer note 35)	953.02	1,416.27
	953.02	1,416.27
Total outstanding dues of creditors other than micro enterprises and small enterprises.		
Acceptances (refer note (a) below)	9,766.26	16,327.84
Trade payables (refer note (b) below)	30,686.80	37,589.05
Trade payables to related parties	853.58	651.87
Sub total	41,306.64	54,568.76
Total	42,259.66	55,985.03

Notes:

(a) Acceptances represent amounts payable to banks on due date as per usance period of Letter of Credit (LCs) issued to raw material vendors under non-fund based working capital facility approved by banks for the Group. The arrangements are interest-bearing with a maturity ranging from 90 to 180 days.

(b) Others includes amount payable to vendors and accrual of expenses that are expected to be settled in the Group's normal operating cycle or due to be settled within 30 to 180 days from the reporting date.

(c) For explanations on the Group's liquidity risk management processes Refer note 47 (C).

18 Other financial liabilities

	As at March 31, 2021 INR Lakhs	As at March 31, 2020 INR Lakhs
Non-current		
Other financial liabilities at amortized cost		
Creditors for capital goods	-	1,259.74
Retention money payable to related parties	64.92	145.96
Retention money payable to others	2,756.00	2,447.86
Total	2,820.92	3,853.56
Current		
Other financial liabilities at amortized cost		
Current maturity of long term loans (refer note 16)	4,247.68	3,085.39
Interest accrued but not due on borrowings	51.62	8.70
Group's share in joint ventures and associates	26.46	2.17
Interest accrued but not due on loans from directors	1.38	-
Interest accrued but not due on ICD taken	3.34	1.42
Creditors for capital goods/services	1,844.70	1,828.92
Employee dues	1,098.88	1,027.77
Total	7,274.06	5,954.37

Terms and conditions:

-Creditors for capital goods are non-interest bearing and are normally settled on 90 to 180 day terms.

-Retention money are payable after the defect liability periods is over as per the terms of the contract.

-Long term loans maturity and interest accrued but not due are as per the terms with bank's loan sanction letter. (Refer Note 16)

-Interest accrued but not due on ICDs are payable within 1 to 3 months as per the terms of Loan. (Refer Note 16)

-Employee dues are payable within 30 days.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

19 Provisions

	As at March 31, 2021 INR Lakhs	As at March 31, 2020 INR Lakhs
Non-current		
Provision for employee benefits		
Gratuity	214.82	122.58
Total	214.82	122.58
	As at March 31, 2021 INR Lakhs	As at March 31, 2020 INR Lakhs
Current		
Provision for employee benefits		
Gratuity	107.72	97.99
Leave encashment	75.53	204.18
Other provisions	36.01	1,179.34
Total	219.26	1,481.51

20 Current tax liabilities (net)

	As at March 31, 2021 INR Lakhs	As at March 31, 2020 INR Lakhs
Provision for tax	1,251.53	1,247.93
[net of advance tax INR 2,305.83 Lakhs (March 31, 2020 INR 2,309.44 Lakhs)]		
Total	1,251.53	1,247.93

21 Deferred tax liabilities (net)

	As at March 31, 2021 INR Lakhs	As at March 31, 2020 INR Lakhs
Deferred tax liabilities (net)	3,469.92	3,868.93
Total	3,469.92	3,868.93

	As at March 31, 2020 INR Lakhs	Recognised in profit or loss INR Lakhs	As at March 31, 2021 INR Lakhs
Deferred tax assets in relation to:			
Provisions	853.06	535.44	1,388.50
Retention	-	1,085.31	1,085.31
	853.06	1,620.75	2,473.81
Deferred tax liabilities in relation to:			
Property, plant and equipment	3,114.32	1,059.19	4,173.51
Retention money	1,384.82	115.96	1,500.78
Impact on adoption of Ind AS 115	203.17	-	203.17
Others	19.68	46.59	66.27
Total	4,721.99	1,221.74	5,943.73
Net deferred tax liabilities	3,868.93	(399.01)	3,469.92

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	As at March 31, 2019 INR Lakhs	Recognised in profit or loss INR Lakhs	As at March 31, 2020 INR Lakhs
Deferred tax assets in relation to:			
Provisions	569.06	284.00	853.06
Others	-	-	-
	569.06	284.00	853.06
Deferred tax liabilities in relation to:			
Property, plant and equipment	3,121.26	(6.94)	3,114.32
Retention money	2,859.07	(1,474.25)	1,384.82
Impact on adoption of Ind AS 115	290.17	(87.00)	203.17
Others	19.68	-	19.68
Total	6,290.18	(1,568.19)	4,721.99
Net deferred tax liabilities	5,721.12	(1,852.19)	3,868.93

* Includes effect of transfer from provision for taxes to deferred tax liability.

22 Other liabilities

	As at March 31, 2021 INR Lakhs	As at March 31, 2020 INR Lakhs
Non-current		
Contract liabilities		
Advance from customers (refer note 36)	25,985.84	29,234.72
Deferred income	-	51.27
Total	25,985.84	29,285.99
Current		
Contract liabilities		
Advance from customers (refer note 36)	22,835.06	11,408.76
Deferred income	-	157.45
Statutory dues	405.12	1,572.94
Total	23,240.18	13,139.15

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23 Revenue from operations	March 31, 2021	March 31, 2020
	INR Lakhs	INR Lakhs
Contract revenue	87,429.96	1,52,351.97
Other operating income		
- Scrap sales	542.23	547.20
Total	87,972.19	1,52,899.17
24 Other income	March 31, 2021	March 31, 2020
	INR Lakhs	INR Lakhs
(a) Interest income		
- Interest on fixed deposits	1,500.80	1,548.57
- Other interest income	219.44	710.13
(b) Other non operating income		
- Equipment hire charges	49.05	169.21
- Service charge income	-	2.25
- Net gain on sale or fair valuation of mutual funds	3.60	2.64
- Miscellaneous income	1,106.65	106.98
Total	2,879.54	2,539.78
25 Cost of material consumed	March 31, 2021	March 31, 2020
	INR Lakhs	INR Lakhs
Opening stock	9,105.69	9,105.69
Add: Purchase of material (refer note 32)	36,630.50	67,069.23
Less: Closing stock	(10,044.86)	(10,411.81)
Total	35,691.33	65,763.11
26 Construction expenses	March 31, 2021	March 31, 2020
	INR Lakhs	INR Lakhs
Labour/Subcontractor charges (refer note 32)	17,850.35	30,919.62
Electricity expenses (site)	697.78	1,136.24
Equipments hire charges (refer note 32)	1,086.21	2,589.62
Formwork hire charges	944.65	3,365.75
Other construction expenses	3,945.00	2,627.11
Total	24,523.99	40,638.34
27 Employee benefit expenses	March 31, 2021	March 31, 2020
	INR Lakhs	INR Lakhs
Salaries, wages and bonus	7,405.93	12,933.31
Contributions to provident and other funds	239.04	374.80
Staff welfare expenses	235.78	395.17
Total	7,880.75	13,703.28
28 Finance cost	March 31, 2021	March 31, 2020
	INR Lakhs	INR Lakhs
Interest on borrowings	3,674.98	2,725.78
Other interest expenses	1,601.93	1,336.79
Bank guarantee commission	1,220.32	1,173.74
Bank charges	532.42	1,216.99
Total	7,029.65	6,453.30

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

29 Depreciation and amortisation expenses

	March 31, 2021	March 31, 2020
	INR Lakhs	INR Lakhs
Depreciation of property, plant and equipment	8,515.72	10,863.85
Amortization of intangible assets	48.71	64.00
Depreciation of right-of-use assets	451.80	490.11
Total	9,016.23	11,417.96

30 Other expenses

	March 31, 2021	March 31, 2020
	INR Lakhs	INR Lakhs
Electricity charges	72.50	96.08
Rent	503.62	925.72
Rates and taxes (refer note 32)	349.46	173.10
Insurance expenses	194.04	227.02
Repairs and maintenance of:		
Plant and machinery	182.44	208.99
CSR expenditure (refer note below)	249.91	1.00
Commission and brokerage	19.01	25.39
Legal and professional charges (refer note 32)	667.36	1,303.61
Payment to auditor (refer note below)	65.38	82.00
Advertising and sales promotion	43.28	134.88
Travelling expenses	155.29	305.46
Vehicle hiring charges	298.23	480.33
Communication costs	50.98	73.64
Provision for doubtful debts	2,129.10	1,545.00
Donation	6.29	9.53
Office expenses	827.81	1,167.93
Printing and stationery	87.16	143.73
Miscellaneous expenses	325.86	221.09
Total	6,227.72	7,124.50

Corporate social responsibility expenditure

As per section 135 of the Companies Act, 2013 read with relevant rules thereon, the Group was required to spend INR 249.91 Lakhs (INR 257.64 Lakhs) on Corporate Social Responsibility (CSR) activities during FY 2020-21. Against it, the Group has during the year spent an amount of INR 568.86 lakhs (INR 1 lakh) towards CSR activities. The balance excess CSR amount for FY 2020-21 of INR 318.95 lakhs has been carried forward to next year.

Payment to auditors (excluding GST)

As auditors:

	March 31, 2021	March 31, 2020
Statutory audit fees	36.75	51.50
Limited review of standalone and consolidated financial statement on quarterly basis	25.50	28.50
For other services including certification works	3.00	2.00
Reimbursement of expenses	0.13	4.50
	65.38	86.50

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

31 Income tax

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	March 31, 2021	March 31, 2020
	INR Lakhs	INR Lakhs
Profit before tax	482.06	10,338.46
Profit before tax considered for tax working	482.06	10,338.46
Income tax expense calculated at 25.168%	121.33	2,602.26
Add/(Less) tax effect on account of :		
Impact of new tax rate adoption		
MAT write-off	-	219.56
Effect of rate change due to new tax regime	-	(1,627.94)
Other impacts		
Tax effect on permanent non deductible expenses	69.51	38.07
Adjustment of tax of earlier years	113.71	-
Income tax expense recognised in statement of profit and loss	304.55	1,231.96
Statement of other comprehensive income:		
Current tax related to items recognised in OCI during the year:		
In respect of current year	185.12	6.87
Income tax charged to OCI	46.59	1.73

32 During the year, following expenses are capitalised to site establishment (also refer note 3(d) on PPE)

Particulars	March 31, 2021	March 31, 2020
	INR Lakhs	INR Lakhs
Raw material consumed	4,696.57	5,217.57
Labour/Subcontractor charges	1,320.50	5,045.57
Equipments hire charges	88.86	214.50
Legal and professional charges	152.05	1,644.22
Others	25.00	-
Total	6,282.98	12,121.86

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33 Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.
Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars		March 31, 2021	March 31, 2020
Basic earnings per share			
Profit attributable to equity shares holders (INR In lakhs)	A	153.22	9,103.15
Weighted average number of equity shares outstanding	B	6,78,91,497	6,78,91,497
Basic EPS	A/B	0.23	13.41
Diluted earnings per share			
Profit attributable to equity shares holders (INR In lakhs)	A	153.22	9,103.15
Weighted average number of equity shares outstanding for diluted EPS	B	6,78,91,497	6,78,91,497
Diluted EPS	A/B	0.23	13.41
Face value per share (INR)		10	10

34 Segment reporting

For management purposes, the Group is organised into business units based on its services and has single reportable segments namely "Engineering, Procurement and Construction Contracts".

The Board of directors of the Group monitors the operating results of this segment for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

35 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

The details of amounts outstanding to Micro and Small enterprises under the Micro and Small Enterprises Development Act, 2006 (MSED Act), based on the available information with the Group are as under:

	March, 31 2021	March, 31 2020
(INR in lakhs)		
-Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	953.02	1,416.27
-Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	167.25	60.62
-Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
-Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
-Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
-Interest due and payable towards suppliers registered under MSMED Act, for payments already made	106.62	60.62
-Further interest remaining due and payable for earlier years	60.62	-

36 Disclosure pursuant to Ind AS 115

a) Contract balances

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

	(INR in lakhs)	
Particulars	As at March 31, 2021	As at March 31, 2020
Contract assets		
Unbilled revenue		
Non-current	200.00	199.22
Current	53,911.22	53,711.38
Total contract assets	54,111.22	53,910.60
Contract liabilities		
Advance from customers		
Non-current	25,985.84	29,234.72
Current	22,835.06	11,408.76
Total contract liabilities	48,820.90	40,643.48
Receivables		
Trade receivables (gross)		
Non-current	8,147.76	8,741.76
Current	33,553.41	41,366.42
Less : Impairment allowance	(4,975.07)	(2,845.98)
Net receivables	36,726.10	47,262.20
Total	42,016.42	60,529.32

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance. Contract assets are transferred to receivables when the rights become unconditional and contract liabilities are recognized as and when the performance obligation is satisfied.

Significant changes in the contract assets and the contract liabilities balances during the year are as follows:

(INR in lakhs)

Particulars	As at March 31, 2021	
	Contract Assets	Contract Liabilities
Opening balance (unbilled revenue)	53,910.60	40,643.48
Less : Revenue recognized during the year from balance at the beginning of the year, (net)	50,879.73	8,963.55
Add : Advance received during the year not recognized as revenue	-	17,140.97
Add : Revenue recognized during the year apart from above, (net)	51,080.35	-
Closing balance	54,111.22	48,820.90

b) Transaction price - Remaining performance obligation

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Group expects to recognize these amounts in revenue. The aggregate value of performance obligations (completely or partially unsatisfied) as of March 31, 2021 is INR 10,22,144.73 Lakhs (excluding MHADA project), out of which, majority is expected to be recognised as revenue within a period of 18-42 months. MHADA project is a Joint venture project between Capacite Infracore Limited & Tata Projects Limited.

37 Contingent liabilities

a) Particulars

Corporate guarantee given on behalf of subsidiary company
 Bank guarantees
Total

	As at March 31, 2021 INR Lakhs	As at March 31, 2020 INR Lakhs
	1,095.00	1,095.00
	11,900.95	12,839.92
Total	12,995.95	13,934.92

b) For the year 13-14 & 14-15, Group has received assessment orders under Maharashtra Value Added Tax Act, 2002 (MVAT) with disallowance of input tax credit and Tax deducted at source amounting to INR 63,22,130/- and INR 1,15,31,314/- respectively. The Group has filed an appeal against the said orders. Pending outcome of the same, no adjustment has been made in the financial statements. The outcome of the appeal shall not result into cash outflow for the Group.

c) With respect to certain matters relating to issue of shares in earlier years, the parent Company has made suo-moto application to Registrar of Companies (ROC), Mumbai, for compounding of offences under Section 42, 62 read with the applicable rules thereunder of the Companies Act. The matter is still pending with the ROC, Mumbai, the impact of the same on the financial statements is not ascertainable.

38 Capital and other commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances)
 -on Property, plant & equipment
Total

	As at March 31, 2021 INR Lakhs	As at March 31, 2020 INR Lakhs
	410.70	874.02
Total	410.70	874.02

39 Disclosure pursuant to Ind AS 19 "Employee benefits"

Gratuity Valuation - As per actuary

In respect of Gratuity, the Group makes annual contribution to the employee group gratuity scheme of the Bajaj Allianz Life Insurance Co. Ltd, funded defined benefits plan for qualified employees. The scheme provided for lump sum payments to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service. The Group has provided for gratuity based on the actuarial valuation done as per Project Unit Credit Method.

Defined benefit plans exposes the Group to actuarial risks such as

- (i) Interest rate risk A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset
- (ii) Salary Risk The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.
- (iii) Investment Risk The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.
- (iv) Asset Liability Matching Risk The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.
- (v) Mortality risk Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.
- (vi) Concentration Risk Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines

The Group operates one defined benefit plan viz. gratuity benefit for its employees which is funded. The gratuity benefit is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The scheme is funded with insurance companies.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the gratuity benefit plan:

(i) Net benefit expenses (recognised in profit or loss)

Particulars
 Current service cost
 Net interest cost
Net benefit expenses

	March 31, 2021	March 31, 2020
	113.37	158.81
	29.07	38.10
Net benefit expenses	142.44	196.91

(ii) Re-measurement (gain)/loss recognised in other comprehensive income

Particulars	March 31, 2021	March 31, 2020
Actuarial loss /(gain) due to defined benefit obligation ('DBO') and assumption changes	(226.58)	(64.41)
Return on plan assets less /greater than discount rate	15.14	(6.82)
Actuarial losses /(gains) due recognised in OCI	(211.44)	(71.23)

(iii) The amounts recognised in the balance sheet are as follows:

Particulars	As at March 31, 2021 INR Lakhs	As at March 31, 2020 INR Lakhs
Defined benefit obligation	534.94	564.43
Fair value of plan assets	212.40	343.86
Net liability	322.54	220.57

(iv) The changes in the present value of defined benefit obligation for gratuity are as follows:

Particulars	As at March 31, 2021 INR Lakhs	As at March 31, 2020 INR Lakhs
Opening defined benefit obligation	564.43	481.67
Add: Service cost	113.37	158.81
Add: Interest cost	29.07	38.10
Add: Contributions by employer	-	-
Add/(Less): Actuarial losses/(gains) - arising from changes in financial assumptions	-	-
Add: Actuarial gain on obligation arising from changes in experience adjustments	(38.24)	(67.04)
Less: Benefit paid	(133.69)	(47.12)
Closing defined benefit obligation	534.94	564.42

(v) Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows:

Particulars	As at March 31, 2021 INR Lakhs	As at March 31, 2020 INR Lakhs
Opening balance of the fair value of plan assets	343.86	311.22
Add: Interest income on plan assets	17.41	11.07
Add/(less): Actuarial gains/(losses)	(15.18)	(10.61)
Add: Contribution by employer	-	79.30
Less: Benefits paid	(133.69)	(47.12)
Closing balance of the fair value of plan assets	212.40	343.86

(vi) The major category of plan asset as a percentage of fair value of total plan assets is as follows

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Investments with insurer managed funds	100%	100%

(vii) Principal actuarial assumptions as at Balance Sheet date:

Particulars	As at March 31, 2020	As at March 31, 2019
Discount rate	6.50%	7.75%
Expected return on assets	6.50%	7.75%
Employee attrition rate	24.00%	5.00%
Salary growth rate	5.00%	5.00%

(viii) Sensitivity Analysis

Sensitivity analysis 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 co-related. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019
Assumptions	Discounted		Future salary increase	
Sensitivity analysis	1% Increase	1% Decrease	1% Increase	1% Decrease
Impact on define benefit obligation	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs
	(18.08)	(18.93)	19.37	17.21

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

(ix) Methodology for defined benefit obligation:

The Projected Unit Credit (PUC) actuarial method has been used to assess the plan's liabilities, including those related to death in service and incapacity benefits. Under PUC method a projected accrued benefit is calculated at the beginning of the year and again at the end of the year for each benefit that will accrue for all active members of the plan. The projected accrued benefit is based on the plan's accrual formula and upon service as of the beginning or end of the year, but using a member's final compensation, projected to the age at which the employee is assumed to leave active service. The plan liability is the actuarial present value of the projected accrued benefits for active members.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(x) The expected maturity analysis of undiscounted defined benefit obligation is as follows:

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Within 1 year	97.99	97.99
Between 1 - 2 years	47.19	47.19
Between 2 - 3 years	53.77	53.77
Between 3 - 4 years	48.28	48.28
Between 4 - 5 years	47.21	47.21
Beyond 5 years	269.98	269.98

The average duration of the defined benefit plan obligation at the end of the reporting period is 17 years (March 31, 2020 - 17 years).

The contribution expected to be made by the Group during the financial period July 2021- June 22 is INR 173.03 Lakhs (2019-20: INR 205.69 Lakhs)

Compensated absences (unfunded)

In respect of Compensated absences, accrual is made on the basis of a year-end actuarial valuation. the Group has provided for compensated absences based on the actuarial valuation done as per Project Unit Credit Method. The leave obligation cover the Group's liability for earned leave. The amount of the provision of INR 75.53 lakh (year ended 31 March 2020: INR 204.18 lakh) is presented as current. The Group contributes towards has recognised INR 33.41 lakh (31 March 2020: INR 62.25 lakh) for Compensated absences in the Statement of Profit and Loss

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40. Related party transactions

Names of related parties and related party relationship

Joint Venture	PPSL Capacite JV Realcon Infrastructure LLP (from April 01, 2019 till September 30, 2019) Capacite Viraj AOP
Enterprises directly or indirectly owned / significantly influenced by directors/key management personnel or their relatives.	Katyal Merchandise Private Limited Capacite Engineering Private Limited Katyal Ventures Private Limited (Formerly Capacite Ventures Private Limited)
Associates (where transactions have taken place during the year and previous year / balances outstanding)	TPL-CIL Construction LLP TCC Construction Private Limited Captech Technologies Private Limited (w.e.f. July 24, 2020)
Key Management Personnel & their relatives	Rohit Katyal - Executive Director and Chief Financial Officer Rahul Katyal - Managing director Sai Katkar - Company Secretary (upto January 18, 2020) Varsha Malkani - Company Secretary (from July 15, 2020 upto May 07, 2021) Subir Malhotra - Executive director Sumeet Nindrajog - Non Executive Director Siddharth Parekh - Non Executive Director Sakshi Katyal - Wife of Mr. Rohit Katyal Farah Nathani Menzies - Independent director S B Mainak - Independent director (Upto February 15, 2020) Saroj Kumar Pati - Chief Executive Officer Ashutosh Katyal (Upto October 27, 2020) Arun Karambelkar- Independent director Monita Malhotra - Wife of Mr. Subir Malhotra Manjushree Nitin Ghodke (From August 11, 2020)

Related Party Transaction (including provisions and accruals)

(INR Lakhs)

Name of Related Party	Relation with related parties	Nature of transaction	As at March 31, 2021	As at March 31, 2020
Capacite Viraj AOP	Associate	Revenue	23.11	52.90
		Equipment hire charges	49.79	80.26
		Formwork hire charges	39.98	76.20
		Purchase of material	21.58	-
		Other Income	3.72	6.87
		Subcontractor charges	55.64	-
Capacite Engineering Private Limited	Enterprises directly or indirectly owned / significantly influenced by directors/key management personnel or their relatives	Subcontractor charges	79.77	2,796.69
		Other construction expenses	1,474.51	-
		Legal and professional charges	30.60	30.60
		Purchase of Material	260.08	-
		Interest on Intercorporate deposits	1.39	1.39
		Other Income	6.33	6.27
TPL-CIL Construction LLP	Associates	Other income	277.71	151.27
Realcon Infrastructure LLP	Joint Venture	Revenue	-	331.25
Rahul Katyal	Managing Director	Loan from director	-	56.24
		Loan repaid to director	11.24	45.00
		Interest on loan (Gross)	0.50	1.63
		Directors remuneration (refer note below)	66.92	94.20
Rohit Katyal	Director and Chief Financial Officer	Directors remuneration (refer note below)	69.05	97.20
		Loan from director	-	564.24
		Loan repaid to director	30.00	476.20
		Interest paid	9.69	-
Varsha Malkani	Company Secretary	Interest on loan (Gross)	10.55	6.16
Subir Malhotra	Executive Director	Remuneration	7.06	12.77
		Directors remuneration (refer note below)	61.24	86.20
		Loan from director	-	50.00
Manjushree Ghodke	Independent director	Loan repaid to director	-	50.00
Arun Karambelkar	Independent director	Sitting Fees	1.80	-
Arun Karambelkar	Independent director	Sitting Fees	3.60	3.40
Farah Nathani Menzies	Independent director	Commission	3.00	3.00
Farah Nathani Menzies	Independent director	Sitting Fees	2.90	3.60
S B Mainak	Independent director	Commission	3.00	3.00
S B Mainak	Independent director	Sitting Fees	-	3.45
Saroj Kumar Pati	Chief Executive Officer	Commission	-	3.00
Katyal Ventures Pvt Ltd	Enterprises Owned by or significantly influenced by key management personnel or their relatives	Remuneration	86.42	136.53
		Rent Expenses	0.41	4.47
Mrs. Monita Malhotra	Relatives of Directors	Rent Expenses	17.98	24.72
Sakshi Katyal	Relatives of Directors	Rent Expenses	1.50	6.75
Ashutosh Katyal	Relatives of Directors	Remuneration	-	9.62
Katyal Merchandise Pvt Ltd	Enterprises Owned by or significantly influenced by key management personnel or their relatives	Interest expense	11.41	6.14
		Interest paid	12.67	4.56
		Intercorporate deposits repaid	35.00	-
		Intercorporate deposits taken	30.00	90.72
Captech Technologies Pvt Ltd	Enterprises Owned by or significantly influenced by key management personnel or their relatives	Subcontractor Charges	-	30.00
		Other Income	17.00	-
		Legal and professional charged	57.16	-
		Miscellaneous expenses	41.29	-
		Advance given	-	14.90

Note: The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Group as a whole.

Compensation of key management personnel of the Group

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Compensation including sitting fees	325.23	452.51
Total	325.23	452.51

Closing Balances of Related Parties (including provisions and accruals)

Name of Related Party	Relation with related parties	Nature of Balance	As at	As at
			March 31, 2021	March 31, 2020
PPSL Capacite JV	Joint Venture	Trade payable	6.39	6.95
Capacite Viraj AOP	Joint Venture	Trade receivables	218.93	182.00
Capacite Engineering Pvt Ltd	Enterprises Owned by or significantly influenced	Trade payable	652.59	481.67
		Intercorporate deposit	18.53	17.24
Captech Technologies Pvt Ltd	Enterprises Owned by or significantly influenced by key management personnel or their relatives	Investment	60.40	0.10
		Advance given	-	14.90
		Trade receivables	43.16	2.34
TPL-CIL Construction LLP	Associates	Trade receivables	69.26	163.37
Katyal Merchandise Pvt Ltd	Enterprises Owned by or significantly influenced by key management personnel or their relatives	Intercorporate deposit	89.05	92.14
Rohit Katyal	Director and Chief Financial Officer	Unsecured loan from director	59.42	89.42
Rahul Katyal	Managing Director	Unsecured loan from director	-	11.41
Mrs. Monita Malhotra	Relatives of Directors	Trade payable	2.99	7.28

Note: Loans given to related party are repayable on demand. These loans carries interest @ of 12% p.a. The Group has not demanded any repayment of the said loan during the year ended March 31, 2021.

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CAPACITE INFRAPROJECTS LIMITED
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

41 Group information

Information about subsidiaries

The consolidated financial statements of the Group includes subsidiaries listed in the table below:

Name	Incorporated in	Principle activities	% Equity interest	
			March 31, 2021	March 31, 2020
CIPL-PPSL-Yongnam Joint Venture Constructions Private Limited	India	Engineering Procurement and Construction	100%	100%

42 Interest in Joint Ventures and Associates

The Group has a 49% interest in PPSL Capacite JV, a joint venture involved in the construction and infrastructure development in India. The Group has 70% profit/(loss) sharing in Capacite-Viraj AOP involved in the construction and infrastructure development in India. PPSL Capacite JV & Capacite-Viraj AOP are an unincorporated entities. The Group's interest in PPSL Capacite JV & Capacite-Viraj AOP is accounted for using the equity method in the consolidated financial statements.

The Group has investments in associates - 40% profit/(loss) sharing in Capacite's Engineering Private Limited, 35% profit/(loss) sharing in TPL-CIL-LLP, 37.10% profit/(loss) in TCC Constructions Private Limited. Summarised financial information of the joint ventures, based on its Ind AS financial statements are set out below:

Summarised balance sheet of the Joint ventures as at 31 March 2021:

	PPSL Capacite JV		Capacite-Viraj AOP	
	As at March 31, 2021 INR Lakhs	As at March 31, 2020 INR Lakhs	As at March 31, 2021 INR Lakhs	As at March 31, 2020 INR Lakhs
Non-current assets				
Property, plant and equipment	-	-	315.50	331.93
Non-current tax assets (net)	-	-	12.70	24.00
Current assets				
Inventories	-	-	31.08	82.05
Financial assets				
Trade receivables	-	-	724.73	480.24
Cash and cash equivalent	1.30	0.74	27.03	1.16
Loans	-	-	1.18	2.18
Other financial assets	-	-	370.00	212.92
Other current assets	6.45	7.01	128.53	276.15
Total Assets	7.75	7.75	1,610.74	1,410.63
Equity and Liabilities				
Equity				
Other equity	7.75	7.75	(25.30)	(12.80)
Non-current liabilities				
Financial liabilities				
Other financial liabilities	-	-	18.01	10.12
Other non-current liabilities	-	-	371.31	500.00
Current liabilities				
Financial liabilities				
Trade payables	-	-	1,070.46	599.16
Other financial liabilities	-	-	22.26	19.02
Other current liabilities	-	-	154.00	295.14
Total equity and liabilities	7.75	7.75	1,610.74	1,410.63
Proportion of the Group's ownership	49%	49%	70%	70%
Carrying amount of the investment	3.80	3.80	(17.71)	(8.96)

Summarised statement of profit and loss of Joint Ventures

	PPSL Capacite JV		Capacite-Viraj AOP	
	For the Year Ended March 31, 2021 INR Lakhs	For the Year Ended March 31, 2020 INR Lakhs	For the Year Ended March 31, 2021 INR Lakhs	For the Year Ended March 31, 2020 INR Lakhs
Contract revenue	-	-	1,022.15	1,126.08
Cost of raw material consumed	-	-	(381.13)	(570.92)
Construction expenses	-	-	(504.16)	(305.08)
Employee benefits expense	-	-	(78.10)	(85.10)
Finance costs	-	-	(0.05)	(0.26)
Depreciation and amortization expenses	-	-	(12.82)	(70.37)
Other expenses	-	-	(58.39)	(103.41)
Profit before tax	-	-	(12.50)	(9.06)
Tax expenses	-	-	-	-
Profit/(Loss) for the year	-	-	(12.50)	(9.06)
Group's share of profit/(loss) for the year	-	-	(8.75)	(6.34)

The Group had no contingent liabilities or capital commitments relating to its share in PPSL Capacite JV & Capacite-Viraj AOP as at March 31, 2021 and March 31, 2020.

43 Statutory Group Information

Name of the entity in the Group	Net Assets i.e. total assets minus total liabilities		Share in profit/(loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Capacite Infraprojects Limited								
Balance as at March 31, 2021	100%	92,502.16	108%	179.05	100%	112.40	105%	291.45
Balance as at March 31, 2020	99%	91,555.92	100%	9,091.52	100%	5.14	100%	9,096.66
Subsidiaries (Indian)								
C IPL-PPSL-Yongnam Joint Venture Constructions Private Limited								
Balance as at March 31, 2021	0%	406.42	-1%	(1.55)	0%	-	-1%	(1.55)
Balance as at March 31, 2020	1%	1,036.63	0%	14.97	0%	-	0%	14.97
Joint Ventures (investment as per equity method)								
PPSL Capacite JV								
Balance as at March 31, 2021	0%	3.80	0%	-	0%	-	0%	-
Balance as at March 31, 2020	0%	3.80	0%	-	0%	-	0%	-
Capacite Viraj AOP								
Balance as at March 31, 2021	0%	(17.71)	-5%	(8.75)	0%	-	-3%	(8.75)
Balance as at March 31, 2020	0%	(8.96)	0%	(6.34)	0%	-	0%	(6.34)
Associates (investment as per equity method)								
TCC Construction Private Limited								
Balance as at March 31, 2021	0%	(21.09)	-4%	(6.90)	0%	-	-2%	(6.90)
Balance as at March 31, 2020	0%	(2.65)	0%	(2.65)	0%	-	0%	(2.65)
TPL-CIL Construction LLP								
Balance as at March 31, 2021	0%	(10.74)	0%	(0.43)	0%	-	0%	(0.43)
Balance as at March 31, 2020	0%	(9.25)	0%	(9.25)	0%	-	0%	(9.25)
Realcon Infrastructure LLP (upto September 30, 2019)								
Balance as at March 31, 2021	0%	14.90	0%	-	0%	-	0%	-
Balance as at March 31, 2020	0%	14.90	0%	14.90	0%	-	0%	14.90
Captech Technologies Private Limited								
Balance as at March 31, 2021	0%	4.38	3%	4.38	0%	-	0%	-
Balance as at March 31, 2020	0%	-	0%	-	0%	-	0%	-
Total								
Balance as at March 31, 2021	100%	92,882.12	100%	165.80	100%	112.40	100%	278.20
Balance as at March 31, 2020	100%	92,590.39	100%	9,103.15	100%	5.14	100%	9,108.29

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44 Significant accounting judgements, estimates and assumptions

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

A) Significant Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the standalone financial statements:

i) Operating lease commitments – Group as lessee

The Group has entered into leases for office premises. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the office premises and the fair value of the asset, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

ii) Taxes

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the same can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Refer note 21 and 31 for further disclosures.

B) Estimates and assumptions**Key sources of estimation**

The preparation of the Consolidated financial statements in conformity with Ind AS requires that the management of the Group makes estimates and assumptions that affect the reported amounts of income and expenses of the year, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates include useful lives of property, plant and equipment & intangible assets, allowance for expected credit loss, future obligations in respect of retirement benefit plans, expected cost of completion of contracts, provision for rectification costs, fair value measurement etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

i) Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to guarantees given by the Group. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

ii) Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations.

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about gratuity obligations are given in note 39.

iii) Cost to complete

For assessing onerous contracts the Group is required to estimate the costs to complete of each contract. Survey of work done have been used to measure progress towards completion as there is a direct relationship. Provision for estimated losses, if any, on uncompleted contracts are recorded in the year in which such losses become probable based on the expected contract estimates at the reporting date.

iv) Expected credit loss (ECL)

The group has used an internal rating based approach in building its ECL model, using its own internal estimates for some or all of the credit risk components such as the Probability of Default ("PD"), Loss Given Default ("LGD") and Effective Maturity ("M"). Each of these elements are critical estimates in the measurement of impairment on such financial assets.

45 Disclosures on Financial instruments

This section gives an overview of the significance of financial instruments for the Group and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in accounting policies, to the consolidated financial statements.

CAPACITE INFRAPROJECTS LIMITED

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(A) Fair Values:

The following tables presents the carrying amount and fair value of each category of financial assets and liabilities as at March 31, 2021 and March 31, 2020

As at March 31, 2021

Particulars	Level				INR Lakhs
		Fair value through statement of profit and loss account	Amortised cost	Total carrying value	Total fair value
Financial assets					
Investments*	Level 2	40.94	-	40.94	40.94
Trade receivables		-	36,726.10	36,726.10	36,726.10
Cash and cash equivalent		-	983.65	983.65	983.65
Bank balances other than cash and cash equivalent		-	14,638.60	14,638.60	14,638.60
Loans		-	1,300.00	1,300.00	1,300.00
Other financial assets		-	67,066.35	67,066.35	67,066.35
Total		40.94	1,20,714.70	1,20,755.64	1,20,755.64
Financial Liabilities					
Borrowings (including current maturities)		-	28,627.11	28,627.11	28,627.11
Trade payables		-	42,259.66	42,259.66	42,259.66
Other financial liabilities (excluding current maturities)		-	6,362.76	6,362.76	6,362.76
Total		-	77,249.53	77,249.53	77,249.53

As at March 31, 2020

Particulars	Level				INR Lakhs
		Fair value through statement of profit and loss account	Amortised cost	Total carrying value	Total fair value
Financial assets					
Investments*	Level 2	57.89	-	57.89	57.89
Trade receivables		-	47,262.20	47,262.20	47,262.20
Cash and cash equivalent		-	10,759.02	10,759.02	10,759.02
Bank balances other than cash and cash equivalent		-	15,527.99	15,527.99	15,527.99
Loans		-	1,300.00	1,300.00	1,300.00
Other financial assets		-	63,170.10	63,170.10	63,170.10
Total		57.89	1,38,019.31	1,38,077.20	1,38,077.20
Financial Liabilities					
Borrowings (including current maturities)		-	30,818.54	30,818.54	30,818.54
Trade payables		-	55,985.03	55,985.03	55,985.03
Other financial liabilities (excluding current maturities)		-	6,722.54	6,722.54	6,722.54
Total		-	93,526.11	93,526.11	93,526.11

*Other than investments in subsidiary accounted at cost in accordance with Ind AS 27

Fair value of financial assets and financial liabilities measured at amortised cost:

The carrying amounts of trade receivables, loans, advances and cash and other bank balances are considered to be the same as their fair values due to their short term nature. The carrying amounts of long term loans given with floating rate of interest are considered to be close to the fair value.

The carrying amounts of trade and other payables are considered to be the same as their fair values due to their short term nature. The carrying amounts of borrowings with floating rate of interest are considered to be close to the fair value.

Fair value of financial assets & financial liabilities through statement of profit and loss account:

The fair values of Mutual Funds are based on NAVs at the reporting date.

46 Capital Management

For the purpose of the Group's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents, excluding discontinued operations.

Gearing ratio

The gearing ratio at the end of the reporting year was as follows:

	As at March 31, 2021	As at March 31, 2020
	INR Lakhs	INR Lakhs
Debt (i)	28,627.11	30,818.54
Less: Cash and Bank balances	983.65	10,759.02
Net debt	27,643.46	20,059.52
Total Capital (ii)	92,882.15	92,590.40
Capital and Net Debt	1,20,525.61	1,12,649.92
Net debt to Total Capital plus net debt ratio (%)	22.94%	17.81%

- (i) Debt is defined as long-term borrowings (including current maturities) and short-term borrowings.
(ii) Equity is defined as equity share capital and other equity including reserves and surplus.

In order to achieve this overall objective, the Group'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 year.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021 and March 31, 2020.

47 Financial risk management objectives and policies

The Group's principal financial liabilities comprise borrowings, trade and other payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include investments, loans, trade and other receivables, cash and cash equivalents, other bank balances and other financial assets that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by a risk committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are 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 primarily of interest rate risk. Financial instruments affected by market risk include borrowings.

a) Interest rate risk

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

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate borrowings.

b) Interest rate sensitivity:

The sensitivity analysis below have been determined based on exposure to interest rates for long-term debt obligations with floating interest rates at the end of the reporting year and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting year in case of term loans that have floating rates:

Particulars	As at March 31, 2021	As at March 31, 2020
	INR Lakhs	INR Lakhs
Increase in basis points	+50	+50
Effect on profit before tax	(148.61)	(145.44)
Decrease in basis points	(50)	(50)
Effect on profit before tax	148.61	145.44

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 Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Group only deals with parties which has good credit rating/ worthiness given by external rating agencies or based on companies internal assessment.

Trade receivables

The Group's customer profile includes mainly large private corporates. The Group's average project execution cycle is around 36 to 48 months. General payment terms include mobilisation advance, monthly progress payments with a credit period ranging from 45 to 90 days and certain retention money to be released at the end of the project. In some cases retentions are substituted with bank/corporate guarantees. The Group has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation.

The Group has not acquired any credit impaired asset. There was no modification in any financial assets.

Non certification of works billed

The costs incurred on projects are regularly monitored through the Project budgets. Costs which are incurred beyond the agreed terms and conditions of the contract, would be claimed from the customer, based on the actual works performed. The realizability of such claims, is verified by professionals, who certify the tenability of such claims and also the collectible amounts, by applying appropriate probabilities. Costs, which are identified as non tenable or costs beyond the collectible amounts, as mentioned above, would be provided in the books of accounts.

C) Liquidity risk

The Group's principle sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Group believes that the working capital is sufficient to meet its current requirements.

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Further, the Group manages its liquidity risk in a manner so as to meet its normal financial obligations without any significant delay or stress. Such risk is managed through ensuring operational cash flow while at the same time maintaining adequate cash and cash equivalents position. The management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a regular basis. Surplus funds not immediately required are invested in certain financial assets (including mutual funds) which provide flexibility to liquidate at short notice and are included in current investments and cash equivalents. Besides, it generally has certain undrawn credit facilities which can be accessed as and when required, which are reviewed periodically.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

Particulars	INR Lakhs			
	On demand	Within 12 months	After 12 months	Total
Year ended March 31, 2021				
Borrowings (including current maturities)	13,781.57	6,611.75	8,233.79	28,627.11
Other financial liabilities	-	3,026.38	2,820.92	5,847.30
Trade payables	-	42,259.66	-	42,259.66
	13,781.57	51,897.79	11,054.71	76,734.07
Year ended March 31, 2020				
Borrowings (including current maturities)	11,839.45	9,626.48	9,352.61	30,818.54
Other financial liabilities	-	2,868.98	3,853.56	6,722.54
Trade payables	-	55,985.03	-	55,985.03
	11,839.45	68,480.49	13,206.17	93,526.11

CAPACIT'E INFRAPROJECTS LIMITED

CIN - L45400MH2012PLC234318

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

48 Significant event after the reporting period

There were no significant adjusting event that accrued subsequent to the reporting period which may require an adjustment to the balance sheet.

49 Estimation of uncertainties relating to the global health pandemic from COVID-19

The Outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. Due to the lockdown announced by the Government, the Groups operations were slowed down/suspended for part of the current year and accordingly the audited consolidated financial statements for the year ended March 31, 2021 and adversely impacted and not fully comparable with those of the earlier year.

The Group's management has considered the possible effect that may result from the Covid-19 pandemic on the carrying value of the assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements has used internal and external sources of information to assess the expected future performance of the Group and based on the management's assessment, the Group expects that the carrying amount of these assets, as reflected in the balance sheet as at March 31, 2021, are fully recoverable.

The management has also estimated the future cash flow for the Group with the possible effects that may result from the Covid-19 pandemic and does not foresee any difficulty in meeting its liabilities as and when they fall due in the next one year.

Considering the uncertainties involved in estimating the impact of this pandemic, the future impact of this pandemic may be different from those estimated as on the date of approval of these consolidated financial statements.

50 As per section 203(1) of the Companies Act ,2013 (as amended) read with rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rule 2014, every listed company with paid-up share capital of Rs 10 Crores or more are required to appoint a whole-time company secretary. Accordingly, the company was covered under this requirement and had appointed a company secretary who resigned on May 07,2021. However the company is in process of appointing another company secretary.

51 The Code on Social Security 2020 has been notified in the Official Gazette on September 29, 2020, which could impact the contributions by the Group towards certain employee benefits. The effective date from which the changes are applicable is yet to be notified, and the rules are yet to be framed. Impact if any of the change will be assessed and accounted in period of notification of the relevant provisions.

52 Previous year figures

The figures for the corresponding previous year have been regrouped / reclassified whenever necessary, to make them comparable.

As per our report of even date attached
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No: 324982E/E300003

For and on behalf of the Board of Directors
Capacit'e Infraprojects Limited

per Jayesh Gandhi
Partner
Membership No : 37924

Rahul Katyal
Managing Director
DIN: 00253046

Rohit Katyal
Executive Director &
Chief Financial Officer
DIN: 00252944

Place: Mumbai
Date: June 12, 2021

Saroj Pati
Chief Executive Officer

GENERAL INFORMATION

1. Our Company was originally incorporated as “*Capacit’e Infraprojects Private Limited*” as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated August 9, 2012 issued by the Registrar of Companies, Maharashtra at Mumbai (“**RoC**”). Thereafter, our Company was converted into a public limited company, approved vide a Shareholders’ resolution dated February 14, 2014 pursuant to which the name of our Company was changed to “*Capacit’e Infraprojects Limited*” and a fresh certificate of incorporation consequent upon change of name on conversion to public limited company was issued by the RoC on March 21, 2014. For details of the change in the name of our Company, see “*General Information*” on page 381.
2. The Equity Shares of our Company were listed on BSE and NSE on September 25, 2017.
3. Our Company has received in-principle approvals to list the Equity Shares to be issued pursuant to the Issue from each BSE and NSE on January 8, 2024, under Regulation 28(1) of the SEBI Listing Regulations.
4. Our Registered and Corporate Office is located at 605-607, 6th Floor, Shrikant Chambers, Phase – I, Adjacent to R K Studios, Sion-Trombay Road, Chembur, Mumbai – 400 071, Maharashtra, India
5. The CIN of our Company is L45400MH2012PLC234318
6. The website of our Company is www.capacite.in
7. The authorised share capital of our Company as on the date of this Preliminary Placement Document is ₹90,00,00,000.00, divided into 9,00,00,000 equity shares of ₹10 each. Our issued, subscribed and paid-up share capital as of the date of this Preliminary Placement Document is ₹76,65,64,970* divided into 7,66,56,497 Equity Shares of ₹10 each.

** In relation to the 31,00,000 Equity Shares allotted on December 7, 2023 and December 8, 2023 pursuant to conversion of warrants, BSE and NSE vide their letters dated December 27, 2023 and January 4, 2024 respectively, granted listing approval of the Equity Shares. Our Company is in the process of applying for trading approvals from the Stock Exchanges. For further details see “- Equity Share capital history of our Company” on page 75.*
8. The Issue was authorised and approved by the Board pursuant to the resolution dated May 26, 2023 and by our Shareholders’ pursuant to the special resolution dated July 5, 2023.
9. In compliance with Regulation 173A of the SEBI ICDR Regulations, our Company has appointed CARE Ratings Limited as the Monitoring Agency, for monitoring the utilisation of the proceeds in relation to the Issue. The Monitoring Agency will submit its report to us on a quarterly basis in accordance with the SEBI ICDR Regulations.
10. Copies of our Memorandum of Association and Articles of Association will be available for inspection between 9:30 am to 5:30 pm on any weekday (except Saturdays and public holidays) at our Registered Office as well as our Corporate Office.
11. Our Company has obtained all necessary consents, approvals and authorisations as may be required in connection with the Issue.
12. There has been no material change in the financial or trading position of our Company since March 31, 2023, the last date of the Audited Consolidated Financial Statements prepared in accordance with applicable accounting standards included in this Preliminary Placement Document.
13. Except as disclosed in this Preliminary Placement Document, there are no material litigation or arbitration proceedings against or affecting us, or our assets or revenues, nor are we aware of any pending or threatened litigation or arbitration proceedings, which are or might be material in the context of this Issue. For further details, see “*Legal Proceedings*” on page 196.
14. The Issue will not result in a change in control of our Company.
15. Our Company is in compliance with the minimum public shareholding requirements as required under the SEBI Listing Regulations and Rule 19A of the SCRR.

16. The Floor Price is ₹264.89 per Equity Share, calculated in accordance with the provisions of Chapter VI of the SEBI ICDR Regulations, as certified by H.H. Dedhia & Associates, Chartered Accountants. Our Company may offer a discount of not more than 5% on the Floor Price in accordance with the approval of our Board resolution dated May 26, 2023, and the Shareholders' of our Company accorded through a special resolution dated July 5, 2023 and Regulation 176(1) of the SEBI ICDR Regulations.
17. Our Company and the BRLM accept no responsibility for statements made otherwise than in this Preliminary Placement Document and anyone placing reliance on any other source of information, including websites of our Company and our Subsidiaries, would be doing so at their own risk.
18. Rahul Kapur is the Compliance Officer of our Company. His details are as follows:

Rahul Kapur

605-607, 6th Floor, Shrikant Chambers,
Phase – I, Adjacent to R K Studios,
Sion-Trombay Road, Chembur,
Mumbai – 400 071, Maharashtra, India
Telephone: +91- 22- 71733717
E-mail: compliance@capacite.in

Pursuant to the resignation of Dinesh Ladwa, our previous Company Secretary and Compliance Officer on September 8, 2023, our Company has designated Rahul Kapur as the Compliance Officer in accordance with the SEBI Listing Regulations. Additionally, our Company shall appoint a Company Secretary within the time period prescribed under section 203(4) of the Companies Act.

DETAILS OF PROPOSED ALLOTTEES

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made at the sole and absolute discretion of our Company, in consultation with the BRLM, to Eligible QIBs. The names of the proposed Allottees and the percentage of post-Issue capital that may be held by them is set forth below. These details of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to the Issue, will be included in the Placement Document to be sent to such proposed Allottees.

S. No.	Name of the proposed Allottees	Percentage of the post-Issue share capital held (%) ⁽¹⁾⁽²⁾⁽³⁾
1.	[●]	[●]
2.	[●]	[●]
3.	[●]	[●]
4.	[●]	[●]
5.	[●]	[●]
6.	[●]	[●]
7.	[●]	[●]
8.	[●]	[●]
9.	[●]	[●]
10.	[●]	[●]

⁽¹⁾ Based on beneficiary position as on [●]

⁽²⁾ Subject to receipt of funds and allotment in the Issue. The above table has been intentionally left blank and shall be updated in the Placement Document

⁽³⁾ The post-Issue shareholding (in percentage terms) of the proposed Allottees will be disclosed on the basis of their respective PAN, except in case of Mutual Funds, insurance companies, and Eligible FPIs (investing through different sub accounts having common PAN across such sub accounts) wherein their respective DP ID and Client ID will be considered

DECLARATION

Our Company certifies that all relevant provisions of Chapter VI read with Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Preliminary Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations and that all approvals and permissions required to carry on our Company's business have been obtained, are currently valid and have been complied with. Our Company further certifies that all the statements in this Preliminary Placement Document are true and correct.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS

Rohit Katyal
Executive Director

Date: January 8, 2024
Place: Mumbai

DECLARATION

We, the Board of Directors of the Company, certify that:

- (i) the Company has complied with the provisions of the Companies Act and the rules made thereunder;
- (ii) the compliance with the Companies Act and the rules thereunder does not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government; and
- (iii) the monies received under the Issue shall be used only for the purposes and objects indicated in this Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4).

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS

Signed by:

Rohit Katyal
Executive Director

Date: January 8, 2024
Place: Mumbai

I am authorized by the QIP Committee, a committee of the Board of the Company, *vide* resolution dated July 5, 2023 to sign this form and declare that all the requirements of Companies Act and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed by:

Rohit Katyal
Executive Director

Date: January 8, 2024
Place: Mumbai

CAPACITE INFRAPROJECTS LIMITED

CIN: L45400MH2012PLC234318

Registered and Corporate Office

605-607, 6th Floor, Shrikant Chambers,
Phase – I, Adjacent to R K Studios,
Sion-Trombay Road, Chembur,
Mumbai – 400 071, Maharashtra, India

Telephone: +91- 22- 71733717

Email: compliance@capacite.in

Website: www.capacite.in

Contact Person

Rahul Kapur

Designation: Compliance Officer

Address: 605-607, 6th Floor, Shrikant Chambers, Phase – I,
Adjacent to R K Studios, Sion-Trombay Road,
Chembur, Mumbai – 400 071 Maharashtra, India

Telephone: +91- 22- 71733717

E-mail: compliance@capacite.in

Book Running Lead Manager

IIFL Securities Limited

24th Floor, One Lodha Place,
Senapati Bapat Marg, Lower Parel (West),
Mumbai – 400 013 Maharashtra, India

Advisors to the Company

Marathon Capital Advisory Private Limited

307-308 A.C. Market
Tardeo Road, Tardeo
Mumbai – 400 034 Maharashtra, India

Statutory Auditors of the Company

M/s. S R B C & CO LLP Chartered Accountants

12th Floor, The Ruby,
29, Senapati Bapat Marg, Dadar (West),
Mumbai – 4200 028 Maharashtra, India

Legal Counsel to the Issue

Khaitan & Co

One World Centre
10th and 13th Floors, Tower 1C
841 Senapati Bapat Marg
Mumbai – 400 013 Maharashtra, India

International Legal Counsel to the BRLM with respect to Selling and Transfer Restrictions

Hogan Lovells Lee & Lee

50 Collyer Quay
#10-01 OUE Bayfront
Singapore 049321

SAMPLE APPLICATION FORM

“An indicative form of the Application Form is set forth below:”

	Name of Bidder: _____
CAPACITE INFRAPROJECTS LIMITED	Form No: _____
CIN: L45400MH2012PLC234318; Registered and Corporate Office: 605-607, 6 th Floor, Shrikant Chambers, Phase – I, Adjacent to R K Studios, Sion-Trombay Road, Chembur, Mumbai – 400 071, Maharashtra, India; Telephone: +91 22 7173 3717; Email: compliance@capacite.in; Website: www.capacite.in; LEI Code: 335800I2R6WUV5NQO116	Date: _____

QUALIFIED INSTITUTIONS PLACEMENT OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH BY CAPACITE INFRAPROJECTS LIMITED (THE “COMPANY”) (THE “EQUITY SHARES”) FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE, INCLUDING A PREMIUM OF ₹[●] PER EQUITY SHARE (THE “ISSUE PRICE”), AGGREGATING UP TO ₹[●] LAKHS UNDER CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 (THE “SEBI REGULATIONS”) AND SECTION 42 OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013, AS AMENDED AND THE RULES MADE THEREUNDER (HEREINAFTER REFERRED TO AS THE “ISSUE”)

THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹264.89 PER EQUITY SHARE AND OUR COMPANY MAY OFFER A DISCOUNT OF NOT MORE THAN 5% OR SUCH PERCENTAGE AS PERMITTED UNDER THE SEBI ICDR REGULATIONS ON THE FLOOR PRICE.

Only Qualified Institutional Buyers (“QIBs”) as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and which (i) are not, (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; (b) restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws; (c) hold a valid and existing registration under the applicable laws in India (as applicable); and (d) are eligible to invest in the Issue and submit this Application Form, and (ii) are residents in India participating through Schedule II of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 (“FEMA Rules”), defined hereinafter or a multilateral or bilateral development financial institution eligible to invest in India under applicable law including the FEMA Rules; can submit this Application Form. However, foreign venture capital investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 are not permitted to participate in the 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 any other applicable state securities laws of the United States and, unless so registered, may not be offered, sold or delivered 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 U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in “offshore transactions” as defined in, and in reliance on, Regulation S under the U.S. Securities Act (“Regulation S”) and the applicable laws of the jurisdictions where those offers and sales are made. You should note and observe the selling and transfer restrictions contained in the sections entitled “*Selling Restrictions*” and “*Transfer Restrictions and Purchaser Representations*” in the accompanying preliminary placement document dated January 8, 2024 (the “PPD”).

ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE UNDER SCHEDULE II OF THE FOREIGN EXCHANGE MANAGEMENT (NON-DEBT INSTRUMENTS) RULES, 2019 (“FEMA RULES”) IN THIS ISSUE, THROUGH THE PORTFOLIO INVESTMENT SCHEME UNDER SCHEDULE II OF THE FEMA RULES, SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF ELIGIBLE FPIs DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. PURSUANT TO PRESS NOTE NO. 3 (2020 SERIES), DATED APRIL 17, 2020, ISSUED BY THE DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE, GOVERNMENT OF INDIA, AND RULE 6 OF THE FEMA RULES, INVESTMENTS BY AN ENTITY OF A COUNTRY WHICH SHARES LAND BORDER WITH INDIA OR WHERE THE BENEFICIAL OWNER OF SUCH INVESTMENT IS SITUATED IN OR IS A CITIZEN OF SUCH COUNTRY, MAY ONLY BE MADE THROUGH THE GOVERNMENT APPROVAL ROUTE. ALLOTMENTS MADE TO AIFS AND VCFs IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY, INCLUDING THE FEMA RULES. OTHER ELIGIBLE NON-RESIDENT QIBs SHALL PARTICIPATE IN THE ISSUE UNDER SCHEDULE I OF FEMA RULES. FVCIs ARE NOT PERMITTED TO PARTICIPATE IN THE ISSUE.

To,
The Board of Directors
Capacite Infraprojects Limited
605-607, 6th Floor, Shrikant Chambers,
Phase – I, Adjacent to R K Studios,
Sion-Trombay Road, Chembur,
Mumbai – 400 071

Dear Sirs,

On the basis of the serially numbered PPD of the Company and subject to the terms and conditions contained therein, and in this Application Form, we hereby submit our Application Form for the Allotment of the Equity Shares in the Issue, at the terms and price indicated below. We confirm that we are an eligible QIB as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; and (b) restricted from participating in the Issue under the applicable laws, including SEBI ICDR Regulations. We are not a promoter of the Company (as defined in the SEBI ICDR Regulations), or any person related to the promoters of the Company, directly or indirectly. Further, we confirm that we do not have any right under a shareholders' agreement or voting agreement entered into with promoters or persons related to promoter of the Company, veto rights or right to appoint any nominee director on the board of directors of the Company. We confirm that we are either a QIB which is resident in India, or an Eligible FPI, participating through Schedule II of the FEMA Rules. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation to the amendment made to Rule 6(a) of the FEMA Rules by the Central Government on April 22, 2020. We confirm that we are neither an AIF or VCF whose sponsor and manager is not Indian owned and controlled in terms of the FEMA Rules, nor an FVCI.

STATUS (Please ✓)			
FI	Scheduled Commercial Banks and Financial Institutions	AIF	Alternative Investment Funds**
MF	Mutual Funds		
FPI	Eligible Foreign Portfolio Investors*	NIF	National Investment Fund
VCF	Venture Capital Funds**	SI-NBFC	Systemically Important NBFC
IC	Insurance Companies	IF	Insurance Funds
OTH	Others (Please Specify)		
*Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, other than individuals, corporate bodies and family offices who are not allowed to participate in the Issue. ** Sponsor and Manager should be Indian owned and controlled.			

We confirm that the Bid size / aggregate number of the Equity Shares applied for by us, and which may be Allocated to us thereon will not exceed the relevant regulatory or approved limits and further confirm that our Bid will not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Regulations**"). We confirm, that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations. We confirm that, in relation to our application, each foreign portfolio investor ("**FPI**") as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended (other than individuals, corporate bodies and family offices), and including persons who have been registered under these regulations (such FPIs, "**Eligible FPIs**"), have submitted a separate Application Form, and asset management companies of mutual funds have specified the details of each scheme for which the application is being made along with the Bid Amount and number of shares to be Allotted under each scheme. We undertake that we will sign all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Equity Shares that may be Allotted to us. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant authorisations. We note that the Company is entitled, in consultation with IIFL Securities Limited (the "**BRLM**"), in their sole discretion, to accept or reject this Application Form without assigning any reason thereof.

We hereby agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD, Placement Document and the CAN, when issued and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below, subject to receipt of Application Form and the Bid Amount towards the Equity Shares that may be allocated to us. The amount payable by us as Bid Amount for the Equity Shares applied for has been/will be remitted to the designated bank account set out in this Application Form through electronic mode, along with this Application Form prior to the Bid/Issue Closing Date and such Bid Amount has been /will be transferred from a bank account maintained in our name. We acknowledge and agree that we shall not make any payment in cash or cheque. We are aware that (i) Allocation and Allotment in the Issue shall be at the sole discretion of the Company, in consultation with the BRLM; and (ii) in the event that Equity Shares that we have applied for are not Allotted to us in full or at all, and/or the Bid Amount is in excess of the amount equivalent to the product of the Equity Shares that will be Allocated to us and the Issue Price, or the Company is unable to issue and Allot the Equity Shares offered in the Issue or if there is a cancellation of the Issue, or the listing of the Equity Shares does not occur in the manner described in the PPD, the Placement Document, the SEBI ICDR Regulations and other applicable laws, the Bid Amount or a portion thereof, as applicable, will be refunded to the same bank account from which the Bid Amount was paid by us. Further, we agree to comply with the rules and regulations that are applicable to us, including in relation to the lock-in and transferability requirements. In this regard, we authorize the Company to issue instructions to the depositories for such lock-in and transferability requirements, as may be applicable to us.

We agree and consent that (i) our names, address, contact details, PAN, bank account details and the number of Equity Shares Allotted, along with other relevant information as may be required, will be recorded by the Company in the format prescribed in terms of the PAS Rules; (ii) in the event that any Equity Shares are Allocated to us in the Issue, we are aware pursuant to the requirements under Form PAS-4 of the PAS Rules that our names (as proposed Allottees) and the percentage of our post-Issue shareholding in the Company will be disclosed in the Placement Document, and we are further aware that disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the BRLM; and; and (iii) in the event that Equity Shares are Allotted to us in the Issue, the Company will place our name in the register of members of the Company as a holder of such Equity Shares that may be Allotted to us and in the Form PAS-3 filed by the Company with the Registrar of Companies, Maharashtra at Mumbai (the "**RoC**") as required in terms of the PAS Rules. Further, we are aware and agree that if we, together with any other QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in the Issue, the Company shall be required to disclose our name, along with the names of such other Allottees and the number of Equity Shares Allotted to us and to such other Allottees, on the websites of National Stock Exchange of India Limited and BSE Limited (together, the "**Stock Exchanges**"), and we consent to such disclosures. In addition, we confirm that we are eligible to invest in Equity Shares under the SEBI ICDR Regulations, circulars issued by the RBI and other applicable laws.

By signing and submitting this Application Form, we hereby confirm and agree that the representations, warranties, acknowledgements and agreements as provided in the sections "**Notice to Investors**", "**Representations by Investors**", "**Issue Procedure**", "**Selling Restrictions**" and "**Transfer Restrictions and Purchaser Representations**" sections of the PPD and the terms, conditions and agreements mentioned herein are

true and correct and acknowledge and agree that these representations and warranties are given by us for the benefit of the Company and the BRLM, each of whom is entitled to rely on, and is relying on, these representations and warranties in consummating the Issue.

By signing and submitting this Application Form, we hereby represent, warrant, acknowledge and agree as follows: (1) we have been provided with a serially numbered copy of the PPD along with the Application Form, have read it in its entirety including in particular, the section “Risk Factors” therein and we have relied only on the information contained in the PPD and not on any other information obtained by us either from the Company, the BRLM or from any other source, including publicly available information; (2) we will abide by the PPD and the Placement Document, this Application Form, the confirmation of allocation note (“CAN”), when issued, and the terms, conditions and agreements contained therein; (3) that if Equity Shares are Allotted to us pursuant to the Issue, we shall not sell such Equity Shares otherwise than on the floor of a recognised stock exchange in India for a period of one year from the date of Allotment; (4) we will not have the right to withdraw our Bid or revise our Bid downwards after the Bid/Issue Closing Date; (5) we will not trade in the Equity Shares credited to our beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges; (6) Equity Shares shall be Allocated and Allotted at the discretion of the Company, in consultation with the BRLM, and the submission of this Application Form and payment of the corresponding Bid Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part; (7) in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose names and percentage of our post-Issue shareholding of the proposed Allottees in the Placement Document; however, disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the BRLM; (8) the number of Equity Shares Allotted to us pursuant to the Issue, together with other Allottees that belong to the same group or are under common control as us, shall not exceed 50% of the Issue and we shall provide all necessary information in this regard to the Company and the BRLM. For the purposes of this representation: The expression ‘belong to the same group’ shall derive meaning from Regulation 180(2) of the SEBI ICDR Regulations, i.e., entities where (i) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (ii) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (iii) there is a common director, excluding nominee and independent directors, among the Eligible QIBs, its subsidiary or holding company and any other QIB; and ‘control’ shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Takeover Regulations; (9) We agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD and the Placement Document, this Application Form, the CAN upon its issuance and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below.

By signing and submitting this Application Form, we further represent, warrant and agree that we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in the Equity Shares and we understand the risks involved in making an investment in the Equity Shares. No action has been taken by us or any of our affiliates or representatives to permit a public offering of the Equity Shares in any jurisdiction. We satisfy any and all relevant suitability standards for investors in Equity Shares, have the ability to bear the economic risk of our investment in the Equity Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in Equity Shares and are able to sustain a complete loss of our investment in the Equity Shares. We acknowledge that once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account (as detailed below), such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, we confirm that we are authorized to submit this Application Form and provide necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB.

We acknowledge that the Equity Shares offered in the Issue have not been and will not be registered under 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 an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. **By signing this Application Form and checking the applicable box above, we hereby represent, warrant, acknowledge and agree that we are located outside the United States and purchasing the Equity Shares in an “offshore transaction” as defined in, and in reliance on, Regulation S and the applicable laws of the jurisdictions where those offers and sales are made.**

BIDDER DETAILS (in Block Letters)			
NAME OF BIDDER*			
NATIONALITY			
REGISTERED ADDRESS			
CITY AND CODE			
COUNTRY			
MOBILE NO.			
TELEPHONE NO.		FAX.	
EMAIL			
FOR ELIGIBLE FPIs**	Registration Number:	For AIFs***/ MFs/ VCFs***/ SI-NBFCs/ ICs	Registration Number:
<p><i>*Name should exactly match with the name in which the beneficiary account is held. Bid Amount payable on Equity Shares applied for by joint holders shall be paid from the bank account of the person whose name appears first in the application. Mutual Fund Bidders are requested to provide details of the Bids made by each scheme of the Mutual Fund. Each Eligible FPI is required to fill a separate Application Form. Further, any discrepancy in the name as mentioned in this Application Form with the depository records would render the application invalid and liable to be rejected at the sole discretion of the Issuer and the BRLM.</i></p> <p><i>**In case you are an FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.</i></p> <p><i>***Allotments made to AIFs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.</i></p>			

We are aware that the number of Equity Shares in the Company held by us, together with the number of Equity Shares, if any, Allocated to us in the Issue will be aggregated to disclose the percentage of our post-Issue shareholding in the Company in the Placement Document in line with the

requirements under Form PAS-4 of the PAS Rules. For such information, the BRLM will rely on the information provided by the Registrar for obtaining details of our shareholding and we consent and authorize such disclosure in the Placement Document.

ESCROW ACCOUNT - BANK ACCOUNT DETAILS FOR PAYMENT OF AMOUNT THROUGH ELECTRONIC FUND TRANSFER REMITTANCE BY WAY OF ELECTRONIC FUND TRANSFER BY 2.00 P.M. (IST), January 01, 2024	
Name of the Account	Capacit'e Infraprojects Ltd, QIP Escrow A/c
Name of the Bank	YES Bank Limited
Address of the Branch of the Bank	Yes Bank Ltd, Chembur, Mumbai
Account Type	Escrow Account
Account Number	00588100000025
IFSC	YESB0000058

The Bid Amount should be transferred pursuant to the Application Form. All payments must be made only by way of electronic funds transfer, in favour of "Capacit'e Infraprojects Ltd, QIP Escrow A/c". Payment of the entire Bid Amount should be made along with the Application Form on or before the closure of the Bid/Issue Period, i.e., prior to the Bid/Issue Closing Date. **The payment for subscription to the Equity Shares Allotted in the Issue shall be made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in the Application Form.**

DEPOSITORY ACCOUNT DETAILS	
Depository Name (Please ✓)	National Security Depository Limited
Depository Participant Name	Central Depository Services (India) Limited
DP – ID	I N
Beneficiary Account Number	(16 digit beneficiary account. No. to be mentioned above)
The Demographic details like address, bank account details etc., will be obtained from the Depositories as per the beneficiary account given above. However, for the purpose of refund, if any, only the bank details as mentioned below, from which remittance towards subscription has been made, will be considered.	

The Bidders are responsible for the accuracy of the bank account details mentioned below and acknowledge that the successful processing of refunds if, any, shall be dependent on the accuracy of the bank account details provided by them. The Company and the BRLM shall not be liable in any manner for refunds that are not processed due to incorrect bank account details.

RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE)			
Bank Account Number		IFSC Code	
Bank Name		Bank Branch Address	
NO. OF EQUITY SHARES BID		PRICE PER EQUITY SHARE (RUPEES)	
(In figures)	(In words)	(In figures)	(In words)
BID AMOUNT (RUPEES)			
(In figures)		(In words)	

DETAILS OF CONTACT PERSON			
NAME			
ADDRESS			
TEL. NO.		FAX NO.	
EMAIL			

OTHER DETAILS	ENCLOSURES ATTACHED
PAN*	Attested/ certified true copy of the following: <input type="checkbox"/> Copy of PAN Card or PAN allotment letter <input type="checkbox"/> Copy of FPI Registration Certificate /MF Registration certificate / SEBI certificate of registration for AIFs/VCF/SI-NBFC/IC/IF <input type="checkbox"/> Certified copy of the certificate of registration issued by the RBI as an SI-NBFC/ a Scheduled Commercial Bank <input type="checkbox"/> Copy of notification as a public financial institution <input type="checkbox"/> FIRC <input type="checkbox"/> Copy of IRDAI registration certificate <input type="checkbox"/> Intimation of being part of the same group <input type="checkbox"/> Certified true copy of Power of Attorney <input type="checkbox"/> Other, please specify
Date of Application	
Signature of Authorised Signatory (may be signed either physically or digitally)**	

*It is to be specifically noted that the Bidder should not submit the GIR Number or any other identification number instead of the PAN as the applications are liable to be rejected on this ground, unless the Bidder is exempted from the requirement of obtaining a PAN number under the Income-tax Act, 1961.

**A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practical.

Note:

- Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD, unless specifically defined herein.
- The application form is liable to be rejected if any information provided is incomplete or inadequate at the discretion of the Company in consultation with the BRLM.
- The duly filed Application Form along with all enclosures shall be submitted to the Book Running Lead Manager either through electronic form at the email mentioned in the PPD or through physical deliver at the address mentioned in PPD.

This Application Form, the PPD and the Placement Document sent to you/ be sent to you, either in physical form or both, are specific to you and you may not distribute or forward the same and are subject to disclaimer and restrictions contained in or accompanying these documents.