

May 24, 2024

**Securities and Exchange Board of India**  
Corporation Finance Department  
Division of Issues and Listing  
SEBI Bhavan, Plot C4-A, G Block  
Bandra Kurla Complex  
Bandra (East)  
Mumbai 400 051  
Maharashtra, India

Dear Sir/ Madam,

**Re: Proposed initial public offering of equity shares of face value of ₹ 5 each (the “Equity Shares”) of Garuda Construction & Engineering Limited (the “Company”) comprising a fresh issue of the Equity Shares of the Company (“Fresh Issue”) and an offer for sale of Equity Shares by certain existing shareholders of the Company (the “Offer for Sale”, and together with the Fresh Issue, the “Offer”)**

The Company and the Selling Shareholders are proposing to undertake the Offer under the Book Building Process, comprising of a fresh issue of upto 1,83,00,000 Equity Shares and an Offer for Sale by the Selling Shareholders comprising of up to 95,00,000 Equity Shares. The Offer is being made in compliance with Regulation 6 (1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “SEBI ICDR Regulations”), at such price as may be determined by the Company, acting through its IPO committee, in consultation with the BRLMs, in accordance with the book building process under the SEBI ICDR Regulations and pursuant to Rule 19(2)(b) of the Securities Contracts (Regulations) Rules, 1957, as amended (the “SCRR”) read with Regulation 31 of the SEBI ICDR Regulations, the Companies Act, 2013, as amended, and other applicable laws.

The details of the Offer for Sale are as follows:

Name of Selling Shareholder	Type	Number of Equity Shares offered/ amount
PKH Ventures Limited	Promoter Selling Shareholder	Up to 95,00,000 Equity Shares aggregating to ₹ [●] lakhs

The Company and the Selling Shareholders have appointed Corpwis Advisors Private Limited as the sole book running lead manager (“BRLM”) to manage the Offer.

The company had filed a draft red herring prospectus dated February 19, 2024 (the “DRHP”) on 23<sup>rd</sup> February 2024. On March 27, 2024 the DRHP was returned in terms of the SEBI Circular dated February 06, 2024.

In light of the above, we are resubmitting the draft red herring prospectus of the Company dated May 24, 2024 (the “DRHP”) in relation to the Offer, for your consideration and observations. In connection with the filing of the DRHP with SEBI, we hereby submit the following:

- The soft copy of the DRHP in “.PDF” format (**Annexure I**) approved by the Board of Directors on May 24, 2024, signed and executed by (i) all the directors of the Company (the “Board”) and the chief financial officer of the Company; and (ii) the Selling Shareholders or through their authorised signatories or power of attorney holder, as applicable, accompanied by this letter and all annexures hereto, submitted by way of an e-mail to the SEBI at [cfddl@sebi.gov.in](mailto:cfddl@sebi.gov.in), in accordance with the instructions issued by the SEBI on March 27, 2020, in relation to “Easing of Operational Procedure - Division of Issues and Listing – CFD”. Such documents will be uploaded on the SEBI intermediary portal at <https://siportal.sebi.gov.in>, as specified in Regulation 25(8) of the SEBI ICDR Regulations and as required pursuant to the SEBI circular (bearing number SEBI/HO/CFD/DIL1/CIR/P/2018/011) dated January 19, 2018.

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2. A certificate from the BRLM confirming that the Company, the Selling Shareholder and the BRLM have entered into an Issue Agreement dated January 30, 2024 in accordance with Regulations 23(5) and 25(2)(a) and the format specified in Schedule II of the SEBI ICDR Regulations (**Annexure II**).
3. A fresh due diligence certificate dated May 24, 2024 signed by the BRLMs in accordance with Regulation 25(2)(b) of the SEBI ICDR Regulations (**Annexure III**), along with (i) a due diligence process note as required under Form A of Schedule V of the SEBI ICDR Regulations (**Annexure III A**); and (ii) a detailed checklist indicating compliances of the disclosures in the DRHP with the applicable provisions of the SEBI ICDR Regulations (**Annexure III B**), which are annexed to the due diligence certificate.
4. In connection with the Offer, the company has made payment towards DRHP Filing fee as per the following details:

Particulars	Payment Details
DRHP Filing Fee (0.01% of the Issue Size)	23,40,000
GST (18%) INR	4,21,200
Total (INR)	27,61,200
Payment Mode	EFT Challan
Beneficiary Account No.	BDSKYEF72243180068
Payment Date	23/02/2024

In connection with the Offer, please note the following:

**A. Unified Payments Interface (“UPI”)**

By way of its circulars dated November 1, 2018, April 3, 2019, June 28, 2019, July 26, 2019, November 8, 2019, and March 30, 2020, and March 16, 2021 and June 2, 2021 (“**SEBI Circulars**”), SEBI has introduced the UPI payment mechanism to streamline the process of public issuances of equity shares. The introduction of the UPI payment mechanism aims at reducing the time duration from issue closure to listing by up to three days (the “**T+3 mechanism**”) in three phases, as set out in the SEBI Circulars. The DRHP has been drafted in accordance with phase II of the UPI framework, and also reflects additional measures for streamlining the process of initial public offers, as prescribed by SEBI in its abovementioned circular dated March 16, 2021, June 2, 2021, April 5, 2022, April 20, 2022, and May 30, 2022.

In the event there are any changes in the applicable processes prescribed by SEBI with regard to implementation of the UPI framework or any additional guidelines are issued by SEBI in relation to phase III, the Company will suitably update the Red Herring Prospectus and the Prospectus.

**B. Confirmations and information in relation to the Company, its Subsidiary, its Promoter, members of the Promoter Group and Group Companies**

Set out below are the confirmations and information in relation to the Company, its Promoter, members of the Promoter Group and Group Companies in terms of the SEBI directive dated March 12, 2020 issued to the Association of Investment Bankers of India:

S. No.	Particulars	Response
1.	Whether the Company is registered with SEBI or any other financial regulatory body like RBI/IRDA/ etc., in any capacity. If yes, provide details.	The Company is not registered with SEBI or any other financial regulatory body like RBI/IRDA/ etc., in any capacity.



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2.	List of Promoter / Promoter Group companies/ Subsidiary/ Group Companies registered with SEBI	The Promoters, companies forming part of the Promoter Group, subsidiaries and the Group companies are not registered with SEBI.
3.	List of Promoter/ Promoter Group companies/ Subsidiary/ Group Companies registered with any other financial regulatory body like RBI/IRDA/ etc., in any capacity along with registration details.	None of the Promoter, Promoter Group companies, Subsidiary or Group Companies are registered with other financial regulatory bodies like RBI/IRDA/etc. in any capacity.
4.	<p>If any debt securities of the Company, Subsidiary, Group Companies are listed. If yes, the following may be provided:</p> <p>a. Details of the debt securities listed along with the name of the exchange on which the same are listed.</p> <p>b. Whether disclosure pertaining to the same made in DRHP and relevant page no. and section in which disclosure made.</p>	None of the debt securities of the Promoter Group Companies, subsidiary, and Group Companies are listed on Indian exchanges.

**C. Confirmation in relation to securities market violations by the Company, Promoter, members of the Promoter Group and Group Companies**

As per the SEBI directive to the Association of Investment Bankers of India dated June 29, 2021 and based on the relevant confirmations received, we submit that there are no securities market violations by the Company, its Promoter, members of the Promoter Group and Group Companies.

**D. Online access for material documents for inspection**

Based on SEBI's directive to the AIBI dated October 22, 2021, the Company shall provide access to material documents for inspection as listed in the section "*Material Contracts and Documents for Inspection*" of the DRHP and the Red Herring Prospectus to be filed with the RoC through online means from the date of the Red Herring Prospectus until the Bid/Offer Closing Date (except for such agreements executed after the Bid/Offer Closing Date), in compliance with the requirements of the SEBI ICDR Regulations.

Further, please note that the disclosures in the DRHP shall be suitably updated to reflect the latest restated financial information of the Company and any other developments, as may be necessary at the time of filing of the Red Herring Prospectus with the RoC.

The Company has applied for SCORES authentication on May 21, 2024 in terms of the SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 and SEBI circular (SEBI/HO/OIAE/IGRD/CIR/P/2021/642) dated October 14, 2021 in relation to redressal of investor grievances through SCORES.

The Company has undertaken to apply to BSE Limited and National Stock Exchange of India Limited for obtaining their respective in-principle listing approvals for listing of the Equity Shares. In compliance with and pursuant to the SEBI ICDR Regulations, the Company undertakes to appoint a BSE Limited as the 'Designated Stock Exchange'.

All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to such terms in the DRHP.

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We request you to kindly provide your observations on the DRHP. If you require any further information from us, we would be pleased to furnish the same.

We trust you will find this in order.

Please feel free to contact any of the following official from Corpwis Advisors Private Limited, if you require any information or clarification:

Contact Person	Telephone	Email
Mr. Nikunj Kanodia	+91 22 49729990	<a href="mailto:nk@corpwis.com">nk@corpwis.com</a>

Thanking you,

Sincerely,

For Corpwis Advisors Private Limited

  
Nikunj Kanodia  
Director  
DIN: 06427863



**Enclosures:** Annexures as above

*[Reminder of this page intentionally left blank]*

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G-07, Ground Floor, The Summit Business Park, Andheri Kurla Road, Andheri East, Mumbai - 400093. INDIA  
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**Annexure I**

*[Soft copy of the DRHP has been annexed separately]*



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## ANNEXURE II

May 24, 2024

**Securities and Exchange Board of India**

Corporation Finance Department  
Division of Issues and Listing  
SEBI Bhavan, Plot C4-A, G Block  
Bandra Kurla Complex  
Bandra (East)  
Mumbai 400 051  
Maharashtra, India

Dear Sir/ Madam,

**Re: Proposed initial public offering of equity shares of face value of ₹ 5 each (the "Equity Shares") of Garuda Construction & Engineering Limited (the "Company") comprising a fresh issue of the Equity Shares of the Company ("Fresh Issue") and an offer for sale of Equity Shares by certain existing shareholders of the Company (the "Offer for Sale", and together with the Fresh Issue, the "Offer")**

Pursuant to Regulation 25(2)(a) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations"), we hereby confirm that we have entered into an Offer Agreement dated January 30, 2024 with the Company and the Selling Shareholder in connection with the Offer, in accordance with Regulation 23(5) and the format prescribed under Schedule II of the SEBI ICDR Regulations.

All capitalised terms used herein and not specifically defined shall have the same meanings ascribed to such terms in the DRHP.

Thanking you,

Sincerely,

For Corpwis Advisors Private Limited

  
Nikunj Kanodia  
Director  
DIN: 06427863



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SEBI Bhavan, Plot C4-A, G Block  
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Maharashtra, India

Dear Sir/ Madam,

**Re: Proposed initial public offering of equity shares of face value of ₹ 5 each (the "Equity Shares") of Garuda Construction & Engineering Limited (the "Company") comprising a fresh issue of the Equity Shares of the Company ("Fresh Issue") and an offer for sale of Equity Shares by certain existing shareholders of the Company (the "Offer for Sale", and together with the Fresh Issue, the "Offer")**

We, Corpwis Advisors Private Limited, (the "BRLM"), who have been appointed by the Company and the Selling Shareholders as book running lead manager to manage the Offer, confirm that:

- (1) We have examined various documents including those relating to litigation, including commercial disputes, patent disputes, tax disputes, etc. and other documents in connection with the finalisation of the draft red herring prospectus dated May 24, 2024 ("DRHP") pertaining to the Offer.
- (2) On the basis of such examination and the discussions with the Company, its Directors and other officers, other agencies, price justification and the contents of the documents and other papers furnished by the Company and the Selling Shareholders, we confirm that:
  - (a) the DRHP filed with the Securities and Exchange Board of India ("SEBI") is in conformity with the documents, materials and papers which are material to the Offer;
  - (b) all material legal requirements relating to the Offer as specified by the SEBI, the Central Government and any other competent authority in this behalf have been duly complied with; and
  - (c) the material disclosures made in the DRHP are true and adequate to enable the investors to make a well-informed decision as to the investment in the proposed Offer and such disclosures are in accordance with the requirements of the Companies Act, 2013, as amended, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations") and other applicable legal requirements.
- (3) Besides ourselves, all the intermediaries named in the DRHP are registered with the SEBI and that until date such registrations are valid. **Complied with and noted for compliance.**
- (4) We have satisfied ourselves about the capability of the underwriters to fulfil their underwriting commitments. **Noted for compliance.**
- (5) Written consent from the Promoter has been obtained for inclusion of its Equity Shares as part of the promoter's contribution subject to lock-in and the Equity Shares proposed to form part of the Promoter's contribution subject to lock-in, shall not be disposed or sold or transferred by the promoter during the period starting from the date of filing the DRHP with the SEBI until the date of commencement of lockin period as stated in the DRHP. **Complied with and noted for compliance.**
- (6) All applicable provisions of the SEBI ICDR Regulations, which relates to Equity Shares ineligible for computation of Promoter's contribution, have been and shall be duly complied with and appropriate

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disclosures as to compliance with the said regulation(s) have been made in the DRHP. **Complied with and noted for compliance.**

- (7) All applicable provisions of the SEBI ICDR Regulations which relate to receipt of Promoter's contribution prior to opening of the Offer, shall be complied with. We confirm that arrangements have been made to ensure that Promoter's contribution shall be received at least one day before the opening of the Offer. We undertake that auditor's certificate to this effect shall be duly submitted to the SEBI. We further confirm that arrangements have been made to ensure that the Promoter's contribution will be kept in an escrow account with a scheduled commercial bank and shall be released to the Company along with the proceeds of the Offer. **Not applicable.**
- (8) Necessary arrangements have been made to ensure that the monies received pursuant to the Offer are credited or transferred in a separate bank account as per the provisions of sub-section (3) of Section 40 of the Companies Act, 2013, as amended, and that such monies shall be released by the said bank only after permission is obtained from all the Stock Exchanges and that the agreement entered into between the Bankers to the Offer and the Company specifically contains this condition. **Noted for compliance.**
- (9) The existing business as well as any new business of the Company for which funds are being raised fall within the 'main objects' in the object clause of the Memorandum of Association of the Company or the charter of the Company and that the activities which have been carried in the last ten years are valid in terms of the object clause of the Memorandum of Association. **Not applicable.**
- (10) Following disclosures have been made in the DRHP:
  - (a) An undertaking from the Company that at any given time, there shall be only one denomination for the Equity Shares of the Company, excluding SR Equity Shares, where the Company has outstanding SR Equity Shares - **Complied with to the extent applicable and noted for compliance. There are no SR equity shares issued by the Company;** and
  - (b) An undertaking from the Company that it shall comply with all disclosure and accounting norms specified by the SEBI - **Complied with and noted for compliance.**
- (11) We shall comply with the regulations pertaining to advertisements in terms of the SEBI ICDR Regulations. **Noted for compliance.**
- (12) We certify that the entity is eligible to list on the innovators growth platform in terms of the provisions of Chapter X of SEBI ICDR Regulations. **Not applicable.**

We enclose in Annexure III A, a note explaining how the process of due diligence has been exercised by the BRLM.

We enclose in Annexure III B, a checklist confirming regulation-wise compliance with the applicable provisions of the SEBI ICDR Regulations, containing details such as the regulation number, its text, the status of compliance, page number of the DRHP where the regulation has been complied with and our remarks, if any.

All capitalized terms used herein and not specifically defined shall have the same meaning ascribed to such terms in the DRHP.

Thanking you,

Sincerely,

For Corpwis Advisors Private Limited

  
Nikunj Kanodia  
Director  
DIN: 06427863



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## Note explaining the process of due diligence that has been exercised

We have carried out due diligence exercise on the Company for the purposes of complying with the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “**SEBI ICDR Regulations**”) and other applicable laws, and to the extent that it is customary for initial public offerings of this nature in India, along with other professionals and experts engaged in the Offer. All capitalised terms used herein and not specifically defined shall have the same meaning ascribed to such terms in the draft red herring prospectus dated May 24, 2024 (“**DRHP**”).

The due diligence process carried out by us and the Legal Counsel (defined below) commenced with in-person and virtual interactions with the Promoter, Chairman, Managing Director, Chief Financial Officer, Company Secretary and Compliance Officer, other members of the senior management of the Company, and the representatives from the Selling Shareholders to gain an understanding of the business of the Company, key risks involved, background of the Promoter and shareholders and financial overview of the Company, amongst others. In this regard, the Company was provided with a due diligence questionnaire and information requisition list prepared in consultation with the Legal Counsel (defined below). The Company provided supporting documents for review, diligence and gave explanations for queries raised. In order to facilitate such review, the Company set up an online data room where copies of such relevant documents were made available for undertaking the due diligence.

In the due diligence process, we were assisted by the Legal Counsel (defined below), the Auditors (defined below), and the Independent Chartered Accountant (defined below). In this regard M/s. Rajani Associates was appointed as the legal counsel to the Company and the Promoter Selling Shareholder as to Indian law, M/s. M V Kini Law Firm was appointed as the legal counsel to the BRLM as to Indian law (collectively, the “**Legal Counsel**”). The Legal Counsel have assisted us in carrying out the legal due diligence and drafting of the DRHP in compliance with the SEBI ICDR Regulations and advising the Company and us on other legal matters, in relation to the Offer, including for the purpose of issuing legal opinions in relation to the Offer to the BRLMs, as applicable.

We were also assisted by the current statutory auditor of the Company, M/s. Mittal Agarwal & Company, Chartered Accountants (“**Statutory Auditor**”) for the financial due diligence. In addition to preparation of the Restated Consolidated Financial Statements and providing examination report thereon, the Statutory Auditor has provided a statement of possible special tax benefits available to the Company and its shareholders. The Statutory Auditor has also verified details and provided certifications relating to *inter alia* the computation of the Company’s restated consolidated net tangible assets (including the percentage thereof which are held in monetary assets), average restated consolidated operating profits, and restated consolidated net worth, to ascertain the eligibility for the Offer, compliance with corporate governance requirements and certain other certifications with respect to financial information included in the DRHP. Further, S N Gadia & Co., Chartered Accountants (“**Independent Chartered Accountant**”) assisted us by providing certifications relating to working capital requirements of the company. The Statutory Auditor and Independent Chartered Accountant have confirmed that they hold valid peer review certificates issued by the peer review board of the Institute of Chartered Accountants of India. Further, Design Ethics Architects, an independent firm of structural engineers and project consultants having membership of Council of Architecture vide registration no. CA/2014/62943 (“**Independent Architect**”) has provided certifications on the disclosures relating to completed projects and ongoing/upcoming projects undertaken by the company.

The Independent Chartered Accountant has also confirmed to us that all related party transactions have, unless otherwise disclosed in the Restated Consolidated Financial Statements, been entered into in accordance with applicable laws, on an arm’s length basis.

The Statutory Auditor, Independent Chartered Accountant, Practising Company Secretary and Independent Architect, have consented to be named as an expert, in terms of the Companies Act, 2013, in the DRHP and such consents have not been withdrawn as at the date of filing of the DRHP with the SEBI.

The Company has also placed reliance on the report titled “*Indian Construction Industry Report*” dated January 29, 2024 prepared by Care Analytics and Advisory Private Limited (“**Industry Consultant**”, and the report, the “**Industry Report**”) for disclosures in relation to industry information in the DRHP. Further, the Company has received a written consents from the Industry Consultant to include extracts of the Industry Report in the DRHP.

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Red Herring Prospectus and Prospectus. The Industry Report has been commissioned and paid for by the Company exclusively for the purposes of the Offer.

**1. Business and Commercial Diligence**

The due diligence process in relation to general business and commercial matters included:

- (a) Organizing and attending kick-off meeting, transaction related calls with the Company officials including the, Promoter, Chairman, Managing Director, Chief Financial Officer, Company Secretary and Compliance Officer, other members of the senior management of the Company and the representatives from the Selling Shareholders to develop an understanding of the business of the Company, industry, regulatory environment, history of the Company, Subsidiary, and other related matters. The discussion was attended by the senior management of the Company (as mentioned above) and the representatives from the Selling Shareholders, along with respective representatives of the Legal Counsel, representatives of BRLM and the Statutory Auditor. A broad overview of the business of the Company, industry in which it operates, regulatory framework with respect to the business, the corporate structure, the capital structure, and financial statements and shareholding pattern of the Company was presented followed by interactive discussions. A physical visit of the registered office of the Company was conducted as a part of our diligence.
- (b) Regularly interacting with the senior management of the Company including the Promoter as well as the personnel from the finance, secretarial and legal departments such as the Chief Financial Officer, Company Secretary and Compliance Officer of the Company for the purpose of understanding the business, the risks involved and the financial overview of the Company, amongst other matters. These interactions included (i) virtual due diligence meetings, online drafting sessions and conference calls to discuss the disclosures in the DRHP, (ii) due diligence calls with the Statutory Auditor, Independent Architect, Independent Chartered Accountant, Industry Consultant; (iii) seeking appropriate clarifications and certifications from the Company, the Statutory Auditor, Independent Architect, Independent Chartered Accountant for key financial, operational data and other information; (iv) bring down due diligence calls to receive updated information from the Company before filing of the DRHP; (v) seeking appropriate certifications from the Company, Subsidiary, its Directors, Promoter, Promoter Group, Group Companies, Key Managerial Personnel, Statutory Auditors and the Independent Chartered Accountant; and (vi) interacting with the Industry Consultant. These interactions were conducted with an objective to assist the Company to prepare disclosures as required under the SEBI ICDR Regulations, the Companies Act and other applicable laws with regard to the Offer. Further, we received certificates from Selling Shareholders, to prepare disclosures in the DRHP in relation to the Selling Shareholder and their respective Offered Shares. Accordingly, disclosures in respect of the business carried out by the Company as well as associated risks in relation thereto, have been made in the sections titled "Our Business" and "Risk Factors" in the DRHP. We expect these interactions and due diligence calls and discussions to continue until completion of the Offer.
- (c) Requesting the Company to make available the due diligence documents in virtual data room and reviewing those documents along with the Legal Counsel, based on the requirements under the SEBI ICDR Regulations and other applicable laws, as is customary in such transactions.
- (d) Virtual/telephonic interactions with the Key Managerial Personnel, to understand the Company's day to day operations and to verify the disclosures being made in the DRHP.
- (e) Obtaining and relying on certificates from the Company, Subsidiary, Directors, Promoter, Promoter Group, Group Companies, Selling Shareholders, Key Management Personnel, Statutory Auditor, Independent Chartered Accountant, Independent Architect, secretarial auditors, and other documents, including the industry report by the Industry Consultant, in support of certain disclosures made in the DRHP.
- (f) Obtaining and relying on formal representations and undertakings from the Company and the Selling Shareholders in the Offer Agreement.
- (g) For certain information, relying on management certificates from the Company for ensuring compliance with the SEBI ICDR Regulations.
- (h) Assisting the Company in obtaining the Industry Report from Industry Consultant, commissioned and paid for by the Company for disclosures in relation to industry information in the DRHP. Further, necessary

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consent was obtained by the Company from the Industry Consultant to disclose the contents of its report in the DRHP.

- (i) Obtaining and relying on circle-ups from the Statutory Auditor on financial information and certain finance related information included in the DRHP. Obtaining and relying on circle-up from the Independent Chartered Accountant on certain financial, non-financial, operational and other business related information of the Company mentioned in the DRHP which were not part of the Restated Consolidated Financial Statements. Obtaining and relying on certifications from the Independent Architect with respect to completed projects and upcoming/ongoing projects of the company.
- (j) Reviewing, together with the Legal Counsel, certain business related agreements and documents entered into to verify the disclosures made in this regard in the DRHP. Where such agreements, were large in number and standard in form, we have carried out our review on a sample basis to verify the disclosures made in this regard in the DRHP.
- (k) Reviewing, together with the Legal Counsel, the shareholders' agreements and other material agreements executed by, or in relation to, the Company and such other documents as we have deemed necessary and as have been provided to us by the Company, from time to time.

## **2. Industry Information**

We have relied on the industry and market data derived from the Industry Report. The information contained in certain sections of the DRHP, including "Risk Factors", "Industry Overview", "Our Business" and "Management's Discussion and Analysis of Financial Condition and Result of Operations", have been included from this report. The Industry Report will be available on the website of the Company at [www.garudaconstructionengineering.com](http://www.garudaconstructionengineering.com) in accordance with applicable law and has been included as one of the documents that will be available as a material document for inspection.

## **3. Outstanding Litigation Proceedings and Material Creditors**

The Company has disclosed outstanding litigation involving the Company, Subsidiary, Directors, Promoter, Group Companies (as applicable) on the basis of the legal requirements under the SEBI ICDR Regulations and the Companies Act, 2013 and in accordance with the policy on determination of material litigation approved by the board of directors of the Company in its meeting held on October 11, 2023. The materiality threshold in relation to litigation proceedings as approved by the board of directors of the Company has been disclosed in the DRHP.

The DRHP includes outstanding litigations: (i) criminal proceedings, (ii) actions taken by regulatory or statutory authorities, (iii) claims related to direct and indirect taxes (disclosed in a consolidated manner), (iv) other pending litigation as determined to be material pursuant to the Materiality Policy in each case involving the Company, its Subsidiary, the Promoter, and the Directors, (v) disciplinary actions including penalties imposed by SEBI or stock exchanges against the Promoter in the last five Financial Years including any outstanding action, and (vi) pending litigation involving Group Companies which may have a material impact on the Company.

Based on the Materiality Policy adopted by the board of directors, disclosures on material and other creditors have been included in the DRHP. The disclosures on dues to other creditors and to micro, small or medium enterprise (as defined under the Micro, Small and Medium Enterprises Development Act, 2006) have been provided indicating the total number of, and aggregate outstanding amounts due to such creditors, based on the certificate obtained from the Independent Chartered Accountant.

Interactions were conducted with the relevant senior management of the Company to understand the status of material pending proceedings involving the Company. The Company has provided a list of outstanding litigations involving the Company and relevant supporting documents for material outstanding litigation as per the Materiality Policy. Outstanding legal proceedings in relation to direct and indirect taxes have been disclosed in a consolidated manner giving details of number of cases and total amount involved in such proceedings. With respect to the outstanding litigation involving the Promoter, Subsidiary and Directors, and relevant certificates have been obtained from the Company's Promoter, Directors and Subsidiary, solely based on which appropriate disclosures, as the case may be, have been included in the DRHP.

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#### **4. Financial Information of the Company and Financial Indebtedness**

Due diligence was conducted on financial matters, which included virtual meetings and due diligence calls with the Statutory Auditor, discussions with the Chief Financial Officer and other members of finance department of the Company, review of the Statutory Auditors' examination report and certificates, review of the certificates from the Independent Chartered Accountant and other related documents. The Statutory Auditor has provided the restated consolidated financial information of the Company, as of and for the financial years/period ended November 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021. For details, please see "*Financial Information*" on page 228 of the DRHP. We held discussions with the Statutory Auditor on the form and manner of the reports and certifications required for such financial information.

Further, the Statutory Auditors were required to review the financial information relating to the Company in the DRHP and have delivered a customary comfort letter and circle-ups to the BRLM confirming the accuracy of the financial information contained in the DRHP. Such comfort letter will be issued and/or brought down at certain future dates as the Offer progresses, by the Statutory Auditor, including on the filing of the RHP, the Prospectus and the Allotment of Equity Shares in the Offer. We have also obtained certifications from the Statutory Auditors in respect of certain financial matters pertaining to the Offer including a certificate to evaluate the eligibility of the Company and to undertake the Offer under Regulation 6 (1) of the SEBI ICDR Regulations. The Statutory Auditor has also provided the statement of possible special tax benefits which is included in the DRHP.

In accordance with Schedule VI, Part A (11)(I)(A)(ii)(b) of the SEBI ICDR Regulations, the audited standalone financial statements of the Company for Fiscals 2023, 2022 and 2021 (collectively, the "*Audited Financial Statements*") are available on its website at [www.garudaconstructionengineering.com](http://www.garudaconstructionengineering.com)

In relation to the information disclosed in summarized form in the section "*Financial Indebtedness*" of the DRHP, the relevant sanction letters and agreements issued by the lenders as well as other financing related documents were made available for the Company and its Subsidiary, as applicable, and together with the Legal Counsel, the same were reviewed. The Company has also received written consents from its lenders, to the extent required, granting the Company their no-objection to undertake the Offer and related corporate actions including *inter alia* issue and allotment of the Equity Shares and change in the capital structure of the Company. The details of the outstanding borrowings availed by the Company including certain key terms of such borrowings are disclosed in the section Financial Indebtedness of the DRHP. We have also relied on a certification from the Independent Chartered Accountant in connection with the financial indebtedness of the Company and its Subsidiary, ascertaining the amount of outstanding borrowings of the Company and its Subsidiary as of November 30, 2023 which is disclosed in the section titled "*Financial Indebtedness*" of the DRHP.

#### **5. Promoter, Promoter Group, Directors, Key Management Personnel, Subsidiary of the Company, Group Companies, and Selling Shareholders**

For the purposes of making certain disclosures with respect to the Promoter, Promoter Group, Directors, Key Management Personnel, Group Companies and Subsidiary in the DRHP, supporting documents and certifications from the relevant entities/persons have been obtained.

For the purposes of disclosure of the educational qualifications and professional experience of Directors and Key Managerial Personnel of the Company, reliance was placed on degree certificates, experience certificates, and appointment and relieving letters issued by previous and current employers and other back-up documents.

Disclosures, pertaining to the Group Companies have been included in the DRHP in terms of the SEBI ICDR Regulations, which have been identified in accordance with the definition provided under the SEBI ICDR Regulations, as (i) the companies (other than its Subsidiary) with which there were related party transactions, in accordance with Ind AS 24, as disclosed in the Restated Consolidated Financial Information including any additions or deletions in such companies, after November 30, 2023 and until the date of the respective Offer Documents; and (ii) such other companies as considered material by the Board pursuant to the materiality policy.

Furthermore, the Company, the Directors, and Selling Shareholders have provided confirmations stating that they have not been debarred or prohibited from accessing the capital markets or from buying, selling or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority/ court. In addition, confirmations have been received from the Company and Directors stating that they have not been categorized as wilful defaulters as per the definition in SEBI ICDR Regulations. Confirmations have also been received from the Company and the Directors that none of the

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# C O R P W I S

CORPORATE WISDOM

Directors are 'fugitive economic offenders' or 'fraudulent borrower' as per the definition in SEBI ICDR Regulations.

In relation to the Selling Shareholders, in relation to the notice for participation in the offer for sale, containing terms and conditions for the Offer including eligibility conditions for participation in the Offer, the Company has received consent letters, along with the relevant information and documents which include, authorization from each Selling Shareholder to participate in the Offer and various confirmations, covenants, representations and warranties, as required from each Selling Shareholder.

## **6. Statutory and/or Regulatory and Other Diligence**

The company has also obtained a certificate dated May 15, 2024 from Rakhi Dasgupta & Associates, a firm of practicing company secretaries in relation to the build-up of the existing share capital of the Company the statutory forms and resolutions filed with the RoC and statutory registers prepared and maintained by the company.

In connection with diligence of statutory and regulatory matters, the relevant statutory and regulatory records of the Company, including, among other things, relevant corporate records, material licenses, approvals, registrations applied for and/ or received by the Company and filings made by the Company with various key statutory and regulatory authorities, were reviewed including by the Legal Counsel. We have also relied on representations and certifications provided by the Company in connection with such statutory and/ or regulatory matters.

We, along with the Legal Counsel, have relied on the list of material licenses, approvals and registrations of Company and its Subsidiary, and such material licenses, approvals and registrations, copies of which were provided by the Company, were reviewed. We, along with the Legal Counsel, have also regularly interacted with the officials of the Company to understand the material approvals that are required to be obtained by the Company and its Subsidiary to carry out its business.



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CORPORATE WISDOM

## ANNEXURE III B

Checklist confirming regulation – wise compliance with the applicable provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.



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