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(Please scan this QR code to view the addendum to the DRHP.)



TROM INDUSTRIES LIMITED

Corporate Identity Number: U29309GJ2019PLC109376

Our Company was originally formed as Partnership Firm under the name and style of "Trom Solar" on August 08, 2011, bearing Firm Registration No. GUJGND00921. Our Company was converted into public limited company pursuant to a resolution passed in the meeting of the partners held on April 10, 2019, and name of our Company was changed to "Trom Industries Limited" and pursuant to the provisions of sub-section (2) of section 7 of the Companies Act, 2013 (18 of 2013) and rule 18 of the Companies (Incorporation) Rules, 2014 and a fresh Certificate of Incorporation dated August 01, 2019, was issued by Registrar of Companies, Central Registration Centre. The Corporate Identity Number of our Company is U29309GJ2019PLC109376. For details of incorporation, and registered office of our Company, please refer to the chapters titled "General Information" and "History and Certain Corporate Matters" on page 53 and 135 respectively of the Draft Red Herring Prospectus.

Registered Office: 4th Floor, 421, Pramukh Tangent, NR. Sargasan Cross Road, Gandhinagar – 382421, Gujarat, India;

Telephone No: +91-079 29656678; **Website:** www.tromindustries.com; **E-mail:** info@tromindustries.com;

Contact Person: Priya Arora, Company Secretary and Compliance Officer

ADDENDUM TO THE DRAFT RED HERRING PROSPECTUS DATED APRIL 05, 2024: NOTICE TO THE INVESTORS ("THE ADDENDUM")

PUBLIC ISSUE OF UPTO 35,00,000[^] EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH OF TROM INDUSTRIES LIMITED ("TIL" 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 WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER ("BRLM") AND WILL BE ADVERTISED IN ALL EDITIONS OF THE ENGLISH NATIONAL NEWSPAPER, ALL EDITIONS OF THE HINDI NATIONAL NEWSPAPER AND REGIONAL LANGUAGE NEWSPAPER, EACH WITH WIDE CIRCULATION, AT LEAST 2 (TWO) WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE WITH THE RELEVANT FINANCIAL RATIOS CALCULATED AT THE FLOOR PRICE AND THE CAP PRICE AND SHALL BE MADE AVAILABLE TO THE EMERGE PLATFORM OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE EMERGE", REFERRED TO AS THE "STOCK EXCHANGE") FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITE. FOR FURTHER DETAILS KINDLY REFER TO CHAPTER TITLED "TERMS OF THE ISSUE" ON PAGE 197 OF THE DRAFT RED HERRING PROSPECTUS.

Potential Bidders may note the following:

1. In the sections "Risk Factors", "Introduction", "About the Company" and "Financial Information" 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, as and when filed with the RoC, the SEBI and the Stock Exchange.

The Equity Shares offered in the Issue have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) within the United States only to "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in the Draft Red Herring Prospectus as "U.S. QIBs") in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and (ii) outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. For the avoidance of doubt, the term "U.S. QIBs" does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in the Draft Red Herring Prospectus as "QIBs". The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

All capitalised terms used in this Addendum shall, unless the context otherwise requires, have the meaning ascribed to them in the Draft Red Herring Prospectus.

Place: Gandhinagar

Dated: July 8, 2024

For and on behalf of **TROM INDUSTRIES LIMITED**

Sd/-

Priya Arora

Company Secretary and Compliance Officer

BOOK RUNNING LEAD MANAGER



Expert Global Consultants Private Limited
1511, RG Trade Tower Netaji Subhash Place, Pitampura, New Delhi – 110034, India
Telephone: +91 11 4509 8234
Email: ipo@expertglobal.in
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Investor grievance email: compliance@expertglobal.in
Contact Person: Gaurav Jain
SEBI registration number: INM000012874
CIN: U74110DL2010PTC205995

REGISTRAR TO THE ISSUE



Kfin Technologies Limited
Selenium Tower-B, Plot 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Telangana, India.
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Contact Person: M Murali Krishna
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SEBI Registration Number: INR000000221
CIN: L72400TG2017PLC117649

BID/ISSUE PROGRAM

Anchor portion Opens/Closes on⁽¹⁾: [●]

Bid/Issue Opens on⁽¹⁾: [●]

Bid/Issue Closes on⁽²⁾: [●]*

(1) Our Company in consultation with the BRLM, may consider participation by Anchor Investors, in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Issue Opening Date.

(2) Our Company in consultation with the BRLM, may decide to close the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date, in accordance with the SEBI ICDR Regulations.

*The UPI mandate end time and date shall be at 5:00 p.m. on Bid/Issue Closing Day.

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SECTION III – RISK FACTORS

a) **Existing Risk Factor No. 19 has been Moved to risk factor No. 15 as follows:**

15. Our Company does not adhere to some part of their Memorandum of Association

The Company's Memorandum of Association does mention the expanded scope of business. The Memorandum of Association only refers to the original business prospectus. In the recent years the Company has expanded their scope of work to Retail and Supply. These changes have not been mentioned even in the recent Memorandum of Association. However, our company has filed the MGT 14 for the same on March 22, 2024, filling status of the same is in process.

We have filed the MGT-14 vide SRN AA7148351 on March 13, 2024 i.e. before the filing of DRHP for the purpose of modifying the main object of the company covering all the objects which currently company is operating and we have received the approval from the MCA.

b) **Existing Risk Factor No. 27 has been updated as follows:**

27. Any non-compliance or delays or non-payment of statutory dues payments may expose us to penalties from the regulators.

There have been no instances of default or non-payment of statutory dues by the Company, except for the TDS default of ₹ 5.47 lakhs which is being reflected on TRACES portal, out of which amount of ₹ 5.45 lakhs pertains to Financial Year 2022-23. However, we cannot assure that we will not be subject to any legal proceeding or regulatory actions, including monetary penalties by statutory authorities on account of any inadvertent discrepancies in our statutory dues payment in future, which may adversely affect our business, financial condition, and reputation.

There are certain discrepancies and non-compliances noticed in some of our financial reporting and/or records relating to filing or returns and deposit of statutory dues with the taxation and other statutory authorities.

In the past, our company has at several instances, delayed in filing returns for GST, EPF, ESIC, and deposit of such statutory dues, as a result of which, we have been required to pay the late filing fees along with interest on delayed deposit of due taxes and statutory dues. Although the late filing fees levied are small, if we continue this practice, the accumulated amounts of each delay may adversely affect our cash flows. Further no show-cause notice has been issued against our Company till date, in respect of above, in the event of any cognizance being taken by the concerned authorities in respect of above, actions may be taken against our Company and its directors, in which event the financial positions of our Company and our directors may be affected. The delays were inadvertent and irregular in nature. Company has already prepared inhouse compliance calendar and hired more experienced professionals to avoid any delays/non-compliance in future.

There have been no delay / no continuous delay in filing EPF returns for Jun 2023

Further, it can be observed from the below mentioned table covering month-wise details for the EPF returns for the Fiscal 2022, Fiscal 2023 and for the period ended December 31, 2023 that we have been regular in filing the EPF returns except for the minor delay of 3 days in the month of December 2022.

S.No.	Month - Wages	Due Date	Return Filing Date	Payment Date
1	Apr-21	15-May-21	12-May-21	12-May-21
2	May-21	15-Jun-21	12-Jun-21	16-Jun-21
3	Jun-21	15-Jul-21	12-Jul-21	12-Jul-21
4	Jul-21	15-Aug-21	14-Aug-21	16-Aug-21
5	Aug-21	15-Sep-21	13-Sep-21	16-Sep-21
6	Sep-21	15-Oct-21	13-Oct-21	14-Oct-21
7	Oct-21	15-Nov-21	02-Nov-21	09-Nov-21
8	Nov-21	15-Dec-21	14-Dec-21	14-Dec-21
9	Dec-21	15-Jan-22	11-Jan-22	11-Jan-22
10	Jan-22	15-Feb-22	14-Feb-22	14-Feb-22
11	Feb-22	15-Mar-22	11-Mar-22	12-Mar-22
12	Mar-22	15-Apr-22	02-Apr-22	02-Apr-22
13	Apr-22	15-May-22	13-May-22	13-May-22
14	May-22	15-Jun-22	10-Jun-22	10-Jun-22
15	Jun-22	15-Jul-22	09-Jul-22	09-Jul-22
16	Jul-22	15-Aug-22	10-Aug-22	10-Aug-22

S.No.	Month - Wages	Due Date	Return Filing Date	Payment Date
17	Aug-22	15-Sep-22	07-Sep-22	08-Sep-22
18	Sep-22	15-Oct-22	11-Oct-22	11-Oct-22
19	Oct-22	15-Nov-22	08-Nov-22	08-Nov-22
20	Nov-22	15-Dec-22	15-Dec-22	15-Dec-22
21	Dec-22	15-Jan-23	18-Jan-23	18-Jan-23
22	Jan-23	15-Feb-23	15-Feb-23	15-Feb-23
23	Feb-23	15-Mar-23	06-Mar-23	06-Mar-23
24	Mar-23	15-Apr-23	15-Apr-23	15-Apr-23
25	Apr-23	15-May-23	12-May-23	12-May-23
26	May-23	15-Jun-23	09-Jun-23	10-Jun-23
27	Jun-23	15-Jul-23	10-Jul-23	10-Jul-23
28	Jul-23	15-Aug-23	12-Aug-23	12-Aug-23
29	Aug-23	15-Sep-23	15-Sep-23	15-Sep-23
30	Sep-23	15-Oct-23	09-Oct-23	10-Oct-23
31	Oct-23	15-Nov-23	06-Nov-23	07-Nov-23
32	Nov-23	15-Dec-23	12-Dec-23	12-Dec-23
33	Dec-23	15-Jan-24	13-Jan-24	13-Jan-24

There have been delay of only 1 day in filing the GST return for the month of June 2021.

Further, it can be observed from the below mentioned table covering month-wise details for the GST returns for the Fiscal 2021, Fiscal 2022, Fiscal 2023 and for the period ended December 31, 2023 that we have been regular in filing the GST returns except for the minor delays for few months during the 1st and 2nd wave of Covid19.

GSTR 1						GSTR 3B					
F.Y.	Return Period	Due Date	Filing Date	Remark	Days Delay	F.Y.	Return Period	Due Date	Filing Date	Remark	Days Delay
2021	April	11-05-2020	20/06/2020	Late	40.00	2021	April	24-06-2020	01/07/2020	Late	7.00
2021	May	11-06-2020	20/06/2020	Late	9.00	2021	May	27-06-2020	04/07/2020	Late	7.00
2021	June	11-07-2020	08/07/2020	On time	-	2021	June	20-07-2020	27/07/2020	Late	7.00
2021	July	11-08-2020	17/09/2020	Late	37.00	2021	July	20-08-2020	17/09/2020	Late	28.00
2021	August	11-09-2020	01/10/2020	Late	20.00	2021	August	20-09-2020	02/10/2020	Late	12.00
2021	September	11-10-2020	23/10/2020	Late	12.00	2021	September	20-10-2020	22/10/2020	Late	2.00
2021	October	11-11-2020	12/11/2020	Late	1.00	2021	October	20-11-2020	21/11/2020	Late	1.00
2021	November	11-12-2020	12/12/2020	Late	1.00	2021	November	20-12-2020	21/12/2020	Late	1.00
2021	December	11-01-2021	15/01/2021	Late	4.00	2021	December	20-01-2021	19/01/2021	On Time	-
2021	January	11-02-2021	11/02/2021	On time	-	2021	January	20-02-2021	20/02/2021	On Time	-
2021	February	11-03-2021	17/03/2021	Late	6.00	2021	February	20-03-2021	20/03/2021	On Time	-
2021	March	11-04-2021	13/04/2021	Late	2.00	2021	March	20-04-2021	20/04/2021	On Time	-
2022	April	11-05-2021	20/05/2021	Late	9.00	2022	April	20-05-2021	12/06/2021	Late	23.00
2022	May	11-06-2021	28/06/2021	Late	17.00	2022	May	20-06-2021	10/07/2021	Late	20.00
2022	June	11-07-2021	11/07/2021	On time	-	2022	June	20-07-2021	21/07/2021	Late	1.00
2022	July	11-08-2021	11/08/2021	On time	-	2022	July	20-08-2021	18/08/2021	On Time	-
2022	August	11-09-2021	10/09/2021	On time	-	2022	August	20-09-2021	20/09/2021	On Time	-
2022	September	11-10-2021	11/10/2021	On time	-	2022	September	20-10-2021	20/10/2021	On Time	-
2022	October	11-11-2021	11/11/2021	On time	-	2022	October	20-11-2021	20/11/2021	On Time	-
2022	November	11-12-2021	10/12/2021	On time	-	2022	November	20-12-2021	20/12/2021	On Time	-
2022	December	11-01-2022	07/01/2022	On time	-	2022	December	20-01-2022	19/01/2022	On Time	-
2022	January	11-02-2022	01/02/2022	On time	-	2022	January	20-02-2022	18/02/2022	On Time	-
2022	February	11-03-2022	03/03/2022	On time	-	2022	February	20-03-2022	15/03/2022	On Time	-
2022	March	11-04-2022	04/04/2022	On time	-	2022	March	20-04-2022	20/04/2022	On Time	-
2023	April	11-05-2022	03/05/2022	On time	-	2023	April	20-05-2022	18/05/2022	On Time	-
2023	May	11-06-2022	02/06/2022	On time	-	2023	May	20-06-2022	18/06/2022	On Time	-
2023	June	11-07-2022	07/07/2022	On time	-	2023	June	20-07-2022	20/07/2022	On Time	-
2023	July	11-08-2022	08/08/2022	On time	-	2023	July	20-08-2022	18/08/2022	On Time	-
2023	August	11-09-2022	03/09/2022	On time	-	2023	August	20-09-2022	19/09/2022	On Time	-
2023	September	11-10-2022	10/10/2022	On time	-	2023	September	20-10-2022	20/10/2022	On Time	-
2023	October	11-11-2022	05/11/2022	On time	-	2023	October	20-11-2022	20/11/2022	On Time	-

GSTR 1						GSTR 3B					
F.Y.	Return Period	Due Date	Filing Date	Remark	Days Delay	F.Y.	Return Period	Due Date	Filing Date	Remark	Days Delay
2023	November	11-12-2022	06/12/2022	On time	-	2023	November	20-12-2022	19/12/2022	On Time	-
2023	December	11-01-2023	03/01/2023	On time	-	2023	December	20-01-2023	18/01/2023	On Time	-
2023	January	11-02-2023	07/02/2023	On time	-	2023	January	20-02-2023	17/02/2023	On Time	-
2023	February	11-03-2023	09/03/2023	On time	-	2023	February	20-03-2023	20/03/2023	On Time	-
2023	March	11-04-2023	10/04/2023	On time	-	2023	March	20-04-2023	20/04/2023	On Time	-
2024	April	11-05-2023	09/05/2023	On time	-	2024	April	20-05-2023	18/05/2023	On Time	-
2024	May	11-06-2023	03/06/2023	On time	-	2024	May	20-06-2023	19/06/2023	On Time	-
2024	June	11-07-2023	08/07/2023	On time	-	2024	June	20-07-2023	20/07/2023	On Time	-
2024	July	11-08-2023	09/08/2023	On time	-	2024	July	20-08-2023	19/08/2023	On Time	-
2024	August	11-09-2023	11/09/2023	On time	-	2024	August	20-09-2023	19/09/2023	On Time	-
2024	September	11-10-2023	11/10/2023	On time	-	2024	September	20-10-2023	20/10/2023	On Time	-
2024	October	11-11-2023	11/11/2023	On time	-	2024	October	20-11-2023	20/11/2023	On Time	-
2024	November	11-12-2023	08/12/2023	On time	-	2024	November	20-12-2023	20/12/2023	On Time	-
2024	December	11-01-2024	11/01/2024	On time	-	2024	December	20-01-2024	20/01/2024	On Time	-

SECTION IV- INTRODUCTION

OBJECTS OF THE ISSUE

a) Following details has been updated on page no 78 of DRHP under the heading “Funding of capital expenditure requirements of our Company towards set up of Solar Power Plant”

We proposed to utilize ₹ 450.00 Lakhs for funding of capital expenditure requirements towards set up of Solar Power Plant from the Net Proceeds. Our Company has received quotations from various suppliers for such solar power system and is yet to place any orders or enter into definitive agreements towards set up of such solar powerplant.

Adequate and cost-effective supply of electrical power is required for our operations. Our business requires uninterrupted supply of electrical power in order to ensure smooth functioning of our business. The shortage or non-availability of electrical power may adversely affect our business and have an adverse impact on our results of operations and financial condition. Currently, we source our power requirements from UGVCL, state electric supply. There can be no assurance that electricity supplied will be sufficient to meet our requirements or that we will be able to procure adequate and uninterrupted power supply in the future at a reasonable cost. If the supply of electricity is not available for any reason, we will need to rely on alternative sources. Any failure on our part to obtain alternate sources of electricity, in a timely manner, and at an acceptable cost, may have an adverse effect on our business, results of operations, cash flows and financial condition. While our current usage meets our needs effectively, we remain adaptable to evolving business demands. The proposed location of installation will be at UGVCL's Shinavad & Tintoi substations and if we generate any surplus power in excess of our routine requirements then the same will be sold back to UGVCL. After installation of solar power system, our power cost expenses will substantially reduce to a great extent and our dependence on state electric supply.

b) Following details has been added on page no 78 of DRHP under the heading “To Meet Working Capital Requirements”

Rationale for decrease in working capital requirement of the Company for FY22 as compared to FY21

The Working capital requirement were ₹ 276.60 Lakhs and ₹ 375.05 Lakhs respectively. The decrease in working capital requirement was mainly on account of the decrease in holdings days of trade receivables from 172.7 days to 135.9 days. In the financial year 2021-22 there were prompt recoveries from the receivables.

Please find below justification for increase in working capital

For FY23 as compared to FY22.

Working capital requirement was ₹ 714.71 Lakhs and ₹ 276.60 Lakhs respectively. The Increase in working capital requirement was on account of prompt payments to vendors during the FY 2023. Trade payables were Rs. 1,086.46 Lakhs as on March 31, 2023 and Rs. 1,267.86 Lakhs as on March 31, 2022. The Company raised funds in the form of loans during the FY23 and the same was utilised to pay the vendors to avail benefit of the early payments and better credit terms for future resulting in improvement in the operating margin from 10.29% to 16.17%.

The impact of funds raised to pay off the Suppliers, that the funds raised were in the form of Secured and Unsecured Loan from Financial Institutions which are categorized under Non Current Liabilities whereas the repayment to Suppliers that is categorized as Current Liabilities effectively enhancing the Working Capital positioning of the Company. In view of this, our current liabilities or payables were reduced resulting in increase in working capital.

For Stub period

The Net Working Capital requirement of our Company on the restated basis was ₹ 1,403.35 Lakhs and ₹ 714.71 Lakhs for December 31, 2023 and March 31, 2023. The Increase in working capital requirement for December 31, 2023, was mainly on account of the increase in revenue from operations of our company from ₹ 24.13 Crores to ₹ 40.33 Crores. The working capital needs of our company mainly arises due to trade receivables, trade payables and inventory storage.

On account of increase in turnover of our Company, trade receivables and inventory have increased vis a vis increase in working capital requirement.

Due to heightened sector demand and trade dynamics, the Company has expanded its Inventories, thus extending its days of inventory. Additionally, the Company has implemented a strategy to prioritize prompt payment to Suppliers, resulting in various advantages such as preferred access to materials and discounts. This strategy has been mirrored in dealings with Customers, with some benefits passed on to them. Consequently, there has been a notable uptick in revenue and enhancement in the Company's margin profile.

Working capital requirement for FY24 and FY25

The Net Working capital requirements for the FY 2024 (E) and FY 2025 (P) are estimated to be ₹ 1,660.70 Lakhs and ₹ 3,756.73 Lakhs respectively.

The working capital requirement of our Company for March 31, 2024, is relatively in line with the working capital requirement for the period ended on December 31, 2023, which is due to the increase in the turnover of the Company.

Our Company has estimated the working capital requirement for FY 2025 (P) to be ₹ 3,756.73 Lakhs. Considering the increasing turnover and the strategy adopted by the Company, we are contemplating to prepay the Suppliers and offer better credit terms to customer which would enable us do enhanced business.

During the FY 21, FY22 and FY 23, the Company was focusing more on trading of the goods. Further, entire focus on credit sales was making the capital allocation inefficient with stiff competition from the integrated players. Company in the FY24 revamped the business strategy from focusing on merchandising business to end-to-end project / EPC player along with focus on prompt payments to suppliers, enhanced business, prompt receipts from customers upon achieving the milestones / stage-wise completion of projects. The Company is working on low payable days, better availability of products to be utilized on projects to enable timely deliveries and faster recoveries upon project completion. In view of the above the Company is expecting a sustainable growth in the business going forward with improved margin profile of the Company.

Therefore, due to the increase in revenue from operations of our company will increase and will result in an increase in trade receivables and Inventory which will result in an increase of the working capital requirement of the Company. Our Company intends to fund the working capital requirement to the tune of ₹ 1516.60 Lakhs from Net Issue Proceeds.

SECTION V – ABOUT THE COMPANY

OUR BUSINESS

- a) **The following details has been updated under the heading “Infrastructure & Utilities” on page 117 of the DRHP.**

Process of procurement of Raw Materials

Site selection and assessment

Identify potential sites based on factors like solar irradiance and regulatory considerations. Conduct a detailed site assessment to evaluate factors such as shading and environmental impact.

Engineering design

Develop detailed engineering designs for the solar power plant, including layout optimization, String calculation, cable size calculation, electrical design, structural design, and equipment specifications like bill of material.

Perform feasibility studies and modeling to optimize the system's performance and economics.

Drawings and bill of materials are forwarded for approval. Once approval is received, whether via phone call, letter, or email, we initiate with the subsequent steps such as follow.

Regulatory Approval

Obtain necessary permits and approvals from local authorities i.e. Discoms and Gujarat Energy Development Agency. Additionally, obtain approval for the drawings from the Government Chief Electrical Inspector.

Procurement

Source and procure all necessary materials for the solar power plant, including solar panels, inverters, mounting structures, Cable, Protection device like ACDB, DCDB, and balance-of-system components like Earthing, Multi Connects (MC)4 connectors etc.

Negotiate with suppliers to ensure timely delivery and quality assurance.

Installation

Install the solar panels, mounting structures, inverters, and other components according to the engineering design.

Construct electrical infrastructure, including wiring, combiner boxes, inverters, and substations. Perform quality control inspections and testing throughout the construction process to ensure compliance with design specifications.

Chief Electrical Inspection (CEI)

If the solar power plant exceeds 10 KW in capacity, it undergoes inspection by the authorized Chief Electrical Inspector. Upon receiving approval from the Chief Electrical Inspector, we proceed with the commissioning of the plant.

Commissioning

The customer enters into interconnection agreements with the Discoms, and we handle the necessary documentation process for installing the Discoms meter at the site. Once the agreement is finalized and the meters are installed, they begin capturing daily solar generation readings, as well as tracking the import and export of power to and from the grid. This marks the commencement of solar power generation.

Operations and Maintenance (O&M) Training

Develop an O&M plan to ensure the ongoing performance and reliability of the solar power plant.

Make client to understand how cleaning of solar panels required and how they can take power generation reading from meters and inverters.

Monitoring and Reporting

Produce regular reports for plants where clients have implemented our online monitoring system. These reports encompass energy production data and any faults details, if detected.

b) The following details has been added under the heading “Revenue Bifurcation (State wise -wise)” on page 112 of the DRHP.

Details on how the Company approaches its Private industries and Government clients:

Approach to Private Industries Clients

Industry Analysis

- Analyze industries with high energy consumption and renewable energy adoption trends.
- Focus on industries under regulatory pressure to reduce emissions.
- Identify industries benefiting from government incentives and facing regulatory requirements.
- Target industries where energy costs are significant and that have investment capacity.
- Analyze industries with high energy consumption, as they are more likely to benefit from the cost savings provided by solar power. E.g. manufacturing industries, oil industries, rolling mills, cotton industries etc.

Sales team to network and relationship building activity

- Attend trade shows, conferences, and seminars related to target industries.
- Join industry associations and chambers of commerce to network with potential clients and industry leaders.
- Build relationships with other companies, consultants, and stakeholders who can provide leads on upcoming projects.
- Deploy a dedicated sales team to reach out to potential clients through cold calls, emails, and in-person meetings.

Proposal development & deliveries

- Develop tailored proposals highlighting the benefits of solar energy for specific industrial applications.
- Conduct preliminary feasibility studies to demonstrate the potential savings and ROI to prospective clients.

Reference Order

- We also receive reference orders from clients. If a client has already installed a solar power plant with us, they refer others to us when asked.

Repeat Order

- We receive repeat orders from industries where we have previously installed solar power plants. clients may request a new installation at their new factory or an additional solar power plant at an existing facility..

Approaches Government client

Identify Tender opportunities

Monitor government procurement portals, websites, and publications for tender opportunities related to renewable energy projects, specifically solar power installations. These platforms are like n-procurement, G E-Market Portal, e-procurement, Govt. department Website, advertisement in newspaper etc.

Review Tender Documentation

Carefully review the tender documentation provided by the government client. This includes the Request for Proposal (RFP) or Invitation to Tender (ITT), which outlines project requirements, evaluation criteria, submission instructions, contractual terms etc.

Attend Pre-Bid Meetings

If the tender process includes pre-bid meetings or site visits, we make sure to attend these sessions to gain a better understanding of the project requirements and clarify any doubts or queries in this session.

Prepare a competitive Bid

Develop a competitive bid that meets the requirements outlined in the tender documentation. This includes preparing a detailed proposal that addresses technical specifications, project timeline, compliance with regulations, pricing, financing options, and any additional information requested by the client.

Comply with tender requirements

Ensure that bid complies with all the requirements specified in the tender documentation. This may involve providing proof of qualifications, certifications, insurance, bonding, and any other documentation requested by the client.

Submit the Bid

Submit the bid within the specified deadline and adhere to the submission instructions outlined in the tender documentation. o

Follow-Up and clarifications

After submitting bid, we revert to any requests for clarifications or additional information from the government client. Maintain open communication and address any concerns promptly to demonstrate our commitment and responsiveness.

Evaluation and award

The government client will assess all submitted bids according to the specified criteria and choose the winning proposal. If our bid is successful, we will receive notification of the award.

- c) The following details has been added under the heading “Revenue Bifurcation (State wise -wise)” on page 113 of the DRHP.

REVENUE BIFURCATION FOR PRIVATE AND GOVERNMENT PROJECTS

The revenue bifurcation for private and government projects for stub period and past three financial years:

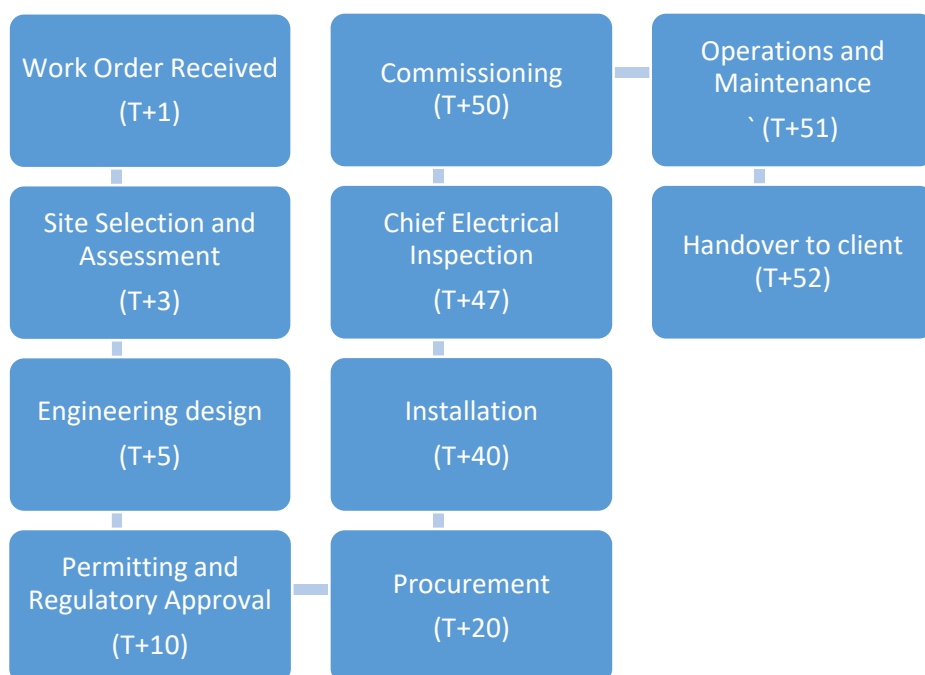
(₹ in crores)

Revenue Details	For the period ended December 31, 2023		Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Amount	%	Amount	%	Amount	%	Amount	%
From Government Segment	2.23	5.53%	6.65	27.68%	10.10	33.34%	8.69	38.51%
From Non – Government Segment	38.00	94.47%	17.37	72.32%	20.20	66.66%	13.87	61.49%
Total	40.23	100.00%	24.01	100.00%	30.31	100.00%	22.56	100.00%

- d) The following details has been added under the heading “Type Of Services Provide” on page 115 of the DRHP.

The details of how long the Company takes to complete its products from the date of order.

Work Details	Days
Work Order Received	T+1
Site Selection and Assessment	T+3
Engineering Design	T+5
Permitting and Regulatory Approval	T+10
Procurement	T+20
Installation	T+40
Chief Electrical Inspection (CEI)	T+47
Commissioning	T+50
Operations and Maintenance (O&M) Training	T+51
Handover to Client	T+52
Total	52



e) The following details has been added under the heading “Revenue Bifurcation (Product wise)” on page 111 of the DRHP.

REVENUE BIFURCATION:

(In ₹)

Particulars	For December 31, 2023		Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales
Revenue from EPC business#	21,53,43,372	53.5%	20,96,25,020	87.3%	28,31,57,464	93.4%	20,65,73,295	91.6%
- Government business	2,22,67,630	5.5%	6,64,69,851	27.7%	10,10,48,942	33.3%	8,68,79,786	38.5%
- Residential	2,73,69,954	6.8%	2,20,63,601	9.2%	9,73,08,952	32.1%	10,79,11,476	47.8%
- Commercial and Industrial	16,56,94,111	41.2%	12,04,94,269	50.2%	8,23,84,291	27.2%	91,10,774	4.0%
Revenue from Trading business**	18,69,63,849	46.5%	3,05,01,281	12.7%	1,99,27,348	6.6%	1,90,10,736	8.4%
Total	40,23,07,222	100.0%	24,01,26,302	100.0%	30,30,84,811	100.0%	22,55,84,031	100.0%

** Usually the trading of solar modules and/or related components as supplies to large EPC player was always in the range of sub INR 200 Lakhs – INR 300 Lakhs aggregating to ~10% of the total sales. However, during the Stub period of Fiscal 2024, considering the experience of the Promoters they had initiated the inventory led model to keep the requisite products in inventory so that the projects can be completed on time. During the Stub Period there was an import restriction for the imports from China leading to curtailment of supply and continuity of high demand scenario which led to an one time opportunity as we had the ready inventory, so the Company had grabbed the opportunity and refilled the inventory once the entire situation cooled off in few months.

The focus of the Company has shifted from working with Government related businesses and Residential Projects to focussing more on Commercial & Industrial Projects which can be seen from growth i.e. from ~INR 100.0 lakhs in Fiscal 2021 to ~INR 1,200.0 lakhs in Fiscal 2023 and ~INR 1,656.0 lakhs in stub period of Fiscal 2024

SECTION VI – FINANCIAL INFORMATION

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

- a) **The following details has been updated under the heading “Review Of Operations For The Period Ended December 31, 2023” on page 172 of the DRHP.**

Revenue from Operations:

There was marginal reduction in average selling price of 6% of solar panels, however that’s not the sole reason due to which there is major increase in turnover.

There have been 123.33% increase in turnover on annualised basis in the Fiscal 2024 vis-à-vis Fiscal 2023, due to which our indirect cost as a % in relation to turnover decreased resulting in higher PAT margin. Also, our operating margin also increased during the year. During the FY 2024, there was reduction in sales price of the product in which company deals vis a vis reduction in cost price of the modules and invertors which are required to effect the sale. There was major reduction of 21% in cost of solar module. Solar modules cost comprises of 70% of the total cost of the project. Looking at the demand supply scenario in the sector and considering the inelasticity of supply, we passed on part of the benefit received by us to the end consumer and which resulted in attracting some of the customers.

Major reason for significant increase in turnover were:

- Previously, our primary focus was on government tenders and their related departments. However, government business relies heavily on government policies and budgets, making it highly dependent and unpredictable. Additionally, the government process is lengthy, causing delays in order completion and affecting our ability to quickly finish projects, which in turn delays other orders.
- To address these issues, we shifted our focus from government contracts to the private sector. This change allowed us to complete projects more quickly. We expanded our team and increased our efforts to secure private contracts. As a result, we received and completed several orders on time.
- External factors i.e. focus on government policies and incentives, environmental awareness & sustainability trends, consumer behaviour and grid stability. the government has recently introduced supportive policies for private enterprises, which has further helped us in obtaining quick orders and improving our business efficiency.

- b) **The following details has been updated under the heading “Review Of Operations For The Period Ended December 31, 2023” on page 173 of the DRHP.**

Profit after Tax:

Our profit after tax for the period ended December 31, 2023, amounted to ₹ 420.15 lakhs constituting 10.42% of total income.

The calculation of PAT margin (from restated audited financial statements) and change in the same by 10%:

₹. In Lakhs	Restated Financial Statement		Restated Financial Statement	
Particulars	FY 2024**	FY 2023	FY 2024**	FY 2023
Revenue from operations	4,023.07	2,401.26	100.0%	100.0%
Purchases and other direct	3,730.68	2,211.35	92.7%	92.1%
Changes in inventories	-702.41	-185.83	-17.5%	-7.7%
Operating Profit	994.8	375.74	24.7%	15.6%
Operating Profit %	24.73%	15.65%	0.0%	0.0%
Other Income	9.88	12.54	0.2%	0.5%
Employee Benefit Expenses	278.54	105.23	6.9%	4.4%
Finance Costs	50.97	79.86	1.3%	3.3%
Depreciation and Amortization Expenses	6.08	10.42	0.2%	0.4%
Other Expenses	106.8	153.14	2.7%	6.4%
PBT	562.29	39.63	14.0%	1.7%
Taxes	142.14	10.76	3.5%	0.4%
PAT	420.15	28.87	10.4%	1.2%

** Period ended December 31, 2023

Further, there have been 123.33% increase in turnover on annualised basis in the Fiscal 2024 vis-à-vis Fiscal 2023, due to which our indirect cost % in relation to turnover decreased resulting in higher PAT margin. Also, our operating margin also increased during the year. Table of the same in relation to majority is attached hereunder:

Amount in Rs.			
Particulars	Average Price per Watt in FY24	Average Price Per Watt in FY23	% change
Sales (Solar Plant)	39.08	41.47	-6%
Purchase (Solar Module) comprises of 70% of deliverables#	20.50	26.04	21%
Purchase (Solar Invertor) comprises of 10% of deliverables#	4.05	4.17	3%
Other direct cost comprises of 10% of sales price	3.91	4.15	6%
Gross Profit	10.62	7.11	49.36%
Gross Profit %	27.18%	17.15%	

#Considering our relationship and experience we could get the better terms. Looking at the demand supply scenario in the sector and considering the inelasticity of supply, we passed on part of the benefit received by us to the end consumer. Therefore, there is an improvement in the operating margin.

During the FY 2024, there was reduction in sales price of the product in which company deals vis a vis reduction in cost price of the modules and invertors which are required to effect the sale. There was major reduction of **21%** in cost of solar module. Solar modules cost comprises of 70% of the total cost of the project. As shown in the table above, the above mentioned factors have led to an increase in gross profit of ~10%. Furthermore, even though our turnover have increased fixed expenses (grouped under other expenses in financial statements) are bound to remain the same considering majority of which are overheads. In FY 2023 Other Expenses were aggregating to INR 153.1 Lakhs i.e. 6.38% of Sales and for FY 2024 i.e. the period ended December 31, 2023, Other Expenses were aggregating to INR 106.8 Lakhs i.e. 2.65% of Sales, resulting in increase in our PAT margin as compared to previous year.

The external factors contributing to the improvement in business are focus on government policies and incentives, environmental awareness & sustainability trends, consumer behaviour and grid stability. Further, there was rapid increase in operations and demand in solar sector in recent period and company has doubled its revenue. Based on Revenue bifurcation shared on DRHP at page no. 112 under Business Chapter, there has been increase of “Revenue generated from Commercial and Industrial Projects” and “Revenue Generated from Trading of Solar Module and Solar Inverter” which contribute 77.71% of total revenue.

We would like to mention that the Company’s revenue is growing in line with the growth in the Industry considering several factors, including increasing demand for green energy sources, favourable government policies, growing environmental awareness and a global move towards sustainable energy solutions.

Further, we would like to reiterate that there was a reduction in the prices for Solar Modules. These benefits availed by the Company of price reduction which considering the demand supply scenario in the Industry. The Company had decided to pass on the part of such benefits to end consumers which led to improvement in the gross margins of the Company. These improvements in the gross margins led to the improvement in the overall PAT and PAT margin as other operating costs remained inline with the revenue of the Company.

It may be noted that the improvement in margin is reflected in the Cash Flow from Operating Activities before the changes in working capital and the burden of Working capital in view of the Company’s strategy to keep the inventory handy to complete the projects on time and paying the vendors / suppliers in advance (including for few even before the agreed credit period) to get the priority for supplies. The strategy of the Company is inline with industry’s demand supply scenario and to ensure smooth functioning and ensure timely delivery of projects.