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SUGS LLOYD LIMITED
(Formerly known as Sugs Lloyd Private Limited)
CIN: U74900DL2009PLC194400

100% Book Built Issue

Our Company was originally incorporated on September 16, 2009 as “Sugs Lloyd Energy Private Limited” under the provisions of the Companies Act, 1956 with the Registrar of Companies, National Capital Territory of Delhi and Haryana. In the year 2020, our Company changed its name from “Sugs Lloyd Energy Private Limited” to “Sugs Lloyd Private Limited” vide fresh certificate of incorporation dated October 09, 2020 issued by the Registrar of Companies, Delhi. Subsequently, In the year 2024, our Company was converted from a private limited company to public limited company, pursuant to a special resolution passed by our Shareholders in the Extra-Ordinary General Meeting held on March 06, 2024 and consequently, the name of our Company was changed to “Sugs Lloyd Limited” vide fresh certificate of incorporation dated June 01, 2024 issued by the Registrar of Companies, Central Processing Centre. The Corporate Identification number of our Company is U74900DL2009PLC194400.

Registered Office: Office No-8B, CSC-I Mandawali, Fazalpur behind Narwana Apartments, New Delhi, Delhi-110092

Contact Person: Ms. Nimmy Singh Chauhan, Company Secretary and Compliance Officer, **Tel No:** +91 9599194186; **E-mail:** compliance@sugslloyds.com; **Website:** www.sugslloyds.com

Promoters of our Company: Priti Shah and Mr. Santosh Kumar Shah

INITIAL PUBLIC ISSUE OF UPTO 59,00,000 EQUITY SHARES OF FACE VALUE OF ₹10.00 EACH (“EQUITY SHARES”) OF OUR COMPANY FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) (“ISSUE PRICE”) AGGREGATING UP TO ₹ [●] LAKHS (“THE ISSUE”). THE ISSUE COMPRISES A FRESH ISSUE OF UP TO 59,00,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] LAKHS (“FRESH ISSUE”).

THIS ISSUE INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ [●] LAKHS (CONSTITUTING UP TO [●] % OF THE POST- ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY) FOR SUBSCRIPTION BY MARKET MAKER (“MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE “NET ISSUE”. THE ISSUE AND THE NET ISSUE SHALL CONSTITUTE [●] % AND [●] %, RESPECTIVELY, OF THE POST- ISSUE PAID- UP EQUITY SHARE CAPITAL OF OUR COMPANY, RESPECTIVELY.

THE FACE VALUE OF THE EQUITY SHARES IS ₹10.00 EACH. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER (“BRLM”) AND WILL BE ADVERTISED IN ALL EDITIONS OF THE ENGLISH DAILY NEWSPAPER [●] ALL EDITIONS OF THE HINDI DAILY NEWSPAPER [●] AND DELHI EDITION OF THE REGIONAL NEWSPAPER [●], EACH WITH WIDE CIRCULATION, AT LEAST 2 (TWO) WORKING DAYS PRIOR TO THE BID/ ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO THE BOMBAY STOCK EXCHANGE OF INDIA LIMITED (“BSE”, REFERRED TO AS THE “DESIGNATED STOCK EXCHANGE”) FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITE IN ACCORDANCE WITH SEBI ICDR REGULATIONS, 2018 AS AMENDED.

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

Potential Bidders may note the following:

1. The Section I titled “**General**” beginning on Page 01 of the Draft Red Herring Prospectus has been revised and updated as some new definitions are added as suggested by the BSE.
2. The Section II titled “**Offer Document Summary**” beginning on page 20 has been revised and updated as suggested by the BSE.
3. The Section III titled “**Risk Factors**” beginning on page 26 of the Draft Red Herring Prospectus in internal risk factor. Some risk factors have been added, accordingly revised, and update exiting Section as suggested by the BSE.
4. The Section IV titled “**Introduction to the Issue**” beginning on page 47 of the Draft Red Herring Prospectus has been updated as suggested by BSE.
5. The Section V titled “**General Information**” beginning on page 52 of the Draft Red Herring Prospectus has been updated as suggested by BSE.

6. The Chapter titled “**Capital Structure**” beginning on page 64 of Section VI of Draft Red Herring Prospectus has been updated as a whole as suggested by the BSE.
7. The Chapter titled “**Objects of the Issue**” beginning on page 77 of Section VII of Draft Red Herring Prospectus has been updated as a whole as suggested by the BSE.
8. The Chapter titled “**Business Overview**” beginning on page 118 of the Draft Red Herring Prospectus has been revised and updated as suggested by the BSE.
9. The Chapter titled “**Statement of Financial Indebtedness**” beginning on page 151 of the Draft Red Herring Prospectus has been referred as suggested by the BSE.
10. The Chapter titled “**Management Discussion and Analysis of Financial Condition and Results of Operations**” beginning on page 228 of the Draft Red Herring Prospectus has been revised and updated as suggested by the BSE.
11. The Section X titled “**Legal and Other Information**” beginning on page 238 of the Draft Red Herring Prospectus has been revised and updated as suggested by the BSE.
12. The Chapter titled “**Other Regulatory and Statutory Disclosures**” beginning on page 249 of the Draft Red Herring Prospectus has been revised and updated as suggested by the BSE.
13. The Chapter titled “**Terms of the Issue**” beginning on page 260 of the Draft Red Herring Prospectus has been revised and updated as suggested by the BSE.
14. The Chapter titled “**Material Contracts and Documents for Inspection**” beginning on page 333 of the Draft Red Herring Prospectus has been revised and updated as suggested by the BSE.

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

Date: May 08, 2025

Place: New Delhi

On Behalf of Sugs Lloyd Limited

Sd/-

Mrs. Priti Shah

(Managing Director)

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
 OUR PATH - YOUR SUCCESS	 KFINTECH EXPERIENCE TRANSFORMATION
3DIMENSION CAPITAL SERVICES LIMITED K-37A, Basement, Kailash Colony, Near Kailash Colony Metro Station, New Delhi-110048 Tel. No.: 011-40196737; Email: info@3dcs.com Investor Grievance Email: grievance@3dcs.com Website: www.3dcs.com Contact Person: Mr. Rhydham Kapoor SEBI Registration No. INM000012528	Kfin Technologies Limited SEBI Registration Number: INR000000221 Address: Selenium Tower-B, Plot 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Telangana, India. Tel. Number: +91 40 6716 2222; Toll Free No: 1800 309 4001 Email Id: sugs.ipo@kfintech.com Investors Grievance Id: einward.ris@kfintech.com Website: www.kfintech.com Contact Person: Mr. M Murali Krishna CIN: L72400TG2017PLC117649

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

Issue Related Terms

Terms	Description
Addendum	The Addendum dated 15th July 2024 to the Draft Red Herring Prospectus dated November 12, 2024 filed by our Company with BSE SME
Designated Market Maker	Nikunj Stock Brokers Limited will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI ICDR Regulations.
General Corporate Purpose	Include such identified purposes for which no specific amount is allocated or any amount so specified towards general corporate purpose or any such purpose by whatever name called, in the offer document. Provided that any issue related expenses shall not be considered as a part of general corporate purpose merely because no specific amount has been allocated for such expenses in the offer document.
Market Making Agreement	The Market Making Agreement dated December 19 th , 2024 between our Company, Book Running Lead Manager and Market Maker.
Market Maker	The Market Maker of our Company being Nikunj Stock Brokers Limited.
Monitoring Agency	[•]
Monitoring Agency Agreement	[•]
Underwriter	The Underwriter of our Company being 3Dimension Capital Services Limited.
Underwriting Agreement	The Agreement dated February 12, 2025 entered between the Underwriters, BRLM and our Company.

SECTION II: OFFER DOCUMENT SUMMARY

A. PRIMARY DETAIL OF BUSINESS AND INDUSTRY

Summary of Business

Our company operates in the renewable energy sector, with a primary focus on solar energy, electrical transmission and distribution, and civil EPC (Engineering, Procurement, and Construction) projects. We provide a wide range of services, including the development of power transmission and distribution infrastructure, construction of power substations, and the renovation, upgrading, and modification of existing power systems.

Additionally, we also engage in providing solutions for Outage Management Solutions (OMS) using fault passage indicators, auto reclosers, and Sectionalizer to various electricity DISCOM (Distribution Companies). In the civil construction domain, we offer turnkey solutions for civil building construction and electrical substation work, particularly for government clients, with a strong emphasis on serving power DISCOMs (Distribution Companies).

Our company also provides skilled manpower and staffing services to government organizations, specifically power DISCOMs, ensuring the efficient operation and maintenance of energy infrastructure.

Segment Wise Revenue Breakup is as follows:

(Rs. in Lakhs)

Particulars	For the period ended							
	June 30, 2024	% of Turnover	2024	% of Turnover	2023	% of Turnover	2022	% of Turnover
Solar Sales	1453.48	57.01	1820.68	27.96	212.81	5.95	57.16	2.51
Civil Sales	599.32	23.51	2563.32	39.36	2193.84	61.30	-	-
EPC Electrical	445.68	17.48	1893.76	29.08	1077.36	30.11	1868.07	82.05
Man Power (Staffing)	50.82	1.99	234.82	3.61	94.6	2.64	351.47	15.44
Total	2,549.30	100.00	6,512.57	100.00	3,578.63	100.00	2,276.70	100.00

D. OBJECT OF THE ISSUE

The fund requirements for each of the Object of the Issue are stated as below:

S. No	Particulars	Amt. (₹ in Lakhs)
1.	To Meet Working Capital Requirement	6400
2.	General Corporate Purpose	[●]
	Total	[●]

For further details please refer to the chapter titled “Object of the Issue” beginning on page 77 of this Red Herring Prospectus

K. SUMMARY OF RELATED PARTY TRANSACTIONS

Transactions with Related Parties		Period/Year ended			
		30-June-24	31-Mar-24	31-Mar-23	31-Mar-22
10.	Income from Sale of Shares				
	- Priti Shah	60.21	98.34	-	-

SECTION III - RISK FACTORS

*An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. To obtain a better understanding, you should read this section together with "**Business Overview**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" on pages 118 and 228, respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus. The risks and uncertainties described in this section are not the only risks that we may face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations, financial condition and prospects.*

If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our cash flows, business, financial condition and results of operations could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risks where the impact is not quantifiable and hence the same has not been disclosed in such risk factors. Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. Before making an investment decision, investors must rely on their own examination of the Issue and us.

This Draft Red Herring Prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors below. However, there are risk factors the potential effects of which are not quantifiable and therefore no quantification has been provided with respect to such risk factors. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue, including the merits and the risks involved. You should not invest in this Issue unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.

*In this Draft Red Herring Prospectus, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in "**Risk Factors**" on page 26 and "**Management Discussion and Analysis of Financial Condition and Results of Operations**" on page 228 respectively of this Draft Red Herring Prospectus unless otherwise indicated, has been calculated on the basis of the amount disclosed in the "Financial Information of our Company" prepared in accordance with the Indian Accounting Standards.*

Materiality

The Risk factors have been determined and disclosed on the basis of their materiality. The following factors have been considered for determining the materiality.

1. Some events may have material impact quantitatively;
2. Some events may have material impact qualitatively instead of quantitatively;
3. Some events may not be material individually but may be found material collectively;
4. Some events may not be material at present but may be having material impact in future.

INTERNAL RISK FACTORS

1. ***Our business is dependent on a few customers and the loss of, or a significant reduction in award of contracts by such customers could adversely affect our business.***

Our top 10 customers span across all our verticals, including Solar Sales, EPC Electrical, Civil Sales, and Manpower (Staffing) services. Segment-wise distribution of our top 10 customers for the periods ended June 30, 2024, and the financial years ended March 31, 2024, March 31, 2023, and March 31, 2022, is as follows:

(Rs. in Lakhs)

Particular	Period ended June 30, 2024	Segment		
	Name		Revenue	In %
1	Bihar Renewable Energy Development Agency	Solar	1,453.48	57.02%
2	Tata Power Southern Odisha Distribution Limited	Electrical/Civil	259.28	10.17%
3	Tata Power Southern Odisha Distribution Limited-Amc	Electrical	217.35	8.53%
4	Vkgm Infrastructure Pvt Ltd	Civil	215.29	8.45%
5	Ransun Infracon Pvt Ltd	Civil	194.92	7.65%
6	Tata Power Western Odisha Distribution Limited-Globle Rc	Electrical	75.50	2.96%
7	Delhi Police Housing Corporation Limited	Civil	71.59	2.81%
8	Madhyanchal Vidyut Vitran Nigam Ltd	Manpower	25.29	0.99%
9	IIT Kanpur-Dean of Research and Development	Manpower	18.78	0.74%
10	Purvanchal Vidhut Vitran Nigam Ltd	Manpower	8.03	0.32%
	Total		2,539.52	99.62%

(Rs. in Lakhs)

Particular	Fiscal 2024	Segment		
	Name		Revenue	In %
1	Tata Power Southern Odisha Distribution Limited	Electrical/Civil	1,264.92	19.42%
2	Bihar Renewable Energy Development Agency	Solar	1,181.31	18.14%
3	Tata Power Southern Odisha Distribution Limited-Vp/Glb Rc	Electrical	764.89	11.74%
4	Tata Power Western Odisha Distribution Limited-Fpi	Electrical	730.12	11.21%
5	Vkgm Infrastructure Pvt Ltd	Electrical/Civil	526.60	8.09%
6	Ransun Infracon Pvt Ltd	Electrical/Civil	744.48	11.43%
7	Delhi Police Housing Corporation Limited	Civil	329.94	5.07%
8	Vkgm Infrastructure Pvt Ltd-Pmc	Civil	300.00	4.61%
9	BSES Yamuna Power Ltd	Electrical	135.70	2.08%
10	Tata Power Northen Odisha Distribution Ltd (Civil)	Civil	107.43	1.65%
	Total		6,085.38	93.44%

(Rs. in Lakhs)

Particular	Fiscal 2023	Segment		
	Name		Revenue	In %
1	Vkgm Infrastructure Pvt Ltd	Electrical/Civil	1,293.61	36.15%
2	Tata Power Southern Odisha Distribution Limited-Mmg	Electrical	939.55	26.25%
3	Ransun Infracon Pvt Ltd	Electrical/Civil	538.26	15.04%
4	Bihar Renewable Energy Development Agency	Solar	185.48	5.18%
5	BSES Yamuna Power Ltd	Electrical	136.83	3.82%
6	BSES Rajdhani Power Limited	Electrical	117.11	3.27%
7	Tata Power Western Odisha Distribution Limited	Electrical/Civil	197.69	5.52%
8	Tata Power Northen Odisha Distribution Ltd	Electrical/Civil	27.62	0.77%
9	Madhyanchal Vidyut Vitran Nigam Ltd	Manpower	27.33	0.76%
10	IIT Kanpur-Dean Of Research and Development-	Manpower	17.82	0.50%
	Total		3,481.29	96.78%

(Rs. in Lakhs)

Particular	Fiscal 2022	Segment		
	Name		Revenue	In %
1	Levana Buildtech & Properties Pvt Ltd	Electrical	886.45	38.94%

2	BSES Rajdhani Power Limited	Electrical	274.66	12.06%
3	Vkgm Infrastructure Pvt Ltd-Bh	Electrical/Civil	176.38	7.75%
4	Gyankar Technologies Pvt. Ltd	Manpower	167.37	7.35%
5	Tata Power Southern Odisha Distribution Limited	Electrical/Civil	147.15	6.46%
6	Vkgm Infrastructure Pvt Ltd	Electrical/Civil	119.80	5.26%
7	Ransun Infracon Pvt Ltd	Electrical/Civil	117.93	5.18%
8	Vkgm Infrastructure Pvt Ltd-Odisha	Electrical/Civil	93.63	4.11%
9	Quickdee Private Limited	Manpower	69.92	3.07%
10	Ri Networks Pvt. Ltd.	Manpower	69.47	3.05%
	Total		2,122.77	93.24%

Our top one, five, and ten customers have contributed a major portion of the revenue of our company for the period ended June 30, 2024, and for the financial years ended March 31, 2024, 2023, and 2022, based on the Restated Financial Statements. A tabular representation of the same is provided below:

Period/Year Ended	Revenue (In Lakhs)	Top 1 Customer (%)	Top 5 Customers (%)	Top 10 Customers (%)
June 30, 2024	2549.30	57.02%	91.82%	99.62%
March 31, 2024	6512.57	19.42%	71.94%	93.44%
March 31, 2023	3578.63	36.15%	88.14%	96.78%
March 31, 2022	2276.70	38.94%	72.56%	93.24%

The segment-wise revenue bifurcation of our top 10 customers is as follows:

Vertical	June 30, 2024	In %	23-24	In %	22-23	In %	21-22	In %
Solar Sales	1,453.48	57.02%	1,820.68	27.96%	185.48	5.18%	-	0.00%
EPC Electrical	444.32	17.43%	1,729.02	26.55%	1,068.78	29.87%	1,816.01	79.76%
Civil Sale	595.44	23.36%	2,535.68	38.94%	2,181.88	60.97%	-	0.00%
Man power (Staffing)	46.28	1.82%	-	0.00%	45.15	1.26%	306.76	13.47%
Total	2,539.52	99.62%	6,085.38	93.44%	3,481.29	96.78%	2,122.77	93.24%

Revenues from any particular client may vary significantly from reporting period to reporting period depending on the nature of ongoing projects and the implementation schedule and stage of completion of such projects. Larger contracts from few customers may represent a larger part of our portfolio, increasing the potential volatility of our results and exposure to individual contract risks. Such concentration of our business on a few projects or clients may have an adverse effect on our results of operations and result in a significant reduction in the award of contracts which could also adversely affect our business if we do not achieve our expected margins or suffer losses on one or more of Projects from such clients.

Further, we cannot assure you that we can maintain the historical levels of project orders from these clients or that we will be able to find new clients in case we lose any of them. Furthermore, major events affecting our clients, such as adverse market conditions, regulatory changes, adverse cash flows, change of management, mergers and acquisitions by clients could adversely impact our business.

Our long-standing relationship with certain of our customers is a result of our timely and efficient completion of work. However, in the event we are unable to complete our projects within the duration prescribed under our contracts, or the quality of our work deteriorates, then our relationship will get strained and we may not get further orders from our current clients which could adversely affect our business. In addition, our clients may also be entitled to terminate the agreement in the event of delay in completion of the work if the delay is not on account of any of the agreed exceptions.

Consequently, the loss of any of our significant clients, could have an adverse effect on our business, cash flows and results of operations. In addition, any adverse change in the projects that we are constructing for them, such as delays or stoppages in completion schedules, changes to the agreed designs or failure to obtain regulatory permits for such projects by clients, may also have an adverse effect on our business.



For further details of our Business, please refer top ten customers in the chapter titled **“Business Overview”** beginning on Page 118 of *Draft Red Herring Prospectus*.

SUGS LLOYD

2. Our under-construction projects may be subject to cost overruns or delays.

As of the date of this *Draft Red Herring Prospectus*, we have Ongoing Projects that are under construction and development. The development of such projects is subject to substantial risks, including various planning, engineering and construction risks. Electrical Engineering projects typically require substantial capital outlays and a long gestation period before the commencement of commercial operation. The owner of an Electrical Engineering projects generally begins generating a return on investment after the commencement of commercial operation, which may be delayed due to various reasons. Any delays or cost overruns in the completion of our projects may adversely affect our ability to generate returns from the sale of these projects.

For further details of our ongoing projects, please refer **“Our Ongoing Projects”** under chapter titled **“Business Overview”** beginning on Page 139 of *Draft Red Herring Prospectus*. Risks inherent to Renewable energy projects could materially and adversely affect our business, financial condition and results of operations.

Renewable energy projects have long gestation periods before they become operational and carry project-specific as well as general risks. These risks are generally beyond our control and include:

- Political, regulatory, fiscal, monetary and legal actions and policies that may adversely affect the viability of projects, and have an effect on our future projects.
- Changes in government and regulatory policies relating to the renewable energy sector;
- Delays in the construction of projects we are engaged on;
- Adverse changes in demand for, or the price of, electricity generated or distributed by the projects we are engaged on;
- The willingness and ability of consumers to pay for the electricity produced by projects we are engaged on;
- Increased project costs due to environmental challenges and changes in environmental regulations;
- Failure of third parties such as contractors, sub-contractors and others to perform on their contractual obligations in respect of projects we are engaged on;
- Economic, political and social instability or occurrences such as natural disasters, armed conflict and terrorist attacks, particularly where projects are located or in the markets they are intended to serve;
- Delay in obtaining/renewing regulatory or environmental clearances and suspension or cancellation due to non-conformity with conditions stipulated under the clearance; and

In addition, any significant change in the project plans of our clients or change in our relationship with these existing clients may affect our business prospects. Furthermore, successful implementation of the projects we are engaged on are dependent on our client's financial condition, as any adverse change in their financial condition may affect the financing and consequently the implementation of the projects. In the event, the renewable projects we are engaged on are cancelled or delayed or otherwise adversely affected, our results of operations and financial condition could be affected. While there have been no significant time and cost overrun for our project completion during the three-month period ended June 30, 2024, and in the last three financial years, we cannot assure you that such instances will not happen in future.

For further details of our Business, please refer chapter titled **“Business Overview”** beginning on Page 118 of *Draft Red Herring Prospectus*.

3. Our Order Book does not represent our future revenues and our actual income may be significantly less than the estimates reflected in our Order Book, which could adversely affect our results of operations.

As of March 31, 2025, the Company has an order book valued at ₹299.36 crore, from which it expects to generate future revenue and profit. Order Book refers to a compilation of our expected revenues from uncompleted projects received. Projects in the order book represent business that is considered firm. Our Order Book does not necessarily indicate future earnings related to the performance of that work, as cancellations or unanticipated variations or scope or schedule adjustments may occur. Due to changes in project scope and schedule, we cannot predict with certainty when or if contracts in our Order Book will be performed. In addition, even where a project proceeds as scheduled, it is possible that contracting parties may default and fail to make the payments due.

We cannot guarantee that the income anticipated in our Order Book will be realized, or, if realized, will be realized on time or result in



profits. Any project cancellations or scope adjustments, which may occur from time to time, could reduce the amount of our Order Book and the income and profits that we ultimately earn from the contracts. Any delay, cancellation or payment default could have a material adverse effect on our business. For some of the contracts in our Order Book, our clients are obliged to perform or take certain actions, such as acquiring land, securing the right of way, clearing forests, providing owner supplied material, securing required licenses, authorisation or permits, making advance payments or opening of letters of credit, approving designs, approving supply chain vendors and shifting existing utilities.

If a client does not perform such actions in a timely manner, and the possibility of such failure is not provided for in the contract, our projects could be delayed, modified or cancelled.

Over the past three years, there have been a few instances where orders from private customers did not materialize into firm contracts. This was primarily due to a lack of necessary support from the customers in critical areas such as approvals, site readiness, financial commitments, or other essential contractual obligations.

For instance:

1. **Order from Customer Intellismart (Rs. 49 Cr.)** – Due to inadequate support from the customer, the project faced prolonged delays, ultimately leading to our decision to disengage from the contract.
2. **Order from Customer Reliance Jio (Rs. 2.89 Cr.)** – Ambiguities in the scope of work created execution challenges and uncertainties, preventing the project from progressing as planned.
3. **Order from Customer Indraprastha Gas Limited (Rs. 2.86 Cr.)** - Due to inadequate support from the customer, the project faced prolonged delays, ultimately leading to our decision to disengage from the contract.

In such cases, after careful evaluation, we made a strategic decision not to proceed with execution to mitigate potential risks and ensure the efficient allocation of our resources. These instances were limited and did not have a material impact on our overall business performance.

Accordingly, the realization of our Order Book and the effect on our results of operations may vary significantly from reporting period to reporting period depending on the nature of such contracts, actual performance of such contracts, as well as the stage of completion of such contracts as of the relevant reporting date as it is impacted by applicable accounting principles affecting revenue and cost recognition.

8. Our tender bidding process involves various management activities such as detailed project study, cost estimations, we are subject to risks if our cost estimates are inaccurate, resulting in bid amounts with margins below our hurdle rate. This may adversely affect our financial results and profitability.

Our company participates in tender bids for various projects, which involves management activities such as detailed project studies and cost estimations. However, there are risks associated with this process, including:

- └ Inability to accurately estimate project costs, leading to bid amounts with margins lower than our hurdle rate margin
- └ Insufficient or inaccurate project data, which may impact cost estimations
- └ Changes in market conditions, regulations, or customer requirements affecting project costs
- └ Intense competition, potentially leading to aggressive bidding
- └ Failure to secure contracts due to inaccurate bidding strategies

As of the fiscal years 2021-22, 2022-23, 2023-24, and 2024-25, our bid-to-win ratio has shown fluctuation. In FY 2021-22, we applied for 12 bids and successfully won 2, achieving a 17% win rate. In FY 2022-23, we applied for 16 bids and successfully won 7, achieving a 44% win rate. In FY 2023-24, we applied for 84 bids and won 29, resulting in a win rate of 35%. In FY 2024-25, we applied for 32 bids and won 10, yielding a win rate of 31.25%.

While we have not experienced any instances of inaccurate cost estimation in the past, there is no assurance that we will not encounter such challenges in the future. Inaccurate cost estimations or ineffective bidding strategies could adversely impact our financial performance, profitability, and returns on investment.

We continue to enhance our bidding processes and improve cost estimation practices to mitigate these risks. However, there can be no assurance that such measures will fully mitigate the risks associated with tender bidding and cost estimation, or that our financial performance will not be negatively affected by these factors.

9. The unsecured loan availed by our Company from associate company may be recalled at any given point of time.

Our Company has been availing unsecured loans from an associate company, with the total outstanding payable amounting to Rs. 1038.13 Lakhs as of November 11, 2024. Although there are no terms and conditions prescribed for the repayment of these unsecured loans, which can be recalled at any given point in time during the ordinary course of business and may impact the business operations and financial performance of our Company, no such instance has occurred in the past where an unsecured loan availed has been recalled at any given

point in time. However, we cannot assure that such instances will not arise in the future.

For further details regarding loans availed by our Company, please refer “Note No. 8 of restated financial statements of our Company” on page 206 of this Draft Red Herring Prospectus.

10. The Company is dependent on few suppliers for purchase of product. Loss of any of these large suppliers may affect our business operations.

We rely on a limited number of suppliers for the purchase of materials, and our dependence on a few suppliers is significant. Our top one, five, and ten suppliers have contributed a major portion of the purchases of our company for the period ended June 30, 2024, and for the financial years ended March 31, 2024, 2023, and 2022, based on the Restated Financial Statements. A tabular representation of the same is provided below:

Period/Year Ended	Purchases (In Lakhs)	Top 1 Supplier (%)	Top 5 Suppliers (%)	Top 10 Suppliers (%)
June 30, 2024	1654.11	24.81%	52.20%	72.08
March 31, 2024	3112.58	9.58%	37.46%	51.98%
March 31, 2023	1883.66	23.51%	65.59%	80.97%
March 31, 2022	971.07	16.61%	39.16%	49.43%

The materials purchased from these suppliers across our different verticals are as follows:

Solar		
Solar PV Module	Array Junction Box	Communication Cable
Inverter	ACDB	Earthing Cable
RCC Roof	Isolator Box	MC4 Connectors Male/Female Pair
Wireless Gateway	AC Power Cable	MC4 Connector Jumpers
Solar PV Module	DC Cable	Earth Electrode/Pipe
BFC Chemical compound	Earthing Pit Cover	Solar Street Light
Lightening Arrestor	Cable Tie	U Clamp
Red Insulator for Flat Strip	HDPE Conduit Pipe	PVC clips/gully
GI Strip	Metal Saddle	MS Screw
Nut Bolt	UPVC Socket	Rivet
Cable Tray	Green tape	AC Cable Lugs - Pin Type
RED tape	Black tape	Earthing Cable Cu - Ring type
Yellow tape	PVC Ferrul	Painting Brush
Blue tape	AC Cable Lugs - Ring Type	PU Foam
Heat Shrink Sleeve	Inverter Stand	Battery
GI Spray	Project Signage	Miscellaneous Solar Materials
Fire Extinguisher	Schematic Diagram Signage	Safety Signage

Electrical	Civil	
Insulator with H/W fitting	Cement	Prop
Stay Set & Earthing Items	Steel-TMT	Clamps
GI Pipe & HDPE Pipe	Concrete-RMC	Jack
Steel Structure	Electrical Item	Shuttering
Nuts and bolts	DG Set	Wooden Ply
Termination Kit & Jointing Kit	Plumbing Items	Batten Ply
GI Wire & Barbed Wire	Pump	Miscellaneous Civil Materials
AB Switch	Motors	Scaffolding
Clamps & Connectors, Lugs etc.	Flush Doors	Ladder
AB Cable Accessories		
Miscellaneous Electrical Materials		

We cannot assure that we will be able to get the same quantum and quality of supplies, or any supplies at all, and the loss of supplies from one or more of them may adversely affect our purchases of stock and ultimately our revenue and results of operations. However, the composition and amount of purchase from these suppliers might change as we continue seek new suppliers for our product for better quality and price in the normal course of business. Though we believe that we will not face substantial challenges in maintaining our business relationship with them or finding new suppliers, there can be no assurance that we will be able to maintain long term relationships with such suppliers or find new suppliers in time.

11. Any slowdown or work stoppages at our project sites may have effect on our business, financial condition and results of operations

Our projects are subject to various operational risks including, among various factors, the breakdown or failure of equipment, power supply or processes, labor disputes, natural disasters, accidents and the need to comply with applicable legal and regulatory requirements. The occurrence of any of these factors could significantly affect our results of operations and financial condition. Any disruption in our operations due to disputes or other issues with our employees or contract labor work force may adversely affect our business and results of operations. Long periods of business disruption could result in a loss of customers. Although we take precautions to minimize the risk of any significant operational problems at our operation sites, no such instances have occurred in the past, we cannot guarantee that we will not face such challenges in the future.

For further details of our Business, please refer chapter titled “Business Overview” beginning on Page 118 of Draft Red Herring Prospectus.

13. Funding the working capital requirements of our Company, based on certain assumptions and estimates, constitutes a key objective of the Issue. Failure to effectively utilize these funds could adversely impact our operations.

The objects of the Issue include funding the working capital requirements of our Company and general corporate purposes, which are based on management estimates and certain assumptions. For more information regarding these management estimates and assumptions, please refer to the section titled “*Objects of the Issue*” on page 77 of this Draft Red Herring Prospectus.

Our actual working capital requirements may vary due to factors beyond our control, such as force majeure events, an increase in defaults by our customers, and the non-availability of funding from banks or financial institutions. As a result, the estimated working capital requirements may not accurately reflect our Company's actual future needs. Investors are advised not to place undue reliance on these estimates, as they may differ from the Company's actual requirements going forward.

14. Opposition from local communities and other parties may adversely affect our financial condition, results of operations and cash flows.

The construction and operation of our power transmission systems may have significant consequences on grazing, logging, agricultural activities, mining and land development as well as on the ecosystem of the affected areas. Further, the construction and operation of our power transmission systems may disrupt the activities and livelihoods of local communities, especially during the project construction period. Repair work on a project may be delayed in order to resolve local community concerns. Any such opposition may adversely affect our financial condition, results of operations and cash flows, and harm our reputation. However, no such instances have occurred in the past, but we cannot guarantee that similar situations will not arise in the future.

We could be subject to opposition, such as through litigation or by other means, from public interest groups, local communities or non-governmental organizations, in relation to the environmental impact of their transmission projects or in relation to land acquisition, change in land use, acquisition and use of rights of way and construction activities for their projects and the consequent impact on the livelihood of affected communities. While no such instances have occurred in the past, we cannot guarantee that similar challenges will not arise in the future.

16. An inability to effectively manage project execution may lead to project delays which may affect our business and results of operations.

Our business is dependent on our ability to effectively manage the execution of our projects. An inability to efficiently oversee our operations, including ineffective or inefficient project management procedures, could increase our costs and expenses, result in project delays, and thereby affect our profitability. The effectiveness of our project management processes and our ability to execute projects in a timely manner may be affected by various factors.

Additionally, in some contracts, in case of delay due to our fault or because of defective work done by us, clients have the right to rectify the defective work, or engage a third party to complete the work and deduct additional costs or charges incurred for completion from the contract price payable to us. Furthermore, most contracts we enter into are subject to specific completion schedule requirements, with liquidated damages applicable if schedules are not met due to circumstances within our control. These factors could impact our results of operations and financial condition.

However, we confirm that there have been no past instances where we were unable to manage a project effectively. While we continue to take proactive measures to ensure efficient project execution, we cannot guarantee that similar challenges will not arise in the future.

For further details of our Business, please refer “Operational framework for EPC Projects” chapter titled “Business Overview” beginning on Page 123 of Draft Red Herring Prospectus.

We confirm that we will shift below risk factor no.17 in the top 10 risk factor in RHP.

17. The property used by the Company for the purpose of its operations is not owned by us. Any termination of the relevant lease agreement or rent agreement in connection with such property or our failure to renew the same could adversely affect our operations.

Our registered office is located at Office No-8B, CSC-I Mandawali, Fazalpur behind Narwana Apartments, New Delhi, Delhi-110092 and the same is not owned by us. We have obtained this property on rent from Mr. Rakesh Sachdeva through Rent Agreement dated July 22, 2024. Any termination of the agreement in connection with this property or our failure to renew the same, in a timely manner or at all could adversely affect our operations.

Our Corporate office is located at 2nd Floor, Logix Park, Plot No A-4 & 5 Sector 16, Noida, Gautam Buddha Nagar, U.P. - 201301, India and the same is not owned by us. We have obtained this property on lease from M/s Logix Soft-Tel Private Limited through Rent Agreement dated July 15, 2024. Any termination of the lease in connection with this property or our failure to renew the same, in a timely manner or at all could adversely affect our operations.

Our Factory Premise is located at C 96 Basement C Block, Sector 2, Noida, Gautam Buddha Nagar, Noida, Uttar Pradesh, India, 201301, India and the same is not owned by us. We have obtained this property on rent from M/s VD IT Private Limited through Rent Agreement dated July 01, 2023. Our Rent Agreement is also not registered. Any termination of the lease in connection with this property or our failure to renew the same, in a timely manner or at all could adversely affect our operations.

For details regarding properties taken on lease refer the Section titled —Properties – “***Business Overview***” beginning on page no.118 of this *Draft Red Herring Prospectus*.

18. Our business is manpower intensive and any unavailability of our employees or shortage of contract labour or any strikes, work stoppages, increased wage demands by workmen or changes in regulations governing contractual labour may have an adverse impact on our cash flows and results of operations.

Our business is manpower intensive and we are dependent on the availability of our permanent employees and the supply of a sufficient pool of contract laborers at our project locations. Unavailability or shortage of such a pool of workmen or any strikes, work stoppages, increased wage demands by workmen or changes in regulations governing contractual labor may have an adverse impact on our cash flows and results of operations. The number of contract laborers employed by us varies from time to time based on the nature and extent of work contracted to us and the availability of contract labor. We may not be able to secure the required number of contractual laborers for the timely execution of our projects for a variety of reasons including, but not limited to, possibility of disputes with sub-contractors, strikes, less competitive rates to our sub-contractors as compared to our competitors or changes in labor regulations that may limit availability of contractual labor.

We are subject to laws and regulations relating to employee welfare and benefits such as minimum wage, working conditions, employee insurance, and other such employee benefits and any changes to existing labour legislations, including upward revision of wages required by such state governments to be paid to such contract labourers, limitations on the number of hours of work or provision of improved facilities, such as food or safety equipment, may adversely affect our business and results of our operations.

However, there have been no such instances in the past. Further, there can be no assurance that disruptions in our business will not be experienced if there are strikes, work stoppages, disputes or other problems with sub-contractors or contract labourers deployed at our projects. This may adversely affect our business and cash flows and results of operations.

20. We have a substantial amount of outstanding indebtedness and bank guarantee, which requires significant cash flows to service and are subject to certain conditions and restrictions in terms of our financing arrangements, which restricts our ability to conduct our business and operations in the manner we desire.

As of June 30, 2024, our short-term borrowings amounted to 3018.08 Lakhs, compared to 1,856.95 Lakhs as of March 31, 2024. We anticipate that we will continue to incur additional indebtedness in the future. Our level of indebtedness has important consequences to us, such as:

- └ increasing our vulnerability to general adverse economic, industry and competitive conditions;
- └ limiting our ability to borrow additional amounts in the future;
- └ affecting our capital adequacy requirements; and
- └ Increasing our finance costs.

In the event we breach any financial or other covenants contained in any of our financing arrangements or in the event we had breached any terms in the past which is noticed in the future, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs. If the lenders of a material amount of the outstanding loans declare an event of default simultaneously, our Company may be unable to pay its debts when they fall due. For further details of our Company’s borrowings, please refer “Financial



Information of our Company” and “Statement of Financial Indebtedness” on pages 189 and 151 respectively, of this Draft Red Herring Prospectus.

22. We are exposed to the risk of delays or non-payment by our clients, which may also result in cash flow mismatches.

We are exposed to counterparty credit risk in the usual course of our business dealings with clients who may delay or fail to make payments or perform their other contractual obligations. The financial condition of our clients may be affected by the performance of their business, which in turn can be impacted by various factors, including general economic conditions. We cannot assure the continued viability of our clients or guarantee that we will always accurately assess their creditworthiness. Additionally, there is no certainty that we will be able to collect the full or partial amount of any overdue payments. Any material non-payment or non-performance by our clients could negatively affect our financial condition, results of operations, and cash flows.

There have been two instances in the past where delays or non-payment occurred from our clients, i.e. with M/s. Quickdee Private Limited and M/s. Karvy Next Limited.

For further details regarding these cases, please refer to “Litigation Filed by Our Company” under the chapter titled “Outstanding Litigations and Material Developments”, beginning on page 238 of this Draft Red Herring Prospectus.

23. Misconduct or errors by manpower engaged by us could expose us to business risks or losses that could affect our business prospects, results of operations and financial condition

Misconduct or errors by manpower engaged by us could expose us to business risks or losses, including regulatory sanctions, penalties and serious harm to our business. Such misconduct includes breach of security requirements, misappropriation of funds, hiding unauthorized activities, failure to observe our stringent operational standards and processes and improper use of confidential information. It is not always possible to detect or deter such misconduct, and the precautions we take to prevent and detect such misconduct may not be effective. The risks associated with the deployment of manpower engaged by us across several projects include, among others, possible claims relating to:

- └ actions or inactions, including matters for which we may have to indemnify our clients;
- └ Our failure to adequately verify personnel backgrounds and qualifications resulting in deficient services;
- └ failure of manpower engaged by us to adequately perform their duties or absenteeism;
- └ errors or malicious acts or violation of security, privacy, health and safety regulations; and
- └ Damage to our clients’ facilities or property due to negligence or criminal acts.

These claims may give rise to litigation and claims for damages, which could be time-consuming. These claims may also result in negative publicity and effect our business. Further, as per the terms of certain client contracts, we indemnify our clients against losses or damages suffered by our clients as a result of negligent acts of manpower engaged by us. Any claims and proceedings for alleged negligence as well as regulatory actions may in turn materially and consequently, our business, financial condition, results of operations and prospects.

However, we confirm that there have been no past instances where we failed to manage such risks effectively. While we continue to take proactive measures to prevent and mitigate these risks, we cannot guarantee that similar challenges will not arise in the future.

25. Our Promoters have provided personal guarantees for loans availed by our Company. Our business, financial condition, results of operations, cash flows and prospects may be adversely affected by the invocation of all or any personal guarantees provided by our Promoter

Our Promoters, Mrs. Priti Shah and Mr. Santosh Kumar Shah, have provided personal guarantees to secure a significant portion of our existing borrowings and may continue to do so post-listing. In the event of a default under our loan agreements, any personal guarantees provided by our Promoters may be invoked, which could negatively impact the reputation of our Company. Additionally, we may face certain impediments in decision-making related to our Company, potentially resulting in a material adverse effect on our financial condition, business, results of operations, and prospects. However, no such instances have occurred in the past where personal guarantees given by the Promoters/Directors have been invoked.

Furthermore, our Promoters may be required to liquidate their shareholding in our Company to settle lender claims, leading to dilution of their shareholding. If our Promoters revoke their personal guarantees and we are unable to secure alternate guarantees or property satisfactory to the lenders, we may be required to repay outstanding amounts under such facilities or seek additional sources of capital, which could impact our financial condition and cash flows.

For further details regarding Personal Guarantee and loans availed by our Company, please refer Note No. 8 of chapter titled “Financial Information of our Company” on page 206 of this Draft Red Herring Prospectus.



27. Our success is dependent on our Promoters, senior management and skilled manpower. Our inability to attract and retain key personnel or the loss of services of our Promoters or Managing Director and Whole Time Directors may have an adverse effect on our business prospects.

Our Promoters, Managing Director, and senior management have significantly contributed to the growth of our business, and our future success is dependent on the continued services of our senior management team. Our CEO Satyakam Basu, Managing Director Mrs. Priti Shah, Non-Executive Director Mr. Santosh Kumar Shah and Chief Financial Officer Mr. Vicky Kumar are having experience of 43 years, 16 years, 20 years and 15 years respectively in the industry which turn out beneficial for the Company. An inability to retain any key managerial personnel may have an adverse effect on our operations. Our ability to execute contracts and to obtain new clients also depends on our ability to attract, train, motivate and retain highly skilled professionals, particularly at managerial levels. We might face challenges in recruiting suitably skilled personnel, particularly as we continue to grow and diversify our operations. In the future, we may also not be unable to compete with other larger companies for suitably skilled personnel due to their ability to offer more competitive compensation and benefits. The loss of any of the members of our senior management team, our directors or other key personnel or an inability on our part to manage the attrition levels; may materially and adversely impact our business, results of operations, financial condition and growth prospects.

Our attrition rate is slightly higher than the industry benchmarks, which may indicate challenges in employee retention within the organization. However, it is important to note that we are actively addressing this by hiring more employees to ensure that the workforce remains robust and capable of meeting our operational needs. We are continuously working on strategies to improve employee engagement and retention, aiming to bring the attrition rate more in line with industry standards moving forward.

The success of our business is also dependent upon our ability to hire, retain, and utilize qualified personnel and corporate management professionals who have the required experience and expertise. From time to time, it may be difficult to attract and retain qualified individuals with the requisite expertise and we may not be able to satisfy the demand of Clients because of our inability to successfully hire and retain qualified personnel.

For further details of our Promoters and Management, please refer chapter titled “*Our Promoters and Promoter Group*” and “*Our Management*” beginning on Page 184 & 166 of this Draft Red Herring Prospectus.

We confirm that we will shift below risk factor no. 28 in the top 10 risk factor in RHP.

28. We have experienced negative cash flows in the past. Any such negative cash flows in the future could affect our business, results of operations and prospects.

Our Company had reported certain negative cash flows from Operating, investing activities and financing activities in the previous years as per the Restated Financial Statements and the same are summarized as under:

(Rs. in Lakhs)

Particulars	For the period ended			
	30-06-2024	31-03-2024	31-03-2023	31-03-2022
Cash flow from Operating Activities	(1,015.81)	(1,015.81)	(1,042.07)	(383.94)
Cash flow from Investing Activities	(109.58)	(398.51)	(42.06)	276.98
Cash flow from Financing Activities	1,116.98	929.71	1,118.70	(6.01)

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If our Company is not able to generate sufficient cash flows, it may affect our business and financial operations. For further details please refer “*Cash Flow Statement*” of our company under the chapter titled “*Financial Information of our company*” on Page 197 of this Draft Red Herring Prospectus.

30. Our insurance coverage may not be adequate to protect us against all potential losses to which we may be subject and this may have a material effect on our business and financial condition.

While we maintain insurance coverage, in amounts which we believe are commercially appropriate, including related to our registered office, our movable property and employees, provide appropriate coverage in relation to fire, explosions, floods, inundations, earthquakes, landslides we may not have sufficient insurance coverage to cover all possible economic losses, including when the loss suffered is not easily quantifiable and in the event of severe damage to our business. Even if we have made a claim under an existing insurance policy, we may not be able to successfully assert our claim for any liability or loss under such insurance policy. Additionally, there may be various other risks and losses for which we are not insured either because such risks are uninsurable or not insurable on commercially acceptable



terms. The occurrence of an event for which we are not adequately or sufficiently insured could have an effect on our business, results of operations, financial condition and cash flows.

SUGS LLOYD

In addition, in the future, we may not be able to maintain insurance of the types or at levels which we deem necessary or adequate or at rates which we consider reasonable. The occurrence of an event for which we are not adequately or sufficiently insured or the successful assertion of one or more large claims against us that exceed available insurance coverage, or changes in our insurance policies (including premium increases or the imposition of large deductible or co-insurance requirements), could have an effect on our business, results of operations, financial condition and cash flows.

For further details please refer “Insurances” of our company under the chapter titled “Business Overview” on Page 148 of this Draft Red Herring Prospectus.

37. The average cost of acquisition of Equity Shares by our Promoters could be lower than the Issue Price.

Our Promoters average cost of acquisition of Equity Shares in our Company is lower than the Issue Price decided by the Company in consultation with the Book Running Lead Manager. The details of the average cost of acquisition of Equity Shares held by Mrs. Priti Shah is set out below:

Name of the Promoters	No. of Shares held	Average Cost of Acquisition per Share (In Rs.)*
Mrs. Priti Shah	1,62,49,965	1.85

* The average cost of acquisition of Equity shares by our promoters have been calculated by considering the amount paid to them to acquire and shares allotted to them as reduced by amount received on sell of shares i.e. net of sale consideration is divided by net quantity of shares acquired.

As certified by Statutory and Peer Review Auditor, M/s Ratan Chandak & Co LLP Chartered Accountant vide certificate dated October 21, 2024.

For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares by our Promoters in our Company, please refer to the chapter titled “Capital Structure” beginning on page 64 of this Draft Red Herring Prospectus.

We confirm that we will shift below risk factor no. 44 in the top 25 risk factor in RHP.

44. Orders placed by customers may be delayed, modified or cancelled, which may have an adverse effect on our business, financial condition and results of operations. Further any defaults or delays in payment by a significant portion of our customers, may have an adverse effect on cash flows, results of operations and financial condition.

We may encounter problems in executing the orders in relation to our products, or executing it on a timely basis. Moreover, factors beyond our control or the control of our customers may postpone the delivery of such products or cause its cancellation. Due to the possibility of cancellations or changes in scope and schedule of delivery of such products, resulting from our customers discretion or problems we encounter in the delivery of such products or reasons outside our control or the control of our customers, we cannot predict with certainty when, if or to what extent we may be able to deliver the orders placed. Additionally, delays in the delivery of such products can lead to customers delaying or refusing to pay the amount, in part or full, that we expect to be paid in respect of such products. In addition, even where a delivery proceeds as scheduled, it is possible that the customers may default or otherwise fail to pay amounts owed.

47. Fraud, theft, employee negligence or similar incidents may adversely affect our results of operations and financial condition.

Our operations may be subject to incidents of theft or damage to inventory in transit, prior to or during godown stocking and display. The industry also typically encounters some inventory loss on account of employee theft, shoplifting, vendor fraud, credit card fraud and general administrative error. Although till date we have never experienced any such instance, there can be no assurance that we will not experience any fraud, theft, employee negligence, security lapse, loss in transit or similar incidents in the future, which could adversely affect our results of operations and financial condition. Additionally, losses due to theft, fire, breakage or damage caused by other casualties, could adversely affect our results of operations and financial condition. However, no such instance has occurred till now, but we cannot guarantee this will not occur in the future.

We confirm that we will shift below risk factor no.48 above the risk factor 18 in RHP.

48. Our business, financial condition and results of operations could be materially and adversely affected by strikes, work stoppages



and/or increased wage demands by our employees or any other kind of dispute with our employees and other workers.

As on date of this DRHP, we have 65 full-time employees. We have no employees who belong to labour unions, and we have had no instances of strikes or labour unrest since we began operations. However, we cannot guarantee that our employees will not join labour unions in the future, and as a result, we may experience operational disruptions due to labour disputes or other issues with our workforce. Further, it may happen in future that employees want to increase their wages or terms of the employment contract and if the company not satisfied with the demand then the employees might not work but till date we did not face any such issue which will disrupt the business of the company. If the abovementioned events occurs then it will have materially negative impact on our business, financial condition, and results of operations.

We confirm that we will shift below risk factor in the top 25 risk factor in RHP.

We operate in a highly competitive industry across multiple segments, including solar EPC, electrical EPC, civil EPC, and manpower staffing. Any failure to effectively respond to market changes and evolving dynamics in these sectors could have a negative impact on our business, financial condition, and results of operations

We face significant competition in the industries in which we operate, particularly from local developers and operators in the renewable energy sector., electrical transmission and distribution, and civil EPC (Engineering, Procurement, and Construction) sectors. Many of our competitors may have advantages over us in areas such as operational scale, financial strength, technical expertise, or other resources, which could allow them to achieve better economies of scale and lower capital costs.

Our market position relies on our ability to secure financing, effectively develop and operate projects, and maintain a strong reputation and proven track record. Any increase in competition during the bidding process or a decline in our competitive capabilities could adversely affect our market share and project margins.

As these industries grow and evolve, new competitors may emerge, potentially disrupting the market. There is no assurance that our current or potential competitors will not secure project bids or offer services that are comparable or superior to ours, whether at the same or lower prices, or adapt to changing market demands more swiftly than we can. Heightened competition may lead to price reductions, diminished profit margins, and a loss of market share.

We confirm that we will shift below risk factor in the top 25 risk factor in RHP.

Our Company is engaged in business of Renewable Energy, Electrical Engineering, Engineering, Procurement and Construction (EPC) and manpower staffing. Our inability to manage the common pursuit between issuer company and its associates companies may affect our business operations, prospects and financial condition .

Our company is engaged in the business of Renewable Energy, Electrical Engineering, Engineering, Procurement, and Construction (EPC), as well as manpower staffing. As part of our operations, we are involved in common pursuits related to manpower staffing with one of our group company. Such pursuits may expose us to certain risks, including coordination challenges, unequal contributions from stakeholders, conflicts of interest, or other operational inefficiencies, which could negatively impact our business operations, prospects, and financial condition.

Although we have not experienced any material impact from these risks in the past, we cannot assure you that these risks will not arise in the future. The occurrence of any such risks could result in disruptions to our business, financial performance, or strategic objectives, and may have a material adverse effect on our operations, growth prospects, and overall financial condition.

We confirm that we will shift below risk factor in the top 25 risk factor in RHP.

Some of our directors do not have prior experience serving as directors in any other listed company in India.

Our company relies significantly on the Promoters and Directors, who play a pivotal role in shaping the strategic direction and overseeing the day-to-day operations of the business. However, the dependence on Promoters and Directors with limited experience in managing listed companies may present challenges in ensuring adherence to established corporate governance norms and practices. These governance practices are vital for the company's long-term success, reputation, and sustained growth in the market.

Our Company has seven (7) directors, comprising two (2) Executive Directors, two (2) Non-Executive Directors, and three (3) Independent Directors. Among them, three directors have prior experience in a listed company. This includes two Independent Directors, Rajveer Singh

and Kavita Rani, and one Non-Executive Director, Ghanshyam Dhananjay Gavali.

Despite the qualifications and relevant expertise of our board members in their respective fields, rest of them do not have prior experience serving as directors on the board of any other listed company in India. This lack of experience in listed company governance may pose challenges for our company in adhering to established corporate governance norms and practices. Additionally, this absence of experience may impact our company's credibility and reputation with investors and other stakeholders. For more details, please refer to the chapter titled "Our Management" on page 166 of this Red Herring Prospectus.

SECTION IV – INTRODUCTION

THE ISSUE

Note:

(6) Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Manager and the Designated Stock Exchange, subject to applicable laws.

SECTION-V

GENERAL INFORMATION

Details of Key Intermediaries pertaining to this Issue and Our Company:

Monitoring Agency

[●]

Monitoring Agency

As per Regulation 262(1) 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. As the size of the issue exceeds ₹ 5,000 Lakh, Company has appointed [●] as the Monitoring Agency to monitor the utilisation of the Net Proceeds, in accordance with Regulation 262 of the SEBI (ICDR) Regulations, 2018.

Further, in accordance with Regulation 32(1)(a) of the SEBI (LODR) Regulations, 2015, our Company shall furnish to the Stock Exchanges on a half yearly basis, a statement indicating material deviations, if any, in the utilization of the Net Proceeds for the objects stated in this Draft Red Herring Prospectus.

UNDERWRITING

The Company and the Book Running Lead Manager to the issue hereby confirm that the issue is 100% Underwritten by 3Dimension Capital Services Limited in the capacity of Underwriter to the issue.

Pursuant to the terms of the Underwriting Agreement dated February 12th, 2025 entered into by Company and Underwriter 3Dimension Capital Services Limited, the obligations of the Underwriter are subject to certain conditions specified therein. The Details of the Underwriting commitments are as under:

Details of the Underwriter	No. of shares underwritten	Amount Underwritten (₹ in Lakh)	% of Total Issue Size Underwritten
3Dimension Capital Services Limited Address: K-37/A, Basement, Kailash Colony, Near Kailash Colony Metro Station, South Delhi, New Delhi, Delhi-110048 Tel. No.: 011-40196737 Email: delhi@3dcsll.com Website: www.3dcsll.com Investor Grievance Email: grievance@3dcsll.com Contact Person: Mr. Rhydham Kapoor Designation: Executive Vice President SEBI Registration No.: INM000012528	Upto 59,00,000 Equity Shares of ₹ 10/- being Issued at ₹ [●] each	[●]	100%

**Includes [●] Equity shares of Rs.10.00 each for cash of the Market Maker Reservation Portion which are to be subscribed by the Market Maker in its own account in order to claim compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, as amended.*

As per Regulation 260(2) of SEBI (ICDR) Regulations, the Book Running Lead Manager has agreed to underwrite to a minimum extent of Issue out of its own account.

In the opinion of the Board of Directors of our Company, the resources of the above-mentioned Underwriters are sufficient to enable them to discharge their respective obligations in full.

DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS ISSUE

Our Company and the Book Running Lead Manager has entered into Market Making Agreement dated December 19, 2024 with the following Market Maker, to fulfil the obligations of Market Making for this Issue:

Name	Nikunj Stock Brokers Limited
Correspondence Address:	A-92, Ground Floor, Left Portion, Kamla Nagar, New Delhi- 110007
Tel No.:	011-47030017/18, +91-9810655378
E-mail:	complianceofficer@nikunjonline.com
Website:	www.nikunjonline.com
Contact Person:	Mr. Anshul Aggarwal
SEBI Registration No.:	INZ000169335

Nikunj Stock Brokers Limited will act as the market maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified in SEBI ICDR Regulations as amended from time to time.

The Market Maker shall fulfil the applicable obligations and conditions as specified in the SEBI ICDR Regulations, as amended from time to time and the circulars issued by the Designated Stock Exchange and SEBI in this matter from time to time.

In terms of Regulation 261(1) of SEBI ICDR Regulations, the market making arrangement through the Market Maker will be in place for a period of three years from the date of listing of our Equity Shares and shall be carried out in accordance with SEBI ICDR Regulations and the circulars issued by the Designated Stock Exchange and SEBI regarding this matter from time to time.

In terms of Regulation 261(2) of SEBI ICDR Regulations, the Market Maker or Issuer, in consultation with the Book Running Lead Manager may enter into agreements with the nominated investors for receiving or delivering the specified securities in market making, subject to the prior approval of the Designated Stock Exchange.

SECTION VI – CAPITAL STRUCTURE

Share Capital Build-up of our Promoter & Lock-in

(a) Details of Promoters' contribution and lock-in for three years

In compliance with Regulation 236 and 238 of the SEBI (ICDR) Regulations, 20% of the fully diluted post-Issue capital held by the Promoter shall be locked in for a period of three years from the date of commencement of commercial production or date of allotment in initial public offer, whichever is later. ("Minimum Promoter's Contribution"). Any Promoter shareholding exceeding 20% of the fully diluted post-Issue equity share capital shall be subject to the following lock-in conditions:

- i) Fifty percent of the Promoter's holding exceeding the Minimum Promoter's Contribution shall be locked in for a period of two years from the date of allotment in the Initial public offer;
- ii) The remaining fifty percent of the Promoter's holding exceeding the Minimum Promoter's Contribution shall be locked in for a period of one year from the date of allotment in the Initial public offer.

The lock-in of the Minimum Promoter's Contribution would be created as per applicable laws and procedures and details of the same shall also be provided to the Stock Exchange before the listing of the Equity Shares.

Our Promoters have given their consent to include such number of Equity Shares held by it as may constitute 20% of the fully diluted post Issue Equity Share capital of our Company as Promoters' Contribution. Our Promoter have agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner, the Promoters' Contribution from the date of filing this Draft Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

SECTION VII – PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

The Issue comprises of fresh Issue of Equity Shares by our Company.

The Fresh Issue

We intend to utilize the proceeds of the Issue to meet the following objects: -

1. To Meet Working Capital Requirement
2. General Corporate Purpose

(Collectively referred as the “objects”)

We believe that listing will enhance our corporate image and visibility of brand name of our Company. We also believe that our Company will receive the benefits from listing of Equity Shares on the SME Platform of BSE (BSE SME). It will also provide liquidity to the existing shareholders and will also create a public trading market for the Equity Shares of our Company.

The main objects clause of our Memorandum of Association (MOA) enables our Company to undertake its existing activities and these activities which have been carried out until now by our Company are valid in terms of the objects clause of our Memorandum of Association (MOA).

Appraising Agency

None of the objects of the Issue for which the Net Proceeds will be utilized have been appraised by any external agency or any bank/financial institution.

Offer for sale

There is no offer for sale in our Company.

Requirement of Funds: -

The details of the proceeds from the Issue are provided in the following table:

Particulars	Amt. (₹ in Lakhs)
Gross Issue Proceeds*	[●]
Less: Public Issue Related Expenses to be born our Company*	[●]
Net Issue Proceeds*	[●]

*To be finalized upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC

Utilisation of Funds: -

Our Board, in its meeting dated May 05, 2025, approved the utilization of the Net Proceeds towards (i) funding working capital and (ii) General Corporate Purpose requirements of our company.

S. No	Particulars	Amt. (₹ in Lakhs)	% of Total Size
1.	To Meet Working Capital Requirement	6400.00	[●]
2.	General Corporate Purpose*	[●]	[●]
	Net Issue Proceeds	[●]	[●]

*To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC. The amount utilized for general corporate purposes shall not exceed 15.00% of the gross proceeds or ₹ 10.00 Crores; whichever is lower.

Proposed Schedule of Implementation:

The proposed year wise break up of deployment of funds and Schedule of Implementation of Net Issue Proceeds is as under:

S. No.	Particulars	Amount to be deployed and utilized in F.Y. 2025-26*(₹ In Lakhs)
1.	To Meet Working Capital Requirement	6400.00
2.	General Corporate Purpose	[●]
	Total	[●]

* To the extent our Company is unable to utilize any portion of the Net Proceeds towards the Object, as per the estimated schedule of deployment specified above; our Company shall deploy the Net Issue Proceeds in the subsequent Financial Years towards the Object.

The fund requirement and deployment is based on internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in the light of changes in external circumstances or costs or other financial conditions and other external factors.

In case of any increase in the actual utilization of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals. If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding existing objects, if required. In case of delays in raising funds from the Issue, our Company may deploy certain amounts towards any of the above-mentioned Objects through a combination of Internal Accruals or Unsecured Loans (Bridge Financing) and in such case the Funds raised shall be utilized towards repayment of such Unsecured Loans or recouping of Internal Accruals. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds. We further confirm that no part proceed of the Issue shall be utilised for repayment of any Part of unsecured loan outstanding as on date of Draft Red Herring Prospectus.

As we operate in competitive environment, our Company may have to revise its business plan from time to time and consequently our fund requirements may also change. Our Company's historical expenditure may not be reflective of our future expenditure plans. Our Company may have to revise its estimated costs, fund allocation and fund requirements owing to various factors such as economic and business conditions, increased competition and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of the Company's management

For further details on the risks involved in our business plans and executing our business strategies, please see the section titled "Risk Factors" beginning on page 26 of the Draft Red Herring Prospectus.

Means of Finance: -

We intend to finance our Objects of Issue through Net Proceeds which is as follows: -

Particulars	Amt. (₹ in Lakhs)
Net Proceeds	[●]
Total	[●]

Since the entire fund requirement of ₹ 6400.00 lakhs will be met from the Net Proceeds hence, no amount is proposed to be raised through any other means of finance. Accordingly, we are in compliance with the requirements prescribed under Paragraph 9(C)(1) of Part A of Schedule VI and Regulation 230 (1)(e) of the SEBI ICDR Regulations which require firm arrangements of finance to be made through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Issue and existing identifiable internal accruals. In case of a shortfall in the Net Proceeds or any increase in the actual utilisation of funds earmarked for the Objects, our Company may explore a range of options including utilizing our internal accruals.

Details of Use of Issue Proceeds:

1. To Meet Working Capital Requirement

The increase in working capital requirements of the Company is on account of expansion in business operations in forthcoming period(s) and hence the Company envisages increase in its working capital requirements. Since the company is in the business of Renewable energy, electrical and civil EPC, Manpower Staffing. The Company is looking to expand the business.

Our business expansion requires additional working capital to support operational growth, cater to existing customers, and attract new clients. Additionally, as per our new projects we intend to purchase materials in bulk at more competitive prices to enhance profitability, which also necessitates additional funding.

Details of Estimation of Working Capital requirement are as follows:

The details of our Company's working capital for Fiscal 2022, 2023 and 2024 and period ended June 30, 2024 and their source of funding,



derived on the basis of standalone restated financial statements of our Company and on the basis of existing and estimated working capital requirement of our Company, on a restated basis, and assumptions for such working capital requirements, our Board, pursuant to its resolution dated May 05, 2025, has approved the projected working capital requirements for Fiscal 2025 (Provisional) and Fiscal 2026 and the details of such working capital are as set forth below:

(₹ In Lakhs)

S. No.	Particulars	Actual (Restated)	Actual (Restated)	Actual (Restated)	Actual (Restated)	(Provisional)	(Projected)
		31-March-22	31-March-23	31-March-24	30-June-24	31-March-25	31-March-26
I	Current Assets						
	Inventories	-	-	-	362.57	785.30	750.00
	Trade receivables	904.11	973.94	2,454.45	3,438.91	8,950.33	8,875.73
	Short term Loans & Advances	74.68	101.05	190.66	319.86	405.80	1,514.65
	Other Current Assets	-	11.37	7.97	2.01	26.76	33.02
	Total (A)	978.79	1,086.36	2,653.08	4,123.35	10,168.19	11,173.40
II	Current Liabilities						
	Short Term Borrowing (Excluding Bank Borrowing)	-	-	643.56	803.34	1,010.15	643.56
	Trade payables	720.96	189.26	186.87	251.05	777.96	499.12
	Short Term Provisions	112.41	102.88	298.35	303.40	475.58	829.63
	Other current liabilities	791.83	188.37	207.74	177.16	390.05	467.40
	Total (B)	1,625.20	480.51	1,336.52	1,534.95	2,653.74	2,439.71
III	Total Working Capital Gap (A-B)	(646.41)	605.85	1,316.56	2,588.40	7,514.45	8,733.69
IV	Funding Pattern						
	Internal Accruals	-	0.00	103.16	373.66	1057.89	349.21
	Short-term borrowing (Banks)	-	605.85	1213.40	2214.74	6,456.56	1,984.48
	IPO Proceeds	-	-	-	-	-	6,400.00
	Total		605.85	1,316.56	2,588.40	7,514.45	8,733.69

* As certified by Statutory and Peer Review Auditor, M/s Ratan Chandak & Co LLP Chartered Accountant vide certificate dated May 07, 2025.

* As the object of Issue is Working Capital Requirement and the amount raised for the said object exceed five crore rupees, the issuer shall submit a certificate of the statutory auditor to BSE SME while filing the quarterly financial results, for use of funds as working capital in the same format as disclosed in offer document, till the proceeds raised for the said object are fully utilized.

Key assumptions for working capital projections made by the Company:

The table below contains details of the holding levels (days) and estimated holding levels (days) for FY 22, FY 23, FY 24 and period ended June 24 and for Fiscal 2025 and Fiscal 2026.

Particulars	Actual March 31, 2022	Actual March 31, 2023	Actual March 31, 2024	Actual June 30, 2024	Projected 31-March-25	Projected 31-March-26
Creditors (in days)	326	88	22	12	16	16
Debtors (in days)	101	96	96	105	118	120
Inventories (in days)	-	-	-	06	08	10

Justification for holding period:

Inventory: For the fiscal years 2022, 2023, and 2024, the Company's average inventory holding level has been NIL. This can be attributed to the nature of our business model, which is primarily contract-based with a significant focus on services. Inventory procurement has historically been a minor component of our operations, as individual projects have been relatively small, project-specific, and have not required large inventory levels.

Moreover, billing for completed projects has typically been finalized prior to the end of each fiscal year (March 31). This has resulted in no carryover inventory to be held at the close of each fiscal year, further minimizing the need for inventory maintenance. Consequently, the Company has not maintained significant inventory levels in its financial statements during this period.

However, starting from June 2024, the Company has undertaken turnkey projects, which remain unbilled at the end of the year. As a result, the Company is now required to maintain inventory, primarily consisting of work-in-progress (WIP). At the close of June 2024, the inventory holding period was 6 days, reflecting the initial phase of this transition.

The Inventory Holding days for fiscal year 2024-25 are 08 days, primarily due to the Company's focus on undertaking more turnkey projects and the significant increase in order size have also led to a need for maintaining a higher level of inventory. This has resulted in an increase in the inventory holding period, which is now 08 days.

Given the continued growth in work orders and the direct relationship between material procurement and these larger projects, the company anticipates the inventory holding period will rise slightly to 10 days by fiscal year 2026. This increase is expected as the company scales operations and the size of projects continues to grow, necessitating higher levels of inventory to ensure smooth project delivery and operational efficiency.

Debtor Days: The trade receivables turnover period for the period ended March 22, March 23, March 24 and the stub period ending June 2024 is 101, 96, 96, 105 days. As we currently engage in Engineering, Procurement, and Construction, the specific terms of our work orders and tenders provide variations in our debtor cycle as some of our clients are government clients that require necessary procedures that have to be followed by them before making necessary payments. We intend to maintain the credit period for our customers, giving them enough time to pay their invoices. We believe this approach will not only help increase our sales but also strengthen our relationships with customers over time.

The debtor days for fiscal year 2024-25 have increased to 118 days due to a significant sale in the last quarter of FY 2024-25, which accounted for 34.37% of the total sales for the year and contributed to extended debtor holding periods.

Looking ahead, debtor days are anticipated to increase slightly to 120 days in fiscal year 2026 which is due to an increase in larger, long-term projects, which typically involve extended payment timelines based on project milestones. As we continue to scale our operations, the proportion of such projects in our overall revenue is expected to grow, contributing to higher debtor days.

Creditor days: The trade payable turnover period for the period ended FY 22 and FY 23 was 326 days and 88 days which was reduced to 22 days in FY 24 and 12 days for stub period ended June 24 for gaining multiple advantages such as quicker settlements enable us to leverage cash discounts from suppliers, enhancing our profitability. Additionally, prompt payments empower us to negotiate more favorable terms and prices.

The trade payable turnover for fiscal year 2025 is 16 days which reflects our ongoing commitment to efficient cash management and strong supplier relationships. In FY 2025, we are maintaining a similarly low trade payable period, as our practice of making prompt payments continues to provide us with the leverage to negotiate more favorable terms and pricing with our suppliers. This proactive approach helps us maintain strong, mutually beneficial relationships with our suppliers, which in turn contributes to our competitive edge in terms of both cost and reliability.

We expect our trade payable days to remain in line with FY 2025 levels, at approximately 16 days.

Apart from above there are other working capital requirements such as Cash and Cash Equivalents, Other Current assets, loans and advances, short term provisions and other current liabilities. Details of which are given below:

Cash and Bank Balance	Cash and Bank Balance include balances in current account with scheduled bank, Bank Balance in Credit & Wallet balance and cash in hand. Cash and Cash Equivalent balance is estimated based on previous years outstanding amount and for expected Business requirement of company.
Loans and Advances	<p>Loans and advances mainly include Loan and advance to employees, Advance to creditors, Balance with Govt Authority (TDS Receivable and Advance Tax) and is estimated based on previous years outstanding amount and for expected Business Requirement of company.</p> <p>Advance to creditors: In our company, advances to suppliers are reflected in the financial statements as payments made to material suppliers and contractors. These advances for materials enable manufacturers to initiate the production of our procurement orders. Additionally, contractors typically commence work only after receiving advances to mobilize labour, skilled workers, and technicians at our project sites.</p>

Other Assets	Other Current Assets mainly include Imprest to staff. Other Current Assets is for expected Business requirement of company. Other Current Assets is estimated based on previous year's outstanding amount and for expected Business Requirement of company.
Other liabilities	Other Liabilities mainly include Advance from customers, statutory liabilities, Salary & Wages payable, Audit fee payable, Roc fee payable and Other payable. Other current liabilities are estimated based on previous year's outstanding amount and for expected Business requirement of company.
Short-term provisions	Short-term provisions mainly include Provision for Leave, Gratuity and income tax. A short-term provision is estimated based on previous year's outstanding amount and for expected Business requirement of company.

2. General Corporate Purpose

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. We intend to deploy ₹ [●] Lakh towards the general corporate purposes to drive our business growth. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purpose subject to above mentioned limit, as may be approved by our management, including but not restricted to, the following:

- 1) funding growth opportunities;
- 2) servicing our repayment obligations (principal and interest) under our existing & future financing arrangements;
- 3) capital expenditure, including towards expansion/development/refurbishment/renovation of our assets;
- 4) working capital;
- 5) meeting expenses incurred by our Company in the ordinary course of business or other uses or contingencies; and/or
- 6) strategic initiatives and
- 7) On-going general corporate exigencies or any other purposes as approved by the Board subject to compliance with the necessary regulatory provisions.

The quantum of utilization of funds towards each of the above purposes will be determined by our Board of Directors based on the permissible amount actually available under the head "General Corporate Purposes" and the business requirements of our Company, from time to time. We, in accordance with the policies of our Board, will have flexibility in utilizing the Net Proceeds for general corporate purposes, as mentioned above in any permissible manner. We confirm that any issue related expenses shall not be considered as a part of General Corporate Purpose. Further, we confirm that the amount for general corporate purposes, as mentioned in this Draft Red Herring Prospectus, shall not exceed 15% of the amount raised by our Company through this Issue or Rs. 10 crore whichever is less.

Public Issue Expenses: -

The estimated Issue related expenses include Issue Management Fee, Underwriting and Selling Commissions, Printing and Distribution Expenses, Legal Fee, Advertisement Expenses, Registrar's Fees, Depository Fee and Listing Fee. The total expenses for this Issue are estimated to be approximately Rs. [●] Lakhs which is [●]% of the Issue Size. All the Issue related expenses shall be proportionately met out from proceeds of the Issue as per applicable laws. The break-up of the same is as follows:

Expenses	Estimated Issue Expenses (₹ Lakhs)	% of Total Estimated Issue Expenses	% of Gross Proceeds
Fees and commissions payable to the BRLM (including any underwriting commission, brokerage, and selling commission)	[●]	[●]	[●]
Fees Payable to Registrar to the Issue	[●]	[●]	[●]
Fees Payable for Advertising, Marketing Expenses, and Printing Expenses	[●]	[●]	[●]
Fees Payable to Legal Advisor to the Issue	[●]	[●]	[●]
Fees payable for Financial Due Diligence	[●]	[●]	[●]
Fees payable for Secretarial Work	[●]	[●]	[●]



Fees Payable to Regulators including Stock Exchange and other Intermediaries	[•]	[•]	[•]
Fees payable to Peer Review Auditor	[•]	[•]	[•]
Fees Payable to Market Maker (for Three Years)	[•]	[•]	[•]
Fees Payable to Monitoring Agency	[•]	[•]	[•]
Others, if any (Commission/processing fee for SCsBs, Sponsor Bank(s), Banker to the Issue and Bidding Charges for Members of the Syndicate, Registered Brokers, CDPs and other Miscellaneous expenses)	[•]	[•]	[•]
Total Estimated Issue Expenses	[•]	[•]	[•]

**To be incorporated in the Prospectus after finalisation of the Issue Price.*

**The details of the fees and commissions payable to designated intermediaries will be updated at the time of filing prospectus with ROC*

Appraisal

None of the Objects have been appraised by any bank or financial institution or any other independent third-party organization. The funding requirements of our Company and the deployment of the proceeds of the Issue are currently based management estimates. The funding requirements of our Company are dependent on a number of factors which may not be in the control of our management, including variations in interest rate structures, changes in our financial condition and current commercial conditions and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy.

Bridge Financing Facilities

As on the date of this Draft Red Herring Prospectus, we have not raised any bridge loans which are proposed to be repaid from the Net Proceeds.

Monitoring Utilization of Funds

In accordance with the SEBI ICDR Regulations, our Company shall appoint a Monitoring Agency for monitoring the utilisation of Gross Proceeds prior to the filing of the Red Herring Prospectus with the RoC, as the Fresh Issue size exceeds ₹ 5,000 lakhs. Our Audit Committee and the Monitoring Agency will monitor the utilization of the Gross Proceeds and submit the report required under Regulation 41(2) of the SEBI ICDR Regulations.

Pursuant to the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Gross Proceeds. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee and make other disclosures as may be required until such time as the Gross Proceeds remain unutilized. Such disclosure shall be made only until such time that all the Gross Proceeds have been utilized in full. The statement shall be certified by the peer reviewed chartered accountant of our Company. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilization of the proceeds of the Fresh Issue from the objects of the Fresh Issue as stated above; and (ii) details of category wise variations in the actual utilization of the proceeds of the Fresh Issue from the objects of the Fresh Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our director's report, after placing the same before the Audit Committee. We will disclose the utilisation of the Gross Proceeds under separate head along with details in our balance sheet(s) until such time as the Gross Proceeds remain unutilised clearly specifying the purpose for which such Gross Proceeds have been utilized.

Interim Use of Proceeds

Pending utilization of the Issue proceeds of the Issue for the purposes described above, our Company will deposit the Net Proceeds with scheduled commercial banks included in schedule II of the RBI Act.

Our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any listed company or for any investment in the equity markets or investing in any real estate product or real estate linked products.

Variation in Objects

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013, our Company shall not vary the objects of the Initial Public Issue without our Company being authorized to do so by the Shareholders by way of a special resolution through a postal ballot.

**SUGS LLOYD**

Further, pursuant to Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, our Company shall on half- yearly basis disclose to the Audit Committee the applications of the proceeds of the Issue. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (“Postal Ballot Notice”) shall specify the prescribed details as required under the Companies Act. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where our Registered Office is situated. Further, pursuant to Regulation 281A of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 our Promoters or shareholders in control of an issuer will be required to provide an exit opportunity to dissenting shareholders as provided for in the Companies Act, 2013 in case of change in objects or variation in the terms of contract related to objects referred to in the offer document as per the conditions and in the manner provided. Provided that the exit offer shall not apply where there are neither any identifiable promoters nor any shareholders in control of the issuer.

Other confirmations

There is no material existing or anticipated transactions with our Promoter, our Directors, our Company’s key Managerial personnel and Group Companies, in relation to the utilization of the Net Proceeds. No part of the proceeds of the Issue will be paid by us to the Promoter and Promoter Group, Group Companies, the Directors, associates or Key Management Personnel, except in the normal course of business and in compliance with applicable law.

SECTION VIII – ABOUT THE COMPANY

BUSINESS OVERVIEW

OUR STRENGTHS

Hired Expertise:

As an EPC contracting company, Sugs Lloyd Limited requires highly skilled professionals with technical expertise at every level of operations, execution, and management. The promoter's in-depth knowledge of the industry, combined with a seasoned core team having a collective experience of over 80+ years, serves as a significant strength for the company.

The company has successfully built a strong workforce, offering competitive compensation, incentives, and a positive work environment, ensuring higher retention and operational efficiency. Additionally, the long-term professional relationships with key personnel provide stability, reliability, and effective execution of projects.

OUR CLIENT BASE

Our company deals with state government power utilities, private power entities and renewable energy developers. Our company has also entered into service agreements with these clients.

Our strategy is to seek new customers and at the same time secure additional engagements from existing customers by providing timely and improved services.

We believe that our current capabilities and plans for the future will ensure that we are well positioned to attract and develop new customer relationships. Business from new customers is accepted upon consideration of factors such as alignment of capabilities and customer expectation, volume of business and future business, potential for close partnership with long-term association, and an analysis of upfront costs.

OUR LOCATION

Particulars	Details of the Property	Owned/ Leased	Consideration/ Lease Rental/ License Fees (in Rs.)	Area
Registered Office	Office No-8B, CSC-I Mandawali, Fazalpur behind Narwana Apartments, New Delhi, Delhi-110092	Rented	Lease Agreement dated 22 nd July, 2024 between Mr. Rakesh Sachdeva and Sugs Lloyd Limited for period of 11 months at a monthly rent of Rs. 30,000 starting from 22 nd July, 2024	200 Square Feet
Corporate Office	2nd Floor, Logix Park, Plot No A-4 & 5 Sector 16, Noida, Gautam Buddha Nagar, U.P. - 201301, India	Leased	Sub Lease Agreement dated July 15 th , 2024 between Logix Soft-Tel Private Limited and Sugs Lloyd Limited for a period of 05years at monthly rent of Rs. 4,13,000/- starting from July 15, 2024	7000 Square Feet

UTILITIES AND INFRASTRUCTURE FACILITIES

Logistics

Transportation within the company is predominantly carried out by Transportation agencies through Road/Sea/Airways etc.

HUMAN RESOURCES



Our Company believe that our employees are key contributors to our business success and its ability to maintain growth depends to a large extent on our strength in attracting, training, motivating and retaining employees. We focus on attracting and retaining the best possible talent. Our Company looks for specific skill-sets, interests and background that would be an asset for its kind of business.

Our manpower is a prudent mix of the experienced and youth which gives us the dual advantage of stability and growth. Our work processes and skilled resources together with our strong management team have enabled us to successfully implement our growth plans.

As on June 30, 2024 our Company has 66 employees on payroll. Bifurcation is as follows:

Department	Number of Employees
Management/KMP	09
Account & Finance	05
Human Resource & Administration	02
Sales & Marketing	03
Project & Development	45
Technical Support	01
Total	65

INSURANCE

The Details of Insurance policies as on date is as follows:

S. No.	Insurance Company	Policy Number	Period of Insurance	Details	Sum Assured	Premium Paid (Exclusive of GST)
1.	National Insurance Company Limited	361300422310000595	21/01/2025 to 20/01/2026	Group Personal Accident	Rs. 11,40,00,000.00	Rs. 2,58,400.00
5.	ICICI Lombard General Insurance Company Limited	4016/X/0/331568803/00/000	26/02/24 to 25/02/25	Group Health (Floater) Insurance	Rs.2,60,00,000	Rs.9,20,

IMMOVABLE PROPERTY

Details of our properties are as follows: -

Properties owned/Leased by the Company

S. No.	Details of the Property	Licensor/Lessor/Vendor	Owned/Leased	Consideration/ Lease Rental/ License Fees (in Rs.)	Area	Use
1.	2 nd Floor, Logix Park, Plot No A-4 & 5 Sector 16, Noida, Gautam Buddha Nagar, U.P. – 201301, India	M/s Logix Soft-Tel Private Limited through its Authorised Signatory Mr. Davender Mohan Saxena	Leased	Sub Lease Agreement dated July 15 th , 2024 between Logix Soft-Tel Private Limited and Sugs Lloyd Limited for a period of 05years at monthly rent of Rs. 4,13,000/- starting from July 15, 2024	7000 Square Feet	Corporate Office

2.	Office No-8B, CSC-I Mandawali, Fazalpur behind Narwana Apartments, New Delhi, Delhi- 110092	Mr. Rakesh Sachdeva	Rented	Lease Agreement dated 22 nd July, 2024 between Mr. Rakesh Sachdeva and Sugs Lloyd Limited for period of 11 months at a monthly rent of Rs. 30,000 starting from 22 nd July, 2024	200 Square Feet	Registered Office
3.	C 96 Basement C Block, Sector 2, Noida, Gautam Buddha Nagar, Noida, Uttar Pradesh, India, 201301	M/s VD IT Services Private Limited through its Director Mr. Dinesh Kumar Chawla.	Leased	Lease Agreement dated July 1 st , 2023 between VD IT Services Private Limited and Sugs Lloyd Private Limited for a period of 03 years at monthly rent of Rs. 1,15,563/- starting from July 1, 2023	800 Square Feet	Factory Premises
4.	Plot No. 107, Bari Co-operative Bokaro Steel City Jharkhand-827012	Mr. Awadhesh Kumar	Rent Agreement	Rent Agreement dated 15 June, 2024 between Mr. Awadhesh Kumar and Sugs Lloyd Limited for a period of 11 months at a monthly rent of Rs. 6,000 starting from 15 June, 2024	300 Square Feet	office use and guest house
5.	Spar Homes Gandhi Nagar 8 th Lane, Odisha, 760001	Mr. N Purnima	Leased	Lease Agreement dated 10 th July, 2023 between Mr. N Purnima and Sugs Lloyd Private Limited for a period of 11 months at a monthly rent of Rs. 2,000 starting from July 10, 2023	1100 Square Feet	Own Office/ Guest House Purpose
6.	Champa complex, garib asthan road, purani bazar, mujjafarpur, bihar-842201	Mr. Jitendra Prasad Shah	Rent Agreement	Rent Agreement dated 15 June, 2024 between Mr. Jitendra Prasad Shah and Sugs Lloyd Limited for a period of 11 months at a monthly rent of Rs. 5,000 starting from 01 June, 2024	120 Square Feet	office use and guest house

For further details of our properties, please refer ***Properties owned/Leased by the Company*** beginning on Page 149 of *Draft Red Herring Prospectus*.

OUR PROMOTERS AND PROMOTER GROUP

We hereby confirm that none of our Promoter Group companies is a listed entity.

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

Review of Operations for the Quarter ended June 30, 2024:

Borrowings:

The increase in borrowings during this period was primarily driven by a significant growth in business operations and revenue, which led to a heightened need for working capital to support the company's expanded activities.

A key factor behind this was the substantial rise in revenue—from ₹597.00 Lakhs in Quarter 1 of FY 2023-24 to ₹2,549.30 Lakhs in Quarter 1 of FY 2024-25. This surge in sales volume necessitated additional liquidity to manage the higher levels of inventory and outstanding receivables that accompanied the growth. As a result, there was a corresponding increase in short-term borrowings.

Short-term borrowings rose from ₹1,856.95 Lakhs to ₹3,018.08 Lakhs, primarily driven by the higher revenue. Specifically, the increase in borrowings can be attributed to a ₹984.46 Lakhs rise in debtors, a ₹362.57 Lakhs increase in inventory, and a ₹143.09 Lakhs increase in loans and advances. These borrowings were sourced from various channels, including an increase of ₹335.54 Lakhs from ICICI Bank, a slight decrease from PNB Bank, an increase of ₹666.19 Lakhs through LC Payable Discounted, and an additional ₹159.78 Lakhs in unsecured loans from Levana Infra Pvt Ltd.

These borrowings were essential to support the company's growing operations, manage working capital requirements, and maintain liquidity for sustained growth moving forward.

Comparison of Financial Year 2024 with Financial Year 2023 *(Based on Restated Consolidated Financial Statements)*

Restated Profit/ (Loss) after tax:

The Company reported Restated Profit after tax for the financial year 2023-24 at ₹ 1048.43 Lakhs in comparison to ₹ 229.49 Lakhs in the financial year 2022-23, representing an increase of 356.86 % majorly due to:-

- 1. Revenue Growth:** The revenue from operations surged by 81.98%, from ₹3,578.63 lakh in FY 2023 to ₹6,512.57 lakh in FY 2024. This growth is attributable to the company's successful execution of strategic initiatives and expansion of its project portfolio.
- 2. Expense Control:** Although the total expenses of the Company has increased by 71.53% from ₹3,324.07 lakh to ₹5,701.65 lakh, they grew at a slower pace compared to revenue which has increased by 81.98%. This effective control over expenses contributed to improved profitability.
- 3. PAT Margin:** The company achieved a notable PAT margin of 16.10% in FY 2024, up from 6.41% in FY 2023. However, this was partly influenced by non-recurring income, including a ₹189.18 lakh write-back and ₹97.85 lakh from the sale of subsidiary shares. If these non-recurring incomes are excluded, the PAT margin would stand at 12.66%. Moreover, the profit share from an associate further inflated the margin, but excluding this, the PAT margin would be 10.52%.
- 4. Impact of Bad Debt:** In FY 2023, the decline in the PAT margin compared to FY 2022 was impacted by a bad debt write-off of ₹118.12 lakh due to disputes with Quickdee Pvt Ltd and Karvy Next Ltd. Excluding this, the adjusted PAT margin for FY 2023 would have been 8.80%, indicating a stronger performance than initially reported.

SECTION X – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENT

B. LITIGATION FILED BY OUR COMPANY

M/s. Sugs Lloyd Private Limited vs. M/s. Quickdee Private Limited and Ors. - Complaint Case 528 of 2023

M/s. Sugs Lloyd Private Limited (“**Complainant**” or “**our Company**”) filed a Complaint Case bearing number 528 of 2022 (“**Complaint**”) before the Hon’ble Chief Metropolitan Magistrate, Karkardooma Court, Delhi (“**Court**”) against M/s Quickdee Private Limited (“**Accused 1**”), Kajal (“**Accused 2**”) and Sachin Rastogi (“**Accused 3**”), (Collectively “**Accused**”) under section 138 and 142 of the Negotiable Instruments Act, 1881. The Complainant contends that our Company and the Accused entered into a temporary Staffing Services Agreement dated March 22, 2021 (“**Agreement**”) for providing staffing solutions to the Accused. The Complainant further contends that they had raised invoices total amounting to ₹43,17,389 in terms of the Agreement, however, the Accused initially refused make such payment. Upon several negotiations the Respondent agreed to make payment of ₹35,00,000 in three installments and balance amount after reconciliation. Thereafter, the Respondent made payment of ₹10,06,190 and ₹2,50,000 towards installments and leaving balance of ₹24,93,810 (“**Balance Amount**”). The Accused issued a cheque bearing number 000015 dated October 7, 2022 (“**Cheque**”) amounting of ₹20,00,000 drawn on HDFC Bank, Delhi against the balance amount. Thereafter, the Complainant deposited the said Cheque with their bankers and the said cheque was returned with memo “Funds Insufficient”. Therefore, the Complainant has filed the present Complaint before the Hon’ble Court praying for summons, tried and punished under section 138 and 142 of the Negotiable Instruments Act, 1881 and the Complainant be compensated under section 457 of the Criminal Procedural Code, 1973 with double the amount of the cheque. The Complaint is presently pending and the next date of hearing is May 28, 2025.

M/s. Sugs Lloyd Private Limited vs. M/s. Karvy Next Limited – Arbitration Proceedings

M/s Sugs Lloyd Private Limited (“**Claimant**” or “**our Company**”) initiated Arbitration Proceedings and filed a Statement of Claim (“**Arbitration Proceedings**”) before the Hon’ble Arbitration Tribunal consisting of K. Ajitha Simha Rao, (former District and Sessions Judge), Hyderabad (“**Tribunal**”) against M/s. Karvy Next Limited (“**Respondent**”). The Claimant states that our Company and the Respondent entered into a Master Agreement dated October 20, 2020 for providing manpower solutions including recruitment of delivery agents and payroll services for the Respondent. The Claimant further contends that the Respondent had been making part payments against the invoices raised by the Claimant and the Respondent completely stopped making payments November 9, 2020 onwards. At several instances the Respondent has admitted their liability of ₹1,06,35,830 (“**Principal Amount**”) along with interest at the rate of 18% per annum for the period from November 9, 2020 to August 3, 2022 total amounting to ₹1,38,42,013 (“**Outstanding Amount**”), however, after several request the outstanding amount was not cleared by the Respondent. Therefore, the Claimant has filed this Arbitration Proceedings before the Hon’ble Tribunal praying for: (i) directing the Respondent to make payment of Outstanding Amount, that is, ₹1,38,42,013; (ii) payment of interest at the rate of 18% per annum on the Principal Amount, that is, ₹1,06,35,830 from August 4, 2022 onwards till the date of realization. The Arbitration Proceedings are presently pending and the next date of hearing is May 03, 2025.

GOVERNMENT AND OTHER APPROVALS

Regulatory approvals for our Company:

Nature of Registration/ License	Registration / License No.	Issuing Authority	Date of Issue/ Date of Validity/ Renewal	Date of Expiry
Labour Contractor License under Section 12(1) of the Contract Labour (Regulation and Abolition) Act, 1970- Odisha	GAN/R&A/2024/019673	Directorate of Labour, Odisha	January 04, 2025	January 10, 2026
Electrical Contractor License - Odisha	3692	Electrical Licensing Board, Energy Department, Government of Odisha	April 09, 2025	March 20, 2028

Material approvals or renewals for which applications are currently pending before relevant authorities

Sr. No.	Details of Application	Application Number	Date of Application
1.	Application made for renewal of Legal Entity Identifier	ka-b5103177	May 08, 2025
2.	Application made for renewal of Factory License	Applied	

SECTION XII - OTHER REGULATORY AND STATUTORY DISCLOSURES

Prohibition by the SEBI, the RBI or Governmental Authorities

Our Company, our Promoter, members of Promoter Group, our directors or person(s) in control of our Company are not prohibited from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

None of the companies with which our Promoter and Directors are associated with as promoters, directors or persons in control have been debarred from accessing the capital markets under any order or direction passed by SEBI or any other authority.

Our Company, Promoter or Directors have not been declared as Wilful Defaulters or Fraudulent Borrowers by any bank or financial institution or consortium thereof in accordance with the guidelines on Wilful Defaulters or Fraudulent Borrowers issued by the RBI.

None of our Promoter or Directors have been declared as fugitive economic offenders under Section 12 of the fugitive Economic Offenders Act, 2018.

Eligibility for the Issue

Our Company is eligible in terms of Regulations 230 of SEBI ICDR Regulations for this Issue*.

*The Company will comply with requirement of Regulation 230 before filing of Prospectus with ROC.

Our Company is eligible for the Issue in accordance with the Regulation 229 (2) of Chapter IX of the SEBI (ICDR) Regulations, 2018, whereby, an issuer whose post issue paid-up capital is more than ten crore rupees and upto Rs. Twenty five crores. Our Company shall issue shares to the public and has proposed to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME Platform of BSE Limited i.e. BSE SME.

As per Regulation 229 (3) of the SEBI ICDR Regulations, our Company satisfies track record and/or other eligibility conditions of BSE in accordance with the Restated Financial Statements, prepared in accordance with the Companies Act and restated in accordance with the SEBI ICDR Regulations

We confirm that:

Our Company is incorporated under the Companies Act, 1956.

1. In accordance with regulation 260 of the SEBI (ICDR) Regulations, this Issue is 100% underwritten and shall not restrict to the minimum subscription level. The BRLM shall underwrite at least 15% of the total Issue size. For further details pertaining to underwriting please refer to chapter titled "General Information" beginning on page 52 of this Draft Red Herring Prospectus.
2. In accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to 200, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within four days from the date our company becomes liable to repay it, then our company and every officer in default shall, on and from expiry of four days, be liable to repay such application money, with interest as prescribed under section 40 of the Companies Act, 2013.
3. In accordance with Regulation 246 of the SEBI (ICDR) Regulations, we will file Draft Red Herring Prospectus with SEBI as well as stock exchange (s). However, Board shall not issue any observation pursuant to Regulation 246(2) of the SEBI (ICDR) Regulations.
4. In accordance with Regulation 261 of the SEBI ICDR Regulations, we have entered into an agreement with the BRLM and Market Maker to ensure compulsory market making for the minimum period of three years from the date of listing of equity shares Issued in this issue. For further details of the market making arrangement see chapter titled "**General Information**" beginning on page 52 of this Draft Red Herring Prospectus.

In terms of Regulation 229(3) of the SEBI ICDR Regulations, we confirm that we have fulfilled the eligibility criteria for SME Platform of BSE Limited, which are as follows:

1. Our Company is incorporated under the Companies Act, 1956.
2. The Post Issue paid up capital of the company will be less than ₹ 25 Crore.

3. Our Company satisfies the criteria of Net Worth which given hereunder based on Restated Consolidated Financial Statement.

The Company/entity should have its net-worth should be at least Rs. 1 crore for 2 preceding full financial years. We confirm that the Net worth computation will be as per the definition given in SEBI (ICDR) Regulations. Our Company satisfies the criteria of track record which are given hereunder based on Restated Consolidated Financial Statement.

Particulars	March 31, 2024	March 31, 2023	March 31st, 2022
Assets (A)	4,819.22	2,466.02	2,234.84
(-) Liabilities (B)	2,632.73	1,327.96	1,626.26
Net Worth (A) – (B)	2,186.49	1,138.06	608.57

Note: The data presented above is taken from the restatement of the company's financial statements.

4. NET TANGIBLE ASSET

The Company/entity should have net tangible asset of ₹3 crores in last preceding financial year. Our Company satisfies the above criteria hereunder based on Restated Consolidated Financial Statement which is calculated as under:

The Net Tangible Assets based on Restated Standalone Financial Statement of our company as on June 30, 2024 is ₹ 2,539.77 Lakhs which is more than ₹ 300.00 Lakhs.

Particulars	30/06/2024	31/03/2024	31/03/2023	31/03/2022
Total Assets (A)	6,484.93	4,819.22	2,466.02	2,234.84
Less: Non-Current Liabilities (B)	195.46	82.81	11.54	1.06
Less: Current Liabilities (C)	3,749.69	2,549.92	1,316.42	1,625.20
Net Asset (D) = (A) – {(B)+(C)}	2,539.77	2,186.49	1,138.06	608.57
Less: Intangible Asset (E)	-	-	-	-
Net Tangible Asset (F) = (D) – (E)	2,539.77	2,186.49	1,138.06	608.57

Note: The data presented above is taken from the restatement of the company's financial statements.

We confirm that our company has complied with the Net Tangible Assets criteria, as our Net Tangible Assets exceed the required ₹ 300.00 Lakhs.

5. TRACK RECORD

The Company has a track record of at least 3 years as on the date of filing Draft Red Herring Prospectus.

Our Company was originally incorporated on September 16, 2009 as “Sugs Lloyd Energy Private Limited” under the provisions of the Companies Act, 1956 with the Registrar of Companies, National Capital Territory of Delhi and Haryana. In the year 2020, our Company changed its name from “Sugs Lloyd Energy Private Limited” to “Sugs Lloyd Private Limited” vide fresh certificate of incorporation dated October 09, 2020 issued by the Registrar of Companies, Delhi. Subsequently, In the year 2024, our Company was converted from a private limited company to public limited company, pursuant to a special resolution passed by our Shareholders in the Extra-Ordinary General Meeting held on March 06, 2024 and consequently, the name of our Company was changed to “Sugs Lloyd Limited” vide fresh certificate of incorporation dated June 01, 2024 issued by the Registrar of Companies, Central Processing Centre.

6. EARNINGS BEFORE INTEREST, DEPRECIATION AND TAX

The company/ proprietorship concern/ registered firm/ LLP should have operating profit (earnings before interest, depreciation and tax) from operations for 2 out of 3 latest financial years preceding the application date. Our Company satisfies the criteria of track record which given hereunder based on Restated Consolidated Financial Statement.

Rs. In lakhs

Particulars	30/06/2024	31/03/2024	31/03/2023	31/03/2022
EBITDA	433.86	1,096.08	410.36	300.43

Note: The data presented above is taken from the restatement of the company's financial statements.

7. Leverage Ratio

Leverage ratio of not more than 3:1. Relaxation may be granted to finance companies.
Total Debt / Shareholders Fund as at March 31, 2024 was 0.85 times.

DISCIPLINARY ACTION

- The Company confirms that no regulatory action of suspension of trading against the promoter(s) or companies promoted by the promoters by any stock Exchange having nationwide trading terminals.
- The Company further confirms that the Promoters or directors are not the promoters or directors (other than independent directors) of compulsory delisted companies by the Exchange and neither they are the promoters or directors of such companies on which the consequences of compulsory delisting is applicable/attracted or companies that are suspended from trading on account of noncompliance.
- Our directors are not be disqualified/ debarred by any of the Regulatory Authority.

8. DEFAULT

Our company confirms that there are no pending defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders by our company, our promoters or promoting company(ies).

9. NAME CHANGE

Except conversion of Company from Private Limited to Public Limited, our Company confirms that there has been no name change within the last one year.

OTHER REQUIREMENTS

We confirm that;

1. The Company has a functional website: www.sugslloyds.com
2. 100% of the Promoter's shareholding in the Company is in Dematerialised form.
3. Our Company shall mandatorily facilitate trading in demat securities and have entered into tripartite agreement with both the depositories i.e. NSDL & CDSL along with our Registrar for facilitating trading in dematerialized mode. The Company's shares bear an ISIN: INE0XX801016.
4. There has been no change in the promoters of the company in preceding one year from date of filing the application to BSE for listing under SME segment.
5. The composition of the board is in compliance with the requirements of Companies Act, 2013 at the time of in principle approval.
6. The Net worth computation is computed as per the definition given in SEBI (ICDR) Regulations.
7. The Company has not been referred to National Company Law Tribunal (NCLT) under Insolvency and Bankruptcy Code (IBC).
8. There is no winding up petition against the company, which has been admitted by the court or a liquidator has not been appointed.
9. None of the Issues managed by Book Running Lead Manager are returned by BSE in last six months from the date of this Draft Red Herring Prospectus.
10. No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against our company.
11. There is no default in payment of interest and/or principal to the debenture / bond / fixed deposit holders, banks, FIs by the Company, promoters / promoting Company(ies), group companies, companies promoted by the promoters / promoting company(ies) during the past three years.
12. Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).

As per Regulation 229 (4) of the SEBI ICDR Regulations and SEBI ICDR (Amendment) Regulations, 2025, our Company has ensured that:

“In case of an issuer, which had been a proprietorship or a partnership firm or a limited liability partnership before conversion to a company or body corporate, such issuer may make an initial public offer only if the issuer company has been in existence for at least one full financial year before filing of draft offer document”: **Not Applicable**

As per Regulation 229 (5) of the SEBI ICDR Regulations and SEBI ICDR (Amendment) Regulations, 2025, our Company has ensured that:

“In cases where there is a complete change of promoter of the issuer or there are new promoter(s) of the issuer who have acquired more



than fifty per cent of the shareholding of the issuer, the issuer shall file draft offer document only after a period of one year from the date of such final change(s)": **Not Applicable**

We confirm that;

- i. There is no material regulatory or disciplinary action taken by a stock exchange or regulatory authority in the past one year in respect of Promoters/promoting Company(ies), group companies, companies promoted by the Promoters/promoting companies of the Company.
- ii. There is no default in payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by the Company, Promoters/promoting Company(ies), group companies, companies promoted by the Promoters/promoting Company(ies) during the past three years.

As per Regulation 230 (1) of the SEBI ICDR Regulations, our Company has ensured that:

- The Draft Red Herring Prospectus will be filed with BSE and our Company will make an application to BSE for listing of its Equity Shares on the SME Platform. BSE Limited is the Designated Stock Exchange.
- Our Company has entered into an agreement dated June 18, 2024 with CDSL and agreement dated June 29, 2024 with NSDL for dematerialisation of its Equity Shares already issued and proposed to be issued.
- The entire pre-issue capital of our Company has fully paid-up Equity Shares and the Equity Shares proposed to be issued pursuant to this IPO will be fully paid-up.
- The entire Equity Shares held by the Promoter are in dematerialised form.
- The entire fund requirements are to be financed from the Net Fresh Issue Proceeds, and there is no requirement to make firm arrangements of finance under Regulation 230(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the Issue. For further details, please refer the chapter titled "*Objects of the Issue*" on page 77 of this Draft Red Herring Prospectus.
- The size of offer for sale by selling shareholders shall not exceed twenty per cent of the total issue size: **Not Applicable**;
- The shares being offered for sale by selling shareholders shall not exceed fifty per cent of such selling shareholders' pre-issue shareholding on a fully diluted basis: **Not Applicable**;
- The objects of the issue do not consist of repayment of loan taken from promoter, promoter group or any related party, from the issue proceeds, directly or indirectly. For further details, please refer the chapter titled "*Objects of the Issue*" on page 95 of this Draft Red Herring Prospectus.

Our Company confirms that it will ensure compliance with the conditions specified in Regulation 230 (1) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to make the Issue in terms of Regulation 228 of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 228 of the SEBI ICDR Regulations are as follows:

- (a) Neither our Company nor our Promoter, members of our Promoter Group or our Directors are debarred from accessing the capital markets by the SEBI.
- (b) None of our Promoters or Directors are promoters or directors of any other companies which are debarred from accessing the capital markets by the SEBI.
- (c) Neither our Company nor our Promoters or Directors are a wilful defaulter or fraudulent borrowers.
- (d) None of our Promoters or Directors are fugitive economic offenders.
- (e) There are no outstanding convertible securities or any other right which would entitle any person with any option to receive equity shares of the Company.

Further, in accordance with Regulation 268(1) of the SEBI ICDR Regulations, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or equal to two hundred (200), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within 4 (Four) Working Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of 4 (Four) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act 2013. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine in such a case.

Other Disclosures:

We further confirm that:

- Neither the stock exchange nor any regulatory authority has taken any material regulatory or disciplinary action in respect of our Promoter in the past one year. Neither our Company nor our Promoters have defaulted in payment of interest and/or principal to debenture/bond/fixed deposit holders, banks, FIs during the past three years.
- There are no litigations record against our Company, Promoter except disclosed on page 238 in section “*Outstanding Litigation and Other Material Developments*”.
- There are no criminal cases / investigation / offences filed against any Director of our Company, except disclosed on page 238 in section “*Outstanding Litigation and Other Material Developments*”.

We further confirm that we will comply with all other requirements as prescribed for such an issue under Chapter IX of the SEBI ICDR Regulations and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

DISCLAIMER FROM OUR COMPANY AND THE BOOK RUNNING LEAD MANAGER

The BRLM accept no responsibility, save to the limited extent as provided in the agreement entered between the BRLM (3Dimension Capital Services Limited) and our Company on October 26, 2024 and the Underwriting Agreement dated February 12th, 2025 entered into between the Underwriters, our Company and the Market Making Agreement dated December 19th, 2024 entered into among the Market Maker and our Company.

All information shall be made available by our Company and the Book Running Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection centres or elsewhere.

CONSENTS

Consents in writing of (a) Our Directors, Our Promoters, Our Company Secretary & Compliance Officer, Chief Financial Officer, Chief Executive Officer, Our Statutory Auditor, Our Peer Review Auditor, Our Banker(s) to the Company; (b) Book Running Lead Manager, Registrar to the Issue, Banker(s) to the Issue *, Legal Advisor to the Issue, Underwriter(s) to the Issue and Market Maker to the Issue to act in their respective capacities have been obtained as required under section 26 of the Companies Act, 2013 and shall be filed along with a copy of the Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

* The consent will be taken while registering the Red Herring Prospectus with Roc.

SECTION XIII – ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

Minimum Subscription

In accordance with Regulation 260 (1) of the SEBI (ICDR) Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the Issue through the Draft Red Herring Prospectus and shall not be restricted to the minimum subscription level. Further, in accordance with Regulation 267 (2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than Rs. 2,00,000 (Rupees Two Lakh) per application.

As per section 39 of the Companies Act 2013, if the “stated minimum amount” has not been subscribed and the sum payable on Application is not received within a period of 30 days from the date of Issue of Prospectus, the application money has to be returned within such period as may be prescribed.

If the issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriters within 60 (sixty) days from the date of closure of the Issue, the issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 (eight) days after the issuer becomes liable to pay the amount, the issuer shall pay interest prescribed under Section 39 read with Rule 11 of Companies (Prospectus and Allotment of Securities) Rules, 2014 of the Companies Act, 2013 and other applicable laws, if any.

In accordance with SEBI ICDR Regulations, the minimum number of allottees in this Issue shall be 200 shareholders. In case the minimum number of prospective allottees is less than 200, no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked forthwith.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Migration to Main Board

As per the provisions of the Chapter IX of the SEBI (ICDR) Regulation, 2018, our Company may migrate to the main board of BSE from the SME Exchange on a later date subject to the following:

Sr. No.	Eligibility Criteria	Details
1	Paid-up Capital and Market Capitalization	<p>Paid-up capital of more than Rs.10 Crores and Market Capitalisation should be minimum Rs. 25 Crores.</p> <p>(Market Capitalisation will be the product of the price (average of the weekly high and low of the closing price of the related shares quoted on the stock exchange during 3 (Three) months prior to the date of the application) and the post issue number of equity shares.)</p>
2	Promoter Holding	Promoter(s) shall hold at least 20% of the equity share capital of the company at the time of making the application.
3	Financial Parameters	The company should have a positive operating profit (EBITDA) from operations for at least any 2 out of the last 3 financial years and a positive Profit After Tax (PAT) in the immediately preceding financial year before applying for migration.
4	Track Record of Listing/Regulatory Actions	The company must be listed on an SME Exchange/Platform having nationwide terminals for at least 3 years.
5	Regulatory Action	<ul style="list-style-type: none"> - No material regulatory action in the past 3 years, such as suspension of trading by any stock exchange. - No debarment of the company, promoters, promoter group, or subsidiary company by SEBI. - No disqualification or debarment of directors by any regulatory authority.

		- No winding-up petition admitted by NCLT.
6	Public Shareholding	The company shall have a minimum of 250 public shareholders as per the latest shareholding pattern.
7	Other Parameters	<ul style="list-style-type: none"> - No proceedings admitted under the Insolvency and Bankruptcy Code (IBC) against the company or its promoters. - No pending defaults in payment of interest or principal to debenture/bond/fixed deposit holders by the company, promoters, or subsidiaries. - A certificate from a SEBI-registered credit rating agency confirming the utilization of funds as per stated objectives post IPO or further fundraising. - No pending investor complaints. - A cooling-off period of 2 months if the security has exited trade-to-trade or any other surveillance action.

ISSUE PROCEDURE

Signing of Underwriting Agreement and Registering of Red Herring Prospectus/Prospectus with ROC

- a) Our company has entered into an Underwriting Agreement dated February 12th, 2025.
- b) A copy of Red Herring Prospectus will be registered with the ROC and copy of Prospectus will be registered with ROC in terms of Section 32 of Companies Act, 2013 and Section 26 of Companies Act, 2013.

SECTION XV – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

Material Contracts

- Market Making Agreement dated December 19, 2024 between our Company, Book Running Lead Manager and Market Maker.
- Underwriting Agreement dated February 12, 2025 between our Company, Book Running Lead Manager and Underwriters
- Monitoring agency agreement dated [●] among our Company and the Monitoring Agency.
- Rent Agreement of Registered Office dated July 22, 2024 between our Company and Mr. Rakesh Sachdeva for registered office located at Office No-8B, CSC-I Mandawali, Fazalpur behind Narwana Apartments, New Delhi, Delhi-110092
- Rent Agreement of Corporate Office dated July 01, 2023 between our Company and M/s VD IT Private Limited for Factory Premises located at C 96 Basement C Block, Sector 2, Noida, Gautam Buddha Nagar, Noida, Uttar Pradesh, India, 201301, India
- Lease Agreement of Factory premises dated July 15, 2024 between our Company and M/s Logix Soft-Tel Private Limited for Corporate office located at 2nd Floor, Logix Park, Plot No A-4 & 5 Sector 16, Noida, Gautam Buddha Nagar, U.P. - 201301, India.

Material Documents

- Consents of Book Running Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Market Maker to the Issue, Underwriter to the Issue, Banker to our Company, Statutory Auditor of the Company, Peer Review Auditor, Promoters of our Company, Directors of our Company, Monitoring Agency, Company Secretary and Compliance Officer, Chief Financial Officer, as referred to, in their respective capacities.