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CIN: U31909MH2020PLC345131
ATC ENERGIES SYSTEM LIMITED

Our Company was incorporated as 'ATC Energies System Private Limited' a private limited company under the Companies Act, 2013, pursuant to the certificate of incorporation issued by the RoC on September 2, 2020. The name of our Company was subsequently changed to 'ATC Energies System Limited', upon conversion into a public company, pursuant to a board resolution dated February 20, 2024 and a shareholder resolution dated February 21, 2024, and a fresh certificate of change of name was issued on May 1, 2024 by the Registrar of Companies, CPC. For further details please refer to section titled "History and Corporate Structure" beginning on page 156 of the Draft Red Herring Prospectus.

Registered Office: Unit No. 3, Plot no. 33, New India Industrial Estate, Mahal IN AR, Off MC Rd., Andheri East, Mumbai-400 093, Maharashtra, India.

Contact Person: Kiran Honnaya Shettigar, Company Secretary and Compliance Officer

Tel: + 91 7208878270; **E-mail:** cs@atcgroup.co; **Website:** www.atcgroup.co

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

INITIAL PUBLIC OFFERING OF UP TO 54,03,600 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF OUR COMPANY FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹ [●] LAKHS (THE "OFFER") COMPRISING A FRESH ISSUE OF UP TO 43,23,600 EQUITY SHARES OF FACE VALUE ₹ 10 EACH AGGREGATING UP TO ₹ [●] LAKHS BY OUR COMPANY (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 10,80,000 EQUITY SHARES (THE "OFFERED SHARES") BY SANDEEP GANGABISHAN BAJORIA AGGREGATING UP TO ₹ [●] LAKHS (THE "SELLING SHAREHOLDER", AND SUCH EQUITY SHARES OFFERED BY THE SELLING SHAREHOLDER, THE "OFFERED SHARES") (SUCH OFFER FOR SALE BY THE SELLING SHAREHOLDER, THE "OFFER FOR SALE" AND TOGETHER WITH THE FRESH ISSUE, "THE OFFER") OF OUR POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, PLEASE SEE SECTION TITLED "TERMS OF THE OFFER" BEGINNING ON PAGE 222 OF THE DRAFT RED HERRING PROSPECTUS.

THE OFFER INCLUDES UP TO 2,71,200 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH AT AN OFFER PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE OFFER (THE "MARKET MAKER RESERVATION PORTION"). THE OFFER LESS MARKET MAKETMAKER RESERVATION PORTION I.E. OFFER OF UPTO 51,32,400 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN OFFER PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING UP TO ₹ [●] LAKHS IS HEREINAFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND NET OFFER WILL CONSTITUTE [●] % AND [●] %.



THE FACE VALUE OF THE EQUITY SHARE IS ₹ 10 EACH AND THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND AND THE MINIMUM BID LOT SIZE WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLM AND WILL BE ADVERTISED IN ALL EDITIONS OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), [●] EDITIONS OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER) AND [●] EDITIONS OF [●] (A WIDELY CIRCULATED MARATHI DAILY NEWSPAPER, MARATHI BEING THE REGIONAL LANGUAGE OF MAHARASHTRA WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO THE EMERGE PLATFORM OF THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED FOR UPLOADING ON THEIR WEBSITE IN ACCORDANCE WITH THE SEBI ICDR REGULATIONS, AS AMENDED.

This is with further reference to the Draft Red Herring Prospectus dated September 24, 2024 filed by Our Company with the National Stock Exchange of India Limited.

Potential Bidders may note the following:

1. The sections titled "Definitions and Abbreviations", "Summary of Offer Document", "The Offer", "General Information", "Capital Structure", "Objects of the Offer", "Other Regulatory and Statutory Disclosures", "Terms of Offer", "Offer Structure", "Material Contracts And Documents For Inspection" of the Draft Red Herring Prospectus have been updated adequately to ensure consistency in changes in numbers of shares of Fresh Issue, Offer for Sale and Net Offer, along with ratified resolutions passed by the Board of Directors and Shareholders dated January 21, 2025 and February 3, 2025 approving the Offer, wherever appearing.
2. The section titled "Summary of Offer Document" beginning on page 21 of the Draft Red Herring Prospectus has been updated to revise the description under the heading 'Offer Size' and 'Objects of the Offer'.
3. The section titled "Risk Factors" beginning on page 27 of the Draft Red Herring Prospectus has been updated with revision/incorporation of certain internal risk factors and consequent renumbering.
4. The section titled "General Information" beginning on page 58 of the Draft Red Herring Prospectus has been updated to revise the description under the heading 'Expert' with respect to the Chartered Engineer Certificate and Underwriting Agreement.
5. The section titled "Objects of the Offer" beginning on page 80 of the Draft Red Herring Prospectus has been updated with modification in the heads (1) I. Repayment and/or pre-payment, in full, of borrowing availed by our Company with respect to purchase of our Noida factory; (2) IV. Funding to Meeting Working Capital Requirements, which is proposed to be repaid from the Net Proceeds along with change in offer

<p>structure, Utilisation of Net Proceeds, Proposed Schedule of Implementation and Deployment of Net Proceeds and Other Confirmations</p>	
<p>6. The section titled “Our Business” beginning on page 131 of the Draft Red Herring Prospectus has been updated with for revision/ inclusion of information such as revised description of expand scale of business operations and improving operational efficiencies, capacity and capacity utilization, human resource and properties.</p>	
<p>7. The section titled “History and certain other Corporate Matters” beginning on page 156 of the Draft Red Herring Prospectus has been updated to revise the description of “Other Material Agreements”.</p>	
<p>8. The section titled “Our Management” beginning on page 161 of the Draft Red Herring Prospectus has been updated with revised Brief Profile of Kiran Honnaya Shettigar, Company Secretary and Compliance Officer of our Company.</p>	
<p>9. The section titled “Management Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 187 has been updated to include “Factors Affecting Results of Operations” and reason for year-wise fluctuation income and PAT.</p>	
<p>10. The section titled “Outstanding Litigations and Material Developments” beginning on page 198 of the Draft Red Herring Prospectus has been updated with inclusion and revision of details in the write up of Outstanding actions by Statutory Authorities or Regulatory Authorities.</p>	
<p>11. The section titled “Government and Other Approvals” beginning on page 202 of the Draft Red Herring Prospectus has been updated to revise the table(s) provided under the heading ‘Incorporation Details’ and ‘Material Approvals in relation to business operations’..</p>	
<p>12. The section titled “Other Regulatory and Statutory Disclosures” beginning on page 208 of the Draft Red Herring Prospectus has been updated to provide the revised information relating to offer structure including Corporate Approvals and Approvals from the Selling Shareholder and addition of Expert Opinion of Aditya Kaushik, Chartered Engineer.</p>	
<p>13. The section titled “Description of Equity Shares and Terms of Articles of Association” beginning on page 278 of the Draft Red Herring Prospectus has been updated to include a confirmation.</p>	
<p>14. The heading “Material Documents” in the section titled “Material Contracts and Documents for inspection” beginning on page 292 of the Draft Red Herring Prospectus has been updated to include ratified resolutions as a part of Material Documents.</p>	
<p>The above changes are to be read in conjunction with the Draft Red Herring Prospectus and accordingly their references in the Draft Red Herring Prospectus stand updated pursuant to this Addendum. The information in this Addendum supplements the Draft Red Herring Prospectus and updates the information in the Draft Red Herring Prospectus, as applicable. Please note that the information included in the Draft Red Herring Prospectus will be suitably updated, including to the extent stated in this Addendum, as may be applicable in the Red Herring Prospectus and the Prospectus, as and when filed with the RoC, SEBI and the Stock Exchange. Investors should read the Red Herring Prospectus as and when filed with the RoC, SEBI and the Stock Exchange before making an investment decision in the Offer. All capitalized terms used in this Addendum shall, unless the context otherwise requires, have the meaning ascribed to them in the Draft Red Herring Prospectus.</p>	

<p>Place: Mumbai Date: February 4, 2025</p>	<p>For ATC Energies System Limited On behalf of the Board of Directors Sd/ Kiran Honnaya Shettigar Company Secretary and Compliance Officer</p>		
BOOK RUNNING LEAD MANAGER TO THE OFFER		REGISTRAR TO THE OFFER	
			
<p>INDORIENT FINANCIAL SERVICES LIMITED B/805, Rustomjee Central Park, Executive Spaces, Andheri Kurla Road, Chakala, Mumbai – 400093, Maharashtra, India. Tel: +91-79772 12186 E-mail: compliance-ifsl@indorient.in Investor Grievance E-mail: wecare@indorient.in Website: www.indorient.in Contact Person: Mr. Ivor Anil Misquith SEBI Registration No: INM000012661 CIN: U67190DL1993PLC052085</p>		<p>KFIN Technologies Limited Selenium Tower B, Plot No – 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad– 500 032, Telangana, India. Telephone: +91 40 6716 2222 / 18003094001 E-mail: aesl.ipo@kfintech.com Investor grievance e-mail: einward.ris@kfintech.com Website: www.kfintech.com Contact person: M. Murali Krishna SEBI registration number: INR000000221</p>	
BID/OFFER PERIOD			
ANCHOR PORTION OFFER OPENS/CLOSES ON: [●]*		BID/OFFER OPENS ON: [●]	BID/OFFER CLOSES ON: [●]**#

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

** Our Company, in consultation with the BRLM, may consider closing the Bid/Offer Period for QIBs, one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.

UPI mandate end time and date shall be at 5:00 pm on the Bid/Offer Closing Date

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

The section titled “*Definitions and Abbreviations*” beginning on page 1 of the Draft Red Herring Prospectus has been updated with the revised definitions as given below-

Offer Related Terms

Terms	Description
Fresh Issue	The fresh issue component of the Offer comprising of an issuance of up to 43,23,600 Equity Shares of face value ₹ 10 each at ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating up to ₹ [●] lakhs by our Company
Offer	The initial public offer of up to 54,03,600 Equity Shares of face value ₹ 10 each for cash at a price of ₹ [●] per Equity Share (including a share premium of [●] per Equity Share) aggregating up to ₹ [●] lakhs consisting of a Fresh Issue of up to 43,23,600 Equity Shares of face value ₹ 10 each aggregating up to ₹ [●] lakhs by our Company and an Offer for Sale of up to 10,80,000 Equity Shares of face value ₹ 10 each aggregating up to [●] lakhs, by the Selling Shareholder.
Offer for Sale	The offer for sale of up to 10,80,000 Equity Shares of face value ₹ 10 each aggregating up to ₹ [●] lakhs by the Selling Shareholder in the Offer
Offered Shares	Up to 10,80,000 Equity Shares of face value ₹ 10 each being offered by Selling Shareholder as part of the Offer for Sale

SUMMARY OF THE OFFER DOCUMENT

The section titled “*Summary of Offer Document*” beginning on page 21 of the Draft Red Herring Prospectus has been updated to revise the description under the heading ‘Offer Size’ and ‘Objects of the Offer’ as given below-

Offer Size

Offer of Equity Shares¹	Up to 54,03,600 Equity Shares of face value of ₹ 10 each, aggregating up to ₹ [●] lakhs
of which:	
Fresh Issue²	Up to 43,23,600 Equity Shares of face value of ₹ 10 each, aggregating up to ₹ [●] lakhs
Offer for Sale	Up to 10,80,000 Equity Shares of face value of ₹ 10 each, aggregating up to ₹ [●] lakhs by the Selling Shareholder
Market Maker Reservation Portion	Up to 2,71,200 Equity Shares of face value of ₹10 each, aggregating up to ₹ [●] lakhs
Net Offer	Up to 51,32,400 Equity Shares of face value of ₹ 10 each, aggregating up to ₹ [●] lakhs

Notes:

1. The Offer has been authorized by a resolution of our Board dated May 2, 2024 and the Fresh Issue has been authorized by a special resolution of our Shareholder dated May 6, 2024 which was subsequently ratified by the Board Resolution and Shareholders Resolution dated January 21, 2025 and February 3, 2025 respectively.
2. The Equity Shares being offered by the Selling Shareholder have been held for a period of at least one year immediately preceding the date of the Draft Red Herring Prospectus with NSE and are eligible for being offered for sale pursuant to the Offer in terms of Regulation 8 of the SEBI ICDR Regulations. For details of authorizations received for the Offer for Sale, see “Other Regulatory and Statutory Disclosures” on page 208 of the Draft Red Herring Prospectus.

The above table summarises the details of the Offer. For further details of the Offer, see “*The Offer*” and “*Offer Structure*” on pages 50 and 233, respectively.

The Offer and Net Offer shall constitute [●] % and [●] % of the post Offer paid up Equity Share capital of our Company, respectively.

Objects of the Offer

The Net Proceeds are proposed to be used by our Company in accordance with the details set forth below:

Particulars	Estimated amount ⁽³⁾ (₹ in lakhs)	Estimated amount as a percentage of Net Proceeds (%)
Repayment and/or pre-payment, in full, the borrowing availed by our Company with respect to purchase of our Noida factory	952.83	[●]
Funding the capital expenditure requirements towards refurbishment, civil and upgradation works at our Noida factory ⁽¹⁾	672.16	[●]
Funding the capital expenditure requirement towards IT upgradation at our Noida factory and Vasai factory and our registered office ⁽²⁾	746.88	[●]
Funding working capital requirements of our Company	950.00	[●]
General Corporate Purposes ⁽³⁾	[●]	
Total	[●]	[●]

Notes:

1. Total estimated cost as per the cost assessment report dated August 22, 2024 issued by Mayur Choukse – Proprietor of Architectural Firm: Aarambh Design Studio in respect of refurbishment, civil and upgradation works at our Noida factory.
2. Total estimated cost as per the cost assessment report dated August 22, 2024 issued by Mayur Choukse – Proprietor of Architectural Firm: Aarambh Design Studio in respect of IT equipment installation and upgradation works at our factories located in Noida and Vasai as well as our registered office in Andheri, Mumbai.
3. To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with RoC. In compliance with SEBI ICDR the amounts utilized for general corporate purpose shall not exceed 25% of the gross proceeds of the Offer.

SECTION II: RISK FACTORS

The section titled “**Risk Factors**” beginning on page 27 of the Draft Red Herring Prospectus has been updated with revision/incorporation of certain internal risk factors and consequent renumbering as given below-

INTERNAL RISKS FACTORS:

1. The existing risk factor no. 14 has been revised:

“14. Our Company has not insured for specific risks associated with the business. Our inability to maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability.”

While we have standard insurance coverage mainly on our fixed assets and inventories located at our Registered Office and factories at Vasai, Mumbai and Noida, NCR, the Company has not insured for any specific risks related to running the business which include the following, but not limited to:

- Professional Liability/ Error and Omissions;
- General Liability;
- Workers’ Compensation

We cannot guarantee that any claims under our insurance policies will be paid fully, partially, or on time. Unforeseen events like fires, floods, or accidents could lead to liabilities or losses affecting our Manufacturing Facility and/or Registered Office. There may be losses that we haven’t insured against, or our coverage may not be sufficient. Even if we have insurance for certain losses, we might not be able to recover the full claim from the insurance companies. Any damage beyond our limited coverage, or losses from uninsured events, will need to be covered by us. The table below summarizes our total insurance coverage, claims filed, and amounts received for the same periods.

(in ₹ Lakhs)			
Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Insurance coverage	5,000.00	5,000.00	5,000.00
Loss Incurred and Claimed	6.82	1.58	-
Claim Admitted	4.87	0.54	-

Although our Company has not experienced any such risk affecting the business and Company at large, we cannot assure you that, we will not experience any such event in the future. We cannot assure you that our Company will be able to mitigate the loss or protect the business or its employees in case of any unfortunate event. Our business can be affected due to unexpected events, which could cause us to suffer various damages and losses, ultimately affecting our business and results of operations.

2. The exiting risk factor no. 41 has been revised:

“41. Our Company will not receive any proceeds from the Offer for Sale portion of the Offer.”

The Offer includes an Offer for Sale of up to 10,80,000 Equity Shares of face value ₹ 10 each, in the aggregate, by the Selling Shareholder. Our Company will not receive any proceeds of the Offer for Sale by the Selling Shareholder. However, in the event that the Offer is withdrawn or not completed for any reason whatsoever, all the Offer related expenses will be exclusively borne by our Company. The expenses of the Selling Shareholder will, at the outset, be borne by our Company and each Selling Shareholder will reimburse our Company for such expenses incurred by our Company on behalf of such Selling Shareholder, in relation to the Offer, upon successful completion of the Offer in the manner as prescribed under applicable law and agreed amongst the Company and the Selling Shareholder. See chapter titled “*Objects of the Offer*” on page 80.

3. The following risk factor has been included as risk factor no. 36:

“36. Excess rate of attrition amongst the personnel engaged by our Company may have an adverse impact on our business operations.”

Our operations are dependent on our ability to attract and retain qualified personnel. While we believe that we currently have adequate qualified personnel for our operations, we may not be able to continuously attract or retain such personnel, or retain them on acceptable terms, given the demand for such personnel.

As set out below are the details of our attrition for our permanent employees for the period indicated:

Particulars	March 31, 2024	March 31, 2023	March 31, 2022
Total number of permanent employees	84	80	87

Attrition rate of our permanent employees*	21.95%	45.51%	1.83%
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**Attrition rate has been calculated by dividing the total number of permanent employees who resigned during the year/ period with the average of opening and closing total head count of the permanent employees during the respective year/ period.*

For additional information on our employee breakdown by functionality as of July 31, 2024, please see “*Our Business – Human Resources*” on page 145. We cannot guarantee that attrition rates among our permanent employees won’t rise, which could lead to higher training and recruitment costs, adversely affecting our profitability and financial condition. Hiring and training replacements for qualified personnel who leave may take a considerable amount of time. We may also need to accelerate increases in employee compensation to stay competitive in attracting the talent essential for our business. The costs of hiring and retaining staff impact our profitability and are influenced by various factors, including our ability to recruit and integrate new hires, manage turnover, devote resources to training and professional development, and effectively oversee our workforce.

SECTION III – INTRODUCTION

THE OFFER

The section titled “*The Offer*” beginning on page 50 of the Draft Red Herring Prospectus has been updated with revision/modifications as given below-

The present Offer of up to 54,03,600 Equity Shares of face value ₹ 10 each in terms of Draft Red Herring Prospectus has been authorized pursuant to a resolution of our Board of Directors held on May 2, 2024 and by special resolution passed under Section 62(1)(c) of the Companies Act, 2013, at the Extraordinary General Meeting of the members held on May 6, 2024 which were subsequently ratified by the Board Resolution and Shareholders Resolution dated January 21, 2025 and February 3, 2025 respectively.

The following table summarizes details of the Offer:

PRESENT OFFER IN TERMS OF THE DRAFT RED HERRING PROSPECTUS	
Particulars	Details of Equity Shares
Offer of Equity Shares ⁽¹⁾	Up to 54,03,600 Equity Shares of face value of ₹10 each, aggregating up to ₹ [●] lakhs
<i>of which:</i>	
Fresh Issue ⁽¹⁾	Up to 43,23,600 Equity Shares of face value of ₹10 each, aggregating up to ₹ [●] lakhs
Offer for Sale ⁽²⁾	Up to 10,80,000 Equity Shares of face value of ₹10 each, aggregating up to ₹ [●] lakhs by the Selling Shareholder
Market Maker Reservation Portion	Up to 2,71,200 Equity Shares of face value of ₹10 each, aggregating up to ₹ [●] lakhs
Net Offer to the Public	Up to 51,32,400 Equity Shares of face value of ₹10 each, aggregating up to ₹ [●] lakhs
The Offer comprises of:	
A. QIB Portion ⁽³⁾⁽⁴⁾	Not more than [●] Equity Shares of face value of ₹10 each aggregating to ₹ [●] lakhs
<i>of which:</i>	
(i) Anchor Investor Portion	Up to [●] Equity Shares of face value of ₹10 each
(ii) Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	Up to [●] Equity Shares of face value of ₹10 each
<i>of which:</i>	
a. Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	Up to [●] Equity Shares of face value of ₹10 each
b. Balance for all QIBs including Mutual Funds	Up to [●] Equity Shares of face value of ₹10 each
B. Non-Institutional Portion	Not less than [●] Equity Shares of face value of ₹10 each aggregating to ₹ [●] lakhs
<i>of which:</i>	
C. Retail Portion	Not less than [●] Equity Shares of face value of ₹10 each aggregating to ₹ [●] lakhs
Pre and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer (as at the date of the Draft Red Herring Prospectus)	1,60,65,000 Equity Shares of face value of ₹10 each
Equity Shares outstanding post the Offer	[●] Equity Shares of face value of ₹10 each
Use of Net Proceeds	See “ <i>Objects of the Offer</i> ” on page Error! Bookmark not defined. for information on the use of proceeds arising from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale.
Offer Opens on	[●]
Offer Closes on	[●]

**Subject to finalisation of the Basis of Allotment. Number of shares may need to be adjusted for lot size upon determination of Offer Price.*

Notes:

- 1. The Offer is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. This Offer is being made by our Company in terms of Regulation of 229 (2) of SEBI ICDR Regulations read with Rule 19(2)(b)(i) of SCRR wherein not less than 25% of the post – Offer paid up equity share capital of our Company are being offered to the public for subscription.*
- 2. The Offer has been authorized by the Board of Directors vide a resolution passed at its meeting held on May 2, 2024 and by the Shareholders of our Company, vide a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General Meeting held on May 6, 2024 which were subsequently ratified by the Board Resolution and Shareholders Resolution dated January 21, 2025 and February 3, 2025 respectively.*
- 3. The SEBI ICDR Regulations permit the issue of securities to the public through the Book Building Process, which states that, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation on a proportionate basis to Retail Individual Bidders and not more than 50% of the Net Offer shall be allotted on a proportionate basis to QIBs, subject to valid Bids being received at or above the Offer Price. Accordingly, we have allocated the Net Offer i.e., not more than 50% of the Net Offer to QIB and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Investors and not less than 15% of the Net Offer shall be available for allocation to non-institutional bidders.*
- 4. Subject to valid Bids being received at or above the Offer Price, under subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Manager and the Designated Stock Exchange, subject to applicable laws.*

GENERAL INFORMATION

The section titled “**General Information**” beginning on page 58 of the Draft Red Herring Prospectus has been updated to revise the description under the heading ‘Expert’ with respect to the Chartered Engineer Certificate and Underwriting Agreement as given below-

Experts

Our Company has also received a written consent dated September 21, 2024 from Aditya Kaushik – Proprietor of Engineering Firm: Point Solutions, as a Chartered Engineer to include its name as an “*expert*” as defined under Section 2(38) and other applicable provisions of the Companies Act, 2013 in respect of the ‘Plant Capacity Utilization’ certificate dated September 21, 2024, to determine the installed and production capacity of the Company’s Manufacturing Facilities located in Vasai, Mumbai and Noida. Such consent has not been withdrawn as on the date of the Draft Red Herring Prospectus. However, the term “*expert*” shall not be construed to mean an “*expert*” as defined under the U.S. Securities Act.

Underwriting Agreement

The Underwriting Agreement is dated August 27, 2024. The Underwriter have indicated their intention to underwrite the following number of Equity Shares:

(This portion will be updated before filing of the Prospectus with the RoC)

Name, Address, Telephone Number and Email Address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (in ₹ lakhs)
Indorient Financial Services Limited Address: B-805, Executive Spaces, Rustomjee Central Park, Andheri Kurla Road, Chakala, Mumbai 400 093, Maharashtra, India Tel. No.: +91 79772 12186 Email: compliance-ifsl@indorient.in Website: www.indorient.in SEBI Registration No.: INM000012661	up to 54,03,600	[●]

CAPITAL STRUCTURE

The section titled “*Capital Structure*” beginning on page 69 of the Draft Red Herring Prospectus has been updated to revise share capital table and an additional note in the heading “*Notes to Capital Structure*” as given below-

The share capital of our Company, as on the date of the Draft Red Herring Prospectus, is set forth below.

(in ₹ lakhs, except share data or indicated otherwise)

		Aggregate nominal value	Aggregate value at Offer Price ⁽¹⁾
A.	AUTHORIZED SHARE CAPITAL		
	2,50,00,000 Equity Shares of face value ₹10 each	2,500.00	[●]
B.	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER		
	1,60,65,000 Equity Shares of face value ₹10 each	1,606.50	[●]
C.	PRESENT OFFER		
	Offer of up to 54,03,600 Equity Shares of face value ₹ 10 each ⁽²⁾ at a price of ₹ [●] per equity share (including a share premium of ₹ [●]) per Equity Share aggregating to ₹ [●] lakhs.		[●]
	<i>Of which</i>		
	Fresh Issue of up to 43,23,600 Equity Shares of face value ₹ 10 each at a price of ₹ [●] per equity share (including a share premium of ₹ [●]) per Equity Share aggregating up to ₹ [●] lakhs ⁽²⁾	[●]	[●]
	Offer for Sale of up to 10,80,000 Equity Shares of face value ₹10 each at a price of ₹ [●] per equity share (including a share premium of ₹ [●]) per Equity Share aggregating up to ₹ [●] lakhs ⁽³⁾	[●]	[●]
	<i>Which includes</i>		
	Market Reservation Portion of up to 2,71,200 Equity Shares of face value of ₹ 10 each aggregating up to ₹ [●] lakhs	[●]	[●]
	Net Offer to the public of up to 51,32,400 Equity Shares of face value of ₹ 10 each aggregating up to ₹ [●] lakhs	[●]	[●]
D.	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER⁽¹⁾		
	[●] Equity Shares of face value ₹10 each	[●]	[●]
E.	SECURITIES PREMIUM ACCOUNT		
	Before the Offer		Nil
	After the Offer ⁽¹⁾		[●]

Notes:

- To be included upon finalization of the Offer Price.
- The Offer has been authorised by our Board pursuant to its resolution dated May 2, 2024 and the Fresh Issue has been authorised by our Shareholders pursuant to their resolution dated May 6, 2024. Further, our Board have taken on record the approval for the Offer for Sale by the Selling Shareholder pursuant to its resolution dated May 6, 2024 which were subsequently ratified by the Board Resolution and Shareholders Resolution dated January 21, 2025 and February 3, 2025 respectively.
- Selling Shareholder confirms that the Offered Shares held by him respectively, are eligible for being offered for sale in the Offer as required under Regulation 8 of the SEBI ICDR Regulations. For details on authorisation of the Selling Shareholder in relation to their respective portion of the Offered Shares, see “The Offer” and “Other Regulatory and Statutory Disclosures” on pages **Error! Bookmark not defined.** and **Error! Bookmark not defined.**, respectively.

For details of changes to our Company’s authorised share capital in the last 10 years, see “*History and Certain Corporate Matters – Amendments to the Memorandum of Association*” on page 156.

Notes to the Capital Structure:

- Our Company has made the above-mentioned issuances and allotments of Equity Shares from the date of incorporation of our Company till the date of filing of the Draft Red Herring Prospectus in compliance with the relevant provisions of the Companies Act, 2013, to the extent applicable.

OBJECTS OF THE OFFER

The section titled “*Objects of the Offer*” beginning on page 80 of the Draft Red Herring Prospectus has been updated with modification in the heads (1) I: Repayment and/or pre-payment, in full, of borrowing availed by our Company with respect to purchase of our Noida factory (2) IV: Funding to Meeting Working Capital Requirements, which is proposed to be repaid from the Net Proceeds along with change in offer structure, Utilisation of Net Proceeds, Proposed Schedule of Implementation and Deployment of Net Proceeds and Other Confirmations as given below-

The Offer comprises of a Fresh Issue of up to 43,23,600 Equity Shares of face value ₹ 10 each aggregating up to ₹ [●] lakhs by our Company and an Offer for Sale of up to 10,80,000 Equity Shares of face value ₹ 10 each aggregating to ₹ [●] lakhs by the Selling Shareholder. For details, please refer chapter titled “*The Offer*” on page 50.

OFFER FOR SALE

The Selling Shareholder will be entitled to his portion of the proceeds from the Offer for Sale after deducting proportionate Offer related expenses and relevant taxes thereon. The proceeds of the Offer for Sale shall be received by the Selling Shareholder and will not form part of the Net Proceeds. Our Company will not receive any proceeds received from the Offer for Sale. Except for the listing fees which shall be solely borne by our Company, all Offer related expenses will be shared, upon successful completion of the Offer, between our Company and the Selling Shareholder on a pro-rata basis, in proportion to the Equity Shares issued and allotted by our Company in the Fresh Offer and the Equity Shares offered by the Selling shareholder in the Offer for Sale. For further details of the Offer for Sale, please refer chapter titled “*The Offer*” beginning on page 50. The Equity Shares offered for sale by the Selling Shareholder in the Offer are eligible for being offered in the Offer for Sale in terms of Regulation 8 of the SEBI ICDR Regulations. The table below sets forth the details of offer for sale by the Selling Shareholder.

The details of the Offer for Sale are set out below:

Name of the Shareholder*	Selling	Aggregate amount of Offer for Sale	Number of Equity Shares offered in the Offer for Sale	Date of consent letter
Sandeep Bajoria	Gangabishan	Up to [●]	Up to 10,80,000	August 10, 2024

* The Selling Shareholder has confirmed and authorized his participation in the Offer for Sale in relation to the Offered Shares. The Shareholder confirms that the Offered Shares have been held by him for a period of at least one year prior to the filing of the Draft Red Herring Prospectus with SEBI in accordance with Regulation 8 of the SEBI ICDR Regulations.

Utilization of Net Proceeds

The Net Proceeds are proposed to be used in the manner set out in the following table:

			(₹ in lakhs)
Sr. No.	Particulars	Estimated Amount ⁽³⁾	
1	Repayment and/or pre-payment, in full, the borrowing availed by our Company with respect to purchase of our Noida factory	952.83	
2	Funding the capital expenditure requirements towards refurbishment, civil and upgradation works at our Noida factory ⁽¹⁾	672.16	
3	Funding the capital expenditure requirement towards IT upgradation at our Noida factory and Vasai factory and our registered office ⁽²⁾	746.88	
4	Funding working capital requirements of our Company	950.00	
5	General Corporate Purposes ⁽³⁾	[●]	
Total (Net Proceeds)			[●]

⁽¹⁾ Total estimated cost as per the cost assessment report dated August 22, 2024 issued by Mayur Choukse – Proprietor of Architectural Firm: Aarambh Design Studio in respect of refurbishment, civil and upgradation works at our Noida factory.

⁽²⁾ Total estimated cost as per the cost assessment report dated August 22, 2024 issued by Mayur Choukse – Proprietor of Architectural Firm: Aarambh Design Studio in respect of IT equipment installation and upgradation works at our factories located in Noida and Vasai as well as our registered office in Andheri, Mumbai.

⁽³⁾ To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with RoC. In compliance with SEBI ICDR the amounts utilized for general corporate purpose shall not exceed 25% of the gross proceeds of the Offer.

Proposed Schedule of Implementation and Deployment of Net Proceeds

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

(₹ in lakhs)			
Objects	Amount to be funded from Net Proceeds ⁽³⁾	Amount to be deployed from the Net Proceeds in Fiscal 2025	Amount to be deployed from the Net Proceeds in Fiscal 2026
Repayment and/or pre-payment, in full, borrowing availed by our Company with respect to purchase of our Noida factory	952.83	952.83	-
Funding the capital expenditure requirements towards refurbishment, civil work and upgradation works at our Noida factory ⁽¹⁾	672.16	672.16	-
Funding the capital expenditure requirement towards IT upgradation at our Noida factory and Vasai factory and our registered office ⁽²⁾	746.88	746.88	-
Funding working capital requirements of our Company	950.00	-	950.00
General Corporate Purposes ⁽³⁾	[●]	[●]	
Total	[●]	[●]	

⁽¹⁾ Total estimated cost as per the cost assessment report dated August 22, 2024 issued by Mayur Choukse – Proprietor of Architectural Firm: Aarambh Design Studio in respect of refurbishment, civil and upgradation works at our Noida factory.

⁽²⁾ Total estimated cost as per the cost assessment report dated August 22, 2024 issued by Mayur Choukse – Proprietor of Architectural Firm: Aarambh Design Studio in respect of IT equipment installation and upgradation works at our factories located in Noida and Vasai as well as our registered office in Andheri, Mumbai.

⁽³⁾ To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with RoC. In compliance of SEBI ICDR the amount utilized for general corporate purpose shall not exceed 25% of the gross proceeds of the Offer.

The fund requirements, the proposed deployment of funds and the intended use of the Net Proceeds as set-out above are based on our current business plans, management estimates of future growth projections, vendor quotations, current circumstances of our business and prevailing market conditions, which are subject to change. Further, the fund requirements and proposed deployment of funds described herein have not been appraised by any bank or financial institution. For details, please refer Risk Factor – “Any delays in the schedule of implementation of our proposed objects could have an adverse impact on our business, financial condition and results of operations.” on page 38 of the Draft Red Herring Prospectus.

We may have to revise our funding requirements and deployment from time to time on account of various factors, such as, financial and market conditions, competition, business and strategy, negotiation with lenders and our vendors, interest/exchange rate fluctuations and other external factors, which may not be within the control of our management. This may entail rescheduling or revising the proposed utilization of the Net Proceeds and changing the allocation of funds from its planned allocation including the expenditure for a particular purpose at the discretion of our management, subject to compliance with applicable law.

Additionally, we have relied on the Report dated August 22, 2024 issued by Independent Architect, Mayur Choukse in relation to the estimated cost of refurbishment, civil and upgradation works at our Noida factory and IT equipment installation and upgradation works at our factories located in Noida and Vasai as well as our registered office in Andheri, Mumbai.

We propose to deploy the Net Proceeds towards the Objects in financial year 2025 and 2026. However, if the Net Proceeds are not completely utilized for the objects stated above by the end of the above-mentioned period, such amounts will be utilized (in part or full) in subsequent periods (not beyond Fiscal 2027), as determined by us, in accordance with applicable law.

In case we require additional capital towards meeting the objects of the Offer, our Company may explore arrange of options including utilizing internal accruals and availing additional debt from existing and/or future lenders. Presently, our Company has availed a loan against the Noida factory Property (“**Noida Factory Loan**”) from Kotak Mahindra Bank Limited (“**Bank**”) dated May 18, 2024 for an amount of ₹ 1,000 lakhs and vide sanction letter dated 13th August 2024, an amount of ₹ 100 lakhs. We believe that such alternate arrangements would be available to fund any such shortfalls. If the actual utilization towards any of the objects is lower than the proposed deployment, such balance will be used for funding future growth opportunities, and/or towards funding any of the other existing objects (if required), and/or general corporate purposes within the permissible limit in accordance with applicable law.

I. Repayment and/or pre-payment, in full, of borrowing availed by our Company with respect to purchase of our Noida factory

Our Company has entered into various borrowing arrangements with banks in ordinary course of our business including borrowings in the form of Loan against property for purchase of our Noida Factory. For details of our outstanding financial indebtedness, see 'Financial Indebtedness' on page 196.

We propose to repay an estimated amount of ₹ 952.83 lakhs from the Net proceeds. This represents the principal amount which is expected to be outstanding as on March 31, 2025 as per repayment schedule received from the bank. This repayment will be towards the original ₹ 1,000 Lakhs loan availed by our Company from Kotak Mahindra Bank on 18th May 2024. Pursuant to the terms of the financing arrangements, prepayment of certain borrowings may attract prepayment charges as prescribed by the respective lender. Such prepayment charges, as applicable, will be funded from the internal accruals of our Company.

We believe that such repayment will help reduce our outstanding indebtedness and debt servicing costs and enable utilisation of our internal accruals for further investment in our business growth and expansion. Additionally, we believe that the leverage capacity of our Company will improve our ability to raise further resources in the future to fund our potential business development opportunities and plans to grow and expand our business.

The details of the borrowing availed by our Company, which are proposed to be repaid from the Net Proceeds is mentioned below:

Name of the Lender	Nature of borrowings	Purpose	Amount sanctioned (₹ in lakhs)	Expected Principal amount outstanding as on 31 March, 2025 (₹ in lakhs)	Repayment date/ Schedule/ Tenor	Interest Rate (% p.a.)	Pre- payment conditions/ penalty
Kotak Mahindra Bank	Loan Against Noida Property vide sanction letter dated 18 th May 2024	Business	1,000.00	952.83	120 months	9.30%	Full Prepayment on the payment of 1% plus applicable taxes as prepayment charges from own sources after six months
Total			1,000.00	952.83			

Our Statutory Auditors, A. Kasliwal & Company, Chartered Accountants have confirmed that the above borrowings have been utilised for the purpose of which they are availed pursuant to their certificate dated September 23, 2024.

Property Mortgage:

Loans are secured against Noida Factory.

There have neither been any delays or defaults by us in relation to the above-mentioned borrowing intended to be repaid/prepaid using the Net Proceeds nor has there been any rescheduling/restructuring of such borrowing. Given the nature of these borrowing and the terms of repayment, the aggregate outstanding amounts under the borrowing may vary from time to time and our Company may, in accordance with the relevant repayment schedule, repay or refinance some of its existing borrowings prior to Allotment. Further, our Company may avail further loans after the date of the Draft Red Herring Prospectus and/or draw down further funds under existing loans. Accordingly, in case inter alia any of the above loan are pre-paid or further drawn down prior to the completion of the Offer, we may utilize the Net Proceeds towards repayment/prepayment of such additional indebtedness. However, the aggregate amount to be utilised from the Net Proceeds towards prepayment or repayment of borrowings (including refinanced or additional facilities availed, if any), in full or part, would not exceed ₹ 952.83 lakhs.

IV. Funding To Meet Working Capital Requirements

Our business is working capital intensive. Our business requires working capital majorly for investment in trade receivables, inventories and payment to trade payables and funding day to day operations. Based on the existing and estimated working capital requirement of our Company, and key assumptions for such working capital requirements our Company will have a working capital requirement to the extent of ₹950.00 Lakhs from the Net Proceeds of the Offer and balance from internal

accruals and short-term borrowings. The incremental and proposed working capital requirements and key assumptions with respect to the determination of the same are mentioned below:

Details of Estimation of Working Capital requirement are as follows :

(in ₹ lakhs)

Particulars	As at 31.03.2022	As at 31.03.2023	As at 31.03.2024	As at 31.03.2025	As at 31.03.2026
	Actual	Actual	Actual	Estimated	Estimated
Current Assets					
(a) Trade Receivables	457.99	518.70	629.42	866.56	1,081.75
(b) Inventories	1,695.06	2,304.33	3,050.18	3,150.51	4,317.84
(c) Other current assets	498.80	309.25	250.54	425.00	468.92
Total [A]	2,651.85	3,132.27	3,930.14	4,442.07	5,868.51
Current Liabilities					
(a) Trade payables	369.61	163.29	192.83	193.33	277.93
(b) Other current liabilities	359.12	444.64	188.39	225.00	270.00
(c) Short-term provisions	242.63	174.05	241.42	293.97	459.64
Total [B]	971.36	781.98	622.64	712.30	1,007.57
Working Capital [A-B]	1,680.48	2,350.29	3,307.51	3,729.77	4,860.94
Working Capital Gap				422.27	1,131.16
Funding Pattern					
- Potential IPO Proceeds				-	950.00
- Internal Accruals & Short Term Borrowings				422.27	181.16

Note:

Pursuant to the certificate dated February 1, 2025 issued by A. Kasliwal and Company, Chartered Accountants, Statutory Auditors of the Company, have complied and confirmed the working capital estimates, as approved by the Board pursuant to the resolution passed by the Company in its separate Board Meeting and Audit Committee meeting dated February 1, 2025.

Assumptions for working capital requirements:

The table below sets forth the details of holding levels (in days) for Fiscal 2022, Fiscal 2023, Fiscal 2024 as well as projections for Fiscal 2025 and Fiscal 2026:

(in days)

Particulars	For Fiscal 2022	For Fiscal 2023	For Fiscal 2024	For Fiscal 2025	For Fiscal 2026
	Actual	Actual	Actual	Projected	Projected
Trade Receivables	52	54	41	48	47
Inventories	201	454	325	344	324
Other current assets	50	34	18	27	23
Trade Payables	29	50	19	18	17
Other current liabilities	59	70	18	19	19
Short-term provisions	40	27	23	25	32

Notes:

- Trade Receivable days = Average Trade Receivable for the period / Revenue from Operations for the period X 365
- Inventories days = Average Inventory for the period / Cost of Goods Sold for the period X 365
- Other Current Assets days = Closing Other Current Assets for the period / Revenue from Operations for the period X 365
- Trade Payable days = Average Trade Payables for the period / Purchase of raw materials for the period X 365

- (v). *Other Current Liabilities days = Closing Other Current Liabilities for the period / Total Expenses for the period X 365*
(vi). *Short Term Provisions days = Closing Short Term Provisions for the period / Total Expenses for the period X 365*

Justification for “Holding Period” Levels:

Particulars	Details																																																														
Trade Receivable Days	<p>Trade receivables are the amount owed to the Company by customers following sale of goods on credit. Trade receivable days are computed as a function of revenue from operations. Our company had holding level for Trade Receivables days as ranging from 41 days to 54 days in the past considering the normal credit period in the Battery business. . Typically, the trade receivables cycle is approx. 1.4 months to 1.6 months. The marginal increase in Trade Receivable days during Fiscal 2025 and Fiscal 2026 is mainly due to the new corporate clients, being added, to whom credit has to be given as per industry norms.</p> <p>We are expecting Trade Receivable days to increase marginally to 48 days in Fiscal 2025 and 47 days in March 2026. This credit period is offered to customers because to penetrate new customers and attract more orders, Company will be required to offer reasonable credit period so that it will encourage new customers to have a long-term business relation with us and also has a competitive edge.</p>																																																														
Inventory Holding Days	<p>Throughout Fiscal Years 2022 and 2023, our average inventory turnover days consistently rose, aligning with the growth in our revenue. For Fiscal 2024, the inventory days recorded a substantial decrease to 325 days from 454 days in Fiscal 2023, attributed to a significant boost in sales throughout the period. Looking ahead to Fiscal 2025, our plan is to maintain the average inventory holding days at approximately 344 days and 324 days in the Fiscal 2026.</p> <p>In Fiscal year 2023, high activity period resulted in higher inventory levels, moreover as the prices of the inventory are on a rising mode the higher level of inventory carrying is not deterrent on the financial health of the company.</p> <p>Higher Inventory level and holding days is necessary to meet the rapid demands of new orders effectively, in line with our strategic inventory management objectives.</p> <p>Company imports 85-90% of inventory like cells, circuits etc which take time to order, goods shipped, transit time and subsequent delivery in company godown. The Breakup of Imports of last three years are as under:</p> <p style="text-align: right;">(₹ in Lakhs)</p> <table><tr><th colspan="3">Fiscal 2024</th><th colspan="3">Fiscal 2023</th><th colspan="3">Fiscal 2022</th></tr><tr><th>Import Cost</th><th>% of total purchases</th><th></th><th>Import Cost</th><th>% of total purchases</th><th></th><th>Import Cost</th><th>% of total purchases</th><th></th></tr><tr><td>2,901.61</td><td>84.48%</td><td></td><td>1,668.35</td><td>85.24%</td><td></td><td>2,777.13</td><td>91.79%</td><td></td></tr></table> <p>Post receiving the goods in godown, the company has to manufacture and assemble all those circuits and cells as per tailor made requirements of the customers. Keeping in view the nature of business, the company is required to keep and hold the inventory at higher levels. The Raw Material Inventory turnover ratio and holdings days are as under:</p> <table><tr><th colspan="3">Fiscal 2024</th><th colspan="3">Fiscal 2023</th><th colspan="3">Fiscal 2022</th></tr><tr><th>Closing (₹ Lakhs)</th><th>Turnover Ratio</th><th>Holding Days</th><th>Closing (₹ Lakhs)</th><th>Turnover Ratio</th><th>Holding Days</th><th>Closing (₹ Lakhs)</th><th>Turnover Ratio</th><th>Holding Days</th></tr><tr><td>2,605.40</td><td>1.38</td><td>265</td><td>1,766.30</td><td>0.99</td><td>368</td><td>1,473.21</td><td>2.08</td><td>175</td></tr></table>									Fiscal 2024			Fiscal 2023			Fiscal 2022			Import Cost	% of total purchases		Import Cost	% of total purchases		Import Cost	% of total purchases		2,901.61	84.48%		1,668.35	85.24%		2,777.13	91.79%		Fiscal 2024			Fiscal 2023			Fiscal 2022			Closing (₹ Lakhs)	Turnover Ratio	Holding Days	Closing (₹ Lakhs)	Turnover Ratio	Holding Days	Closing (₹ Lakhs)	Turnover Ratio	Holding Days	2,605.40	1.38	265	1,766.30	0.99	368	1,473.21	2.08	175
Fiscal 2024			Fiscal 2023			Fiscal 2022																																																									
Import Cost	% of total purchases		Import Cost	% of total purchases		Import Cost	% of total purchases																																																								
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2,605.40	1.38	265	1,766.30	0.99	368	1,473.21	2.08	175																																																							
Other current assets days	Other current assets relate to Advance to Suppliers for the Raw Material requirement to fulfil the Sales. Accordingly, in line with increase in business operations, there will be need to purchase materials and by making advance payments to enhance cost efficiency of products.																																																														

	It also includes GST credit available to the company and TDS carried forward in case excess TDS is deducted by our customers and is in line with additional business requirements.
Trade Payables Days	<p>In Fiscals 2022, 2023 and 2024, our average credit cycle period exhibited variations, with figures of 29 days, 50 days to 19 days respectively. The significant increase in trade payables from Fiscal 2022 to Fiscal 2023 was primarily driven by the post effects of the Covid-19 pandemic. Subsequently, in Fiscal 2024 we managed to maintain the credit cycle period within the minimum anticipated range.</p> <p>Looking forward to fiscal 2025 and 2026, we have set objectives to reduce the creditor cycle period to approximately 18 days and 17 days respectively due to fulfilment of raw material orders on time by the vendors and thereby making payment effectively within creditor's terms. Though most of the imports are made against advance payments, some part of imports and local purchases does provide us the credit period. It is our endeavour to reduce the credit dependence to the minimum.</p> <p>This strategic move is aimed at enhancing our business's overall value, which in turn, will allow us to negotiate more favourable terms and establish long-lasting relationships with our creditors.</p>
Other current Liabilities days	Other current liabilities include expenses payable, salary payable as on period end, statutory dues and taxes payable including Profession Tax and GST. These payables including salaries & taxes are cleared promptly in the next regular cycle. This figure is expected to increase due to increase in size of the overall business.
Short Term Provisions days	Short term payable majorly includes Income Tax payable and current portion of the gratuity provision made. The Gratuity provision is required to be included in short Term Provisions as per the Accounting Standard issued by the Institute of Chartered Accountants of India, New Delhi

Reason for substantial increase of working capital requirement are mentioned below: -

1. Our Company's business is a working capital intensive and to address the current issue of limited working capital and achieve exponential growth, the company plans to infuse funds into working capital from the Offer Proceeds. Additionally, the company aims to establish partnerships with new clients by offering products at competitive prices and extending more favourable credit terms. These strategic initiatives are expected to drive future growth.
2. In our dynamic business environment, where customer demands fluctuate and inventory management plays a pivotal role, maintaining a robust working capital is imperative. Adequate working capital not only facilitates seamless inventory management but also enables us to meet customer demand promptly and efficiently. Unforeseen contingencies such as supply chain disruptions or production delays can adversely impact our operations. Having a surplus of working capital provides a cushion against such challenges, allowing us to navigate unforeseen obstacles without compromising on service levels or operational efficiency.
3. To survive in competitive market, company is planning to enter into big corporates, new markets and expand our business. This strategic decision is not just about reaching new markets, it's about solidifying our position in the industry and fostering sustainable growth. By venturing into untapped territories, we aim to unlock fresh opportunities, broaden our customer base, and diversify our revenue streams.
4. Our methodology for estimating orders relies predominantly on historical data, ongoing feedback from customers regarding their present and anticipated consumption trends, and a comprehensive analysis of overall market demand, encompassing our understanding of expected trends and patterns. The pricing structure of our products is subject to fluctuations based on the inputs involved, thus necessitating month-to-month or shorter-term order arrangements. Presently, we do not have any long-term supply contracts with a fixed pricing, as this is feasible only for very large orders of single products.

7. The existing working capital requirements:

- i. The inventories increased by ₹745.86 Lakhs (32.37%) from March 31, 2023 to March 31, 2024 and Increased by ₹609.26 Lakhs (35.94%) from March 31, 2022 to March 31, 2023. Such an increase was due to increase in business operations of the Company and higher production and procurement of goods in order to take advantage of favourable market conditions. Since lithium battery industry is a growing industry, to meet the growing demands the Company will increase its inventories as depicted in estimations for FY 2024-25 and FY 2025-26.
- ii. The Trade receivables increased by ₹110.72 Lakhs (21.35%) from March 31, 2023 to March 31, 2024 and increased by ₹60.71 Lakhs (13.25 %) from March 31, 2022 to March 31, 2023. This increase is attributed to higher sales on

credit terms and increased business volume. To reach a higher customer base and increase the volume of sales, the Company will have to undertake credit sales resulting in an upward trend in trade receivables as depicted in estimations for FY 2024-25 and FY 2025-26.

- iii. To meet the increasing demands, the purchase of raw material is done on credit basis. The company has been trying to pay the suppliers in time and has reduced the trade payable period year on year. The Company plans to further reduce the reliance of trade credit to finance its operations and as a result of the same, the projections for FY 2024-25 and FY 2025-26 depict a marginal decrease in the Trade Payable days.
- iv. The average debtor collection cycle has decreased from 54 days in FY 2023 to 41 days in FY 2024 and the average creditor payment cycle has also reduced substantially. As a result, the working capital requirement of the company has increased in FY 2023-24.

Other Confirmations

There are no material existing or anticipated transactions with our Promoters, our Directors, our Company's Key Managerial Personnel, in relation to the utilization of the Net Proceeds. No part of the Net Proceeds will be paid by us as consideration to our Promoter, our directors or Key Managerial Personnel except in the normal course of business and in compliance with the applicable laws.

While there are no conflict of interest between the suppliers of raw materials and third-party service providers (which are crucial for operations of the Company) and our Company, Promoter, members of the Promoter Group, Subsidiaries, Group Companies and their directors, we are dependent and derive a substantial portion of our revenue from, two customers, namely M/s Agarwal Trading Company and M/s. Hind Industries. For further information, see "Risk Factor – *"We are dependent on, and derive a substantial portion of our revenue from, two customers, namely M/s Agarwal Trading Company and M/s Hind Industries - both categorised as "Promoter Group entities". Reduction in orders from these customers could have a material adverse effect on our business, results of operations and financial condition. The dependency on these two customers may lead to real or potential conflicts of interest for our Company"*, on page 29 of the Draft Red Herring Prospectus.

While there is no conflict of interest between the lessors of the immovable properties (which are crucial for operations of the Company) and our Company, Promoters, members of the Promoter Group, Subsidiaries, Group Companies and their directors, we rely on our Promoter to the extent of leasing out 5 factory units at Vasai, owned by him, in addition to provisions of interest free unsecured loan. For further information, see Risk Factor – *"Our Promoter is interested in our Company in the form of rental income from leasing of 5 factory units at Vasai in addition to provision of interest free unsecured loan."*, on page 31 of the Draft Red Herring Prospectus.

Estimated Offer Related Expenses

The total expenses for this Offer are estimated not to exceed ₹ [●] lakhs which is [●] % of Offer Size. The details of Offer expenses are tabulated below:

(₹ in lakhs)			
Particulars	Amount	% of Total Offer Expenses	% of Total Offer size
Book Running Lead Manager fees [including underwriting]	[●]	[●]	[●]
Brokerage, selling commission and other uploading fees ⁽¹⁾⁽²⁾⁽³⁾	[●]	[●]	[●]
Fees payable to Registrar to the Offer	[●]	[●]	[●]
Fees to the legal advisor, audit / chartered accountant fees	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Fees payable to regulators including stock exchange	[●]	[●]	[●]
Printing and distribution expenses	[●]	[●]	[●]
Fees payable to Industry Report provider	[●]	[●]	[●]
Miscellaneous	[●]	[●]	[●]
Total Expenses	[●]	[●]	[●]

Offer expenses include goods and services tax, where applicable. Offer expenses will be incorporated at the time of filing of the Prospectus. Offer expenses are estimates and are subject to change.

- 1) Selling commission payable to the SCSBs on the portion for RIBs and Non-Institutional Bidders which are directly procured and uploaded by the SCSBs, would be as follows:

Portion for RIBs*	0.25% of the Amount Allotted (plus applicable taxes)
Portion for Non-Institutional Bidders*	0.15% of the Amount Allotted (plus applicable taxes)

* Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.

Selling commission payable to the SCSBs will be determined on the basis of the bidding terminal ID as captured in the bid book of NSE. No additional processing fees shall be payable to the SCSBs on the applications directly procured by them. The total selling commission payable to SCSBs will be subject to a maximum cap of ₹1.00 lakh (plus applicable taxes). In case the total uploading charges/processing fees payable exceeds ₹1.00 lakh, then the amount payable to Members of the Syndicate, RTAs, CDPs, Registered

Brokers would be proportionately distributed based on the number of valid applications such that the total uploading charges / processing fees payable does not exceed ₹1.00 lakh.

- 2) Processing fees payable to the SCSBs on the portion for RIBs and Non-Institutional Bidders (excluding UPI Bids) which are procured by the members of the Syndicate / sub-Syndicate / Registered Broker / CRTAs / CDPs and submitted to SCSB for blocking, would be as follows:

Portion for Retail Bidders*	₹ 10 per valid application (plus applicable taxes)
Portion for Non-Institutional Bidders*	₹ 10 per valid application (plus applicable taxes)

* Processing fees payable to the SCSBs on the ASBA Form for Non-Institutional Bidder and Qualified Institutional Bidders with bids above ₹ 5.00 Lakh would be ₹ 10 plus applicable taxes, per valid application Form.

Notwithstanding anything contained above the total processing fee payable under this clause will not exceed ₹ 0.5 lakh (plus applicable taxes) and in case if the total processing fees exceeds ₹ 0.5 lakh (plus applicable taxes) then processing fees will be paid on pro-rata basis for Retail Individual Investors and Non-Institutional Investors, as applicable.

- 3) Brokerage Selling commission and processing/ uploading charges on the portion for Retail Individual Investors and Non-Institutional Investors which are procured by members of the Syndicate Members, Registered Brokers, CRTAs and CDPs or for using 3-in-1 type accounts- linked online trading, demat & bank account provided by some of the Registered Brokers would be as follows:

Portion for RIBs*	0.25% of the Amount Allotted (plus applicable taxes)
Portion for Non-Institutional Bidders*	0.15% of the Amount Allotted (plus applicable taxes)

* Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.

The Selling Commission payable to the brokers will be determined (i) for RIBs and Non-Institutional Bidders (up to ₹ 5.00 Lakh), on the basis of the application form number / series, provided that the application is also bid by the respective Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / Sub-Syndicate Member, is bid by an SCSB, the selling commission will be payable to the SCSB and not the Syndicate / Sub-Syndicate Member, and (ii) for Non-Institutional Bidders (above ₹ 5.0 Lakh), Syndicate ASBA Form bearing SM Code & Sub-Syndicate Code of the application form submitted to SCSBs for Blocking of the Fund and uploading on the Exchanges platform by SCSBs. For clarification, if a Syndicate ASBA application on the application form number, is bid by an SCSB, the Selling Commission will be payable to the Syndicate / Sub-Syndicate Member and not the SCSB.

Bidding charges payable to Registered Brokers on the applications made using 3-in-1 accounts, would be ₹ 10 plus applicable taxes, per valid application bid by the Broker. Bidding charges payable to SCSBs on the QIB Portion and Non Institutional Bidders (excluding UPI Bids) which are procured by the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSBs for blocking and uploading would be ₹ 10 per valid application (plus applicable taxes). Bidding charges payable on the application made using 3-in-1 accounts will be subject to a maximum cap of ₹ 1.00 lakh (plus applicable taxes). The selling commission and bidding charges payable to Registered Brokers, the RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the Bid Book of NSE. Selling commission / bidding charges payable to the Registered Brokers on the portion for RIBs and Non-Institutional Bidders which are directly procured by the Registered Broker and submitted to SCSB for processing, would be as follows:

Portion for RIBs and Non-Institutional Bidder	₹ 10 per valid application (plus applicable taxes)
Bidding charges / processing fees for applications made by UPI Bidders would be as under	
Payable to members of the Syndicate (including their sub-Syndicate Members)/ RTAs / CDPs	₹ 10 per valid application (plus applicable taxes)
Payable to Sponsor Bank	₹ 6.5 per valid application (plus applicable taxes) The Sponsor Banks shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under applicable SEBI circulars, agreements and other Applicable Laws

The total uploading charges / processing fees payable to Members of the Syndicate, RTAs, CDPs, Registered Brokers as listed under (4) will be subject to a maximum cap of ₹1.00 lakh (plus applicable taxes). In case the total uploading charges/processing fees payable exceeds ₹1.00 lakh, then the amount payable to Members of the Syndicate, RTAs, CDPs, Registered Brokers would be proportionately distributed based on the number of valid applications such that the total uploading charges / processing fees payable does not exceed

₹1.00 lakh

All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Escrow and Sponsor Banks Agreement. The processing fees for applications made by UPI Bidders may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/570 dated June 02, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/I/M dated March 16, 2021.

The terminal from which the application has been uploaded will be taken into account in order to determine the total processing fees payable to the relevant registered broker and other intermediaries.

Further, in terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

SECTION IV: ABOUT THE COMPANY

OUR BUSINESS

The section titled “*Our Business*” beginning on page 131 of the Draft Red Herring Prospectus has been updated with for revision/ inclusion of information such as revised description of expand scale of business operations and improving operational efficiencies, capacity and capacity utilization, human resource and properties as given below-

This section should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the section titled “Risk Factors” and sections titled “Restated Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 27, 183 and 187 respectively, of the Draft Red Herring Prospectus.

Unless otherwise indicated, the Restated Consolidated Financial Information included herein is based on our Restated Financial Statements the Financial Years ended on March 31, 2024, 2023 and 2022 included in the Draft Red Herring Prospectus. For further information, see “Restated Consolidated Financial Information” beginning on page 183 of the Draft Red Herring Prospectus

Our Growth Strategies

1. Expand scale of business operations and improving operational efficiencies

Our primary focus is to improve our operational efficiency at our manufacturing facilities which will lead to cost minimization and better resource utilization. Higher operational efficiency results in greater production volumes and higher sales, and therefore allows us to spread fixed costs over the increased sales quantity, thereby increasing profit margins of the Company. This includes investing in automation, new technology, and better equipment’s to upgrade our products and improve quality based on what customers want. We strive to achieve economies of scale to gain increased negotiating power on procurement and to realize cost savings through centralized deployment and management of production and other support functions.

The lithium-ion industry demand is witnessing healthy demand growth in India backed by rising usage in diversified end user industry. The country’s cumulative lithium-ion battery market in India have grown from 2.9 GWh in 2018 to 22.4 GWh in 2021 and is estimated to have grown further to 49.8 GWh in 2023. Between 2020-23, the market demand is estimated to have grown by 47% CAGR. This expansion is driven by advancements in battery technology, heightened investment in renewable energy infrastructure, and supportive government policies promoting green energy and sustainable transportation. Leading companies in the market are concentrating on increasing production capacity, improving battery efficiency, and ensuring sustainable supply chains to meet the growing demand while addressing environmental and resource-related challenges (Source: Company commissioned and paid Dun & Bradstreet Report).

We believe that growth in the emerging areas of application such as power, electric vehicles, robotics and automation, drones, medical devices, and Internet of Things, will lead to increase in a growing demand for lithium-ion batteries. (*Emerging areas of application have been sourced from “Industry Research Report on Lithium Ion Battery” from Dun & Bradstreet – Refer page 120 of the DRHP*). We believe that expansion in scale of business operations and improving operational efficiencies will result in consistency in our operational margin, which was 29.86%, 35.21% and 41.92% for the Fiscals ended March 31, 2024, March 31, 2023 and March 31, 2022, respectively.

Capacity and Capacity Utilisation

Actual Capacity

The year wise actual capacity utilisation for the factories based at Vasai and Noida is given below::

(in units)				
Factory	Battery Size	Fiscal 2024	Fiscal 2023	Fiscal 2022
Vasai	Mini	6,75,663	2,70,947	3,25,558
	Small	271	281	173
	Medium	96	333	251
	Large	0	1	1
	Subtotal (A)	6,76,030	2,71,562	3,25,983

Noida	Mini	1,84,019	1,43,550	1,45,614
	Small	13,813	1,996	285
	Medium	2,286	449	539
	Large	952	1,463	814
	Subtotal (B)	2,01,070	1,47,458	1,47,252
	Grand Total (A+B)	8,77,100	4,19,020	4,73,235

*Mini – Upto 100Wh; Small- 101Wh – 750Wh; Medium- 751Wh – 2000Wh; Large- 2001Wh & above.

Source: As certified by Chartered Engineer Certificate dated September 21, 2024 issued by Aditya Kaushik.

Human Resource

As on July 31, 2024, we had 88 employees out of which approximately 30% were women. Manpower is a mix of experienced and youth which gives us the dual advantage of stability and growth. Our workforce which includes skilled, semi-skilled, and unskilled resources, combined with our experienced management team, has enabled us to execute our growth plans effectively. Their department wise segmentation is given below:

Functions	Employee Count [as on July 31, 2024]
Management	05
Sales & Marketing	13
Technical	04
Tech Support	10
Production Staff	34
Research, Development, Quality Control	03
Human Resources & Administration	06
Accounts & Finance	02
Support Staff	11
Total	88

The attrition rate of our Company for the Fiscals 2024, 2023 and 2022 was 21.95 %, 45.51 % and 1.83 % respectively. Our employees are not unionised into any labour or workers' union and have not experienced any major work stoppage due to labour disputes or cessation of work in Fiscals 2024, 2023, and 2022.

Given the nature of our business and composition of our staff (which is a combination of skilled, semi-skilled and unskilled members), we conduct periodic on-the-job (a) training for fire and safety drills (b) technical training for our workers and (c) soft skill training sessions for our workers and engineers.

Properties:

Owned Property

Property Location	Area	Agreement Date	Seller	Usage
Property No. C-12, Sector-58, Gautam Buddha Nagar, Noida, U.P, Gautam Buddha Nagar, 201301, Uttar Pradesh	Plot Area = 1,022 Sq. Mt. along with built up structure having total RCC covered area = 2,275.41 Sq. Mt. and total shed area of 450.50 Sq. Mt. i.e. total covered area = 2,725.91 Sq. Mt.	May 24, 2024	M/s AKG Steel Industries	Manufacturing Unit - Factory

Leave and License Properties

Sr no.	Location of the property	Lease Rent	Tenor		Lease/ Leave and License/ Rent	Usage
			From	To		
1.	Unit No. 3, Plot No. 33, New India Industrial Estate, Off Mahakali Caves Road, Andheri East, Mumbai - 400 093	Rent Free	August 1, 2022	July 31, 2025	Property leased by Hind Industries where Promoter, Sandeep Gangabishan Bajoria is a partner	Registered and Corporate Office
2.	Unit No. 104, 105, 206, 207, 208, Aakey Gold, Industrial Estate, Near N J Industrial Estate, Chinchpada Road, Vasai East, Palghar, Thane	Rs.3,00,000/- per month combined for Unit No 104,105, 206,207 and 208	April 1, 2024	February 28, 2025	Owned by Promotor, Mr Sandeep Gangabishan Bajoria	Manufacturing Unit – Factory
3.	Unit No.106, 108, Aakey Gold, Industrial Estate, Near N J Industrial Estate, Chinchpada Road Vasai East, Palghar, Thane	Rs. 26,000/- per unit per month for the first 12 months, (i.e. Calendar Year 2021) Rs. 28,600/- per unit per month for the next 12 months, (i.e. Calendar Year 2022) Rs. 31,460/- per unit per month for the next 12 months, (i.e. Calendar Year 2023) Rs. 34,606/- per unit per month for the next 12 months, (i.e. Calendar Year 2024) Rs. 38,067/- per unit per month for the next 12 months, (i.e. Calendar Year 2025)	January 1, 2021	December 31, 2025	Leave and License. The licensor for Unit No. 106 is Mr. Jain Jagesh Mangilal, and the licensor for Unit No. 108 is Mrs. Chounal Sunita Govind.	Manufacturing Unit – Factory

HISTORY AND CERTAIN OTHER CORPORATE MATTERS

The section titled “*History and certain other Corporate Matters*” beginning on page 156 of the Draft Red Herring Prospectus has been updated to revise the description of the Company under the heading “*Other Material Agreements*” as given below-

Other material agreements

Neither our Promoters nor any of the Promoter Group members, Shareholders, Key Managerial Personnel, Senior Management Personnel, Directors or employees of our Company have entered into an agreement, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

Except the Assignment Agreement dated July 29, 2024, executed between our Company and Sandeep Gangabishan Bajoria (Our Promoter) and the other agreements mentioned in the DRHP, there are no other agreements/arrangements entered into by our Company or clauses/covenants applicable to our Company which are material, not in the ordinary course of business and which are required to be disclosed, or the non-disclosure of which may have a bearing on the investment decision of prospective investors in the Offer. For details on business agreements of our Company, see “*Our Business*” on page Error! Bookmark not defined..

OUR MANAGEMENT

The section titled “*Our Management*” beginning on page 168 of the Draft Red Herring Prospectus has been updated with revised Brief Profile of Kiran Honnaya Shettigar, Company Secretary and Compliance Officer of our Company as given below-

Kiran Honnaya Shettigar is the Company Secretary and Compliance Officer of our Company with effect from August 16, 2024. He holds a Bachelor of Commerce degree from Mumbai University (2011). He has also qualified as a Company Secretary from the Institute of Company Secretaries of India (2022). He has previously been associated with Silicon Rental Solution Limited (listed on BSE SME in October 2022) as an Assistant Manager, Secretarial Compliances from February 1, 2022 to July 31, 2024. During his stint with Silicon Rental Solution Limited, he was overseeing secretarial and compliance activities applicable to the company. Since he was appointed in August 2024, he did not receive any remuneration in Fiscal 2024.

SECTION V: FINANCIAL INFORMATION

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

The section titled “*Management Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 187 has been updated to include “Factors Affecting Results of Operations” and reason for year-wise fluctuation income and PAT as given below-

FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “*Risk Factors*” beginning on page **Error! Bookmark not defined.** Few of the key risk factors which could impact our financial performance, condition and cash flows are given below:

1. The lithium battery industry is vulnerable to supply chain disruptions caused by its reliance on a few critical raw materials like lithium, nickel, cobalt, graphite, and manganese, which, if disrupted, can lead to shortages and higher costs and adversely impact our profitability
2. We do not have long term contracts or exclusive arrangements with any of our suppliers, and a significant increase in the cost of, or a shortfall in the availability, or deterioration in the quality, of such input materials could have an adverse effect on our business and results of operations
3. We are dependent on, and derive a substantial portion of our revenue from, two customers, namely M/s Agarwal Trading Company and M/s. Hind Industries – both categorised as “Promoter Group entities”. Reduction in orders from these customers could have a material adverse effect on our business, results of operations and financial condition. The dependency on these two customers may lead to real or potential conflicts of interest for our Company
4. We are significantly reliant on the banking industry for sale of our products
5. Heavy dependence on raw material imports from China poses a substantial risk for us, as disruptions due to political tensions or trade disputes can lead to supply chain interruptions, quality control issues, and heightened competition, which could adversely affect our business, results of operations and financial condition
6. The loss of any of our key customers or significant reduction in production and sales of, or demand for our products from our significant customers may adversely affect our business, results of operations and financial condition
7. If there is a decline in demand for the products where our batteries are used, it could significantly decrease the demand of our products and thereby affect our business, financial condition, results of operations
8. Our Company has a high working capital requirement and if our Company is unable to raise sufficient working capital the operations of our Company will be adversely affected.

Fiscal 2024 compared with Fiscal 2023

Revenue from Operations

The Revenue increased from Rs 3,313.00 lakhs in Fiscal 2023 to Rs 5120.00 lakhs in Fiscal 2024, a hike of 55%. The key reasons for this hike – a) company exported for the first time in Fiscal 2024 constituting to ~12% of revenue from operations b) volume growth due to uptick in demand across end user industries / application more specifically banking, drone, energy storage solutions, industrials, and weighing scale

Profit After Tax

The PAT margins for Fiscal 2024 were marginally lower (21.14) % as compared to Fiscal 2023 (23.41%). The key reason being that COGS as a % of total revenue increased to ~ 58% in Fiscal 2024 from ~ 48% in Fiscal 2023 largely due to higher raw material cost. This hike in COGS was mildly compensated by a fall in employee benefit cost (~ 8% of total revenue in Fiscal 2024 Vs ~ 10% in Fiscal 2023 to) and other expenses (~ 3% of total revenue in Fiscal 2024 Vs ~ 6% in Fiscal 2023).

The PAT grew from ₹ 775.57 lakhs in Fiscal 2023 to ₹ 1,089.16 lakhs in Fiscal 2024, a hike of ~ 40%. The increase in profitability during Fiscal 2024 vis-à-vis Fiscal 2023 was largely driven by volume growth in sales revenue as mentioned in “Revenue from Operations” above. The PAT margins for Fiscal 2024 [21.27%] were largely in line with Fiscal 2023 [23.41%].

Fiscal 2023 compared with Fiscal 2022

Revenue from Operations

The Revenue from operations decreased marginally by 9.18% in Fiscal 2023 as compared to Fiscal 2022. This was primarily driven by a temporary pause in production due to plant upgradation. In addition to this, the demand for mini battery cells needed mainly for the banking vertical (POS and ATM machines) fell by ~ 31% in absolute terms. The fall in revenues in the banking vertical was compensated by an increase in revenue in the EV and UPS Invertor segment. For details, please refer “Revenue Split – Based on Industries / End Use Applications” on page 142 of the DRHP.

Profit after Tax

The Profit After Tax fell by 34.6% from ₹ 1,186.14 lakhs in Fiscal 2022 to ₹ 775.57 lakhs in Fiscal 2023 which is largely in line with the fall in Profit Before Tax. This was a result of a fall in the Total Income by 9.02% coupled with a hike in expenses by 4.9% in Fiscal 2023 Vs Fiscal 2022. During Fiscal 2022, out of the total Revenue from operations of Rs 3,648.30 lakhs, Rs 3,339.90 lakhs (~92%) was from sale of mini battery cells with end use application for POS & ATM machines for various Banks, which generally have higher profit margins. This resulted in higher PAT margins in Fiscal 2022

On the expense front, the Cost of Goods Sold (Cost of Material Consumed + / - Changes in inventory of finished goods and work in progress) which was ~44% of total revenue in Fiscal 2022 increased to ~ 48% of total income in Fiscal 2023, mainly due to increase in raw material costs. Increase in employee cost was the other main factor for the overall hike in expenses.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

The section titled “*Outstanding Litigations and Material Developments*” beginning on page 198 of the Draft Red Herring Prospectus has been updated with inclusion and revision as given below-

Outstanding actions by Statutory Authorities or Regulatory Authorities

As on the date of the Draft Red Herring Prospectus, there are no outstanding actions initiated by Statutory Authorities or Regularity Authorities against our Company. Further, as on the date of the Draft Red Herring Prospectus, there are no findings/observations of any inspections by SEBI or any other regulator involving our Company which are material and which need to be disclosed or non-disclosure of which may have bearing on the investment decision.

GOVERNMENT AND OTHER APPROVALS

The section titled “**Government and Other Approvals**” beginning on page 268 of the Draft Red Herring Prospectus has been updated to revise the table(s) provided under the heading ‘Incorporation Details’ and ‘Material Approvals in relation to our business operations’ as given below-

Incorporation Details

Sr. No.	Particulars	Issuing Authority	Date of Issue/ Renewal	Validity
6	ESIC Certificate of registration bearing code number 35000489250000607, with respect to the Company’s establishment situated at (a) Unit No. 3, Plot No. 33, New India Industrial Estate, Mahal, IN AR, Off MC Rd. Andheri E, Mumbai, 400093. (b) 104, 105, 106, 108, 206, 207, & 208, Aakey Gold, Industrial Estate, Near NJ Industrial Estate, Chinchpada Road, Vasai East, Palghar, Thane.	Employees State Insurance Corporation, Mumbai	September 6, 2020	-

B. Material approvals in relation to our business operations

Sr. No.	Particulars	Issuing Authority	Date of Issue/ Renewal	Validity
2	Form G – Maharashtra Shops and Establishment (Regulation of Employment and Condition of Service) Act, 2017 – Registered / Corporate Office	Brihanmumbai Municipal Corporation	July 27, 2024	-
16	Factory Building and Stability Certificate for property situated at No. C – 12, Sector – 58, Noida, District GB Nagar – 201 301 Gautam Budh Nagar.	Dy. Director of Factories, Uttar Pradesh	April 28, 2022	-

OTHER REGULATORY AND STATUTORY DISCLOSURES

The section titled “*Other Regulatory and Statutory Disclosures*” beginning on page 274 of the Draft Red Herring Prospectus has been updated to provide the revised information relating to offer structure including Corporate Approvals and Approvals from the Selling Shareholder and addition of Expert Opinion of Aditya Kaushik, Chartered Engineer as given below-

Authority of Offer

Corporate Approvals

Our Board has approved the Offer pursuant to the resolution passed at its meeting held on May 2, 2024 and our Shareholders have approved the Fresh Issue pursuant to a resolution dated May 6, 2024 in terms of Section 62(1)(c) of the Companies Act, 2013 which were subsequently ratified by the Board Resolution and Shareholders Resolution dated January 21, 2025 and February 3, 2025 respectively. The Draft Red Herring Prospectus was approved by our Board pursuant to the resolution passed at its meeting held on September 24, 2024.

Approval from the Selling Shareholder

The Selling Shareholder has confirmed and authorized the transfer of the Offered Shares pursuant to the Offer for Sale, as set out below:

Sr. No.	Name of the Selling Shareholder	Equity Shares offered in the Offer for Sale	Date of consent letter
1.	Sandeep Gangabishan Bajoria	Up to 10,80,000 Equity Shares of face value of ₹ 10 each aggregating up to ₹ [●] lakhs	August 10, 2024

Eligibility of Offer

4. b. The post Offer paid up capital of the Company

The present paid-up capital of our Company is ₹ 1,606.50 lakhs and we are proposing Offer up to 54,03,600 equity shares of face value of ₹ 10 each (“Equity Shares”) of the Company for cash at a price of ₹ [●] per equity share (including a share premium of ₹ [●] per equity share) (“Offer Price”) aggregating up to ₹ 540.36 lakhs comprising a Fresh Issue of up to 43,23,600 equity shares of face value ₹ 10 each aggregating up to ₹ 432.36 lakhs by our company (“Fresh Issue”) and an offer for sale of up to 10,80,000 equity shares of face value ₹ 10 each aggregating up to ₹ 108.00 lakhs by our selling shareholder. Hence, our Post Offer Paid up Capital will be approximately up to ₹ 2,038.86 lakhs which will be less than ₹ 25 Crore.

Expert Opinion

Our Company has also received a written consent dated September 21, 2024 from Aditya Kaushik – Proprietor of Engineering Firm: Point Solutions, as a Chartered Engineer to include its name as an “expert” as defined under Section 2(38) and other applicable provisions of the Companies Act, 2013 in respect of the ‘Plant Capacity Utilization’ certificate dated September 21, 2024, to determine the installed and production capacity of the Company’s Manufacturing Facilities located in Vasai, Mumbai and Noida. Such consent has not been withdrawn as on the date of the Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

SECTION VII: OFFER RELATED INFORMATION

TERMS OF OFFER

The heading “*Authority of Offer*” in the section titled “*Terms of Offer*” beginning on page 222 of the Draft Red Herring Prospectus has been updated to include the ratified resolutions approving the Offer as given below-

Authority of Offer

This Offer of up to 54,03,600 Equity Shares has been authorized by a resolution of the Board of Directors of our Company at their meeting held on dated May 2, 2024 and was approved by the Shareholders of the Company by passing Special Resolution at the Extraordinary General Meeting held on May 6, 2024 in accordance with the provisions of Section 62(1)(c) of the Companies Act, 2013 which were subsequently ratified by the Board Resolution and Shareholders Resolution dated January 21, 2025 and February 3, 2025 respectively.

OFFER STRUCTURE

The section titled “*Offer Structure*” beginning on page 233 of the Draft Red Herring Prospectus has been updated to include the revised offer structure as given below-

The Offer of up to 54,03,600 Equity Shares of face value of ₹10 each fully paid (the “**Equity Shares**”) for cash at a price of ₹ [●] per Equity Shares (including a share premium ₹ [●] per Equity Share) aggregating up to ₹[●] lakhs (“**The Offer**”) comprising a Fresh Issue of up to 43,23,600 equity shares of face value of ₹ 10 each fully paid aggregating up to ₹ [●] lakhs and an Offer for Sale of up to 10,80,000 Equity shares of face value of ₹ 10 each fully paid aggregating up to ₹ [●] lakhs by Sandeep Gangabishan Bajoria (“**Selling Shareholder**”), up to 2,71,200 Equity Shares of ₹[●] each will be reserved for subscription by Market Maker (“**Market Maker Reservation Portion**”) and a Net Offer to public of up to 51,32,400 Equity Shares of face value of ₹ 10 each fully paid up is hereinafter referred to as the Net Offer. The Offer and the Net Offer will constitute [●] % and [●] % respectively of the post offer paid up Equity Share Capital of our Company. The Offer is being made through the Book Building Process.

SECTION VIII: DESCRIPTION OF EQUITY SHARES AND TERMS OF ARTICLES OF ASSOCIATION

The section titled “*Description of Equity Shares and Terms of Articles of Association*” beginning on page 278 of the Draft Red Herring Prospectus has been updated to include a confirmation as given below:

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. No material clause of the Articles of Association having bearing on the Offer or the disclosures required in the Draft Red Herring Prospectus has been omitted.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The heading “*Material Documents*” in the section titled “*Material Contracts and Documents for inspection*” beginning on page 292 of the Draft Red Herring Prospectus has been updated to include ratified resolutions as a part of Material Documents.

B. MATERIAL DOCUMENTS

“4. Resolutions of the Board of Directors and Shareholder dated May 2, 2024 and May 6, 2024, respectively in relation to the Offer and other related matters which were subsequently ratified by the Board Resolution and Shareholders Resolution dated January 21, 2025 and February 3, 2025 respectively.”

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the guidelines, regulations or rules issued by the Government of India or the guidelines, or regulations issued by the Securities and Exchange Board of India (“SEBI”), established under Section 3 of the SEBI Act, as amended, as the case may be, have been complied with and no statement made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Contracts (Regulation) Act, 1956, as amended, the Securities and Contracts (Regulation) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992, as amended, or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements in this Addendum to the Draft Red Herring Prospectus are true and correct.

SIGNED BY

Sd/-

Sandeep Gangabishan Bajoria
(Chairman and Managing Director)

Place: Mumbai

Date: February 4, 2025

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the guidelines, regulations or rules issued by the Government of India or the guidelines, or regulations issued by the Securities and Exchange Board of India (“SEBI”), established under Section 3 of the SEBI Act, as amended, as the case may be, have been complied with and no statement made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Contracts (Regulation) Act, 1956, as amended, the Securities and Contracts (Regulation) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992, as amended, or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements in this Addendum to the Draft Red Herring Prospectus are true and correct.

SIGNED BY

Sd/-
Zubair Rehman
Whole Time Director, Executive Director

Place: Mumbai
Date: February 4, 2025

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the guidelines, regulations or rules issued by the Government of India or the guidelines, or regulations issued by the Securities and Exchange Board of India (“SEBI”), established under Section 3 of the SEBI Act, as amended, as the case may be, have been complied with and no statement made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Contracts (Regulation) Act, 1956, as amended, the Securities and Contracts (Regulation) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992, as amended, or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements in this Addendum to the Draft Red Herring Prospectus are true and correct. .

SIGNED BY

Sd/-
Nilesh Victor Correia
Non-Executive Director

Place: Mumbai

Date: February 4, 2025

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the guidelines, regulations or rules issued by the Government of India or the guidelines, or regulations issued by the Securities and Exchange Board of India (“SEBI”), established under Section 3 of the SEBI Act, as amended, as the case may be, have been complied with and no statement made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Contracts (Regulation) Act, 1956, as amended, the Securities and Contracts (Regulation) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992, as amended, or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements in this Addendum to the Draft Red Herring Prospectus are true and correct. .

SIGNED BY

Sd/-
Piyush Vijaykumar Kedia
Executive Director & Chief Financial Officer

Place: Mumbai

Date: February 4, 2025

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the guidelines, regulations or rules issued by the Government of India or the guidelines, or regulations issued by the Securities and Exchange Board of India (“SEBI”), established under Section 3 of the SEBI Act, as amended, as the case may be, have been complied with and no statement made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Contracts (Regulation) Act, 1956, as amended, the Securities and Contracts (Regulation) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992, as amended, or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements in this Addendum to the Draft Red Herring Prospectus are true and correct.

SIGNED BY

Sd/-
Ashwin Manoharlal Agarwal
Independent Director

Place: Mumbai

Date: February 4, 2025

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the guidelines, regulations or rules issued by the Government of India or the guidelines, or regulations issued by the Securities and Exchange Board of India (“SEBI”), established under Section 3 of the SEBI Act, as amended, as the case may be, have been complied with and no statement made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Contracts (Regulation) Act, 1956, as amended, the Securities and Contracts (Regulation) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992, as amended, or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements in this Addendum to the Draft Red Herring Prospectus are true and correct.

SIGNED BY

Sd/-
Himanshi Tiwari
Independent Director

Place: Mumbai

Date: February 4, 2025

DECLARATION BY THE SELLING SHAREHOLDER

I, Sandeep Gangabishan Bajoria, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in the Draft Red Herring Prospectus in relation to myself, as the Selling Shareholder and my Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings including any of the statements made by or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Addendum to the Draft Red Herring Prospectus.

SIGNED BY

Sd/-
Sandeep Gangabishan Bajoria

Place: Mumbai

Date: February 4, 2025