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**PRATHAM EPC PROJECTS LIMITED**

**Corporate Identification Number: U45200GJ2014PLC081119**

Our Company was originally incorporated as “Pratham EPC Projects Private Limited” as a private limited company under the provisions of the Companies Act, 2013 vide Certificate of Incorporation dated October 27, 2014 from the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Further, our Company was converted from private limited company to public limited company pursuant to special resolution passed in the Extra-Ordinary General Meeting of the company dated July 21, 2023 and consequently, the name of our Company was changed to “Pratham EPC Projects Limited” and a fresh certificate of incorporation dated July 28, 2023 was issued to our Company by the Registrar of Companies, Ahmedabad. The Corporate Identification Number of our Company is U45200GJ2014PLC081119.

**Registered Office:** A-1101, Sankalp Iconic, Opp. Vikram Nagar, Iscon Temple Cross Road, S.G. Highway, Ahmedabad, Gujarat - 380054.

**Website:** [www.prathamepc.com](http://www.prathamepc.com); **E-Mail:** [cs@prathamepc.com](mailto:cs@prathamepc.com); **Telephone No:** 079-4003 7008

**Company Secretary and Compliance Officer:** Ms. Bhavasthi Rahul Mehta

**PROMOTERS OF OUR COMPANY: MR. NAYANKUMAR MANUBHAI PANSURIYA AND MR. PRATIKKUMAR MAGANLAL VEKARIYA**

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

INITIAL PUBLIC ISSUE OF UP TO 5000000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH OF PRATHAM EPC PROJECTS LIMITED (“PEPL” OR THE “COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF ₹ [●]/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●]/- PER EQUITY SHARE (THE “ISSUE PRICE”) AGGREGATING TO ₹ [●] LAKHS (“THE ISSUE”), OF WHICH [●] EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH FOR CASH AT A PRICE OF ₹ [●]/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●]/- PER EQUITY SHARE AGGREGATING TO ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION i.e. NET ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH AT A PRICE OF ₹ [●]/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●]/- PER EQUITY SHARE AGGREGATING TO ₹ [●] LAKHS IS HEREIN AFTER REFERRED TO AS THE “NET ISSUE”. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [●] % AND [●] %, RESPECTIVELY, OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10/- EACH.

THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLM ADVERTISED IN [●] EDITION OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER) AND [●] EDITION OF [●] CIRCULATED HINDI NATIONAL DAILY NEWSPAPER. AND AHMEDABAD EDITION OF [●] REGIONAL NEWSPAPER (GUJARATI REGIONAL LANGUAGE OF AHMEDABAD WHERE OUR REGISTERED OFFICE IS LOCATED). AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED (“NSE”) FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITE.

Potential Bidders may note the following:

1. Under the heading titled “*Summary of Draft Red Herring Prospectus*” beginning from page 17 of the Draft Red Herring Prospectus, certain information shall be amended and/ or updated and/ or added, as provided beginning on page 2 of the Addendum to Draft Red Herring Prospectus.
2. Under the heading titled “*Risk Factor*” beginning from page 31 of the Draft Red Herring Prospectus, certain risk factors shall be amended and/ or updated and/ or added, as provided beginning on page 3 of the Addendum to Draft Red Herring Prospectus
3. Under the heading titled “*Objects of the Issue*” beginning from page 86 of the Draft Red Herring Prospectus and accordingly, certain information shall be amended and/ or updated and/ or added, as provided beginning on page 6 of the Addendum to Draft Red Herring Prospectus.
4. Under the heading titled “*Business Overview*” beginning from page 116 of the Draft Red Herring Prospectus and accordingly, certain information shall be amended and/ or updated and/ or added, as provided beginning on page 9 of the Addendum to Draft Red Herring Prospectus.
5. Under the heading titled “*Management’s Discussion And Analysis Of Financial Conditions And Results Of Operations*” beginning from page 168 of the Draft Red Herring Prospectus and accordingly, certain information shall be amended and/ or updated and/ or added, as provided beginning on page 16 of the Addendum to Draft Red Herring Prospectus.

6. Under the heading titled “Government and Other Approvals” beginning from page 188 of the Draft Red Herring Prospectus and accordingly, certain information shall be amended and/ or updated and/ or added, as provided beginning on page 19 of the Addendum to Draft Red Herring Prospectus.

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

The Addendum is filed with NSE and shall be made the respective websites NSE i.e. [www.nseindia.com](http://www.nseindia.com) ; Book Running Lead Manager at [www.beelinemb.com](http://www.beelinemb.com) and the Issuer Company at: [www.prathampec.com](http://www.prathampec.com)

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

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of each jurisdictions where such offers and sales are made.

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 issued or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

On behalf of Pratham EPC Projects Limited


Sd/-

Place: Ahmedabad

Mr. Pratikkumar Maganlal Vekariya

Date: January 31, 2024

Chairman and Managing Director

BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE ISSUE
	
<b>BEELINE CAPITAL ADVISORS PRIVATE LIMITED</b> <b>SEBI Registration Number:</b> INM000012917 <b>Address:</b> B 1311-1314 Thirteenth Floor Shilp Corporate Park, Rajpath Rangoli Road Thaltej Ahmedabad Gujarat 380054 India. <b>Telephone Number:</b> +91 79 4918 5784 <b>Email Id:</b> <a href="mailto:mb@beelinemb.com">mb@beelinemb.com</a> <b>Investors Grievance Id:</b> <a href="mailto:ig@beelinemb.com">ig@beelinemb.com</a> <b>Website:</b> <a href="http://www.beelinemb.com">www.beelinemb.com</a> <b>Contact Person:</b> Mr. Nikhil Shah <b>CIN:</b> U67190GJ2020PTC114322	<b>LINK INTIME INDIA PRIVATE LIMITED</b> <b>SEBI Registration Number:</b> INR000004058 <b>Address:</b> C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai, Maharashtra, India – 400 083. <b>Tel. Number:</b> +91 22 4918 6200 <b>Fax-</b> 022- 4918 6060 <b>Email Id:</b> <a href="mailto:prathampec.ipo@linkintime.co.in">prathampec.ipo@linkintime.co.in</a> <b>Investors Grievance Id:</b> <a href="mailto:prathampec.ipo@linkintime.co.in">prathampec.ipo@linkintime.co.in</a> <b>Website:</b> <a href="http://www.linkintime.co.in">www.linkintime.co.in</a> <b>Contact Person:</b> Shanti Goapalkrishnan <b>CIN:</b> U67190MH1999PTC118368

*Pratham EPC Projects Limited is proposing, subject to applicable statutory and regulatory requirements, receipt of requisite approvals, market conditions and other considerations, to make an initial public offer of its Equity Shares and has been filed the Draft Red Herring Prospectus dated September 30, 2023 with NSE. The Draft Red Herring Prospectus and the Addendum to the Draft Red Herring Prospectus shall be available on the respective websites NSE i.e. [www.nseindia.com](http://www.nseindia.com); Book Running Lead Manager at [www.beelinemb.com](http://www.beelinemb.com) and the Issuer Company at: [www.prathampec.com](http://www.prathampec.com). Potential Applicants/Bidders should note that investment in equity shares involves a high degree of risk and details relating to such risk, please see the section entitled "Risk Factors" beginning on page 31 of the Draft Red Herring Prospectus. Potential Applicants/Bidders should not reply on the Draft Red Herring Prospectus filed with NSE for making any investment decision.*

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## **SUMMARY OF DRAFT RED HERRING PROSPECTUS**

### **PRIMARY BUSINESS OF THE COMPANY**

Our company was originally incorporated in the name and style of “Pratham EPC Projects Private Limited”, as a Private Limited Company under the Provisions of Companies Act, 2013 pursuant to a Certificate of Incorporation dated October 27, 2014 issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Later on, our Company was converted into a Public Limited Company pursuant to shareholders resolution passed at Extra-ordinary General Meeting of our Company held on July 21, 2023 and the name of our Company was changed to “Pratham EPC Projects Limited”. A fresh Certificate of Incorporation consequent upon Conversion from Private Limited Company to Public Limited Company dated July 28, 2023 was issued by the Registrar of Companies, Ahmedabad. The Corporate Identification Number of our Company is U45200GJ2014PLC081119.

Based at Ahmedabad, Pratham EPC Projects Limited is an integrated engineering, procurement, construction and commissioning company being in business of end-to end service providers to Oil & Gas distribution companies in India. Founded by visionary Promoters Mr. Pratikkumar Maganlal Vekariya and Mr. Nayankumar Manubhai Pansuriya having combined experience of over 30 years in engineering industry. Both our promoters are Mechanical Engineers. Mr. Pratikkumar Maganlal Vekariya, in past, has worked in reputed construction companies namely Jai-Hind Projects Limited, Punj Lloyd Limited and NCC Limited. Mr. Nayankumar Manubhai Pansuriya, in past, has worked with NCC Limited. Our company has been executing various gas pipeline project handling all pipeline activities like, mainline welding, tie-in, coating, hydro testing, pipeline commissioning etc. Pratham specialize in oil & gas pipelines for cross country distribution and city gas distribution. It also undertakes offshore projects for water distribution specifically project bidding & project management.

Both our Promoters are subscribers to the memorandum of association and have been associated with our company since incorporation. Driven by the passion for building an integrated pipeline projects company, backed by their experience, our promoter has been the pillars of our Company’s growth and has built a strong value system for our Company.

We are an Oil & Gas pipeline infrastructure service provider in India, focused on laying pipeline networks along with construction of associated facilities; and providing Operations & Maintenance services to the City Gas Distribution (“CGD”) Companies in India. We are an integrated EPC company offering a diversified range of pipeline and allied services for oil & gas industry. We provide our services for cross country pipeline projects for different applications viz. Oil, gas & water etc. and also undertake Pipeline laying work on Turnkey basis including engineering, procurement, pipeline construction for city gas distribution, horizontal direction drilling, stations including civil, electromechanical and instrumentation for our clients. Our company is ISO 10002:2018 certified for customer satisfaction and complaint management system by International Standards Registrations, ISO 14001:2015 certified for environment management system by International Standards Registrations, ISO 18001:2007 certified for Occupational Health and Safety management system by International Standards Registrations and ISO 9001:2015 certified for quality management system by ROHS Certification Private Limited.

Over the years, we have successfully executed more than 12 projects with our major completed projects quantifying to approximately ₹ 13,184.10 Lakhs. Our execution capabilities have grown significantly with time, both in terms of the size of projects that we bid for and execute, and the number of projects that we execute simultaneously. As of March 31, 2023, we have 6 major on-going projects out of which 5 projects worth approximately ₹ 19,397.33 Lakhs has been confirmed based on Letter of Allocation / Purchase Order for which ₹ 16,952.80 Lakhs worth project execution is pending and 1 project has been finalized with Purchase Order, which is worth approximately ₹ 40,667.29 Lakhs, based on management estimates, suggesting our strong order book.

We derive our revenue from following two business verticals:

- a) Gas & Oil Pipeline Projects
- b) Water Pipeline Projects

## **RISK FACTORS**

**a) Following Risk factor has been added as Risk Factor No. 43 as follows:**

***“Our revenues are highly dependent on our operations in the geographical region of state of Gujarat. Any adverse development affecting our operations in this region could have an adverse impact on our business, financial condition and results of operations.***

We derive our 40.18%, 45.96% and 66.18% of the revenue from state of Gujarat in FY 2022-23, FY 2021-22 and FY 2020-21 respectively. Such geographical concentration of our business as specially in Gujarat region heightens our exposure to adverse developments related to competition, as well as economic and demographic changes in this region which may adversely affect our business prospects, financial conditions and results of operations.

Further, factors such as competition, culture, regulatory regimes, business practices and customs, customer tastes, behaviour and preferences in the cities where we may plan to expand our operations may differ from Gujarat, and our experience in the Gujarat may not be applicable to these states. In addition, as we enter new markets and geographical areas, we are likely to compete not only with national players, but also local players who have an established local presence, are more familiar with local regulations, business practices and customs, have stronger relationships with local contractors, suppliers, relevant government authorities, and who have access to existing land reserves or are in a stronger financial position than us, all of which may give them a competitive advantage over us. Our inability to expand into areas outside Gujarat market may adversely affect our business prospects, financial conditions and results of operations.”

**b) Existing Risk Factor 16 has been updated as follows**

***“The title deeds of fixed assets shown in the financial statements of the Company are not held in the name of the Company and we are not sure the same will be transferred in the name of the Company in future or at all.***

*The title of various vehicles purchased by our Company, which are shown in the standalone financial statements of the company, is held in the name of the Directors. However, loan borrowed for the purchase of the said vehicles are being repaid by the Company and the interest thereto have been debited to the Profit and loss account of the company, the title deeds of the said vehicles are held in the name of the Director and the same is in violation of the provisions of the Companies Act, 2013.*

*Although no- show cause notice has been issued against our Company till date, in respect of above, in the event of any cognizance being taken by the concerned authorities in respect of above, actions may be taken against our Company and its directors, in which event the financials of our Company and our directors may be affected. Further we cannot assure you that we may not do delay filings in future and not be subjected to penalty or interest. Further with the expansion of our operations there can be no assurance that deficiencies in our internal controls and compliances will not arise, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all.*

*To overcome/minimize the risk, Company has paid the entire outstanding amount of such assets on December 28, 2023 and transfer process is initiated by the director i.e. Transfer of Asset's ownership from Director in favour of Company. Since, charge has been created on such asset, asset cannot be transferred to the Company directly before the closure cum pay out of loan.*

**c) Existing Risk Factor 19 has been updated as follows**

***“We have entered into related party transactions in the past and may continue to do so in the future.***

Our Company has entered into various transactions with our Directors, Promoters and Promoter Group members and Group Companies. These transactions, inter-alia include, issue of shares, remuneration, loans and advances, purchase, sales, rent expenses, reimbursement of expenses etc. While our related party transactions have been conducted on an arms' length basis and are in accordance with the provisions of the Companies Act, 2013 and other applicable laws, and all such transactions are adequately disclosed in “Annexure - IX - Related Party Transactions” under Section titled “Restated Financial Information” of the Company” and Chapter titled “Capital Structure” beginning on page 165 and 66 respectively of this Draft Red Herring Prospectus. Our Company has entered into such transactions due to easy proximity and quick execution. Although all related-party transactions that we may enter into in the future are subject to approval by our Audit Committee, Board or shareholders, as required under the Companies Act, we cannot assure you that such future transactions or any other future transactions, individually or in aggregate, will not have an adverse effect on our financial condition and results of operations or will always be in the best interests of our minority shareholders or that we could not have achieved more favorable terms if such transactions are not entered into with related parties.

Furthermore, it is likely that we may enter into related party transactions in the future. Any future transactions with our related parties could potentially involve conflicts of interest. Accordingly, there can be no assurance that such transactions, individually or in aggregate, will not have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

d) **Existing Risk Factor No. 29 has been removed.**

e) **Existing Risk Factor 15 has been updated as follows**

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

In the past, our company has at several instances, delayed in filing GST returns and EPF returns and deposit of statutory dues, as a result of which, we have been required to pay the late filing fees along with interest on delayed deposit of due taxes and statutory dues. Following are the details of the delayed filings/payments:

**GST:**

<b><u>Financial Year</u></b>	<b><u>Return Type</u></b>	<b><u>Total Establishments</u></b>	<b><u>Establishments with Delayed Filings</u></b>
<u>2023-2024</u>	<u>GSTR3B</u>	<u>6</u>	<u>4</u>
<u>2022-2023</u>	<u>GSTR3B</u>	<u>6</u>	<u>4</u>
<u>2021-2022</u>	<u>GSTR3B</u>	<u>4</u>	<u>2</u>
<u>2020-2021</u>	<u>GSTR3B</u>	<u>4</u>	<u>2</u>
<u>2019-2020</u>	<u>GSTR3B</u>	<u>4</u>	<u>2</u>
<u>2018-2019</u>	<u>GSTR3B</u>	<u>3</u>	<u>1</u>
<u>2017-2018</u>	<u>GSTR3B</u>	<u>3</u>	<u>1</u>

**EPF:**

<b><u>Financial Year</u></b>	<b><u>Total Amount Paid</u></b>	<b><u>Total Establishments</u></b>	<b><u>Establishments with Delayed Payments</u></b>
<u>2023-2024</u>	<u>1,71,995</u>	<u>1</u>	<u>0</u>
<u>2022-2023</u>	<u>1,75,326</u>	<u>1</u>	<u>1</u>
<u>2021-2022</u>	<u>1,94,299</u>	<u>1</u>	<u>1</u>
<u>2020-2021</u>	<u>2,63,857</u>	<u>1</u>	<u>1</u>
<u>2019-2020</u>	<u>3,21,614</u>	<u>1</u>	<u>1</u>
<u>2018-2019</u>	<u>2,50,975</u>	<u>1</u>	<u>1</u>
<u>2017-2018</u>	<u>4,01,416</u>	<u>1</u>	<u>1</u>
<u>2016-2017</u>	<u>1,61,150</u>	<u>1</u>	<u>1</u>
<u>2023-2024</u>	<u>1,71,995</u>	<u>1</u>	<u>0</u>

Although the delayed filing has been done with additional fees and delayed deposit has been made with additional interest, but if we continue this practice, the accumulated amounts of each delay may adversely affect our cash flows. Further no-show cause notice has been issued against our Company till date, in respect of above. In the event of any cognizance being taken by the concerned authorities in respect of the above, actions may be taken against our Company and its directors, in which event the financials of our Company and our directors may be affected.

**f) Existing Risk Factor 24 has been updated as follows**

*“If we are unable to service our debt obligations in a timely manner or to comply with various financial and other covenants and other terms and conditions of our financing agreements, it may adversely affect our business, prospects, results of operations and financial condition.*

*As of March 31, 2023 our Company had total indebtedness in the form of short term and long-term borrowings of ₹ 1,418.83 Lakhs. Our indebtedness could have several important consequences, including but not limited to the following:*

- a portion of our cash flows may be used towards repayment of our existing debt, which will reduce the availability of our cash flows to fund working capital, capital expenditures and other general corporate requirements;*
- our ability to obtain additional financing in the future at reasonable terms may be restricted;*
- fluctuations in market interest rates may affect the cost of our borrowings, as some of our indebtedness is at variable interest rates;*
- there could be a material adverse effect on our business, financial condition and results of operations if we are unable to service our indebtedness or otherwise comply with financial and other covenants specified in the financing agreements; and*

*Some of our financing agreements also include various conditions and covenants that require us to obtain the consent of the lenders prior to carrying out certain activities or entering into certain transactions. Certain covenants in these agreements require us to obtain approval/permission from our lenders in certain conditions. In the event of default or the breach of certain covenants, our lender has the option to make the entire outstanding amount payable immediately. Our Company has received NoC from the Lender Bank with regard to the current Issue.*

*There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain consents necessary to take the actions that we believe are required to operate and grow our business. For further details in this regard, please refer to chapter titled “Business Overview” beginning on page 116 of this Red Herring Prospectus.*

**g) Following Risk factor has been added as Risk Factor No. 44 as follows:**

*“We derive majority of our revenue from Oil & Gas pipeline infrastructure service business segment and any reduction in the demand of such services could have an adverse effect on our business, results of operations and financial conditions.*

*Our Company derives revenue of ₹ 3057.01 lakhs in FY 2020-21, ₹ 5041.10 lakhs in FY 2021-22 and ₹ 5020.35 lakhs in FY 2022-23 from Oil & Gas pipeline infrastructure services business segment which is constituting 99.96% in FY 2020-21, 99.89% in FY 2021-22 and 100% in FY 2022-23. Any reduction in the demand of such services could have an adverse effect on our business, results of operations and financial condition.”*

**h) Existing Risk Factor 16 has been revised as follows**

*“The title deeds of fixed assets shown in the financial statements of the Company are not held in the name of the Company and we are not sure the same will be transferred in the name of the Company in future or at all.*

The title of various vehicles purchased by our Company, which are shown in the standalone financial statements of the company, is held in the name of the Directors. However, loan borrowed for the purchase of the said vehicles are being repaid by the Company and the interest thereto have been debited to the Profit and loss account of the company, the title deeds of the said vehicles are held in the name of the Director and the same is in violation of the provisions of the Companies Act, 2013.

Although no- show cause notice has been issued against our Company till date, in respect of above, in the event of any cognizance being taken by the concerned authorities in respect of above, actions may be taken against our Company and its directors, in which event the financials of our Company and our directors may be affected. Further we cannot assure you that we may not do delay filings in future and not be subjected to penalty or interest. Further with the expansion of our operations there can be no assurance that deficiencies in our internal controls and compliances will not arise, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all.

To overcome/minimize the risk, Company has paid the entire outstanding amount of such assets on December 28, 2023 and transfer process is initiated by the director i.e. Transfer of Asset’s ownership from Director in favour of Company. Since, charge has been created on such asset, asset cannot be transferred to the Company directly before the closure cum payout of loan.

### OBJECT OF THE ISSUE

#### TO MEET WORKING CAPITAL REQUIREMENTS:

Basis of estimation of working capital requirement and estimated working capital requirement

(Amount in ₹ Lakhs)

Particulars	Restated Financial Statement for year ended on March 31,			Projected Financials for the year ended on March 31,	
	2021	2022	2023	2024	2025
<b>Inventories</b>					
Work-in-progress	43.89	202.52	752.96	1,392.98	2,325.00
Investments under lien	219.00	439.00	369.00	600.00	750.00
Trade receivables	1,025.97	615.82	1,633.95	3,330.61	4,020.78
Cash and Cash Equivalent	28.92	560.79	30.84	39.11	61.88
Loans and Advances	126.33	265.48	329.41	480.29	707.06
Other Assets	64.36	63.16	93.44	102.79	113.06
<b>Total Current Assets</b>	<b>1,508.47</b>	<b>2,146.78</b>	<b>3,209.61</b>	<b>5,945.77</b>	<b>7,977.78</b>
<b>Current Liabilities</b>					
Trade payables	1,030.11	1,240.78	1,190.92	2,012.10	2,522.76
Other liabilities (Including Non-Current)	207.70	273.29	284.90	216.16	151.25
Short-term provisions	2.53	41.28	134.95	324.45	354.33
<b>Total Current Liabilities</b>	<b>1,240.34</b>	<b>1,555.34</b>	<b>1,610.78</b>	<b>2,552.70</b>	<b>3,028.34</b>
<b>Net Working Capital</b>	<b>268.14</b>	<b>591.43</b>	<b>1,598.83</b>	<b>3,393.06</b>	<b>4,949.44</b>
<b>Sources of Funds</b>					
Short Term Borrowing	32.09	-	1,198.03	947.72	732.85
Internal Accruals/Existing Net worth	236.05	591.43	400.81	1,745.34	2,941.35
Proceeds from IPO	0.00	0.00	0.00	700.00	1,275.24*
<b>Total</b>	<b>268.14</b>	<b>591.43</b>	<b>1,598.83</b>	<b>3,393.06</b>	<b>4,949.44</b>

\* Working capital requirement is calculated based on statement of assets and liabilities as on particular date. Utilization of working capital disclosed in the table is based on closing balances. Company intends to utilize ₹ 1275.24 Lakhs towards Working Capital requirement out of the Issue Proceeds. Company is expecting utilization of ₹ 700 lakhs in FY 2023-24 and remaining amount i.e. ₹ 575.24 lakhs (₹ 1275.24 Lakhs reduced by previous year utilized amount, ₹ 700 lakhs) in FY 2024-25. Therefore, amount disclosed in FY 2024-25 is sum of total utilization of Working Capital for both the years i.e. ₹ 700 lakhs for FY 2023-24 and ₹ 575.24 lakhs for FY 2024-25.

#### Assumptions for working capital requirements

Particulars	Holding level (in Days)				
	FY 20-21 (Restated)	FY 21-22 (Restated)	FY 22-23 (Restated)	FY 23-24 (Projected)	FY 24-25 (Projected)
<b>Inventory</b>					
Work in Progress	6	17	76	71	89
Trade Receivables	106	59	82	89	94
Trade Payable	183	158	194	107	109

**Note:**



1. Holding period level (in days) of Trade Receivables is calculated by dividing average trade receivables by revenue from operations multiplied by number of days in the year/period.
2. Holding period level (in days) of Inventories is calculated by dividing average inventories by cost of goods sold (including raw material consumed, and change in inventories) multiplied by number of days in the year/period.
3. Holding period level (in days) of Trade Payables is calculated by dividing average trade payables by sum of raw material consumed, and change in inventories multiplied by number of days in the year/period.

**Source:** Based on certificate issued by M/s. Rohan Thakkar & Co. Chartered Accountants vide its certificate dated September 26, 2023, bearing UDIN: 23135131BGWEWX1145.

#### Justification for “Holding Period” levels

We are an Oil & Gas pipeline infrastructure service provider in India, focused on laying pipeline networks along with construction of associated facilities; and providing Operations & Maintenance services to the City Gas Distribution (“CGD”) Companies in India. We are integrated EPC company offering a diversified range of pipeline and allied services for oil & gas industry. We provide our services for cross country pipeline projects for different applications viz. Oil, gas & water etc. and also undertake Pipeline laying work on Trunk basis including engineering, procurement, pipeline construction for city gas distribution, horizontal direction drilling, stations including civil, electromechanical and instrumentation for our clients.

In FY 2022-23, Company has increased their operations. Since that completed work is not verified by the client as at closing date (i.e. March 31, 2023), Work completed got accumulated in Closing Inventory (WIP). Due to which Revenue remain flat whereas Closing Inventory (WIP) increased substantially. Thus Closing Inventory increased from 202.52 lakhs in FY 2021-22 to ₹ 752.96 lakhs in FY 2022-23 showing an increase of ₹ 550.44 lakhs.

The above resulted into increased working capital requirements from ₹ 591.43 lakhs in FY 2021-22 to ₹ 1,598.83 lakhs in FY 2022-23 showing an increase of ₹ 1,007.4 lakhs Working capital requirements.

<b>Inventory – WIP</b>	Inventories primarily include work in progress on account of ongoing projects for which invoicing is not done. With increasing value of contract, Company’s inventory days also increased from 5-7 days in Financial Year 2020-21, 15-20 days in Financial Year 2021-22 to 70-80 days in Financial Year 2022-23. <u>During the FY 2022-23, Company has work executed but not booked as revenue for which work is under process of verification by client showing substantial increase in Inventory – WIP.</u> The Company is anticipating Inventory days to 65-75 days for the Financial Year 2023-24 and 85-95 days for FY 2023-24 & FY 2024-25 respectively which is in the same line with the existing inventory days.
<b>Trade Receivables</b>	Trade receivables are amount owed to Company by customers following sale of goods and services on credit. Our Company had trade receivable days of 100-110 days in the Financial Year 2020-21, 55-65 days in the Financial Year 2021-22 and 75-85 days in the Financial Year 2022-23. As compared to other previous year 2020-21, <u>due to higher realization of amount at the end of the FY2021-22, Company’s trade receivable days were reduced to 51-65 days in FY 2021-22.</u> Company’s anticipation, for the projected trade receivables days are in line with existing trade receivable days i.e. 85-95 days for the Financial Year 2023-24 and 90-100 days for the Financial Year 2024-25.
<b>Trade Payables</b>	Trade payables are amount to be paid to suppliers by company following purchase of material and services rendered by supplier on credit. The Company had maintained trade payable days of 180-185 days in Financial Year 2020-21, 155-165 days in Financial Year 2021-22 and 190-200 days in Financial Year 2022-23. Our company expects Trade Payable days to be between 105-115 days for FY 2023-24 and FY 2024-25. Company expects better pricing from vendors by making early payment and negotiating better deals.
<b>Investments under lien</b>	Current Investments include Investment in Mutual Funds that are given on lien to Bank for Letter of Credit. With increase in contract size requirements for Letter of credit is also going to increase. Therefore to avail this facility company needs to maintain Investments.
<b>Cash and Cash Equivalents</b>	Cash and cash equivalents include balances in current accounts and cash in hand. As compared to other previous year i.e. FY 2020-21, <u>due to higher realization of amount at the end of the FY2021-22, Company’s Cash and Cash equivalents increased in FY 2021-22.</u> Cash and Cash Equivalent balance is estimated based on previous year’s outstanding amount and for expected Business requirement of company.
<b>Loans and Advances</b>	Loans and advances mainly include advance paid for capital goods, advance to suppliers for supply of material, advance to employees, balance with government authority and Inter-

	corporate Loan to associate company. Loans and advances is estimated based on previous year's outstanding amount and for expected Business requirement of company.
<b>Other Assets</b>	Other Assets mainly includes accrued interest, security deposit, and retention money held with customers. Other Assets is estimated based on previous year's outstanding amount and for expected Business requirement of company.
<b>Other Liabilities (Including Non-Current)</b>	Other liabilities mainly include security deposits taken, statutory dues payable, employee benefits payable, advances from customers and other expenses payable. Other liabilities is estimated based on previous year's outstanding amount and for expected Business requirement of company.
<b>Short-term provisions</b>	Short-term provisions mainly include Provision for income tax (Net of Advance tax), Provision for Expenses and Provision for Gratuity. Short-term provisions is estimated based on previous year's outstanding amount and for expected Business requirement of company.

## **BUSINESS OVERVIEW**

- a) Following word “Trunkey” should be read as “Turnkey”
- b) Details regarding revenue bifurcation on the basis non-government and government entities for all three financial year is as follows:

(₹ in Lakhs)

Years	Non-Government	Government	Total
2020-21	1183.38	1874.85	3058.23
2021-22	2427.22	2619.62	5046.84
2022-23	3320.60	1699.75	5020.35

- c) revenue bifurcation on the basis of revenue generated by the company’s services such as oil & gas, operations & maintenance services and water irrigation project management. is provided below:

(₹ in Lakhs)

Years	Product-wise bifurcation		Total
	Oil & Gas	Operation & Maintenance	
2020-21	3057.01	1.21	3058.23
2021-22	5041.40	5.45	5046.84
2022-23	5020.35	-	5020.35

## **d) CONVENTIONAL AND GENERAL TERMS / ABBREVIATIONS**

The abbreviations HSE should be interpreted as follows

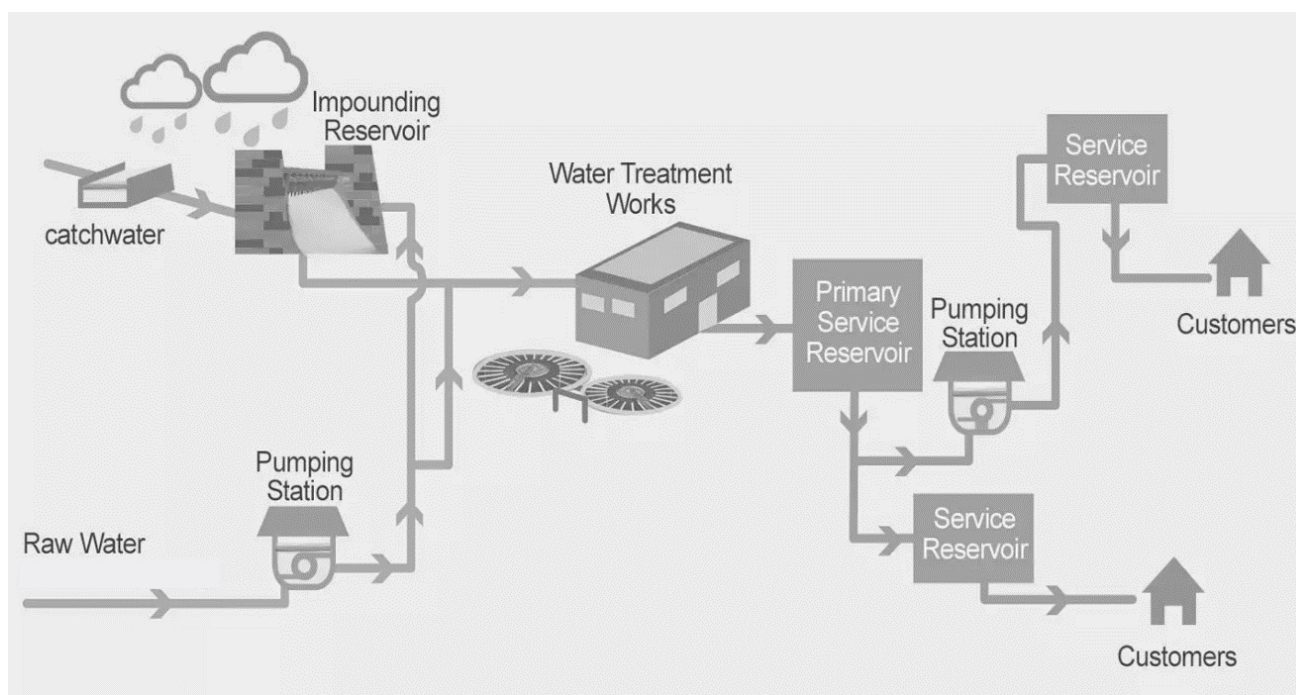
HSE	Health, Safety and Environment
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- e) **Business Strategy: Point 4 – “Expand our geographical footprint” should be read as follows:**

*“We intend to expand our geographical footprint and grow our business by increasing orders from outside of Gujarat. To control diversification risks, we may at first, limit our expansion to other states to undertaking projects first in the areas where our core competencies lie. Through an increasingly diversified portfolio, we hope to broaden our revenue base and also hedge against risks in specific areas or projects and protect ourselves from fluctuations resulting from business concentration in limited geographical areas. With our increased experience and success, however, our rate of expansion may increase in terms of increases in the number of new states and projects we undertake. Till now, significant amount of our revenue from operations is from State of Gujarat. We believe that geographical diversification of our projects will reduce our reliance on our home state of Gujarat and allow us to capitalise on different growth trends in different states across the country. Further, we believe that as the reputed customers that comprise our existing client base continue to expand their geographical reach, our long-standing relationships will provide us with opportunities to undertake projects for such customers pan India.”*

## **f) Water Pipeline Projects:**

Following word “Raw water from Guangdong” to “Raw water” also find below mentioned diagram in point 2 of Water Pipeline Projects for main heading PROJECT EXECUTION PROCESS is updated as below:



**g) RAW MATERIAL**

“The principal raw materials used in our projects are includes coating material, fittings, pipe, and others consumables. Company maintains experienced staff in its purchase department to carry out material, services and equipment procurement for the project sites. Procurement is a centralised function performed at Company’s registered office. Upon award of a contract, the purchase department is provided with the project details along with the budgeted rates for material, services and equipment. The material, services and equipment required for projects are estimated by the engineering personnel from the individual project sites and then passed on to the purchase department along with the schedule of requirements. Company has over the years developed relationships with a number of vendors for key materials, services and equipment. Company has also developed an extensive vendor database for various materials and services. The materials ordered are provided to the sites from time to time as per their scheduled requirements. Company maintains material procurement, tracking and control systems, which enable monitoring of our purchases. However, in certain projects, our agreements with our clients may stipulate that the client is responsible for the procurement of raw materials such as pipes, fittings and other consumables. In such projects, Company provides the clients with details of the quantity and quality of the materials required, and mutually agree upon a tentative delivery schedule for such materials.

The ability to procure material, services and equipment in a cost-effective manner, and to meet quality specifications for the projects is essential for the successful execution of such projects. Company is continuously evaluating its existing vendors and also attempting to develop additional sources of supply for most of the materials, services and equipment needed for the projects.”

**h) INSURANCE is updated as follows**

Sr. No.	Insurance Company	Policy Number	Name of Insured/Proposer	Date of expiry	Details	Sum assured (in ₹)	Premium Paid (in ₹)
1	Tata AIG	1634621840100	Pratham EPC Projects Private Limited	July 12, 2024	Vehicle Insurance for Mahindra Bolero (GJ-01-JT-3548)	6,12,000	27,711
2	Reliance General Insurance	162422323340007 960	Pratham EPC Projects Private Limited	March 06, 2024	Vehicle Insurance for Mahindra Bolero (GJ-01-KT2847)	9,49,999	48,428
3	Tata AIG	1634622980100	Pratham EPC Projects Private Limited	July 12, 2024	Vehicle Insurance for Mahindra Bolero (GJ-	6,14,700	27,752

Sr. No.	Insurance Company	Policy Number	Name of Insured/Proposer	Date of expiry	Details	Sum assured (in ₹)	Premium Paid (in ₹)
					01-JT-3509)		
4	Tata AIG Insurance	6720011347	Pratham EPC Projects Private Limited	January 05, 2024	Vehicle Insurance for Pipelayer Machine	49,56,000	19,556
5	Bajaj Allianz General Insurance	OG-24-2202-0410-00000031	Pratham EPC Projects Private Limited	August 16, 2024	Vehicle Insurance for Tata Hitachi Hydraulic Excavator Machine (Engine No. 22E84978252)	57,50,000	14,791
6	Bajaj Allianz General Insurance	OG-24-2202-0410-00000032	Pratham EPC Projects Private Limited	August 16, 2024	Vehicle Insurance for Tata Hitachi Hydraulic Excavator Machine (Engine No. 22D84976822 )	57,50,000	14,791
7	HDFC ERGO General Insurance	2224 2050 6938 9500 000	Pratham EPC Projects Private Limited	November 16, 2023	Vehicle Insurance for Tata Hitachi Hydraulic Excavator Machine (EX 130 super)	40,12,000	17,481
8	Bajaj Allianz General Insurance	OG-23-2234-1811-00000316	Pratham EPC Projects Private Limited	November 01, 2023	Vehicle Insurance for Haydra (GJ-1-RQ-1133)	8,00,000	12,166
9	Bajaj Allianz General Insurance	OG-23-3201-1811-00000006	Pratham EPC Projects Private Limited	October 23, 2023	Vehicle Insurance for Haydra (GJ-01-RQ-1338)	7,00,000	11,585
10	Bajaj Allianz General Insurance	OG-23-2202-0410-00000087	Pratham EPC Projects Private Limited	February 04, 2024	Vehicle Insurance for HDD Machine	1,80,42,200	80,001
11	HDFC ERGO General Insurance	2315 2049 6555 6800 000	Pratham EPC Projects Private Limited	October 15, 2023	Vehicle Insurance for Truck-Eicher (GJ-18-AU-7645)	5,50,000	41,408
12	TATA AIG Insurance	2600032584 00 02	Pratham EPC Projects Private Limited	April 14, 2024	Erection All Risk Insurance	2,95,000,000	3,21,915
13	TATA AIG Insurance	2250029820	Pratham EPC Projects Private Limited	April 14, 2024	Employees Compensation Insurance	75,00,00,000	24,200
14	TATA AIG Insurance	0239748232	Pratham EPC Projects Private Limited	December 21, 2023	Group Accident Guard	3,45,00,000	39,550

Sr. No.	Insurance Company	Policy Number	Name of Insured/Proposer	Date of expiry	Details	Sum assured (in ₹)	Premium Paid (in ₹)
					Insurance		
15	TATA AIG Insurance	6520003069	Pratham EPC Projects Private Limited	April 13, 2024	Marine Cargo Insurance	25,00,00,000	59,001
16	TATA AIG Insurance	2600038360 00 00	Pratham EPC Projects Private Limited	February 15, 2024	Erection All Risk Insurance	1,85,00,00,000	7,64,050
17	TATA AIG Insurance	865100188	Pratham EPC Projects Private Limited	April 13, 2024	Marine Cargo Insurance	90,00,00,000	2,12,400
18	TATA AIG Insurance	5190011839	Pratham EPC Projects Private Limited	February 14, 2024	Employees Compensation Insurance	75,00,00,000	31,430
19	TATA AIG Insurance	2600035069 00 03	Pratham EPC Projects Private Limited	July 31, 2023	Erection All Risk Insurance	1,02,10,00,000	5,97,095
20	TATA AIG Insurance	6520008520	Pratham EPC Projects Private Limited	March 18, 2024	Marine Cargo Insurance	65,00,00,000	1,53,400
21	TATA AIG Insurance	5190002339	Pratham EPC Projects Private Limited	August 03, 2024	Employees Compensation Insurance	75,00,00,000	23,599
22	TATA AIG Insurance	2600031977 00 01	Pratham EPC Projects Private Limited	February 14, 2024	Erection All Risk Insurance	11,58,00,000	86,127
23	TATA AIG Insurance	OG-23-2202-2802-00003785	Pratham EPC Projects Private Limited	February 09, 2024	Employees Compensation Insurance	72,00,000	18,075
24	Reliance General Insurance	16242232421M002111	Pratham EPC Projects Private Limited	July 25, 2024	Marine Cargo Insurance	50,000,000	7,081

**i) DETAILS OF IMMOVABLE PROPERTY**

The Details of the Immovable property taken on rent / NOC basis is given here below:

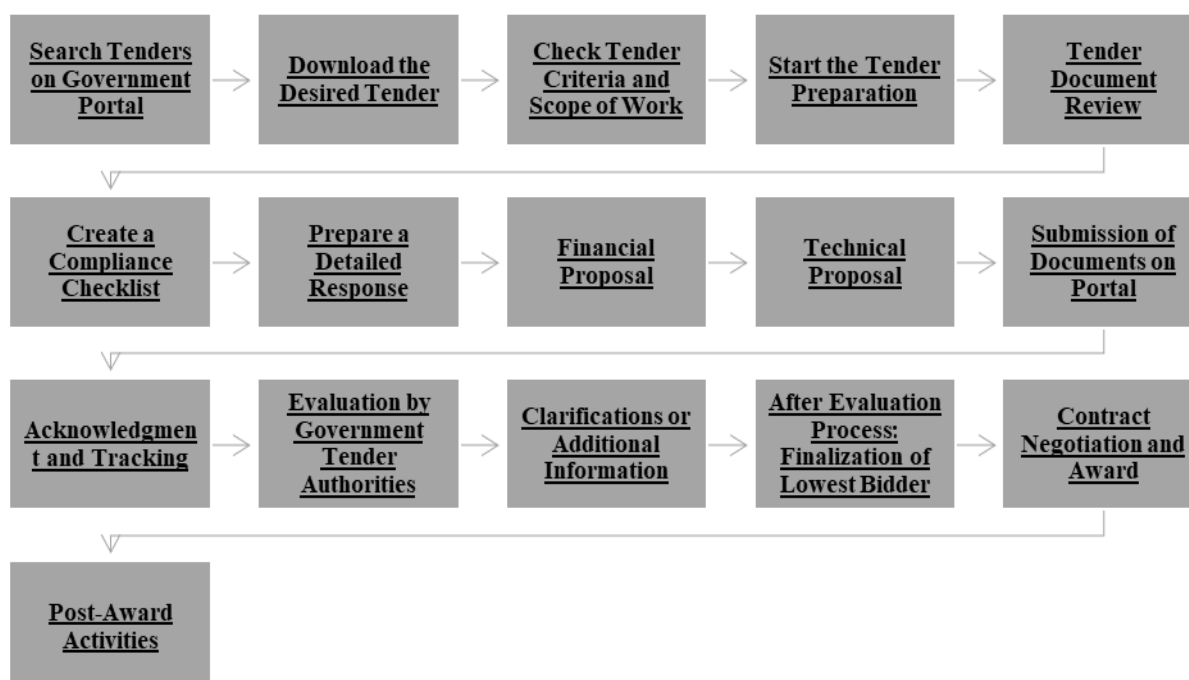
Sr. No.	Document Date	Name of Lessor	Name of Lessee	Description of Property	Area	Usage Purpose	Rent (In ₹)	Tenure
1.	September 18, 2023	Shantosh Kumar Barada	Pratham EPC Projects Private Limited	Khata No: 92/588, Plot No: 160/1208 and Plot No: 162/1200, Mouza Housing Board, R.I. Circle, Paralakhemundi Town, Ramaswamipur, Gajapati, Odisha, Pin: 761261	100 Sq. mtrs	Branch Office	₹ 6,600 Per Month	11 Months starting from September 12, 2023

2.	August 29, 2023	Tarak Chandra Roy	Pratham EPC Projects Private Limited	B-11/14, Word no-12, Kalyani. Dist-Nadia, West Bengal-741235.	318 Sq. Mtrs	Premise for accommodation of Employees	₹ 84,000 Per Month	11 Months starting from August 29, 2023
3.	November 02, 2023	Mr. Pratikkumar Maganlal Vekariya & Mr. Nayankumar Manubhai Pansuriya	Pratham EPC Projects Limited	A-1101, Sankalp Iconic, Opp. Vikram Nagar, Iscon Temple Cross Road, S.G. Highway, Ahmedabad-380054, Gujarat	730.28 Sq. Feets	Registered Office	₹ 2,00,000 Per Month	11 months 29 days starting from November 02, 2023

j) **OUR BUSINESS PROCESS:**

We acquire business through tender process or subcontracting. Following is our step wise business process:

a. **Tender Process:**



1. **Search Tenders on Government Portal:**

This involves regularly checking official government portals or procurement websites for new tender opportunities.

For example: (n) Procure (nprocure.com), <https://etenders.gov.in/eprocure/app>, <https://gem.gov.in/cppp> are some the tender search websites.

2. **Download the Desired Tender:**

Once a suitable tender is identified, the organization downloads the tender document from the government portal. This document contains all the necessary details about the procurement, including requirements, specifications, and submission instructions.

3. **Check Tender Criteria and Scope of Work:**

Review the tender document thoroughly to understand the criteria for eligibility, technical specifications, and the scope of work.

4. **Start the Tender Preparation:**

Initiate the internal process for preparing a bid, which may involve assembling a bid team, allocating responsibilities, and establishing a timeline for completion.

5. **Tender Document Review:**

Conduct a detailed review of the tender document to identify scope of work and detailed drawings.

**6. Create a Compliance Checklist:**

Prepare a checklist based on the requirements as provided in the tender document ensuring that all necessary documents and information are included while submission.

**7. Prepare a Detailed Response:**

Prepare a response for the tender document reflecting each criterion and requirement. This response typically includes information about the organization's experience, qualifications, methodology etc. for fulfilling the scope of work.

**8. Financial Proposal:**

Prepare the financial aspect of the bid, including pricing, cost breakdowns, and any other financial information required by the tender document.

**9. Technical Proposal:**

Prepare the technical points relating to the bid, reflecting the organization's capabilities, expertise, and approach for fulfilling the requirements mentioned in the tender document.

**10. Submission of Documents on Portal:**

Upload or submit all required documents, including the technical and financial proposals, on the government portal within the specified deadline and in the prescribed format.

**11. Acknowledgment and Tracking:**

Keep track of the submission and ensure that the acknowledgment of receipt is received.

**12. Evaluation by Government Tender Authorities:**

The submitted bids are evaluated by the government tender authorities based on prequalification criteria. This evaluation may involve technical assessments, financial reviews, and compliance checks.

**13. Clarifications or Additional Information:**

Government authorities may ask for clarifications or additional information from bidders to ensure proper evaluation.

**14. After Evaluation Process: Finalization of Lowest Bidder:**

The government authorities finalize the lowest qualified bidder based on the evaluation results.

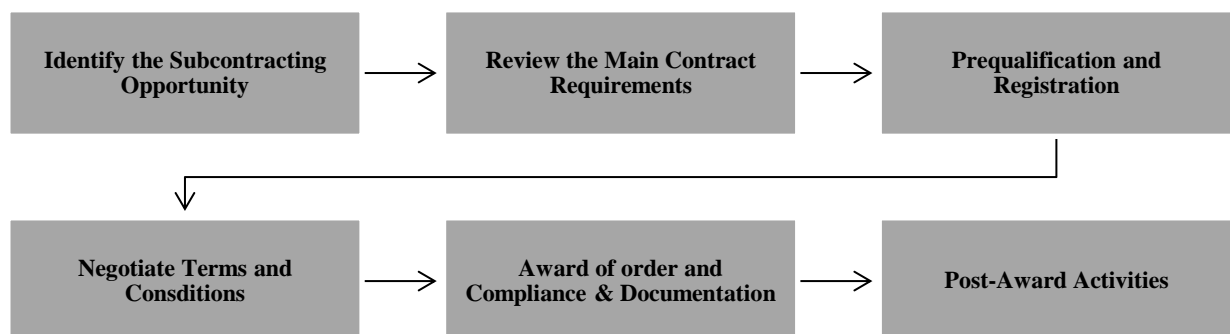
**15. Contract Negotiation and Award:**

Negotiate contract terms with the lowest bidder and award the contract. This involves finalizing details such as delivery schedules, payment terms, and other contractual obligations.

**16. Post-Award Activities:**

After the award, the organization and the government engage in post-award activities, progress reports and addressing any issues that may arise during the execution of the contract.

**b. Sub-Contracting Process:**





**1. Identify the Subcontracting Opportunity:**

This involves identifying subcontracting opportunities within larger project or contract. It may result from a need for specialized skills, resources, or capacity of the contractors.

**2. Review the Main Contract Requirement:**

Understand the requirements of the main contract under which the subcontracting opportunity arises.

**3. Prequalification and Registration:**

Before participating in the subcontracting process, subcontractors may need to prequalify and register with the main contractor. Submitting relevant documentation, such as certifications, financial information, and experience records, to show the subcontractor's capabilities.

**4. Negotiate Terms and Conditions:**

Negotiations with the main contractor to define the terms and conditions of the subcontract. This includes discussions on pricing, scope of work, delivery schedules, quality standards, and any other relevant contractual terms.

**5. Award of Order and Compliance & Documentation:**

Once negotiations are successful, the main contractor awards the subcontract to the selected subcontractor and issue of the work order. Subcontractors must comply with the terms of the work order. This includes adhering to project specifications, quality standards, and other contractual obligations. Subcontractors are also typically required to provide necessary documentation, such as insurance certificates and performance bonds.

**6. Post-Award Activities:**

After the award, both the main contractor and the subcontractor engage in post-award activities. This includes Project co-ordination, Progress reports, issue resolution and payment initiation.

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

### **a) INFORMATION REQUIRED AS PER ITEM (11) (II) (C) (iv) OF PART A OF SCHEDULE VI TO THE SEBI REGULATIONS, 2018**

#### **1. Unusual or infrequent events or transactions**

Except as described in this Draft Red Herring Prospectus, there have been no other events or transactions to the best of our knowledge which may be described as “unusual” or “infrequent”.

#### **2. Significant economic changes that materially affected or are likely to affect income from continuing operations.**

Our business has been subject, and we expect it to continue to be subject to significant economic changes arising from the trends identified above in ‘*Factors Affecting our Results of Operations*’ and the uncertainties described in the section entitled “*Risk Factors*” beginning on page no. 31 of the Draft Red Herring Prospectus. To our knowledge, except as we have described in the Draft Red Herring Prospectus, there are no known factors which we expect to bring about significant economic changes.

#### **3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.**

Apart from the risks as disclosed under Section titled “*Risk Factors*” beginning on page no. 31 in this Draft Red Herring Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

#### **4. Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known.**

Our Company’s future costs and revenues will be determined by demand/supply situation, both of the end products/services as well as the raw materials, government policies and other economic factors.

#### **5. Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or increased sales prices.**

Our Company is engaged in business of providing Oil & Gas pipeline infrastructure service in India, focused on laying pipeline networks along with construction of associated facilities; and providing Operations & Maintenance services to the City Gas Distribution (“CGD”) Companies in India. It is an integrated EPC Company offering a diversified range of pipeline and allied services for oil & gas industry. It provide services for cross country pipeline projects for different applications viz. Oil, gas & water etc. and also undertake Pipeline laying work on Trunk basis including engineering, procurement, pipeline construction for city gas distribution, horizontal direction drilling, stations including civil, electromechanical and instrumentation for its clients. Increases in revenues are by and large linked to increases in size of contracts and also dependent on the price realization on our services.

#### **6. Total turnover of each major industry segment in which the issuer company operated.**

Our Company is engaged in business of providing Oil & Gas pipeline infrastructure service in India, focused on laying pipeline networks along with construction of associated facilities; and providing Operations & Maintenance services to the City Gas Distribution (“CGD”) Companies in India. It is an integrated EPC Company offering a diversified range of pipeline and allied services for oil & gas industry. It provide services for cross country pipeline projects for different applications viz. Oil, gas & water etc. and also undertake Pipeline laying work on Trunk basis including engineering, procurement, pipeline construction for city gas distribution, horizontal direction drilling, stations including civil, electromechanical and instrumentation for its clients. Relevant Industry data, as available, has been included in the chapter titled “*Industry Overview*” beginning on page no. 108 of this Draft Red Herring Prospectus.

#### **7. Status of any publicly announced new products or business segment.**

Our Company is engaged in business of providing Oil & Gas pipeline infrastructure service in India, focused on laying pipeline networks along with construction of associated facilities; and providing Operations & Maintenance services to the City Gas Distribution (“CGD”) Companies in India. It is an integrated EPC Company offering a diversified range of pipeline and allied services for oil & gas industry. It provide services for cross country pipeline projects for different applications viz. Oil, gas & water etc. and also undertake Pipeline laying work on Trunk basis including engineering, procurement, pipeline construction for city gas distribution, horizontal direction drilling, stations including civil,

electromechanical and instrumentation for its clients. Except as disclosed elsewhere in the Draft Red Herring Prospectus, we have not announced and do not expect to announce in the near future any new products or business segments.

#### 8. The extent to which business is seasonal.

Our Company is engaged in business of providing Oil & Gas pipeline infrastructure service in India, focused on laying pipeline networks along with construction of associated facilities; and providing Operations & Maintenance services to the City Gas Distribution (“CGD”) Companies in India. It is an integrated EPC Company offering a diversified range of pipeline and allied services for oil & gas industry. It provide services for cross country pipeline projects for different applications viz. Oil, gas & water etc. and also undertake Pipeline laying work on Turnkey basis including engineering, procurement, pipeline construction for city gas distribution, horizontal direction drilling, stations including civil, electromechanical and instrumentation for its clients. Our Company’s business is not seasonal in nature however severe weather may result in reduction in efficiency of engineering work during monsoon and summer season temporary suspension of operation.

#### 9. Any significant dependence on a single or few suppliers or customers.

The percentage of contribution of our Company’s customer vis-à-vis the total revenue from operations respectively as on FY 2023, 2022 and 2021 is as follows:

Particulars	Top Customers as a percentage (%) of revenues		
	FY 2022-23	FY 2021-22	FY 2020-21
Top 1	34.12%	40.17%	22.28%
Top 3	84.84%	91.96%	61.31%
Top 5	98.97%	98.81%	83.98%
Top 10	100.00%	100.00%	100.00%

The percentage of contribution of our Company’s supplier vis-à-vis the Cost of material consumed respectively as on FY 2023, 2022 and 2021 is as follows:

Particulars	Top Suppliers as a percentage (%) of revenues		
	FY 2022-23	FY 2021-22	FY 2020-21
Top 1	18.55%	13.35%	17.25%
Top 3	34.45%	24.66%	36.76%
Top 5	47.33%	35.47%	47.24%
Top 10	61.26%	50.26%	63.20%

#### 10. Competitive conditions:

We face competition from existing and potential competitors which is common for any business. We have, over a period, developed certain competitors who have been discussed in section titles “*Business Overview*” beginning on page no. 116 of this Draft Red Herring Prospectus.

### **b) RESULTS OF OUR OPERATION**

#### **COMPARISON OF FY 2022-23 WITH FY 2021-22**

In Oil & Gas pipeline infrastructure industry, generally qualification for work order of any Project is based on experience of company in number of kilometers (km) of pipeline laid by them in past. With increase in km of pipeline laid and Completed, consequently company would able to acquire work orders which are large in size as compared to previous work orders. With increase in contract size, time to complete the contract as well as margins thereon also increases.

Realization of Revenue is based on achievement of certain level of completion. Due to all above reasons due to increase in time to realize the revenue on completions of the projects, which resulted into increase in Inventory (WIP) days from 5-7 days in Financial Year 2020-21, 15-20 days in Financial Year 2021-22 to 70-80 days in Financial Year 2022-23 (increase in WIP Inventory to ₹ 752.96 lakhs in the FY 2022-23 as compared to ₹ 202.52 lakhs in the FY 2021-22).

Company recognizes revenue based on completion of certain percentage of work's contract and it must be verified by client. On the closing date, if company has executed the work contract but if its' under process of verification it will be shown under Inventory (WIP).

Though there was increase in operations (work executed) of Company during the FY 2022-23, revenue which are booked in the FY 2022-23 are only revenue which are already verified by the client. Due to increase in portion of work executed but were under process of verification, Revenue remained flat whereas there was substantial increase in Closing Inventory (WIP).

### **GROVERNMENT APPROVALS**

a) **Point No 3 in table of Registrations related to Labour Laws stands deleted.**

b) **Business related Approvals**

Trade Licence updated as below:

S.No.	Description	Address of Premises	Registration Number	Issuing Authority	Date of issue	Date of Expiry
9.	Trade License	S.C.O. No. 19, Suncity Enclave, Badal Road, Bathinda, Badal Road, BW-37-A2, Bathinda	PB-TL-2023-09-20-059688	Municipal Corporation, Bathinda	September 20, 2023	March 31, 2024

c) **UPDATES LICENSES APPLIED FOR:**

S. No.	Description	Purpose	Authority to which application made	Existing Registration number if Any	Acknowledgement no. and Date	Current Status
1.	Registration under the Employees Provident fund (EPF)	Change of name and Address to A-1101, Sankalp Iconic Tower, Opp. ISRO Colony, Vikram Nagar, Iscon Ambali Riad, Ahmedabad-380058	Employee's Provident Fund Organisation, Ahmedabad	GJNRD0062489000	Dated September 06, 2023	Pending
2.	Registration Under The Odissa Shops And Commercial Establishment, 1956	Khata No. 92/588, Plot no 160/1208 and Plot no 162/1200, Mouza Housing Board, R.I. Circle, Paralakhemundi Town, Ramaswamipur, Gajapati, Odisha-761201	Labour Department, Shops and Establishment Act, Gajapati, Odisha		Application No.83838 dated September 21,2023	Pending

### DECLARATION

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

**Signed by the Directors of the Company:**

Name	Designation	Signature
Mr. Pratikkumar Maganlal Vekariya	Chairman and Managing Director	Sd/-
Mr. Nayankumar Manubhai Pansuriya	Whole Time Director	Sd/-
Mr. Mehul Nanjibhai Thummar	Non-Executive Director	Sd/-
Mr. Abhaya Pada Sarangi	Independent Director	Sd/-
Ms. Garima Rajput	Independent Director	Sd/-

**Signed by:**

Name	Designation	Signature
Mr. Yogesh Vasantbhai Joglekar	Chief Financial Officer	Sd/-
Ms. Bhavasthi Rahul Mehta	Company Secretary and Compliance Officer	Sd/-

Place: Ahmedabad

Date: January 31, 2024