



SUNGARNER ENERGIES LIMITED

CIN: U34100DL2015PLC279632

REGISTERED OFFICE	CORPORATE OFFICE	CONTACT PERSON	EMAIL & TELEPHONE	WEBSITE
1/5322, S/F, Plot No. 19A, Gali No.13, Balbir Nagar Ext., New Delhi- 110032, India	Plot No. 113, Udyog Kendra-II, Greater Noida, Gautam Budh Nagar, Uttar Pradesh- 201306, India	Mr. Anup Kumar Pandey Company Secretary & Compliance Officer	legal@sungarner.com ; cfo@sungarner.com +917428296411	www.sungarner.com
NAME OF PROMOTER(S) OF THE COMPANY				
MR. SUMIT TIWARI				
DETAILS OF OFFER TO PUBLIC, PROMOTERS/ SELLING SHAREHOLDERS				
Type	Fresh Issue Size (by amount in Rs. Lakh)	OFS* Size (by amount in Rs. Lakh)	Total Issue Size (by amount in Rs. Lakh)	Eligibility & Share Reservation among NII & RII
Fresh Issue	448.00 Lakh	Nil	448.00 Lakh	The Issue is being made pursuant to Regulation 229 SEBI (ICDR) Regulations as the Company's post issue paid-up capital is less than 10.00 Cr. For details in relation to share reservation among NIIs and RIIs, see "Is Structure" on page 250 of this Draft Prospectus.
<i>*OFS: Offer for Sale</i>				
Details of OFS by Promoter(s)/ Promoter Group/ Other Selling Shareholders (upto maximum of 10 shareholders)				
Name	Type	No. of shares offered/ Amount in Rs.	WACA in Rs. Per Equity Shares	
Nil				
<i>P: Promoter, PG: Promoter Group, OSS: Other Selling Shareholders, WACA: Weighted Average Cost of Acquisition on fully diluted basis</i>				
RISKS IN RELATION TO THE FIRST ISSUE – This being the first public issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10/- each and the Issue Price is 7 times of the face value of the Equity Shares. The Issue Price (determined and justified by our Company in consultation with the Lead Manager as stated in "Basis for Issue Price" on page 73 of this draft prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.				
GENERAL RISK				
Investments 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 entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the Draft Prospectus. Specific attention of the investors is invited to the section "Risk Factors" beginning on page 24 of this Draft Prospectus.				
ISSUER'S ABSOLUTE RESPONSIBILITY				
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to our Company and the Issue which is material in the context of this Issue, that the information contained in this Draft Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this Draft Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.				
LISTING				
The Equity Shares of our Company offered through this Draft Prospectus are proposed to be listed on the Emerge Platform of National Stock Exchange of India Limited in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. Our Company has received an approval letter dated [●] from National Stock Exchange of India Limited for using its name in the Draft Prospectus for listing of our shares on the Emerge Platform of National Stock Exchange of India Limited. For the purpose of this Issue, National Stock Exchange of India Limited shall be the Designated Stock Exchange.				
LEAD MANAGER TO THE ISSUE			REGISTRAR TO THE ISSUE	
 Fastrack Finsec Category-I Merchant Banker FAST TRACK FINSEC PRIVATE LIMITED SEBI Registration No. INM000012500 B-502, Statesman House, 148, Barakhambha Road, New Delhi – 110 001 Tel No.: +91-11-43029809 Contact Person: Mr. Vikas Kumar Verma Email: vikasverma@ftfinsec.com ; investor@ftfinsec.com Website: www.ftfinsec.com			 SKYLINE FINANCIAL SERVICES PRIVATE LIMITED SEBI Registration No.: INR000003241 D-153 A, 1st Floor, Okhla Industrial Area, Phase - I, New Delhi-110020 Tel No: +91-11-40450193-97; Fax No: +91-11-26812683 Contact Person: Ms. Rati Gupta Email: compliances@skylinerta.com Website: www.skylinerta.com	
OFFER PROGRAMME				
ISSUE OPENS ON: [●]			ISSUE CLOSES ON: [●]	

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SUNGARNER ENERGIES LIMITED
CIN: U34100DL2015PLC279632

Our Company was originally incorporated as a private limited company under the Companies Act, 2013 in the name and style of “Sungarner Energies Private Limited” bearing Corporate Identification Number U34100DL2015PTC279632 dated April 30, 2015 issued by the Registrar of Companies, Delhi. Subsequently, our Company was converted into public limited company pursuant to a shareholders’ resolution passed at an Annual General Meeting held on September 30, 2022, and name of our Company was changed to “Sungarner Energies Limited” and a fresh Certificate of Incorporation dated November 17, 2022, was issued by Registrar of Companies, Delhi. As on date of this Draft Prospectus, the Corporate Identification Number of our Company is U34100DL2015PLC279632. For further details of incorporation please refer to section titled “Our History and Certain Other Corporate Matters” beginning on page 130 of this Draft Prospectus.

Registered Office: 1/5322, S/F, Plot No. 19A, Gali No.13, Balbir Nagar Ext., New Delhi- 110032, India
Corporate Office: Plot No. 113, Udyog Kendra-II, Greater Noida, Gautam Budh Nagar, Uttar Pradesh- 201306, India
Tel: +91-7428296411, **Website:** www.sungarner.com, **E-mail:** legal@sungarner.com; cfo@sungarner.com
Company Secretary and Compliance Officer: Mr. Anup Kumar Pandey

PROMOTER(S): MR. SUMIT TIWARI AND MRS. SNIGDHA TIWARI

ADDENDUM & CORRIGENDUM TO THE DRAFT PROSPECTUS DATED MARCH 20, 2023: NOTICE TO THE INVESTORS (“THE ADDENDUM & CORRIGENDUM”)
INITIAL PUBLIC OFFER OF 6,40,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH (“EQUITY SHARES”) OF SUNGARNER ENERGIES LIMITED (“ISSUER” OR THE “COMPANY”) FOR CASH AT A PRICE OF RS. 70/- PER EQUITY SHARE (“ISSUE PRICE”) (INCLUDING A SHARE PREMIUM OF RS. 60/- PER EQUITY SHARE), AGGREGATING TO RS. 448.00 LAKHS (“THE ISSUE”), OUT OF WHICH, 32,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FOR CASH AT A PRICE OF RS. 70/- PER EQUITY SHARE AGGREGATING TO RS. 22.40 LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER (“MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 6,08,000 EQUITY SHARES OF FACE VALUE OF RS. 10.00/- EACH AT AN ISSUE PRICE OF RS. 70/- PER EQUITY SHARE AGGREGATING TO RS. 425.60 LAKHS IS HEREINAFTER REFERRED TO AS THE “NET ISSUE”. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 27.60% AND 26.22%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.
Potential Bidders may note the following
1. In terms of Regulation 2 (1) (oo) (ii) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, Mrs. Snigdha Tiwari has been re-classified to Promoter Category by virtue of shareholding and control in the Management of the Company. In consequence to such addition in Promoters, the relevant portions of the Chapters namely “Definitions and Abbreviations”, “Summary of Issue Document”, “Capital Structure”, “Our Business”, Our History & certain other Corporate Matters and “Our Promoters and Promoter Group” beginning on Page 2, 16, 53, 99, 130 and 148 of the Draft Red Herring Prospectus has also been updated.

2. The chapter titled “Our business and Our Industry” beginning page 99 and 84 of the Draft Prospectus has been updated.
3. The Chapter titled “Risk Factors” beginning on page 24 of the Draft Prospectus has been updated.
4. The Chapter titled “Our Business” beginning on page 99 of the Draft Prospectus has been updated.
5. The Chapter titled “Financial Information” on page 158 of the Draft Prospectus has been updated.
6. The Chapter titled “Legal and Other Information” on page 200 under the head Government and Other Approvals beginning on page 204 of the Draft Prospectus has been updated.

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
 <p>Fastrack Finsec Category-I Merchant Banker</p> <p>FAST TRACK FINSEC PRIVATE LIMITED SEBI Registration No. INM000012500 B-502, Statesman House, 148, Barakhambha Road, New Delhi – 110 001 Tel No.: +91-11-43029809 Contact Person: Mr. Vikas Kumar Verma Email: vikasverma@ftfinsec.com; investor@ftfinsec.com Website: www.ftfinsec.com</p>	 <p>SKYLINE FINANCIAL SERVICES PRIVATE LIMITED SEBI Registration No.: INR000003241 D-153 A, 1st Floor, Okhla Industrial Area, Phase – I, New Delhi-110020 Tel No: +91-11-40450193-97; Fax No: +91-11-26812683 Contact Person: Ms. Rati Gupta Email: compliances@skylinerta.com Website: www.skylinerta.com;</p>
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SECTION I – GENERAL
DEFINITIONS AND ABBREVIATIONS

Company Related Terms

Term	Description
Promoters or Our Promoters	Promoters of our company being, Mr. Sumit Tiwari and Mrs. Snigdha Tiwari
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company being Mr. Anup Kumar Pandey

SECTION II – SUMMARY OF OFFER DOCUMENTS

PROMOTERS

The promoters of our Company are Mr. Sumit Tiwari and Mrs. Snigdha Tiwari. For detailed information please refer chapter titled “Our Promoters” and “Our Promoter Group” on page number 148 and 151 respectively of this Draft Prospectus.

AGGREGATE PRE-ISSUE SHAREHOLDING OF THE PROMOTER AND PROMOTER GROUP AS A PERCENTAGE OF THE PAID-UP SHARE CAPITAL OF THE ISSUER

S.No.	Name of share holder	Pre-issue		Post-issue	
		No. of Equity Shares	%age of Pre-Offer Capital	No. of Equity Shares	%age of Post-Offer Capital
Promoters					
1.	Sumit Tiwari	12,32,975	73.45	12,32,975	53.17
2.	Snigdha Tiwari	1,92,500	11.47	1,92,500	8.30
Total – A		14,25,475	84.92	47,25,475	61.47
Promoter Group					
1.	Madhuri	100	0.01	100	Negligible
2.	Amit Tiwari	100	0.01	100	Negligible
3.	Utkarsha Mishra	100	0.01	100	Negligible
4.	Amar Nath Tiwari	100	0.01	100	Negligible
Total – B		400	0.04	400	-
Grand Total (A+B)		14,25,875	84.94	14,25,875	61.49

SUMMARY OF RELATED PARTY TRANSACTION

A summary of Relating Party Transaction for Last Three financial years is provided below:

Name of the key managerial personnel/Entity	Relationship			
Snigdha Tiwari	Director			
Sumit Tiwari	Director			
Amit Tiwari	Director			
Rajnish Gaur	Director			
Sudha Singh	Director			
Kavita Wadhwa	Company Secretary			
Akansha Jain	Chief Financial Officer			
Vrinda Nano Technologies Private Limited	Company owned or significantly influenced by KMP / Shareholder			
Transactions with related parties are as follows (Rs. Lakhs):				
Particulars	30-11-2022	31-03-2022	31-03-2021	31-03-2020
Share Capital Issued to				

Sumit Tiwari	88.45	-	-	-
Snigdha Tiwari	12.25	-	-	-
Unsecured loan taken from / (repayable to)				
Sumit Tiwari	(39.99)	31.39	(2.34)	8.06
Snigdha Tiwari	(0.40)	0.83	-	1.00
Remuneration to				
Sumit Tiwari	16.60	12.06	11.42	15.85
Snigdha Tiwari	7.90	7.31	7.34	7.50
Sale of Services to				
Vrinda Nano Technologies Private Limited	69.80	61.13	4.93	-
Balance outstanding at year end (Rs. Lakhs):				
Particulars	30-11-2022	31-03-2022	31-03-2021	31-03-2020
Share Capital Issued				
Sumit Tiwari	123.30	34.85	34.85	34.85
Snigdha Tiwari	19.25	7.00	7.00	7.00
Unsecured loan				
Sumit Tiwari	0.11	40.10	8.71	11.05
Snigdha Tiwari	1.43	1.83	1.00	1.00
Remuneration Payable				
Sumit Tiwari	9.03	-	0.54	-
Snigdha Tiwari	2.80	-	0.28	-
Receivable from				
Vrinda Nano Technologies Private Limited	1.56	3.12	3.12	-

WEIGHTED AVERAGE COST OF ACQUISITION OF EQUITY SHARES BY OUR PROMOTER IN LAST ONE YEAR

The weighted average cost of acquisition of equity shares by our promoters in last one year which has been calculated by taking average amount paid by them to acquire our equity shares is as follows:

Name of shareholders	No. of shares bought or sold	Weighted Average Price (in Rs.)
Sumit Tiwari	8,84,475	4.52*
Snigdha Tiwari	1,22,500	0**

* As Certified by M/s Kapish Jain & Associates, chartered accountants dated March 20, 2023.

** As Certified by M/s Kapish Jain & Associates, chartered accountants dated May 15, 2023.

AVERAGE COST OF ACQUISITION

The average cost of acquisition per Equity Share by our promoters which has been calculated by taking the average amount paid by them to acquire our Equity Shares, is as follows:

Name of the Promoter	No. of Shares held	Average cost of Acquisition (in Rs.)
Sumit Tiwari	12,32,975	6.07*
Snigdha Tiwari	1,92,500	3.64**

* As Certified by M/s Kapish Jain & Associates, chartered accountants dated March 20, 2023.

** As Certified by M/s Kapish Jain & Associates, chartered accountants dated May 15, 2023.

SECTION III – RISK FACTOR

Internal Risk factor

- 1. We do not have long term contracts with our suppliers and therefore, there may be potential unavailability of raw materials in future which may adversely affect our business operations.***

There are various raw materials which is essential for manufacturing of Solar inverters and batteries, which is supplied through short term contracts. We procure all the raw material on need basis, after considering quotations from different suppliers, quality of raw material and other relevant factors.

Our business largely depends on the availability of raw material and any shortage of it may adversely affect our financial condition and business operations. If we fail to procure good quality raw material, we may not be able to maintain our production and our business operations and financial results may be adversely affected.

- 2. Our present promoters of the Company are first generation entrepreneurs.***

Our present promoters are first generation entrepreneurs. Their experience in managing and being instrumental in the growth of our Company is limited to the extent of their knowledge and experience and we cannot assure that this will not affect our business growth.

- 3. Our company unable to work on its full potential and utilized its full capacity for the production and manufacturing of products.***

Since our company is into manufacturing and trading business, the capacity utilization is an important factor to determine the strength and potential output that can be produced if capacity was fully used.

The Capacity Utilization trend is given below:

Products	Unit	Particulars	For the period ended 30th November, 2022	For the period ended 31st March, 2022	For the period ended 31st March, 2021	For the period ended 31st March, 2020
Solar and Non-Solar Inverter Commercial and Industrial > 2.5kVA	No.	Installed Capacity	5,500	3,500	2,400	1,800
		Actual Production	3,200	2,000	1,600	1,200
		%	58.18	57.14	66.67	66.67
Residential Inverters (Solar and Non-Solar) <2.5kVA	No.	Installed Capacity	10,000	3,000	-	-
		Actual Production	3,000	400	-	-
		%	30.00	13.33	-	-

Solar Industrial Rooftops	Megawatt-peak	Installed Capacity	5	4	3	2
		Actual Production	2	1	1	0.5
		%	40.00	25.00	33.33	25.00
Solar & Inverter Batteries	No.	Installed Capacity	36,000	24,000	-	-
		Actual Production	16,000	5,000	-	-
		%	44.44	20.83	-	-
Online UPS	No.	Installed Capacity	100	100	-	-
		Actual Production	40	30	-	-
		%	40.00	30.00	-	-

We have already completed one capex cycle where we have already established a larger manufacturing capacity to take care of our future needs. On face of it looks like we are having a lower capacity utilization but our lower capacity utilization of our manufacturing set-up is primarily due to lack of working capital, post IPO “SEL” will have sufficient working capital funds to rapidly ramp up capacity utilization of our manufacturing capacity in next couple of years.

4. We derive our significant amount of revenue form the manufacturing Solar Inverter and batteries. Any fall in demand of Solar Inverter and batteries may adversely affect our business operations.

A major portion of Our business revenue is derived from the sale of solar inverter and batteries. The solar power storage market is still evolving and is also seeing changes in the technology. If there is a disruption in the form of new technology in the solar inverter or battery industry then it may lead to disruption in the business if our company is unable to adapt to the new technology in a timely manner or if the demand for solar inverter and batteries does not grow faster enough or it takes longer to reach higher volumes than we anticipate, our revenue may disrupt and thereby our business, operational and financial results may be adversely affected.

Many factors may affect the viability of widespread adoption of solar power technology and demand for solar power and the need for and viability of solar power projects, including but not limited to:

- Cost-effectiveness, performance and reliability of solar power compared to traditional energy sources.
- Public perceptions of the direct and indirect benefits of adopting renewable energy technology.
- Price volatility of solar power equipment such as modules, inverters, trackers and transformers, batteries.
- Fluctuations in economic and market conditions that may affect the viability of traditional and other alternative renewable energy sources.
- the cost of capital and availability of credit, loans and other forms of financing for solar power projects.
- regulations and policies governing the development of Lithium-ion batteries, solar power or electric utility industries that may present technical, regulatory or economic barriers to the establishment of solar power projects and the purchase and use of solar energy.

5. Our Company has negative cash flows from its operating activities, investing activities and its financing activities in the current and past years, details of which are given below. Sustained negative cash flow could impact our growth and business.

Our Company has negative cash flows from our investing & financing activities in the current and previous years and in operating activities in current year as per the Restated Financial Statements and the same are summarized as under.

(Amount in Rs. Lakhs)

Net Cash Generated from	For the period ending Nov 30, 2022	For the period ending March 31, 2022	For the period ending March 31, 2021	For the period ending March 31, 2020
Operating Activities	20.77	(66.57)	10.57	13.53
Investing Activities	(5.84)	(41.20)	(12.36)	(3.11)
Financing Activities	(13.24)	106.61	6.34	(15.97)

6. Our business is dependent on developing and maintaining continuing relationships with our clients/customers. Our top Five customers contribute majority of our revenues from operations. Any loss of business from one or more of them may adversely affect our revenues and profitability.

Our company has a small customer base where more than 75% of revenue from operations are arrived from top 5 customers. When a business is overly-reliant on a small group of customers or clients, its revenue will be highly sensitive.

The Company is primarily engaged in the business of manufacturing of the solar inventor and in the trading of batteries. Further we also engaged in the providing services such as Solar Power Plants Projects, Solar Power Generation System and Operation & maintenance thereof. Our business operations are highly dependent on our top five customers and the loss of any of our customers may adversely affect our sales and consequently on our business and results of operations.

We have not entered into long terms agreements with our customers and the success of our business is accordingly significantly dependent on us maintaining good relationships with our customers. The actual sales by our Company may differ from the estimates of our management due to the absence of long-term agreements.

However, company has started developing large dealer network and has started exports under our own brand name. This increase in retail network under own brand name may significantly reduce our vulnerability to dependence on large customers.

7. Our Revenue's Substantial portion has been dependent upon our Top 5/10 customers. Similarly, our dependence on Top 5/10 suppliers for procurement is substantially high. The loss of any one or more of our major clients would have a material adverse effect on our business operations and profitability.

Our Company is substantially dependent on few customers/suppliers for our operations as per the table below. As on November 30, 2022, out top 10 customers contribute for 89.55% of our sales, out of that top 5 customers contribute more than 76% of the total sales. Similarly, our procurement is 89.22%% from top 10 suppliers and more than 65% from top 5 suppliers. The loss of our major customers/ suppliers or a decrease in the volume of products sourced/procured may adversely affect our revenues and profitability. We cannot assure you that we shall generate the same quantum of business, or any business at all, from these customers, and loss of business from one or more of them may adversely affect our operations and profitability.

Top 10 Suppliers/Customer

Particulars	Stub Period 30 th November 2022		Financial Year March 31, 2022		Financial Year March 31, 2021		Financial Year March 31, 2020	
	Amount	%	Amount	%	Amount	%	Amount	%
Top 5 Supplier	5,04,61,887	68.08%	3,10,79,642	83.08%	1,79,83,727	54.34%	1,55,41,368	68.5%
Top 10 Supplier	6,61,39,086	89.22%	4,22,70,690	113.00%	2,44,59,921	73.92%	1,99,23,592	87.82%
Customer								
Top 5 Customer	9,17,78,753	76.52%	5,99,96,588	75.58%	4,54,37,170	84.69%	4,28,89,598	98.39%
Top 10 Customer	10,74,10,175	89.55%	7,05,41,330	88.87%	5,03,65,797	93.89%	4,39,53,238	100.84%

8. Substantial portion of our revenues has been dependent upon one of our main clients. The loss of them would have a material adverse effect on our business operations and profitability.

Our Company revenue is substantially dependent on Applied Solar Technologies Private Limited. In the Last Three Financial Year 19-20, 20-21 and 21-22 Company has generated revenue from Applied Solar Technologies Private Limited is 86.22%, 61.90% and 51.61% respectively. Further for the stub period Company has generated 43.60% revenue from Applied Solar. The loss of our major customer or a decrease in the volume of products sourced may adversely affect our revenues and profitability. However, company has engaging new clients for the betterment of company and to avoid the dependency of creating revenue from few clients.

9. Our company has issued certain equity shares within last twelve months at a price lower than the issue price (other than bonus issue).

Our company has issued certain equity shares (other than bonus issue) within last twelve months at a price lower than the issue price, details of which are as follows:

Sr. No.	Name of Allottees	No. of Shares Allotted	Face Value (Rs.)	Issue Price (Rs.)	Date of Allotment	Reason for Allotment	Benefit occurred to Issuer
1.	Sumit Tiwari	1,00,000	10.00	40.00	September 13, 2022	Conversion of Loan	-
2.	Anshul Agarwal	25,000	10.00	40.00	October 19, 2022	Preferential Allotment	-
3.	Anshu Agarwal	25,000	10.00	40.00			-
4.	Subhash Agarwal	25,000	10.00	40.00			-
5.	Muskan Agarwal	25,000	10.00	40.00			-

6.	Sunny Raheja	25,000	10.00	40.00			-
Total		2,25,000					

10. We operate in a competitive industry and any failure to compete effectively may result in a decline in our market share.

The market for solar Inverter, PV modules and our other products is intensely competitive and continuously evolving. We view our primary competitors to be traditional global and local solar manufacturing companies. Our competitors may have greater financial resources, a more effective or established local business presence. Some of our competitors may have advantages over us in terms of greater operational, technical, management or other resources well as know-how of regulatory and political challenges in the geographies in which we operate or into which we intend to expand our operations.

A few competitors may undertake initiatives for higher backward integration which would enable them to compete on costs and have better margin performance. Furthermore, due to intense competition, there may be a decline in pricing for solar modules, which may have an adverse impact on our results of operations and financial condition.

11. Our Company has availed certain unsecured loan facility amounting to Rs. 4.77 Lakhs that may be callable on demand by the lender at any point of time.

As on date of Draft Prospectus, our Company has unsecured loans amounting to Rs. 4.77 Lakhs from unsecured lenders that are repayable on demand to the relevant lender. Further, some of these loans are not repayable in accordance with any agreed repayment schedule and may be recalled by the relevant lender at any time. Any such unexpected demand or accelerated repayment may have a material adverse effect on the business, cash flows and financial condition of the borrower against which repayment is sought. Any demand from lenders for repayment of such unsecured loans, may adversely affect our cash flows.

For further details of unsecured loans of our Company, please refer the chapter titled “Financial Information” on page 158 of this Draft Prospectus.

12. Our operations are subject to high working capital requirements. Our inability to maintain sufficient cash flow, credit facilities and other sources of funding, in a timely manner, or at all, to meet requirement of working capital or pay out debts, could adversely affect our operations.

As our revenue as proportion of our total revenue is increasing from the retail business (which is working capital intensive segment). The Company carrying on retail business not directly but through various dealers and distributors. We would require substantial working capital and financing in the form of fund based working capital facilities to meet our increased requirements, which might lead to slower growth than expected. The details of our working capital for the period ended November 30, 2022 and year ended March 31, 2022, March 31, 2021 & March 31, 2020 are as under which is showing continuous increase:

(Amount in Rs. Lakhs)

Particulars	November 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
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Current Assets				
Inventories	345.89	209.83	79.68	27.66
Trade Receivables	204.02	129.19	92.06	84.89
Cash and Cash Equivalents	5.58	3.88	5.04	0.49
Short-term Loans and Advances	177.38	40.31	8.60	20.22
Other Current Assets	2.28	0.11	0.09	-
Total (A)	735.15	383.32	185.47	133.26
Current Liabilities				
Short Term Borrowings	192.08	170.02	78.32	75.76
Trade Payables	153.08	93.51	82.10	52.60
Other Current Liabilities	194.88	31.76	24.94	27.50
Short-term Provisions	40.98	23.35	4.78	6.75
Total (B)	581.02	318.64	190.14	162.61
Net Working Capital (A) – (B)	154.13	64.68	(4.67)	(29.35)

A sudden growth in retail business through dealers and distributors or delay in payments from dealer network may lead to increase in trade cycle, thereby may lead to increased working capital borrowings and, consequently, higher finance cost which may have an impact our profitability margins. The significant amount of working capital and major portion of our working capital is utilized towards inventories and trade receivables. Our inability to maintain sufficient cash flow, credit facility and other sourcing of funding, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, may have an adverse impact on our financial ratios and overall profitability of the company.

13. We do not own the premises in which our registered office is located and the same is on lease arrangement. Any termination of such lease/license and/or non-renewal thereof and attachment by Property Owner could adversely affect our operations.

Our registered office is presently located at 1/5322, S/F, Plot No. 19A, Gali No.13, Balbir Nagar Ext., New Delhi- 110032, India. The registered office is not owned by Company.

The premises have been taken on lease basis for a period of Eleven Months commencing from October 21, 2022.

Upon termination of the lease, we are required to return registered office premises to the Lessor/Licensor, unless it is renewed. There can be no assurance that the term of the agreements will be renewed on commercially acceptable terms and in the event the Lessor/Licensor terminates or does not renew the agreements, we are required to vacate our registered office business where administrative activities are carried out. We may be required to identify alternative premises and enter into fresh lease or leave and license agreement at less favorable terms and conditions. Such a situation could result in loss of business, time overruns and may adversely affect our operations and profitability.

14. The Objects of the Issue for which funds are being raised, are based on our management

estimates and any bank or financial institution or any independent agency has not appraised the same. The deployment of funds in the project is entirely at our discretion, based on the parameters as mentioned in the chapter titles “Objects of the Issue”.

The fund requirement and deployment, as mentioned in the “Objects of the Issue” on page 68 of this Draft Prospectus is based on the estimates of our management and has not been appraised by any bank or financial institution or any other independent agency. These fund requirements are based on our current business plan, current trade cycle and product mix. We cannot assure that the current business plan and product mix will be implemented in its entirety. In view of the highly competitive and dynamic nature of our business, we may have to revise our business plan from time to time and consequently these fund requirements may increase. The deployment of the funds as stated under chapter –Objects of the Issue, is at the discretion of our Board of Directors and is not subject to monitoring by any external independent agency. Any such variance may be on account of one or more factors, some of which may be beyond our control. Occurrence of any such event may delay our business plans and/or may have an adverse bearing on our expected revenues and earnings.

15. Our Company has applied for trademark “Vault Daudegi Zindagi” which has not been registered under the Trade Marks Act, 1999.

We have filed application for registration of trademark under class 9 for “Vault Daudegi Zindagi” vide application number 5559018 dated August 05, 2022 which has been objected by Registrar of Trademarks under section 9(1)(b) of Trade Mark Act, 1999. Furthermore, Our Company has filed its reply against the said objection on January 24, 2023 & the matter is pending before Registrar of Trademark as on date. The complete details of Trademark are given in Chapter “Our Business” beginning on page no. 102 of this Draft Prospectus. In the event we are not able to obtain registration in respect of such trademark application, we may not be able to obtain statutory protections available under the Trade Marks Act, 1999, as otherwise available for registered logos and trademarks. Consequently, we are subject to the various risks arising out of the same, including but not limited to infringement or passing off our name and logo by a third party.

16. Company has reliance on the imports of key components, raw materials and stock-in-trade. Any shortfall in the supply of raw materials or an increase in demand of component or raw material will directly effective the input costs and which may also adversely affect the pricing and supply of the products and have an adverse effect on the business, results of operations and financial condition.

Company has taken their raw material from the third-party suppliers (agents) which was imported by the third party/agents from the other countries. Since the third-party suppliers are located in India and the Company is not importing the raw materials from foreign country but buying the same from Indian suppliers(agents). However major of the Raw material are the imported raw materials include CAPACITOR, CONTACTOR, BRIDGE RECTIFIER, LED, DIODE etc.

We rely on a number of suppliers for our raw materials, components and stock-in-trade which are an integral part of our products through which if there is shortage of the imported raw material it will adversely affect the pricing and supply of the products.

However, the components are also available in the India but at the higher prices due to which company prefer the imported component which are almost 30-40% less costly than India. So, if company will face any shortage in imported raw material in future than company will buy material through other suppliers who has the domestic product.

For the details of imported raw material please refer page no. 28 & 29 for this addendum

17. We may not have sufficient insurance coverage to cover all possible losses.

Our operations carry inherent risks of personal injury and loss of life, damage to or destruction of property, plant and machinery and damage to the environment, and are subject to various risks such as fire, theft, flood, earthquakes and terrorism. We maintain insurance coverage, in amounts we consider to be commercially appropriate, including insurance against damage, loss of profit and business interruption, marine inland transit and third-party liability insurance with respect to our assets. Our insured assets primarily consist of property, plant & equipment, furniture, fixtures and fittings, inventory, etc.

While we have not had any such instance in the past three years, there can be no assurance that in the future our losses would not significantly exceed our insurance coverage or may not be recoverable through insurance and consequently our business, financial condition and results of operations could be materially and adversely affected. The complete details of Insurance are given in Chapter "Our Business" beginning on page no. 102 of this Draft Prospectus.

18. Removal/ exemption/ elimination/ expiration of government subsidies and economic incentives to promote solar energy and domestic production could reduce demand for our solar modules.

The imposition of extra duties being levied on sources of energy that cause carbon dioxide pollution for the purpose of reducing greenhouse gas emissions has indirectly supported the expansion of power generated from renewable energy. The Government of India (GoI) has offered several fiscal benefits, tariffs, safeguard duties on foreign imports, policies and schemes aimed at promoting the solar energy industry. Reduced growth in or the reduction, elimination or expiration of these government subsidies and economic incentives may result in the diminished competitiveness of solar energy relative to conventional and non-solar renewable sources of energy, and could materially and adversely affect the growth of the solar energy industry and our revenue from operations. Furthermore, government incentives typically expire, phase out over time, exhaust the allocated funding or require renewal by the applicable authority, and there can be no assurances that the GoI will continue to offer incentives to the solar energy industry in the future. Thus, solar power sector was benefitted.

The regulatory policies in various states in India currently provide a favourable framework for securing attractive returns on capital invested for renewable and solar energy projects. If any of these incentives or policies are adversely amended, eliminated or not extended beyond their current expiration dates, or if funding for these incentives is reduced, or if governmental support of renewable energy development, particularly solar energy, is discontinued or reduced, it could have an adverse effect on our ability to obtain financing, and may affect the viability of new solar energy projects based on current tariff and cost assumptions.

19. Technological changes, evolving customer requirements and emerging industry trends may affect our business, may render our current technologies obsolete and may require us to make substantial capital investments.

Our business functions in a high technology sector and our future success depends, in part, on our ability to respond to technological advances, evolving customer requirements and emerging industry standards and practices on a cost-effective and timely basis. We cannot assure you that we will be able to successfully implement new technologies or adapt our processing systems to evolving customer requirements or emerging industry standards.

If we are unable, for technical, legal, financial or other reasons, to adapt in a timely manner to changing market conditions, evolving customer requirements or technological changes, our business, financial condition and results of operations could be materially and adversely affected.

20. Our Company has entered into certain related party transactions and may continue to do so in the future

Our Company has entered into related party transactions with our Promoter, Directors and the Promoter Group aggregating Rs. 61.13 Lakhs for the last financial year ended March 31, 2022. While our Company believes that all such transactions have been conducted in the ordinary course of our business, we enter into and will continue to enter into transactions with related parties. While we believe that all such transactions have been conducted on an arm's length basis, we cannot assure you that we might have obtained more favourable terms had such transactions been entered into with unrelated parties. On the arm's length basis, there can be no assurance that it could not have been achieved on more favorable terms had such transactions not been entered into with related parties. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation. For details, please refer to "Annexure IX – Related Party Transactions" on page no. 186 of this Draft Prospectus.

21. Delay in making payment of EPF

We have made delay payment of EPF in past year just for the 1 day due to some beyond control reasons. Further no notice has been issued against our Company till date. This could be adversely affecting the reputation of the Company.

22. Our results of operations could be adversely affected by a disruption of operations at our manufacturing facilities.

We operate only one production plant located at Gautam Buddha Nagar, Uttar Pradesh. All of these facilities are subject to operational risks, including:

- equipment failure;
- failure to comply with applicable regulations and standards;
- obtaining and maintaining necessary licenses;
- raw material and/or energy supply disruptions;
- labour force shortages or work stoppages; and
- natural disasters.

While our facilities are insured against standard risks such as fire, there can be no assurance that the proceeds available from our insurance policies would be sufficient to protect us from possible loss or damage. In addition, we do not currently have business interruption insurance. As a result, a significant disruption in operations at any of these production facilities resulting from the events above or other events may adversely affect our business, financial condition and results of operations.

23. The average cost of acquisition of Equity Shares by our Promoter is lower than the issue price.

Our Promoter average cost of acquisition of Equity Shares in our Company is lower than the Issue Price of the shares proposed to be offered through this Draft Prospectus. For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company, please

refer to page no. 61 of this Draft Prospectus.

24. Some of our Directors (including promoter) hold equity shares in our company and therefore interested in our company's performance in addition to their remuneration and reimbursement of expenses.

Some of our Directors/Promoter are interested in our Company to the extent of their shareholding, dividend rights, in addition to normal remuneration or benefits and reimbursement of expenses. We cannot assure you that our directors or promoters would always exercise their rights as Shareholders to the benefit and best interest of our Company. As a result, our directors or Promoter will continue to exercise significant control over our Company, including being able to control the composition of our board of directors and determine decisions requiring simple or special majority voting, and our other Shareholders may be unable to affect the outcome of such voting.

For details relating to benefits and reimbursement of expenses to some of our directors, please refer to section title "Our Management", "Our Promoters", "Promoters' Group" and Annexure IX "Related Party Transaction in chapter titled "Restated Financial Statement" on page nos. 135, 148, 151, 186 & 158 respectively of this Draft prospectus.

25. Our Company has entered into certain related party transactions and may continue to do so in the future.

Our Company has entered into related party transactions with our Promoter, Directors and the Promoter Group aggregating Rs. 61.13 Lakhs for the last financial year ended March 31, 2022. While our Company believes that all such transactions have been conducted on the arm's length basis, there can be no assurance that it could not have been achieved on more favorable terms had such transactions not been entered into with related parties.

Furthermore, it is likely that our Company will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation. For details, please refer to "Annexure IX – Related Party Transactions" on page no. 186 of this Draft Prospectus.

26. Our Company may incur penalties or liabilities for non-compliances with certain provisions of the Companies Act and other applicable laws in the last three (3) Years.

Our Company may incur penalties or liabilities for non-compliance with certain provisions including lapsed/ made delay in certain filings and/or erroneous filing/ non-filing of e-forms under Company Act applicable to it in the past years. Such non-compliances/delay Compliances/ erroneous filing/ Non-Filing/ Non-Registration may incur the penalties or liabilities which may affect the results of operations and financial conditions.

27. We may not be able to achieve our financial objectives, in case of failure to target or attract the better business opportunities effectively.

Our ability to achieve our financial objectives will depend on our ability to identify, evaluate and accomplish business opportunities. The solar industry is at a very nascent stage and is still in its

development phase. Demand of solar panels and similar products is very fluctuating. It can be possible that the new opportunities may be taken by other competitors at more competitive price, as they take first mover advantage. The solar industry continues to experience increasingly lower costs, improved efficiency and higher electricity output. We may not be able to offer competitive bids to our customers, which may lead to slipping of opportunities.

Our failure to source business opportunities effectively could have a material adverse effect on our business, financial condition and results of operations. It is also possible that the strategies used by us in the future may be different from those presently in use. No assurance can be given that our analysis of market conditions and other data or the strategies that we may use in future to use will be successful under various market conditions.

28. Our Promoters and members of the Promoter Group will continue jointly to retain majority control over our Company even after the completion of the Issue which will allow them to determine the outcome of matters submitted to shareholders for approval.

Post this Issue, our Promoters and Promoter Group will collectively own 61.49% of our post issue equity share capital. As a result, our Promoters, together with the members of the Promoter Group, will continue to exercise a significant degree of influence over the Company and will be able to control the outcome of any proposal that can be approved by a majority shareholder vote, including, the election of members to our Board, in accordance with the Companies Act, 2013 and our Articles of Association. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Company. In addition, our Promoters will continue to have the ability to cause us to take actions that are not in, or may conflict with, our interests or the interests of some or all of our creditors or other shareholders, and we cannot assure you that such actions will not have an adverse effect on our future financial performance or the price of our Equity Shares.

29. Our success depends largely on our senior management and other key personnel and our ability to attract and retain them.

Our success depends on the continued efforts, services and performance of our senior management and sales agents. Competition for senior employees and sales agents in the industry is intense and we may not be able to retain our existing team members or attract and retain new team members in the future. The loss of any member of our key team may adversely affect our business, results of operations and financial condition. We do not maintain keyman's life insurance for our Promoters, senior members of our management team or other key personnel.

30. Fluctuations in prices of raw material and if we are unable to maintain appropriate time span between procurement and selling of our product it may cause losses.

Any fluctuation in the prices of raw material may affect our cost and supply of the services. Therefore, any significant increase in these prices due to any reasons, and our inability to pass on increased costs to our consumers or reduction in demand from our consumers, may adversely affect our revenue and profitability. For further details, see Our Business on page no. 102 of this Draft Prospectus.

31. Our results of operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees.

We employ a significant number of employees. As on date of this Draft Prospectus, we had 46 permanent employees on our rolls.

Historically, we have not experienced any significant strikes or other labour disputes. However, there can be no assurance that we will not experience disruptions to our operations due to disputes or other problems with our work force, which may adversely affect our business and results of operations.

We believe we maintain good relationships with our workforce, there can be no assurance that the Company will not experience future disruptions to its operations due to disputes or other problems with its work force.

32. Certain Agreements, deeds or licenses may be in the previous name of the company.

Our certain agreements, deeds or licenses may be in the name of the erstwhile name of the company Sungarner Energies Private Limited. In case, we fail to change the name in the agreements, deeds or licenses it may cause adverse effect on Our Company's business & operations. although we do not foresee any challenge in doing so.

33. The Objects of the Issue for which funds are being raised, are based on our management estimates and any bank or financial institution or any independent agency has not appraised the same. The deployment of funds in the project is entirely at our discretion, based on the parameters as mentioned in the chapter titles "Objects of the Issue".

The fund requirement and deployment, as mentioned in the "Objects of the Issue" on page 68 of this Draft Prospectus is based on the estimates of our management and has not been appraised by any bank or financial institution or any other independent agency. These fund requirements are based on our current business plan, current trade cycle and product mix. We cannot assure that the current business plan and product mix will be implemented in its entirety. In view of the highly competitive and dynamic nature of our business, we may have to revise our business plan from time to time and consequently these fund requirements may increase. The deployment of the funds as stated under chapter –Objects of the Issue, is at the discretion of our Board of Directors and is not subject to monitoring by any external independent agency. Any such variance may be on account of one or more factors, some of which may be beyond our control. Occurrence of any such event may delay our business plans and/or may have an adverse bearing on our expected revenues and earnings.

34. There is no monitoring agency appointed by our Company and the deployments of funds are at the discretion of our Management and our Board of Directors, though it shall be monitored by the Audit Committee.

As per SEBI (ICDR) Regulations, 2018 appointment of monitoring agency is required only for Issue size above Rs. 10,000 Lakh. Hence, we have not appointed a monitoring agency to monitor the utilization of Issue proceeds. However, the Audit Committee of our Board will monitor the utilization of Issue proceeds. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the stock exchange and shall also simultaneously make the material deviations / adverse comments of the audit committee public.

35. Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants in our financing arrangements.

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations financial condition, cash requirements, business prospects and any other financing arrangements.

Additionally, we may not be permitted to declare any dividends under the loan financing arrangement that our Company may enter into future, if there is a default under such loan agreements or unless our Company has paid all the dues to the lender up to the date on which the dividend is declared or paid or has made satisfactory provisions thereof.

Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details regarding our dividend policy, please see—Dividend Policy on page no. 157 of this Draft Prospectus.

36. Our future funds requirements, in the form of fresh issue of capital or securities and/or loans taken by us, may be prejudicial to the interest of the shareholders depending upon the terms on which they are eventually raised.

We may require additional capital from time to time depending on our business needs. Any fresh issue of shares or convertible securities would dilute the shareholding of the existing shareholders and such issuance may be done on terms and conditions, which may not be favourable to the then existing shareholders. If such funds are raised in the form of loans or debt, then it may substantially increase our interest burden and decrease our cash flows, thus prejudicially affecting our profitability and ability to pay dividends to our shareholders.

37. Delay in raising funds from the IPO could adversely impact the growth rate.

The proposed use of issue proceeds, as detailed in the section titled “Objects of the Issue” on page no. 68 is to be partially and/or wholly funded from the proceeds of this IPO. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule which may adversely impact the growth rate of our Company. We, therefore, cannot assure that we would be able to execute the expansion process within the given time frame, or within the costs as originally estimated by us. Any time overrun or cost overrun may adversely affect our growth plans and profitability.

38. The requirements of being a public listed company may strain our resources and impose additional requirements.

With the increased scrutiny of the affairs of a public listed company by shareholders, regulators and the public at large, we will incur significant legal, accounting, corporate governance and other expenses that we were not required to incur in the past. We will also be subject to the provisions of the listing agreements signed with the Stock Exchange. In order to meet our financial control and disclosure obligations, significant resources and management supervision will be required. As a result, management’s attention may be diverted from other business concerns, which could have an adverse effect on our business and operations.

In addition, we will need to increase the strength of our management team and hire additional legal and accounting staff with appropriate public company experience and accounting knowledge and we cannot assure that we will be able to do so in a timely manner. Failure of our Company to meet the listing requirements of stock exchange, if any, could lead to imposition of penalties, including suspension of trading in shares of the Company.

39. We cannot assure you that our equity shares will be listed on the NSE Emerge in a timely manner or at all, which may restrict your ability to dispose of the equity shares.

Though we shall make best of our efforts to comply with all applicable regulatory, financial and operational requirements for getting the equity shares proposed to be offered through this Draft prospectus listed on NSE emerge platform in a time bound manner, yet on account of any change in applicable laws, economic conditions and/or any other reason/s beyond our control, the said shares may not get listed on the Emerge platform of NSE Limited in a timely manner or at all, which may restrict your ability to dispose of the equity shares. However, even in such circumstances, the company shall stay fully committed to pay such interest and/or refund the full application amount, as may be required in accordance with the applicable regulatory directives.

40. Sale of Equity Shares by our Promoters or other significant shareholder(s) or any future issue of Equity Shares may dilute your shareholding and adversely affect the trading price of the Equity Shares.

Any future equity issues by us, including in a primary offering, or any instance of disinvestments of equity shares by our Promoters or by other significant shareholder(s) may significantly affect the trading price of our Equity Shares. Further, our market price may also be adversely affected even if there is a perception or belief that such sales of Equity Shares might occur.

41. We may not be successful in implementing our business strategies.

The success of our business depends substantially on our ability to implement our business strategies effectively. Even though we have successfully executed our business strategies in the past, there is no guarantee that we can implement the same on time and within the estimated budget going forward, or that we will be able to meet the expectations of our targeted consumers. Changes in regulations applicable to us may also make it difficult to implement our business strategies. Failure to implement our business strategies would have a material adverse effect on our business and results of operations.

42. We operate in highly competitive markets and our inability to compete effectively may lead to lower market share or reduced operating margins, and adversely affect our results of operations.

India is our primary market and we face high competition in our business from local as well as national players in our industry. Our key products are available from a large number of players providing same or similar products in our industry. Thus, factors affecting our competitive success include, amongst other things, price, demand for our product and/or services, brand recognition and reliability. As a result, to remain competitive in our market, we must continuously invest in our brand awareness, increase our distribution channel, strive to reduce our raw material costs and improve our operating efficiencies. If we fail to do so, our competitors may be able to provide their products at prices lower than our prices, which would have an adverse effect on our market

share and financial health of the company. Our competitors vary in size, and may have better financial, marketing personnel and other resources than our company and few of our competitors have a longer history and reputation in the Indian market as compared to us. Our failure to compete effectively, including any delay in responding to changes in the industry and market, together with increased spending on advertising, may affect the competitiveness of our services, which may result in a decline in our revenues and profitability.

43. Industry information included in this Draft Prospectus has been derived from industry reports commissioned by us for such purpose. There can be no assurance that such third-party statistical financial and other industry information is either complete or accurate.

We have relied on the reports of certain independent third party for purposes of inclusion of such information in this Draft Prospectus. These reports are subject to various limitations and based upon certain assumptions that are subjective in nature. We have not independently verified data from such industry reports and other sources. Although we believe that the data may be considered to be reliable, their accuracy, completeness and underlying assumptions are not guaranteed and their dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics.

Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft prospectus.

44. There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.

Following the Issue, we will be subject to a daily circuit breaker imposed by NSE, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based, market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our circuit breakers will be set by the stock exchange based on the historical volatility in the price and trading volume of the Equity Shares. This circuit breaker will limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance can be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

45. After this Issue, the price of the Equity Shares may be highly volatile, or an active trading market for the Equity Shares may not develop.

The price of the Equity Shares on the Stock Exchanges may fluctuate as a result of the factors, including:

- a. Volatility in the Indian and global capital market;

- b. Company's results of operations and financial performance;
- c. Performance of Company's competitors,
- d. Adverse media reports on Company or pertaining to our Industry;
- e. Changes in our estimates of performance or recommendations by financial analysts;
- f. Significant developments in India's economic and fiscal policies; and

Current valuations may not be sustainable in the future and may also not be reflective of future valuations for our industry and our Company. There has been no public market for the Equity Shares and the prices of the Equity Shares may fluctuate after this Issue. There can be no assurance that an active trading market for the Equity Shares will develop or be sustained after this Issue or that the price at which the Equity Shares are initially traded will correspond to the price at which the Equity Shares will trade in the market subsequent to this Issue.

46. The Issue price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Issue and the market price of our Equity Shares may decline below the issue price and you may not be able to sell your Equity Shares at or above the Issue Price.

The Issue Price of our Equity Shares has been determined by fixed price method. This price is based on numerous factors (For further information, please refer chapter titled – Basis for Issue Price beginning on page 73 of this Draft Prospectus) and may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price. Among the factors that could affect our share price include without limitation.

The following:

- Half yearly variations in the rate of growth of our financial indicators, such as earnings per share, net income and revenues;
- Changes in revenue or earnings estimates or publication of research reports by analysts;
- Speculation in the press or investment community;
- General market conditions; and
- Domestic and international economic, legal and regulatory factors unrelated to our performance.

SECTION IV – INTRODUCTION

GENERAL INFORMATION

BRIEF INFORMATION ON COMPANY AND ISSUE

Company Secretary and Compliance Officer	Mr. Anup Kumar Pandey Tel: +917428296411; Fax: N.A. Email: cs@sungarner.com
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DETAILS OF INTERMEDIARIES PERTAINING TO THIS ISSUE AND OUR COMPANY

Market Maker	Peer Reviewed/ Statutory Auditor
	M/s Kapish Jain & Associates
OJ Financial Services Limited	Chartered Accountants
Address: 901, 911, Mercantile House, 15 KG Marg, New Delhi- 110001	B-504, Statesman House, 148, Barakhamba Road, New Delhi- 110001
Tel No. 011- 49670064 Fax No. 011- 49670075	Tel No. 11-43708987 Fax No. Not Available
Email: oj@ojfin.com	Email: ca.kapish@gmail.com
Website: https://www.ojfin.com/	Contact Person: Mr. Kapish Jain
Contact Person: Mr. Arun Gupta	Firm Registration No.: 022743N
SEBI Registration No.: INZ000217037	Peer Review Certificate No. 011804

CAPITAL STRUCTURE

3. Shareholding of the Promoters of our Company

As on the date of this Draft Prospectus, our Promoter – Mrs. Snigdha Tiwari holds total 1,92,500 Equity Shares representing 11.47% of the pre-issue paid up share capital of our Company.

Details of build-up of shareholding of the Promoters

Date of Allotment / acquisition / transaction and when made fully paid up	Nature (Allotment/ transfer)	Number of Equity Shares	Face Value per Equity Share (inRs.)	Issue/ Transfer price per Equity Share (inRs.)	Consideration (cash/ other than cash)	Name of Transferor / Transferee	% of pre issue capital of Cumulative Shares
Mrs. Snigdha Tiwari							
01-02-2020	Transfer	70,000	10	10	Cash	Pooja Almadi	4.17
13-09-2022	Bonus Issue	1,22,500	10	NA	Other than Cash	NA	7.30
Total		1,92,500					11.47%

6. Following are the details of the holding of securities of persons belonging to the category “Promoter and Promoter Group” and “public” before and after the Issue:

S.No.	Name of share holder	Pre-issue		Post-issue	
		No. of equity Shares	As a % of Issued Capital	No. of equity Shares	As a % of Issued Capital
Promoters					
1.	Sumit Tiwari	12,32,975	73.45	12,32,975	53.17
2.	Snigdha Tiwari	1,92,500	11.47	1,92,500	8.30
Total – A		14,25,475	84.92	12,32,975	61.47
Promoter Group					
3.	Madhuri	100	0.01	100	Negligible
4.	Amit Tiwari	100	0.01	100	Negligible
5.	Utkarsha Mishra	100	0.01	100	Negligible
6.	Amar Nath Tiwari	100	0.01	100	Negligible
Total – B		400	0.04	400	Negligible
Public					
7.	Pooja Almadi	1,27,875	7.62	1,27,875	5.51
8.	Anshul Agarwal	25,000	1.49	25,000	1.08
9.	Anshu Agarwal	25,000	1.49	25,000	1.08
10.	Subash Agarwal	25,000	1.49	25,000	1.08
11.	Muskan Agawral	25,000	1.49	25,000	1.08
12.	Sunny Raheja	25,000	1.49	25,000	1.08
13.	IPO	-	-	6,40,000	27.60
Total-C		2,52,875	15.06	8,92,875	38.51
Grand Total (A+B+C)		16,78,750	100.00	23,18,750	100.00

7. The average cost of acquisition of or subscription to Equity Shares by our Promoters is set forth in the table below:

Name of the Promoter	No. of Shares held	Average cost of Acquisition (in Rs.)
Sumit Tiwari	12,32,975	6.07*
Snigdha Tiwari	1,92,500	3.64**

* As Certified by M/s Kapish Jain & Associates, chartered accountants dated March 20, 2023.

** As Certified by M/s Kapish Jain & Associates, chartered accountants dated May 15, 2023

16. Details of Promoter’s Contribution locked in for 3 years:

The details of the Equity Shares held by our Promoters, which are locked in for a period of 3 years from the date of Allotment in the Offer are given below:

Name of Promoter	Date of Transaction and when made fully paid-up	Nature of Transaction	No. of Equity Shares	Face Value (Rs.)	Issue/ Acquisition Price per Equity Share (Rs.)	Percentage of post- Offer paid-up capital (%)	Lock in Period
Sumit Tiwari	September 13, 2022	Bonus issue	4,64,000	10	-	20.01%	3 Years

OBJECTS OF THE ISSUE

Details of Utilization of Issue Proceeds:

Working Capital Requirements:

(Amount in Lakhs)

Statement of Working Capital Requirements							
Particulars	2020	2021	2022	Stub Period November 2022	2023	2024	2025
	(Audited)	(Audited)	(Audited)	(Audited)	(Estimated)	(Estimated)	(Estimated)
<i>Current Assets</i>							
Inventories	27.66	79.68	209.83	345.89	246.50	767.61	1519.60
Trade Receivables	84.89	92.06	129.19	204.02	249.75	839.89	1006.87
Cash and Cash Equivalents	0.49	5.04	3.88	5.58	12.05	51.50	125.00
Short-term Loans and Advances	20.22	8.60	40.31	177.38	50.50	62.00	84.00
Other Current Assets	0	0.10	0.11	2.28	0.50	1.25	2.50
Total (A)	133.26	185.48	383.33	735.15	559.30	1,722.25	2,737.97
<i>Current Liabilities</i>							
(a) Short-Term Borrowings	75.76	78.32	170.02	192.08	133.00	100.00	250.00
(b) Trade Payables	52.6	82.1	93.51	153.08	50.24	97.80	100.00
(c) Other Current Liabilities	27.5	24.94	31.76	194.88	37.33	57.40	92.55
(d) Short-Term Provisions	6.75	4.78	23.35	40.98	39.29	194.06	371.86
Total (B)	162.61	190.14	318.64	581.02	259.86	449.26	814.41
<i>Net Working Capital (A)-(B)</i>	(29.35)*	(4.66)**	64.68	154.13	299.44	1,272.99	1,923.56
<i>Sources of Working Capital</i>							
Working Capital Funding through IPO					-	278.00	

Internal Sources/Share Capital/Borrowings					-	994.99	
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** Our Company has the negative working capital in the FY 2019-2020 because of two reasons:*

i) The Company has Majorly two Verticals since 2018, when organization started its manufacturing at Greater Noida Premises, planned Sales ratio of sales has been 80:20 between Products and Projects.

In 2018-19: The Company has received a single project of 500 Lacs, (5 Months Project) which not only substantially raised the Company Revenue, but also effected the Production because of major funds being involved in Single Project. This also resulted in short supply of Manufactured Products to our Clients.

In 2019-20: The Company has received orders from North east majorly in 2019-20 to a tune of 500 Lacs However Because of CAA /NRC Protests in Assam from December 19. The Company revenue from assam was only 260 Lacs. Out of which 223 Lacs was done till 30th November 2019. However, Shipments were affected from December 2019 onwards due to the protest, Purchase orders already received from the clients has to be short closed.

The Impact on Last quarter of 19-20 was around 70-80 Lacs because of CAA/ NRC. There were few more orders from Companies Like Saboor India and all. The last quarter had a Hit of around 120-140 Lacs because of CAA/ NRC Unrest + Material Shortage + Lockdown from 23rd March 2020. From February 2020, availability of electronic components was an issue because of short supply from China. The effect lingered in 2020-21 till September 2022.

Further, Covid 19 is one of the reasons as in the last few days of March 2020, the COVID-19 had a significant impact on manufacturing businesses worldwide, the same also affected our business. During last few days of March 2020, i.e., immediately before closing the financial year, there was complete lockdown all over the country. This resulted in Production disruptions, supply chain disruptions, temporary closures, workforce impacts and other challenges which altogether disrupted our last month billing and dispatches and that affected the company's ability to generate revenue.

ii) There was increase in purchase of stock of the Company due to the high fluctuations in the rates of raw material like semiconductor & IGBT as for reference increase in inventory in F.Y. 2018-19 was Rs.24.62 lacs whereas that was Rs.27.65 lacs in F.Y 2019-20.

All these factors affected our turnover in F.Y.2019-20.

*** Our Company has the negative working capital in the FY 2020-21 majorly because of following reasons:*

i) there was increase in purchase of stock of the Company due to the high fluctuations in the rates of raw material like semiconductor & IGBT as for reference increase in inventory in F.Y. 2019-20 was Rs.3.03 lacs whereas that was Rs.52.02 lacs in F.Y 2020-21. Also, there was halt in one of the major projects of the Company.

ii) The Direct taxes also increase from 1.08 Lacs in F.Y.2019-20 to Rs.5.90 Lacs in F.Y. 2020-21.

iii) There was also increase in purchase of fixed asset from 3.35 Lacs in F.Y. 2019-20 to Rs.12.36 Lacs in F.Y. 2020-21.

Further, as there is increase in revenue every year of the Company therefore the Company has continuously increased its working capital from the FY 21-22 and on. Moreover, the Company has also started the retails business through agents an distributor in which the Company is required to provide the Credit period which significant increase in the working capital of the company.

Company also stock up the inventory for the future due to the unavailability of some critical raw material therefor the working capital has get effected and increase accordingly.

BASIS FOR ISSUE PRICE

QUANTITATIVE FACTORS

2. Price to Earnings (P/E) ratio in relation to Issue Price of Rs. 70/- per Equity Share of face value Rs.10/- each fully paid up.

Particulars	P/E Ratio
P/E ratio based on the Basic & Diluted EPS, as restated for November 30, 2022*	21.34
P/E ratio based on the Basic & Diluted EPS, as restated for FY 2021-2022	5.66
P/E ratio based on the Weighted Average EPS, as restated	31.05

**Not Annualized*

SECTION V – ABOUT THE COMPANY

OUR BUSINESS

BACKGROUND OF COMPANY

Our Company was originally incorporated as a private limited Company under the Companies Act, 2013 in the name and style of “Sungarner Energies Private Limited” bearing corporate identification number U74900DL2015PTC279632, dated April 30, 2015 issued by the Registrar of Companies, Delhi. subsequently the Company altered its objects pursuant to a shareholders’ resolution passed at an extra-ordinary general meeting held on January 31, 2022, and a certificate of confirming alteration of object clause dated February 27, 2020, was issued by Registrar of Companies, Delhi bearing corporate identification number U34100DL2015PTC279632. Subsequently, the name of our company was changed to “Sungarner Energies Limited” pursuant to a shareholders’ resolution passed at an annual general meeting held on September 30, 2022, and a fresh certificate of incorporation dated November 17, 2022 was issued by Registrar of Companies, Delhi bearing corporate identification number U34100DL2015PLC279632.

As on date of this Draft Prospectus the Corporate Identification Number of our Company is U34100DL2015PLC279632.

Mr. Sumit Tiwari is a promoter and managing director of the Company and is first generation entrepreneur with a rich experience of more than 18 years in the various sectors including power sector. In the past, he has been engaged with various companies like Tata BP solar, Emerson Network Power & Delta. He Joined Tata BP Solar in 2010 and worked for green energy solutions. He has successfully established various verticals for organizations i.e., Power Audit for Emerson Network, UPS Systems in IT and Telecom sector, Solar Solutions for Rooftop and Telecom at Tata BP Solar. He has commercial blend and market insights which has enabled Sungarner to build various verticals as strong pillars of organization.

Sungarner Energies Limited was founded and promoted by Mr. Sumit Tiwari in year 2015, with a motive of providing efficient and low-cost power solutions. Our Company is offering a wide range of power solutions such as Solar Power, UPS, Batteries, Inverters and Solar Panels. We provide solutions like design and engineering services in power sector to our customers.

At the start of our Journey “SEL” was a Design Engineering and Solar EPC company and gradually company also diversified into Manufacturing of Power Electronics and Energy Storage Products. Today Sungarner Energies Limited is also into manufacturing of Solar Inverters, Online UPS Systems, EV Chargers, and Lead Acid Batteries. SunGarner has also obtained WMI code for manufacturing of EV Vehicles (although we have only developed prototype only and have not started full scale manufacturing of EV Vehicles). Company recognized the need for a dedicated R&D facility to innovate new product lines and it established a mid-size in-house R&D facility in 2017 and staffed it with experts who will help the Company is Development of efficient power electronic product such as solar inverter, EV Chargers, harmonic filters, BMS system, Lithium Iron batteries.

Further, Research and development activities focus on the innovation of new products or services in a company. Among the primary purposes of R&D activities is for a company to remain competitive as it produces products that advance and elevate its current product line.

This facility helped us adopt Various Advance features e.g., for Solar Inverters the advanced Maximum Power Point Technology “MPPT” - this is a well-known algorithm that helps in extracting maximum available power from a PV module in any given condition. We established our first in-house product unit for Power Products in 2018.

Sungarner Energies Limited produces lead acid batteries of varying capacities in the range from 12 Volts 40 ampere-hour to 12 volts 300 ampere-hours. Today SunGarner Products are available through its Distributors in to be successful in Lead acid batteries business apart from quality product distribution & Brand recognition is the backbone for growth in revenue. We have already established distribution network in some of the key markets like Haryana, UP, Bihar, Rajasthan, and Assam. SunGarner Today has 6 (six) service Centres in India - Delhi, UP Haryana, Bihar Assam, Bengal. SunGarner is in the process in expanding its footprint further by

appointing additional 500 Franchisee to cover all major Districts of India by end of 2025. Also, SunGarner has also started exports in last 2 years and has exported its products to Nigeria, Lebanon, Nepal, Dubai and Bhutan.

SunGarner Solar EPC Division has till date commissioned more than 50 (fifty) large Solar Projects in last 8 years. Some of the prestigious projects that we have commissioned are for customers like Interglobe Enterprises, DLF, Jubilant Life Sciences, Eli Lilly, Modi Xerox, V N Dyers and Textiles, The ITC Hotels Delhi, The India Thermit Nagpur, Sarovar Portico Lucknow, Satyam Hospital Ludhiana, Dayawati Modi School Rampur to name a few. Further, we have also forayed into international projects by installing the largest solar power project in Bhutan in 2021.

We are also an integrated solar energy solutions provider offering engineering, procurement and construction (“EPC”) services to our customers. We strive to deliver reliable solar solutions through innovative products, and we achieve this majorly through our specialized high efficiency PV module manufacturing line and comprehensive EPC solutions.

We actively pursue environmental, social and governance initiatives as part of our business operations. Our business is environmentally focused, and we strive towards facilitating a cleaner environment and reduced carbon emissions through the use of our solar PV modules, as well as our EPC contracts, for solar power generation, which is an environment friendly method of power generation.

Our company caters to engineering projects and products to its various clients in India & overseas. we focus on reliable, efficient & lowest cost of energy solutions. Our services include design, engineering & implementation of solar Off Grid and On Grid Power Plants. Our in-house R&D has enabled us to develop application centric products.

RAW MATERIAL AND COMPONENTS

The following is the list of raw materials used by our Company:

1. Aluminium components
2. Brass components
3. Steel components
4. Plastic granules and plastic components
5. Bare Printed Circuit Boards
6. Semi- conductor components
7. Pressure die casting components, etc.

The raw material used in the manufacturing of products are procured from pan India across different states Delhi, Uttar Pradesh etc. We procure raw material after considering the quotation received from every vendor.

Further, we also verify the quality of raw material to be used in the manufacturing of our products. Further some components and Raw material are imported from Germany, US, China and Taiwan and which is purchased by the Company through agents in the India. Following is the list of components which is available domestically and which was imported in India.

RAW MATERIAL		
S.no.	Particulars	Status
1	BARE PCB	Imported
2	CAPACITOR	Imported
3	CONTACTOR	Imported
4	DIODE	Imported
5	FAN	Imported
6	FUSE	Imported
7	IC	Imported
8	IGBT	Imported

9	LCD	Imported
10	LED	Imported
11	MOSFET	Imported
12	RESISTANCE	Imported
13	SCR	Imported
14	TRANSISTOR	Imported
15	ZENER DIODE	Imported
16	BRIDGE RECTIFIER	Domestic
17	CABINET	Domestic
18	CABLE	Domestic
19	CABLE TIE	Domestic
20	CHOKE	Domestic
21	CONNECTOR	Domestic
22	CORRUGATED BOX	Domestic
23	CT	Domestic
24	HARDWARES - NUT BOLT WASHER THIMBLE	Domestic
25	HEAT SHINK SLEEVE	Domestic
26	HEAT SINK	Domestic
27	IC BASE	Domestic
28	MAGNETIC	Domestic
29	MANUFACTURING - TRANSFORMER & CHOKE	Domestic
30	MCB	Domestic
31	PACKAGING	Domestic
32	SHUNT	Domestic
33	SOCKET	Domestic
34	SWITCH	Domestic
35	TERMINAL BLOCK	Domestic
36	TRANSFORMER	Domestic
37	WIRE HARNESS	Domestic

OUR STRATEGIES

FUTURE BUSINESS PLAN

SEL is now working to expand its retail and export business in 8 States and 7 Countries in next financial year. SEL is continuously focusing to R &D to provide efficient and latest technology products to its Retail and B2B Customers, e.g., Lithium-Ion batteries, EV Chargers, Solar Air Conditioners etc.

SEL is poised to have 500 domestic and 20 international distributors in India by 2026. SEL is launching its online and offline SelTriK store for all its products, enabling digital platform to support our physical franchises that will play key role.

The scope of the electric vehicle market is multidimensional, involving wide array of stakeholders. Automotive market is fifth largest market in the world and is expected to be the Third largest market. According to Times of India, over 3,30,000 electric vehicle units were sold in 2021, registering a growth of 168 percent over 2020.

(Source: <https://timesofindia.indiatimes.com/auto/policy-and-industry/electric-vehicle-industry-in-india-current-state-govt-policies-future-outlook/articleshow/93611752.cms>)

According to the IBEF report, the electric vehicle (EV) market is estimated to reach Rs. 50,000 crore (US\$ 7.09 billion) in India by 2025. A study by CEEW Centre for Energy Finance recognised a US\$ 206 billion opportunity

for electric vehicles in India by 2030. This will necessitate a US\$ 180 billion investment in vehicle manufacturing and charging infrastructure.

According to NITI Aayog and the Rocky Mountain Institute (RMI), India's EV finance industry is likely to reach Rs. 3.7 lakh crore (US\$ 50 billion) by 2030. A report by the India Energy Storage Alliance estimated that the EV market in India is likely to increase at a CAGR of 36% until 2026. In addition, projection for the EV battery market is expected to expand at a CAGR of 30% during the same period.

(Source: <https://www.ibef.org/industry/india-automobiles>)

Our company has also obtained World Manufacturer Identifier Number (WMI), which is required to be obtain by the Automotive manufacturers. This number uniquely identifies the manufacturer of the vehicle.

Our company proposed to engage in the manufacturing and/or assembly of electric two wheelers, three wheelers, four wheelers vehicles, buses and trucks and other activities related to manufacturing and/or assembly of electric vehicles.

CAPACITY UTILISATION

Products	Unit	Particulars	For the period ended 30 th November, 2022	For the period ended 31 st March, 2022	For the period ended 31 st March, 2021	For the period ended 31 st March, 2020
Solar and Non-Solar Inverter Commercial and Industrial > 2.5kVA	No.	Installed Capacity	5,500	3,500	2,400	1,800
		Actual Production	3,200	2,000	1,600	1,200
		%	58.18	57.14	66.67	66.67
Residential Inverters (Solar and Non-Solar) <2.5kVA	No.	Installed Capacity	10,000	3,000	-	-
		Actual Production	3,000	400	-	-
		%	30.00	13.33	-	-
Solar Industrial Rooftops	Megawatt – Peak	Installed Capacity	5	4	3	2
		Actual Production	2	1	1	0.5
		%	40.00	25.00	33.33	25.00
Solar & Inverter Batteries	No.	Installed Capacity	36,000	24,000	-	-
		Actual Production	16,000	5,000	-	-
		%	44.44	20.83	-	-
Online UPS	No.	Installed Capacity	100	100	-	-
		Actual Production	40	30	-	-
		%	40.00	30.00	-	-

OUR PROCESS FLOW

Company has done trading of 2 products i.e. Solar Panel and Inverter Batteries. Company has followed the following process for the orders

Sales team received the order from customer and share the order at head office. After receiving the order by the head office, they check the margin as per our commercial price list. If it's approved then handover to PPC (production planning and control).

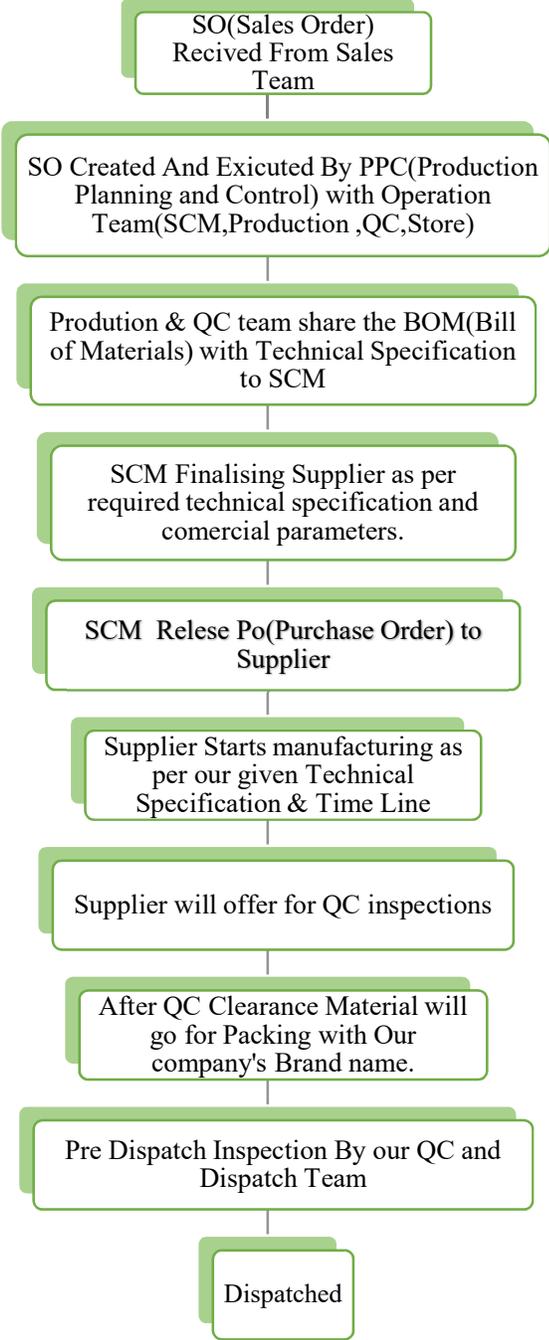
PPC discusses with operation team Production, SCM (Supply Chain Management) & QA (Quality Assurance) for processing the order

Technical specification of Battery Packing Box & its accessories is provided by Sales Team and whetted by Product manager – Storage. SCM start Finalising Supplier as per required technical specification and commercial parameters. SCM Release PO (Purchase Order) to Supplier.

Supplier Starts manufacturing as per our given Technical Specification & Timeline. Supplier will offer for QC inspections. After QA Clearance Material will go for Packing with Our Brand. Pre-Dispatch Inspection by our QA and Dispatch Team.

After clear from QA & dispatch team logistic team arrange the transport as per requirements then finance bill to client for dispatch.

FLOWCHART OF TRADING BUSINESS: -



GEOGRAPHICAL WISE REVENUE BREAKUP

The Geographical Wise Revenue Breakup of the company are as follows:

(Amount in Lakhs)

State Name	For the period ended 30th November, 2022	For the period ended 31st March, 2022	For the period ended 31st March, 2021	For the period ended 31st March, 2020
Domestic sales				
Andhra Pradesh	141.42	-	-	-
Assam	29.07	93.55	88.80	252.14
Bihar	59.70	103.66	51.35	59.42
Chandigarh	-	0.42	-	-
Delhi	27.28	50.20	4.12	-
Haryana	140.08	95.21	60.36	0.34
Jammu & Kashmir	-	0.41	-	-
Jharkhand	0.44	0.41	-	-
Madhya Pradesh	-	0.20	0.88	-
Maharashtra	-	20.85	-	-
Odisha	0.65	-	-	-
Punjab	0.79	0.62	-	-
Rajasthan	5.45	10.14	9.19	1.94
Tamil Nadu	-	1.62	-	-
Uttar Pradesh	529.81	368.42	255.32	120.78
Uttarakhand	83.37	6.20	19.20	-
West Bengal	9.78	0.01	-	1.26
Total (A)	1027.84	751.92	489.22	435.88
Export				
Bhutan	7.67	45.70	47.21	-
Dubai	0.66	-	-	-
Lebanon	92.81	-	-	-
Nepal	17.20	-	-	-
Nigeria	54.83	-	-	-
Total (B)	173.17	-	-	-
Grand Total (A+B)	1201.01	797.62	536.43	435.88

PRODUCT WISE REVENUE BREAKUP

(Amount in Lakhs)

Product	For the period ended 30th November, 2022	For the period ended 31st March, 2022	For the period ended 31st March, 2021	For the period ended 31st March, 2020
Manufacturing *				
Solar Inverter	577.91	451.80	340.09	384.10
Trading**				
Solar Panel	34.57	10.05	-	-
Inverter Batteries	217.55	80.77	0.94	-
Services***				

Operation & Maintenance	33.36	2.17	10.80	0.36
Solar Power Plant	181.96	66.42	124.67	51.42
Solar Power Generation System	85.88	125.26	54.71	-
Technical Services	69.80	61.13	5.22	-
Total	1201.01	797.60	536.43	435.88

“Manufacturing**” includes revenue from sale of solar inverter and Inverter batteries, which is processed and manufactured at our plant.*

***“**Trading**” includes revenue from sale of ready- made Solar Panels which is directly procured from other manufacturer. It does not involve any processing at our plant.*

“Services**” includes revenue from EPC services such as solar power plant projects, solar power generation and other technical services and operation and maintenance thereof.*

OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS

HISTORY OF OUR COMPANY

Our Company was originally incorporated as a private limited Company under the Companies Act, 2013 in the name and style of “Sungarner Energies Private Limited” bearing corporate identification number U74900DL2015PTC279632, dated April 30, 2015 issued by the Registrar of Companies, Delhi. Subsequently the Company altered its objects pursuant to a shareholders’ resolution passed at an extraordinary general meeting held on January 31, 2022, and a certificate of confirming alteration of object clause dated February 27, 2020, was issued by Registrar of Companies, Delhi bearing corporate identification number U34100DL2015PTC279632. subsequently, the name of our company was changed to “Sungarner Energies Limited” pursuant to a shareholders’ resolution passed at an annual general meeting held on September 30 2022, and a fresh certificate of incorporation dated November 17, 2022 was issued by Registrar of Companies, Delhi bearing corporate identification number U34100DL2015PLC279632.

Our Company is offering wide range of power solutions such as Solar Power, UPS, Batteries, and Inverters. Our company is also engaged in the trading of solar panel business. We provide solutions, design and engineering services to our customers. Our Company leadership team consists of our promoters and other directors and KMPs who have a rich experience in the field of solar energy. This has made our company a highly acclaimed and trusted enterprise with a focus on innovation and sustained growth. We are having a professional managed team to execute our projects having vast techno-commercial knowledge and experience. Furthermore, our company also provide various kind of services such as Solar Power Plants Projects, Solar Power Generation System and Operation & maintenance thereof.

Our Company has successfully completed their first international project for the Bhutan Power Corporation for its Solar Power Plant in Bhutan for 180 KMPs. In the year 2018 and 2022 Company has also done their largest solar project domestically of 900 KW and 378KW of V N Dyers & Processors in Gorakhpur.

Background of Promoters

Mr. Sumit Tiwari, who is Managing Director and Promoter of the company is a businessman with wide experience of more than 18 years in diversified fields including Power Sector as well as Solar Industry and many more and he has engaged with companies like Tata BP Solar, Emerson Network Power & Delta.

He Holds a Degree in B.E. (Electrical and Electronics) from Agra University. He is a man of sharp business acumen, and it is due to his efforts that the company has reached to this height. He has Commercial Blend and market insights which has enabled Sungarner to build various verticals as strong pillars of organization.

Mrs. Sangidha Tiwari, who is Director and Promoter of the Company aged 38 years, is the Director of the Company. She has been appointed as Director on 06/06/2019. She holds a degree of postgraduate in pharmacy from APJ Abdul Kalam University. She has more than 15 years of experience in total.

In the past, she has served in A marketing research and consulting professional with over 8 years of experience in operations, service delivery, strategic research, business analysis, market & competitive intelligence, business process excellence, product management, setting up and managing multiple teams, recruitment and people development. She has also served as academician at Sunder Deep Group of Institution. Presently active at SunGarner Energies Pvt Ltd as Head strategic marketing.

KEY EVENTS AND MILESTONES:

The following table sets forth the key events and milestones in the history of our Company, since incorporation:

YEAR	PARTICULARS
2015	Incorporation of the company
2016	Backed orders from DLF, Shapoorji Palonji, Modi group for its various power plants across India
2017	Alteration of object clause of the Memorandum of Association by adding business of Manufacturing and/or assembly of Electric Vehicles, Electric Vehicle Conversion KIT, and Lead Acid and Lithium-Ion Batteries.
2017	Formation of Inhouse R&D team for Industrial application at Gorakhpur.
2017	IIT, BHU recommendation received for our development of Solar Online UPS as innovative product.
2018	Manufacturing of power electronic products such as solar inverter, UPS etc. Further, started establishment of largest solar power plant for industrial application at Gorakhpur.
2021	Our First International Project was Funded by UNDP to Bhutan Power Corporations for its Largest Solar Power Plant in Bhutan which was completed in 2021
2022	We have done our largest solar project of INR 500 Lakh of 900 KW and 378KW of V N Dyers & Processors in Gorakhpur.
2022	Alteration of Name clause of Memorandum of Association and subsequently the company was converted from Private Limited Company into Public Company

OUR MANAGEMENT

KEY MANAGERIAL PERSONNEL

Name	:	Anup Kumar Pandey
Designation	:	Company Secretary & Compliance Officer
Date of Appointment	:	06/07/2023
Qualification	:	Company Secretary (CS)
Previous Employment	:	EMS Limited
Overall Experience	:	He is Company Secretary and Compliance Officer of our company & has been appointed on 06/07/2023. He has more than 8 years of Experience
Remuneration paid in F.Y. 2021-22)	:	NA

CHANGES IN OUR COMPANY'S KEY MANAGERIAL PERSONNEL DURING THE LAST THREE YEARS

Following have been the changes in the Key Managerial Personnel (KMP) during the last three years:

S.No.	Name of KMP	Date of Joining	Date of cessation	Reason for Change
1.	Anup Kumar Pandey	07/07/2023	NA	NA
2.	Kavita Wadhwa	18/11/2022	30/05/2023	Due to some personal issue
3.	Akansha Jain	18/11/2022	NA	NA
4.	Sumit Tiwari	30/12/2022	NA	NA

OUR PROMOTERS

The Promoter of our Company is:

S. No.	Name	Category	Shareholding
1.	Sumit Tiwari	Individual Promoter	12,32,975
2.	Snigdha Tiwari	Individual Promoter	1,92,500

For details of the build-up of our promoters' shareholding in our Company, see section titled "Capital Structure" beginning on page 53 of this Draft Prospectus

Brief profile of our Individual Promoters is as under:

	<p>Mrs. Snigdha Tiwari, aged 38 years, is the Director of the Company. She has been appointed as Director on 06/06/2019. She holds a degree of postgraduate in pharmacy from APJ Abdul Kalam University. She has more than 15 years of experience in total.</p> <p>In the past, she has served in A marketing research and consulting professional with over 8years of experience in operations, service delivery, strategic research, business analysis, market & competitive intelligence, business process excellence, product management, setting up and managing multiple teams, recruitment and people development. She has also served as academician at SunderDeep Group of Institution. Presently active at SunGarner Energies Pvt Ltd as Head strategic marketing.</p>
Name	Mrs. Snigdha Tiwari
Age	38
Qualification	Postgraduate in Pharmacy
Personal Address	AD-51, Avantika, Kavi Nagar Ghaziabad, Uttar Pradesh- 201002 India
Directorship & Other Ventures	Wingz Mobility Private Limited

*PAN, Aadhar, Driving License and Bank Account number of the Promoters shall be intimated to the Exchange at the time of In-principle Approval

RELATIONSHIP OF PROMOTERS WITH OUR DIRECTORS

Our Promoters are the part of our board of directors as Managing Directors and/or Directors. Except as disclosed herein, none of our Promoter(s) are related to any of our Company's Directors within the meaning of Section 2 (77) of the Companies Act, 2013.

Promoters	Director	Relationship
Mr. Sumit Tiwari	Mrs. Snigdha Tiwari	Spouse
Mr. Sumit Tiwari	Mr. Amit Tiwari	Brother
Mrs. Snigdha Tiwari	Mr. Sumit Tiwari	Spouse
Mrs. Snigdha Tiwari	Mr. Amit Tiwari	Brother-in-Law

OUR PROMOTER GROUP

Our Promoters and Promoter Group in terms of Regulation 2(1) (pp) of the SEBI (ICDR) Regulations is as under:

A. Natural Persons who form part of our Promoter Group:

The following natural persons being the immediate relatives of our Promoters in terms of the SEBI (ICDR) Regulations 2018 form part of our Promoter Group:

Promoters	Snigdha Tiwari
Father	Mr. Vinod Kumar Mishra
Mother	Mrs. Manju Mishra
Spouse	Mr. Sumit Tiwari
Brother	-
Sister	Mrs. Spardha Tripathi Mrs. Utkarsha Mishra
Sons	Mr. Shreshth Tiwari
Daughters	Mrs. Srishti Tiwari
Spouse Father	Mr. Amar Nath Tiwari
Spouse Mother	Mrs. Madhuri Tiwari
Spouse Brothers	Mr. Amit Tiwari
Spouse Sisters	-

SECTION – VI FINANCIAL INFORMATION

ANNEXURE IX: STATEMENT OF RELATED PARTIES & TRANSACTIONS

The Company has entered into following related party transactions for the periods covered under audit. Such parties and transactions are identified as per accounting standard 18 issued by Institute of Chartered Accountants of India.

Name of the key managerial personnel/Entity	Relationship			
Snigdha Tiwari	Director			
Sumit Tiwari	Director			
Amit Tiwari	Director			
Rajnish Gaur	Director			
Sudha Singh	Director			
Kavita Wadhwa	Company Secretary			
Akansha Jain	Chief Financial Officer			
Vrinda Nano Technologies Private Limited	Company owned or significantly influenced by KMP / Shareholder			
Transactions with related parties are as follows (Rs. Lakhs):				
Particulars	30-11-2022	31-03-2022	31-03-2021	31-03-2020
Share Capital Issued to				
Sumit Tiwari	88.45	-	-	-
Snigdha Tiwari	12.25	-	-	-

Unsecured loan taken from / (repayable to)				
Sumit Tiwari	(39.99)	31.39	(2.34)	8.06
Snigdha Tiwari	(0.40)	0.83	-	1.00
Remuneration to				
Sumit Tiwari	16.60	12.06	11.42	15.85
Snigdha Tiwari	7.90	7.31	7.34	7.50
Sale of Services to				
Vrinda Nano Technologies Private Limited	69.80	61.13	4.93	-
Balance outstanding at year end (Rs. Lakhs):				
Particulars	30-11-2022	31-03-2022	31-03-2021	31-03-2020
Share Capital Issued				
Sumit Tiwari	123.30	34.85	34.85	34.85
Snigdha Tiwari	19.25	7.00	7.00	7.00
Unsecured loan				
Sumit Tiwari	0.11	40.10	8.71	11.05
Snigdha Tiwari	1.43	1.83	1.00	1.00
Sumit Tiwari	1.43	40.10	8.71	11.05
Remuneration Payable				
Sumit Tiwari	9.03	-	0.54	-
Snigdha Tiwari	2.80	-	0.28	-
Receivable from				
Vrinda Nano Technologies Private Limited	1.56	3.12	3.12	-

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

The following discussion is intended to convey management's perspective on our financial condition and results of operations for the financial year ended March 31, 2022, and for the financial year ended March 31, 2021, and 2020. One should read the following discussion and analysis of our financial condition and results of operations in conjunction with our section titled "Financial Statements" and the chapter titled "Financial Information" on page 158 of the Draft Prospectus. This discussion contains forward-looking statements and reflects our current views with respect to future events and our financial performance and involves numerous risks and uncertainties, including, but not limited to, those described in the section entitled "Risk Factors" on page 24 of this Draft Prospectus. Actual results could differ materially from those contained in any forward-looking statements and for further details regarding forward-looking statements, kindly refer the chapter titled "Forward-Looking Statements" on page 14 of this Draft Prospectus. Unless otherwise stated, the financial information of our Company used in this section has been derived from the Restated Financial Information. Our financial year ends on March 31 of each year. Accordingly, unless otherwise stated, all references to a particular financial year are to the 12-month period ended March 31 of that year.

In this section, unless the context otherwise requires, any reference to "we", "us" or "our" refers to Sungarner Energies Limited, our Company. Unless otherwise indicated, financial information included herein are based on our Restated Financial Statements for Financial Years 2022, 2021 & 2020 included in this Draft Prospectus beginning on page 158 of this Draft Prospectus.

BUSINESS OVERVIEW

Our Company was originally incorporated as a private limited Company under the Companies Act, 2013 in the name and style of "Sungarner Energies Private Limited" bearing corporate identification number U74900DL2015PTC279632, dated April 30, 2015 issued by the Registrar of Companies, Delhi. subsequently the Company altered its objects pursuant to a shareholders' resolution passed at an extra-ordinary general meeting held on January 31, 2022, and a certificate of confirming alteration of object clause dated February 27, 2020, was issued by Registrar of Companies, Delhi bearing corporate identification number U34100DL2015PTC279632. subsequently, the name of our company was changed to "Sungarner Energies Limited" pursuant to a shareholders' resolution passed at an annual general meeting held on September 30, 2022, and a fresh certificate of incorporation dated November 17, 2022 was issued by Registrar of Companies, Delhi bearing corporate identification number U34100DL2015PLC279632.

Our Company is offering wide range of power solutions such as Solar Power, UPS, Batteries, and Inverters. Our company is also engaged in the trading of solar panel business. We provide high quality professional solutions, design and engineering services to our customers. Our Company leadership team consists of our promoters and other directors and KMPs who have collective experience of more than 100 years in the field of solar energy. This has made our company a highly acclaimed and trusted enterprise with a focus on innovation and sustained growth. We are having a professional managed team to execute our projects having vast techno-commercial knowledge and experience. Furthermore, our company also provide various kind of services such as Solar Power Plants Projects, Solar Power Generation System and Operation & maintenance thereof.

SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR AND STUBPERIOD

As per mutual discussion between the Board of the Company and Lead Manager, in the opinion of the Board of the Company there have not arisen any circumstances since the date of the last financial statements as disclosed in the Draft Prospectus and which materially and adversely affect or is likely to affect within the next twelve months except as follows:

- The Board of Directors of our Company has approved and passed resolution on February 03, 2023 to authorize the Board of Directors to raise the funds by way of Initial Public Offering.
- The Shareholders of our company appointed Mr. Sumit Tiwari as Managing Director in the Extra-Ordinary General Meeting held on 30/12/2022.
- The shareholders of our Company appointed Mr. Amit Tiwari, as Non-Executive Director in the Extra Ordinary General Meeting held on 10/09/2022.
- The shareholders of our Company appointed Mr. Rajnish Gaur and Mrs. Sudha Singh, as Independent Directors in the Extra Ordinary General Meeting held on 29/11/2022.
- The board of directors in its meeting held on 18/11/2022 appointed Ms. Kavita Wadhwa as Company Secretary & Compliance officer of the Company & Mrs. Akansha Jain as Chief Financial officer of the Company.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “*Risk Factor*” beginning on page 24 of this Draft Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

- Changes, if any, in the regulations / regulatory framework / economic policies in India and / or in foreign countries, which affect national & international finance.
- Company’s results of operations and financial performance;
- Performance of Company’s competitors;
- Significant developments in India’s economic and fiscal policies;
- Failure to adapt to the changing needs of industry;
- Volatility in the Indian and global capital market;

DISCUSSION ON RESULT OF OPERATION

(Amount in Lakhs)

Particulars	For the period ended 30 November, 2022	%age of Total Income	For the year ended 31 March, 2022	%age of Total Income	For the year ended 31 March, 2021	%age of Total Income	For the year ended 31 March, 2020	%age of Total Income
Income								
Revenue from Operations	1199.45	99.87	793.79	99.51	536.43	100.00	435.88	99.94
Other Income	1.56	0.13	3.87	0.49	-	0.00	0.25	0.06

Total Income (I + II)	1201.01	100.00	797.66	100.00	536.43	100.00	436.13	100.00
Expenditure								
Cost of material Consumed	741.32	61.72	374.08	46.90	330.90	61.68	226.87	52.02
Changes in Inventories	-	0.00	-	0.00	-	0.00	-	0.00
Employee benefits expenses	135.39	11.27	159.87	20.04	94.32	17.58	115.12	26.40
Other expenses	242.41	20.18	163.34	20.48	72.67	13.55	71.99	16.51
Total expenses	1119.12	93.18	697.29	87.42	497.89	92.82	413.98	94.92
Profit Before Interest, Depreciation and Tax	81.89	6.82	100.37	12.58	38.54	7.18	22.15	5.08
Depreciation & Amortisation Expenses	7.64	0.64	6.87	0.86	6.09	1.13	7.22	1.65
Profit Before Interest and Tax	74.26	6.18	93.50	11.72	32.45	6.05	14.94	3.42
Financial Charges	16.05	1.34	16.22	2.03	9.63	1.80	11.13	2.55
Profit before Taxation	58.21	4.85	77.28	9.69	22.82	4.25	3.80	0.87
Provision for Taxation	17.48	1.46	17.88	2.24	5.26	0.98	0.61	0.14
Provision for Deferred Tax	2.34	0.19	1.90	0.24	1.65	0.31	0.66	0.15
MAT Credit Entitlement	-	0.00	-	0.00	-	0.00	-	0.00
Total tax expense	19.82	1.65	19.78	2.48	6.91	1.29	1.27	0.29
Profit After Tax but Before Extra-ordinary Items	38.39	3.20	57.50	7.21	15.90	2.96	2.54	0.58
Extraordinary Items	-	-	-	-	-	-	-	-
Profit Attributable to Minority Shareholders	-	-	-	-	-	-	-	-
Net Profit after adjustments	38.39	3.20	57.50	7.21	15.90	2.96	2.54	0.58
Net Profit Transferred to Balance Sheet	38.39	3.20	57.50	7.21	15.90	2.96	2.54	0.58

**November figures are not Annualized.*

Our Significant Accounting Policies

For Significant accounting policies please refer Significant Accounting Policies, under Chapter titled “Financial Statements” beginning on page 158 of the Draft Prospectus

Overview of Revenue & Expenditure

The following discussion on results of operations should be read in conjunction with the Restated Financial statements for the period ended on November 30, 2022 and Financial Year 2022, 2021 & 2020. Our revenue and expenses are reported in the following manner:

Revenues

◆ Revenue of operations

Our Company’s revenue is primarily generated from the business of Manufacturing of Solar inverter and batteries and trading of Solar panel. Further the Company is also engaged in the business of Providing various services such as Solar power Plant, Solar Power Generation System, Technical Services and Operation and Maintenance thereof.

◆ **Other Income**

Other Income Includes Interest Income, Service Charges, Profit on Sale of Assets and Discount Income.

Expenditure

Our total expenditure primarily consists of Cost of raw material consumed, Change in Inventories, Employee benefit expenses, and Other Expenses. We also have incurred financial charges and depreciation as expenditure, which we have shown separately from total expenditure.

◆ **Cost of raw material consumed**

We are into manufacturing and trading of our products through our distributors and stores. Therefore, we purchase various type of raw material for the manufacturing of our Products and providing services.

◆ **Changes in inventories**

The Changes in inventories is the change of opening and closing stock of the period.

◆ **Employment Benefit Expenses**

Our employee benefits expense primarily comprises of Salaries, wages & bonus expenses, Remuneration to directors, Contribution to Provident and Other Fund, Staff welfare expenses etc.

◆ **Finance Cost**

It includes Interest Expense on Borrowings and other Financial Expenses.

◆ **Depreciation and Amortization Expenses**

Depreciation includes depreciation on Buildings, Plant & Equipment, Furniture & Fixtures, Office Equipments, Computers, Electrical Installation, etc.

◆ **Other Expenses**

Other Expenses includes majorly Advertisement Expenses, Business Support Services, Postage & Courier, Commission & Brokerage, Rental Expenses, Telephone Expenses, Consumables, Office Expenses, Repairs & Maintenance etc.

PERIOD ENDED NOVEMBER 30, 2022 COMPARED WITH THE FISCAL YEAR ENDED MARCH 31, 2022 (BASED ON RESTATED FINANCIAL STATEMENTS)

Revenues

◆ **Total Income**

Total Income for the period ended November 30, 2022, stood at Rs. 1,201.01 Lakhs whereas in Financial Year 2021-22 it stood at Rs. 797.66 Lakhs representing an increase of 50.57%. There is increase in income as compare to the last financial year. As the Company has increase in revenue from operations. Segment wise comparison given below: -

Segment	22-23	21-22
	Rs. In lakhs	Rs. In lakhs
Manufacturing	577.90	451.80
Project	267.83	191.68
Service	103.16	63.30
Trading	252.11	90.82
Grand Total	1201.01	797.60

◆ **Revenue of operations**

Net revenue from operations for the period ended November 30, 2022, stood at Rs. 1,199.45 Lakhs whereas in Financial Year 2021-22 it stood at Rs. 793.79 Lakhs representing an increase of 51.10%. Company has increased its revenue from the last year primarily due to increase export business, expansion of retail business and increase in the total income of the Company has disclosed in the above point.

◆ **Other Income**

Other Income for the Period ended November 30, 2022, stood at Rs. 1.56 Lakhs whereas in Financial Year 2021-22 it stood at Rs. 3.87 Lakhs representing a decrease of 59.58% which was primarily as a result of a decrease of insurance claim in period ended November 30, 2022.

Expenditure

◆ **Total Expenses**

Total Expenses for the Period ended November 30, 2022, stood at Rs. 1,119.12 Lakhs whereas in Financial Year 2021-22 it stood at Rs. 697.29 Lakhs representing an increase of 60.50%, generally in line with the increase in our revenue, primarily increased due

- i) to an increase in cost of raw materials,
- ii) employee benefit expenses and
- iii) other expenses.

◆ **Cost of raw material consumed**

Cost of raw material consumed for the Period ended November 30, 2022, stood at Rs. 741.32 Lakhs whereas in Financial Year 2021-22 it stood at Rs. 374.08 Lakhs representing an increase of 98.17%. The Cost of raw material increased due to increase in business volume and same is in line with turnover.

◆ **Changes in Inventories**

Changes in inventories of finished goods, work-in-progress and stock in trade. Our changes in inventories of work-in-progress and finished goods 209.83 Lakhs in Financial year 201-22 whereas the same was increase by 345 Lakhs for the period ended November 2022, primarily on account of:

- i) higher consumption of materials,
- ii) in line with the increase in business volumes
- iii) shortage of major raw material leads to stocking up of those raw material.

◆ **Employment Benefit Expenses**

Employee benefit expenses for the Period ended November 30, 2022, i.e. for 8 months stood at Rs. 135.39 Lakhs whereas in Financial Year 2021-22 it stood at Rs. 159.87 Lakhs representing a increase of 27.03% on prorated basis which is due to increased annual merit increases, head count additions as well as increase in staff welfare expenses.

◆ **Other Expenses**

The Other Expenses for the Period ended November 30, 2022, stood at Rs. 242.41 Lakhs whereas in Financial Year 2021-22 it stood at Rs. 163.34 Lakhs representing an increase of 48.41%, it increases primarily on account of:

- i) an increase in freight outwards,
- ii) professional charges,
- iii) travelling and conveyance and
- iv) business promotion expenses.

◆ **Depreciation and Amortization Expenses**

The Depreciation and Amortization Expenses for the Period ended November 30, 2022, i.e. for the period of 8 months stood at Rs. 7.64 Lakhs whereas in Financial Year 2021-22 it stood at Rs. 6.87 Lakhs representing an increase of 66.81% on prorated basis. It is generally on account of incremental depreciation on additions to fixed assets.

◆ **Finance Cost**

Finance Cost for the Period ended November 30, 2022, i.e. for the period of 8 months stood at Rs. 16.05 Lakhs whereas in Financial Year 2021-22 it stood at Rs. 16.22 Lakhs representing an increase of 48.43% on prorated basis which was due to increase in interest cost as our working capital Overdraft limit was increased from 229 Lakhs to 400 Lakhs.

◆ **Restated Profit before Tax**

The restated profit before tax for the Period ended November 30, 2022, i.e. for the period of 8 months stood at Rs. 58.21 Lakhs whereas in Financial Year 2021-22 it stood at Rs. 77.28 Lakhs representing an increase of 12.99% on prorated basis. This increase is due to increase in turnover and various reasons discussed in all above points.

◆ **Restated Profit after Tax**

The restated profit after tax for the Period ended November 30, 2022, i.e. for the period of 8 months stood at Rs. 38.39 Lakhs whereas in Financial Year 2021-22 it stood at Rs. 57.50 Lakhs representing an increase by 0.15%.

**DETAILS OF FINANCIAL YEAR 2022 COMPARED TO FINANCIAL YEAR 2021
(BASED ON RESTATED FINANCIAL STATEMENTS)**

Revenues

◆ **Total Income**

Total Income for the Financial Year 2021-22, it stood at Rs. 797.66 Lakhs whereas in Financial Year 2020-21 it stood at Rs. 536.43 Lakhs representing an increase of 48.70%. There is increase in income as compare to the last financial year. As the Company has initiated its export sales of 173.17 Lakhs and increase in revenue from operations. Segment wise revenue comparison are

given below: -

Rs. In lakhs

Sector	21-22	20-21
Manufacturing	451.80	340.09
Project	191.68	179.37
Service	63.30	16.02
Trading	90.82	0.06
Grand Total	797.60	535.55

◆ **Revenue of operations**

Net revenue from operations For the Financial Year 2021-2022 stood at Rs. 793.79 Lakhs. Whereas For the Financial Year 2021-22, it stood at 536.43 Lakhs representing increase of 47.98%. Company has increased its revenue from the last year primarily as the Company has initiated its:

- i) Increase in export sales
- ii) Increase in sale of products and sale of services.
- iii) Increase in Total Income of the Company

◆ **Other Income**

Other Income for the Financial Year 2021-2022 stood at Rs. 3.87 Lakhs. Whereas For the Financial Year 2020-21, it stood at Nil representing an increase of 100.00% which was primarily due to no insurance claim or any other income received in F.Y.2020-21.

Expenditure

◆ **Total Expenses**

Total Expenses for the Financial Year 2021-2022 stood at Rs. 697.29 Lakhs. Whereas For the Financial Year 2020-21, it stood at 497.89 Lakhs representing increase of 40.05% generally in line with the increase in our revenue and primarily due to:

- i) an increase in cost of raw materials,
- ii) changes in inventories of finished goods,
- iii) work-in-progress and stock in trade, and
- iv) employee benefit expenses

◆ **Cost of Material consumed**

Cost of Material Consumed for the Financial Year 2021-2022 stood at Rs. 374.08 Lakhs. Whereas For the Financial Year 2020-21, it stood at 330.90 Lakhs representing increase of 13.05%. The Cost of raw material increased due to increase in business volume and same is in line with turnover.

◆ **Changes in Inventories**

Changes in inventories of finished goods, work-in-progress and stock in trade. Our changes in inventories of work-in-progress and finished goods 209.83 Lakhs in Financial year 2021-22 Whereas for the Financial Year 2020-21, it stood at 79.68 Lakhs, primarily on account of:

- i) higher consumption of materials,

- ii) in line with the increase in business volumes and
- iii) shortage of major raw material leads to stocking up of those raw material.

◆ **Employment Benefit Expenses**

Employee benefit expenses For the Financial Year 2021-2022 stood at Rs. 159.87 Lakhs. Whereas For the Financial Year 2020-21, it stood at 94.32 Lakhs representing increase of 69.49%. Employment benefit expenses increased due to increased annual merit increases, head count additions as well as increase in staff welfare expenses.

◆ **Other Expenses**

The Other Expenses for the Financial Year 2021-2022 stood at Rs. 163.64 Lakhs. Whereas For the Financial Year 2021-22, it stood at 72.67 Lakhs representing increase of 124.76%, it increases primarily on account of:

- i) an increase in freight outwards,
- ii) professional charges,
- iii) travelling and conveyance and
- iv) business promotion expenses.

◆ **Depreciation and Amortization Expenses**

The Depreciation and Amortization Expenses for the Financial Year 2021-2022, stood at Rs. 6.87 Lakhs whereas in Financial Year 2020-21 it stood at Rs. 6.09 Lakhs representing an increase of 12.83%. It is generally in line with increase in Fixed assets from 132.72 Lakhs to 164.97 Lakhs.

◆ **Finance Cost**

Finance Cost for the Financial Year 2021-2022, stood at Rs. 16.22 Lakhs whereas in Financial Year 2020-21 it stood at Rs. 9.63 Lakhs representing an increase of 68.38%, it primarily due to increase in loan amount from 78.32 Lakhs to 170.02 Lakhs.

◆ **Restated Profit before Tax**

The restated profit before tax For the Financial Year 2021-2022 stood at Rs. 77.28 Lakhs. Whereas For the Financial Year 2020-21, it stood at 22.82 Lakhs, representing increase of 238.66%.

◆ **Restated Profit after Tax**

The restated profit after tax For the Financial Year 2021-2022 stood at Rs. 57.50 Lakhs. Whereas For the Financial Year 2020-21, it stood at 15.90 Lakhs, representing increase of 261.51%

FISCAL YEAR ENDED MARCH 31, 2021 COMPARED WITH THE FISCAL YEAR ENDED MARCH 31, 2020 (BASED ON RESTATED FINANCIAL STATEMENTS)

Revenues

◆ **Total Income**

Total Income for the Financial Year 2020-2021 stood at Rs. 536.43 Lakhs. Whereas For the Financial Year 2019-20, it stood at 436.13 Lakhs, representing increase of 23.00%. There is increase in income as compare to the last financial year. As the Company has initiated its increase in revenue from operations. Segment wise revenue comparison are given below: -

Rs. In lakhs

Sector	20-21	19-20
Manufacturing	340.09	384.10
Project	179.37	51.42
Service	16.02	0.36
Trading	0.06	-
Grand Total	535.55	435.88

◆ **Revenue from operations**

Revenue from Operations for the Financial Year 2020-2021 stood at Rs. 536.43 Lakhs. Whereas For the Financial Year 2019-20, it stood at 435.88 Lakhs representing increase of 23.07%. Company has increased its revenue from the last year primarily as the Company has increase in sale of products and sale of services.

◆ **Other Income**

Other Income for the Financial Year 2020-2021 stood at Rs. 0.25 Lakhs. Whereas For the Financial Year 2019-20, it stood at Nil representing decrease of 100.00% which was primarily as a result of a decrease of insurance claim.

Expenditure

◆ **Total Expenses**

Total Expenses for the Financial Year 2020-2021 stood at Rs. 497.89 Lakhs. Whereas For the Financial Year 2019-20, it stood at 413.98 Lakhs representing increase of 20.27%, generally in line with the increase in our revenue and primarily due to:

- i) increase in cost of raw materials,
- ii) changes in inventories of finished goods, work-in-progress and stock in trade, and
- iii) employee benefit expenses

◆ **Cost of Material consumed**

Cost of Material Consumed for the Financial Year 2020-2021 stood at Rs330.90 Lakhs. Whereas For the Financial Year 2019-20, it stood at 226.87 Lakhs representing increase of 45.85%. The Cost of raw material increased due to increase in business volume and same is in line with turnover.

◆ **Changes in Inventories**

Changes in inventories of finished goods, work-in-progress and stock in trade. Our changes in inventories of work-in-progress and finished goods 79.68 Lakhs in Financial year 2020-21 Whereas for the Financial Year 2019-20, it stood at 27.66 Lakhs, primarily on account of:

- i) higher consumption of materials, in line with the increase in business volumes
- ii) as well as shortage of major raw material leads to stocking up of those raw material.

◆ **Employment Benefit Expenses**

The Employee Benefit Expenses for the Financial Year 2020-2021 stood at Rs. 94.32 Lakhs.

Whereas For the Financial Year 2019-20, it stood at 115.12 Lakhs representing decrease of 18.07%. Employment benefit expenses decrease due to decrease in salary in covid 2019.

◆ **Other Expenses**

The Other Expenses for the Financial Year 2020-2021 stood at Rs. 72.67 Lakhs. Whereas for the Financial Year 2019-20, it stood at 71.99 Lakhs representing increase of 0.95%, it increases primarily due to increase in repair and maintenance expenses to 3.24 Lakhs in F.Y. 2020-21 and rebate and discount of Rs 5 Lakhs.

◆ **Depreciation and Amortization Expenses**

The Depreciation and Amortization Expenses for the Financial Year 2020-2021 stood at Rs. 6.09 Lakhs. Whereas For the Financial Year 2019-20, it stood at 7.22 Lakhs representing decrease of 15.65%. It is generally in line with increase in Fixed assets from 126.44 Lakhs to 132.72 Lakhs.

◆ **Finance Cost**

The finance costs for the Financial Year 2020-2021 stood at Rs. 9.63 Lakhs. Whereas for the Financial Year 2019-20, it stood at 11.13 Lakhs representing decrease of 13.46%, it primarily due to decrease in loan amount from 78.32 Lakhs to 75.76 Lakhs.

◆ **Restated Profit before Tax**

The restated profit before tax For the Financial Year 2020-2021 stood at Rs. 22.82 Lakhs. Whereas For the Financial Year 2019-20, it stood at 3.80 Lakhs representing increase of 499.84%.

◆ **Restated Profit after Tax**

The restated profit after tax For the Financial Year 2020-2021 stood at Rs. 15.90 Lakhs. Whereas For the Financial Year 2019-20, it stood at 2.54 Lakhs representing increase of 527.23%.

INFORMATION REQUIRED AS PER ITEM (II) (C) (iv) OF PART A OF SCHEDULE VI TO THESEBI REGULATIONS:

1. Unusual or infrequent events or transactions

Except as described in this Draft Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

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

Other than as described in the section titled Risk Factors beginning on page 24 of this Draft Prospectus, to our knowledge there are no known significant economic changes that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

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

Other than as described in this Draft Prospectus, particularly in the sections Risk Factors and Management's Discussion and Analysis of Financial Condition and Results of Operations on pages 24 and 190, respectively, to our knowledge, there are no known trends or uncertainties that are expected to have a material adverse impact on our revenues or income from continuing operations

- 4. Income and Sales on account of major product/main activities**
Income and sales of our Company on account of major activities derives from the business of manufacturing & trading of Solar Inverter & Batteries.
- 5. 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 can be impacted by an increase in labour costs as the company looks to hire talent with new skills and capabilities for the digital economy who may be in short supply.
- 6. Future relationship between Costs and Income**
Our Company's future costs and revenues will be determined by competition, demand/supply situation, Indian Government Policies, foreign exchange rates and interest rates quoted by banks & others.
- 7. Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices.**
Increases in our revenues are by and large linked to increases in the volume of business.
- 8. Total turnover of each major industry segment in which the issuer company operates.**
The Company is operating in Solar Power, Batteries, Inverter and Electric equipments. Relevant industry data, as available, has been included in the chapter titled "Our Industry" beginning on page 84 of this Prospectus.
- 9. Status of any publicly announced new products or business segments**
Our Company has not announced any new services and product and segment / scheme, other than disclosure in this Draft Prospectus
- 10. The extent to which the business is seasonal.**
Our business is not seasonal in nature.
- 11. Competitive Conditions**
We face competition from existing and potential competitors which is common for any business. We have, over a period of time, developed certain competitive strengths which have been discussed in section titled "Our Business" on page 99 of this Draft Prospectus.

SECTION VII – LEGAL AND OTHER INFORMATION

GOVERNMENT AND OTHER APPROVALS

TAX RELATED AUTHORISATIONS OF COMPANY

S.N.	Authorization granted	Issuing Authority	Registration No. /Reference No. /License No.	Date of Issue	Validity
1.	Permanent Account Number	Income Tax Department, GOI	AAVCS7116F	July 18, 2015	Perpetual
2.	Tax Deduction Account Number	Income Tax Department, GOI	MRTS15319D	August 07, 2018	Perpetual
3.	Details of GST registration of the Company				
	GST Registration Certificate (Uttar Pradesh)	Centre Goods and Services Tax Act, 2017	09AAVCS7116F1ZW	November 18, 2017	Valid until cancellation
4.	Importer-Exporter Code	Ministry of Commerce and Industry	AAVCS7116F	30/01/2018	-
5.	Certificate of Establishment	Department of Labour	2022319622	07/11/2022	-

OTHER REGULATORY AND STATUTORY DISCLOSURES

DIPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY

Our Company or the Registrar to the Offer or the SCSB in case of ASBA Applicant shall redress routine investor grievances. We estimate that the average time required by us or the Registrar to this Offer for the redressal of routine investor grievances will be 12 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Mr. Anup Kumar Pandey as the Company Secretary and Compliance Officer and may be contacted at the following address:

Sungarner Energies Limited
1/5322, S/F, Plot No. 19A, Gali No.13,
Balbir Nagar Ext., New Delhi- 110032, India
Tel. +917428296411;
E-mail: legal@sungarner.com; cfo@sungarner.com
Website: www.sungarner.com