



KONSTELEC ENGINEERS LIMITED

Corporate Identification Number: U45203MH1995PLC095011

Our Company was originally incorporated as “Konstelec Engineers Private Limited” as a private limited company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated December 05, 1995, issued by the Registrar of Companies, Mumbai. Subsequently Our Company was converted from a private limited company to public limited company pursuant to shareholders resolution passed in the Extra-Ordinary General Meeting of the company dated June 30, 2023 and consequently, the name of our Company was changed to “Konstelec Engineers Limited” and a fresh certificate of incorporation dated August 25, 2023 was issued to our Company by the Registrar of Companies, Mumbai. The Corporate Identification Number of our Company is U45203MH1995PLC095011. For details of change in name and registered office of our Company, please refer to chapter titled “History and Corporate Matters” beginning on page no. 166 of the Draft Red Herring Prospectus.

Registered Office: 308, Creative Industrial Estate, Sundar Nagar Lane No. 2, Kalina, Santacruz (East), Mumbai- 400098, Maharashtra, India

Website: www.konstelec.com; **E-Mail:** compliance@konstelec.com **Telephone No:** +91 2243421551

Company Secretary and Compliance Officer: Ms. Shatabdi Sudam Salve

PROMOTERS OF OUR COMPANY: MR. BIHARILAL RAVILAL SHAH AND MR. AMISH BIHARILAL SHAH

ADDENDUM TO THE DRAFT RED HERRING PROSPECTUS: NOTICE TO THE INVESTORS (“THE ADDENDUM”)

PUBLIC ISSUE OF UPTO 4100000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH (“EQUITY SHARES”) OF KONSTELEC ENGINEERS LIMITED (“KONSTELEC” “KEL”, “KEPL” OR THE “COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE (THE “ISSUE PRICE”) AGGREGATING TO ₹ [●] LAKHS (“THE ISSUE”), OF WHICH [●] EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE AGGREGATING TO ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION i.e. NET ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH AT A PRICE OF ₹ [●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE AGGREGATING TO ₹ [●] LAKHS IS HEREIN AFTER REFERRED TO AS THE “NET ISSUE”. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [●] % AND [●] % RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10/- EACH. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLM ADVERTISED IN [●] EDITION OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER) AND [●] EDITION OF [●] CIRCULATED HINDI NATIONAL DAILY NEWSPAPER. AND MUMBAI EDITION OF [●] REGIONAL NEWSPAPER (MARATHI REGIONAL LANGUAGE WHERE OUR REGISTERED OFFICE IS LOCATED). AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED “NSE”) FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITE.

Potential Bidders may note the following:

- In the sections “Summary of Draft Red Herring Prospectus”, “Risk Factors”, “Objects of the issue”, “Business Overview”, “Management Discussion and Analysis of Financial Position and Results of Operations”, “Outstanding Litigation and Material Developments” and “Other Regulatory and Statutory Disclosures” provided herein below as part of Addendum, modifications have been updated.

The above is to be read in conjunction with the Draft Red Herring Prospectus and accordingly their references in the Draft Red Herring Prospectus stand amended pursuant to this Addendum. Please note that the changes pursuant to this Addendum will be appropriately included in the Red Herring Prospectus and Prospectus, as and when filed with the ROC, the SEBI and the Stock Exchange. All capitalised terms used in this Addendum shall, unless the context otherwise requires, have the meaning ascribed to them in the Draft Red Herring Prospectus

On behalf of Konstelec Engineers Limited

Sd/-

Amish Biharilal Shah

Chairman and Managing Director

Place: Mumbai

Date: December 12, 2023

BOOK RUNNING LEAD MANAGER



BEELINE CAPITAL ADVISORS PRIVATE LIMITED

SEBI Registration Number: INM000012917

Address: B 1311-1314, Thirteenth Floor, Shilp Corporate Park, Rajpath Rangoli Road, Thalje, Ahmedabad- 380054, Gujarat, India.

Telephone Number: 079 4918 5784

Email Id: mb@beelinemb.com

Investors Grievance Id: ig@beelinemb.com

Website: www.beelinemb.com

Contact Person: Mr. Nikhil Shah

CIN: U67190GJ2020PTC114322

REGISTRAR TO THE ISSUE



SKYLINE FINANCIAL SERVICES PRIVATE LIMITED

SEBI Registration Number: INR000003241

Address: D-153A, 1st Floor, Okhla Industrial Area Phase-I, New Delhi – 110020, India.

Tel. Number: 011-40450193-197 **Fax-** 011-26812683

Email Id: ipo@skylinerta.com

Investors Grievance Id: grievances@skylinerta.com

Website: www.skylinerta.com

Contact Person: Mr. Anuj Rana

CIN: U74899DL1995PTC071324

BID/ISSUE PERIOD

ISSUE OPENS ON: [●]

ISSUE CLOSES ON: [●]

A. SUMMARY OF DRAFT RED HERRING PROSPECTUS

Particulars	Relationship with Related Parties	Name of Related Parties	FY 31 March 2023	FY 31 March 2022	FY 31 March 2021
Income					
Revenue from operations	Enterprises over which key management personnel and relatives of such personnel is able to exercise significant influence	KEPL EPC Nigeria Limited	107.85	-	29.64
					-
Expenses					-
Remuneration/Salary	Key Management Personnel		95.31	95.31	102.53
		Mr. B.R Shah	36.10	36.10	30.40
		Mr. Amish B. Shah	59.21	59.21	72.13
	Relative of Key Management Personnel		36.00	27.01	16.31
		Mrs. Nirupama B. Shah	12.00	9.00	5.65
		Mrs. Rajul A. Shah	24.00	18.01	10.66
Subcontractor Expenses	Enterprises over which key management personnel and relatives of such personnel is able to exercise significant influence	KEPL EPC Nigeria Limited	-	285.90	-
					-
Rent	Key Management Personnel	Mr. Amish B. Shah	2.16	2.16	3.00
	Relative of Key Management Personnel	Mrs. Nirupama B. Shah	0.00	-	3.08
Reimbursement of expenses					
Loans					
Amount received during the year	Key Management Personnel		226.35	81.00	100.53
		Mr. B.R Shah	86.10	36.00	100.53
		Mr. Amish B. Shah	140.25	45.00	-
Amount repaid during the year	Key Management Personnel		249.15	70.62	72.95
		Mr. B.R Shah	95.19	39.45	72.95
		Mr. Amish B. Shah	153.96	31.17	-
Amount repaid during the year	Joint venture	Konstelec Hi Tech Engineers Pvt Ltd		0.10	0.18
Share Capital					
Shares Issued during the year					
Shares transferred In during the year	Key Management Personnel	Mr. Amish B. Shah	-	3.04	-
Shares transferred In during the year	Relative of Key Management Personnel	Mrs. Dipti Jigar Shah	-	2.02	-
Shares transferred Out	Relative of Key Management Personnel	Mrs. Nirupama B. Shah	-	5.06	-

Particulars	Relationship with Related Parties	Name of Related Parties	FY 31 March 2023	FY 31 March 2022	FY 31 March 2021
during the year					
Balance Outstanding					-
Assets					-
Advance against expenses	Key Management Personnel	Mr. Amish B. Shah	2.39	0.83	0.45
	Relative of Key Management Personnel	Mrs. Rajul A. Shah			0.31
Investment	Joint Venture	Konstelec Hi Tech Engineers Pvt Ltd	47.00	47.00	47.00
					-
Receivable	Enterprises over which key management personnel and relatives of such personnel is able to exercise significant influence	KEPL EPC Nigeria Limited	219.50	128.66	150.69
Liabilities					-
Share Capital	Key Management Personnel		90.44	90.44	87.40
		Mr. B.R Shah	75.25	75.25	75.25
		Mr. Amish B. Shah	15.19	15.19	12.15
	Relative of Key Management Personnel		6.06	6.06	9.10
		Nirupama B. Shah	4.04	4.04	9.10
		Dipti Jigar Shah	2.02	2.02	-
Borrowings	Key Management Personnel		17.39	40.18	29.80
		Mr. B.R Shah	16.27	25.35	28.80
		Mr. Amish B. Shah	1.12	14.83	1.00
	Joint Venture	Konstelec Hi Tech Engineers Pvt Ltd	33.11	33.11	33.21
Rent payable	Key Management Personnel	Mr. Amish B. Shah	0.75	1.36	2.68
	Relative of Key Management Personnel	Nirupama B. Shah	3.52	5.28	5.40
Salary Payable	Key Management Personnel		5.73	5.72	-
		Mr. B.R Shah	2.28	2.27	
		Mr. Amish B. Shah	3.45	3.45	
	Relative of Key Management Personnel		2.41	1.93	-
		Mrs. Nirupama B. Shah	0.88	0.69	
		Mrs. Rajul A. Shah	1.53	1.24	
Other Payable	Enterprises over which key management personnel and relatives of such personnel is able to exercise significant influence	KEPL EPC Nigeria Limited	-	-	31.61

B. RISK FACTORS

1. Risk Factor No. 3 to be read as follows:

“Majority of our revenue from operations are generated from India. Any adverse development affecting our operations in India could have an adverse impact on our business, financial condition and results of operations.”

We derive almost 90% of our revenue from operations from India and exports are only made in one country i.e. Nigeria. Such geographical concentration of our business in this region heightens our exposure to adverse developments related to competition, as well as economic and demographic changes in this region which may adversely affect our business prospects, financial conditions and results of operations.

The concentration of our business in India subjects us to various risks, including but not limited to:

- Regional slowdown in Industrial activities;
- vulnerability to change of policies, laws and regulations or the political and economic environment; ➤ constraint on our ability to diversify across states; and
- perception by our potential clients that we are a regional construction company, which may hamper us from competing or securing orders for large and complex projects at the national level.

Further, factors such as competition, culture, regulatory regimes, business practices and customs, behaviour and preferences in the Countries and State where we may plan to expand our operations may differ from India, and our experience in the India may not be applicable to such other Countries. In addition, as we enter new markets and geographical areas, we are likely to compete not only with national player, but also local players who have an established local presence, are more familiar with local regulations, business practices and customs, have stronger relationships with local contractors/service provider.

We may not be able to leverage our experience in these regions to expand our operations in other parts of India and outside India.”

2. Risk Factor No. 6 to be read as follows:

Non-compliance with increasingly stringent safety, health, environmental and labour laws and other applicable regulations, may adversely affect our business, results of operations, cash flows and financial condition. Further, we may not be able to renew or maintain our statutory and regulatory permits and approvals required to operate our business.

‘Our business activities inherently involve various hazards and risks, making us subject to a range of laws and government regulations. These regulations are comprehensively detailed in the chapter titled “Government and Other Statutory Approvals” on page 220 of this Draft Red Herring Prospectus. They pertain to safety, health, environmental protection, and labour laws, and they impose stringent controls on activities such as the storage, transport, handling, and disposal of hazardous substances, as well as employee exposure to these materials. Our operations are conducted in strict adherence to these laws and regulations to minimize any potential risks.

Our approach includes obtaining the requisite registrations and approvals as necessary, along with ongoing training for our personnel and the implementation of prescribed safety measures. As of the present date, there have been no instances of non-approval or disruption in work due to approval-related issues. However, it's important to note that the occurrence of any such event in the future could potentially have an adverse impact on our business, results of operations, cash flows, and financial condition. Therefore, we remain vigilant and committed to upholding the highest safety and regulatory standards to prevent any such adverse events.’

3. Risk Factor No. 14 to be read as follows:

The construction, operation and maintenance of our transmission systems involves significant risks that may cause injury to people or property and that may lead to significant disruption to our business and consequent decreases in our revenues.

‘The construction, operation, and maintenance of our transmission systems expose us to substantial risks that could result in injury to individuals or damage to property. These risks have the potential to cause significant disruptions to our business operations, ultimately leading to decreased revenues.

During the construction phase, it's crucial to acknowledge that various hazards and dangers are inherent. These include the potential for accidents at construction sites that may result in injuries to workers in site the premises. This is particularly relevant when considering the operation of heavy machinery, working at elevated heights, and the handling of construction materials, all of which carry inherent risks. For instance, in one unfortunate incident, a worker was on his way to the construction site in Rajasthan. As he entered the site, he met with a tragic accident as his bike skidded, causing him to come under a hydra machine, resulting in the loss of his life.

In response to this incident, the Company has taken several steps to address the situation. First and foremost, they have ensured that all the worker's rightful claims, including those related to provident fund (PF), gratuity, and the Employees' State Insurance Corporation (ESIC), have been appropriately processed. Furthermore, the Company has provided compensation to the worker's family members, offering some financial support during this challenging time.

In the operational phase, there are ongoing risks associated with the functioning of the transmission systems. Malfunctions, technical failures, or unforeseen events could result in disruptions to the transmission of power, impacting the smooth functioning of the systems and potentially causing damage to critical infrastructure.

Maintenance activities are also not without risks, as they involve working with electrical equipment and carrying out repairs and inspections in potentially hazardous environments. Failure to conduct adequate maintenance or address issues promptly could lead to operational inefficiencies, safety hazards, and possible revenue losses.

In the event of any major incidents or accidents, there may be legal and regulatory implications, as well as potential financial liabilities. Moreover, such incidents can tarnish our reputation and affect our ability to retain existing customers or attract new ones. We prioritize safety protocols, invest in comprehensive training for our personnel, and continuously monitor and update our infrastructure and operational practices. Despite compliance with requisite safety requirements and standards, due to the nature of the materials and circumstances our employees and contractors work under, we may be liable for certain costs, including costs for health-related claims, or removal or treatment of hazardous substances, including claims and litigation from our current or former employees for injuries arising from occupational exposure to materials or other hazards at our power substations and transmission facilities. This could subject us to significant disruption in our business and to legal and regulatory actions, which could materially adversely affect our business, prospects, financial condition, cash flows and results of operations.'

4. Risk Factor No. 22 to be read as follows:

Our Company has in the past has made certain inadvertent erroneous filings under Companies Act, 2013 with the RoC in its statutory filings. Any penalty or action taken by any regulatory authorities in future, for non-compliance with provisions of corporate and other law could impact the reputation and financial position of the Company to that extent.

Our Company has in the past has made certain inadvertent erroneous filings under Companies Act, 2013 with the RoC in its statutory filings, amended from time to time, as mentioned below:

- Our company has paid dividend in past for which no separate bank account has been opened. As on date of Draft Red Herring Prospectus, our company has not received any notice from concerned RoC. However, there can be no assurance that no penalty will be levied. In case any such penalty is levied, it will have material adverse effect on our business, financial condition, cash flows, results of operations and prospects.
- CSR Provision of the Companies Act, 2013 is applicable to our company. Our company had an obligation to spend has spent ₹61.74 Lakhs till Financial Year ending March 31, 2022 towards CSR activities under the term of the relevant provision of the companies act, 2013. However, we were able to spent ₹56.41 Lakhs towards education of weaker section in Financial Year 2022-23 against the said obligation. The unspent portion of the obligation i.e., ₹5.33 Lakhs remains unspent till date of this Draft Red Herring Prospectus.

Although No show cause notice has been received by our Company till date and no penalty or fine has been imposed by any regulatory authority in respect to the same. Our company has applied for compounding with relevant authority. It cannot be assured, that there will not be such instances in the future, or our Company will not commit any further delays or defaults in relation to its reporting requirements, or any penalty or fine will not be imposed by any regulatory authority in respect to the same. The happening of such event may cause a material effect on our results of operations and financial position

5. Risk Factor No. 23 to be read as follows:

We operate our business from rented premises. Few of lease agreements are not renewed by the landlord and lease agreement for few leased properties are not in the name of the company.

Our business operations are conducted from rented premises, including properties leased for labour stay and various project activities in proximity to our ongoing project sites. However, certain lease agreements have not been renewed by the landlords, and some agreements are not directly in the name of our company, although lease rent is consistently paid by us. Due to geographical limitations formal and proper agreements are not executed.

Several short terms leased properties lack formal or properly executed lease agreements. Despite this, there are no significant financial or operational implications on our projects or the overall functioning of the Company. If a lease is terminated or expires without renewal, we are adept at making alternative arrangements swiftly, ensuring minimal impact on our operations.

Upon termination, we are obligated to return the leased premises to the Lessor/Licensor unless a renewal is agreed upon. The uncertainty lies in the assurance of renewing agreements on commercially acceptable terms. If agreements are not renewed or terminated, we may need to vacate our registered offices and find alternative premises, potentially entering into new lease or leave-and-license agreements under less favorable terms. Such circumstances have the potential to disrupt our business, cause delays, and temporarily impact our operations and profitability adversely.”

6. Risk Factor No. 26 to be read as follows:

Our business requires us to obtain and renew certain registrations, licenses and permits from government and regulatory authorities and the failure to obtain and renew them in a timely manner may adversely affect our business operations.

“Our business operations require us to obtain and renew, from time to time, certain approvals, licenses, registrations and permits under central, state, and local government rules in India, generally for carrying out our business. Most of these approvals are granted for a limited duration. While we are required to obtain several approvals for legally conducting our business operations and we submit the applications for renewal of such approvals, as and when required, during the course of our business operations, we cannot assure you that we will be able to obtain approvals in respect of such applications, or any application made by us in the future. If we fail to obtain such registrations and licenses or renewals, in a timely manner, we may not then be able to carry on certain operations of our business, which may have an adverse effect on our business, financial condition and results of operations. The approvals required by us are subject to numerous conditions and we cannot assure you that these would not be suspended or revoked in the event of non-compliance or alleged noncompliance with any terms or conditions thereof, or pursuant to any regulatory action. Any failure by us to comply with the applicable regulations in the future, or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business. In case we fail to comply with these requirements, or a regulator alleges non-compliance with these requirements, we may be subject to penalties and proceedings may be initiated against us. The introduction of additional government control or newly implemented laws and regulations, depending on the nature and extent thereof and our ability to make corresponding adjustments, may adversely affect our business, results of operations and financial conditions. These laws and regulations and the way in which they are implemented and enforced may change from time to time and there can be no assurance that future legislative or regulatory changes will not have an adverse effect on our business, financial condition, cash flows and results of operations.

We have submitted certain applications to regulatory authorities seeking approvals and licences like labour license for Kochi project. For further details, please refer to the section titled “Applications made by our Company, Pending Approvals in the chapter titled Government and Other Statutory Approvals” on page 220 of this Draft Red Herring Prospectus. Also, we have submitted applications to various authorities for change in name of licenses already granted which are currently under ‘Konstelec Engineers Private Limited’ to be changed to ‘Konstelec Engineers Limited’. We have received renewed PAN, Tan and GST registration under the changed name, but there are few GST registrations for some states i.e. Punjab, Gujarat, Jharkhand etc. and other labour licenses which are pending approval for change in name. There can be no assurance that the relevant authorities will issue such permits or approvals to us or that they will be issued on time. Further, these permits, licences and approvals are subject to several conditions, and we cannot assure you that we will be able to continuously meet the conditions, which may lead to cancellation, revocation, or suspension of relevant permits/licences/approvals. Failure on our part to renew or maintain such permits, licences or approvals may result in the interruption of our operations and may have a material impact on our business.

In the future, we may also be required to obtain new permits and approvals for our proposed operations. While we believe that we will be able to obtain such permits and approvals as and when required, there can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all. Failure by us to maintain or obtain the required permits or approvals, may result in the interruption of our operations or delay or prevent our expansion plans and may have a material and adverse effect on our business, financial condition and results of operations.”

7. Risk Factor No. 27 to be read as follows:

Some of the statutory forms filed with the Registrar of Companies and corporate records are not traceable.

We have been unable to locate the copies of certain of our corporate records like bank statements (for a period December 1995 to February 2005(Company has applied to its banker for retrieve the bank statement of such old period)), minutes binders (from December 1995 to 2015), statutory registers, prescribed forms filed by us with the Registrar of Companies (All incorporations forms are also not available in ROC physical search), Audited Financial Statement prior to year 2006). While we believe that these forms were duly filed on a timely basis, we have not been able to obtain copies of these documents. We cannot assure you that these form filings will be available in the future or that we will not be subject to any penalty imposed by the competent regulatory authority in this regard.

8. Risk Factor No. 30 to be read as follows:

We face foreign exchange risks that could adversely affect our results of operations and cash flows.

Our company export its products/services in Nigeria. We are exposed to foreign currency fluctuation risk. Our company has earned foreign inflow of USD 629600.22, USD 1558157.88 and USD 868815.75 for FY 2020-21, FY 2021-22 and FY 2022-23 respectively. Although, we closely follow our exposure to foreign currencies. We do not hedge our exposure to foreign currency as a result, our operations, cash flows and financial performance could be adversely affected in case these currencies fluctuate significantly. We may from time to time be required to make provisions for foreign exchange differences in accordance with accounting standards. For further details please refer to chapter titled as “Restated Financial Statement” on Page No. 202 of this Draft Red Herring Prospectus. In addition, the policies of the RBI may also change from time to time, which may limit our ability to effectively hedge our foreign currency exposures and may have an adverse effect on our results of operations and cash flows. Any such losses on account of foreign exchange fluctuations may adversely affect our results of operations and cash flows. Certain markets in which we sell our products may be subject to foreign exchange repatriation and exchange control risks, which may result in either delayed recovery or even non-realization of revenue.

We undertake to insert the following Risk Factors in Top 30 in Red Herring Prospectus.

1. Filing Employee Provident Fund Returns:

“Our company has encountered challenges in meeting the designated timelines for filing employee provident fund returns, a circumstance that carries significant implications for our financial standing.

There have been delays in filing EPF returns by our Company, typically ranging from 3-7 days in 1-2 months each year. After conducting an internal review, we have identified that the primary reasons for these delays are related to salary reconciliation and cash flow discrepancies. Inconsistencies in salary data and cash flow timing can occasionally lead to delays in processing EPF returns.

Our company has encountered challenges in meeting the designated timelines for filing employee provident fund returns, a circumstance that carries significant implications for our financial standing. Delays in the submission of these returns may result in financial penalties and potential legal consequences, exacerbating the financial impact on our operations. Non-compliance with the prescribed deadlines not only poses a direct financial risk through imposed penalties but also opens the door to a broader range of financial liabilities. Furthermore, delayed provident fund returns can adversely affect our relationship with regulatory authorities, potentially leading to increased scrutiny and further financial repercussions. It is imperative for the company to address this issue promptly, implementing robust internal controls and procedural improvements to ensure the timely and accurate submission of employee provident fund returns, mitigating both immediate financial risks and the potential long-term consequences associated with non-compliance.

To address this issue, we have implemented corrective measures to mitigate future delays. These measures include - Enhancing our salary reconciliation process to minimize discrepancies, implementing improved cash

flow forecasting and management practices, strengthening communication and coordination within our team to expedite EPF return filing.”

C. OUR BUSINESS

a) “UTILITIES & INFRASTRUCTURE FACILITIES:

Raw Material:

The Company operates as an Engineering, Procurement, and Construction/Commissioning (EPC) contractor, specializing in providing comprehensive EPC services both domestically and internationally. The materials essential for executing our projects are meticulously sourced and managed to ensure the highest quality and compliance with project specifications. The materials required for performing the scope of work are Analyzer, ACSR Conductor, Air Circuit Breaker, APFC LT Panel, Ball Valves, Bus Duct Accessories/Spares, Cable Tray Accessories, Cable Trench Excavation, Cat 6 Cable Termination, Civil Miscellaneous Item, Control Valve, Ct, Pt & Meters, Dol Starter, Earthing Test Link, Elevator, Fire Proof Sealing System, Flameproof Junction Box, Flameproof Gauge Glass Fitting, Flp Feeder Pillar, Gi Conduit/Pipe Accessories, Hvws System/ Deluge Valve System, Instrument Tube Fittings- Seamless Pipe, Inverter, Light Fixtures, Lightning Protection System, Metsec Channel Accessories, Orifice Assembly, Pressure Flow Transmitter, Wires, Transformer, Transformer Oil Filtration, Electrical panels, cables, switch yard, Thermal Insulation, Stone Dust Filling and other relevant materials etc....

Our raw material procurement process is thorough and adheres to stringent standards. We identify and engage with a network of approved suppliers and brands, meticulously vetting them for their adherence to industry standards and quality assurance protocols.

The Company approaches select group of reputable suppliers who have demonstrated a consistent commitment to delivering materials of superior quality. These suppliers are chosen based on approved vendor list of clients, their track record, industry reputation, and adherence to ethical business practices.

Upon receipt of raw materials, our dedicated quality control team along with third party expert conducts inspections and tests to ensure compliance with specified instruction of our client wherever applicable. This quality assurance process is an integral part of our commitment to delivering products and services that meet or exceed customer expectations.

While the specifics of raw materials can vary based on project requirements, we maintain comprehensive records of each type of material procured. These records include details such as material specifications, supplier information, quality certificates, and any relevant compliance documentation.

b) DETAILS OF INDEBTNESS

SHORT TERM BORROWING

Sr. No .	Lender	Nature of facility Sanction	Sanctioned Amount Rs. In Lakhs	Rate of interest (%)	Repayment Schedule	Security Hypothecated	Outstanding as on 31-3-23
1	Aditya Birla Finance	Working Capital	150	(STRR) +/- Spread Current Rate 9.20%	on demand	Units of Mutual Funds and listed shares held as investment	45.59

D. OBJECT OF THE ISSUE

Current Liabilities						
Trade Payables	3.17 Months (90-95 Days)	2.69 Months (77-82 Days)	2.55 Months (75-80 Days)	1.09 Months (30-35 Days)	Trade payables include dues to micro and small enterprises and other creditors. Trade Payable Cycle is estimated to be at 3.17 Months (Approximately 90-95 Days) days which is based on	

Current Liabilities					
					trade payable cycle of FY 2022-23 and expected credit period from vendors of the company.

E. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

In comparison of Financial numbers for FY 2022-23 and FY 2021-22 following to be read as follows;

a) “Other Expenses.

Other Expenses decreased to ₹4,154.36 Lakhs for Financial Year 2022-23 from ₹4,328.88 Lakhs for Financial Year 2021-22 showing a decrease of 4.03%. Other expenses consist of various operational and administrative expenses.” Primary reason for the decrease is mentioned below:”

F. “OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

a) Criminal proceedings against the Company.

- i. ‘A civil and criminal case bearing case no. S.C.C. 107 of 2022 was initiated on March 14, 2022, before the Civil and Criminal Court, Manmade, Maharashtra (“Hon’ble Court”). This case was filed by the State Represent through Ms. Tarkeshwari S. Kapate LEO (Central) (hereinafter referred to as “Petitioner”) against our Company, citing violations of sections 23 and 24 of the Contract Labour (Regulation and Abolition) Act, 1970. The Company has been alleged to have breached the regulations of the Contract Labour (Regulation and Abolition) Act, 1970, and the Central Rules, 1971. As a result, the Petitioner has taken the matter to the Hon’ble Court. Currently, the case is pending, and the next date of hearing is scheduled for November 4, 2023.’
- ii. ‘A criminal case bearing case no. 234 of 2018 has been registered on August 20, 2018, before the CJM Div. Patna Sadar, Bihar (“Hon’ble Court”). The case was filed by the Union of India through its Labour Enforcement Officer (hereinafter referred to as “Petitioner”) against our Company under section 22 of the Minimum Wages Act. Currently, the case is pending, and the next date of hearing is scheduled for November 17, 2023.’

b) Litigations involving the Company: -

(₹ in Lakhs)

Nature of Cases	No. of Outstanding Cases	Amount* in dispute/demanded to the extent ascertainable
Criminal proceedings against the Company	2	-
Tax proceedings:		
Direct Tax	13	109.49
Indirect Tax#	10	236.25
Total	25	345.74

**To the extent quantifiable*

Service Tax demand notice dated December 9, 2020, by the office of the Principal Commissioner of Service CGST and Central Excise, Mumbai Maharashtra for demand amounting to Rs. 1,64,60,941/- has been removed from the previous disclosure, since the Company has received order dated October 23, 2023 wherein the entire demand of service tax along with the penalty has been set aside which was demanded for the period 2015-16 under the provisions of section 77 (1)(d) & 78 of Finance Act, 1994 read with section 174 of CGST Act, 2017. But the authority has imposed a penalty of Rs. 10,000/- under section 77(2) of Finance Act, 1994 read with section 174 of CGST Act, 2017.

Sr. No.	Assessment Year	Demand Raised under Section	Demand Outstanding	Orders Passed by the Authority	Current Status
1.	2005-06	250 of Income Tax Act, 1961	79,004	NA	The company has submitted the response online and also via letter dated February 27, 2023. Post that company has not received any communication from respective Authority.
2.	2008-09	143(1) of Income Tax Act, 1961	35,21,251	NA	The company has submitted the response online and also via letter dated February 27, 2023. Post that company has not received any communication from respective Authority.
3.	2009-10	154 of Income Tax Act, 1961	5,53,547	NA	The company has submitted the response online and also via letter dated February 27, 2023. Post that company has not received any communication from respective Authority.
4.	2010-11	143(1) of Income Tax Act, 1961	36,16,780	NA	The company has submitted the response online and also via letter dated February 27, 2023. Post that company has not received any communication from respective Authority.
5.	2012-13	143(3) of Income Tax Act, 1961	7,65,900	Order dated June 20, 2018 passed by Commissioner Income Tax (Appeals)-22, Mumbai, allowing the appeal partially.	The company has not paid the outstanding demand as on date. Company has submitted the response letter dated February 27, 2023 stating to adjust the amount against any refund amount for various assessment years.
6.	2012-13	271(1)(c) of Income Tax Act, 1961	43,864	NA	The company has submitted the response online and also via letter dated February 27, 2023. Post that company has not received any communication from respective Authority.
7.	2013-14	143(3) of Income Tax Act, 1961	1,41,490	NA	The company has filed an appeal against the assessment order dated March 4, 2016. The outcome of the appeal is pending.
8.	2015-16	143(3) of Income Tax Act, 1961	33,920	NA	The company has submitted the response online and also via letter dated February 27, 2023. Post that company has not received any communication from respective Authority.
9.	2018-19	143(1) of Income Tax Act, 1961	3,87,062	NA	The company has submitted the response online and also via letter dated February 27, 2023. Post that company has not received any communication from respective Authority.
10.	2020-21	143(1) of Income Tax Act, 1961	15,85,676	NA	Company has submitted the response online and also via letter dated February 27, 2023. Post that company has not received any

Sr. No.	Assessment Year	Demand Raised under Section	Demand Outstanding	Orders Passed by the Authority	Current Status
					communication from respective Authority.
11.	2020-21	TDS Defaults	2,000	NA	The company has not paid the TDS default amount to date because it is currently in the process of verifying the accuracy of the liability as stated in the default statement.
12.	2019-20	TDS Default	4,329	NA	The company has not paid the TDS default amount to date because it is currently in the process of verifying the accuracy of the liability as stated in the default statement.
13.	Prior Years	TDS Default	2,14,220	NA	The company has not paid the TDS default amount to date because it is currently in the process of verifying the accuracy of the liability as stated in the default statement.
TOTAL			1,09,49,043		

The details pertaining to **Indirect Tax** matters are as below:

Sr. No.	GSTIN	Financial Year	Matter	Amount Involved in ₹	Current Status
1.	21AAACK2747D1Z4 (Odisha)	2020-21	Show Cause Notice in Form GST DRC-01:- ITC Mismatch GSTR-3B Vs GSTR-2A	Tax: - 4,38,284 Interest:95,103 Penalty:60,301	Reply submitted by the Company on August 30, 2022. Post that company has not received any communication from respective Authority.
2.	33AAACK2747D1ZZ (Tamil Nadu)	2019-20	Show Cause Notice in Form GST DRC- 01 Comparison of (GSTR 3B Vs GSTR 7),	Tax: 6,70,360 Interest: 3,45,134 Penalty: 67,036	Reply submitted by the Company on July 4, 2023. Post that company has not received any communication from respective Authority.
3.	33AAACK2747D1ZZ (Tamil Nadu)	2018-19	Show Cause Notice in Form GST DRC -01 Comparison of (GSTR 1 Vs GSTR 7)	Tax: 1,30,85,943	Reply submitted by the Company on June 8, 2023. Post that company has not received any communication from respective Authority.
4.	33AAACK2747D1ZZ (Tamil Nadu)	2017-18	Show Cause Notice in Form GST DRC- 01 GSTR 3B Vs GSTR 9 Vs 26AS	Tax:14,41,080 Interest: 13,50,272 Penalty: 1,44,108	The company is awaiting clarification from the authority for filing its response.
5.	08AAACK2747D1ZS (Rajasthan)	2017-18	GST DRC-01: Difference in GSTR 3B vs GSTR 2A	Tax: 6,68,172	Reply submitted by the Company on April 10, 2023. Post that company has not received any communication from

Sr. No.	GSTIN	Financial Year	Matter	Amount Involved in ₹	Current Status
					respective Authority.
6.	37AAACK2747D1ZR (Andhra Pradesh)	2021-22	GST DRC-01: Difference in GSTR 2A vs 3B	Tax:11,85,958	Company is awaiting clarification from the authority for filing its response.
7.	36AAACK2747D1ZT (Telangana)	2020-21	GST DRC-01: Turnover Mismatch (GSTR-7 Vs GSTR-1) and ITC Mismatch	Tax:1,12,836	Reply submitted by the Company on February 14, 2022. Post that company has not received any communication from respective Authority.
8.	36AAACK2747D1ZT (Telangana)	2019-20	GST DRC-01: Turnover Mismatch (GSTR-7 Vs GSTR-1) and ITC Mismatch	Tax: 4,32,089	Reply submitted by the Company on June 06, 2022. Post that company has not received any communication from respective Authority.
9.	10AAACK2747D2Z6 (Bihar)	2017-18	GST DRC-01: ITC Mismatch GSTR-3B Vs GSTR-9	Tax: - 4,54,932 Interest: - 4,40,146 Penalty: - 45,493	Company is awaiting clarification from the authority for filing its response.
10.	02AAACK2747D1Z4 (Himachal Pradesh)	2017-18	GST DRC-01: ITC Mismatch GSTR-3B Vs GSTR-2A	Tax: 25,87,862	Company has submitted an extension letter for personal hearing on September 12, 2023.
	TOTAL			2,36,25,109	

G. "OTHER REGULATORY AND STATUTORY DISCLOSURES"

Sr. No.	Issuer Name	Issue Size (₹ in Cr.)	Issue Price (₹)	Listing Date	Opening Price on Listing Date (₹)	+/- Change in Closing Price, (+/- % Change in Closing Benchmark) 30 th Calendar Days from Listing	+/- Change in Closing Price, (+/- % Change in Closing Benchmark) 90 th Calendar Days from Listing	+/- Change in Closing Price, (+/- % Change in Closing Benchmark) 180 th Calendar Days from Listing	SME/ Main Board
1.	Transvoy Logistics India Limited	5.11	71.00	February 02, 2023	71.00	3.17% (1.67%)	-14.44% (2.37%)	9.58% (+11.00%)	SME
2.	Viaz Tyres Limited	20.00	62.00	March 01, 2023	68.00	-17.28% (-1.60%)	-15.40% (6.58%)	-20.08% (+10.40%)	SME
3.	Vertex Technologies Limited	14.21	96.00	March 15, 2023	101.00	0.74% (5.04%)	22.92% (9.38%)	139.58% (+16.78%)	SME
4.	Dev labtech Venrure Limited	11.22	51	March 29, 2023	51.20	18.32% (4.64%)	25.94% (9.41%)	+14.74% (+13.91%)	SME
5.	Sotac	33.3	111.00	April 13,	115.00	+7.70%	6.31%	N.A.	SME

Sr. No.	Issuer Name	Issue Size (₹ in Cr.)	Issue Price (₹)	Listing Date	Opening Price on Listing Date (₹)	+/- % Change in Closing Price, (+/- % Change in Closing Benchmark) 30 th Calendar Days from Listing	+/- % Change in Closing Price, (+/- % Change in Closing Benchmark) 90 th Calendar Days from Listing	+/- % Change in Closing Price, (+/- % Change in Closing Benchmark) 180 th Calendar Days from Listing	SME/ Main Board
	Pharmaceuticals Limited	0		2023		(+2.31%)	(8.73%)		
6.	Remus Pharmaceuticals Limited	47.69	1229.00	May 29, 2023	1711.25	163.98% (1.01%)	74.54% (+3.59%)	N.A.	SME
7.	Pentagon Rubber Limited	16.17	70.00	July 07, 2023	130.00	-10.73% (-0.96%)	N.A.	N.A.	SME
8.	Ahasolar Technologies Limited	12.85	157.00	July 21, 2023	203	147.64% (-2.60%)	N.A.	N.A.	SME
9.	Shri Techtext Limited	45.14	61.00	August 04, 2023	81.15	59.67% (-0.42%)	N.A.	N.A.	SME
10.	Vinsys It Service India Limited	49.84	128.00	August 11, 2023	196.45	132.11% (+2.02%)	N.A.	N.A.	SME
11.	Konstelec Engineers Limited	43.26	65.00	September 25, 2023	91.00	N.A.	N.A.	N.A.	SME
12.	Kody Technolab Limited	27.52	160.00	September 26, 2023	170.00	N.A.	N.A.	N.A.	SME
13.	Hi-Green Carbon Limited	52.80	75.00	September 28, 2023	77.00	N.A.	N.A.	N.A.	SME

Note:

1. Source: Price Information www.bseindia.com and www.nseindia.com, Issue Information from respective Prospectus.
2. The S&P NSE Sensex and NSE Nifty are considered as the Benchmark.
3. "Issue Price" is taken as "Base Price" for calculating % Change in Closing Price of the respective Issues on 30th / 90th/180th Calendar days from listing.
4. "Closing Benchmark" on the listing day of respective scripts is taken as "Base Benchmark" for calculating % Change in Closing Benchmark on 30th / 90th/180th Calendar days from listing. Although it shall be noted that for comparing the scripts with Benchmark, the +/- % Change in Closing Benchmark has been calculated based on the Closing Benchmark on the same day as that of calculated for respective script in the manner provided in Note No. 4 below.
5. In case 30th/ 90th/180th day is not a trading day, closing price on BSE/NSE of the previous trading day for the respective Scripts has been considered, however, if scripts are not traded on that previous trading day then last trading price has been considered.