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BHADORA INDUSTRIES LIMITED

Corporate Identification Number: U31300MP2013PLC030767

Our Company was initially established as Partnership Firm under the Partnership Act, 1932 ("Partnership Act") pursuant to Deed of Partnership dated April 29, 1986. The Partnership firm was registered on May 14, 1986 with the Registrar of Firms, Tikamgarh, Madhya Pradesh. The Partnership Firm was converted into Private Limited Company under Part IX of the Companies Act, 1956 in the name and style of "Bhadora Industries Private Limited" on May 17, 2013, vide Certificate of incorporation issue by Registrar of Companies, Madhya Pradesh. Subsequently, pursuant to resolutions passed by our Board of Directors at its meeting held on May 14, 2024 and by our Shareholders at the extra-ordinary general meeting held on May 16, 2024, our Company was converted into a public limited company and the name of our Company was changed to "Bhadora Industries Limited" and a fresh certificate of incorporation was issued by the Registrar of Companies, Central Processing Centre dated August 07, 2024. The corporate identity number of our Company is U31300MP2013PLC030767. For further details, please refer to section titled "History and Certain Corporate Matters" beginning on page 185 of this Draft Red Herring Prospectus.

Registered Office & Corporate Office: Office No. 505, Plot No 39.405, NRK BIZ PARK PU-4, Scheme N 54, DDU Nagar, Indore – 452 010, Madhya Pradesh, India

Contact Person: Archana Khare, Company Secretary and Compliance Officer

E-mail: cs@vidhutcables.com; **Website:** www.vidhutcables.com **Telephone:** +91-70000 61995

Corporate Identification Number: U31300MP2013PLC030767

OUR PROMOTERS: SHASHANK BHADORA, PRADEEP BHADORA AND ANIL BHADORA

ADDENDUM TO THE DRAFT RED HERRING PROSPECTUS DATED FEBRUARY 15, 2025

NOTICE TO INVESTORS (THE "ADDENDUM")

INITIAL PUBLIC ISSUE OF UP TO 54,00,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF BHADORA INDUSTRIES LIMITED ("COMPANY" OR "BHADORA" OR "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) ("ISSUE PRICE") AGGREGATING UP TO ₹ [●] LAKHS OF WHICH UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ [●] EACH FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE AGGREGATING TO ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. NET ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH AT A PRICE OF ₹ [●] PER EQUITY SHARE AGGREGATING TO ₹ [●] IS HEREIN AFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [●]% AND [●]% RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. THE FACE VALUE OF EQUITY SHARES IS ₹ 10 EACH. THE ISSUE PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES.

THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER AND WILL BE ADVERTISED IN ALL EDITIONS OF [●] (WHICH ARE WIDELY CIRCULATED ENGLISH DAILY NEWSPAPER) AND ALL EDITIONS OF [●] (WHICH ARE WIDELY HINDI DAILY NEWSPAPER) AND [●] EDITIONS OF [●], A WIDELY CIRCULATED HINDI DAILY NEWSPAPER (HINDI BEING THE REGIONAL LANGUAGE OF MADHYA PRADESH WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", "STOCK EXCHANGE") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITE, IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED ("SEBI ICDR REGULATIONS")

Potential Bidders may note the following: "DEFINITIONS AND ABBREVIATIONS", "RISK FACTORS", "GENERAL INFORMATION", "OBJECTS OF THE ISSUE", "BASIS OF THE ISSUE PRICE", "OUR BUSINESS", "HISTORY AND CERTAIN CORPORATE MATTERS", "OUR MANAGEMENT", "OUR PROMOTERS AND PROMOTER GROUP", "OUR GROUP COMPANIES", "DIVIDEND POLICY", "FINANCIAL INDEBTEDNESS", "OUTSTANDING LITIGATION AND OTHER MATERIAL DEVELOPMENTS" AND "GOVERNMENT AND OTHER KEY APPROVALS", "MAIN PROVISIONS OF ARTICLES OF ASSOCIATION" have been updated in accordance with the suggestions made by NSE.

The below mentioned changes are 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 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 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.

The Equity Shares offered in the offer have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or the law of any state of the United States, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act (as defined in Regulation S under the U.S. Securities Act ("Regulation S")) and applicable state securities laws in the United States. Accordingly, the Equity Shares are being offered and sold outside the United States in "offshore transactions" as defined and in reliance on Regulation S and the applicable laws of the jurisdictions where such offers and sales are made. There will be no public offering of the Equity Shares in the United States.

Place : Indore
Date : May 09, 2025

For and on behalf of Bhadora Industries Limited
Sd/-
Archana Khare
Company Secretary and Compliance Officer

BOOK RUNNING LEAD MANAGER

REGISTRAR TO THE ISSUE



UNISTONE

UNISTONE CAPITAL PRIVATE LIMITED

A/305, Dynasty Business Park, Andheri Kurla Road, Andheri East, Mumbai 400059, Maharashtra

Telephone: +91 98200 57533

Email: mb@unistonecapital.com

Website: www.unistonecapital.com

Investor grievance email: compliance@unistonecapital.com

Contact Person: Mr. Brijesh Parekh

SEBI registration number: INM000012449

CIN: U65999MH2019PTC330850



MUFG Intime India Private Limited (Formerly known as Link Intime India Private Limited)

C/101, 247 Park, 1st Floor, L.B.S Marg, Vikhroli (West) - 400 083, Maharashtra, India

Telephone: +91 810 811 4949

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E-mail: bhadora ipo@linkintime.co.in

Investor grievance e-mail: bhadora ipo@linkintime.co.in

Website: www.linkintime.co.in

Contact Person: Shanti Gopalkrishnan

SEBI Registration No.: INR000004058

CIN: U67190MH1999PTC118368

BID/OFFER PERIOD

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

Bid/Offer Opens on⁽¹⁾: [●]

Bid/Offer Closes on⁽²⁾⁽³⁾: [●]

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

(2) Our Company, in consultation with the BRLM, 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.

(3) 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

Issue Related Terms

Term	Description
Addendum	The addendum dated May 07, 2025 to the Draft Red Herring Prospectus dated February 15, 2025.
Draft Red Herring Prospectus/ DRHP	The draft red herring prospectus dated February 15, 2025, read with Addendum filed with issued SEBI and issued in accordance with SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the issue, including any addenda or corrigenda hereto

SECTION II- RISK FACTORS

- 1. The company is highly dependent on our top ten customers and the loss of any of these customers or a substantial reduction in their purchasing activity would have a significant negative impact on our business.**

We are engaged in business of manufacturing of industrial cables which provide efficient electricity transmission and distribution solutions to the government discoms and EPC companies which cater to the diverse electrical connectivity needs of various industrial sectors. Although our customer base may vary each year, we are heavily reliant on the contributions of our top 10 customers. As a result, our business performance and financial condition in any given fiscal year are closely tied to the revenue generated from these top 10 customers.

The table set forth below provides top 10 Customers, for the period ended September 30, 2024, and for the Year ended March 31, 2024, March 31, 2023, and March 31, 2022:

(₹ in lakhs)

Particulars	For the period ended September 30, 2024		For the year ended March 31, 2024		For the year ended March 31, 2023		For the year ended March 31, 2022	
	Revenue from Operation	% of total Revenue from Operations	Revenue from Operation	% of total Revenue from Operations	Revenue from Operation	% of total Revenue from Operations	Revenue from Operation	% of total Revenue from Operations
Customer 1	1362.00	29.76%	2269.66	27.89%	407.82	22.12%	710.53	48.77%
Customer 2	527.86	11.53%	2096.50	25.76%	277.83	15.07%	453.61	31.14%
Customer 3	473.24	10.34%	1044.77	12.84%	267.69	14.52%	53.78	3.69%
Customer 4	354.50	7.75%	387.69	4.76%	278.09	15.08%	67.72	4.65%
Customer 5	284.90	6.22%	310.38	3.81%	108.83	5.90%	47.51	3.26%
Customer 6	268.29	5.86%	293.32	3.60%	73.18	3.97%	33.67	2.31%
Customer 7	254.37	5.56%	251.89	3.09%	70.25	3.81%	25.80	1.77%
Customer 8	247.12	5.40%	229.56	2.82%	55.25	3.00%	22.99	1.58%
Customer 9	199.65	4.36%	216.40	2.66%	53.00	2.87%	19.29	1.32%
Customer 10	189.44	4.14%	208.10	2.56%	48.34	2.62%	13.40	0.92%
Total	4161.37	90.92%	7308.25	89.79%	1640.30	88.95%	1448.30	99.42%

The following table summarizes the revenue contribution from our customers with longstanding relationships for the Financial Years ended March 31, 2024, March 31, 2023, and March 31, 2022:

(₹ in lakhs)

Customers being served more than	Fiscal 2024			Fiscal 2023			Fiscal 2022		
	Number of customers	Revenue from operations	% of Total revenue from operations	Number of customers	Revenue from operations	% of Total revenue from operations	Number of customers	Revenue from operations	% of Total revenue from operations
0-3 year	22	7432.73	91.32%	19	1790.34	97.09%	15	1392.05	95.36%
4-5 years	3	454.71	5.59%	2	53.68	2.91%	-	-	-
More than 5 years	1	251.89	3.09%	-	-	0.00%	1	67.72	4.64%

Further, the volume and timing of sales to our long-term customers may vary due to variation in demand for such customers' products or on account of their manufacturing and growth strategy. Thus, any decrease in the demand for our offerings from our long-term customers, or a termination of our arrangements altogether, would adversely impact our results of operations, financial condition and cash flow. These customers may change their outsourcing strategy by moving more work in-house, replace our Company with our competitors, or replace their existing products with alternative products which we do not procure and supply. Also, these customers may demand price reductions and there is no assurance that we will be able to offset any reduction of prices to these customers with reductions in our costs or by acquiring new customers. The loss of one or more of these significant or key customers or a reduction in the amount of business we obtain from them could have an adverse effect on our business, results of operations, financial condition and cash flows. We cannot assure you that we will be able to maintain historic levels of business or that we will be able to significantly reduce customer concentration in the future. In the past we have experienced a case with Uttar Haryana Bijli Vitran Nigam ("the said entity") where the said entity has backlisted our Company for a period of three years and also the said entity has proceeded to encash the bank guarantee

tendered by the Company. Against the action and measures of the said entity, the Company has filed a Civil Miscellaneous Application under Section 151 of the Code of Civil Procedure read with Section 9 of the Arbitration and Conciliation Act, 1996 before the Hon'ble District Judge (Commercial Court) at Panchkula, seeking grant of ad-interim stay for restraining the said entity from encashing the bank guarantee and further the Company has initiated an arbitration proceedings to quash and set aside of the blacklisting order by the said entity, there can be no assurance that there will not be such instances in the future.

There is no assurance that our customers will continue to source products from our company at volumes or rates consistent with, to, the amount of business received from them historically, or at all. Any decrease in the demand for our products from our top ten customers of our arrangements altogether, would adversely impact our results of operations, financial condition and cash flow.

2. ***Our raw material cost constitutes a significant percentage of our total expenses. Any increase in the prices, availability and quality of raw materials could adversely affect our reputation, business, results from operations, financial conditions and cash flows. We rely on few qualified suppliers for our primary raw material, loss of these suppliers may have an adverse effect on our business, results of operations and financial conditions.***

We source raw materials from domestic suppliers, considering factors such as market availability, pricing, and quality. We use many raw materials in our manufacturing facility such as aluminium wire rods, Polyvinyl chloride and cross-linked polyethylene ("PVC and XLPE") are the basic inputs or commodities used in the manufacturing of Industrial cables. The prices of these raw materials can be volatile due to a wide range of external factors such as market demand, geopolitical events, weather conditions, supply chain disruptions, government regulations, or natural disasters. These price fluctuations can occur rapidly and unpredictably.

The table below sets out our cost of raw materials consumed for the period ended September 30, 2024 and in Fiscal 2024, Fiscal 2023 and Fiscal 2022 and such expenses as a percentage of our total expenses for the same periods:

Particulars	For the period ended		For the Year ended					
	September 30, 2024		March 31, 2024		March 31, 2023		March 31, 2022	
	Amount (₹ in lakhs)	Percentag e of total expense(%)	Amount (₹ in lakhs)	Percentag e of total expenses (%)	Amount (₹ in lakhs)	Percentag e of total expenses (%)	Amount (₹ in lakhs)	Percentag e of total expenses (%)
Cost of raw materials consumed including (increase)/decrease in inventories of finished goods, stock in trade and work in progress	3451.89	85.23%	6682.36	87.26%	1537.74	82.76%	1070.92	70.55%

We are exposed to price fluctuations in the raw materials we purchase, which constitute the highest component of our expenses. Additionally, if the holding period for raw materials exceeds the average, we may need additional working capital to cover the cost of maintaining these materials, which could further increase our overall raw material expenses. Any significant rise in raw material prices that we are unable to pass on to customers could materially adversely affect our business and financial position. While such instances have not occurred in the past during the last three financial years and for the period ended September 30, 2024, however occurrence of such instances in the future may have an adverse effect on our financial condition and results of operations.

We do not have long-term contracts with our raw material suppliers, and all our procurements are made through purchase orders. In the absence of formal, exclusive long-term agreements, we cannot guarantee the longevity of these business relationships, and we risk losing a significant portion of our revenues to competitors. Any shift in the preferences of our suppliers could lead to the discontinuation of our engagements with them, which may materially and adversely affect our business. While we place emphasis on maintaining quality, ensuring timely delivery of raw materials, and fostering personal relationships with suppliers through senior management, any changes in purchasing patterns or supplier preferences could negatively impact our business and profitability. While such instances have not occurred in the past during the last three financial years and for the period ended September 30, 2024, however occurrence of such instances in the future may have an adverse effect on our financial condition and results of operations.

The table set forth below provides top 10 suppliers, for period ended September 30, 2024 and for the year ended March 31, 2024, March 31, 2023, and March 31, 2022:

(₹ in lakhs)

Particulars	For the period ended September 30, 2024		For the year ended March 31, 2024		For the year ended March 31, 2023		For the year ended March 31, 2022	
	Purchase of raw materials	% of total purchases of raw material	Purchase of raw materials	% of total purchases of raw material	Purchase of raw materials	% of total purchases of raw material	Purchase of raw materials	% of total purchases of raw material
Supplier 1	720.46	19.80%	1612.28	24.59%	599.29	36.78%	296.98	24.05%
Supplier 2	505.49	13.89%	1158.25	17.66%	256.27	15.73%	187.94	15.22%
Supplier 3	503.91	13.85%	844.07	12.87%	163.51	10.04%	133.82	10.83%
Supplier 4	289.99	7.97%	482.76	7.36%	150.42	9.23%	78.46	6.35%
Supplier 5	287.79	7.91%	350.03	5.34%	134.38	8.25%	77.32	6.26%
Supplier 6	209.65	5.76%	220.81	3.37%	70.08	4.30%	77.01	6.23%
Supplier 7	179.99	4.95%	152.28	2.32%	44.00	2.70%	62.91	5.09%
Supplier 8	149.50	4.11%	143.36	2.19%	40.88	2.51%	55.14	4.46%
Supplier 9	80.90	2.22%	128.86	1.96%	35.34	2.17%	41.80	3.38%
Supplier 10	79.95	2.20%	125.31	1.91%	32.73	2.01%	39.38	3.19%
Total	3,007.63	82.67%	5,218.01	79.57%	1,526.90	93.72%	1,050.74	85.07%

5. There are ongoing legal proceedings involving our Promoter and Director, which, if decided adversely, may materially affect our business, financial condition, results of operations, and reputation.

The Company acknowledges that legal proceedings are currently pending before the High Court of Madhya Pradesh involving our Promoter and Director, Mr. Pradeep Bhadora. The case originates from a criminal complaint alleging offences under Sections 323/149 and 325 of the Indian Penal Code (IPC) for voluntarily causing hurt. In Criminal Case No. 1203286 of 2012, the Judicial Magistrate First Class, Tikamgarh, found Mr. Bhadora and other accused guilty under Sections 147 and 323/149 IPC and sentenced them on November 9, 2021, to a fine and punishment till the rising of the court.

Subsequently, Criminal Appeals No. 116 and 118 of 2021 were filed before the Sessions Court, Tikamgarh—by the complainants seeking stricter punishment and by the accused challenging the conviction. The Sessions Court, upon review, enhanced the conviction to offences under Sections 325/149 and 458 IPC and sentenced Mr. Bhadora and the other accused to rigorous imprisonment for two and four years, respectively, along with fines of ₹2,000 and ₹3,000 for each offence.

Following this, Criminal Revision Reference No. 5796 of 2023 was filed before the High Court of Madhya Pradesh by Mr. Bhadora and other co-accused, seeking suspension of the sentence. By an order dated December 22, 2023, the High Court granted the suspension of the remaining sentence, subject to the deposit of the full fine amount and the furnishing of a personal bond of ₹50,000 with one surety, ensuring their appearance before the JMFC, Tikamgarh, during the pendency of the revision. The matter remains sub judice before the High Court.

For additional details on the ongoing litigation, please refer to the section “Outstanding Litigation and Material Developments” on page 261 of this Draft Red Herring Prospectus.

We cannot assure you that the legal proceedings will be resolved in favour of our Promoter and Director, or that no further liability will arise from the case. Any adverse outcome may materially and adversely affect our business, prospects, reputation, financial condition, and results of operations.

6. Dependence on a Single Manufacturing Facility may have an adverse effect on our business, results of operations and financial condition.

We currently operate only one manufacturing facility located in Tikamgarh, Madhya Pradesh, which exposes our company to significant operational risks due to our reliance on a single location for all of our production needs. Any disruption or shutdown of operations at this facility, whether due to natural disasters, fire, equipment failure, labour disputes, regulatory issues, or any other unforeseen circumstances, could severely impact our ability to manufacture and supply products in a timely manner.

This concentration of manufacturing capacity increases our vulnerability to regional risks and limits our ability to respond to demand fluctuations or scale production in the event of increased market demand. Any prolonged disruption at our Tikamgarh

facility could lead to a delay or inability to fulfill customer orders, potentially harming our relationships with customers, and leading to a loss of market share.

Furthermore, our dependence on a single manufacturing unit could lead to increased transportation costs and delivery delays, especially for customers located far from Madhya Pradesh. There can be no assurance that this concentration of manufacturing capacity will not have a material adverse effect on our business, financial condition and results of operations. While such instances have not occurred in the past during the last three financial years and for the period ended September 30, 2024, however occurrence of such instances in the future may have an adverse effect on our financial condition and results of operations.

- 7. *We are measured against high quality standards and stringent performance requirements by our customers. Any failure to meet these standards or requirements could result in the cancellation of current and future orders, product recalls, or liquidated damages. Such events could significantly harm our reputation, business operations, financial condition, and cash flows.***

We are engaged in business of manufacturing of industrial cables which provide efficient electricity transmission and distribution solutions to the government discoms and EPC companies which cater to the diverse electrical connectivity needs of various industrial sectors. Our products are used in critical applications where reliability and safety are paramount. As a result, cables must meet high-quality standards to ensure they perform effectively in demanding environments, such as power transmission, construction, and industrial settings. These standards cover aspects like durability, electrical performance, insulation quality, and safety to prevent failures, reduce risks, and maintain operational efficiency. We have to consistently meet these quality benchmarks to ensure our products can withstand various stresses, including temperature variations, moisture, and mechanical wear, while also adhering to regulatory requirements. Before accepting any raw materials, we perform thorough quality control checks, as these directly impact the quality of our final products. We have necessary infrastructure to test our raw materials and finished products to match the quality standards. Our Quality Division and in-house quality laboratory is well-equipped for ensuring the quality and compliance with regulatory standards. The failure by us to achieve or maintain compliance with these quality standards may disrupt our ability to supply products to our customers until compliance with such standards is achieved. Any failure to meet these standards or requirements could result in the cancellation of current and future orders, product recalls, or liquidated damage. Such events could significantly harm our reputation, business operations, financial condition, and cash flows. However there have been no past instances of any failure to achieve or maintain compliance with these quality standards, however we cannot assure you that such instances will not occur in the future.

- 9. *We are in the government contract and tenders' agreement which is subjected to penalties and liquidated damages including blacklisting for certain period of time in case of default and failure to fulfil the term and conditions of particular tender, which can have a significant impact on the company's operations, financial health, and long-term growth.***

Our substantial portion of incomes arises from state discom government tenders. We are subjected to penalties or liquidated damages including blacklisting for certain period of time in case of default and failure to fulfil the term and conditions of particular tender entered into with the Government entities. Any failures to adhere to a contractually agreed could result in penalties and liquidated damages are typically pre-determined amounts the company must pay in case of delays or non-performance. These penalties can be substantial and directly reduce the company's profits, impacting its cash flow and financial stability. If liquidated damages arise frequently, it can increase the cost of doing business, making operations less profitable and potentially forcing the company to reassess its pricing strategy or operating model. Repeated defaults or the payment of penalties can damage the company's relationship with government entities. Governments may view the company as unreliable or inefficient, which can tarnish its reputation and reduce future business opportunities. Continuous risks of penalties or defaults can lead to significant pressure on the company's management to ensure compliance with contract terms. This may result in overburdened management teams, potentially leading to poor decision-making and inefficiencies.

In the past we have experienced a case with Utttar Haryana Bijli Vitran Nigam ("the said entity") where the said entity has backlisted our Company for a period of three years and also the said entity has proceeded to encash the bank guarantee tendered by the Company. Against the action and measures of the said entity, the Company has filed a Civil Miscellaneous Application under Section 151 of the Code of Civil Procedure read with Section 9 of the Arbitration and Conciliation Act, 1996 before the Hon'ble District Judge (Commercial Court) at Panchkula, seeking grant of ad-interim stay for restraining the said entity from encashing the bank guarantee and further the Company has initiated an arbitration proceedings to quash and set aside of the blacklisting order by the said entity.

For further details on the outstanding litigation proceedings, see "*Outstanding Litigation and Material Developments*" on page 261 of this Draft Red Herring Prospectus.

- 10. *We require working capital for our smooth day-to-day operations and insufficient working capital may result in the company being unable to meet its daily operational needs. This could lead to delays in paying suppliers, wages, or***

other operational expenses, affecting production schedules and delivery timelines as well as fluctuation in working capital turnover ratio could also adversely impact our business and financials of the Company.

Any disruptions in working capital could result in lost revenue, damage to customer relationships, and missed business opportunities. Working capital is crucial for purchasing raw materials or maintaining adequate inventory levels. A shortage of working capital may result in the company being unable to procure necessary materials, causing delays in production or an inability to fulfil customer orders. This could lead to operational inefficiencies, delayed project completions, and a potential loss of customers. If working capital is insufficient, the company may need to rely on short-term or emergency financing, which typically comes with higher interest rates or unfavourable terms. This increases the cost of capital, reducing profitability. Our working capital turnover ratio may fluctuate due to various factors, including changes in inventory levels, receivables, and payables. Such fluctuations could adversely impact our liquidity, operational efficiency, and overall financial performance, potentially affecting our ability to meet short-term obligations or fund day-to-day operations.

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2024	For the period ended September 30, 2024
Net Capital Turnover ratio	3.96	9.32	2.91	2.45

The table below sets forth our working capital for the period ended September 30, 2024, and for the Financial Years 2024, 2023 and 2022 on the basis stated below:

Particulars	For the year ended March 31, 2022 (Audited)	For the year ended March 31, 2023 (Audited)	For the year ended March 31, 2024 (Audited)	For the period ended September 30, 2024 (Audited)
Current Assets				
Inventories	862.11	953.61	829.20	1,015.57
Trade receivables	238.39	461.66	1,219.65	1,533.59
Other financial assets and current assets	143.47	112.96	79.67	304.19
Total Current Assets (A)	1,243.97	1,528.23	2,128.52	2,853.35
Current Liabilities				
Trade payables	43.13	419.17	466.99	390.61
Short-term Provisions & Other current liabilities	7.88	13.95	101.28	274.70
Total Current Liabilities (B)	51.01	433.12	568.27	665.31
Net Working Capital Requirements (A-B)	1,192.96	1,095.11	1,560.25	2,188.04
Source of funds				
Borrowing	1,192.96	1,095.11	1,286.78	1,192.30
Internal accruals	-	-	273.47	995.74

Our business requires funds towards working capital requirements. In case there are insufficient cash flows to meet our working capital requirement, or we are unable to arrange the same from other sources or there are delays in disbursement of arranged funds, or we are unable to procure funds on favourable terms, at a future date, it may result into our inability to finance our working capital needs on a timely basis which may have an adverse effect on our operations, profitability and growth prospects. For further details regarding incremental working capital requirement, please refer to the chapter titled “Objects of the Issue” beginning on page 99 of this Draft Red Herring Prospectus.

11. We Operate our Registered Office and Manufacturing Facility that are held by our company on leasehold basis. In the event we lose or are unable to renew such leasehold rights, our business, results of operations, financial condition, cash flows and prospects may be adversely affected.

We operate our Registered Office and Manufacturing Facility are held by our company on, on leasehold basis, details whereof are as under:

Particulars	Location / district	Nature of holding (Please indicate whether property is owned/leased/license, etc.)	Name of the Owner holding the property	Date of the lease/ license/ sale deed/Renew Date	Term of the lease/ license	Relationship with Licensor	Area of the property
Registered Office	Office No.505, Plot No.39.405, NRK BIZ Park, PU-4, Scheme N 54, DDU Nagar, Indore-452010.	Leased	Harsha Ashish Palod	January 03, 2023	5 Years	None	46.46 Sq. mtr
Factory/manufacturing unit-I	Shed No-4, 4 S.U.IE. Dhonga, Tikamgarh (Madhya Pradesh)	Leased	General Manager, District Trade and Industries Centre, Tikamgarh	September 29, 2023	69 Years	None	4108 Sq. ft.
	Khasara No. 64,65,66,67, 69,71,72&73, Dhonga, Tikamgarh	Leased	General Manager, District Industries Centre, Tikamgarh	November 18, 1989	99 Years	None	10920 Sq. ft.

We cannot assure you that we shall continue to be able to operate out of our existing premises or renew our existing licenses at favourable terms or at all. In the event that we are required to vacate our current premises, we would be required to make alternative arrangements, and we cannot assure that the new arrangements will be on commercially acceptable terms. We may also face the risk of being evicted in the event that our landlords allege a breach on our part of any terms under these lease agreements and there is no assurance that we will be able to identify suitable locations to re-locate our operations. Moreover, we may face significant increases in the lease rental rates. We cannot assure you that we may be able to do so in a timely manner. If we lose our rights on leased properties or are required to negotiate terms or to relocate our business operation or shut down our Registered Office and manufacturing facility, we may suffer a disruption in our operation or have to pay increased charges, which could have an adverse effect on our business, prospects, results of operations, cash flows and financial condition. While such instances have not occurred in the past during the last three financial years and for the period ended September 30, 2024, however occurrence of such instances in the future may have an adverse effect on our financial condition and results of operations.

14. If we are not able to obtain, renew or maintain our statutory and regulatory licenses, registrations and approvals required to operate our business, it may have a material adverse effect on our business, results of operations and financial condition.

We require certain statutory and regulatory licenses, registrations and approvals to operate our business some of which are granted for a fixed period of time and need to be renewed from time to time. Further, in future, we may also be required to obtain new licenses, registrations and approvals for any proposed operations. There can be no assurance that the relevant authorities will renew such licenses, registrations and approvals in a timely manner or at all. There have been instances in the past, wherein licenses and approvals obtained by our Company, we obtained with a delay and therefore our Company operated its manufacturing unit without such licenses and approvals. Further, these licenses, registrations and approvals are subject to several conditions, and our Company cannot assure that it shall be able to continuously meet such conditions or be able to prove compliance with such conditions to statutory authorities, and this may lead to cancellation, revocation or suspension of relevant licenses, approvals and registrations. We may be subject to penalties or suffer a disruption in our business activities, any of which could adversely affect our results of operations. Further, our Company will be responsible for bearing any and all liabilities arising out of this non-compliance. If we are unable to renew, maintain or obtain the required registrations or approvals, it may result in the interruption of our operations and may have a material adverse effect on our revenues and operations. Failure by our Company to renew, maintain or obtain the required licenses or approvals, or

cancellation, suspension, or revocation of any of the licenses, approvals and registrations may result in the interruption of our Company's operations and may have a material adverse effect on our business. While, such instances have not occurred in the past, however occurrence of such instances in the future may have an adverse effect on our financial condition and results of operations.

For further details on the licenses obtained by our Company and licenses for which renewal applications have been made, kindly refer the chapter titled "Government and Other Approvals" beginning on page 269 of this Draft Red Herring Prospectus.

20. *If the Company cannot anticipate shifting product trends or industry preferences, it may continue to produce outdated or less desirable products. This could lead to a significant decline in market demand, affecting sales and overall revenue generation.*

If we are unable to anticipate product trends and industry preferences and develop successful new products, we may not be able to maintain or increase our revenues and profits. Competitors who are able to identify and act on emerging trends faster than the Company could gain market share. Failure to stay ahead of competitors in terms of innovation and industry preferences could result in the Company losing its competitive edge and market position. Consumer preferences can evolve quickly, and companies that fail to innovate or adapt may struggle to retain their customer base. If the Company does not develop successful new products aligned with market trends, it may face stagnant or decreasing revenues and profits. Without the ability to successfully introduce new products that resonate with consumers, the Company may experience a drop in sales, which could directly impact profit margins and overall financial health.

21. *The deployment of funds is entirely at our discretion and as per the details mentioned in the chapter titled "Objects of the Issue".*

As the Issue size shall be less than ₹5,000 lacs, under Regulation 262(1) of the SEBI ICDR Regulations it is not required that a monitoring agency be appointed by our Company, for overseeing the deployment and utilization of funds raised through this Issue. Therefore, the deployment of the funds towards the Objects of this Issue is entirely at the discretion of our Board of Directors and is not subject to monitoring by external independent agency. Our Board of Directors along with the Audit Committee will monitor the utilization of Issue proceeds and shall have the flexibility in applying the proceeds of this Issue. However, the management of our Company shall not have the power to alter the objects of this Issue except with the approval of the Shareholders of the Company given by way of a special resolution in a general meeting, in the manner specified in Section 27 of the Companies Act, 2013. Additionally, the dissenting shareholders being those shareholders who have not agreed to the proposal to vary the objects of this Issue, our Promoters shall provide them with an opportunity to exit at such price, and in such manner and conditions as may be specified by the SEBI, in respect to the same. For further details, please refer to the chapter titled "Objects of the Issue" on page 99 of this Draft Red Herring Prospectus.

22. *The objects of the Fresh Issue for which the funds are being raised have not been appraised by any bank or financial institutions. Any variation in the utilization of our Net Proceeds as disclosed in this Red Herring Prospectus would be subject to certain compliance requirements, including prior Shareholders' approval.*

We propose to utilize the Net Proceeds for funding capital expenditure towards expansion of proposed manufacturing facility. Such objects have not been appraised by any bank or financial institution, for further details of the proposed objects of the Issue, see "Objects of the Issue" beginning on page 99. At this juncture, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with Sections 13(8) and 27 of the Companies Act, 2013 and Schedules XI and XX of the SEBI ICDR Regulation, any material deviation in the utilisation of the Net Proceeds as disclosed in this Draft Red Herring Prospectus requires the Company to obtain the approval of shareholders of our Company through a special resolution. In such event, we may not be able to obtain the approval of the shareholders of our Company in a timely manner, or at all. Any delay or inability in obtaining such approval of the shareholders of our Company may adversely affect our business or operations.

Further, our Company and Promoters would be required to provide an exit opportunity to the shareholders of our Company who do not agree with the material deviation of the proposed utilization of Net Proceeds, at a price and manner as prescribed by SEBI. Additionally, the requirement on Promoters to provide an exit opportunity to such dissenting shareholders of our Company may deter the Promoters from agreeing to the material deviation of the proposed utilisation of the Net Proceeds, even if such material deviation is in the interest of our Company. Further, we cannot assure you that the Promoters will have adequate resources at their disposal at all times to enable them to provide an exit opportunity.

In light of these factors, we may not be able to undertake material deviation of the proposed utilization of the Net Proceeds to use any unutilized proceeds of the Issue, if any, even if such material deviation is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition by re-deploying the unutilized portion of Issue Proceeds, if any, which may adversely affect our business and results of operations.

- 23. We have not made any alternate arrangements for meeting our capital requirements for the Objects of the Issue. Further, we have not identified any alternate source of financing the 'Objects of the Issue'. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations and financial performance.**

As on date, we have not made any alternate arrangements for meeting our capital requirements for the Objects of the Issue. We meet our capital requirements through our bank finance, unsecured loans, owned funds and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further, we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this issue or any shortfall in the issue proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details, please refer to the chapter titled "Objects of the Issue" beginning on page 99 of this Draft Red Herring Prospectus.

- 24. There have been some instances of delays in filing of statutory forms and regulatory dues in the past with the various government authorities.**

In the past, there have been some instances of delays in filing statutory forms and regulatory dues with government authorities such as EPF, ESIC, GST returns and TDS dues. Accordingly, we have been subjected to penalty and charged with interest for delayed deposit of tax on those instances as well. Such delays were mainly on account of technical glitches of server on the regulatory website for filing such returns and payment of TDS dues. While our Company has already regularized the aforesaid delays, however, there can be no assurance that the regulator may not initiate proceedings against us or that we will be able to sufficiently defend against any action initiated by regulators in relation to regulatory compliances for all instances and periods. Any adverse order passed, or penalty imposed by regulators on us may adversely affect our business and the results of operations.

INSTANCES OF DELAY IN FILING EPF RETURN

(in lakhs)

Sr. No.	Financial Year	Month	Amount	Reason
1	2021-2022	November, 2021	1.53	Server Issue
		February, 2022	0.77	Server Issue
2	2022-2023	November, 2022	0.91	Server Issue
3	2023-2024	July, 2023	0.89	Server Issue

INSTANCES OF DELAY IN FILING ESIC RETURN

(in lakhs)

Sr. No.	Financial Year	Month	Amount	Reason
1	2023-2024	April, 2023	0.22	Server Issue
		May, 2023	0.22	Server Issue
		June, 2023	0.24	Server Issue
		July, 2023	0.24	Server Issue
		August, 2023	0.24	Server Issue
		September, 2023	0.24	Server Issue
		November, 2023	0.26	Server issue

INSTANCES OF DELAY IN FILING GST RETURN

(in lakhs)

Sr. No.	Financial Year	Month	Amount	Reason
1	2021-2022	August, 2021	6.03	Bank server issue
2	2022-2023	Nil	Nil	Nil
3	2023-2024	Nil	Nil	Nil

INSTANCES OF DEFAULT IN PAYMENT OF TDS

(in lakhs)

Sr.No.	Financial Year	Amount
1	2023-2024	0.54

The Board of Directors of our company has taken note of these delays in fulfilling our statutory and regulatory obligations. Our company has appointed designated employees responsible for monitoring statutory requirements and ensuring timely

compliance of the same. A compliance calendar has been established to track deadlines for filings, approvals, and submissions to regulatory bodies. There can be no assurance that delays or default with respect to payment of statutory and regulatory dues will not occur in the future which in turn may affect our reputation and financial results.

29. If we are unable to identify customer demand accurately and maintain an optimal level of inventory proportionately, our business, results of operations and financial condition may be adversely affected.

The success of our business depends upon our ability to anticipate and forecast customer demand and trends. Any error in such identification could result in either surplus stock, which we may not be able to sell in a timely manner, or no stock at all, or under stocking, which will affect our ability to meet customer demand. We plan our inventory and estimate our sales based on the forecast, demand and requirements for our products based on past data. An optimal level of inventory is important to our business as it allows us to respond to customer demand effectively by readily making our products available to our customers. Ensuring continuous availability of our products requires prompt turnaround time and a high level of coordination across raw material procurement, manufacturers, suppliers, warehouse management and departmental coordination. While we aim to avoid under-stocking and over-stocking, our estimates and forecasts may not always be accurate. If we fail to accurately forecast customer demand, we may experience excess inventory levels or a shortage of products available for sale. If we over-stock inventory, our capital requirements may increase and we may incur additional financing costs. Any unsold inventory would have to be sold at a discount, leading to losses. We cannot assure you that we will be able to sell surplus stock in a timely manner, or at all, which in turn may adversely affect our business, results of operations and financial condition. If we under-stock inventory, our ability to meet customer demand may be adversely affected. However, as on the date of this Draft Red Herring Prospectus, there have been no such instances in the previous three financial years.

30. Improper storage, processing and handling of raw materials, work products and products could damage inventories and, as a result, have an adverse effect on the business, results of operations and cash flows.

Our inventory primarily consists of raw materials including aluminium wire rods, Polyvinyl chloride and cross-linked polyethylene ("PVC and XLPE"), in particular, are highly sensitive steel variants. Exposure to stresses, bends, jolts, moisture, chemicals, or other liquids can lead to deterioration in their mechanical and electrical properties, resulting in the depreciation of inventory value. Likewise, both raw materials and finished goods are vulnerable to transit damages caused by adverse weather conditions or rough handling.

Hence, raw materials, manufacturing processes and finished products if not appropriately stored, handled, and processed may affect the quality of the finished product, which could materially and adversely affect our business, financial condition, results of operations, or cash flows. Improper storage may also result in higher than usual spoilage of inventory due to adverse weather conditions or longer than usual storage periods, which may result in cultivation of our inventory consisting of our products and may also require us to incur additional expenses in replacing that portion of the inventory and/ or incur additional expenses in maintenance and improvement of our storage infrastructure, which may adversely affect our profit margins. As of the date of this Draft Red Herring Prospectus, there have been no such instances in the previous three financial years.

31. Our inability to effectively manage our growth or to successfully implement our business plan and growth strategy could adversely affect our business, results of operations and financial condition.

We have experienced considerable growth over the past three years, and we have expanded our operations and product portfolio. We cannot assure you that our growth strategies will continue to be successful or that we will be able to continue to expand further, or at the same rate.

Our inability to execute our growth strategies in a timely manner or within budget estimates or our inability to meet the expectations of our customers and other stakeholders, could have an adverse effect on our business, results of operations and financial condition. Our future prospects will depend on our ability to grow our business and operations. The development of such future business could be affected by many factors, including general, political and economic conditions in India, government policies or strategies in respect of specific industries, prevailing interest rates and price of equipment and raw materials. Further, in order to manage our growth effectively, we must implement, upgrade and improve our operational systems, procedures and internal controls on a timely basis. If we fail to implement these systems, procedures and controls on a timely basis, or if there are weaknesses in our internal controls that would result in inconsistent internal standard operating procedures, we may not be able to meet our customers' needs, hire and retain new employees or operate our business effectively. Failure to manage growth effectively could adversely affect our business and results of operations.

32. Warranty claims, which may increase in the future and have a material adverse effect on the financial condition.

We provide product-based warranties on our products. If any warranty claims arise in the future, they could pose a significant risk to the financial health of the company, as an increase in claims may result in substantial costs associated with repairing or replacing defective products. In the industrial cable sector, where product reliability is critical, frequent warranty claims could also damage the company's reputation, leading to a loss of customer trust and potential future business. Additionally,

the company could face legal liabilities, especially if product failures cause safety hazards, further impacting its financial position. As warranty-related expenses rise, the company may need to allocate more resources for replacements or compensation, putting pressure on its cash flow and profitability, ultimately affecting its overall financial stability. While such instances have not occurred in the past during the last three financial years and for the period ended September 30, 2024, however occurrence of such instances in the future may have an adverse effect on our financial condition and results of operations.

33. Competition pressures in the business

Our company operates in a highly competitive and rapidly evolving market, where the pressures from both established players and new entrants are consistently increasing. The competitive landscape poses several risks to our growth, financial stability, and long-term success. We face constant pressure to innovate and differentiate ourselves in a market that is subject to frequent shifts in consumer preferences, technological advancements, and regulatory changes. This ever-changing environment makes it difficult to maintain a competitive edge, and if we fail to do so, we risk losing our market share, which would directly affect our revenue and profitability.

One of the most significant risks is price competition. Many players in our industry may adopt aggressive pricing strategies to attract customers, especially in a market where products and services can often be seen as interchangeable. This could lead to price wars, where companies continuously lower prices in a bid to capture market share. In such a scenario, our profit margins could be significantly squeezed, and we may be forced to either reduce our prices, which would affect our profitability, or increase spending on marketing and customer acquisition to remain competitive.

Furthermore, the rapid pace of technological advancements in our sector adds another layer of competition-related risk. Competitors with access to better or more advanced technologies may develop products or services that are more efficient, cost-effective, or attractive to customers. This could quickly render our offerings outdated if we do not continuously innovate or enhance our technology. Failing to do so would likely result in us losing customers to more technologically advanced competitors, which could harm our reputation and hinder our ability to attract new business.

34. Directors and Promoters may enter into ventures that may lead to real or potential conflicts of interest.

Our directors and promoters may have multiple business interests, including investments in or associations with other companies, joint ventures, or businesses that operate in the same or similar sectors as ours. This could lead to potential or actual conflicts of interest. For example, our directors or promoters may be involved in ventures that compete with our business, or may have financial or personal interests that could affect their decision-making in relation to our company. While we have implemented procedures to manage such conflicts, there can be no assurance that such conflicts will be fully mitigated. Any such conflicts may impact the strategic direction, business decisions, or financial interests of our company, and could have an adverse effect on our business, financial condition, and results of operations. While, such instances have not occurred in the past, however occurrence of such instances in the future may have an adverse effect on our financial condition and results of operations.

35. Our business are Labor-intensive industry and may be adversely affected by work stoppages, increased wage demands by our employees, or an increase in minimum wages across various states, and if we are unable to engage new employees at commercially attractive terms.

The success of our operations depends on the availability of labour and maintaining a good relationship with our workforce. Our success also depends on our ability to attract, hire, train and retain skilled workers who are experienced in manufacturing operations. As of December 31, 2024, we have 57 labours/workman. Although we have not experienced any major interruption to our operations as a result of labour disputes or labour unrest in the past three financial years, there can be no assurance that we will not experience any such disruption in the future as a result of disputes or disagreements with our permanent and contractual workforce, which may adversely affect our ability to continue our business operations. Further, a significant increase in our employee attrition rate could also result in decreased operational efficiencies and productivity, loss of market knowledge and customer relationships, and an increase in recruitment and training costs, thereby materially and adversely affecting our business, results of operations and financial condition.

We cannot assure you that we will be able to find or hire personnel with requisite experience or expertise to operate our machinery at our existing manufacturing facilities. In case we are unable to hire such personnel with necessary experience or expertise, our business operations, financial condition, and results of operations may be adversely affected.

Further, India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution, and employee removal, and legislation that imposes certain financial obligations on employers upon retrenchment. Our employees are not unionized. However, in the event that our employees seek to unionize, it may become difficult for us to maintain flexible labour policies, which may increase our costs and adversely affect our business.

36. Our manufacturing facilities are dependent on adequate and uninterrupted supply of electricity and fuel. Any shortage or disruption in electricity, water, or fuel supply may lead to disruption in operations, higher operating cost, and consequent decline in our operating margins.

Adequate and cost-effective supply of electrical power, water, and fuel is critical to operations at our manufacturing facilities. We primarily rely on the state electricity boards through a power grid for the supply of electricity.

The table below provides details of our power and fuel costs as a percentage of our revenue from operations for the periods indicated:

Particulars	For the Period ended		For the fiscal year ended March 31					
	September 30, 2024		2024		2023		2022	
	Amount (₹ in Lakhs)	% of Revenue from operation	Amount (₹ in Lakhs)	% of Revenue from operation	Amount (₹ in Lakhs)	% of Revenue from operation	Amount (₹ in Lakhs)	% of Revenue from operation
Power and Electricity Cost	43.25	0.95%	69.45	0.85%	35.72	1.94%	33.00	2.26%

Since there may be power cuts in the supply provided by the state electricity board from time to time, we have stand-by diesel generator sets for our operations to ensure that there is no stoppage in our production. Power costs represent a portion of our operating costs. If the per unit cost of electricity is increased by the state electricity boards our power costs will increase. It may not be possible to pass on any increase in our power costs to our customers and the end user, which may adversely affect our profit margins.

Our operations and facilities are also dependent on a steady and stable supply of water. An irregular or interrupted supply of water could adversely affect our daily operations. If there is an insufficient supply of water to satisfy our requirements or a significant increase in prices, we may need to limit our manufacturing facilities, which could adversely affect our business, financial condition, and results of operations. We cannot assure you that we will always have access to sufficient supplies of water in the future to accommodate our manufacturing requirements and planned growth.

In addition to the manufacturing losses that we would incur in the absence of a supply of electrical power or water, we would not be able to immediately return to full manufacturing volumes following power interruptions, however brief. Any interruption of power, even if short, could give rise to inefficiencies when we resume production. While there have not been any material disruptions in the supply of electricity, water, gas, and fuel faced by our Company in the September 30, 2024 and last three Financial Years ended March 31, 2024, March 31, 2023, and March 31, 2022, there can be no assurance that such instances will not occur in future which may have an adverse impact on our business, results of operations and financial condition.

37. We are exposed to counterparty credit risk and any delay in receiving payments or non-receipt of payments may adversely impact our results of operations.

Due to the nature of, and the inherent risks in, the informal arrangements with our clients', we are subject to counterparty credit risk and a significant delay in receiving large payments or non-receipt of large payments may adversely impact our results of operations. Our operations involve extending credit to our clients in respect of the sale of our products and consequently, we face the risk of uncertainty regarding the receipt of these outstanding amounts. For the period ended September 30, 2024, and for the Fiscals 2024, 2023, and 2022, our trade receivables were ₹ 1533.59 Lakhs, ₹ 1219.65 Lakhs, ₹ 461.66 Lakhs, and ₹ 238.39 Lakhs, respectively. There are no instance of amount written-off in relation to non- collection of payment from clients since past three financial year and for the stub period.

There is no assurance that we will accurately assess the creditworthiness of our clients'. Further, macroeconomic conditions which are beyond our control, such as a potential credit crisis in the global financial system, could also result in financial difficulties for our business associates, including limited access to the credit markets, insolvency, or bankruptcy. Such conditions could cause our business associates to delay payment, request modifications of their payment terms, or default on their payment obligations to us, all of which could increase our receivables. Timely collection of dues from business associates also depends on our ability to complete our contractual commitments and subsequently bill for and collect from our clients. If we are unable to meet our contractual obligations, we may experience delays in the collection of, or be unable to collect, our customer balances, which could adversely affect our results of operations and cash flows.

38. The Issue Price, market capitalization to revenue from operations and price to earnings ratio based on the Offer Price of the Company, may not be indicative of the market price of the Company on listing or thereafter.

The Issue Price, market capitalization to revenue from operations, and price to earnings ratio based on the Offer Price of the Company may not be indicative of the market price of the Company's shares upon listing or thereafter. While the Offer Price

is determined based on various factors, including market conditions and investor sentiment at the time of the offer, the actual market price of the shares post-listing may fluctuate significantly due to factors beyond the Company's control. These factors include market volatility, changes in investor perception, economic conditions, supply and demand dynamics, and the Company's financial performance. Therefore, there is no assurance that the market price of the shares will remain at or above the Issue Price, and investors may face the risk of loss if the shares trade at a lower price following the listing.

39. The manufacturing activities are subject to risks of operational hazards and can cause injury to people or property in certain circumstances, the occurrence of which may hamper our reputation, business, financial condition, and results of operations.

Our manufacturing activities are subject to inherent operational risks and hazards, including, but not limited to, machinery malfunctions, safety violations. These risks could result in personal injury or damage to property, which, under certain circumstances, may significantly disrupt our operations. In addition to the direct physical risks, any such incidents could damage our reputation, leading to a loss of customer trust and a reduction in future business opportunities. Moreover, any accidents or safety-related issues could lead to regulatory scrutiny, legal liabilities, or increased insurance premiums. The occurrence of such operational hazards could materially and adversely affect our financial condition, results of operations, and our ability to sustain or grow our business.

40. Many of our Directors are or were not directors of listed companies and hence lack such adequate experience to address complexities associated with listed companies, could have an adverse impact on our business and operations.

Many of our Directors have not previously held positions on the boards of listed companies, and as a result, they may lack the specialized experience required to navigate the complexities associated with such entities. This gap in experience could potentially have an adverse impact on our business operations and long-term performance, especially in the context of meeting the governance and regulatory demands of a listed company.

41. We could be harmed by employee misconduct or errors that are difficult to detect, and any such incidences could adversely affect our financial condition, results of operations and reputation.

Our Company faces the potential risk of harm arising from employee misconduct or errors that may be difficult to detect in a timely manner. This risk includes, but is not limited to, activities such as fraud, negligence, violations of internal policies or legal requirements, or other forms of unethical behaviour. Since these types of incidents may not always be immediately apparent, the potential for undetected misconduct or errors can significantly increase the overall risk exposure. Employee misconduct or errors, if left unaddressed, could result in direct financial losses, either through fraudulent activities, mismanagement, or failure to meet operational goals. These incidents could also lead to regulatory fines or penalties, compensation costs for affected parties, or the need for costly corrective actions to mitigate the damage. Such financial consequences could materially impact our financial condition and adversely affect our operating results, severely damage our reputation, erode customer trust, and undermine relationships with business partners, investors, and other stakeholders. In the past the Company had encountered a fraudulent and unethical behaviour from its employee Mr. Arvind Dixit (Sales Head). It was found that Mr. Arvind Dixit would contact maximum clients of the Company for extracting certain information and provide a price quotation on similar products in which the Company dealt with the intent to secure work orders and make wrongful gains. Mr. Arvind Dixit would also denigrate about the quality of the Company's products to such clients. After discovering such an illegal act of Mr. Arvind Dixit, the Company has initiated legal action under Section 418 and 420 of the Indian Penal Code by filing a Criminal Complaint No. UNCR/298/2020, before the Hon'ble Chief Judicial Magistrate, at Tikamgarh, Madhya Pradesh where the matter at present is pending for appearance of the Mr. Arvind Dixit. For more information on this case, kindly refer to "Outstanding Litigation and Other Material Developments" on page 261.

54. Any downgrading of India's debt rating by an independent agency may harm our ability to raise financing.

We have received grading and credit ratings provided by CRISIL as per below table:

Grading / Credit Rating	Organization which gave the Rating	Last Date of Rating	Details of the Rating
CRISIL B+ /Stable (Issuer Not Cooperating)	CRISIL	January 17,2023	Long Term Rating for ₹ 0.92 Crore Term Loan, ₹ 1.43 Crore Proposed Long Term Bank Loan Facility and ₹ 3.2 Crore Cash Credit
CRISIL A4 (Issuer Not Cooperating)	CRISIL	January 17, 2023	Short Term Rating for ₹Rs. 7.5 Crore Bank Guarantee

The Company continued repaying its scheduled instalments and fully repaid the sanctioned and disbursed loan with amount of Bank Guarantee, the Company has already received 'No Objection Certificate' from State Bank of India on November 29,

2022 on complete repayment and closure of its sanctioned and disbursed loan with amount of Bank Guarantee for credit rating has been obtained. As on date Company has not required to take any credit rating or grading with current lender.

In future any downgrade of our credit ratings could result in additional terms and conditions being included in any additional financing or refinancing arrangements. The cost and availability of funds is dependent on our short-term and long-term credit ratings. Credit ratings reflect a rating agency's opinion of our financial strength, operating performance industry position, and ability to meet our obligations. Any issues impacting our business performance, or the cable industry as a whole may result in a downgrade of our credit ratings, which may constrain our access to capital and debt markets and, as a result, may adversely affect our cost of borrowings and our results of operations.

SECTION IV – INTRODUCTION

GENERAL INFORMATION

MONITORING AGENCY

As per Regulation 262 of the SEBI (ICDR) Regulations, 2018 as amended, the requirement of Monitoring Agency is not mandatory if the Issue size is below ₹ 5,000.00 Lakhs and hence our Company has not appointed a monitoring agency for this issue.

OBJECT OF THE ISSUE

B. Estimated Cost of the Project

In order to establish the Proposed new facility and accommodate the future growth requirements, the company have acquired a land parcel admeasuring approximately 5.928 Hectare at Plot Nos. 188/1, Village Panwa Tehsil Kasrawad, District Khargone, Madhya Pradesh, India, the details of which have been provided below:

- I. The land at Plot Nos. 188/1 was acquired pursuant to a land allotment letter dated January 06, 2025 issued by Madhya Pradesh Industrial Development Corporation Limited (MPIDCL) and a lease deed has been executed by the company and same has been stamped and registered as of March 24, 2025. In accordance with the land allotment letter, the Company has made payments totalling ₹52.56 lakhs to MPIDCL on August 14, 2024, October 4, 2024, and December 11, 2024. Our Company has paid the amount of ₹ 52.56 lakhs towards acquisition of the same, from its internal accruals.

Accordingly, no component of the Net Proceeds is proposed to be utilised for land acquisition. From the Net Proceeds, we would part finance building construction and civil work.

Existing working capital requirements

Set forth below are the working capital of our Company, for the period ended September 30, 2024 and as on Fiscals 2024, 2023 and 2022 respectively:

(₹ in lakhs)

Particulars	For the year ended March 31, 2022 (Audited)	For the year ended March 31, 2023 (Audited)	For the year ended March 31, 2024 (Audited)	For the period ended September 30, 2024 (Audited)
Current Assets				
Inventories	862.11	953.61	829.20	1,015.57
Trade receivables	238.39	461.66	1,219.65	1,533.59
Other financial assets and current assets	143.47	112.96	79.67	304.19
Total Current Assets (A)	1,243.97	1,528.23	2,128.52	2,853.35
Current Liabilities				
Trade payables	43.13	419.17	466.99	390.61
Short-term Provisions & Other current liabilities	7.88	13.95	101.28	274.70
Total Current Liabilities (B)	51.01	433.12	568.27	665.31
Net Working Capital Requirements (A-B)	1,192.96	1,095.11	1,560.25	2,188.04
Source of funds				
Borrowing	1,192.96	1,095.11	1,286.78	1,192.30
Internal accruals	-	-	273.47	995.74

Rationale for increase in Working capital requirement:

The increase in working capital requirement is primarily driven by a substantial rise in the company's turnover from FY 2023-24 onward, which has led to higher revenue and larger outstanding trade receivables. A significant portion of sales is concentrated in the last quarter, particularly in March, resulting in higher year-end receivables as collections fall into the subsequent period. The company extends a credit period of 45 to 60 days, especially to government clients and EPC contractors, which naturally contributes to higher receivable balances. Additionally, the sharp increase in receivables from ₹461.66 lakhs in FY 2022-23 to ₹1,219.65 lakhs in FY 2023-24 directly reflects the business growth and extended billing cycle, further contributing to the rise in working capital needs.

Moreover, the company operates in a capital-intensive industry, requiring consistent raw material availability to ensure uninterrupted production. For government projects, longer inspection and dispatch clearance cycles lead to increased inventory holding periods. As of September 2024, inventory levels were maintained efficiently at 37 days of sales. On the trade payable side, the company has strengthened its bargaining power post-COVID and secured extended credit terms with key suppliers, leading to an increase in trade payables—from ₹419.17 lakhs in FY 2022-23 to ₹466.99 lakhs in FY 2023-24. The rise in payables has not been in line with the receivables and inventory levels, thereby increasing the net working capital requirement.

Estimated working capital requirements

The estimates of the working capital requirements for the Financial Year 2025, 2026 and 2027 have been prepared based on the management estimates of future financial performance. The projection has been prepared using set of assumptions that include assumptions about future events and management's action that are not necessarily expected to occur. On the basis of existing and estimated working capital requirement of our Company on an audited standalone basis, and assumptions for such working capital requirements, our Board pursuant through its resolution dated January 30, 2025 has approved the projected working capital requirements for the Financial Year 2025, 2026 and 2027 and the proposed funding of such working capital requirements as set forth below:

(₹ in lakhs)

Particulars	For the year ended March 31, 2025 (Estimated)	For the year ended March 31, 2026 (Estimated)	For the year ended March 31, 2027 (Estimated)
Current Assets			
Inventories	1,250.00	1,300.00	1,900.00
Trade receivables	1350.00	1,475.00	2,200.00
Other financial assets and current assets	260.00	315.00	500.00
Total Current Assets (A)	2,860.00	3,090.00	4,600.00
Current Liabilities			
Trade payables	450.00	450.00	700.00
Short-term Provisions & Other current liabilities	170.00	185.00	250.00
Total Current Liabilities (B)	620.00	635.00	950.00
Net Working Capital Requirements (A-B)	2,240.00	2,455.00	3,650.00
Source of funds			
Borrowing	1500.00	1500.00	1500.00
Internal accruals	740.00	705.00	650.00
Proceeds from the Issue	-	250.00	1,500.00

Holding levels and key assumptions for working capital requirements

The following table sets forth the details of the holding period (with days rounded to the nearest whole number) considered for the period ended September 30, 2024 and for the Fiscal 2024, Fiscal 2023 and Fiscal 2022, based on financial statements, as well as estimated for Fiscal 2025, Fiscal 2026 and Fiscal 2027.

Particulars	For the year ended March 31, 2027 (Estimated)	For the year ended March 31, 2026 (Estimated)	For the year ended March 31, 2025 (Estimated)	For the period ended Sept 30, 2024 (Audited)	For the year ended March 31, 2024 (Audited)	For the year ended March 31, 2023 (Audited)	For the year ended March 31, 2022 (Audited)
Inventories	39	39	35	37	40	180	195
Trade Receivables	45	43	43	55	38	69	104
Trade Payables	17	17	19	21	25	53	23

Key justifications for holding levels

Particulars	Justification
Inventories	From FY 2022 to FY 2024, our inventory days ranged between 195 days and 40 days. For the stub period it went down to 37 days. Looking forward, we project a reduction in inventory days to 35 days in FY 2025, followed by an increase to 39 days in FY 2026 and 39 days in FY 2027. The extended inventory holding periods of 195 days in FY 2022 and 180 days in FY 2023 were primarily due to the impact of the COVID-19 pandemic, during which no tenders for the purchase of electric cables were released by government authorities, leading to lower sales and a backlog of inventory. Starting FY 2024, the inventory holding period stabilized at 40 days, driven by significant sales growth as government authorities resumed releasing tenders post-pandemic in line with

Particulars	Justification
	infrastructure development schemes. Additionally, the company began supplying to private turnkey contractors, further contributing to improved inventory turnover.
Trade Receivables	Over the past three financial years, we have observed fluctuations in our trade receivables turnover days. In FY 2022, our trade receivables turnover days were 104, which decreased to 69 days in FY 2023 and increased again to 38 days in FY 2024. For the stub period it increased to 55 days which got reduced to 43 days by end of the year. However, for FY 2026 and FY 2027, we expect trade receivables turnover days to stabilize at 43 and 45 days respectively. The Company primarily supplies electric cables to government authorities and private contractors. Our trade receivables consist mainly of amounts due from state government authorities and private contractors. The high receivable days in FY 2022 were a result of the delayed payments from government authorities due to the post-COVID-19 effects. However, with the implementation of government infrastructure development schemes, purchase orders from authorities increased significantly, leading to timely payments for securing finished goods. Additionally, the company revised its payment policy, allowing a maximum of 45 days for payment. Currently, the company holds orders from both private turnkey contractors and government authorities. We also expect our trade receivables days to improve marginally due to a more diversified customer base, which reduces dependence on a few customers, and an expanded scale of operations that enables us to negotiate better credit terms.
Trade Payables	We have observed a consistent decrease in our trade payables turnover days over the past few fiscal years. This decline began at 23 days in FY 2022, increased to 53 days in FY 2023, and further decreased to 25 days in FY 2024 and further to 21 days in stub period. Looking forward, we expect our trade payables turnover days to decrease further, reaching 19 days in FY 2025, 17 days in FY 2026, and 17 days in FY 2027. Shortening the trade payables will provide the company with benefits such as enhanced priority and reliability with suppliers, improved negotiation power, and the potential to positively impact profitability margins.

Note: Pursuant to the certificate dated issued by our Peer Review Auditors, M/s. S.K. Khandelwal & Associates., Chartered Accountants dated February 17, 2025.

1. General corporate purposes

In addition to the above, our Company may utilise the net proceeds towards other purposes considered expedient and as approved periodically by our board, subject to compliance with necessary provisions of the Companies Act. Our Company's management shall have flexibility in utilising surplus amounts, if any. Our management will have the discretion to revise our business plan from time to time and consequently our funding requirement and deployment of funds may change. This may also include rescheduling the proposed utilization of net proceeds. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of net proceeds in a financial year, we will utilize such unutilized amount in the subsequent financial years which is FY 2027.

BASIS OF THE ISSUE PRICE

Comparison of financial KPIs and Operational KPIs of our Company and our listed peer.

Metric	Bhadora Industries Limited	Dynamic Cables Limited	DCG Cables & Wires Limited
	For the period ended September 30, 2024*	For the period ended September 30, 2024*	For the period ended September 30, 2024*
Revenue From operations (₹ in Lakhs)	4,576.83	44,269.28	5,958.26
Total income (₹ in lakhs)	4,579.71	44,571.44	5,983.98
EBITDA (₹ in lakhs)	661.34	4,560.46	740.30
EBITDA Margin (%)	14.45%	10.30%	12.42%
Profit after tax (₹ in lakhs)	393.32	2,545.31	479.42
PAT Margin (%)	8.59%	5.75%	8.05%
Return on Equity (ROE) (%)	27.92%	7.61%	6.32%
Return on Capital Employed (ROCE) (%)	23.10%	12.86%	8.87%
Debt to Equity Ratio	1.00	0.35	0.31
Current Ratio	1.58	2.10	3.00
Net Capital Turnover Ratio	3.96	1.79	0.93

SECTION V-ABOUT THE COMPANY

OUR BUSINESS

Raw Materials:

The raw materials used in the manufacture of our cables and conductors include various types of aluminium wire rods, cross-linked polyethylene compounds, polyvinyl chloride, round wires/strips, wooden drums, and more. We source the majority of our raw materials in the required quantities from our supplier network. We procure all are the raw materials domestically from local supplier. Our inventory management is based on historical sales data, current orders, and anticipated production needs, while also considering potential fluctuations in raw material prices and delivery delays. Finished products are stored in our warehouses for efficient distribution.

PLANT AND MACHINERY

The table below set forth provides plant and machineries are installed at our existing manufacturing unit, which all are owned by us:

BRAND BUILDING & MARKETING

The efficacy of the marketing and sales network is critical to the success of our company. Our success lies in the strength of our relationships with suppliers and customers, cultivated over time. Our promoter, through his good rapport with these suppliers and customers, plays an instrumental role in creating and expanding a work platform for our company by ensuring timely and quality delivery of services. Our business is conducted on a business-to-business basis and our focus is on maintaining constant contact with customers and ensuring quality of products and its timely delivery. Additionally, our promoters and marketing team members corporate branding initiatives by engaging in one-on-one meetings with customers. We consistently engage in industrial cable tenders, including those issued by DISCOMs, EPC contractors, and industrial clients throughout India. By leveraging our technical expertise and offering competitive pricing, we are able to secure key contracts, particularly under government schemes like the Revamped Distribution Sector Scheme (RDSS) and other large-scale infrastructure projects. We actively participate in leading industry events, trade fairs, and conferences where we showcase our product portfolio, connect with potential clients, and enhance our market visibility.

HISTORY AND CERTAIN CORPORATE MATTERS

Material Agreements

There are no other agreements/arrangements and clauses / covenants which are material and which needs to be disclosed or non-disclosure of which may have bearing on the investment decision, other than the ones which have already disclosed in the offer document.

OUR MANAGEMENT

Changes in our Board during the last three years

Name of Director	Date of Change	Reason for Change
Shashank Bhadora	January 01, 2019	Appointed as Executive Director
Sashank Bhadora	March 26, 2022	Resignation as Executive Director (Due to Personal and unavoidable circumstances)
Sandhya Bhadora	March 26, 2022	Resignation as Director (Due to personal and unavoidable circumstances)
Shashank Bhadora	April 18, 2024	Appointment as Director
Shashank Bhadora	September 04, 2024	Appointment as Managing Director
Radhika Tripathi	September 04, 2024	Appointment as Independent Director
Rahul Verma	September 04, 2024	Appointment as Independent Director
Manish Joshi	September 04, 2024	Appointment as Independent Director

Arrangements with major Shareholders, Customer, Suppliers or Others

There are no conflict of interest between the suppliers of raw materials and third party service providers (crucial for operations of the company) and the company, Promoter, Promoter Group, Key Managerial Personnel, Directors and subsidiaries / Group Company and its directors.

OUR PROMOTERS AND PROMOTER GROUP

Other Confirmation

There are no findings/observations of any of the inspections by SEBI or any other regulator which are material and which needs to be disclosed or nondisclosure of which may have bearing on the investment decision.

There are no conflict of interest between the suppliers of raw materials and third party service providers (crucial for operations of the company) and the company, Promoter, Promoter Group, Key Managerial Personnel, Directors and subsidiaries / Group Company and its directors.

OUR GROUP COMPANIES

Other Confirmations

There are no conflict of interest between the suppliers of raw materials and third party service providers (crucial for operations of the company) and the company, Promoter, Promoter Group, Key Managerial Personnel, Directors and subsidiaries / Group Company and its directors.

DIVIDEND POLICY

Our Company has not declared any dividends in the last three financial year and for the period ended September 30, 2024 till the date of filing of this Draft Red Herring Prospectus.

SECTION VI – FINANCIAL INFORMATION

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATION

REVIEW OF OPERATION FOR THE PERIOD ENDED SEPTEMBER 30, 2024:

Rationale for increase in Profit after Tax (PAT) as compared to Revenue from operation:

The significant increase in PAT margin in FY 2024 and the stub period can be attributed to several factors that have collectively contributed to improved profitability for the company:

1. **Shift to Higher-Margin EPC Contracts:** One of the most significant factors for the increase in PAT margin is the company's strategic shift from low-margin government Discom contracts to higher-margin private sector EPC (Engineering, Procurement, and Construction) contracts. This shift was reflected in the revenue mix, with the percentage of supplies to private EPC contractors rising to 74% in FY 2024 compared to just 47% in FY 2023. EPC contracts generally offer better pricing flexibility, allowing the company to negotiate higher prices for its products. This has resulted in improved profitability as these contracts typically involve larger orders and more complex projects, contributing higher value compared to government contracts that are typically characterized by fixed pricing and competitive bidding.

2. **Operational Efficiency & Cost Optimization:** The company has also focused on improving its operational efficiency, leading to lower manufacturing costs. This has been achieved through better production processes, economies of scale, and more streamlined operations. In addition, effective cost control measures, such as optimized raw material procurement and reduced overhead expenses, have helped the company improve its margins. By leveraging its existing production capacity more efficiently, the company has been able to reduce per-unit costs, thereby improving profitability even as revenue grew.

3. **Product Mix & Premium Offerings:** The company's focus on higher-value segments has been another important factor in boosting PAT margin. As the demand for premium cables in sectors such as infrastructure development and renewable energy has increased, the company has been able to charge higher prices for these specialized products. This has led to an improvement in both the average selling price and the overall profit margin. The strong demand in these high-growth sectors has enabled the company to expand its product offering and generate higher margins from these premium products.

4. **Impact of the Revamped Distribution Sector Scheme (RDSS):** Although the company has shifted away from direct government contracts, it has continued to benefit from the Revamped Distribution Sector Scheme (RDSS). Under RDSS, private EPC contractors procure cables for projects aimed at modernizing India's power distribution infrastructure. This shift has allowed the company to remain actively involved in the government-driven RDSS projects while focusing on the more profitable private EPC segment. The RDSS-driven demand, coupled with the company's strategic focus on EPC contracts, has significantly contributed to the increase in sales and margins.

5. **Strong Revenue Growth & Better Capacity Utilization:** Finally, higher revenue in FY 2024 and the stub period led to better absorption of fixed costs, which had a direct impact on improving operating margins. The increase in production volumes, driven by the higher demand from both EPC contracts and RDSS projects, allowed the company to utilize its fixed asset base more efficiently.

COMPARISON OF F.Y. 2024 WITH F.Y. 2023:

Revenue from Operations

The Company's revenue from operations in the financial year 2023-24 is ₹ 8,139.32 lakhs. This represents ₹ 6,295.29 lakhs or 341.39% increase compared to the previous financial year's revenue from operations of ₹ 1,844.03 lakhs. This increase can be attributed to several key factors which are stated below:

1. Increased Demand for Cables:

○ **Infrastructure Growth and Government Initiatives:** The Indian government has been increasingly focusing on infrastructure development, including renewable energy projects, smart cities, and the expansion of the power distribution network. These efforts have significantly increased demand for electrical cables, a primary product in energy, construction, and industrial sectors.

○ **Revamped Distribution Sector Scheme (RDSS):** The RDSS, introduced by the Indian government, has been a major driver for increased demand in the power sector, where cables are a critical component. The scheme is designed to enhance the financial sustainability of electricity distribution companies, requiring upgrades to the existing infrastructure, which in turn drives the demand for quality cables.

2. Vendor Approvals & Market Expansion

○ **Securing Approvals for Multiple States:** Over the last few years, the company has expanded its geographical footprint by securing vendor approvals from several state utilities and government bodies. This has allowed the company to participate in a wider array of government and private sector projects.

○ **Wider Market Reach:** The approval from key government and private sector agencies has enabled the company to penetrate new markets and diversify its customer base. This has led to increased sales and larger contracts, contributing significantly to revenue growth.

3. Shift Towards EPC Contracts Under RDSS

○ **Focus on EPC Contracts:** With the shift under RDSS to award contracts to EPC companies, the demand for electrical cables has surged. EPC contractors are predominantly private sector players, which has resulted in a higher share of revenue from the private sector.

○ **Strong Industry Relationships:** The company has established strong, long-term relationships with major EPC players, making it a preferred supplier for cable requirements in large-scale infrastructure projects. This has resulted in increased orders and a consistent revenue stream from these private sector contracts.

4. Recovery from Pandemic Disruptions

○ Post-pandemic, the industry has seen a rebound, with infrastructure projects that were delayed due to the COVID-19 pandemic now coming back online. This has contributed to increased demand and, consequently, higher revenues in the FY 2023 and FY 2024 periods.

Revenue Contribution Over the Last 3 FYs & Stub Period

The following table provides a detailed breakdown of revenue and its bifurcation between private sector (EPC) and government contracts for the last three fiscal years (FY 2023, FY 2024) and the stub period.

Segment	As at September 30, 2024 (₹ in lakhs)	As at March 31, 2024 (₹ in lakhs)	As at March 31, 2023 (₹ in lakhs)
Private Sector (EPC)	3905.00	6031.31	868.74
Government	671.75	2108.02	975.29
Total Revenue	4576.76	8139.32	1844.03

• **Private Sector (EPC):** The revenue contribution from the private sector has seen significant growth, rising from 47% in FY 2023 to 85% in FY 2024, driven by an increased share of EPC contracts under the RDSS scheme. The surge in private sector projects, particularly in renewable energy and infrastructure, has substantially contributed to the overall revenue increase.

• **Government Sector:** The government's share of total revenue has decreased, from 53% in FY 2023 to 15% in FY 2024. While government projects remain a significant contributor, the shift towards private sector-driven EPC contracts has resulted in a relative decline in government revenue share.

• **Revenue Growth:** The total revenue has grown considerably from ₹1844.03 lakhs in FY 2023 to ₹8139.32 lakhs in FY 2024, demonstrating a strong recovery and growth trajectory. The increase in EPC projects, along with the government's focus on infrastructure development, has been instrumental in driving this growth.

Bifurcation of Projects Undertaken by the Company in the Last 3 FYs and Stub Period

Below is a detailed breakdown of the number of projects undertaken by the company, segregated by private sector (EPC) and government contracts over the past three fiscal years and the stub period.

Fiscal Year / Stub Period	Private Sector (EPC) Projects	Government Projects	Total Projects
FY 2023	6	16	22

FY 2024	18	15	33
Stub Period (FY 2025)	20	3	23

- **Private Sector Projects:** The number of private sector (EPC) projects undertaken by the company has witnessed a significant rise from 6 projects in FY 2023 to 18 projects in FY 2024, reflecting the shift towards more EPC-driven initiatives. The company's participation in renewable energy, infrastructure, and commercial projects has contributed to this growth.

- **Government Projects:** The number of government projects has remained relatively stable, but their contribution to total projects has decreased as a percentage of overall revenue. Government projects tend to be larger, but with the increasing focus on private sector participation in infrastructure, the overall number of government projects has seen slower growth.

In conclusion, the combination of favourable government schemes like RDSS, an increased share of EPC contracts, successful market expansion, and technological innovations has led to the substantial increase in revenue for the company in FY 2023, FY 2024, and the stub period.

Rationale for increase in Profit after Tax (PAT) as compared to Revenue from operation:

The company's strategic shift from traditionally low-margin government contracts to higher margin private sector EPC contracts has resulted in a substantial increase in Profit After Tax (PAT) relative to its total income. This shift has led to both improved profitability and operational efficiency, as detailed below:

1. Higher Margins in EPC Contracts:

- **Government Contracts:**

- **Fixed Pricing & Competitive Bidding:** Government contracts, especially in the power and infrastructure sectors, often operate under fixed pricing models. These contracts are typically awarded through competitive bidding, which can result in low margins due to price pressure. The government's tendering processes, while stable, are usually designed to keep costs low, thus reducing potential profitability.

- **Price Regulations & Slow Payment Cycles:** Government contracts also tend to have rigid pricing structures and slower payment cycles, further limiting profitability.

- **Private Sector EPC Contracts:**

- **Negotiable Pricing & Better Payment Terms:** In contrast, private sector EPC contracts often allow for more flexibility in pricing. The company can negotiate better margins, especially with large-scale infrastructure projects where the demand for quality cables is high. EPC contracts also typically come with better payment terms, ensuring improved cash flow.

- **Higher Value Orders:** Private sector projects often involve larger contracts with higher project values. These projects demand more sophisticated, higher-quality cables, which the company can supply at higher margins. As a result, revenue from these projects is more profitable and contributes positively to the bottom line.

2. Revenue Shift from Government Contracts to EPC Contracts:

The data below shows the significant shift in the company's revenue mix over the last three fiscal years and the stub period:

Sector	Stub Period (₹ in lakhs)	% Contribution	FY 2023-24 (₹ in lakhs)	% Contribution	FY 2022-23 (₹ in lakhs)	% Contribution	FY 2021-22 (₹ in lakhs)	% Contribution
Private Sector(EPC)	3,904.88	85.32%	6,031.31	74.10%	868.74	47.11%	174.91	11.98%
Government Sector	671.95	14.68%	2,108.02	25.90%	975.29	52.89%	1,284.86	88.02%
Total Revenue	4,576.83	100%	8,139.32	100%	1,844.03	100%	1,459.77	100%
PAT (₹ in lakhs)	393.32	—	495.52	—	18.05	—	-5.7	—
PAT Margin (%)	8.60%	—	6.10%	—	1.00%	—	-0.40%	—

- **Revenue Growth from EPC Contracts:** As shown in the table, the revenue contribution from private sector EPC contracts has significantly increased. In FY 2021-22, EPC contracts contributed only 12% of the total revenue. By FY 2023-24, this contribution rose to 85% in the stub period, demonstrating the company's strategic focus on higher-margin projects.
- **Decline in Government Contracts:** In contrast, the revenue from government contracts has decreased sharply from 88% in FY 2021-22 to 15% in the stub period. This reduction in reliance on government contracts has allowed the company to focus on more profitable private sector projects.

3. Improved Operational Efficiency:

- **Cost Control:** The shift to EPC contracts has enabled better control over costs, as these projects allow for more favourable payment terms and greater flexibility in pricing. The company's ability to manage overhead costs and optimize its supply chain for high-value projects has contributed to a reduction in overall expenses, improving profitability.
- **Higher-Value Projects:** As EPC contracts tend to be larger, they often involve economies of scale, meaning the company can spread fixed costs over a larger project base. This increases the gross margin and improves the overall profitability, even if the increase in project volume requires a higher level of resources.

4. PAT Growth & Margin Improvement:

- **Increase in PAT:** As a result of the strategic shift toward EPC contracts, the company's Profit After Tax (PAT) has seen a substantial increase. The PAT has grown from a loss of ₹5.7 lakhs in FY 2021-22 to positive figure of ₹495.52 lakhs in FY 2023-24, reflecting a major improvement in profitability.
- **PAT Margin:** Correspondingly, the PAT margin has significantly improved. In FY 2021-22, the PAT margin was negative (-0.40%), indicating poor profitability due to heavy reliance on low-margin government contracts. By FY 2023-24 (stub period), the PAT margin surged to 8.60%, showcasing the positive impact of the higher-margin private sector EPC contracts.

FINANCIAL INDEBTEDNESS

Category of borrowing	Interest (in % p.a)	Date Of Sanction	Sanctioned Amount (in Lakhs)	Date Of Disbursement	Outstanding amount as on December 31, 2024	Tenure (in Months)
Fund Based:						
Secured Loan:						
Vehicle Loan						
ICICI Bank Limited	9.45% to 11.00%	02/11/23 29/07/24	29.90	03/11/23 31/07/24	24.52	32 to 36 months
Term Loans/Overdraft Facilities						
Union Bank of India	9.90%	27/06/24	62.88	29/06/24	52.01	36 months
SIDBI	9.45%	23/12/24	539.00	27/12/24	161.96	72 months
Indian Bank	9.75%	26/09/24	200.00	27/09/24	200.43	90 days or rolling
Yes Bank	10.25%	08/08/24	200.00	24/09/24	15.00	90 days
National Small Industries Corporation	10.75%	02/02/24	200.00	09/02/24	192.07	180 days
Cash Credit Loans						
ICICI Bank Limited	9.00%	14/03/24	1,000.00	14/03/24	904.15	Repayable on demand
Letter of Credit Facilities						
ICICI Bank Limited	-	14/03/24	900.00	14/03/24	77.48	90 days
Yes Bank Limited	-	08/08/24	180.00	24/09/24	166.56	90 days
Total	-		3,311.78		1,794.18	-
Non Fund Based:						
Bank Guarantee					801.42	
Total	-		3,311.78		1,794.18	-

As certified by peer review auditor, M/s S.K. Khandelwal & Associates pursuant to their certificate dated February 17, 2025

Notes: In the absence of specific sanction limits for unsecured loans, outstanding amount of borrowing (including interest payable) has been considered as sanction amount.

SECTION VII – LEGAL AND OTHER INFORMATION
OUTSTANDING LITIGATION AND OTHER MATERIAL DEVELOPMENTS

A. Litigation filed by our Company – 6

- Tax proceedings- 1

1. FORM GST APL-01- APPEAL BEFORE THE APPELLATE AUHTORITY- BHADORA INDUSTRIES PRIVATE LIMITED THROUGH ITS DIRECTOR MR. PRADEEP BHADORA

In the matter of this case is that one Company entity namely Dakshin Haryana Bijli Vitran Nigam (“DHBVN”) had placed an order with the Company seeking supply of cables at Sector-25, Ballabgarh, District Faridabad for which the driver employed by the transporter entity engaged by the Company had left for delivering the said cables to DHBVN in a truck on August 07, 2021. The Company had generated e-way bill which was valid upto August 10, 2021 which contained all the details of the transactions. The driver reached the place of delivery on August 10, 2021, but the premises of DHBVN were closed due to which the driver had to wait till the morning of the next day i.e. August 11, 2021. At around 11 a.m. on August 11, 2021, the proper officer of GST Department reached the place of delivery where the truck was parked and asked the driver to provide all the documents pertaining to delivery. Despite providing all the documents and providing explanation, the proper officer was not satisfied, thus, detaining the truck along with the goods in it. The GST Department had observed that the e-way bill had expired amongst the documents provided by the driver due to which tax and penalty under Integrated Good and Service Tax to the tune of ₹5.69 lakhs by an order dated September 03, 2021.

The Company has filed an Appeal before the Appellate Authority in Form GST APL-01 against the order dated September 03, 2021. The fact of the case is that Dakshin Haryana Bijli Vitran Nigam (“DHBVN”) had placed an order with the Company seeking supply of cables at Sector-25, Ballabgarh, District Faridabad for which the driver employed by the Company had left for delivering the said cables to DHBVN in a truck on August 07, 2021. The Company had generated e-way bill which was valid upto August 10, 2021 which contained all the details of the transactions. The driver of the Company reached the place of delivery on August 10, 2021, but the premises of DHBVN were closed due to which the driver had to wait till the morning of the next day i.e. August 11, 2021. At around 11 a.m. on August 11, 2021, the proper officer of GST Department reached the place of delivery where the truck was parked and asked the drive to provide all the documents pertaining to delivery. Despite providing all the documents and providing explanation, the proper officer was not satisfied, thus, detaining the truck along with the goods in it. That the GST Department did not find any discrepancy in the documents provided by the driver but without any basis and validity levied tax and penalty under Integrated Good and Service Tax to the tune of ₹5.69 lakhs by an order dated September 03, 2021. In order to challenge the said order, the Company has filed the said Appeal before the Appellate Authority.

Stage of the case: For hearing.

Next date of hearing: No specific date is allotted yet for the hearing after filing of Appeal.

B. Litigation filed by our Company – 6

- Criminal proceedings: 1

1. Bhadora Industries Private Limied Vs Mr. Arvind Dixit- Before the Hon’ble Chief Judicial Magistrate, Tikamgarh, Madhya Pradesh: Case No. UNCR/298/2020.

Stage of the case: Appearance of Accused/Surety.

Next date of hearing: May 15, 2025

I. LITIGATIONS INVOLVING OUR PROMOTERS

B. Litigation filed by our Promoters – 1

- Criminal proceedings: 1

1. IN THE HIGH COURT OF MADHYA PRADESH AT JABALPUR- TARUN @TANU AND OTHERS VS THE STATE OF MADHYA PRADESH AND OTHERS- CRR. NO.5796 OF 2023.

CRIMINAL CASE NO.1203286 OF 2012-BEFORE THE COURT OF JUDICIAL MAGISTRATE FIRST CLASS, TIKAMGARH (MADHYA PRADESH)- POLICE STATION KOTWALI DISTRICT TIKAMGARH (M.P.) BY STATE OF MADHYA PRADESH VS TARUN ALIAS TANU AND ORS.

A complaint had been filed at the instance of Mr. Vijay, Mr. Vipul, Mr. Lovelesh, Ms. Jyoti, Angoori and Gendabaai (“the Complainants”), to complaint against Mr. Gajendra Kumar, Mr. Pradeep Bhadora, Mr. Alikesh Satbhaiya, Mr. Shahzad Khan,

Mr. Tarun Soni and Mr. Ritesh Bhadora (“the Accused”) for committing an offence under Section 323/149 and 325 of the Indian Penal Code for causing hurt to the Complainants. The Criminal Case No.1203286 of 2012 came to be filed before the Judicial Magistrate First Class at Tikamgarh wherein after considering the pleadings, evidence on record and the submissions from both the sides, the Judicial Magistrate First Class found the Accused guilty for an offence under Section 147 and 323/149 of Indian Penal Code by passing an order dated November 09, 2021 punishing the Accused with fine and sentence till rising of the Court.

CRIMINAL APPEAL NOS. 116 OF 2021 AND 118 OF 2021-BEFORE THE COURT OF SESSION JUDGE, SESSION DIVISION, TIKAMGARH (MADHYA PRADESH).

The CRIMINAL APPEAL NOS. 116 OF 2021 AND 118 OF 2021 arises from CRIMINAL CASE NO.1203286 OF 2012 wherein the Complainants and Accused had approached the Sessions Judge at Tikamgarh, both challenging the order dated November 09, 2021, where the Complainants had challenged the said order and appealing for a more stringent punishment whereas the Accused had simpliciter challenged the said order feeling aggrieved by it. The Learned Session Judge allowed the Criminal Appeal No. 118 of 2021 filed by the Complainant and converted the order of November 09, 2021 into an offence punishable under Section 325/149 and 458 of Indian Penal Code by holding that the prosecution (Complainant side) as well as the witness have sufficiently proved their case by leading evidence as well as in their cross-examination as a result of which the Accused were sentenced to undergo rigorous imprisonment of two years and four years and to pay a fine amount of ₹2,000/- and ₹3,000/- for each offence respectively.

A Criminal Revision Reference No. 5796 of 2023 has been filed by the Applicants namely Tarun alias Tanu Soni, Shahzad Khan, Mr. Pradeep Bhadora, Akhilesh Satbhaiya, Gajendra Kumar Chaudhary and Ritesh Kumar Bhadora (“also referred to as the Accused”) before the High Court of Madhya Pradesh challenging the order dated December 08, 2023 passed by the Sessions Judge at Tikamgarh in Criminal Appeal Nos. 116 of 2021 and 118 of 2021 whereby the Criminal Appeal No.116 of 2021 was dismissed and Criminal Appeal No. 118 of 2021 filed by the Complainant i.e. Vijay Kumar Jain (“the Complainant”) was allowed by which the sentence awarded to the Accused under Section 323/149 (on four counts) and 147 of Indian Penal Code by an order dated November 09, 2021 passed by the Court of Judicial Magistrate First Class at Tikamgarh in Criminal Case No.1203286 of 2012 was converted into an offence punishable under Section 325/149 and 458 of Indian Penal Code. The fact of the case is that Judicial Magistrate First Class at Tikamgarh in Criminal Case No.1203286 of 2012 had found the Accused guilty for an offence under Section 458 and 323/149 of Indian Penal Code filed at the instance of the Complainant for which the said Judicial Magistrate First Class had passed an order dated November 09, 2021 punishing the Accused with fine only. Against the said order, the Complainant and Accused approached the Sessions Judge at Tikamgarh in Criminal Appeal Nos. 116 of 2021 and 118 of 2021, whereby the said Session Judge allowed the Criminal Appeal No. 118 of 2021 filed by the Complainant and converted the order of November 09, 2021 into an offence punishable under Section 325/149 and 458 of Indian Penal Code by which the Accused were sentenced to undergo rigorous imprisonment of four years and two years and to pay a fine amount of ₹3,000/- and ₹2,000/- for each offence respectively. Before the High Court, the Accused submitted that they have a strong case based on evidence and that the said Session Judge erred in convicting them and since the Criminal Revision Reference No. 5796 of 2023 would take some time for final disposal, the Accused had prayed for suspension of jail sentence. After hearing both the sides in Criminal Revision Reference No. 5796 of 2023, the High Court has passed an order dated December 22, 2023 allowing the application of the Accused and suspending the remaining jail sentence by releasing the Accused on bail subject to the Accused depositing the entire fine amount and upon furnishing personal bond of ₹50,000/- each with one surety in like amount to the satisfaction of the Judicial Magistrate First Class at Tikamgarh for securing the presence of Accused before the said Judicial Magistrate First Class at Tikamgarh and on such further dates that may be fixed by the said Judicial Magistrate First Class at Tikamgarh during the pendency of Criminal Revision Reference No. 5796 of 2023.

Stage of the case: For Final Hearing.

Next date of hearing: No date is allotted yet.

Outstanding dues to Small Scale Undertakings or any other Creditors

All the information available with the Company with reference to such parties which are identified as suppliers under the Micro, Small and Medium Enterprises Development Act, 2006 (“MSMED”) has been duly disclosed by the Company.

GOVERNMENT AND OTHER KEY APPROVALS

(D) Registration and Approvals under Statutory and Regulatory Act(s):

Sr. No.	Description	Applicable Laws	Authority	Registration Number	Date of Issue	Validity
10.	Registration under Employee's Provident Funds and Miscellaneous Provisions Act, 1952	Employee's Provident Funds and Miscellaneous Provisions Act, 1952	Employees Provident Fund Organisation, Ministry of Labour and Employment, Government of India	MP/SGR/20400/000	February 21, 2013	Valid till cancelled
19.	Certificate of Registration of ISO 9001:2015	The Bureau of Indian Standards Act, 2016	Royal Assessment Private Limited	E20250320980	March 31, 2025	March 30, 2028
20.	Certificate of Registration of ISO 14001:2015	The Bureau of Indian Standards Act, 2016	Royal Assessment Private Limited	E20250320981	March 31, 2025	March 30, 2028
21.	Certificate of Registration of ISO 45001:2018	The Bureau of Indian Standards Act, 2016	Royal Assessment Private Limited	E20250320982	March 31, 2025	March 30, 2028

SECTION X- MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

There is no material clause of Article of Association has been left out from disclosure having bearing on the IPO/disclosure.

DECLARATION

I hereby certify and declare that all relevant provisions under the Companies Act and the rules, regulations or guidelines 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 Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules or regulations made thereunder or guidelines issued, as the case may be. I further certify that all disclosures made in this Addendum to Draft Red Herring Prospectus are true and correct.

Signed By the Directors of the Company			
Sr. no	Name	Designation	Signature
1.	Shashank Bhadora	Chairman & Managing Director	Sd/-
2.	Pradeep Bhadora	Executive Director	Sd/-
3.	Anil Bhadora	Executive Director	Sd/-
4.	Radhika Tripathi	Independent Director	Sd/-
5.	Rahul Verma	Independent Director	Sd/-
6.	Manish Joshi	Independent Director	Sd/-
Signed by the “Chief Financial Officer” and “Company Secretary & Compliance Officer” of our Company			
1.	Sagar Gunjal	Chief Financial Officer	Sd/-
2.	Archana Khare	Company Secretary and Compliance Officer	Sd/-

Place: Indore

Date: May 09, 2025