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CHAMUNDA ELECTRICAL LIMITED
Corporate Identification Number: U40106GJ2013PLC075751

Our Company was incorporated on June 25, 2013 as “Chamunda Electrical Private Limited”, a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Subsequently, our Company was converted into a public limited company pursuant to a resolution passed by our Shareholders at an extraordinary general meeting held on July 23, 2024 and consequently the name of our Company was changed to “Chamunda Electrical Limited” and a fresh certificate of incorporation dated August 21, 2024 was issued by the Registrar of Companies, Central Processing Centre. For further details please refer to chapter titled “History and Certain Corporate Matters” beginning on Page No. **Error! Bookmark not defined.**

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Telephone: +91 99789 12471; **E-mail:** info@chamundaconst.com; **Facsimile:** N.A;
Website: <http://www.chamundaconst.com/> **Contact Person:** Mrs. Asha Sharma, Company Secretary & Compliance Officer;
Corporate Identity Number: U40106GJ2013PLC075751

PROMOTER OF OUR COMPANY: MR. CHIRAGKUMAR NATVARLAL PATEL, MR. NATVARBHAI K RATHOD AND MRS.PURNIKABEN C PATEL	
ADDENDUM TO THE DRAFT RED HERRING PROSPECTUS DATED SEPTEMBER 26, 2024: NOTICE TO THE INVESTORS (“THE ADDENDUM”)	
INITIAL PUBLIC OFFER OF UPTO 35,00,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH (“EQUITY SHARES”) OF CHAMUNDA ELECTRICAL LIMITED(THE “COMPANY” OR “CEL” OR “ISSUER”) AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) FOR CASH, AGGREGATING UP TO ₹ [●] LAKHS (“PUBLIC ISSUE”) OUT OF WHICH [●] EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE PUBLIC ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING UP TO ₹ [●] LAKHS IS HEREINAFTER REFERRED TO AS THE “NET ISSUE”. THE PUBLIC ISSUE AND NET ISSUE WILL CONSTITUTE [●] % AND [●] % RESPECTIVELY OF THE POST- ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLM AND WILL BE ADVERTISED IN [●] EDITION OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), [●] EDITION OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER, AND [●] EDITIONS OF THE GUJARATI REGIONAL NEWSPAPER [●], GUJARATI BEING THE REGIONAL LANGUAGE OF GUJARAT WHERE OUR REGISTERED OFFICE IS LOCATED, AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE WITH THE RELEVANT FINANCIAL RATIOS CALCULATED AT THE FLOOR PRICE AND THE CAP PRICE AND SHALL BE MADE AVAILABLE TO THE EMERGE PLATFORM OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED (“NSE”) FOR THE PURPOSES OF UPLOADING ON ITS WEBSITE IN ACCORDANCE WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE “SEBI ICDR REGULATIONS”). Potential Bidders may note the following: 1. In the sections “<i>Risk Factors</i>”, “<i>Object of the Issue</i>”, “<i>Our Business</i>”, “<i>Key Industrial Regulation and Policies</i>”, “<i>Management Discussion And Analysis Of Financial Condition And Results of Operations</i>” and “<i>Government and Other Approvals</i>” provided herein below as part of Addendum, modifications have been updated. The above is to be read in conjunction with the Draft Red Herring Prospectus and accordingly their references in the Draft Red Herring Prospectus stand amended pursuant to this Addendum. Please note that the changes pursuant to this Addendum will be appropriately included in the Red Herring Prospectus/Prospectus, as and when filed with the RoC, the SEBI and the Stock Exchange. All capitalised terms used in this Addendum shall, unless the context otherwise requires, have the meaning ascribed to them in the Draft Red Herring Prospectus.	
Place: Palanpur Date: 30-12-2024	On behalf of Chamunda Electrical Limited Sd/- Mrs. Asha Sharma Company Secretary & Compliance Officer

BOOK RUNNING LEAD MANAGER		REGISTRAR TO THE ISSUE	
			
GYR Capital Advisors Private Limited (Formerly known as Alpha Numero Services Private Limited) 428, Gala Empire, Near JB Tower, Drive in Road, Thaltej, Ahemdabad-380 054, Gujarat, India. Telephone: +91 +91 877 756 4648 Facsimile: N.A. Email ID: info@gyrcapitaladvisors.com Website: www.gyrcapitaladvisors.com Investor Grievance ID: investors@gyrcapitaladvisors.com Contact Person: Mr. Kaushik Khambhadiya SEBI Registration Number: INM000012810		KFIN TECHNOLOGIES LIMITED (Formerly known as KFin Technologies Private Limited) Selenium Tower-B, Plot 31 & 32, Gachibowli, Financial District Nanakramguda, Serilingampally, Hyderabad – 500 032, Telangan India Contact Person: Mr. M. Murali Krishna Tel: +91 40 6716 2222 Fax: +91 40 2343 1551 Email: chamunda.ipo@kfintech.com Investor grievance e-mail: einward.ris@kfintech.com Website: www.kfintech.com SEBI Registration No.: INR0000000221	
ISSUE PROGRAMME			
ISSUE OPENS ON: [●]		BID/OFFER OPENS ON: [●]*	
		ISSUE CLOSES ON: [●]**	

*The Company may, in consultation with the Book Running Lead Manager, 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 may in consultation with the BRLMs, 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.

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RISK FACTORS

We will update the Risk Factors as per below:

RF No.: 2. *Our top four customers contribute 100% of our revenues from operations. Any loss of business from one or more of them may adversely affect our revenues and profitability.*

Our top four customers have contributed 100%, 100% and 100% of our revenues for the year ended March 31, 2024, March 31, 2023 and March 31, 2022 respectively based on Restated Financial Statements. However, our top customers may vary from period to period depending on the demand and thus the composition and revenue generated from these customers might change as we continue to add new customers in normal course of business. Since our business is concentrated among relatively few significant customers, we could experience a reduction in our results of operations, cash flows and liquidity if we lose one or more of these customers or the amount of business, we obtain from them is reduced for any reason, including but not limited on account of any dispute or disqualification. While we believe we have maintained good and long-term relationships with our customers, there can be no assurance that we will continue to have such long-term relationship with them. We cannot assure that we shall generate the same quantum of business, or any business at all, from these customers, and loss of business from one or more of them may adversely affect our revenues and profitability. Furthermore, there have been no such instance occurred during the past three years.

For further details of our Business, please refer chapter titled “Our Business” on Page 121 of Draft Red Herring Prospectus.

RF No.: 5. *We require certain approvals, licenses, registration and permits for our business, and the failure to obtain or renew them in a timely manner may adversely affect our operations.*

We are governed by various laws and regulations for our business and operations. We are required, and will continue to be required, to obtain and hold relevant licenses, approvals and permits at state and central government levels for doing our business. The approvals, licenses, registrations and permits obtained by us may contain conditions, some of which could be onerous. If we are unable to renew any of the approvals, licenses, registrations and permits in a timely manner, it will damage our business prospects. For Instance, after setting up of NABL Lab we would be required to obtain NABL Licence. However, we cannot assure that we will get the required registration form NABL labs.

These laws and regulations governing us are increasingly becoming stringent and may in the future create substantial compliance or liabilities and costs. While we endeavour to comply with applicable regulatory requirements, it is possible that such compliance measures may restrict our business and operations, result in increased cost and onerous compliance measures, and an inability to comply with such regulatory requirements may attract penalty.

Furthermore, we cannot assure you that the approvals, licenses, registrations and permits issued to us will not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Any suspension or revocation of any of the approvals, licenses, registrations and permits that has been or may be issued to us may affect our business and results of operations. For further details regarding the material approvals, licenses, registrations and permits, see “Government and Other Statutory Approvals” on page 184.

RF No.: 32. *Non-compliance with amendment in Safety and Health laws and other applicable regulations, may adversely affect the Company’s results of operations and its financial condition.*

Our company is in business of electrical sector. Due to nature of Business, the company is subject to various rules and regulations in relation to safety and health protection. Further, the company is subjected to the jurisdiction and is governed by Indian Law, rules and regulations in relation to safety and health protection due to the nature of the business of the company. These safety and health protection laws and regulations inter alia impose controls on employee exposure to hazardous substances and other aspects of the Company’s operations and products. Failure to comply with any existing or future regulations applicable to the Company may result in levy of fines, penalties, commencement of judicial proceedings and/or third-party claims, and may adversely affect the results of operations and financial condition.

For further details regarding applicable laws to the company, please refer to the chapter titled “Key Industrial Regulations and Policies” of the Draft Red Herring Prospectus.

RF NO.: 34. ~~Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.~~

~~Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities may differ from those that would apply to a company in another jurisdiction. Investors may have more difficulty in asserting their rights as shareholders in an Indian company than as shareholder of a corporation in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other jurisdictions. Under the Companies Act, prior to issuance of any new equity shares, a public limited company incorporated under Indian law must offer its equity shareholders pre-emptive rights to subscribe to a proportionate number of equity shares to maintain existing ownership, unless such pre-emptive rights are waived by a special resolution by a three-fourths majority of the equity shareholders voting on such resolution. If you are a foreign investor and the law of the foreign jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such foreign jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. If we elect not to file an offering document or a registration statement, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value such custodian receives on the sale of any such securities and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional interest in our Company would decline.~~

OBJECTS OF THE OFFER

1. We will include the rationals and benefits for “*Purchase of New Testing Kit and Equipment’s*” in object of the offer chapter:

The rationale for purchasing new testing kits:

1. The new testing kits shall be required for the NABL-accredited lab to meet the latest international standards, ensuring reliable and accurate test results.
2. Currently Company has 8 (eight) testing kits for execution of testing work of electrical equipment’s. These 8 testing kits are not sufficient to cater the testing requirement of GETCO and other clients, considering the current and future O&M Contract of GETCO

The benefits for purchasing new kits.

The Omicron VOTANO 100 is a specialized hardware device designed for the calibration and testing of voltage transformers. Here are some of the key benefits of using the Omicron VOTANO 100:

1. Precision and Accuracy

High-Precision Measurements: This kit will help Company to provide accurate voltage and current measurements, essential for ensuring that voltage transformers operate correctly and meet required specifications.

Reliable Calibration: This will ensure precise calibration of voltage transformers, which is crucial for maintaining the accuracy of electrical measurements and system stability.

2. Versatile Testing Capabilities

Broad Range of Applications: This kit is capable of testing various types of voltage transformers and instruments, making it a versatile tool for different applications and setups.

Dynamic Testing: This kit supports dynamic testing functions, allowing for the assessment of transformers under operational conditions, which can reveal performance issues not evident under static tests.

3. Enhanced Safety Features

Built-In Safety Mechanisms: This kit includes various safety features to protect both operators and equipment during high-voltage testing, such as automatic shutdown in case of faults or overvoltage conditions.

Safe Operating Environment: This kit is designed to ensure safe operation in potentially hazardous testing scenarios, reducing the risk of accidents.

4. Data Management and Reporting

Comprehensive Data Logging: Equipped with data logging capabilities, enabling the collection and storage of test results for detailed analysis and reporting.

Easy Data Transfer: Facilitates the transfer of data to external systems or software for further analysis, documentation, and compliance reporting.

5. Efficiency and Productivity

Streamlined Testing Process: Speeds up the testing and calibration process through its advanced features and automation, improving overall efficiency and productivity.

Reduced Testing Time: Capable of performing multiple tests quickly and accurately, reducing the time required for calibration and assessment tasks.

6. Long-Term Reliability

Robust Design: Built to withstand demanding testing environments and ensure long-term reliability, providing consistent performance over time.

Regular Calibration: The device itself undergoes regular calibration to maintain its accuracy, ensuring that all test results are reliable and up-to-date.

2. We will update the below details in the heading of “B. Purchase of equipment’s for National Accreditation Board for Testing and Calibration Laboratories (“NABL”) Lab at Surat Branch Office”:

Our company intends to utilise ₹ 16.88 lakhs towards purchase of new equipment’s to establishment of National Accreditation Board for Testing and Calibration Laboratories (“NABL”) at Surat Branch Office. Company wants to purchases new equipment’s only. Our Company undertakes to apply for NABL accreditation after setting up of NABL Lab.

3. We will include the below details in the new heading as “Short Term Loans and Advances” under title of “Justification for “Holding Period” levels” in the Objects of the Offer chapter:

“The projected increase in short-term loans and advances primarily includes retention amounts, balances with revenue authorities, and prepayments for essential goods and services critical to project execution. This increase is not solely due to retention amounts but also reflects vendor advances and other operational requirements. Furthermore, as the company expands its focus to private sector projects, contracts are increasingly incorporating retention clauses tied to performance obligations. This strategic shift has been factored into the projections, aligning with the evolving nature of the company's project portfolio.”

Following is the detailed bifurcation of Short-Term Loans and Advances for projected period i.e. Fiscal 2025 and 2026:

(₹ in Lakhs)		
Particulars	Fiscal 2025 (Projected)	Fiscal 2026 (Projected)
Balance with Revenue Authorities	11.00	25.00
Advance to Suppliers	25.26	50.00
Staff Advances	09.00	19.00
Retention Money	36.10	32.92
Total	81.36	126.92

The retention money as projected in Fiscal 2025 and Fiscal 2026 is attributable to order received from Hartek Power Private Limited. Total estimated billing for Fiscal 2025 and Fiscal 2026 is ₹ 180.50 lakhs and ₹ 164.54 lakhs respectively. The retention money on the same order is accounted for in the projected periods. The billing in respect for the said work till now is ₹ 63.84 lakhs and retention money deducted in respect of these invoices is ₹ 12.77 lakhs. Further, in future, the said retention money clause will be there for future orders as well.

4. We will update the below details in heading of “C. Purchase of Equipment’s” in the Objects of the Offer chapter.

The equipment’s shall be used for testing and other operating activities for its day-to-day Operation & Maintenance at sub-stations.

The rationale/reason for purchasing new equipment’s:

1. During its day-to-day Operation and Maintenance activity at sub-stations, the Company shall be required to replace the older equipment’s and purchase new equipment’s, in order to maintain efficient system operation and upgrade technological requirements of clients. Further, the new equipment’s can support system upgrades or expansions.
2. The new equipment will ensure that the Company can cater to the testing and maintenance requirements of GETCO and other clients, as stipulated in current and future O&M contracts. This equipment’s are essential

for accurate testing of electrical systems at sub-stations.

The benefits arising for purchasing new equipment's:

1. These equipment's ensure safe operation by enabling accurate voltage and current measurements, critical for the safe Operation & Maintenance at sub-stations.
2. These equipment's contribute to the precision and reliability of electrical systems by ensuring that voltage and current are measured accurately, which is vital for both system performance and safety.
3. By investing in these equipment's, the need for multiple different devices is reduced. This not only lowers upfront costs but also simplifies maintenance and operation at sub-stations.
4. These equipment's shall ensure that faults such as overloads, short circuits, and voltage issues are detected early, preventing potential damage to equipment and avoiding system downtime at sub-stations.

The usage of purchasing new equipment's:

- **STANDARD POTENTIAL TRANSFORMER**

A Standard Potential Transformer (PT), also known as a Reference Potential Transformer or Standard Voltage Transformer, is a precision instrument used for calibrating and testing other potential transformers, voltage measuring devices, and protection relays. It provides a stable and accurate voltage output that serves as a reference standard for various electrical measurement and calibration tasks. This allows safe and accurate measurement of high voltage in electrical power systems and ensures proper operation of protective relays, meters, and other equipment.

- **MULTITAP STANDARD CURRENT TRANSFORMER**

A Multitap Standard Current Transformer (CT) is a specialized type of current transformer designed to provide multiple secondary current outputs from a single primary current input. It is primarily used for testing, calibration, and measurement purposes in electrical systems, particularly for ensuring the accuracy and reliability of protective relays, meters, and other current-measuring devices. These transformers are particularly useful in applications where varying current levels need to be measured or monitored without the need for multiple separate CTs.

- **C.T BURDEN BOX 1A & 5 A**

A C.T. Burden Box (also known as a CT Burden Tester or Burden Resistor Box) is a crucial tool used in the calibration, testing, and performance assessment of current transformers (CTs). It provides a standardized load (burden) to the CT secondary winding to evaluate its accuracy and performance under various conditions. This is used to ensure proper testing, calibration, and simulation of the expected burden on the CT during operation. This tool is especially important when setting up and testing protection and metering systems in electrical installations.

- **P.T BURDEN BOX 63.5V & 110 V**

A P.T. Burden Box (also known as a PT Burden Tester or Voltage Transformer Burden Box) is used to apply a known load to the secondary side of a potential transformer (PT) for the purpose of testing and calibration. This ensures that the PT operates correctly and meets specified accuracy standards under different load conditions. A PT Burden Box with ratings such as 63.5V and 110V is specifically designed for testing PTs that output these voltage levels, ensuring the PT operates within its specified range and delivers accurate voltage readings.

- **HIGH VOLTAGE DIVIDER WITH 4.5 DIGITAL KV METER**

A High Voltage Divider paired with a 4.5 Digital kV Meter is an essential setup for accurately measuring high voltages in various electrical testing and calibration applications. This combination allows for precise voltage measurements in high-voltage systems while ensuring safety and accuracy. The high voltage divider typically consists of a resistive network designed to scale down the high voltage to a lower, measurable value, which is then read by a digital kV meter with 4.5-digit resolution.

- ***PARTIAL DISCHARGE COUPLING CAPACITOR OHV DIAGNOSTIC***

A Partial Discharge Coupling Capacitor is a key component in the diagnostic process of high-voltage (HV) equipment, used to detect and analyze partial discharge (PD) activity in electrical insulation systems. The coupling capacitor is used to detect partial discharges within the insulation of high-voltage equipment. PD is a common precursor to insulation failure and can help identify faults long before they lead to catastrophic breakdowns.

- ***SWEEP FREQUENCY RESPONSE ANALYZER CALIBRATION CELL***

A Sweep Frequency Response Analyzer (SFRA) Calibration Cell is a critical component used in the calibration and validation of Sweep Frequency Response Analysis (SFRA) equipment. SFRA is a technique used primarily for diagnosing the mechanical and electrical health of transformer insulation systems by measuring the frequency response of the transformer across a range of frequencies. The calibration cell provides a known reference to calibrate the SFRA, ensuring that the readings taken during actual testing are accurate and reliable. This ensures that the system gives precise and reproducible results, which are critical for the diagnosis of transformer health.

OUR BUSINESS

1. We will update the following section, "The list of projects completed in the last three fiscal years," in the Business Chapter:

No .	Work Order No. Particular of Work	Client Name	Nature of work	Total Contract Value	Work executed	Remaining work to be executed*	Year of Completion
1	2324/PTC/CM1/PIn 1 CR shifting/PO 140278/ 4078 dated 27/10/2023	GETCO	Control room, Electrification , Dismantling, Erection and Shifting of indoor Equipment	24.65	11.49	13.16	May, 2024
2	21-22/PTC/CM1/KSY Line Bay Deesa/PO: 130127/1412 dated 01/06/2021	GETCO	Erection of 66Kv line, Bay (15 Nos) along with Bus strengthening and extension (as per requirement) at various sub-stations of Palanpur TR Division	38.96	25.31	13.65	June, 2023
3.	21-22/PTC/CM1/KSY Line Bay Deesa/PO: 130127/1413 dated 01/06/2021	GETCO	Erection of 66Kv line, Bay (12 Nos) along with Bus strengthening and extension (as per requirement) at various sub-stations of Deesa TR Division	32.38	17.04	15.34	Dec, 2022

Note: - * The remaining work under these contracts will be completed and billed upon once we receive the issuance of the commencement certificate from GETCO.

2. We will include a new heading titled "*Business Agreements*" in the Business Chapter and provide the following details:

The initial contacts awarded to Company by **Gujarat Energy Transmission Corporation Limited ("GETCO")** for **Operation, Maintenance, Testing & Commissioning of Electrical Sub-stations** are for a period upto 3 years. Later, the extension of upto 2 years is granted.

The extension of the O&M contract with GETCO for a further 2 year is granted, with the same terms and conditions as those agreed for initial three-year agreement.

The extension of O&M Contract is granted considering the following factors:

1. Past Performance and Reliability in execution of O&M Contract.
2. History of operational continuity without interruption.
3. Timely submission of testing reports and other compliance reports considering the regulatory

- requirements.
4. Availability of required manpower and technical equipment's for execution of work.

3. We will update the following process under the heading "*Post Award Stage*" in the Business Chapter.

Post Contract-Award Stage:

The issuance of a letter of acceptance or letter of intent by the client indicates that we have been granted the contract. The project team promptly identifies and collaborates with the procurement department to get the critical materials and services required to start the project. The contract documents are used to create a precise schedule of activities. The technical and execution team creates work plans, estimates, and budgets for goods, services, equipment, and labour to be deployed at the project site, which are then forwarded to the procurement department. The procurement department proceeds to obtain materials, labour, and equipment for the project from both internal and external sources in accordance with the project's timeline. The project begins with mobilizing workers and equipment, as well as establishing site offices, stores, and other amenities.

Therefore, the post-contract award stage is a critical phase in project execution, as it establishes the framework for transforming the contractual commitments into a fully realized project. Each step within this stage ensures that resources, plans, and designs are strategically aligned to meet project goals and timelines, culminating in effective project delivery.

1. **Signing of Agreement:** The first step following the contract award is the formal signing of the agreement. This legally binding step confirms mutual understanding and commitment to the terms and conditions specified in the contract, including project scope, timelines, deliverables, and responsibilities. It serves as the foundation for accountability and clarifies any ambiguities regarding the rights and obligations of all involved parties. Both parties commit to fulfilling their roles, and the signed agreement becomes a reference document throughout the project lifecycle.
2. **Resource Planning:** After signing the agreement, resource planning begins. This step involves identifying and allocating the necessary human resources, materials, equipment, and financial resources required to execute the project. Effective resource planning ensures that adequate resources are available at each phase, minimizing potential delays and ensuring efficient workflow. By forecasting resource needs and securing them early on, this step helps manage costs and ensures that the project has the workforce and materials necessary to maintain a steady pace.
3. **Detailed Design and Procurement:** With resources in place, the next focus is on detailed design and procurement. This step involves refining the initial design to address all technical specifications, compliance requirements, and stakeholder needs. Engineers and designers work on comprehensive plans, which include schematics, layouts and material lists, ensuring every aspect of the project aligns with the agreed scope. Concurrently, procurement activities are initiated to source the required materials and equipment. Effective procurement strategies ensure timely delivery of quality materials, while cost management and vendor selection play a crucial role in maintaining budgetary alignment.
4. **Project Execution:** The final step in the post-contract award stage is project execution, where the physical realization of the project begins. This phase translates plans into action as construction, installation, or manufacturing work progresses according to the schedule. Project managers coordinate on-site activities, supervise work quality, manage any arising issues, and ensure adherence to safety standards. Throughout execution, continuous monitoring and reporting are crucial to track progress, control costs, and mitigate risks. By systematically implementing the project as planned, this step brings the project closer to its successful completion.

We have reviewed the heading "*post-bidding*" and it will be changed to "*pre-bidding stage*".

4. We will include the below table under heading of "*Operation, Maintenance, Testing & Commissioning of Electrical Sub-stations*" of Business Chapter:

Sr no	Year	No. of sub-station for operation and maintenance	Percentage of Change	Reason for change in sub-station
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1	2021-22	62	-	
2	2022-23	85	37.10	Company has provided the competitive bid and lead to increase in sub-stations
3	2023-24	99	16.47	Company has provided the competitive bid and lead to increase in sub-stations
4	2024-25	77	(22.22)	There was a decrease in no. of sub-station because at the time of extension of tender, the bid offered by client was not matching with our expectation. Hence, the Company has decided not to continue with the sub-station.

5. We will include the below details under heading of “Solar-Power generation park” of Business Chapter.

The details related to 25-years Purchase Power Agreement (“PPA”) with UttarGujarat Vij Company Limited for its Solar Power Generation Park.

1. The Company has set-up a solar power-generation park at Survey no. 1085, Village-Bhatib, Taluka-Dhanera, District-Banaskantha, Gujarat-385310 which has a capacity of 1.5 MW in which our Company have signed a 25-years Purchase Power Agreement with Uttar Gujarat Vij Company Limited.
2. The Schedule Commercial Operation date (“SCOD”) for Solar was 10th October, 2022.
3. UGVCL shall pay fix tariff of Rs. 2.83/ unit on net delivery of energy for a period of 25 years.
4. The Company has taken insurance policy as required under the Agreement.
5. The Company shall raise bills on monthly basis.
6. The UGVCL shall make payment within 30 days from the date of receipt of invoice from Company.

KEY INDUSTRIAL REGULATIONS AND POLICIES

1. Foreign Investment Regulations

The foreign investment in India is governed, among others, by the Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 ("FEMA Rules") and the consolidated FDI policy (effective from October 15, 2020) issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (earlier known as the Department of Industrial Policy and Promotion ("FDI Policy")), each as amended. Further, the Reserve Bank of India has enacted the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 on October 17, 2019 which regulates mode of payment and remittance of sale proceeds, among others. The FDI Policy and the FEMA Rules prescribe inter alia the method of calculation of total foreign investment (i.e. direct foreign investment and indirect foreign investment) in an Indian company.

2. Foreign Trade (Development and Regulation) Act, 1992 ("FTDRA"), the Foreign Trade (Regulation) Rules, 1993 ("FTRR") and the Foreign Trade Policy 2015-2020 ("Foreign Trade Policy")

The FTDRA provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India. The FTDRA empowers the Central Government to formulate and amend the foreign trade policy. The FTDRA prohibits any person from making an import or export except under an Importer-exporter Code Number ("IEC") granted by the director general or any other authorised person in accordance with the specified procedure. The IEC may be suspended or cancelled if the person who has been granted such IEC contravenes, amongst others, any of the provisions of the FTDRA, or any rules or orders made thereunder, or the foreign policy or any other law pertaining to central excise or customs or foreign exchange. The FTDRA also prescribes the imposition of penalties on any person violating its provisions. The FTRR prescribes the procedure to make an application for grant of a license to import or export goods in accordance with the foreign trade policy, the conditions of such license, and the grounds for refusal of a license. The FTDRA empowers the Central Government to, from time to time, formulate and announce the foreign trade policy. The Foreign Trade Policy came into effect in 2017 and requires all importers and exporters to obtain an IEC. Further, pursuant to the policy, the Director General of Foreign Trade may impose prohibitions or restrictions on the import or export of certain goods, for reasons including the protection of public morals, protection of human, animal or plant life or health, and the conservation of national resources. The Foreign Trade Policy also prescribes restrictions on imports or exports in relation to specific countries, organisations, groups, individuals or products. The Foreign Trade Policy also provides for various schemes, including the export promotions capital goods scheme and duty exemption/remission schemes. India's current Foreign Trade Policy (2015-20) (as extended until September 30, 2022 and thereafter, extended till March 31, 2023) envisages helping exporters leverage benefits of GST, closely monitoring export performances, increasing ease of trading across borders, increasing realization from India's agriculture based exports and promoting exports from MSMEs and labour intensive sectors.

3. Foreign Exchange Management Act, 1999 ("the FEMA") and Rules and Regulations thereunder

Export of goods and services outside India is governed by the provisions of the Foreign Exchange Management Act, 1999, read with the applicable regulations. The Foreign Exchange Management (Export of goods and services) Regulations, 2000 have been superseded by the Foreign Exchange Management (Export of Goods and Services) Regulations, 2015 ("Export of Goods and Services Regulations 2015") issued by the RBI on January 12, 2016 (last amended on June 23, 2017). The RBI has also issued a Master Circular on Export of Goods and Services. The export is governed by these Regulations which make various provisions such as declaration of exports, procedure of exports as well as exemptions.

We remove the above rules and regulations from Key Industrial Regulations and Policies chapter.

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

FINANCIAL KPIs OF THE COMPANY:

Particulars	For the year ended March 31		
	2024	2023	2022
Revenue from Operations (₹ in Lakhs)	1,994.93	1,394.24	1,123.31
Growth in Revenue from Operations (%)	43.08%	24.12%	-
Other Income (₹ in Lakhs)	11.76	7.15	8.94
Total Income (₹ in Lakhs)	2,006.69	1,401.39	1,132.25
EBITDA (₹ in Lakhs)	471.58	178.42	46.51
EBITDA Margin (%)	23.50%	12.73%	4.11%
Profit After Tax (₹ in Lakhs)	246.12	31.21	(51.28)
PAT Margin (%)	12.34%	2.24%	(4.57%)
ROE (%)	52.83%	9.54%	(15.21%)
ROCE (%)	36.73%	12.04%	(5.49%)

* EBITDA margin is calculated as EBITDA as a percentage of total income and PAT Margin (%) is calculated as Profit for the year/period as a percentage of Revenue from Operations.

➤ Reason for increase in PAT margin over the years

The Company is engaged in the business of providing specialized services of testing and commissioning of electrical substation up to 220 KV (kilovolt) and solar power generation park of 1.5 MW (Megawatts) capacity, operation and maintenance of substation up to 66 KV (kilovolt) and within our scope, it includes erection of EHV class equipment, structures and equipment, earthing, control cable works and other associated works for substations up to 220 KV (D Class). As the business of the company is labour intensive the majority of its expense is related to Contractual labour cost, Salaries & Wages and Employer's contribution to Provident Fund. The above-mentioned expense were 75.26%, 85.34% and 93.83 % in Fiscal 2024, 2023 and 2022 respectively.

Below given table will help to understand increase and decrease in both outsourced and inhouse employees
(Rs in lakhs)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Revenue from operations	1,994.96	1,394.24	1,123.31
Contractual labour cost	153.20	179.70	325.02
(%) with Revenue	7.68%	12.89%	28.93%
Employee benefit expense	1,348.27	1,010.16	729.02
(%) with Revenue	67.6%	72.5%	64.9%

In Fiscal 2022, the company faced labour shortages due to the lingering effects of COVID-19. Given that 99.89% of our revenue comes from the government sector, as evident from our sector-wise revenue bifurcation, we were under pressure to avoid penalty clauses and contract terminations associated with non-fulfilment of government contracts. To mitigate these risks and ensure timely completion of contracts, the company was compelled to engage contract employees to meet the demand.

In Fiscal 2023, as operations expanded, the company began hiring skilled and semi-skilled staff, reducing its dependency on contract employees. This led to a 8.49 % (Net) decrease in the company's overall Employee costs (both Direct and Inhouse payroll employees).

In Fiscal 2024, the company continued to hire new skilled and semi-skilled staff as needed, leading to an increase in experienced staff who had been employed for over a year. This enabled the company to achieve economies of scale, resulting in a further 10.08% reduction in direct expenses. With no new borrowings during the year, finance costs reduced by 1.30% of revenue from operations.

Hence with proper utilization of resources available with the company and strategically managing the contract employees the company has achieved significant PAT margin of 12.34% in Fiscal 2024 as compared to 2.24 % in Fiscal 2023.

➤ **The justification for an increase in cash and cash equivalents and trade receivable in FY 2025 as compared to FY 2024.**

The Revenue from operations for Fiscal 2024 was ₹ 1994.93 lakhs and the estimated turnover for Fiscal 2025 is ₹ 2685.20 lakhs as submitted in Reply to point one of query letter dated 28th November, 2024. The estimated growth in revenue from operations is approximately 35%. This growth rate is derived as a simple average of growth in revenue from operations over last 3 years. In Fiscal 2024, the cash and cash equivalents were ₹ 108.51 lakhs whereas cash and cash equivalents for projected period Fiscal 2025 is ₹ 129.21 lakhs which is increased by 19.08%. As mentioned in point no. 7 to query letter dated 28th November, 2024 the company has policy to maintain liquid cash surplus for payments of expenses of at least one month. So due to estimated growth in revenue from operations by approximately 35%, the direct expense related to it will also increase. If we compare the cash and cash equivalents as % to revenue from operations the same is 5.44% and 4.81% in fiscal 2024 and estimated fiscal 2025 respectively. Hence it can be seen that the increase in cash and cash equivalents is nominal increase if seen in absolute amount terms but it is reduced if the same is seen as % to Revenue from operations. Further, the company has projected to repay full borrowings in Fiscal 2025 and hence, there is no amount which is being utilized from borrowings to fulfil working capital requirements for Fiscal 2025 and 2026 to avoid interest cost so as to have better profits and hence, it is more important now to keep cash surplus for monthly expenses.

Trade Receivables for Fiscal 2024 was ₹ 303.5 Lakhs and for projected year, Fiscal 2025 is ₹ 339.33 lakhs.

Trade receivable in terms of % of sales for Fiscal 2024 was 15.22% and for projected period of Fiscal 2025 it is 12.64%. Hence it can be seen that the outstanding trade receivable for projected periods is decreasing in terms of % of projected sales.

Trade receivable is increased by 11.75% in projected year, Fiscal 2025 as compared to Fiscal 2024, But as mentioned above the % of growth in revenue from operations for the said period is approximately 35%. So Increase in trade receivables (in absolute amount) can directly be attributable to increase in Revenue from operations of the company.

➤ **The justification for an increase in Trade Payable:**

The increase in trade payables for Fiscal 2025 estimated at ₹30.50 Lakhs and Fiscal 2026 projected at ₹32.03 lakhs can be attributed to the company's growing order book and operational commitments. With significant confirmed orders from clients like Gujarat Energy Transmission Corporation Limited, DNH DD Power Corporation, and NABL, the company anticipates a higher demand for outsourced labor, raw materials, and other services to meet these client projects. This increase in trade payables allows for efficient cash flow management to meet expanding project requirements.

The Company has secured new projects and the Company experienced a reduction in employees from 866 to 650 in FY 2024-25 due to a decrease in substations.

To address the anticipated increase in demand for personnel for new projects, the Company may engage contract laborers and look forward to give some part of project on sub-contracting basis to some other service provider. Consequently, this is expected to lead to an increase in Trade Payables for the estimated period.

• **Trade Payables Turnover Ratio:** The Trade Payables Turnover Ratio measures how efficiently a company manages its trade payables and how quickly it pays its suppliers.

Company's Trade payables turnover ratio for fiscal 2024 was 27.09 times. Since the ratio is on higher side it indicates that company pays to its suppliers quickly i.e. approximately within 14 days which is calculated as

follows:

Trade Payable Days = No. of days in a year/period divided by Trade Payables Turnover Ratio

Company's Trade payables turnover ratio for projected period based on projected credit purchases i.e. fiscal 2025 and fiscal 2026 is 13.78 and 11.36 respectively. Since, the ratio is reduced as compared to FY 2024 since the company is expecting better credit period from the suppliers in projected period which would improve cash flow from operations and as a result of which trade payable days has estimated to be increased.

GOVERNMENT AND OTHER APPROVALS

1. We undertake to disclose setout below license in “Government and Other Approvals” under the head “Material approvals required but not obtained or applied for”.

Sr. No.	Nature of Registration/License	Status
1.	NABL Certificate	To be applied after setting of NABL Lab

2. We undertake to update the set out below licences in the “Government and Other Approvals” under the head “Regulatory & Labour / employment related approvals obtained by our Company”.

Sr.No.	Nature of Registration/ License	License No./Registration No	Issuing Authority	Date of Issue	Date of Expiry
1.	Charging approval letter for 11KV line connecting from Solar Power Project set up Under SSDSP Scheme-2019 of 1.2 MW (AC) at Village-Bhatib, Ta-Dhanera, Dist- Banaskantha to 11kV feeder along with associated equipments to 66 KV Bhatib Substation.	UGVCL/R&C/SOLAR/SSDSP/GP-78/807	Uttar Gujarat Vij Company Limited (UGVCL)	September 17, 2021	Valid till cancelled
2.	Initial Inspection of the Electrical Installation of 1 x 1200.0 KVA 11KV/415V KV Transformer(s) & 1 x 1250.00 AMP 12.0 KV HT Breaker(s) & 1504.8 KW Grid Connected Solar Power Plant	No/CEI/Gan/Certi/53743/2021	Office of the Chief Electrical Inspector	September 14, 2021	Valid till cancelled
3.	Initial Inspection of the Electrical Installation of 11 KV S/C Dog Tower Line to 66KV Bhatib	No/CEI/Gan/Certi/53745/2021	Office of the Chief Electrical Inspector	September 14, 2021	Valid till cancelled
4.	Certificate of Commissioning for 1200 kW (AC) /1504.8 kW (DC) - Survey No. 1085, Village- Bhatib, Ta- Dhanera,	GEDA/SSDSP-23/2021/10/OW/3438	Gujarat Energy Development Agency (GEDA), Government of Gujarat Organization	October 29, 2021	Valid till cancelled

Sr.No.	Nature of Registration/ License	License No./Registration No	Issuing Authority	Date of Issue	Date of Expiry
	Dist- Banaskantha				
5.	Registration of the Project for setting up of Small Scale Distributed Solar PV Project of 1500 kW (DC) 1200 kW (AC)- - Survey No. 1085, Village- Bhatib, Ta- Dhanera, Dist- Banaskantha	SSDSP04012021-0023	Gujarat Energy Development Agency (GEDA), Government of Gujarat Organization	January 04, 2021	Valid till cancelled
6.	Registration of the Project for setting up of Small Scale Distributed Solar PV Project of 1500 kW (DC) 1200 kW (AC)- - Survey No. 1084, Village- Bhatib, Ta- Dhanera, Dist- Banaskantha	SSDSP04012021-0024	Gujarat Energy Development Agency (GEDA), Government of Gujarat Organization	January 04, 2021	Valid till cancelled
7.	Registration of the Project for setting up of Small Scale Distributed Solar PV Project of 1200 kW (DC) 1000 kW (AC)- - Survey No. 1092,1093 Village- Bhatib, Ta- Dhanera, Dist- Banaskantha	GEDASSDSP16032021-06944	Gujarat Energy Development Agency (GEDA), Government of Gujarat Organization	March 16, 2021	Valid till cancelled
8.	Tested Certificate of 11kv Metering Combined Transformer Set (CT-PT set)	TC-6557	Mehru Electrical & Mechanical Engineers (P) Ltd	July 27, 2021	Valid till cancelled
9.	Approval letter for drawing of 11kv "STELMEC" make VCB with adaptor cubical for Evacuation of	No.2021-22/PTC/Tech-I/GPNo-77,78,2360	Gujarat Energy Transmission Corporation Limited (GETCO)	June 18, 2021	Valid till cancelled

Sr.No.	Nature of Registration/ License	License No./Registration No	Issuing Authority	Date of Issue	Date of Expiry
	4.0 MW Solar Power on 11kv from solar projects located at village Bhatib to 66kv Bhatib substation of GETCO				
10.	Approval letter for drawing of the Electrical Installation of 11 KV S/C Dog Tower Line (3.00000 KM) to 66KV Bhatib	No/CEI/Gan/Plan/51290/2021	Office of the Chief Electrical Inspector	July 29, 2021	Valid till cancelled
11.	Certificate of Installation of Stelmec make 11KV VCB panel with adaptor cubical for Evacuation of 4.0 MW Solar Power on 11kv from plant located at village Bhatib to 66kv Bhatib	21-22/GETCO/TR/DHN DIV/JADIYA GSS/213	Gujarat Energy Transmission Corporation Limited (GETCO)	September 03, 2021	Valid till cancelled
12.	Approval to the drawing for the electrical installation of 1 x 1200.0 KVA 11KV/415V KV Transformer(s) & 1x 1500.0 Kw Grid Connected Solar Power Plant	No/CEI/GAN/Plan/49253/2021	Office of the Chief Electrical Inspector	June 22, 2021	Valid till cancelled
13.	Certificate of Test and Compliance	UW120NXF12800	L&T Electrical & Automation	June 03, 2021	Valid till cancelled

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines/regulations issued by the Government or the regulations, rules or guidelines issued by SEBI, established under section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Addendum to the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SEBI Act or rules or regulations made there under or guidelines issued, as the case may be. I further certify that all the statements in this Corrigendum cum Addendum to the Draft Red Herring Prospectus are true and correct.

Signed by the Director

Sd/-

Mr. Chiragkumar Natvarlal Patel

Date: 30-12-2024

Place: Palanpur