



FFS DEFENCE ENGINEERING LIMITED
Corporate Identification Number: U35990MH2019PLC328941

Registered Office	Corporate Office	Contact Person	Email and Telephone	Website
Plot No. J-17, Hingna MIDC, Hingna Road, Near IC Chawk, MIDC Nagpur, Nagpur (Urban) – 440 016, Maharashtra, India	N.A.	Saarthak Chaudhary, Company Secretary and Compliance Officer	E-mail: info@ffsdefence.com Tel: +91 810 468 6260	www.ffsdefence.com

PROMOTERS: RAJENDRA CHODANKAR, FAITHFUL VANIJYA PRIVATE LIMITED

DETAILS OF ISSUE TO PUBLIC

Type	Fresh Issue Size	Total Issue Size	Eligibility
Fresh Issue	35,74,400 Equity Shares at the Issue Price of ₹80 each aggregating ₹ 2,859.52 Lakhs	35,74,400 Equity Shares at the Issue Price of ₹80 each aggregating ₹ 2,859.52 Lakhs	This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended. The Issue is being made pursuant to Regulation 229 (2) of SEBI (ICDR) Regulations, as the Company's post issue paid up capital is more than ₹ 10.00 Cr.

RISKS IN RELATION TO FIRST ISSUE

This being the first Public Issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 10/- each and the Issue Price of ₹ 80 is 8.00 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 under "Basis for Issue Price" beginning on page no. 71 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 RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the 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 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 contents of this Draft Prospectus. Specific attention of the investors is invited to "Risk Factors" on page 20.

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 the 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 opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes 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 offered through this Draft Prospectus are proposed to be listed on the SME Platform of BSE Limited ("BSE"). For the purposes of this Issue, BSE is the Designated Stock Exchange.

LEAD MANAGER TO THE ISSUE

REGISTRAR TO THE ISSUE

Name of Lead Manager to the Issue: Inventure Merchant Banker Services Private Limited	Name of Contact Person: Arvind Gala Tel No.: +91 22 4075 1500 Email: compliance@inventurermerchantbanker.com	Name of Registrar to the Offer: Link Intime India Private Limited	Name of Contact Person: Shanti Gopalkrishnan Tel. No.: +91 810 811 4949 Email: ffsdefence.ipo@linkintime.co.in

BID/ISSUE PROGRAMME

ISSUE OPENS ON:	●
ISSUE CLOSES ON:	●

FFS**DEFENCE ENGINEERING LTD.**

Flowforming | Optics | Systems

FFS DEFENCE ENGINEERING LIMITED

Our Company was originally incorporated as 'FFS Industries Private Limited' a private limited company under the Companies Act, 2013 at Mumbai, Maharashtra, pursuant to a certificate of incorporation dated August 6, 2019 issued by the Registrar of Companies, Central Registration Centre. ("RoC"). Further the name of our Company was changed to "FFS Defence Engineering Private Limited" pursuant to shareholder's resolution dated July 25, 2024 and a fresh certificate of incorporation consequent to change of name was issued on August 27, 2024 by the Registrar of Companies, Mumbai. Subsequently, the name of the Company was changed to 'FFS Defence Engineering Limited' upon conversion into public company, pursuant to shareholder's resolution dated August 29, 2024, and a fresh certificate of incorporation consequent to conversion was issued on October 8, 2024 by the Registrar of Companies. For further details of our Company, see "General Information" and "History and Certain Other Corporate Matters" on pages 42 and 100, respectively.

Registered Office: Plot No. J-17, Hingna MIDC, Hingna Road, Near IC Chawk, MIDC Nagpur, Nagpur (Urban) – 440 016, Maharashtra, India;

Tel: +91 810 468 6260; **Website:** www.ffddefence.com; **E-mail:** info@ffddefence.com

Contact Person: Saarthak Chaudhary, Company Secretary and Compliance Officer

PROMOTERS: RAJENDRA CHODANKAR, FAITHFUL VANIJYA PRIVATE LIMITED	
<p>PUBLIC ISSUE OF 35,74,400 EQUITY SHARES OF FACE VALUE OF ₹ 10.00 EACH OF FFS DEFENCE ENGINEERING LIMITED ("OUR COMPANY" OR "THE ISSUER") FOR CASH AT A PRICE OF ₹80.00 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹70.00 PER EQUITY SHARE) ("ISSUE PRICE") AGGREGATING TO ₹2,859.52 LAKHS ("THE ISSUE"). OF THE ISSUE, 1,79,200 EQUITY SHARES AGGREGATING TO ₹143.36 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 33,95,200 EQUITY SHARES OF FACE VALUE OF ₹ 10.00 EACH AT AN ISSUE PRICE OF ₹80.00 PER EQUITY SHARE AGGREGATING TO ₹2,716.16 LAKHS IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.33% AND 25.01%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, SEE "TERMS OF THE ISSUE" ON PAGE 193 OF THE DRAFT PROSPECTUS.</p>	
<p>THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10.00 EACH AND THE ISSUE PRICE OF ₹80.00 IS 8.00 TIMES OF THE FACE VALUE</p>	
<p>THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER IX OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 (THE "SEBI (ICDR) REGULATIONS"), AS AMENDED. IN TERMS OF RULE 19(2)(b) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED, THIS IS AN ISSUE FOR AT LEAST 25% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. THIS ISSUE IS A FIXED PRICE ISSUE AND ALLOCATION IN THE NET ISSUE TO THE PUBLIC WILL BE MADE IN TERMS OF REGULATION 253 OF THE SEBI (ICDR) REGULATIONS, AS AMENDED. FOR FURTHER DETAILS, SEE "ISSUE PROCEDURE" ON PAGE 202 OF THE DRAFT PROSPECTUS.</p> <p>All potential investors shall participate in the Issue only through an Application Supported by Blocked Amount ("ASBA") process including through UPI mode (as applicable) by providing details of the irrelative bank accounts and / or UPI IDs, in case of UPI Applicants (Individual investors) applying through UPI mechanism, if applicable, which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. A copy will be delivered for registration to the Registrar of Companies as under Section 26 and Section 28 of the Companies Act, 2013. For details in this regard, specific attention is invited to "Issue Procedure" on page 202 copy of the Prospectus will be delivered for registration to the Registrar of companies as required under Section 26 of the Companies Act, 2013.</p>	
RISKS IN RELATION TO FIRST ISSUE	
<p>This being the first issue of the Issuer, there has been no formal market for the securities of our Company. The face value of the Equity Shares of our Company is ₹10.00. The Issue Price should not be taken to be indicative of the market price of the Equity Shares after such Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares of our Company nor regarding the price at which the Equity Shares will be traded after listing.</p>	
GENERAL RISKS	
<p>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 investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and this Issue, including the risks involved. The Equity Shares 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 contents of this Draft Prospectus. Specific attention of the investors is invited to 'Risk Factors' on page 20.</p>	
ISSUER'S ABSOLUTE RESPONSIBILITY	
<p>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 the 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 makes 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.</p>	
LISTING	
<p>The Equity Shares offered through this Draft Prospectus are proposed to be listed on the SME Platform of BSE Limited ("BSE"). Our Company has received the approval letter dated [●], 2025 from BSE for using its name in the offer document for listing of our shares on the SME Platform of BSE. For the purpose of this Issue, the Designated Stock Exchange will be BSE.</p>	
LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
 <p>INVENTURE MERCHANT BANKER SERVICES PVT. LTD. Enhancing Fortunes. Enriching Lives.</p>	
<p>INVENTURE MERCHANT BANKER SERVICES PRIVATE LIMITED 2nd Floor, Viraj Tower, Nr. Andheri Flyover (North End), Western Express Highway, Andheri (East) Mumbai – 400 069, Maharashtra, India Tel No: +91 22 4075 1500; Fax No: +91 22 4075 1511 Email: compliance@inventurmerchantbanker.com Investor Grievance Email: compliance@inventurmerchantbanker.com Website: www.inventurmerchantbanker.com SEBI Registration No: INM000012003 Contact Person: Arvind Gala</p>	<p>Link Intime India Private Limited C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083, Maharashtra, India. Tel No: + 91 810 811 4949 Email: ffsdefence.ipo@linkintime.co.in Investor Grievance Email: ffsdefence.ipo@linkintime.co.in Website: www.linkintime.co.in SEBI Registration Number: INR000004058 Contact Person: Shanti Gopalkrishnan</p>
ISSUE PROGRAMME	
ISSUE OPENS ON: [●]	ISSUE CLOSES ON: [●]

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SECTION I – GENERAL DEFINITIONS AND ABBREVIATIONS

This Draft Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or our Articles of Association, Memorandum of Association, policies shall be to such legislation, act or regulation, as amended from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Draft Prospectus but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder.

Notwithstanding the foregoing in 'Main Provisions of the Articles of Association', 'Summary of Our Business', 'Our Business', 'Risk Factors', 'Industry Overview', 'Key Regulations and Policies in India', 'Financial Information', 'Outstanding Litigation and Material Developments' and "Part B" of "Issue Procedure", defined terms, will have the meaning ascribed to such terms in these respective sections.

Company Related Terms

Term	Description
"FFS Defence", "FFS", "FFS Defence Engineering Limited", "We" or "us" or "our Company" or "the Issuer"	Unless the context otherwise requires, refers to FFS Defence Engineering Limited, a Company incorporated under the Companies Act, 2013 and having its registered office at Plot No. J-17, Hingna MIDC, Hingna Road, Near IC Chawk, MIDC Nagpur, Nagpur (Urban) – 440 016, Maharashtra, India.
"we", "us", or "our"	Unless the context otherwise indicates or implies, our Company.
"you", "your" or "yours"	Prospective investors in this Issue
AOA/Articles / Articles of Association	Unless the context otherwise requires, refers to the Articles of Association of our Company, as amended from time to time.
Audit Committee	The committee of the Board of Directors constituted as the Company's Audit Committee in accordance with Regulation 18 of the SEBI (LODR) Regulations and Section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014
Board/ Board of Directors / Our Board	The Board of Directors of our Company, including all duly constituted Committees thereof.
Compliance Officer	The Company Secretary of our Company, being Saarthak Chaudhary, Company Secretary and Compliance Officer.
Director(s)	Director(s) on the Board of our Company, as appointed from time to time, unless otherwise specified.
Equity Shareholders	The holders of the Equity Shares
Equity Shares/Shares	The equity shares of our Company of a face value of ₹10.00 each unless otherwise specified in the context thereof
Group Companies / Group Entities	Such companies as covered under the applicable accounting standards, being Accounting Standard 18 or other entities as considered material in accordance with the Materiality Policy, as described in "Our Group Entities" on page 126.
Key Management Personnel / KMP	Key management personnel of our Company in terms of Regulation 2(1)(s) of the SEBI (ICDR) Regulations, Section 2(51) of the Companies Act, 2013. For details, please refer "Our Management" on page 104.
Materiality Policy	A policy adopted by our Company, in its Board meeting held on December 25, 2024 for identification of group companies, material creditors and material litigations.
MoA / Memorandum of Association	The Memorandum of Association of our Company, as amended from time to time.
Peer Reviewed Auditor	The independent peer reviewed Auditor of our Company M/s. V S Bapna & Associates, Chartered Accountants
Promoter Group	Persons and entities constituting the promoter group of our Company, pursuant to Regulation 2(1)(zb) of the SEBI (ICDR) Regulations.

Promoters	Rajendra Chodankar and Faithful Vanijya Private Limited
Registered Office	The registered office of our Company situated at Plot No. J-17, Hingna MIDC, Hingna Road, Near IC Chawk, MIDC Nagpur, Nagpur (Urban) – 440 016, Maharashtra, India.
Registrar of Companies / ROC	Registrar of Companies, Maharashtra, Mumbai
Restated Financial Statements	Audited Restated financial including statements of assets and liabilities as at September 30, 2024, March 31, 2024; March 31, 2023 and 2022 and statement of profits and losses and cash flows for the period ended September 30, 2024 and financial years ended March 31, 2024, 2023, and 2022 of the Company.
Statutory Auditor	The Statutory Auditor of our Company, being M/s. V S Bapna & Associates, Chartered Accountants.

Issue Related Terms

Term	Description
Acknowledgement Slip	The slip, document or counter foil issued by the Designated Intermediary to an Applicant as proof of having accepted the Application Form.
Allot / Allotment / Allotted	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Issue of Equity Shares to the successful Applicants.
Allottee	A successful Applicant to whom the Equity Shares are Allotted.
Applicant	Any prospective investor who makes an application pursuant to the terms of the Prospectus and the Application Form.
Application	An indication to make an offer during the Issue Period by an Applicant, pursuant to submission of Application Form, to subscribe for or purchase our Equity Shares at the Issue Price including all revisions and modifications thereto, to the extent permissible under the SEBI (ICDR) Regulations.
Application Amount	The number of Equity Shares applied for and as indicated in the Application Form multiplied by the price per Equity Share payable by the Applicants on submission of the Application Form.
Application Form	The form in terms of which an Applicant shall make an Application and which shall be considered as the application for the Allotment pursuant to the terms of the Prospectus.
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by an Applicant authorizing a SCSB to block the application amount in the ASBA Account maintained with the SCSB and will include amounts blocked by SCSB upon acceptance of UPI Mandate Request by UPI Applicants using the UPI Mechanism
ASBA Account	A bank account maintained with an SCSB and specified in the ASBA Form submitted by ASBA Applicants for blocking the Bid Amount mentioned in the ASBA Form and will include amounts blocked by SCSB upon acceptance of UPI Mandate Request by UPI Applicants using the UPI Mechanism.
ASBA Applicant(s)	Any prospective investors in this Issue who applies for Equity Shares of our Company through the ASBA process in terms of the Prospectus.
Bankers to the Issue/ Public Issue Bank	The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Public Issue Account will be opened and in this case being Axis Bank Limited.
Banker to the Issue Agreement	Agreement to be entered into amongst the Company, Lead Manager, the Registrar, Sponsor Bank, and the Banker of the Issue.
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants under the Issue, described in “ <i>Issue Procedure</i> ” on page 202.
Broker Centres	Broker centres notified by the Stock Exchange, where the Applicants can submit the Application Forms to a Registered Broker. The details of such broker centres, along with the name and contact details of the Registered Brokers, are available on the website of BSE on the following link www.bseindia.com .
Broker to the Issue	All recognized members of the stock exchange would be eligible to act as the Broker to the Issue.
BSE SME	The SME platform of BSE Limited, approved by SEBI as an SME Exchange for listing of equity shares Issued under Chapter IX of the SEBI (ICDR) Regulations, 2018.
CAN / Allotment Advice	The note or advice or intimation of Allotment, sent to each successful Applicant who has been or is to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange.

Term	Description
Client ID	Client identification number of the Applicant's beneficiary account.
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Collection Centres	Centres at which the Designated Intermediaries shall accept the ASBA Forms.
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Lead Manager, the Registrar to the Issue and the Stock Exchange and a list of which is available at www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	The details of the Applicants including the Applicants' address, names of the Applicants' father/husband, investor status, occupations, and bank account details.
Depository / Depositories	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996.
Depository Participant / DP	A depository participant as defined under the Depositories Act.
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the website of the Stock Exchange (www.bseindia.com).
Designated Date	The date on which the amounts blocked by the SCSBs are transferred from the ASBA Accounts to the Public Issue Account or unblock such amounts, as appropriate in terms of the Prospectus.
Designated Intermediaries / Collecting Agent	An SCSB with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Registered Broker, Designated CDP Locations for CDP, a registrar to an issue and share transfer agent (RTA) (whose names is mentioned on website of the stock exchange as eligible for this activity).
Designated Market Maker / Market Maker	In our case, [●].
Designated RTA Locations	Such locations of the RTAs where Applicants can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the website of the Stock Exchange (www.bseindia.com).
Designated SCSB Branches	Such branches of the SCSBs which collected the ASBA Application Form from the applicants and a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	BSE Limited.
Draft Prospectus / DP	The Draft Prospectus dated [●], 2025, filed with BSE Limited.
Eligible NRI	A non-resident Indian, resident in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to subscribe for the Equity Shares.
Equity Shares	Equity Shares of our Company of face value Rs. 10/- each
Electronic Transfer of Funds	Refunds through NACH, NEFT, Direct Credit or RTGS as applicable.
Eligible QFI	Qualified Foreign Investors from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity Shares offered thereby and who have opened dematerialised accounts with SEBI registered qualified depository participants as QFIs and are deemed as FPIs under the SEBI FPI Regulations.
First Applicant	The Applicant whose name appears first in the Application Form or the Revision Form.
General Information Document	The General Information Document for investing in public issues, prepared and issued in accordance with the SEBI circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020, suitably modified and updated pursuant to, among others, the SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020
Issue / Public issue / Issue size / Initial Public issue / Initial Public Offer / Initial Public Offering / IPO	Public issue of 35,74,400 Equity Shares of face value of ₹10.00 each of our Company for cash at a price of ₹80 per Equity Share (including a share premium of ₹70 per Equity Share) aggregating to ₹2,859.82 lakhs by our Company, in terms of this Draft Prospectus.

Term	Description
Issue Agreement / MoU	The agreement dated January 27, 2025 entered into amongst our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Closing Date	The date on which the Issue closes for subscription. In this case being [●], 2025
Issue Opening Date	The date on which the Issue opens for subscription. In this case being [●], 2025
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days during which prospective Applicants can submit their applications, including any revisions thereof.
Issue Price	The price at which Equity Shares are being issued by our Company being ₹70 per Equity Share.
Lead Manager / LM	The lead manager to the Issue, in this case being Inventure Merchant Banker Services Private Limited.
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and the SME Platform of BSE.
Market Maker Reservation Portion	1,79,200 Equity Shares of ₹10.00 each at ₹80 per Equity Share aggregating to ₹143.36 lakhs reserved for subscription by the Market Maker.
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 33,95,200 Equity Shares of face value of ₹10.00 each at an Issue Price of ₹80 per equity share aggregating to ₹2,716.16 lakhs.
Net Proceeds	Proceeds of the Issue that will be available to our Company, which shall be the gross proceeds of the Issue less the issue expenses.
Non-Institutional Investors / NIIs	All Applicants, including Category III FPIs that are not QIBs or Retail Individual Investors who have made Application for Equity Shares for an amount of more than ₹2,00,000 (but not including NRIs other than Eligible NRIs).
Prospectus	The Prospectus to be filed with the RoC for this Issue in accordance with the provisions of Section 26 of the Companies Act, 2013 and the SEBI (ICDR) Regulations, including any addenda or corrigenda thereto.
Public Issue Account	The account to be opened with the Banker to the Issue under Section 40 of the Companies Act, 2013 to receive monies from the ASBA Accounts on the Designated Date.
Qualified Institutional Buyers or QIBs	A qualified institutional buyer as defined under Regulation 2(1)(ss) of the SEBI (ICDR) Regulations.
Refund Account(s)	Accounts to which the monies to be refunded to the Applicants is transferred from the Public Issue Account in case listing of the Equity Shares does not occur.
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals.
Registrar Agreement	The Agreement between the Registrar to the Issue and the Issuer Company dated January 27, 2025, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Registrar to the Issue	The Registrar to the Issue being Bigshare Services Private Limited.
Retail Individual Investors/ RIIs	Applicants (including HUFs, in the name of Karta and Eligible NRIs) whose Application Amount for Equity Shares in the Issue is not more than ₹2,00,000/-.
Revision Form	The form used by the Applicants to modify the quantity of Equity Shares or the Application Amount in any of their Application Forms or any previous Revision Form(s), as applicable.
SCORES	SEBI Complaints Redress System, a centralized web-based complaints redressal system launched by SEBI
Self Certified Syndicate Banks or SCSBs	The banks registered with SEBI, offering services (i) in relation to ASBA (other than through UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 , as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI Mechanism), a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as may be prescribed by SEBI and updated from time to time. In relation to Bids submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI

Term	Description
	<p>(https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 as updated from time to time.</p> <p>Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile applications, which, are live for applying in public issues using UPI mechanism is provided as Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The list is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time</p>
SME Platform of BSE / SME Exchange / Stock Exchange / BSE SME	The SME platform of BSE, approved by SEBI as an SME Exchange for listing of equity shares offered under Chapter IX of the SEBI (ICDR) Regulations.
Sponsor Bank	[●], being a Banker to the Offer, appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the RIBs into the UPI, and carry out other responsibilities, in terms of the SEBI circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 issued by SEBI
Underwriters	Inventre Merchant Banker Services Private Limited and [●]
Underwriting Agreement	The agreement dated [●], 2025 entered into among the Underwriter and our Company.
UPI	Unified payments interface, which is an instant payment mechanism, developed by NPCI
UPI Circulars	Collectively, the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 (to the extent these circulars are not rescinded by the SEBI RTA Master Circular), and SEBI ICDR Master Circular, SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, and any subsequent circulars or notifications issued by SEBI in this regard, along with the circular issued by the BSE Limited having reference no. 25/2022 dated August 3, 2022 and the circular issued by BSE Limited having reference no. 20220803-40 dated August 3, 2022, and any subsequent circulars or notifications issued by SEBI and Stock Exchanges in this regard
UPI Applicants	<p>Collectively, individual investors applying as Retail Individual Inventors in the Retail Portion, and Other than retail individual investors applying with an application size of more than ₹ 200,000 and up to ₹ 500,000 in the Other than Retail Investors category and applying under the UPI Mechanism.</p> <p>Pursuant to Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹ 500,000 shall use UPI and shall provide their UPI ID in the application form submitted with: (i) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (ii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iii) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)</p>
UPI ID	ID created on the UPI for single-window mobile payment system developed by NPCI

Term	Description
UPI ID Linked Bank Account	Account of the UPI Applicants, applying in the issue using the UPI mechanism, which will be blocked upon accepting the UPI mandate to the extent of the appropriate application amount and subsequent debit of funds in the case of allotment.
UPI Mandate Request	A request (intimating the UPI Applicants by way of a notification on the UPI application and by way of a SMS directing the RIB to such UPI mobile application) to the UPI Applicants initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to application Amount and subsequent debit of funds in case of Allotment.
UPI mechanism	The mechanism using UPI that may be used by UPI Applicants to make an application in the issue in accordance with the SEBI Circulars.
UPI PIN	Password to authenticate UPI transaction
Wilful Defaulter(s)	Wilful defaulter as defined under Regulation 2(1)(III) of the SEBI Regulations.
Working Day(s)	“Working Day” means all days on which commercial banks in Mumbai are open for business. However, in respect of - (a) announcement of Price Band; and (b) Issue period, working day shall mean all days, excluding Saturdays, Sundays, and public holidays, on which commercial banks in Mumbai are open for business; (c) the time period between the Issue Closing Date and the listing of the Equity Shares on the Stock Exchange, working day shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per circulars issued by SEBI.

Technical and Industry Related Terms

Term	Description
ASSOCHAM	The Associated Chambers of Commerce of India
GDP	Gross Domestic Product
GVA	Gross Value Added
IBEF	Indian Brand Equity Foundation
M&A	Mergers and Acquisitions
MT	Million Tonnes
MUDRA	Micro Units Development and Refinance Agency
PE	Private Equity

KPI TERMS

EBITDA	EBITDA = Profit before tax + depreciation & amortization expense + finance cost.
EBITDA Margin	EBITDA Margin = EBITDA/ Total income.
PAT	Profit before tax – current tax – deferred tax
PAT Margin	PAT/ Total income
Net debt	Non-current borrowing + current borrowing - Cash and cash equivalent, Bank balance, and Investment in Mutual Funds
Total Equity	Equity share capital + Other equity
ROE	Net profit after tax / Total equity
ROCE	Profit before tax and finance cost / Capital employed* *Capital employed = Total Equity +Non-current borrowing + Current Borrowing + Deferred Tax Liabilities – Intangible Assets.
EPS	EPS = Net Profit after tax, as restated, attributable to equity shareholders divided by weighted average number of equity shares outstanding during the year/ period.

Conventional and General Terms and Abbreviations

Term	Description
A/c	Account
AGM	Annual General Meeting
AIF(s)	Alternative Investment Funds
Air Act	Air (Prevention and Control of Pollution) Act, 1981
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India

Term	Description
ASBA	Applications Supported by Blocked Amount
Authorised Dealers	Authorised Dealers registered with RBI under the Foreign Exchange Management (Foreign Currency Accounts) Regulations, 2000
AY	Assessment Year
B. A.	Bachelor of Arts
B.Com	Bachelor of Commerce
Banking Regulation Act	Banking Regulation Act, 1949
Bn	Billion
Breeding Rules	Breeding of and Experiments on Animals (Control and Supervision) Rules, 1998
BSE	BSE Limited (formerly known as Bombay Stock Exchange Limited)
CAGR	Compounded Annual Growth Rate
Category I Foreign Portfolio Investor(s)	FPIs registered as Category I Foreign Portfolio Investors under the SEBI FPI Regulations.
Category II Foreign Portfolio Investor(s)	An FPI registered as a category II foreign portfolio investor under the SEBI FPI Regulations
Category III Foreign Portfolio Investor(s)	FPIs registered as category III FPIs under the SEBI FPI Regulations, which shall include all other FPIs not eligible under category I and II foreign portfolio investors, such as endowments, charitable societies, charitable trusts, foundations, corporate bodies, trusts, individuals and family offices
CBEC	Central Board of Excise and Customs
CDSL	Central Depository Services (India) Limited
Central Sales Tax Act	Central Sales Tax Act, 1956
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIN	Company Identification Number
CIT	Commissioner of Income Tax
Companies Act 2013	Companies Act, 2013, read with the rules, regulations, clarifications, and modifications thereunder
Consolidated FDI Policy	The current consolidated FDI Policy, effective from June 7, 2016, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
Copyright Act	The Copyright Act, 1957
CSR	Corporate Social Responsibility
Depositories Act	Depositories Act, 1996
Depository	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI
DP	Depository Participant
DP ID	Depository Participant's identity number
DTC	Direct Tax Code, 2013
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
Environment Protection Act	Environment Protection Act, 1986
EPF Act	Employees' Provident Funds and Miscellaneous Provisions Act, 1952
EPS	Earnings per share
ESI Act	Employees' State Insurance Act, 1948
F&NG	Father and Natural Guardian
F&O	Futures and Options
FCNR Account	Foreign Currency Non-Resident (Bank) account established in accordance with the FEMA
FDI	Foreign Direct Investment
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA 20	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
FII(s)	Foreign Institutional Investors as defined under SEBI FPI Regulations

Term	Description
Financial Year / Fiscal / Fiscal Year / FY	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
FIPB	Foreign Investment Promotion Board
FMC	Forward Market Commission
Foreign Portfolio Investor or FPIs	A foreign portfolio investor, as defined under the SEBI FPI Regulations and registered with SEBI under applicable laws in India.
FTA	The Foreign Trade (Development and Regulation) Act, 1992
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
GoI/Government	Government of India
Hazardous Wastes Rules	Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008
HUF(s)	Hindu Undivided Family(ies)
I.T. Act	Income Tax Act, 1961, as amended from time to time
ICAI	Institute of Chartered Accountants of India
ICSI	Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
Income Tax Act	Income Tax Act, 1961
Indian GAAP	Generally Accepted Accounting Principles in India
INR or Rupee or ₹ or Rs.	Indian Rupee, the official currency of the Republic of India
Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended.
IPO	Initial Public Offering
ISIN	International Securities Identification Number
ISO	International Standards Organization
KMP	Key Managerial Personnel
KW	Kilo Watt
LIBOR	London interbank offered rate
Ltd.	Limited
M. A	Master of Arts
M. Com.	Master of Commerce
M.B.A	Master of Business Administration
MAPIN	Market Participants and Investors' Integrated Database
Maternity Benefit Act	Maternity Benefit Act, 1961
MCA	The Ministry of Corporate Affairs, GoI
MCI	Ministry of Commerce and Industry, GoI
Minimum Wages Act	Minimum Wages Act, 1948
Mn	Million
MoEF	Ministry of Environment and Forests
MoF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
NA	Not Applicable
NAV	Net asset value
NIFTY	National Stock Exchange Sensitive Index
NLEM 2011	National List of Essential Medicines – 2011
No.	Number
Non-Resident	A person resident outside India, as defined under FEMA Regulations
Non-Resident Indian/ NRI	A person resident outside India, who is a citizen of India or a Person of Indian Origin as defined under FEMA Regulations, as amended
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect
NPV	Net Present Value

Term	Description
NR/ Non-resident	A person resident outside India, as defined under the FEMA and includes a Non-resident Indian
NRE Account	Non-Resident External Account established and operated in accordance with the FEMA
NRO Account	Non-Resident Ordinary Account established and operated in accordance with the FEMA
NSDL	National Securities Depository Limited
NWR	Negotiable Warehouse Receipt
OCB	Overseas Corporate Bodies
Overseas Corporate Body / OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000. OCBs are not allowed to invest in this Issue.
p.a.	per annum
P/E Ratio	Price/Earnings Ratio
PAC	Persons Acting in Concert
PAN	Permanent account number
PAT	Profit after tax
Patents Act	Patents Act, 1970
Payment of Bonus Act	Payment of Bonus Act, 1965
Payment of Gratuity Act	Payment of Gratuity Act, 1972
PCA Act	Prevention of Cruelty to Animals Act, 1960
PIL	Public Interest Litigation
PPP	Public private partnership
Pvt./(P)	Private
QFI(s)	Qualified Foreign Investor(s) as defined under the SEBI FPI Regulations
RBI	The Reserve Bank of India
RoC or Registrar of Companies	The Registrar of Companies, Mumbai, Maharashtra
ROE	Return on Equity
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time.
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI (ICDR) Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, including instructions and clarifications issued by SEBI from time to time
SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including instructions and clarifications issued by SEBI from time to time
SEBI (Venture Capital) Regulations	Securities and Exchange Board of India (Venture Capital) Regulations, 1996 as amended from time to time.
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time.
Sec.	Section
SENSEX	Bombay Stock Exchange Sensitive Index
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
SITP	Scheme for integrated textile parks
SME	Small and Medium Enterprise
SSI	Small Scale Industry
STT	Securities Transaction Tax
TPH	Tonnes per hour

Term	Description
Trademarks Act	The Trademarks Act, 1999
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
U.S. Securities Act	The United States Securities Act, 1933
US\$ or USD or US Dollar	United States Dollar, the official currency of the United States of America
USA or U.S. or US	United States of America
VCF	Venture Capital Funds
VCFs	Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be
Wages Act	Payment of Wages Act, 1936
Workmen's Compensation Act	Workmen's Compensation Act, 1923

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

In this Draft Prospectus, the terms “we”, “us”, “our”, the “Company”, “our Company”, “FFS Defence Engineering Limited”, “FFS DEFENCE” and “FFS”, unless the context otherwise indicates or implies, refers to FFS Defence Engineering Limited. All references in this Draft Prospectus to “India” are to the Republic of India. All references in this Draft Prospectus to the “U.S.”, “USA” or “United States” are to the United States of America.

Financial Data

Unless stated otherwise, the financial data in this Draft Prospectus is derived from our restated financial statements for the period ended September 30, 2024 and financial years ended March 31, 2024, 2023 and 2022, prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI (ICDR) Regulations which are included in this Draft Prospectus, and set out in ‘*Financial Statements*’ on page 130. Our Company’s financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year, so all references to a particular financial year are to the 12-month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year. There are significant differences between the Indian GAAP, the International Financial Reporting Standards (the “IFRS”) and the Generally Accepted Accounting Principles in the United States of America (the “U.S. GAAP”). Accordingly, the degree to which the financial statements included in this Draft Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices, the Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations on the financial disclosures presented in this Draft Prospectus should accordingly be limited. We have not attempted to quantify the impact of the IFRS or the U.S. GAAP on the financial data included in this Draft Prospectus, nor do we provide a reconciliation of our financial statements to those under the U.S. GAAP or the IFRS and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Certain figures contained in this Draft Prospectus, including financial information, have been subject to rounding adjustments. All decimals have been rounded off to two decimal points, except for figures in percentage. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Draft Prospectus as rounded-off to such number of decimal points as provided in such respective sources.

Currency and units of presentation

In this Draft Prospectus, unless the context otherwise requires, all references to (a) ‘Rupees’ or ‘₹’ or ‘Rs.’ or ‘INR’ are to Indian rupees, the official currency of the Republic of India; (b) ‘US Dollars’ or ‘US\$’ or ‘USD’ or ‘\$’ are to United States Dollars, the official currency of the United States of America. All references to the word ‘Lakh’ or ‘Lac’ or ‘Lacs’, means ‘One hundred thousand’ and the word ‘Million’ means ‘Ten lakhs’ and the word ‘Crore’ means ‘Ten Million’ and the word ‘Billion’ means ‘One thousand Million’. Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Conditions and Results of Operation*” and elsewhere in this Draft Prospectus, unless otherwise indicated, have been calculated based on our Restated Financial Statement.

Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Draft Prospectus has been obtained or derived from internal Company reports and industry and government publications, publicly available information and sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Although, our Company believes that industry data used in this Draft Prospectus is reliable, it has not been independently verified. Further, the extent to which the industry and market data presented in this Draft Prospectus is meaningful depends on the reader’s familiarity with and understanding of, the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

FORWARD-LOOKING STATEMENTS

All statements contained in this Draft Prospectus that are not statements of historical facts constitute ‘forward-looking statements. All statements regarding our expected financial condition and results of operations, business, objectives, strategies, plans, goals, and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, our revenue and profitability, planned projects and other matters discussed in this Draft Prospectus regarding matters that are not historical facts. These forward looking statements and any other projections contained in this Draft Prospectus (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

These forward looking statements can generally be identified by words or phrases such as “will”, “aim”, “will likely result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

- general economic and business conditions in the markets in which we operate and in the local, regional, and national and international economies;
- our ability to successfully implement strategy, growth and expansion plans and technological initiatives;
- our ability to respond to technological changes;
- our ability to attract and retain qualified personnel;
- the effect of wage pressures, hiring patterns and the time required to train and productively utilize new employees;
- general social and political conditions in India which have an impact on our business activities or investments;
- potential mergers, acquisitions restructurings and increased competition;
- occurrences of natural disasters or calamities affecting the areas in which we have operations;
- market fluctuations and industry dynamics beyond our control;
- changes in the competition landscape;
- our ability to finance our business growth and obtain financing on favourable terms;
- our ability to manage our growth effectively;
- our ability to compete effectively, particularly in new markets and businesses;
- changes in laws and regulations relating to the industry in which we operate changes in government policies and regulatory actions that apply to or affect our business;
- developments affecting the Indian economy; and
- Inability to meet our obligations, including repayment, financial and other covenants under our debt financing arrangements.

For a further discussion of factors that could cause our current plans and expectations and actual results to differ, please refer “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 20, 84 and 165 respectively.

Forward looking statements reflects views as of the date of this Draft Prospectus and not a guarantee of future performance. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company / our directors nor the Lead Manager, nor any of its affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the Lead Manager will ensure that investors in India are informed of material developments until such time as the listing and trading permission is granted by the Stock Exchange.

SECTION II - SUMMARY OF THE OFFER DOCUMENT

A. Summary of Business & Industry:

Summary of Business:

Our Company is engaged in the business of manufacturing of the ultra large size tubes required by the Defence and Space Industry. We are an ISO 9001:2015 certified for the quality management system with respect to manufacturing of flow form tubes, titanium structures, mechanical systems and opto-mechanical products.

We specialize in manufacturing motor tubes for rockets and related components using one of the largest flow-forming machines available. This advanced machine allows us to form tubes with impressive dimensions—up to 700 mm in diameter and 6000 mm in length, across a variety of materials, including alloy steel, aluminium, and maraging steel. Maraging steel is a special type of steel known for its exceptional strength and toughness while maintaining good ductility, making it ideal for high-performance applications like rocket motors.

In addition to making rocket motor tubes, we also have a special production line for high-performance optical components. This includes making metal mirrors, infrared (IR) lenses, and silicon carbide mirrors, which are important for aerospace and defence industries. We also produce lenses for gyro boxes, which are used in navigation systems, along with lenses coated with advanced materials like Anti-Reflective Coating (ARC) and Diamond-Like Carbon (DLC) coatings. These coatings improve the performance and durability of the lenses, making them ideal for tough environments and precise tasks. Our production line uses advanced technology to ensure the lenses meet high standards of quality and accuracy. Each product is built to meet strict performance standards, ensuring they work perfectly in demanding situations. Our optics production complements our other manufacturing capabilities, making us a trusted supplier for a wide range of advanced technology systems.

Our manufacturing plant is located at Nagpur, Maharashtra. We are committed to offering our customers highly competitive prices without compromising on quality, ensuring exceptional value for every project.

Summary of Industry:

Defence Manufacturing Industry

Source: <https://www.ibef.org/industry/defence-manufacturing>

Introduction

Source: <https://www.ibef.org/industry/defence-manufacturing>

India is one of the strongest military forces in the world and holds a place of strategic importance for the Indian government. The top three largest market segments of the Indian defence sector are military fixed wing, naval vessels and surface combatants, and missiles and missile defence systems. Military rotorcraft, submarines, artillery, tactical communications, electronic warfare, and military land vehicles are some of the other well-known segments. Some of the major defence manufacturing companies in India are Bharat Earth Movers Ltd. (BEML), Bharat Electronics Ltd. (BEL), and Hindustan Aeronautics Ltd. (HAL).

The Indian defence manufacturing industry is a significant sector of the economy. The industry is likely to accelerate with rising concerns about national security. Demand for defence equipment in India has been growing due to the ongoing territorial disputes with Pakistan and China over the ownership of the Northern State of Kashmir and the North-Eastern State of Arunachal Pradesh, respectively. Over the last five years, India has been ranked among the top importers of defence equipment to gain technological advantages over rival countries such as China and Pakistan.

To modernise its armed forces and reduce dependency on external dependence for defence procurement, several initiatives have been taken by the government to encourage 'Make in India' activities via policy support initiatives. India's defence budget of US\$ 74.7 billion ranked fourth highest globally in 2024. India has the world's fourth largest defence expenditure, as of 2022, and has set a target of US\$ 6.02 billion (Rs. 50,000 crore) worth of annual defence exports by 2028-29.

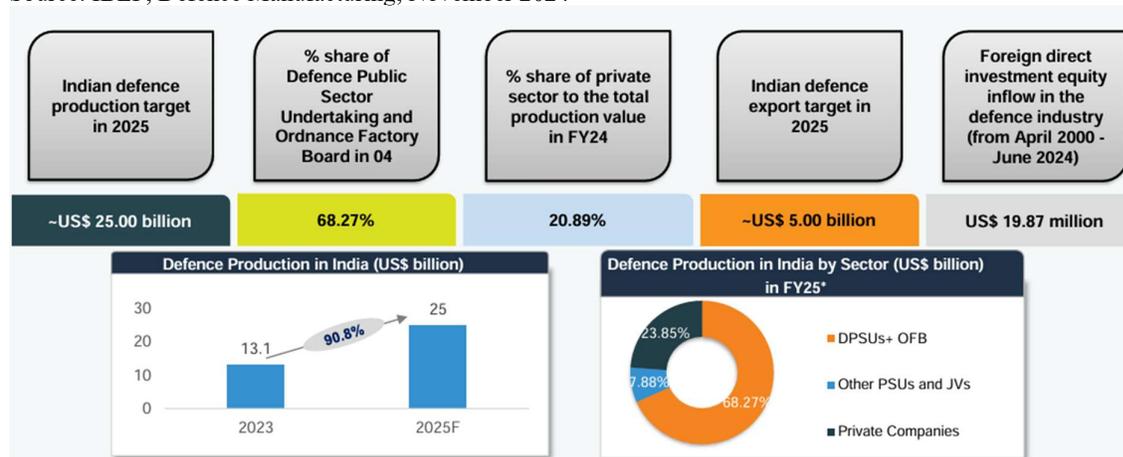
In the Interim Budget 2024-25, US\$ 2.9 billion (Rs. 23,855 crore) was allocated to DRDO, while a corpus of US\$ 12.0 billion (Rs. 1 lakh crore) was earmarked for Deep Tech, offering long-term loans to tech-savvy companies to foster innovation in defence technologies within India.

In the Regular Union Budget of FY25, Ministry of Defence (MoD) has been allocated Rs. 6,21,940.85 crore (approx. US\$ 75 Billion), the highest among the Ministries. As per the Union Budget 2022-23, 25% of the defence R&D budget has been earmarked for private industry and start-ups which will pave the way for the innovation of new defence technologies in India. Till April 2023, a total of 606 industrial licences were issued to 369 companies operating in the defence sector. Defence exports rose 240% over five years in FY23, to US\$ 1.9 billion (Rs. 15,918.16 crore). India now exports to over 85 countries due to collaborative efforts.

Defence exports stood at Rs. 21,083 crores (US\$ 2.54 billion) in 2023-24 which is 31% increase from previous year. Till October 2022, a total of 595 Industrial Licences have been issued to 366 companies operating in Defence Sector. Defence exports grew by 334% in the last five years; India now exports to over 75 countries due to collaborative efforts.

Executive Summary

Source: IBEF, Defence Manufacturing, November 2024



- The Indian Defence ecosystem is a confluence between the Government and the defence manufacturing industry.
- Ministry of Defence has set a target of achieving a turnover of US\$ 25 million in aerospace and defence manufacturing by 2025, which includes US\$ 5 billion in exports.
- The government has set a target of achieving defence manufacturing worth Rs. 1,75,000 crore (US\$ 21.14 billion), including defence exports of Rs. 35,000 crore (US\$ 4.22 billion) by 2024-25.
- The Interim Budget for 2024-25 envisaged an outlay of Rs. 6,21,540.85 crore (US\$ 74.8 billion), which is 13.04 % of the total budget and represents an enhancement of 4.72% over the Budget of 2023-24. This includes an amount of Rs. 1,41,205 crore (US\$ 17.0 billion) for Defence Pensions.
- Over the next 5-7 years, the Government of India plans to spend US\$ 130 billion for fleet modernization across all armed services.

Market Size

Source: <https://www.ibef.org/industry/defence-manufacturing>

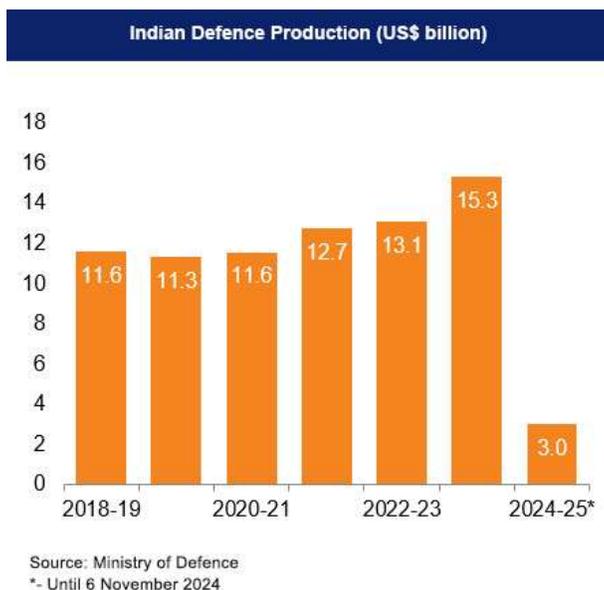
According to the Global Power Index, the Indian defence sector ranks fourth in terms of firepower with a score of 0.0979 (with 0.0 being the perfect score). The Indian government has set the defence production target at US\$ 25 billion by 2025 (including US\$ 5 billion from exports by 2025). India is one of the world’s biggest defence spenders with a total outlay of US\$ 74.8 billion (Rs. 6.21 lakh crore), accounting for 13.04% of the total budget and indicating an increase of 4.72% over the Budget of 2023-24 and 18.35% over the allocation for 2022-23.

India’s military spending of US\$ 81.4 billion ranked fourth highest in the world in 2022. This was up by 6% from 2021.

The value of defence production in the country for 2023-24 stood at Rs. 1,27,265 crore (US\$ 15.37 billion) while the defence production by PSU’s stood at Rs. 74,434 crore (US\$ 8.99 billion).

India’s defence import value stood at US\$ 463 million for FY20 and US\$ 469.5 million in FY21. India targets to export military hardware worth US\$ 5 billion (Rs. 35,000 crore) in the next five years. As of 2019, India ranked 19th in the list of top defence exporters in the world by exporting defence products to 42 countries. Defence exports stood at US\$ 2.53 billion

(Rs. 21,083 crores) in 2023-24 which is 32% increase from previous year. Defence exports rose 240% over five years in FY23 and India now exports to over 85 countries due to collaborative efforts.



B. Promoters:

Rajendra Chodankar and Faithful Vanijya Private Limited

C. Issue Size:

This is a fresh issue of Equity Shares. Public issue of 35,74,400 Equity Shares of face value of ₹10.00 each of our Company for cash at a price of ₹80 per Equity Share (including a share premium of ₹70 per Equity Share) aggregating to ₹2,859.52 lakhs by our Company.

D. Objects of the Issue:

Sr. No.	Object	Amount Proposed to be Utilised from the Issue Proceeds (₹ in lakhs)
1	Prepayment / Repayment of Loans	900.00
2	Augmenting funds for capital expenditure requirements	583.13
3	Augmenting additional working capital requirements	648.25
4	General Corporate Purposes	428.14
5	Issue Related Expenses	300.00
	Total	2,859.52

For details, please refer "Objects of the Issue" beginning on page 64 of the Draft Prospectus.

E. Pre-Issue Shareholding of Promoters, Promoter Group:

Sr. No.	Particulars	Pre-Issue	
		No. of Shares	% Holding
a)	Promoters		
	Rajendra Chodankar	15,90,000	15.90%
	Faithful Vanijya Private Limited	14,00,000	14.00%
	Sub-Total	29,90,000	29.90%
b)	Promoter Group		
	Raunaq Chodankar	10,000	0.10%

Sub-Total	10,000	0.10%
Total	30,00,000	30.00%

F. Summary of Restated Financial Information:

(₹ in Lakhs)

Particulars	30.09.24	31.03.24	31.03.23	31.03.22
Share Capital	500.00	500.00	1,975.00	1,975.00
Net Worth	2,923.70	2,876.93	1671.09	1998.66
Revenue	501.87	2,393.44	879.69	19.23
Profit After Tax	46.77	305.84	(330.81)	2.67
Basic EPS (based on equivalent weighted avg no of shares)	0.94	7.52	-16.54	0.13
Diluted EPS (based on equivalent weighted avg no of shares)	0.94	7.52	-12.25	0.10
Net asset value per share (Rs) - based on actual no. of equity shares at the end of the year	58.47	57.54	83.55	99.93
Total Borrowings	1,043.73	1,188.77	2,214.25	1,883.49

Our Annual Reports and financial statements are also available on our website at: www.ffsdefence.com.

G. Auditor qualifications which have not been given effect to in the Restated Financial Information:

There are no auditor qualifications which would require adjustments in the Restated Financial Information and for which no such effect has been given.

H. Summary of Outstanding Litigations:

For further details regarding the same, please refer to the chapter titled 'Outstanding Litigations and Material Developments' beginning on page 175 of the Draft Prospectus.

I. Risk Factors:

Please see 'Risk Factors' beginning on page 20.

J. Summary of Contingent Liabilities of our Company:

There are no contingent liabilities or commitments during the financial period/year September 30, 2024 and 2023 -24, 2022 - 23 and 2021- 22.

K. Summary of Related Party Transactions:

The related party transactions are as detailed under:

Related Parties

Name of the party	Nature of relationship
Avinash Purushottam Mool	Whole-time Director
Rajesh Dineshchandra Sanghvi	Ex Director
Kurian Jacob Varikad	Whole-time Director
Rajendra Kamalakant Chodankar	Promoter
Puneet Bapna	Chief Financial Officer
Saarthak Chaudhary	Company Secretary
Raunaq Chodankar	Relative of Promoter
Munjali Sharad Shah	Director in our Shareholder Company
RRP S4E Innovation Private Limited	Entities over which our KMPs has significant influence
Paras Defence and Space Tech Ltd	Shareholder

Particulars	For the period ended September 30, 2024	For the full year ended March 31, 2024	For the full year ended March 31, 2023	For the full year ended March 31, 2022
Salary				
Avinash Mool	2.78	-	-	-
Kurian Jacob V	2.25	-	-	-
Loans				
Rajendra Chodankar				
Opening	64.48	64.48	1,795.49	-
Loan taken	-	-	-	1,795.49
Loan repaid	-	-	1,731.01	-
Closing Balance	64.48	64.48	64.48	1,795.49
Raunaq Chodankar				
Opening	10.00	10.00	26.00	26.00
Loan taken	-	-	-	-
Loan repaid	-	-	16.00	-
Closing Balance	10.00	10.00	10.00	26.00
Munjal Sharad Shah				
Opening	10.00	-	-	-
Loan taken	-	10.00	-	-
Loan repaid	-	-	-	-
Closing Balance	10.00	10.00	-	-
RRP S4E Innovation Private Limited				
Opening	-	-	62.00	74.44
Loan taken	-	-	560.67	-
Loan repaid	-	-	622.68	12.44
Closing Balance	-	-	-	62.00
Paras Defence and Space Tech Ltd				
Purchase of Material	26.95	1,379.51	-	-
Sale of Material	185.47	223.02	22.13	-
Intercorporate Deposits				
Paras Defence and Space Tech Ltd				
Opening	100.00	1,100.00	-	-
Deposits received	-	0	1,102.40	-
Interest Payable	-	-	129.23	-
TDS on Int	-	-	12.92	-
Deposits paid	100.00	1,000.00	118.70	-
Closing Balance	0.00	100.00	1,100.00	-
Intercorporate Deposits				
RRP S4E Innovation Private Limited				
Opening	191.52	-	-	-
Deposits given	-	191.52	-	-
Deposits received	-	-	-	-
Closing Balance	191.52	191.52	-	-

Interest on Deposit (Net of TDS)	12.39	14.37	-	-
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Related Party Balances at the end of the year

Particulars	For the period ended September 30, 2024	For the full year ended March 31, 2024	For the full year ended March 31, 2023	For the full year ended March 31, 2022
Loans payable to related parties	84.48	84.48	74.48	1,883.49
Director Salary Payable	5.03	-	-	-
Inter Corporate Deposits given to Related Parties	191.52	191.52	-	-
Interest Receivable	26.75	14.37	-	-
Creditors	911.46	989.51	-	-
Debtors	-	-	22.13	-
Advances received	17.28	56.56	-	-
Advances paid	-	-	9.47	-

For further details please refer “Annexure V- Related Party Transaction” under the section titled “Financial Information” beginning on page 155 of this Draft Prospectus.

L. Financing Arrangements:

There are no financing arrangements wherein the Promoters, Promoter Group, the Directors of our Company and their relatives, have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of the Draft Prospectus.

M. Weighted Average Price of the Equity Shares acquired by the Promoter in the last one year preceding the date of this Draft Prospectus:

Other than as mentioned below, the Promoters have not acquired any Equity Shares in the last one year preceding the date of this Draft Prospectus:

Name of the Promoter	No. of Shares	Average cost of acquisition (in ₹)
Rajendra Chodankar	8,45,000	8.59
Faithful Vanijya Private Limited	7,75,000	1.01

N. Average cost of acquisition of shares for promoter:

Name of the Promoters	No. of Equity Shares held	Average cost of Acquisition (in ₹)
Rajendra Chodankar	15,90,000	9.25
Faithful Vanijya Private Limited	14,00,000	38.48

O. Pre-IPO Placement:

The Company does not intend to undertake Pre-IPO Placement in the Issue.

P. Issue of equity shares made in last one year for consideration other than cash

Other than the bonus issue of Equity Shares, our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Draft Prospectus.

Q. Split / Consolidation of Equity Shares in the last one year

There has been no split / consolidation of Equity Shares since incorporation.

R. Exemption from complying with any provisions of Securities Laws granted by SEBI

Our company has not applied or received any exemption from complying with any provisions of securities laws by SEBI.

SECTION III - RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Prospectus, including the risks and uncertainties summarised below, before making an investment in our Equity Shares. The risks described below are relevant to, the industries our Company is engaged in, our Company and our Equity Shares. To obtain a complete understanding of our Company, you should read this section in conjunction with 'Our Business' and 'Management's Discussion and Analysis of Financial Condition and Results of Operations' on page 84 and 165 respectively, of this Draft Prospectus as well as the other financial and statistical information contained in this Draft Prospectus. Prior to making an investment decision, prospective investors should carefully consider all of the information contained in 'Financial Statements' on page 130 of this Draft Prospectus. Unless stated otherwise, the financial data in this section is as per our financial statements prepared in accordance with Indian GAAP, as restated.

If any one or more of the following risks as well as other risks and uncertainties discussed in this Draft Prospectus were to occur, our business, financial condition and results of our operation could suffer material adverse effects, and could cause the trading price of our Equity Shares and the value of investment in the Equity Shares to materially decline which could result in the loss of all or part of your investment.

This Draft Prospectus also contains forward looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of many factors, including the considerations described below and elsewhere in this Draft Prospectus.

These risks are not the only ones that our Company face. Our business operations could also be affected by additional factors that are not presently known to us or that we currently consider to be immaterial to our operations. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify financial or other implication of any risks mentioned herein.

Materiality

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

- 1. Some events may not be material individually but may be material when considered collectively.*
- 2. Some events may have an impact which is qualitative though not quantitative.*
- 3. Some events may not be material at present but may have a material impact in the future.*

INTERNAL RISKS

- 1. Our business requires us to obtain and renew certain registrations, licenses and permits from government and regulatory authorities and the failure to obtain and renew them in a timely manner may adversely affect our business operations.**

Our business operations require us to obtain and renew from time to time, certain approvals, licenses, registrations and permits, some of which may expire and for which we may have to make an application for obtaining the approval or its renewal. We will be applying for certain approvals relating to our business. If we fail to maintain such registrations and licenses or comply with applicable conditions, or a regulatory authority claims we have not complied, with these conditions, our certificate of registration for carrying on a particular activity may be suspended and/or cancelled and we will not then be able to carry on such activity. This could materially and adversely affect our business, financial condition, and results of operations. We cannot assure you that we will be able to obtain approvals in respect of such applications or any application made by us in the future. For more information about the licenses required in our business and the licenses and approvals applied for, please refer "Government and Other Approvals" on page 178 of this Draft Prospectus, respectively.

Any missteps in meeting these regulations, whether due to human error, a failure in quality control, or insufficient documentation could result in severe consequences, including contract loss, reputational damage, fines, and legal battles. Additionally, regulations are continuously evolving, with governments and international bodies introducing new standards to ensure safety, security, and environmental sustainability. Navigating these changes can be resource-intensive, and any failure to adapt promptly could hinder our ability to participate in competitive bidding processes or result in legal ramifications that disrupt our operations.

2. *Our operations are significantly located in the Maharashtra and failure to expand our operations may restrict our growth and adversely affect our business.*

Currently, registered office and manufacturing plant are situated in Nagpur and we are carrying our business mainly from our Nagpur Office. Hence our major revenues are generated from operations in Maharashtra region only. In the event that demand for our services in general reduces or stops by any reason including political discord or instability or change in policies of State, then our financial condition and operating results may be materially and adversely affected. Geographical and functional expansion of our business domain requires establishment of adequate network. As we seek to diversify our regional focus we may face the risk that our competitors may be better known in other markets, enjoy better relationships with customers. Our lack of exposure in geographical boundaries outside our operating region could impact our future revenues.

3. *We are exposed to the risk of supply chain disruptions.*

The aerospace and defence industries depend on specialized raw materials, including high-grade metals such as maraging steel, titanium, and advanced alloys. These materials are often sourced from specific suppliers that face challenges like geopolitical tensions, trade restrictions, or local resource shortages. If any of our supplier's face disruptions, whether from a natural disaster, labor strikes, or supply shortages it can create a significant delay in our production schedules. For example, if there's a delay in receiving titanium or maraging steel, it could halt the production of critical rocket motor tubes. The defence and space sectors operate on tight timelines, so any disruption in material supply could lead to cost overruns, missed deadlines, or the inability to fulfill customer orders on time, resulting in potential contract penalties and damaged relationships with key customers.

4. *We are exposed to the risk of material price volatility.*

Our business relies on the procurement of expensive raw materials such as maraging steel, titanium, and specialty alloys. These materials are often subject to market price fluctuations, which can be influenced by geopolitical tensions, supply chain issues, or natural disasters. For example, if there is a sudden shortage of titanium due to a disruption in mining operations or trade embargoes, the price could increase dramatically. This price volatility can result in unanticipated cost increases for our raw materials, directly affecting the cost structure of our final products. As aerospace and defence contracts often operate under strict pricing agreements, absorbing these cost increases without passing them on to customers could significantly squeeze our margins. Additionally, any instability in the prices of key materials could create forecasting challenges, making it difficult to plan for future production costs or set competitive prices.

5. *Failure to keep abreast with technological advancements could adversely affect our business.*

As the aerospace and defence sectors continuously evolve, our manufacturing processes rely heavily on maintaining state-of-the-art machinery like flow-forming machines and CNC lathes. However, if these technologies are not continually upgraded, there is a risk of obsolescence. Advancements in automation, 3D printing, or alternative manufacturing methods could make traditional techniques less competitive, especially in terms of cost-efficiency and speed. A failure to innovate could force us to invest significantly in upgrades or cause us to lose competitive advantage to companies that adopt more modern technologies. Moreover, advancements in materials and design techniques may require new manufacturing capabilities that our existing infrastructure may not support, putting additional strain on our operations and potentially limiting our ability to meet customer demands.

6. *Any failure in our quality control process could result in the production of substandard components.*

The highly technical nature of our products, such as rocket motor tubes, optical components, and other precision systems requires strict adherence to quality control standards. Any failure in our quality control process could result in the production of substandard components, which may not meet the exacting tolerances or performance specifications required by our customers in the defence and space sectors. A defect in a critical part, like an optical lens or rocket motor tube, could lead to catastrophic failures in the systems they are part of, endangering missions or even lives. Quality control failures can lead to costly product recalls, delays in production, and customer dissatisfaction. The financial and reputational costs of such failures are significant, especially in a market where reliability and precision are paramount. Ensuring consistent and rigorous quality control measures is essential to mitigate this risk and maintain customer confidence.

7. *Manufacturing high-precision components for the defence and aerospace sectors involves complex production schedules. Any delays in the production or testing of critical components could lead to project delays.*

Manufacturing high-precision components for the defence and aerospace sectors involves complex production schedules. Any delays in the production or testing of critical components—due to machine malfunctions, material shortages, or design changes—could lead to project delays. These delays can cascade, causing a ripple effect through our entire production pipeline, leading to missed deadlines for customers. If delays happen repeatedly, it can damage our relationship with clients, leading to penalties, loss of contracts, or a reduced reputation in the industry. In some cases, clients may turn to other suppliers for future projects if delays become a recurring issue. Efficient project management, clear communication with customers, and contingency planning are necessary to minimize the impact of delays on our business.

8. *A shortage of qualified technicians and engineers can significantly impact production capacity.*

Manufacturing high-precision components, such as flow-formed rocket motor tubes and optical elements, requires skilled labor with specialized knowledge in both mechanical and optical engineering. A shortage of qualified technicians and engineers can significantly impact production capacity. Recruiting and retaining skilled employees becomes especially challenging if demand for engineers in aerospace and defence sectors outpaces supply, resulting in wage inflation or high turnover rates. The inability to staff critical positions could lead to production delays, increased errors, and compromised quality. Furthermore, training and upskilling employees require significant investment in time and resources. A labour shortage could also delay product development cycles, resulting in missed opportunities for new contracts or the failure to meet customer demands, damaging our market position.

9. *Because we operate in a highly competitive industry, our revenues, profits or market share could be harmed if we are unable to compete effectively.*

In our business, competition is a significant risk factor that we must constantly monitor. The aerospace and defence industries are highly competitive, with both large, established players and smaller, specialized firms vying for market share. Larger competitors often have more resources, which allow them to invest in cutting-edge technologies, scale their operations, and offer lower prices due to economies of scale. As a result, I face constant pressure to innovate while keeping costs competitive. If competitors develop superior manufacturing methods, such as more efficient flow-forming technologies or advanced materials, they could deliver better-performing products at lower prices, challenging our ability to secure contracts.

Additionally, new entrants to the market, with disruptive technologies or unique solutions, could undercut us by offering innovative alternatives. The barrier to entry is lower in certain segments, and as new firms emerge, we might lose out on contracts or see a reduction in pricing power. If we fail to differentiate our products in terms of quality, precision, or specialized capabilities—such as our advanced optical components and rocket motor tubes—potential clients might choose other suppliers who promise similar performance at a lower cost.

Moreover, competitors could leverage their existing relationships with key government and aerospace organizations, making it more difficult for me to break into new markets or secure large contracts. To stay competitive, we must continuously focus on improving product quality, optimizing manufacturing processes, and expanding my customer base, all while keeping up with the evolving technological landscape. Failure to adapt could result in losing market share and missing out on valuable business opportunities.

Additionally, if competitors invest heavily in research and development, they may come up with better solutions that surpass our offerings in terms of performance, cost, or speed to market. To stay competitive, our company must continuously innovate, invest in R&D, and maintain high standards of quality and customer service. Failing to do so could result in a loss of market share.

10. *The nature of our products, especially those related to defence and space applications, makes our business a potential target for cyberattacks.*

The sensitive nature of our products, especially those related to defence and space applications, makes our business a potential target for cyberattacks. Cybercriminals or state-sponsored hackers may seek to steal intellectual property (IP), sabotage production, or compromise sensitive data. A data breach could expose proprietary designs, manufacturing processes, or customer information, leading to competitive disadvantages, loss of customer trust, and potential legal consequences. Additionally, cyberattacks may cause operational disruptions by halting production, disabling critical machinery, or compromising our communications systems. Protecting our business against these threats requires constant investment in cybersecurity measures, such as firewalls, as well as training staff to recognize phishing attacks and other vulnerabilities. Failing to address cybersecurity risks adequately could lead to severe financial and reputational damage.

11. Natural disasters, such as earthquakes, floods, fires, or storms, can cause severe damage to our manufacturing facilities.

Natural disasters, such as earthquakes, floods, fires, or storms, can cause severe damage to our manufacturing facilities, disrupt operations, and pose risks to the safety of our employees. Even if our facility is insured, the time and cost associated with recovery can be substantial. If our machinery is damaged or destroyed, it could lead to delays in production or require costly repairs or replacements. Furthermore, if supply chains are affected by the disaster, critical raw materials may be delayed or unavailable, causing additional production hold-ups. Natural disasters can also disrupt transportation networks, making it difficult to ship components to customers on time. While we can prepare with contingency plans and insurance coverage, the economic and reputational impacts of natural disasters could still be far-reaching, affecting customer trust and long-term profitability.

12. Our business is inherently exposed to geopolitical risks, given that our products are intended for the defence and aerospace sectors.

Our business is inherently exposed to geopolitical risks, given that our products are intended for the defence and aerospace sectors. International tensions, trade wars, or changes in government policies could impact our ability to operate effectively. For example, sanctions against a country might prevent us from selling or acquiring components from that nation, or political instability in key markets could result in project cancellations. Additionally, export restrictions on high-tech products could limit our ability to expand into foreign markets. Shifting alliances or defence priorities might lead to sudden changes in demand, forcing us to adjust production plans on short notice. Geopolitical risks require constant monitoring and may necessitate adjusting our strategies or supply chains to ensure continuity and stability.

13. Environmental regulations and the risk of spills or accidents could affect how we operate and the types of materials we transport.

Growing environmental concerns and tightening regulations are a significant risk to our operations. Although we have not faced any environmental concern in the past. As Government and regulators introduce stricter emissions standards, we may be required to upgrade our fleet to meet these new requirements. This could involve substantial financial investment in newer, more fuel-efficient trucks or retrofitting our existing vehicles with advanced technologies to reduce emissions. Such upgrades, while necessary for compliance, come at a high cost, which can strain our financial resources and affect profitability.

The aerospace and defence industries are facing increasing pressure from governments and the public to reduce their environmental impact. As manufacturing processes in our industry can involve high energy consumption, emissions, and waste, failure to adhere to environmental regulations or invest in sustainability practices could result in fines, reputational damage, and exclusion from contracts. Governments and private customers alike are placing more emphasis on sustainability, and companies that fail to adopt eco-friendly practices may lose out on contracts or face increased scrutiny. Additionally, the cost of implementing green technologies, such as renewable energy systems or waste-reduction measures, could increase operating costs. Meeting environmental standards and certifications requires continuous investment in monitoring, compliance, and process improvement.

In addition to regulatory changes, there's the ever-present risk of environmental accidents, such as spills or leaks, which could have severe consequences. Transporting hazardous materials carries the inherent risk of accidents, and even a minor spill can lead to significant environmental damage. Beyond the immediate environmental impact, an accident can cause long-lasting damage to our reputation, as clients and the public expect us to operate safely and responsibly. Regulatory agencies may impose hefty fines for environmental violations, and we could face lawsuits or insurance claims. Additionally, we may need to invest in cleanup efforts, further escalating costs. The cumulative impact of these risks not only affects our financial standing but also challenges our ability to maintain customer trust and comply with increasingly stringent environmental laws.

14. We have referred to the data derived from internal Company reports and industry and government publications, publicly available information, and sources.

Unless stated otherwise, industry and market data used throughout this Draft Prospectus has been obtained or derived from internal Company reports and industry and government publications, publicly available information, and sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Although, our Company believes that industry data used in this Draft Prospectus is reliable, it has not been independently verified.

Further, the extent to which the industry and market data presented in this Draft Prospectus is meaningful depends on the reader's familiarity with and understanding of, the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

15. Our success depends largely upon the services of our Promoters, Managing Directors and other key managerial personnel and our ability to attract and retain them.

Our business is heavily reliant on the expertise and leadership of our Promoters, Managing Directors, and other key managerial personnel. Their experience, industry knowledge, and decision-making capabilities are critical to shaping our strategy, navigating complex challenges, and fostering relationships with clients, suppliers, and regulatory bodies. If we were to lose any of these key individuals, it could disrupt our operations significantly. These leaders provide the vision and direction for our company, and their departure, whether voluntary or involuntary, could create a leadership vacuum, leading to uncertainty in decision-making and potentially hampering our ability to execute projects effectively.

Additionally, attracting and retaining top-tier talent in our industry is a continual challenge, especially in specialized fields such as aerospace, defence, and optics manufacturing. If we fail to offer competitive compensation packages, career development opportunities, or a positive work culture, we could lose valuable employees, leading to potential skill gaps or lower productivity. The loss of key managerial personnel could also lead to a decline in customer trust, especially if those individuals were integral to managing relationships with major clients or overseeing critical contracts.

Moreover, with the specialized nature of our business, it can take considerable time and resources to train replacements or onboard new leadership, which could delay projects, affect morale, or cause disruption to business operations. The need to retain highly skilled and experienced management is not only crucial for business continuity but also for maintaining a competitive edge in an industry where innovation and precision are vital. Failing to manage this risk could affect our long-term growth, operational efficiency, and overall success in the marketplace. Therefore, ensuring we have robust succession planning, strong employee retention strategies, and leadership development programs is essential for minimizing this risk.

16. Any delays by Customer in payment may adversely impact our financial condition.

Delays in payment by our customers can have a significant impact on our financial health and cash flow. As a business that operates in the aerospace and defence sectors, we often deal with large contracts that involve the manufacturing of high-precision, custom products, such as rocket motor tubes and optical components. These contracts typically require significant upfront investment in raw materials, labor, and specialized equipment. If a customer delays payment, it disrupts our ability to cover these costs and maintain smooth production operations.

Our cash flow is crucial for paying suppliers, employees, and for maintaining the necessary inventory levels. Any delay in receiving payments from customers means we may not have enough working capital to meet these obligations on time, leading to potential supplier defaults, missed payroll, or a reduction in production capacity. Additionally, if we have to rely on external financing—such as loans or credit lines—to bridge the cash flow gap, it could result in increased interest costs and additional financial strain.

Repeated delays in customer payments could also affect our relationships with suppliers, potentially causing them to reconsider their terms or even suspend deliveries, further impacting production timelines. If customers do not adhere to agreed payment schedules, it could also harm our reputation, making it more difficult to secure future contracts with other potential clients who may view this as a sign of financial instability. In cases where customers face financial difficulties, the delays could extend even further, creating a scenario where we have to write off a portion of the debt, affecting profitability. Therefore, effectively managing accounts receivable, setting clear payment terms, and having contingency measures, such as credit insurance or securing upfront payments for large contracts, are key strategies to mitigate the impact of payment delays on our financial stability.

17. Failure to effectively manage our inventory may adversely impact our business operations.

Effective inventory management is critical to the smooth operation of our business, particularly since we deal with highly specialized raw materials and components used in the aerospace and defence sectors. If we fail to manage our inventory efficiently, it could lead to a range of operational challenges that could adversely affect our production timelines, cost structure, and customer satisfaction.

One risk is the possibility of overstocking, where we tie up too much capital in raw materials or components that aren't immediately needed. Aerospace and defence materials, such as titanium and maraging steel, are expensive, and carrying excess inventory not only increases storage costs but also exposes us to the risk of obsolescence, particularly if specifications or customer requirements change. Additionally, maintaining large quantities of inventory increases the likelihood of damage, wear, or spoilage, further reducing the value of those materials.

On the flip side, understocking presents another significant risk. If we fail to maintain an adequate inventory of critical raw materials or components, production could be delayed, leading to missed deadlines and potential penalties for late deliveries. In industries like ours, where tight timelines and precision are paramount, any delay in procuring materials or manufacturing components can cause a cascading effect on project schedules, affecting customer relationships and potentially leading to contract cancellations or financial penalties.

Ultimately, poor inventory management may also strain relationships with customers, as our inability to deliver products on time or at the expected quality could damage trust and customer loyalty. To avoid these risks, it's essential to implement effective inventory management systems, such as just-in-time (JIT) inventory or advanced tracking software, and regularly review inventory levels and material usage forecasts to ensure we have the right amount of stock without overcommitting resources.

18. Major fraud, lapses of internal control or system failures could adversely impact the company's business.

The risk of major fraud, lapses in internal controls, or system failures poses a significant threat to the integrity, financial stability, and reputation of our business. In the complex and highly regulated aerospace and defence industries, where we deal with sensitive intellectual property, large contracts, and substantial financial transactions, even a small weakness in our internal controls could have far-reaching consequences.

Fraud, whether internal or external, is a risk that can undermine our trust with clients, suppliers, and regulatory bodies. If an employee or contractor commits fraudulent activities, such as misappropriating funds, falsifying records, or manipulating contracts, it could result in financial losses, legal consequences, and a tarnished reputation. In industries like ours, where precision and accountability are crucial, even a small instance of fraud can cause stakeholders to question the reliability and transparency of our operations. This could lead to regulatory investigations, damage to customer relationships, and potential loss of contracts, especially with government agencies and large defence contractors who place a premium on trust and security.

System failures are another significant risk. Our operations rely on complex IT systems, including software for production planning, inventory management, financial tracking, and quality control. A system failure, whether due to a technical glitch, cyberattack, or inadequate data security measures, could disrupt our operations, delay production schedules, and compromise the quality of our products. A breach in system security could also result in the theft of proprietary information, such as design documents or manufacturing processes, leading to intellectual property loss or misuse by competitors. Furthermore, any extended downtime of critical systems could halt production, causing delays in delivering products to clients and damaging our reputation.

19. Our independent directors do not have prior experience serving on boards of listed companies.

Our independent directors viz. Manoj Kumar Ramrikh Pandey and Dipti Jain do not have prior experience serving on boards of listed companies. As a result, they may face challenges in adapting to the specific regulatory, financial, and governance frameworks that are inherent to public companies. Listed companies are subject to a wide range of compliance requirements, including adherence to securities laws, shareholder communications, and the disclosure of financial information in accordance with regulatory bodies such as the SEBI or relevant stock exchanges. Independent directors play a crucial role in ensuring that these standards are met, as well as in safeguarding shareholder interests, providing oversight on management decisions, and ensuring transparency.

Without prior experience in a listed company environment, our independent directors may require additional time and training to familiarize themselves with the nuances of public market governance. Their ability to effectively challenge management and make informed decisions could also be impacted by this lack of experience. Furthermore, the independent directors may not be as well-versed in dealing with issues of a listed Companies.

This could potentially result in slower decision-making, less proactive risk management, and difficulties in navigating situations that typically arise in publicly listed entities, such as regulatory scrutiny or shareholder activism. Additionally, the absence of direct experience may limit the depth of their network and understanding of best practices in public company

governance, potentially affecting the company's reputation with investors, analysts, and other stakeholders. Therefore, while the independent directors bring valuable expertise in other areas, their lack of experience with listed companies could pose challenges in managing the unique risks and responsibilities associated with being a publicly traded entity. As such, the company may need to invest in further director training or seek external advice to bridge this gap and mitigate potential risks.

20. Our inability to manage growth could disrupt our business and reduce our profitability.

A principal component of our strategy is to continue to grow by expanding the size and geographical scope of our businesses. This growth strategy will place significant demands on our management, financial and other resources. It will require us to continuously develop and improve our operational, financial, and internal controls. Continuous expansion increases the challenges involved in financial management, recruitment, training and retaining high quality human resources, preserving our culture, values, and entrepreneurial environment, and developing and improving our internal administrative infrastructure. Any inability on our part to manage such growth could disrupt our business prospects, impact our financial condition, and adversely affect our results of operations.

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

As part of the growth and expansion strategy, we intend to invest ₹ 693.25 lakhs in funding our working capital requirements. This investment will be made out of the Net Proceeds of the Issue. As on date, we have not made any alternate arrangements for meeting our capital requirements for the objects of the issue. We meet our capital requirements through our owned funds and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this issue or any shortfall in the issue proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details please refer to the chapter titled "Objects of the Issue" beginning on page 64 of the Draft Prospectus.

22. Purchases constitute a significant percentage of our Company's total expenses. Any increase in prices and any decrease in the supply would materially adversely affect our Company's business.

Purchase constitute a significant percentage of the total expenses of our Company. The Purchase of stock in trade accounted for 28.54%, 62.26%, 102.57% and 106.49% of total income for the period ended September 30, 2023 and Fiscals 2024, 2023 and 2022 respectively. Any increase in the price of products, which our Company is unable to pass on the impact of, would have a material adverse effect on our Company's business. Any shortage or interruption in the supply or decrease in the quality due to natural causes or other factors could result in increased costs that which we may not be able to pass on to customers, which in turn would have a material adverse effect on our Company's business.

23. Certain filings of our Company under the Companies Act have been filed post the prescribed date of filing. There may also be certain inadvertent errors in these filings.

Certain filings of our Company under the Companies Act, including, changes in our directors, annual filings such other filings have been filed post the prescribed date of filing under the Companies Act. There may also be instances where there are inadvertent errors in secretarial records and filings which have not been rectified by us. We cannot assure you that these filings and errors will not be subject to any penalties imposed by the relevant authority in this respect.

When we fail to make certain filings under the Companies Act within the prescribed deadlines, it risks non-compliance with regulatory requirements, which can lead to serious consequences. The Companies Act mandates timely filings for various corporate actions, such as changes in directors, annual financial statements, and other important filings and compliance certificates. If these filings are submitted after the prescribed dates, it can attract penalties or fines from regulatory authorities like the Ministry of Corporate Affairs (MCA) or the Registrar of Companies (RoC). In some cases, this could even lead to legal proceedings or restrictions on the company's operations, further affecting its reputation and financial standing.

24. We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.

We have entered into related party transactions with our Promoters, Promoter Group, Group Entities, and Directors. For more details on these transactions, please refer to "Related Party Transactions" on page 155.

While we believe that all of these transactions have been conducted on an arm's-length basis, we cannot guarantee that the terms we have agreed to are the most favorable, or that future transactions with related parties will be beneficial for us. There is also a possibility that related party transactions could involve conflicts of interest. Going forward, any future related party transactions will be subject to approval by our audit committee, board of directors, or shareholders, as required by the Companies Act, 2013 and SEBI (LODR) Regulations.

However, we cannot assure you that these transactions will not have a negative impact on our business, financial performance, cash flows, or overall financial condition.

25. Our Company have not yet placed orders for acquisition of machinery aggregating ₹ 583.13 lakhs forming part of Objects of the Issue. Any delay in placing the orders / or supply may result in time and cost overruns, and may affect our profitability.

Our company plans to acquire machinery at an estimated cost of ₹583.13 lakhs, which will be approximately 20.39% of the proceeds from the issue. However, we have not yet placed orders for the 100.00% of plant and machinery required. All the machineries are being imported.

We are also exposed to risks related to inflation in the price of machinery, which could increase costs. We have received quotations from vendors, and negotiations are already underway. Details of these quotations can be found in the section "Acquisition of Transport Vehicles" under "Objects of the Issue" on page 64 of the Draft Red Herring Prospectus.

Since the funds for purchasing the transport vehicles will come entirely from the IPO proceeds, any delays in accessing these funds could delay placing the orders. Additionally, when purchasing the dies, we will need to consider factors such as pricing, delivery schedules, and after-sales maintenance. There is also a risk of delays from the suppliers in delivering the machinery on time, which could further delay the project implementation.

26. Any failure to keep abreast with the latest trends in the technologies may adversely affect our cost competitiveness and ability to develop new products.

We operate in a technologically intensive environment, where we will be competing on a global scale for our services. Players of this industry are largely dependent on the technology adopted. The process and media in our industry are regularly changing and is prone to technological and process changes. Technology by its very nature is dynamic and ever-changing, and we may not be able to keep pace with the rapidly changing technological environment. Any such failure on our part could adversely affect our ability to compete efficiently, our cost-competitiveness and the quality of our service, which could consequentially adversely affect our sales and profitability.

27. We have historically derived, and may continue to derive, a significant portion of our income from our top 10 customers.

Our top 10 customers represented 100% of total income for the period ended September 30, 2024 and Fiscals 2024, 2023 and 2022 respectively, of our revenue from operation. 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. The loss of one or more of these significant or key customers or a reduction in the amount of business we obtain from them could have an adverse effect on our business, results of operations, financial condition and cash flows. We cannot assure you that we will be able to maintain historic levels of business and/or negotiate and execute long term contracts on terms that are commercially viable with our significant customers or that we will be able to significantly reduce customer concentration in the future.

28. We are dependent upon few suppliers for the material requirements of our trading business.

Our top 10 suppliers represented 100% of total income for the period ended September 30, 2024 and Fiscals 2024, 2023 and 2022 respectively. Any problems faced by our supplier resulting in delays or non-adherence to quality requirements could adversely impact our ability to meet our customer's requirements in time and our operations would be affected to the extent we are unable to line up supplies from alternate suppliers. Although, we have a strong emphasis on quality, timely

delivery and personal interaction by the senior management with the suppliers, any change in the preferences of suppliers can adversely affect the business and the profitability of our Company.

29. The business which we undertake may be delayed, modified, cancelled, or not fully paid for by our clients and therefore, could materially affect our business, results of operations and financial condition.

The business which we undertake may be cancelled or may be subject to changes in scope or schedule. We may also encounter problems executing the orders or executing them on a timely basis. Moreover, factors beyond our control or the control of our clients may postpone an order or cause its cancellation. Such factors could include delays or failures to obtain necessary permits, right-of-way, other types of difficulties or obstructions. Any delay, failure, or execution difficulty with respect to orders in our Order Book could materially affect our business, results of operations and financial condition.

30. Our results of operations are likely to vary from year to year and be unpredictable, which could cause the market price of the Equity Shares to be volatile.

Our results of operations in any given year can be influenced by a number of factors, many of which are outside of our control and may be difficult to predict, including:

- maintaining high levels of customer satisfaction;
- costs relating to our operations;
- adhering to our high quality and process execution standards;
- pricing policies introduced by our competitors;
- the timing and nature of, and expenses incurred in, our marketing efforts;
- recruiting, training, and retaining sufficient skilled technical and management personnel;
- developing and improving our internal administrative infrastructure, particularly our financial, operational, communications, and other internal systems;

Also, please refer “*Management's Discussion and Analysis of Financial Condition and Results of Operations*” on page 165 for details on the factors affecting our financial results. All of these factors, in combination or alone could negatively impact our revenues and may cause significant fluctuations in our results of operations. This variability and unpredictability could materially and adversely affect our results of operations and financial condition.

31. Any variation in the utilization of the Net Proceeds as disclosed in this Draft Prospectus shall be subject to certain compliance requirements, including prior Shareholders' approval.

In accordance with Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilization of the Net Proceeds as disclosed in this Draft Prospectus without obtaining the shareholders' approval through a special resolution. In the event of any such circumstances that requires us to undertake variation in the disclosed utilisation of the Net Proceeds, we may not be able to obtain the Shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such Shareholders' approval may adversely affect our business or operations. Further, our Promoters or controlling shareholders would be required to provide an exit opportunity to the shareholders who do not agree with our proposal to modify the objects of the Issue as prescribed in the SEBI (ICDR) Regulations. If our shareholders exercise such exit option, our business and financial condition could be adversely affected. Therefore, we may not be able to undertake variation of objects of the Issue to use any unutilized proceeds of the Issue, if any, even if such variation is in the interest of our Company, which may restrict our ability to respond to any change in our business or financial condition, and may adversely affect our business and results of operations.

32. Our funding requirements and deployment of the issue proceeds are based on management estimates and have not been independently appraised by any bank or financial institution.

Our funding requirements and the deployment of the proceeds of the Issue are based on management estimates and our current business plan. The fund requirements and intended use of proceeds have not been appraised by bank or financial institution and are based on our estimates. In view of the competitive and dynamic nature of our business, we may have to revise our expenditure and fund requirements as a result of variations including in the cost structure, changes in estimates and other external factors, which may not be within the control of our management. This may entail rescheduling, revising, or cancelling the planned expenditure and fund requirement and increasing or decreasing the expenditure for a particular purpose from its planned expenditure at the discretion of our board. In addition, schedule of implementation as described herein are based on management's current expectations and are subject to change due to various factors some of which may not be in our control.

33. Our Company's management will have flexibility in utilizing the Net Proceeds. There is no monitoring agency appointed by our Company and the deployment of funds is at the discretion of our Management and our Board of Directors, though it shall be monitored by our Audit Committee.

The deployment of the funds towards the objects of the issue is entirely at the discretion of the Board of Directors/Management and is not subject to monitoring by external independent agency. As per SEBI (ICDR) Regulations, 2018, as amended, appointment of monitoring agency is required only for Issue size above ₹ 10,000.00 lakhs. Hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to BSE and shall also simultaneously make the material deviations / adverse comments of the audit committee public. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

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

The following table sets forth our cash flow for the periods indicated:

Particulars	(₹ in lakhs)			
	September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Net cash flow from operating activities	24.53	440.56	(151.83)	(1,999.53)
Net cash flow from investing activities	3.88	13.64	(10.50)	(5.25)
Net cash flow from financing activities	(197.40)	(304.57)	183.08	1,783.05

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet its capital expenditure, pay dividends, repay loans, and make new investments without raising finance from external resources. Such negative cash flows lead to a net decrease in cash and cash equivalents. Any negative cash flow in future could adversely affect our operations and financial conditions and the trading price of our Equity Shares. For further details, please refer "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 130 and 165, respectively.

35. We have not made any dividend payments in the past and our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements, capital expenditures and restrictive covenants in our financing arrangements.

In the past, we have not made dividend payments to the shareholders of our Company. The amount of our future dividend payments, if any, will depend upon various factors including our future earnings, financial condition, cash flows and requirement to fund operations and expansion of the business. There can be no assurance that we will be able to declare dividends. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors. For further details, see "Dividend Policy" on page 129.

36. Our inability to protect or use intellectual property rights may adversely affect our business.

Intellectual property (IP) protection is crucial to maintaining our competitive advantage, particularly in the aerospace and defence sectors, where proprietary designs, technologies, and innovations play a critical role. As of the date of this Red Herring Prospectus, our Company has registered one (1) design pattern under class 42 with the Controller General of Patents, Designs, and Trademarks in India. However, we may face challenges in safeguarding our intellectual property rights, which could have a material adverse impact on our business, financial condition, and results of operations. For further details, see "Our Business" on page 84. Any adverse order by the Registrar of Trademarks may impact our ability to use the applied trademarks as mentioned above. Further, the use of our, trademarks or logos by third parties could adversely affect our reputation, which could in turn adversely affect our business and results of operations.

The unauthorized use of our trademarks, logos, or patented technologies by third parties could result in brand dilution, reputational damage, and financial losses. Infringement or misappropriation of our IP by competitors or counterfeiters may erode our market share, reduce customer confidence in our products, and force us into costly litigation or enforcement actions to defend our rights. Furthermore, enforcing IP rights in certain jurisdictions may be difficult due to variations in legal frameworks, enforcement mechanisms, and regulatory inefficiencies. Any failure to effectively

protect our intellectual property, or any legal disputes related to our IP rights, could adversely affect our business operations, financial performance, and long-term growth prospects.

The designs and technologies we develop for aerospace and defence are key to our competitive advantage. If we fail to protect our intellectual property whether through patents, trademarks, or other means, we risk losing exclusive control over our innovations. This could allow competitors to replicate our products or even infringe on our patents. Intellectual property theft could significantly diminish our market share and put us at a competitive disadvantage

37. Our insurance cover may not be adequate and hence we may not be able to protect ourselves from all losses and may in turn adversely affect our financial condition.

As a manufacturer in the defence and aerospace sectors, we deal with high-value assets, specialized equipment, and complex projects. This makes it crucial that we have insurance that sufficiently covers the potential risks associated with our operations, including property damage, liability claims, business interruptions, and product failures. If our insurance coverage falls short, we could face substantial financial loss in the event of an accident, natural disaster, or legal claim. We may not be able to protect ourselves from any damage or loss suffered by us. To the extent that we suffer loss or damage, our results of operations or cash flow may be affected. As we do not carry business interruption insurance, any disruption that affects our operations will adversely affect our business, financial condition and results of operations.

38. The requirements of being a listed company may strain our resources.

We have no experience as a listed company and have not been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public that is associated with being a listed company. As a listed company, we will incur significant legal, accounting, corporate governance, and other expenses that we did not incur as an unlisted company. We will be subject to the SEBI (LODR) Regulations, which require us to file audited / unaudited reports periodically with respect to our business and financial condition.

If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as timely as other listed companies.

As a listed company, we will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, for which significant resources and management overview will be required. As a result, management's attention may be diverted from other business concerns, which could adversely affect our business, prospects, financial condition, and results of operations. Further, we may need to hire additional legal and accounting staff with appropriate and relevant experience and technical accounting knowledge, and we cannot assure you that we will be able to do so in a timely manner or at all.

EXTERNAL RISKS

39. Any downturn in the macroeconomic environment in India could adversely affect our business, results of operations, cash flows and financial condition.

India is our key market. For Fiscal 2024, entire of our Company's revenue from operations was from India. In addition, an increase in India's trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could increase interest rates and adversely affect liquidity, which could adversely affect the Indian economy and our business, results of operations, cash flows and financial condition.

40. Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, in the jurisdictions in which we operate may adversely affect our business and results of operations.

Our business is subject to various laws and regulations, which are evolving and subject to change. For details, see "Key Industrial Regulations and Policies in India" on page 95. We are also subject to corporate, taxation and other laws in effect in India, which require continued monitoring and compliance. These laws and regulations and the way in which they are implemented and enforced may change. There can be no assurance that future legislative or regulatory changes will not have any adverse effect on our business, results of operations, cash flows and financial condition.

41. Natural disasters, fires, epidemics, pandemics, acts of war, terrorist attacks, civil unrest and other events could materially and adversely affect our business.

Natural disasters (such as typhoons, flooding and earthquakes), epidemics, pandemics such as COVID-19, acts of war, terrorist attacks and other events, many of which are beyond our control, may lead to economic instability, including in India, or globally, which may in turn materially and adversely affect our business, financial condition and results of operations. Our operations may be adversely affected by fires, natural disasters and/or severe weather, which can result in damage to our property or inventory and generally reduce our productivity and may require us to evacuate personnel and suspend operations.

42. Significant differences exist between Ind AS and Indian GAAP and other accounting principles, such as IFRS and US GAAP, which may be material to investors' assessments of our financial condition, result of operations and cash flows.

Our financial statements for Fiscals 2024, 2023 and 2022 included in this Draft Prospectus are prepared and presented in conformity with Indian GAAP and restated in accordance with the requirements the SEBI (ICDR) Regulations and the Guidance Note on "Reports in Company Prospectuses (Revised 2016)" issued by the ICAI. Ind AS differs from Indian GAAP and other accounting principles with which prospective investors may be familiar in other countries, such as IFRS and U.S. GAAP. Accordingly, the degree to which the Financial Statements included in this Draft Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Persons not familiar with Indian accounting practices should limit their reliance on the financial disclosures presented in this Draft Prospectus.

RISKS RELATING TO THE EQUITY SHARES AND THE ISSUE

43. Investors bear the risk of fluctuations in the price of Equity Shares and there can be no assurance that a liquid market for our Equity Shares will develop following the listing of our Equity Shares on the Stock Exchanges.

There has been no public market for our Equity Shares prior to the Issue. The price may not necessarily be indicative of the market price of our Equity Shares after the Issue is completed. You may not be able to re-sell your Equity Shares at or above the Issue price and may as a result lose all or part of your investment.

Our Equity Shares are expected to trade on SME Platform of BSE after the Issue, but there can be no assurance that active trading in our Equity Shares will develop after the Issue, or if such trading develops that it will continue. Investors may not be able to sell our Equity Shares at the quoted price if there is no active trading in our Equity Shares.

The price at which our Equity Shares will trade at after the Issue will be determined by the marketplace and may be influenced by many factors, including:

- Our financial condition, results of operations and cash flows;

- The history of and prospects for our business;
- An assessment of our management, our past and present operations, and the prospects for as well as timing of our future revenues and cost structures; and
- The valuation of publicly traded companies that are engaged in business activities similar to ours;
- quarterly variations in our results of operations;
- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates by research analysts and investors;
- a change in research analysts' recommendations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations, or capital commitments;
- announcements of significant claims or proceedings against us;
- new laws and government regulations that directly or indirectly affect our business;
- additions or departures of Key Management Personnel;
- changes in the interest rates;
- fluctuations in stock market prices and volume; and general economic conditions.

The Indian stock markets have, from time to time, experienced significant price and volume fluctuations that have affected market prices for the securities of Indian companies. As a result, investors in our Equity Shares may experience a decrease in the value of our Equity Shares regardless of our financial performance or prospects.

44. Any future issuance of Equity Shares by us or sales of Equity Shares by the Promoters could adversely affect the trading price of our Equity Shares and in the case of the issuance of Equity Shares by us result in the dilution of our then current shareholders.

As disclosed in "Capital Structure" on page 49, an aggregate of 20% of our fully diluted post-Issue capital held by our Promoters shall be considered as minimum Promoters' contribution and locked in for a period of three years and the balance Equity Shares held by the Promoters will be locked-in for one year from the date of Allotment. Except for the customary lock-in on our ability to issue equity or equity-linked securities discussed in "Capital Structure" on page 49, there is no restriction on our ability to issue Equity Shares. As such, there can be no assurance that our Company will not issue additional Equity Shares after the lock-in period expires or that the Promoters will not sell, pledge or encumber their Equity Shares after the lock-in periods expire. Future issuances of Equity Shares or convertible securities and the sale of the underlying Equity Shares could dilute the holdings of our Shareholders and adversely affect the trading price of our Equity Shares. Such securities may also be issued at prices below the then trading price of our Equity Shares or the Issue Price. Sales of Equity Shares by the Promoters could also adversely affect the trading price of our Equity Shares.

45. You may be subject to Indian taxes arising out of capital gains on the sale of our Equity Shares.

Previously, any gain realized on the sale of listed equity shares on or before March 31, 2018 on a stock exchange held for more than 12 months was not subject to long term capital gains tax in India if Securities Transaction Tax ("STT") was paid on the sale transaction and additionally, as stipulated by the Finance Act, 2017, STT had been paid at the time of acquisition of such equity shares on or after October 1, 2004, except in the case of such acquisitions of Equity Shares which are not subject to STT, as notified by the Central Government under notification no. 43/2017/F. No. 370142/09/2017-TPL on June 5, 2017. However, the Finance Act, 2018, now seeks to tax on such long-term capital gains exceeding ₹ 100,000 arising from sale of equity shares on or after April 1, 2018, while continuing to exempt the unrealized capital gains earned up to January 31, 2018 on such Equity Shares. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold.

Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

46. *QIBs and Non-Institutional Bidders are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid.*

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not permitted to withdraw or lower their applications (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting an application. Retail Individual Bidders can revise their applications during the Issue Period and withdraw their applications until Issue Closing Date. While we are required to complete Allotment, listing and commencement of trading pursuant to the Offer within six Working Days from the Issue Closing Date, events affecting the Bidders' decision to invest in our Equity Shares, including adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows and financial condition may arise between the date of submission of the Bid and Allotment, listing and commencement of trading. We may complete the Allotment, listing and commencement of trading of our Equity Shares even if such events occur and such events may limit the Bidders' ability to sell our Equity Shares Allotted pursuant to the Issue or may cause the trading price of our Equity Shares to decline on listing.

47. *Political, economic, or other factors that are beyond our control may have an adverse effect on our business and results of operations.*

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the U.S. and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability, including the financial crisis and fluctuations in the stock markets in China and further deterioration of credit conditions in the U.S. or European markets, could also have a negative impact on the Indian economy. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity, and the price of our Equity Shares.

Our performance, growth and market price of our Equity Shares are and will be dependent on the health of the Indian economy. There have been periods of slowdown in the economic growth of India. Demand for our services may be adversely affected by an economic downturn in domestic, regional, and global economies. India's economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports (oil and oil products), global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production. Consequently, any future slowdown in the Indian economy could harm our business, results of operations, cash flows and financial condition. Also, a change in the Government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

48. *Changing laws, rules and regulations and legal uncertainties in India, including adverse application of corporate and tax laws, may adversely affect our business and financial results.*

Our business and financial performance could be adversely affected by any change in laws or interpretations of existing laws, or the promulgation of new laws, rules and regulations applicable to us and our business including those relating to the industry in which we operate. There can be no assurance that the Government of India or state governments will not introduce new laws, regulations and policies which will require us to obtain additional approvals and licenses or impose onerous requirements on our business.

For example, the new Companies Act, 2013 contains significant changes to Indian company law, including in relation to the issue of capital by companies, disclosures in offer documents, related party transactions, corporate governance, audit matters, internal controls, shareholder class actions, restrictions on the number of layers of subsidiaries, prohibitions on loans to directors, insider trading and restrictions on directors and key management personnel from engaging in forward dealing. Moreover, effective April 1, 2014, companies exceeding certain net worth, revenue or profit thresholds are required to spend at least 2% of average net profits from the immediately preceding three financial years on corporate social responsibility projects, failing which an explanation is required to be provided in such companies' annual reports.

The Ministry of Finance has issued a notification dated March 31, 2015 notifying ICDS which creates a new framework for the computation of taxable income. Subsequently, the Ministry of Finance, through a press release dated July 6, 2016, deferred the applicability of ICDS from April 1, 2015 to April 1, 2016 and is applicable from FY 2017 onwards and will

have impact on computation of taxable income for FY 2017 onwards. ICDS deviates in several respects from concepts that are followed under general accounting standards, including Indian GAAP and Ind AS. Such specific standards for computation of income taxes in India are relatively new, and the impact of the ICDS on our results of operations and financial condition is uncertain. There can be no assurance that the adoption of ICDS will not adversely affect our business, results of operations and financial condition going forward.

The Government of India has recently approved the adoption of a comprehensive national goods and services tax (“GST”) regime that will combine taxes and levies by the Central and State Governments into a unified rate structure, with effect from July 1, 2017. Given the limited availability of information in the public domain concerning the GST, we cannot provide any assurance as to this or any other aspect of the tax regime following implementation of the GST. The implementation of this rationalized tax structure may be affected by any disagreement between certain state governments, which may create uncertainty. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. If, because of a particular tax risk materializing, the tax costs associated with certain transactions are greater than anticipated, it could affect the profitability of such transactions.

We have not determined the effect of such legislations on our business. In addition, unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

49. Investors may have difficulty enforcing foreign judgments against us or our management.

We are a limited liability company incorporated under the laws of India. All our directors and executive officers are residents of India and all our assets and such persons are located in India. As a result, it may not be possible for investors to effect service of process upon us or such persons outside of India, or to enforce judgments obtained against such parties outside of India.

Recognition and enforcement of foreign judgments is provided for under Section 13 of the Code of Civil Procedure, 1908 (“CPC”) on a statutory basis. Section 13 of the CPC provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the CPC, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record.

However, under the CPC, such presumption may be displaced by proving that the court did not have jurisdiction. India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the CPC provides that where a foreign judgment has been rendered by a superior court, within the meaning of that Section, in any country or territory outside of India which the Central Government has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the CPC is applicable only to monetary decrees not being of the same nature as amounts payable in respect of taxes, other charges of a like nature or of a fine or other penalty.

The United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in the United States on civil liability, whether or not predicated solely upon the federal securities laws of the United States, would not be enforceable in India. However, the party in whose favour such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy or Indian practice. It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. However, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI under the FEMA to execute such a judgment or to repatriate any amount recovered.

50. The Equity Shares have never been publicly traded, and, after the Issue, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the price of the Equity Shares may be volatile, and you may be unable to resell the Equity Shares at or above the Issue Price, or at all.

Prior to the Issue, there has been no public market for the Equity Shares, and an active trading market on the SME Platform of BSE may not develop or be sustained after the Issue. Our Company and the Lead Manager have appointed [●] as Designated Market Maker for the Equity Shares of our Company. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Issue Price of the Equity Shares may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in the SME Platform of BSE, securities markets in other jurisdictions, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

SECTION IV – INTRODUCTION

THE ISSUE

Following table summarises the present Issue in terms of this Draft Prospectus:

Particulars	Details of Equity Shares
Issue of Equity Shares by our Company[#]	Issue of 35,74,400 Equity Shares having face value of ₹10.00 each at a price of ₹80.00 per Equity Share (including a share premium of ₹70.00 per Equity share) aggregating ₹2,859.52 lakhs
Of which:	
Market Maker Reservation Portion	Issue of 1,79,200 Equity Shares having face value of ₹10.00 each at a price of ₹70.00 per Equity Share aggregating ₹143.36 lakhs
Net Issue to the Public*	Issue of 33,95,200 Equity Shares having face value of ₹10.00 each at a price of ₹70.00 per Equity Share aggregating ₹2,716.16 lakhs
	Of which:
	16,97,600 Equity Shares having face value of ₹10.00 each at a price of ₹80.00 per Equity Share aggregating ₹1,358.08 lakhs will be available for allocation to Retail Individual Investors
	16,97,600 Equity Shares having face value of ₹10.00 each at a price of ₹80.00 per Equity Share aggregating ₹1,358.08 lakhs, will be available for allocation to other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for.
Pre and Post Issue Share Capital of our Company	
Equity Shares outstanding prior to the Issue	1,00,00,000 Equity Shares
Equity Shares outstanding after the Issue	1,35,74,400 Equity Shares
Objects of the Issue	Please refer “ <i>Objects of the Issue</i> ” on page 64.

[#] Public issue of 35,74,400 Equity Shares having face value of ₹10.00 each at a price of ₹80.00 per Equity Share (including a share premium of ₹70.00 per Equity share) aggregating ₹2,859.52 lakhs is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. For further details see ‘Terms of the Issue’ on page 193.

The Issue has been authorised by our Board pursuant to a resolution dated December 25, 2024, and by our Equity Shareholders pursuant to a resolution passed at the extraordinary general meeting held on January 20, 2025.

*As per Regulation 253(2) of the SEBI (ICDR) Regulations, as amended, as present issue is a fixed price offer the allocation in the net offer to the public category shall be made as follows:

- a) Minimum fifty percent to retail individual investors; and
- b) Remaining to:
 - i. Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
- c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

If the retail individual investor category is entitled to more than fifty per cent on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.

SUMMARY FINANCIAL INFORMATION

The following table set forth summary financial information derived from the Restated Financial Statements for period ended September 30, 2024, and Fiscals 2024, 2023 and 2022. The summary financial information presented below should be read in conjunction with “Restated Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 130 and 165, respectively.

In accordance with the SEBI ICDR Regulations, the audited standalone financial statements of our Company for period ended September 30, 2024, and Fiscals 2024, 2023 and 2022 (collectively, the “**Audited Financial Statements**”) are available on our website at www.ffddefence.com.

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STATEMENT OF ASSETS AND LIABILITIES AS RESTATED

(₹ in Lakhs)

Particulars	Note No	For the period ended September 30, 2024	For the full year ended March 31, 2024	For the full year ended March 31, 2023	For the full year ended March 31, 2022
(I) EQUITY AND LIABILITIES					
1 Shareholder's Fund					
a) Equity share capital	3	500.00	500.00	1,975.00	1,975.00
b) Reserves and Surplus	4	2,423.70	2,376.93	(303.91)	23.66
Total Equity		2,923.70	2,876.93	1,671.09	1,998.66
2 Non-Current Liabilities					
a) Long term Borrowings	5	389.60	588.01	1,674.01	1,883.49
b) Deffered Tax Liability	6	178.83	139.04	114.29	-
c) Long term Provision	7	2.06	1.58	-	-
Total Non-Current Liabilities		570.49	728.63	1,788.29	1,883.49
3 Current Liabilities					
a) Short term Borrowings	8	654.13	600.76	540.24	-
b) Trade Payables					
Dues of Micro enterprises and Small enterprises	9	184.63	184.76	-	7.57
Dues of Others		914.68	996.42	86.81	139.95
d) Other Current Liabilities	10	48.44	180.89	22.86	1.46
e) Short-term Provisions	11	0.62	0.00	-	10.69
Total Current Liabilities		1,802.51	1,962.83	649.91	159.66
Total Equity and Liabilities		5,296.69	5,568.39	4,109.29	4,041.81
(II) ASSETS					
1 Non-Current Assets					
a) Property, Plant & Equipment	12	2,911.33	3,014.77	3,219.91	-
b) Capital Work in Progress		-	-	-	3,270.99
c) Long term loans and advances	13	206.22	206.22	14.70	14.70
d) Non - Current Investment	14	18.38	10.50	10.50	-
e) Other Non Current Asset	15	-	-	-	-
Total Non-Current Assets		3,135.92	3,231.49	3,245.11	3,285.69
2 Current Assets					
a) Inventories	16	12.66	59.36	133.03	87.93
b) Trade Receivables	17	1,557.17	1,396.86	122.14	78.08
c) Cash and Cash Equivalents	18	3.58	172.57	22.94	2.18

d) Short-term Loans and Advances	19	574.86	708.11	586.07	587.93
e) Other Current Assets	20	12.50	-	-	-
Total Current Assets		2,160.77	2,336.91	864.18	756.12
Total Assets		5,296.69	5,568.39	4,109.29	4,041.81

The above statement should be read with Basis of Preparation and the Significant Accounting Policies appearing in Annexure IV, Notes to the Restated Financial Information appearing in Annexure VI.

STATEMENT OF PROFIT & LOSS AS RESTATED

(₹ in Lakhs)

Particulars		Note No	For the period ended September 30, 2024	For the full year ended March 31, 2024	For the full year ended March 31, 2023	For the full year ended March 31, 2022
I	INCOME					
	Revenue from Operations	21	486.66	2,357.88	878.20	19.07
	Other Income	22	15.21	35.56	1.49	0.16
	Total Income		501.87	2,393.44	879.69	19.23
II	EXPENSES					
	Purchases of Traded Goods	23	143.25	1,490.06	902.31	20.48
	Change in Inventories	24	46.70	73.67	(45.09)	(18.01)
	Employee Benefit Expenses	25	31.00	37.11	8.67	2.53
	Finance Costs	26	52.36	179.09	150.91	-
	Depreciation & Amortisation Expenses	12	104.08	207.46	51.08	-
	Other Expenses	27	37.92	75.44	28.33	10.63
	Total Expenses		415.32	2,062.84	1,096.21	15.62
III	Profit/(Loss) before exceptional and Exceptional items		86.55	330.60	(216.53)	3.60
	Exceptional items		-	-	-	-
IV	Profit/(Loss) Before Tax		86.55	330.60	(216.53)	3.60
	Current Tax		-	-	-	0.94
	Deferred Tax		39.78	24.76	114.29	-
	Total tax		39.78	24.76	114.29	0.94
V	Profit/(Loss) for the year		46.77	305.84	(330.81)	2.67

The above statement should be read with Basis of Preparation and the Significant Accounting Policies appearing in Annexure IV, Notes to the Restated Financial Information appearing in Annexure VI.

STATEMENT OF CASH FLOWS AS RESTATED

(₹ in Lakhs)

Particulars		For the period ended September 30, 2024	For the full year ended March 31, 2024	For the full year ended March 31, 2023	For the full year ended March 31, 2022
(I)	CASH FLOW FROM OPERATING ACTIVITIES				
	Net Profit/(Loss) before tax	86.55	330.60	(216.53)	3.60
	<u>Adjustments</u>				
	Add: Depreciation	104.08	207.46	51.08	-
	Less: Interest Income	(12.39)	(15.96)	-	-
	Add: Finance Cost	52.36	179.09	150.91	-
	Less: Proposed dividend	-	-	-	(0.08)
	Add : Provision for Gratuity	0.61	1.58	-	-
	Operating profit before working capital changes	231.22	702.78	(14.53)	3.52
	Increase/ (Decrease) in Trade payables	(81.86)	1,094.37	(60.70)	(2,285.66)
	Increase/ (Decrease) in short term provisions	0.48	-	(10.69)	2.63
	Increase/ (Decrease) in Other Current Liability	(132.45)	158.03	21.40	0.06
	(Increase)/ Decrease in Inventory	46.70	73.67	(45.09)	(18.01)
	(Increase)/ Decrease in Trade Receivables	(160.31)	(1,274.72)	(44.06)	81.99
	(Increase)/ Decrease in Short Term Loans and advances	133.24	(122.03)	1.85	216.88
	(Increase)/ Decrease in Long Term Loans and advances	-	(191.52)	-	-
	Increase/ (Decrease) in Other Current Assets	(12.50)	-	-	-
	Cash flow from operations	24.53	440.56	(151.83)	(1,998.59)
	Less: Tax paid during the year	-	-	-	0.94
	Net Cash Flow from Operating Activities	24.53	440.56	(151.83)	(1,999.53)
(II)	CASH FLOW FROM INVESTING ACTIVITIES				
	Purchase of Tangible, CWIP and Intangible Assets	(0.64)	(2.32)	(0.00)	(5.25)
	Purchase / Sale of investments	(7.88)	-	(10.50)	-
	Interest Income	12.39	15.96	-	-
	Net Cash Flow from Investing Activities	3.88	13.64	(10.50)	(5.25)
(III)	CASH FLOW FROM FINANCING ACTIVITIES				
	Increase in Share Capital	-	2,375.00	180.74	-
	Redemption of Share Capital	-	(1,475.00)	(177.50)	-
	Finance cost	(52.36)	(179.09)	(150.91)	-
	Proceeds/(Repayment) from Long-term borrowings	(198.40)	(1,086.00)	(209.48)	1,783.05
	Proceeds/(Repayment) from Short -term borrowings	53.37	60.52	540.24	-
	Net Cash Flow from Financing Activities	(197.40)	(304.57)	183.08	1,783.05
(IV)	Net change in Cash and Cash Equivalents (I+II+III)	(169.00)	149.64	20.76	(221.72)
	Reconciliation of Cash and Cash Equivalents (IV)				
	Cash and Cash Equivalents at the beginning of the year	174.28	24.64	3.88	225.61
	Cash and Cash Equivalents at the end of the year	5.28	174.28	24.64	3.88
	Components of Cash and Cash Equivalents				
	Cash In Hand *	0.11	0.27	0.39	0.77
	Balances with banks :	-	-	-	-
	- Current accounts	3.47	172.30	22.55	1.41
	Cash and Cash Equivalents at the end of the year	3.58	172.57	22.94	2.18

Notes: 1. The above Cash Flow Statement has been prepared under the Indirect Method as set out in Accounting Standard -3 (AS-3) on Cash Flow Statement issued by the Institute of Chartered Accountants of India

2. The above statement should be read with Basis of Preparation and the Significant Accounting Policies appearing in Annexure IV, Notes to the Restated Financial Information appearing in Annexure V.

GENERAL INFORMATION

Our Company was originally incorporated as ‘FFS Industries Private Limited’ a private limited company under the Companies Act, 2013 at Mumbai, Maharashtra, pursuant to a certificate of incorporation dated August 6, 2019 issued by the Registrar of Companies, Central Registration Centre. (“RoC”). Further the name of our Company was changed to “FFS Defence Engineering Private Limited” pursuant to shareholder’s resolution dated July 25, 2024 and a fresh certificate of incorporation consequent to change of name was issued on August 27, 2024 by the Registrar of Companies, Mumbai. Subsequently, the name of the Company was changed to ‘FFS Defence Engineering Limited’ upon conversion into public company, pursuant to shareholder’s resolution dated August 29, 2024. and a fresh certificate of incorporation consequent to conversion was issued on October 8, 2024, 2024 by the Registrar of Companies.

Company Identification Number	U35990MH2019PLC328941
Address of Registered office of Company	Plot No. J-17, Hingna MIDC, Hingna Road, Near IC Chawk, MIDC Nagpur, Nagpur (Urban) – 440 016, Maharashtra, India
Address of Registrar of Companies	Registrar of Companies, Maharashtra, Mumbai 100, Everest Building, Marine Drive, Mumbai - 400020 Maharashtra, India. Tel: +91 22 2281 2639, +91 22 2288 3389, +91 22 2281 3760, +91 22 2281 2645 Fax: +91 22 2281 1977 E-mail: roc.mumbai@mca.gov.in
Designated Stock Exchange	BSE Limited
Listing of Shares offered in this Issue	SME Platform of BSE
Contact Person:	Saarthak Chaudhary, Company Secretary and Compliance Officer Plot No. J-17, Hingna MIDC, Hingna Road, Near IC Chawk, MIDC Nagpur, Nagpur (Urban) – 440 016, Maharashtra, India E-mail: cs@ffsdefence.com Tel: +91 810 468 6260 Website: www.ffsdefence.com

For details of the changes in our Name, Registered Office and other details, please refer “*History and Certain Other Corporate Matters*” on page 100.

Our Board of Directors

Details regarding our Board of Directors as on the date of this Draft Prospectus are set forth in the table hereunder:

Sr. No.	Name and Designation	DIN	Address
1.	Shishir Kumar Saha Non-Executive Chairman	10643268	63A, Saurav, 8 th Main Road, Near Skadha Apartment, Srinidhi Layout, Vidyaranayapura, Bangalore North, Bangalore – 560097, Karnataka, India
2.	Kurian Jacob Varikad <i>Whole-time Director</i>	08445042	B-103, Blue Bells, Devi Dayal Road, B.P.S. Estate, Mulund West, Mumbai – 400080, Maharashtra, India
3.	Avinash Purushottam Mool <i>Whole-time Director</i>	10631986	62, Hirkrupa Sankul, Shah Lay Out, Near Water Tank, Wadi, Nagpur – 440023, Maharashtra, India
4.	Triloksingh Bahra <i>Non-Executive Director</i>	07594858	C-705, Shreeji Heights, Sector 46 A, Palm Beach Road, Nerul, Navi Mumbai, Thane-400706, Maharashtra, India

Sr. No.	Name and Designation	DIN	Address
5.	Manoj Kumar Ramrikh Pandey <i>Non-Executive and Independent Director</i>	03006819	B-804, Giriraj Horizon CHS, Sector-20, Kharghar, Raigarh – 410210, Maharashtra, India
6.	Dipti Jain <i>Non-Executive and Independent Director</i>	10685596	H No. 54, Sales tax Colony, Gumashta Nagar, Sudama Nagar, Indore - 452009, Madhya Pradesh, India

For detailed profile of our Managing Director and other Directors, please refer “*Our Management*” and “*Our Promoters and Promoter Group*” on page 104 and 120 respectively.

Company Secretary and Compliance Officer

Our Company has appointed Saarthak Chaudhary as the Company Secretary of our Company, as the Compliance Officer, whose contact details are set forth hereunder.

Saarthak Chaudhary,
Company Secretary and Compliance Officer
 Plot No. J-17, Hingna MIDC, Hingna Road,
 Near IC Chawk, MIDC Nagpur,
 Nagpur (Urban) – 440 016, Maharashtra, India
 E-mail: cs@ffsdefence.com
 Tel: +91 810 468 6260
 Website: www.ffsdefence.com

Chief Financial Officer

Our Company has appointed Puneet Bapna, as the Chief Financial Officer. His contact details are set forth hereunder.

Puneet Bapna,
Chief Financial Officer
 Plot No. J-17, Hingna MIDC, Hingna Road,
 Near IC Chawk, MIDC Nagpur,
 Nagpur (Urban) – 440 016, Maharashtra, India
 E-mail: info@ffsdefence.com
 Tel: +91 810 468 6260
 Website: www.ffsdefence.com

Applicants can contact the Compliance Officer or the Lead Manager or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems, such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary account and refund orders, etc. All complaints, queries or comments received by Stock Exchange / SEBI shall be forwarded to the Lead Manager, who shall respond to the same.

Applicants may contact the Lead Manager for complaints, information or clarifications pertaining to the Issue.

All grievances may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The Applicant should give full details such as name of the sole or first Applicant, ASBA Form number, Applicant DP ID, Client ID, PAN, date of the ASBA Form, address of the Applicant, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the Applicant. Further, the investor shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

Details of Key Intermediaries pertaining to this Issue of our Company:

Lead Manager of the Issue	Registrar to the Issue
Inventure Merchant Banker Services Private Limited 2 nd Floor, Viraj Tower, Nr. Andheri Flyover (North End), Western Express Highway, Andheri (East),	Link Intime India Private Limited C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083, Maharashtra, India.

Mumbai – 400 069, Maharashtra Tel No: +91 22 4075 1500; Fax No: +91 22 4075 1511 Email: compliance@inventurmerchantbanker.com Investor Grievance Email: compliance@inventurmerchantbanker.com Website: www.inventurmerchantbanker.com SEBI Registration No: INM000012003 Contact Person: Arvind Gala	Tel No: + 91 810 811 4949 Email: ffsdefence.ipo@linkintime.co.in Investor Grievance Email: ffsdefence.ipo@linkintime.co.in Website: www.linkintime.co.in SEBI Registration Number: INR000004058 Contact Person: Shanti Gopalkrishnan
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*We confirm that that there are no findings/observations of any of the inspections by SEBI or any other regulator which are material and which needs to be disclosed or non disclosure of which may have bearing on the investment decision, other than the ones which have already disclosed in the offer document.

Banker to the Company	Legal Advisor to the Issue
Jalgaon Peoples Co-Op Bank Limited C-64, APMC Market, Sector-19, Vashi, Navi Mumbai, Thane, Maharashtra, India Tel: +91 22 2788 2791 Email Id: jaljpcb@jpcb.com Website: www.jpcb.com Contact Person: Pankaj Vasant Mahajan	DRC Legal & Associates Francis Chawl, Opp Jayshree Hotel, Dayal Das Road, Vile Parle (East), Mumbai – 400 057 Maharashtra, India Tel: +91 22 2610 4513 Email: drcllegal.associates@gmail.com Contact Person: D. R. Chaudhary

Statutory Auditor of the Company and Peer Review Auditor	Escrow and sponsor Banker to the Issue
M/s. V S Bapna & Associates, Chartered Accountants D-602, Kailas Complex, LBS Marg, Bhandup West, Mumbai – 400078 Maharashtra, India Tel No.: +91 98336 05788 Email: virenabapna@gmail.com Contact Person: CA Virendra Bapna Membership No: 405027 Firm Registration No: 131079W Peer Review No.: 015260	[●]

Changes in Auditors for last three years

M/s. V S Bapna & Associates, Chartered Accountants were appointed as Statutory Auditors of our Company for the period of 5 years upto FY 2024 on September 30, 2019. They were reappointed for a period of 5 years ending March 31, 2023 vide AGM dated September 30, 2024.

DESIGNATED INTERMEDIARIES

Self-Certified Syndicate Banks (SCSB's)

The list of SCSBs is available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries> on the SEBI website, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated Branches of the SCSBs with which an Applicant, not applying through Syndicate/ Sub Syndicate or through a Registered Broker, CRTA or CDP may submit the Application Forms available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries> on the SEBI website, or at such other website as may be prescribed by SEBI from time to time.

Registered Brokers

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE Limited i.e. www.bseindia.com, as updated from time to time.

RTAs

The list of the RTAs eligible to accept application forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the websites of Stock Exchange www.bseindia.com, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept application forms at the Designated CDP Locations, including details such as name and contact details, are provided on the websites of Stock Exchange www.bseindia.com as updated from time to time. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the application forms from the Designated Intermediaries will be available on the website of the SEBI www.sebi.gov.in and updated from time to time.

Credit Rating

This being an issue of Equity Shares, there is no requirement of credit rating for the Issue.

IPO Grading

Since the issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, there is no requirement of appointing an IPO Grading agency.

Statement of Responsibility of the Lead Manager/Statement of inter se allocation of responsibilities.

Since Inventure Merchant Banker Services Private Limited is the sole Lead Manager to this Issue, a statement of *inter se* allocation of responsibilities amongst Lead Managers is not required.

Expert Opinion

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent from the Statutory Auditor namely, M/s. V S Bapna & Associates, Chartered Accountants, Chartered Accountants to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Prospectus and as “expert” as defined under section 2(38) of the Companies Act, 2013 in respect of the reports of the Peer Reviewed Auditor on the Consolidated Restated Financial Statements, dated December 12, 2024 and such consent has not been withdrawn as on the date of this Draft Prospectus.

Our Company has received written consent from our Statutory Auditor namely, M/s. V S Bapna & Associates, Chartered Accountants to include its name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Prospectus and the statement of tax benefits dated February 18, 2025 included in this Draft Prospectus and such consent has not been withdrawn as on the date of this Draft Prospectus.

Debenture Trustees

This is an issue of equity shares; hence appointment of debenture trustee is not required.

Appraisal and Monitoring Agency

The objects of the Issue have not been appraised by any agency. The Objects of the Issue and means of finance, therefore, are based on internal estimates of our Company. In terms of Regulation 41 of the SEBI (ICDR) Regulations, we are not required to appoint a monitoring agency since the Issue size is not in excess of ₹10,000 lakhs.

Filing of the Offer Document

The Draft Prospectus shall not be filed with SEBI, nor shall SEBI issue any observation on the Offer Document in terms of Regulation 246(2) of SEBI (ICDR), 2018. However, pursuant to Regulation 246(5), the soft copy of Draft Prospectus has been submitted to SEBI. Pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Draft Prospectus and Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.

Further, pursuant to SEBI Circular Number CFD/DIL1/CIR/P/2019/0000000154 dated December 11, 2019, a copy of the Prospectus along with the with due diligence certificate including additional confirmations required to be filed under Section 26 of the Companies Act, 2013 will be filed with SEBI.

A copy of the Prospectus, along with the material contracts and documents referred elsewhere in the Prospectus, will be delivered to the RoC Office situated at 100, Everest Building, Marine Drive, Mumbai – 400020, Maharashtra, India.

Underwriting Agreement

This Issue is 100% Underwritten. The Underwriting agreement is dated [●], 2025. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein.

The Underwriter has indicated its intention to underwrite the following number of specified securities being offered through this Issue:

Details of the Underwriter	No. of shares underwritten*	Amount Underwritten (₹in lakhs)	% of the Total Issue Size Underwritten
[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]
Total	35,74,400	2,859.52	100.00%

In the opinion of our Board of Directors, the resources of the above-mentioned Underwriter are sufficient to enable them to discharge the underwriting obligations in full. The abovementioned Underwriter is registered with SEBI under Section 12(1) of the SEBI Act or registered as broker with the Stock Exchange.

Details of the Market Making Arrangement for this Issue

Our Company has entered into Market Making Agreement dated [●], 2025, with the Lead Manager and Market Maker, duly registered with BSE to fulfil the obligations of Market Making:

The details of Market Maker are set forth below:

Name	[●]
Office Address	[●]
Tel no.	[●]
Email	[●]
Website	[●]
Contact Person	[●]
SEBI Registration No.	[●]

The Market Maker shall fulfil the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, and its amendments from time to time and the circulars issued by BSE and SEBI regarding this matter from time to time.

Following is a summary of the key details pertaining to the Market Making arrangement:

- 1) The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker shall inform the Stock Exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.
- 2) The minimum depth of the quote shall be ₹1,00,000. However, the investors with holdings of value less than ₹1,00,000 shall be allowed to offer their holding to the Market Maker in that scrip provided that they sell their entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
- 3) After a period of three (3) months from the market making period, the market maker would be exempted to provide quote if the Equity Shares of market maker in our Company reaches to 25%. (Including the 5% of Equity Shares of the Issue.) Any Equity Shares allotted to Market Maker under this Issue over and above 5% of Issue Size would not be taken in to consideration of computing the threshold of 25%. As soon as the Shares of market maker in our Company reduce to 24%, the market maker will resume providing 2-way quotes.

- 4) There shall be no exemption/threshold on downside. However, in the event the market maker exhausts his inventory through market making process, the concerned stock exchange may intimate the same to SEBI after due verification.
- 5) Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
- 6) There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
- 7) On the day of listing, there will be pre opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of listing on the discovered price during the pre-open call auction.
- 8) There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while *force-majeure* will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
- 9) The Market Maker shall have the right to terminate said arrangement by giving a six-month notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker.

In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 261 of the SEBI (ICDR) Regulations, 2018. Further the Company and the Lead Manager reserve the right to appoint other Market Maker either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our Registered Office from 11.00 a.m. to 5.00 p.m. on working days.

- 10) **Risk containment measures and monitoring for Market Makers:** SME Platform of BSE will have all margins which are applicable on the BSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.
- 11) **Punitive Action in case of default by Market Makers:** SME Platform of BSE will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Stock Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two-way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.

- 12) **Price Band and Spreads:** SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to ₹250 crores, the applicable price bands for the first day shall be:

(a) In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.

(b) In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.

Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The following spread will be applicable on the SME Platform of BSE.

Sr. No.	Market Price Slab (in ₹)	Proposed spread (in % to sale price)
1	Up to 50	9

2	50 to 75	8
3	75 to 100	6
4	Above 100	5

- 13) Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market maker(s) during market making process has been made applicable, based on the issue size, and as follows:

Issue Size	Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue Size)	Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue Size)
Up to ₹20 Crores	25%	24%
₹20 to ₹50 Crores	20%	19%
₹50 to ₹80 Crores	15%	14%
Above ₹80 Crores	12%	11%

All the above-mentioned conditions and systems regarding the Market Making Arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and Stock Exchange from time to time.

CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of this Draft Prospectus and after giving effect to the Issue is set forth below:

No.	Particulars	Amount (₹ in lakhs)	
		Aggregate nominal value	Aggregate value at Issue Price
A.	Authorised Share Capital		
	Total Authorised Capital of ₹ 23,59,46,000 divided into: ₹14,00,00,000 consisting of 1,40,00,000 Equity shares of ₹10.00 each and ₹9,59,46,000 Preference Shares consisting of 9,59,460 Preference shares of ₹100.00 each	2,075.00	-
B.	Issued, Subscribed and Paid-Up Share Capital before the Issue		
	1,00,00,000 Equity Shares of ₹10.00 each	1,000.00	-
C.	Present Issue in terms of this Draft Prospectus		
	Issue of 35,74,400 Equity Shares for cash at a price of ₹80.00 per Equity Share	357.44	2859.52
	<i>Which comprises:</i>		
	1,79,200 Equity Shares of ₹10.00 each at a price of ₹80 per Equity Share reserved as Market Maker portion	17.92	143.36
	Net Issue to the Public of 33,95,200 Equity Shares of ₹10.00 each at a price of ₹80.00 per Equity Share	339.52	2,716.16
	<i>Of which:</i>		
	16,97,600 Equity Shares of ₹10.00 each at a price of ₹80 per Equity Share will be available for allocation to Retail Individual Investors upto ₹2,00,000/-	169.76	1,358.08
	16,97,600 Equity Shares of ₹10.00 each at a price of ₹80 per Equity Share will be available for allocation to Other than Retail Individual Investors above ₹2,00,000/-	169.76	1,358.08
D.	Issued, Subscribed and Paid-up Share Capital after the Issue		
	1,35,74,400 Equity Shares of face value of ₹10 each	1,357.44	-
E.	Securities Premium Account		
	Before the Issue		2,450.00
	After the Issue		4,952.08

The Issue has been authorised by our Board pursuant to a resolution dated December 25, 2024, and by our Equity Shareholders pursuant to a resolution passed at the extraordinary general meeting held on January 20, 2025.

Class of Shares

The company has only one class of shares i.e. Equity shares of ₹ 10/- each only and all Equity Shares are ranked pari-passu in all respects.

All Equity Shares issued are fully paid-up as on date of the Draft Prospectus. Our Company has not issued any partly paid-up equity shares since its incorporation nor it does have any partly paid-up equity shares as on the date of the Draft Prospectus.

Our Company does not have any outstanding convertible instruments as on the date of the Draft Prospectus.

Notes to the Capital Structure

1. Details of changes in authorised Share Capital:

The authorised share capital of our Company has been altered in the manner set forth below:

Particulars of Change		Date of Members Meeting	AGM/EGM
From	To		
₹1,00,000 consisting of 10,000 Equity shares of ₹10.00 each.	₹1,00,000 consisting of 10,000 Equity shares of ₹10.00 each.	On incorporation	-
₹1,00,000 consisting of 10,000 Equity shares of ₹10.00 each.	Total Authorised Capital of ₹ 19,75,00,000 divided into ₹1,99,00,000 consisting of 19,90,000 Equity shares of ₹10.00 each and ₹17,75,00,000 consisting of 17,75,000 Preference shares of ₹100.00 each	November 25, 2019	EGM
Total Authorised Capital of ₹ 19,75,00,000 divided into ₹1,99,00,000 consisting of 19,90,000 Equity shares of ₹10.00 each and ₹17,75,00,000 consisting of 17,75,000 Preference shares of ₹100.00 each	Subdivision of total Authorised Capital of ₹ 19,75,00,000 divided into: Class A Equity Shares: ₹1,90,00,000 consisting of 19,00,000 Equity shares of ₹10.00 each. Class B Equity Shares: ₹10,00,000 consisting of 1,00,000 Equity shares of ₹10.00 each with differential voting rights of 1 share with 19 votes. Preference Shares: ₹17,75,00,000 consisting of 17,75,000 Preference shares of ₹100.00 each	January 13, 2020	EGM
Total Authorised Capital of ₹ 19,75,00,000 divided into: Class A Equity Shares: ₹1,90,00,000 consisting of 19,00,000 Equity shares of ₹10.00 each. Class B Equity Shares: ₹10,00,000 consisting of 1,00,000 Equity shares of ₹10.00 each with differential voting rights of 1 share with 19 votes. Preference Shares: ₹17,75,00,000 consisting of 17,75,000 Preference shares of ₹100.00 each	Total Authorised Capital of ₹ 20,75,00,000 divided into: Class A Equity Shares: ₹2,90,00,000 consisting of 29,00,000 Equity shares of ₹10.00 each. Class B Equity Shares: ₹10,00,000 consisting of 1,00,000 Equity shares of ₹10.00 each with differential voting rights of 1 share with 19 votes. Preference Shares: ₹17,75,00,000 consisting of 17,75,000 Preference shares of ₹100.00 each	April 1, 2023	EGM
Total Authorised Capital of ₹ 20,75,00,000 divided into: Class A Equity Shares: ₹2,90,00,000 consisting of 29,00,000 Equity shares of ₹10.00 each. Class B Equity Shares: ₹10,00,000 consisting of 1,00,000 Equity shares of ₹10.00 each with differential voting rights of 1 share with 19 votes. Preference Shares: ₹17,75,00,000	Total Authorised Capital of ₹ 20,75,00,000 divided into: ₹11,15,54,000 consisting of 1,11,55,400 Equity shares of ₹10.00 each. Preference Shares: ₹9,59,46,000 consisting of 9,59,460 Preference shares of ₹100.00 each	August 14, 2023	EGM

Particulars of Change		Date of Members Meeting	AGM/EGM
From	To		
consisting of 17,75,000 Preference shares of ₹100.00 each			
Total Authorised Capital of ₹ 20,75,00,000 divided into: ₹11,15,54,000 consisting of 1,11,55,400 Equity shares of ₹10.00 each. Preference Shares: ₹9,59,46,000 consisting of 9,59,460 Preference shares of ₹100.00 each	Total Authorised Capital of ₹ 23,59,46,000 divided into: ₹14,00,00,000 consisting of 1,40,00,000 Equity shares of ₹10.00 each. Preference Shares: ₹9,59,46,000 consisting of 9,59,460 Preference shares of ₹100.00 each	December 9, 2024	EGM

2. History of Issued and Paid-Up Share Capital of our Company

The history of the equity share capital of our Company is set forth below:

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature / Reason of Allotment	Nature of Consideration	Cumulative No. of Equity Shares	Cumulative Paid Up Share Capital (₹)	Cumulative Share Premium (₹)
Upon Incorporation	10,000	10	10	Subscription to MoA ⁽¹⁾	Cash	10,000	1,00,000	Nil
10-Jan-20	18,90,000	10	10	Rights Issue ⁽²⁾	Nil	19,00,000	1,90,00,000	Nil
17-May-23	1,87,500	10	85	Rights Issue ⁽³⁾	Cash	20,87,500	2,08,75,000	1,40,62,500
22-May-23	6,25,000	10	85	Rights Issue ⁽⁴⁾	Cash	27,12,500	2,71,25,000	6,09,37,500
06-Jun-23	1,87,500	10	85	Rights Issue ⁽⁵⁾	Cash	29,00,000	2,90,00,000	7,50,00,000
09-Jun-23	1,00,000	10	10	Reclassification of Class B Equity Shares into Class A Equity Shares ⁽⁶⁾	Cash	30,00,000	3,00,00,000	7,50,00,000
30-Jun-23	3,00,000	10	100	Rights Issue ⁽⁷⁾	Cash	33,00,000	3,30,00,000	10,20,00,000
15-Jul-23	7,00,000	10	100	Conversion of Preference Shares into Equity Shares ⁽⁸⁾	Cash	40,00,000	4,00,00,000	16,50,00,000
28-Sep-23	10,00,000	10	90	Rights Issue ⁽⁹⁾	Cash	50,00,000	5,00,00,000	24,50,00,000
12-Dec-24	50,00,000	10	Nil	Bonus Issue in the ratio of 1:1 ⁽¹⁰⁾	N.A.	1,00,00,000	10,00,00,000	24,50,00,000

- Initial allotment to Rajendra Chodankar and Raunaq Chodankar: 5,000 Equity Shares each, being the subscribers to the MoA of our Company.
- Allotment to Rajendra Chodankar.
- Allotment to Ankur Construction Private Limited.
- Allotment to Faithful Vanijya Private Limited.
- Allotment to Goldline Writing Instrument Limited.
- Allotment to the following:

Name of Allottee	No. of Shares
Chital Kartik Gala	50000

<i>Girish Shamji Gala</i>	<i>25000</i>
<i>Vishal Sejpal</i>	<i>50000</i>
<i>Narandas Sejpal</i>	<i>50000</i>
<i>Seema Sejpal</i>	<i>25000</i>
<i>Versha Sejpal</i>	<i>50000</i>
<i>Amish Chheda</i>	<i>25000</i>
<i>Kaviraj Securities</i>	<i>25000</i>

7. Allotment to J K Solutions Private Limited.
8. Issue to Maharashtra Defence and Aerospace Venture Fund through its investment manager, IDBI Capital Markets & Securities Limited, on Reclassification of Class B Equity Shares into Class A Equity Shares, after this classification only 1 class of Equity Shares remain.
9. Allotment to Paras Defence and Space Technologies Limited 9,90,000 Equity Shares and Manjul Shah, 10,000 Equity Shares.
10. Allotment of Bonus Shares to the following:

Sr. No.	Name of Allottee	Bonus Shares Allotted
1	Aakash Jain	34,000
2	Amish Chheda	25,000
3	Arun Kumar	1,05,000
4	Ashwin Kumar	1,05,000
5	Chital Kartik Gala, Kartik Girish Gala	50,000
6	Damayanthi	45,000
7	Faithful Vanijya Private Limited	7,00,000
8	Girish Shamji Gala, Kalpana Girish Gala	25,000
9	J K Solutions Private Limited	3,50,000
10	Jayant Jain	34,000
11	Kaviraj Securities Private Limited	25,000
12	Kavita Vasant Belorkar	3,00,000
13	Komal Sujal Shah	1,02,500
14	Loka Properties Pvt Limited	1,25,000
15	Minal Amol Kale	3,50,000
16	Munjil Sharad Shah	10,000
17	Narandas Sejpal, Varsha Sejpal	50,000
18	Nidhi Gaurav Singhvi	18,000
19	Paras Defence And Space Technologies Limited	4,90,000
20	Perna Anup Belorkar	3,25,000
21	Priti Heman Shah	1,02,500
22	Rajendra Kamalakant Chodankar	7,95,000
23	Raunaq Rajendra Chodankar	5,000
24	Sahil Jain	15,000
25	Seema Vishal Sejpal, Vishal Sejpal	25,000
26	Singhvi Heritage LLP	72,000
27	SKD Advisors Private Limited	18,000
28	Somani Estates Private Limited	1,25,000
29	Stheertha Ventures LLP	25,000
30	VM Spice Company Private Limited	34,000
31	Varsha Sejpal, Narandas Sejpal	50,000

32	Vasant Balirampant Belorkar	2,25,000
33	Vasant Balirampant Belorkar, Kavita Vasant Belorkar	75,000
34	Vishal Narandas Sejpal, Seema Vishal Sejpal	50,000
35	Y M S Finance Private Limited	40,000
36	Sapan Anil Shah (HUF)	75,000
	Total	50,00,000

Class B – Equity Shares

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature / Reason of Allotment	Nature of Consideration
21-Jan-20	1,00,000	10	10	Rights Issue ⁽¹⁾	Cash
09-Jun-23	-1,00,000	10	10	Rights Issue	Reclassification

Issue to Maharashtra Defence and Aerospace Venture Fund through its investment manager, IDBI Capital Markets & Securities Limited

0.01% Optionally Convertible Preference Shares

Date of Allotment	No. of Shares	Face Value (₹)	Issue Price (₹)	Nature / Reason of Allotment	Nature of Consideration	Cumulative No. of Equity Shares	Cumulative Paid Up Share Capital (₹)	Cumulative Share Premium (₹)
21-Jan-20	17,75,000	100	100	Allotment ⁽¹⁾	Cash	17,75,000	17,75,00,000	Nil
21-Jan-23	-17,75,000	100	104.23	Redemption ⁽²⁾	Cash	0	0	-75,00,000
21-Jan-23	17,75,000	100	104.05	Allotment ⁽³⁾	Cash	17,75,000	17,75,00,000	-3,07,700
07-Jun-23	-8,15,540	100	104.23	Redemption ⁽⁴⁾	Cash	9,59,460	9,59,46,000	-37,57,434
15-Jul-23	-2,87,838	100	100	Conversion into Equity Shares ⁽⁵⁾	Cash	6,71,622	6,71,62,200	-37,57,434
30-06-23	-6,71,622	100	104.23	Conversion into Equity Shares ⁽⁶⁾	Cash	0	0	0

- Allotment to Maharashtra Defence and Aerospace Venture Fund through its investment manager, IDBI Capital Markets & Securities Limited.
- Redemption of 0.01% Optionally Convertible Preference Shares.
- Allotment of 2,87,838 0.01% Optionally Convertible Preference Shares to Paras Space and Defence Technology Limited; 8,15,540 0.01% Optionally Convertible Preference Shares to GS Tradefin Private Limited and 6,71,622 0.01% Optionally Convertible Preference Shares to GSR J K Solutions Private Limited.
- Redemption of 0.01% Optionally Convertible Preference Shares held by GSR Tradefin Private Limited.
- Conversion into Equity Shares of 0.01% Optionally Convertible Preference Shares held by Paras Space and Defence Technology Limited.
- Conversion into Conversion into Equity Shares of 0.01% Optionally Convertible Preference Shares held by J K Solutions Private Limited.

- Our company is in compliance with the Companies Act, 2013 with respect to issuance of securities as mentioned in point number 2 above since inception till the date of filing of Draft Prospectus.
- Issue of Equity Shares for Consideration other than Cash.**
 - Other than the Bonus issue of Equity Shares as mentioned in point no. 2 above, our Company has not allotted any Equity Shares for consideration other than cash, since its incorporation.
- No Equity Shares have been allotted pursuant to any scheme approved under Sections 391-394 of the Companies Act, 1956 or Section 230-233 of the Companies Act, 2013.
- We have not issued any equity share (including bonus shares) by capitalizing any revaluation reserves.
- Issue of Shares in the preceding two years**

Following Equity Shares were issued by our Company in the preceding two years:

The history of the equity share capital of our Company is set forth below:

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature / Reason of Allotment	Nature of Consideration
17-May-23	1,87,500	10	85	Rights Issue	Cash
22-May-23	6,25,000	10	85	Rights Issue	Cash
06-Jun-23	1,87,500	10	85	Rights Issue	Cash
09-Jun-23	1,00,000	10	10	Reclassification of Class B Equity Shares into Class A Equity Shares	Cash
30-Jun-23	3,00,000	10	90	Rights Issue	Cash
15-Jul-23	7,00,000	10	90	Conversion of Preference Shares into Equity Shares	Cash
28-Sep-23	10,00,000	10	90	Rights Issue	Cash
12-Dec-24	50,00,000	10	Nil	Bonus Issue in the ratio of 1:1	N.A.

Class B – Equity Shares

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature / Reason of Allotment	Nature of Consideration
09-Jun-23	-1,00,000	10	10	Rights Issue	Reclassification

8. Issue of Equity Shares in the last one year at a Price lower than the Issue Price:

No, Equity Shares were issued in last one year immediately preceding the date of the Draft Prospectus at a price which is lower than the Issue Price.

9. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Scheme for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Scheme from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits) Regulations, 2014.

10. As on the date of the Draft Prospectus, our Company does not have any paid up any preference share capital.

11. Build Up of our Promoter Shareholding, Promoter Contribution and Lock-In

As on the date of this Draft Prospectus, our Promoter hold 29,90,000 Equity Shares, constituting 29.90% of the pre-issued, subscribed, and paid-up Equity Share capital of our Company.

a) Build-up of our Promoters' shareholding in our Company

Date of Allotment / Transfer	Nature of acquisition (Allotment/ Acquired/ transfer)	Number of Equity Shares	Face Value per Equity Share (in `)	Issue Price /Acquisition Price / Transfer price per Equity Share (in `)	Nature of Consideration	Percentage of Pre-Issue Equity Share Capital (%)	Percentage of Post-Issue Equity Share Capital (%)
Rajendra Chodankar							
01-01-2022	Subscription of MOA	5,000	10	10	Cash	0.05%	0.04%
10-01-2020	Rights Issue	18,90,000	10	10	Cash	18.90%	13.92%
21-01-2023	Purchased from Maharashtra Defence and Aerospace Venture Fund, through IDBI Capital	1,00,000	10	10	Cash	1.00%	0.74%

	Markets and Securities Limited						
21-04-2023	Transfer to YMS Finance Private Limited	-125000	10	10	Cash	-1.25%	-0.92%
21-04-2023	Transfer to Vasant B. Belorkar	-1000000	10	10	Cash	-10.00%	-7.37%
21-04-2023	Transfer to Loka Properties Private Limited	-125000	10	10	Cash	-1.25%	-0.92%
03-12-2024	Purchased from Paras Defence and Space Technologies Limited	50,000	10	145	Cash	0.50%	0.37%
12-12-2024	Bonus Issue in the ratio of 1:1	7,95,000	10	Nil	Nil	7.95%	5.86%
	Sub-total	15,90,000				15.90%	11.71%
Faithful Vanijya Private Limited							
22-05-2023	Rights Issue	6,25,000	10	85	Cash	6.25%	4.60%
16-08-2024	Purchased from Vasant B. Belorkar	75,000	10	10	Cash	0.75%	0.55%
12-12-2024	Bonus Issue in the ratio of 1:1	7,00,000	10	Nil	Nil	7.00%	5.16%
	Sub-total	14,00,000				14.00%	10.31%
	Grand Total	29,90,000				29.90%	22.03%

Our Promoters have confirmed to the Company and the Lead Manager that the acquisition of the Equity Shares forming part of the Promoters' Contribution has been financed from personal funds/internal accruals and no financial assistance from any banks or financial institution has been availed by our Promoters for this purpose. All the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares. As on the date of this Draft Prospectus, none of the Equity Shares held by our Promoters are pledged.

b) *Details of Promoter's Contribution Locked-in for Three Years*

Pursuant to Regulations 236 and 238 of the SEBI (ICDR) Regulations, an aggregate of 20% of the fully diluted post-Issue Equity Share capital of our Company held by our Promoters shall be provided towards minimum promoters' contribution and locked-in for a period of three years from the date of Allotment ("**Minimum Promoters' Contribution**"). Details of the Equity Shares (eligible for inclusion in the Minimum Promoters' Contribution, in terms of Regulation 33 of the SEBI (ICDR) Regulations) forming part of Minimum Promoters' Contribution and proposed to be locked-in for a period of three years are as follows:

Date of Allotment / Transfer	Nature of acquisition (Allotment/ Acquired/ transfer)	Number of Equity Shares	Face Value per Equity Share (in `)	Issue Price /Acquisition Price / Transfer price per Equity Share (in `)	Nature of Consideration	Percentage of Pre-Issue Equity Share Capital (%)	Percentage of Post-Issue Equity Share Capital (%)
Rajendra Chodankar							
10-01-2020	Rights Issue	4,70,000	10	10	Cash	4.70%	3.46%
03-12-2024	Purchased from Paras Defence and Space Technologies Limited	50,000	10	145	Cash	0.50%	0.37%
12-12-2024	Bonus Issue in the ratio of 1:1	7,95,000	10	Nil	Nil	7.95%	5.86%

	Sub-total	13,15,000				13.15%	9.69%
Faithful Vanijya Private Limited							
22-05-2023	Rights Issue	6,25,000	10	85	Cash	6.25%	4.60%
16-08-2024	Purchased from Vasant B. Belorkar	75,000	10	10	Cash	0.75%	0.55%
12-12-2024	Bonus Issue in the ratio of 1:1	7,00,000	10	Nil	Nil	7.00%	5.16%
	Sub-total	14,00,000				14.00%	10.31%
	Grand Total	27,15,000				27.15%	20.00%

Our Promoters have granted written consent to include such number of Equity Shares held by him as may constitute 20% of the post issue Equity Share capital of our Company as Minimum Promoters' Contribution and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Minimum Promoters' Contribution from the date of filing of this Draft Prospectus until the commencement of the lock-in period specified above, or for such other time as required under SEBI (ICDR) Regulations, except as may be permitted, in accordance with the SEBI (ICDR) Regulations.

In terms of Regulation 237 of the SEBI (ICDR) Regulations, 2018, we confirm that the Minimum Promoters' Contribution of 20% of the Post Issue Capital of our Company as mentioned above does not consist of;

- Equity Shares acquired during the preceding three years for;
 - consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transaction;
 - resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the company or from bonus issue against equity shares which are ineligible for minimum Promoters' contribution;
- The Equity Shares held by the Promoters and offered for Minimum Promoters' contribution which are subject to any pledge with any creditor;
- Equity Shares acquired by Promoters during the preceding one year at a price lower than the price at which equity shares are being offered to public in the Initial Public offer;
- No Equity shares have been issued to our promoters upon conversion of a partnership firm during the preceding one year at a price less than the issue price, against funds brought in by them during that period, in case of an issuer formed by conversion of one or more partnership firms or limited liability partnerships, where the partners of the erstwhile partnership firms or limited liability partnerships are the promoters of the issuer and there is no change in the management are ineligible for Minimum Promoters' Contribution.

c) *Equity Shares locked-in for one year*

In addition to Minimum Promoters' Contribution which shall be locked-in for three years, the balance Equity Shares held by Promoters shall be locked in for a period of one year from the date of allotment in the Initial Public Offer as provided in clause (b) of Regulation 238 of the SEBI (ICDR) Regulations, 2018.

d) *Other requirements in respect of 'lock-in'*

In terms of Regulation 239 of the SEBI (ICDR) Regulations, 2018, the entire pre-issue capital held by the Persons other than the Promoters shall be locked in for a period of one year from the date of allotment in the Initial Public Issue.

In terms of Regulation 241 of the SEBI (ICDR) Regulations, 2018, our Company confirms that certificates of Equity Shares which are subject to lock in shall contain the inscription "Non-Transferable" and specify the lock-in period and in case such equity shares are dematerialized, the Company shall ensure that the lock-in is recorded by the Depository.

In terms of Regulation 242 of the SEBI (ICDR) Regulations, 2018, the Equity Shares held by our Promoters and locked in may be pledged as a collateral security for a loan granted by a scheduled commercial bank or public financial institution or a systemically important non-banking finance company or housing finance company, subject to following;

- In case of Minimum Promoters' Contribution, the loan has been granted to the issuer company or its subsidiary (ies) for the purpose of financing one or more of the Objects of the Issue and pledge of equity shares is one of the terms of sanction of the loan.
- In case of Equity Shares held by Promoters in excess of Minimum Promoters' contribution, the pledge of equity shares is one of the terms of sanction of the loan.

However, lock in shall continue pursuant to the invocation of the pledge and such transferee shall not be eligible to transfer the equity shares till the lock in period stipulated has expired.

Transferability of Locked in Equity Shares:

In terms of Regulation 243 of the SEBI (ICDR) Regulations, 2018 and subject to provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as applicable;

- The Equity Shares held by our Promoters and locked in as per Regulation 238 of the SEBI (ICDR) Regulations, 2018 may be transferred to another Promoters or any person of the Promoters' Group or to a new promoter(s) or persons in control of our Company, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.

The equity shares held by persons other than promoters and locked in as per Regulation 239 of the SEBI (ICDR) Regulations, 2018 may be transferred to any other person (including Promoter and Promoters' Group) holding the equity shares which are locked-in along with the equity shares proposed to be transferred, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.

12. *Our shareholding pattern*

Pursuant to Regulation 31 of the SEBI (LODR) Regulations, the holding of specified securities is divided into the following three categories: (a) Promoter and Promoter Group; (b) Public; and (c) Non-Promoter - Non-Public.

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV) + (V) + (VI)	Shareholding as a % of total no. of shares (calculate as per SCRR, 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (XI)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a % of diluted share capital) As a % of (A+B+C2) (XI) = (VII) + (X)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								Class: Equity	Classes: preference	Total			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
(A)	Promoter & Promoter Group	3	30,00,000	-	-	30,00,000	30.00%	30,00,000	-	30,00,000	30.00%	-	-	-	-	-	30,00,000
(B)	Public	51	70,00,000	-	-	70,00,000	70.00%	70,00,000	-	70,00,000	70.00%	-	-	-	-	-	70,00,000
(C)	Non-Promoter-Non-Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Trusts															
Total	54	1,00,00,000	-	-	1,00,00,000	100.00%	1,00,00,000	-	1,00,00,000	100.00%	-	-	-	-	1,00,00,000

Note: The term "Encumbrance" has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

- (a) Our Company will file the shareholding pattern of our Company in the form prescribed under Regulation 31 of SEBI (LODR) Regulations, one day prior to the listing of the Equity Shares. The shareholding pattern will be uploaded on the website of BSE before commencement of trading of our Equity Shares.
- (b) There are no Equity Shares against which depository receipts have been issued.
- (c) Other than the Equity Shares, there is no other class of securities issued by our Company.

13. The shareholding pattern of our Promoters and Promoter Group before and after the Issue is set forth below:

Sr.	Particulars	Pre-Issue		Post-Issue	
		No. of Shares	% Holding	No. of Shares	% Holding
a)	Promoters				
	Rajendra Chodankar	15,90,000	15.90%	15,90,000	11.71%
	Faithful Vanijya Private Limited	14,00,000	14.00%	14,00,000	10.31%
	Sub-Total	29,90,000	29.90%	29,90,000	22.03%
b)	Promoter Group				
	Raunaq R. Chodankar	10,000	0.10%	10,000	0.07%
	Sub-Total	10,000	0.10%	10,000	0.07%
	Total	30,00,000	30.00%	30,00,000	22.10%

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

Name of the Promoters	No. of Equity Shares held	Average cost of Acquisition (in ₹)
Rajendra Chodankar	15,90,000	9.25
Faithful Vanijya Private Limited	14,00,000	38.48

15. None of our Directors or Key Managerial Personnel hold Equity Shares in our Company, other than as set forth below:

Name	No. of Equity Shares held	Pre-Issue percentage of Shareholding
Directors		
Nil	Nil	Nil
Key Managerial Personnel		
Nil	Nil	Nil

16. Major shareholders

The list of our major shareholders and the number of Equity Shares held by them is provided below:

a. List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date of the Draft Prospectus:

Sr. No.	Name of shareholder	No. of Equity Shares	% of Issued Capital
1.	Rajendra Kamalakant Chodankar	15,90,000	15.90%
2.	Faithful Vanijya Private Limited	14,00,000	14.00%
3.	Paras Defence And Space Technologies Limited	9,80,000	9.80%
4.	J K Solutions Private Limited	7,00,000	7.00%
5.	Minal Amol Kale	7,00,000	7.00%
6.	Purna Anup Belorkar	6,50,000	6.50%
7.	Kavita Vasant Belorkar	6,00,000	6.00%
8.	Vasant Balirampant Belorkar	4,50,000	4.50%
9.	Loka Properties Pvt Limited	2,50,000	2.50%
10.	Somani Estates Private Limited	2,50,000	2.50%
11.	Arun Kumar	2,10,000	2.10%
12.	Ashwin Kumar	2,10,000	2.10%
13.	Komal Sujal Shah	2,05,000	2.05%
14.	Priti Heman Shah	2,05,000	2.05%
15.	Vasant Balirampant Belorkar	1,50,000	1.50%
16.	Sapan Anil Shah (HUF)	1,50,000	1.50%
17.	Singhvi Heritage LLP	1,44,000	1.44%
18.	Chital Kartik Gala	1,00,000	1.00%

19. Varsha Sejpal	1,00,000	1.00%
	90,44,000	90.44%

b. List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date two years prior to the date of the Draft Prospectus:

Sr. No.	Name of shareholder	No. of Equity Shares	% of Issued Capital
1.	Rajendra Chodankar	18,95,000	99.74%
	Total	18,95,000	99.74%

c. List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date one year prior to the date of the Draft Prospectus:

Sr. No.	Name of shareholder	No. of Equity Shares	% of Issued Capital
1.	Rajendra Chodankar	7,45,000	14.90%
2.	Faithful Vanijya Private Limited	6,25,000	12.50%
3.	Vasant B. Belorkar	10,00,000	20.00%
4.	Paras Defence & Space Technologies Limited	9,90,000	19.80%
5.	JK Solutions Private Limited	7,00,000	14.00%
6.	Ankur Construction Private Limited	1,70,000	3.40%
7.	YMS Finance Private Limited	1,25,000	2.50%
8.	Loka Properties Private Limited	1,25,000	2.50%
9.	Priti Heman Shah	1,02,500	2.05%
10.	Komal Sujal Shah	1,02,500	2.05%
11.	Chital K. Gala	50,000	1.00%
12.	Vishal Sejpal	50,000	1.00%
13.	Narandas Sejpal	50,000	1.00%
14.	Varsha Sejpal	50,000	1.00%
	Total	48,85,000	97.70%

d. List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date ten days prior to the date of the Draft Prospectus:

Sr. No.	Name of shareholder	No. of Equity Shares	% of Issued Capital
1.	Rajendra Kamalakant Chodankar	15,90,000	15.90%
2.	Faithful Vanijya Private Limited	14,00,000	14.00%
3.	Paras Defence And Space Technologies Limited	9,80,000	9.80%
4.	JK Solutions Private Limited	7,00,000	7.00%
5.	Minal Amol Kale	7,00,000	7.00%
6.	Purna Anup Belorkar	6,50,000	6.50%
7.	Kavita Vasant Belorkar	6,00,000	6.00%
8.	Vasant Balirampant Belorkar	4,50,000	4.50%
9.	Loka Properties Pvt Limited	2,50,000	2.50%
10.	Somani Estates Private Limited	2,50,000	2.50%
11.	Arun Kumar	2,10,000	2.10%
12.	Ashwin Kumar	2,10,000	2.10%
13.	Komal Sujal Shah	2,05,000	2.05%
14.	Priti Heman Shah	2,05,000	2.05%
15.	Vasant Balirampant Belorkar	1,50,000	1.50%
16.	Sapan Anil Shah (HUF)	1,50,000	1.50%
17.	Singhvi Heritage LLP	1,44,000	1.44%
18.	Chital Kartik Gala	1,00,000	1.00%
19.	Varsha Sejpal	1,00,000	1.00%
	Total	90,44,000	90.44%

17. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of this Draft Prospectus until the Equity Shares

have been listed. Further, our Company presently does not have any intention or proposal to alter our capital structure for a period of six months from the date of opening of this Issue, by way of split / consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) whether preferential or otherwise, except that if we enter into acquisition(s) or joint venture(s), we may consider additional capital to fund such activities or to use Equity Shares as a currency for acquisition or participation in such joint ventures.

18. None of our Promoters, members of our Promoter Group or our Directors or their immediate relatives have sold or purchased Equity Shares by any other person during the six months immediately preceding the date of this Draft Prospectus.
19. There have been no financial arrangements whereby our Promoters, Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company, during a period of six months preceding the date of this Draft Prospectus, other than in the normal course of business of the financing entity.
20. Our Company, our Promoters, our Directors and the Lead Manager to this Issue have not entered into any buy-back and/or standby or similar arrangements with any person for purchase of our Equity Shares issued by our Company through this Draft Prospectus.
21. There are no safety net arrangements for this public issue.
22. An oversubscription to the extent of 10% of the Net Issue can be retained for the purposes of rounding off to the minimum allotment lot and multiple of one share thereafter, while finalizing the Basis of Allotment. Consequently, the actual allotment may go up by a maximum of 10% of the Net Issue as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock- in shall be suitably increased so as to ensure that 20% of the Post Issue paid-up capital is locked in for 3 years.
23. Under-subscription in the net Issue, if any, in any category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Lead Manager and the BSE.
24. As on the date of filing of this Draft Prospectus, there are no outstanding warrants, options, or rights to convert debentures, loans, or other financial instruments into our Equity Shares.
25. All the Equity Shares of our Company are fully paid up as on the date of this Draft Prospectus. Further, since the entire money in respect of the Issue is being called on application, all the successful applicants will be issued fully paid-up equity shares.
26. As per RBI regulations, OCBs are not allowed to participate in this Issue.
27. Our Company has not raised any bridge loan against the proceeds of this Issue. However, depending on business requirements, we might consider raising bridge financing facilities, pending receipt of the Net Proceeds.
28. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
29. Our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.
30. No payment, direct or indirect in the nature of discount, commission, allowances or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this Issue.
31. We have 54 (Fifty Four) Shareholders as on the date of this Draft Prospectus.
32. Our Promoters and the members of our Promoter Group will not participate in this Issue.
33. Our Company has not made any public issue since its incorporation.
34. As on the date of this Draft Prospectus, the Lead Manager and their respective associates (determined as per the

definition of ‘associate company’ under Section 2(6) of the Companies Act, 2013) do not hold any Equity Shares in our Company. The Lead Manager and their respective affiliates may engage in transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company, for which they may in the future receive customary compensation.

35. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group between the date of filing this Draft Prospectus and the Issue Closing Date shall be reported to the Stock Exchange within twenty-four hours of such transaction.
36. For the details of transactions by our Company with our Promoter Group, Group Companies please refer to paragraph titled “*Statement of Transactions with Related Parties, as Restated*” in ‘*Financial Statements*’ on page 130.

OBJECTS OF THE ISSUE

The objects of the Net Proceeds (as defined below) of the Issue are:

1. Repayment / Prepayment of Debt
2. Augmenting funds for capital expenditure requirements
3. Augmenting additional working capital requirements
4. General Corporate Purposes

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

The main object clause of Memorandum of Association of our Company enables us to undertake the activities for which the funds are being raised by us through the Issue. Further, we confirm that the activities which we have been carrying out till date are in accordance with the object clause of our Memorandum of Association. For the main objects clause of our Memorandum of Association, see “*History and Certain Corporate Matters*” on page 100.

Issue Proceeds and Net Proceeds

The details of the proceeds of the Issue are summarized in the table below:

S. No.	Particulars	Amount (₹ in lakhs)
1.	Gross Proceeds of the Issue	2,859.52
2.	Issue Expenses	300.00
3.	Net Proceeds of the Issue (excluding the Issue Expenses) (“Net Proceeds”)	2,559.52

Utilisation of Net Proceeds and Means of Finance

The proposed utilisation of the Net Proceeds is set forth below:

S. No.	Object	Amount Proposed to be Utilised from the Net Proceeds (₹ in lakhs)
1.	Prepayment / Repayment of Loans	900.00
2.	Augmenting funds for capital expenditure requirements	583.13
3.	Augmenting additional working capital requirements	648.25
4.	General Corporate Purposes	428.14
	Total	2,559.52

Since the entire fund requirement are to be funded from the proceeds of the Issue, there is no requirement to make firm arrangements of finance under Regulation 230(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the proposed Issue.

The fund requirements, the deployment of funds and the intended use of the Net Proceeds as described herein are based on our current business plan and management estimates and have not been appraised by any bank, financial institution or any other external agency. Given the dynamic nature of our business, we may have to revise our business plan from time to time and consequently our funding requirements and deployment on account of variety of factors such as our financial condition, business and strategy, including external factors such as market conditions, competitive environment, costs of commodities and interest/ exchange rate fluctuations which may not be within the control of our management.

In case of variations in the actual utilisation of funds earmarked for the purpose set forth above or shortfall in the Net Proceeds, increased fund requirement may be financed by our internal accruals and/ or debt, as required. If the actual utilisation towards the said Object is lower than the proposed deployment such balance will be used for general corporate purposes to the extent that the total amount to be utilised towards general corporate purposes will not exceed 25% of the gross proceeds from the Issue.

Details of the Objects of the Issue

1. Prepayment / Repayment of Loans

As of December 31, 2024, the total outstanding loans of our Company amounted to ₹920.68 lakhs. In an effort to optimize our capital structure and reduce the cost of debt, our Company proposes to utilize ₹900.00 lakhs from the net proceeds of the current issue to repay certain borrowings. We will save on the interest cost as these, are less favorable for the long-term financial health of the Company. Following the completion of this issue, our Company intends to approach the respective lenders to initiate the repayment of the loans identified for prepayment. It is important to note that under the terms and conditions of the relevant loan agreements, any prepayment of these loans—whether partial or full—during the tenure of the loans may trigger certain prepayment penalties or premiums. These penalties or premiums are typically imposed to compensate the lenders for the early termination of the loan, which may result in a loss to the Company to that extent.

In the event that any such penalties or premiums are applicable, the Company will settle these amounts using its internal accruals, ensuring that no additional external funding is required for this purpose. The repayment of these loans from the net proceeds will contribute significantly to reducing the Company's overall debt burden and associated interest expenses, leading to improved financial flexibility. This strategic debt repayment is a key part of the Company's broader financial strategy to enhance its capital efficiency and strengthen its balance sheet.

The amounts outstanding against the loan disclosed below may vary from time to time, in accordance with the amounts drawn down, repayment, pre-payment and the prevailing interest rates. The selection of borrowings proposed to be repaid/prepaid shall be based on various factors including (i) any conditions attached to the borrowings restricting our ability to repay/prepay the borrowings and time taken to fulfil such requirements; (ii) levy of any prepayment penalties and the quantum thereof; (iii) provisions of any laws, rules and regulations governing such borrowings; and (iv) other commercial considerations including, among others, the interest rate on the borrowings, the amount of the borrowings outstanding, the prepayment / redemption charges, terms and conditions of consents and waivers, presence of onerous terms and conditions and the remaining tenor of the borrowings. We may utilise the Net Proceeds for part or full repayment of any such additional borrowings or borrowings obtained to refinance any of our existing borrowings. Given the nature of these borrowings and the terms of repayment/pre-payment, the aggregate outstanding borrowing amounts may vary from time to time.

The following table sets forth details of certain loans / facilities availed by our Company, of which certain loans/ facilities will be repaid/ pre-paid from the Net Proceeds of the Issue:

Sr. No.	Name of lender and date of sanction letter	Type of borrowing	Amount sanctioned (Lakhs)	Amount outstanding as on December 31, 2024 (Lakhs)	Purpose for which loan was utilized*	Tenor	Rate of interest (in %)	Pre-payment Penalty
1.	Jalgaon Peoples Co-Op Bank Ltd.	Working Capital Demand Loan	150.00	72.51	Working Capital	36 months	9.50%	3% plus applicable taxes
		Term Loan	400.00	356.25	Business Purpose	84 months	10.00%	3% plus applicable taxes
		Cash Credit	500.00	491.92	Working Capital	12 months	10.00%	3% plus applicable taxes

We have the right to prepay these amounts under the terms of these loan agreements. Our Company has obtained a certificate dated February 18, 2025, UDIN: 25405027BMGNQK6284 from our Statutory Auditors, confirming the sanctioned amounts and outstanding as on December 31, 2024 and also certifying the utilization of loan for the purposed availed, has been obtained.

2. Augmenting funds for capital expenditure requirements

Our Company wants to convert our existing optics manufacturing facility into a state-of-the-art optics manufacturing facility in India to meet the growing demand for advanced optical systems used in defence equipment. This aligns with the Indian Government's goal of becoming self-reliant in defence technology, reducing reliance on imports, and supporting the modernization of the Armed Forces, including the Army, Air Force, and Navy.

Key Points

- **Defence Modernization:** The Indian Government is focusing on equipping defence forces with the latest technology, including night vision, thermal imaging, and guided missile systems.
- **Need for Optics:** These systems rely heavily on advanced optical components like lenses, infrared optics, and optical domes for effective performance, especially for night vision and thermal imaging.
- **Current Shortage:** While India has companies that handle electronics and data processing, optics manufacturing is limited. Most optical parts are currently imported, causing a strategic gap.
- **Indigenous Manufacturing:** The Government is encouraging local manufacturing to meet this demand and support defence self-sufficiency.

Types of Optics:

- **Visible optics** for day/night vision devices.
- **Infrared optics** for thermal imaging and missile systems.
- **Hemispherical domes** for missile seekers.

Manufacturing Requirements:

- High precision is needed: tolerances as low as 10 micrometers and surface finishes down to 79 nanometers.
- The optics must be coated for different purposes, such as anti-reflective and protective coatings.

The proposal to expand the optics manufacturing facility will help reduce dependence on imports, boost self-reliance, and meet the growing needs of modern defence systems.

To meet the growing demands, FFS wishes additionally augment the additional machinery listed as under.

Model	QTY	Amount (` Lakhs)	Vendor	Quotation details
Optical processing machine with following Operating specifications and capabilities:				
WORK RANGE: RADIUS 3R - 70R, Diameter 3 \emptyset ~ 80 \emptyset	Multiple Machines	\$4,44,220	Green Optics Co. Ltd., Korea	No. 181122-3 Dated December 25, 2024 valid till March 31, 2025
WORK RANGE: RADIUS 30R - Flat, Diameter 30 \emptyset ~ 120 \emptyset		` 384.21 Lakhs		
Tool Dressing & Lapping		1US\$=` 86.49		
Satisloh 900 DL: This is a high-precision optical lens processing machine used for producing high-quality lenses in the eyewear and optical industry	Lumpsum	\$2,30,000 ` 198.93 Lakhs 1US\$=` 86.49	MacroTech Steuerungstechnik GmbH	No. 2023/1208-1 Dated December 12, 2024 valid till March 31, 2025
Total		583.13		

3. Augmenting additional working capital requirements

Our business is working capital intensive and we fund a majority of our working capital requirements in the ordinary course of our business from funds raised through equity, bank loans and our internal accruals. Considering the existing and future growth, the total net working capital needs of our Company, as assessed based on the internal workings of our Company, is expected to reach ₹843.50 lakhs for Fiscal 2025-2026. The incremental working capital requirements for FY 2025-26 are expected to be ₹693.25 lakhs and the same will be met from the Net Proceeds of the Issue.

(a) Existing Working Capital:

Our Company's existing working capital based on the Restated Financial Information is stated below:

Particulars	31-Mar-22	31-Mar-23	31-Mar-24	30-Sep-24	31-Mar-25	31-Mar-26
	Audited	Audited	Audited	Audited	Estimated	Projected
Current Assets						

Inventories	87.93	133.03	59.36	12.66	158.07	246.22
Trade receivables	78.08	122.14	1,396.86	1,557.17	605.62	932.65
Short-term loans and advances	587.93	586.07	708.11	574.86	200.00	180.00
Other current assets	0.00	0.00	0.00	12.50	50.00	50.00
Total	753.94	841.24	2,164.33	2,157.19	1,013.69	1,408.87
Current Liabilities						
Trade Payable	147.51	86.81	1,181.18	1,099.32	263.44	410.37
Other Current Liabilities	1.46	22.86	180.89	48.44	75.00	125.00
Short Term Provisions	10.69	0.00	0.00	0.62	25.00	75.00
Total	159.66	109.67	1,362.07	1,148.38	363.44	610.37
Working Capital Gap	594.28	731.57	802.26	1,008.81	650.25	798.50
Less: Short Term Borrowings	0.00	491.43	495.29	502.99	500.00	0.00
Net Working Capital Requirement	594.28	240.14	306.97	505.82	150.25	798.50
Funded through Internal Accruals/ Loan funds	594.28	240.14	306.97	505.82	150.25	150.25
Funding through IPO	0.00	0.00	0.00	0.00	0.00	648.25

The incremental and proposed working capital requirements, has been as approved by the Board pursuant to a resolution dated December 25, 2024, and key assumptions with respect to the determination of the same are mentioned below.

Holding Period: No. of Days

Particulars	31-Mar-22	31-Mar-23	31-Mar-24	30-Sep-24	31-Mar-25	31-Mar-26
	Audited	Audited	Audited	Audited	Estimated	Projected
Inventories	1,567	54	15	32	30	30
Trade receivables	1,494	51	216	1,168	75	75
Trade Payable	2,629	35	289	2,801	50	50

The working capital projections made by the Company are based on certain key assumptions, as set out below:

Sr. No.	Particulars	Assumptions
Current Assets		
1	<i>Revenue:</i>	The revenue consists of sale of products, export sales and sales of services. Revenue from domestic sales was 68.62%, 91.42%, 97.83% and 100% of the revenue from operations for the period ended September 30, 2024 and Fiscal 2024, 2023 and 2022 respectively. Export revenues consist of 31.48%, 8.58%, 2.17% and 0.00% of the revenue from operations for the period ended September 30, 2024 and Fiscal 2024, 2023 and 2022 respectively.
2	<i>Inventories:</i>	To stay competitive and improve efficiency, it's crucial for us to manage our inventory carefully. In fiscal year 2024, we maintained an average of 15 inventory days, but moving forward, we aim to increase that to 30 days of inventory by the end of fiscal years 2025 and 2026. The reason for this change is to ensure we have sufficient stock on hand to meet customer demand without facing delays, while also improving our inventory management. Keeping inventory at an optimal level helps us strike a balance: <ol style="list-style-type: none"> Too much inventory ties up valuable capital, increases storage costs, and leads to potential waste or obsolescence. Too little inventory risks stockouts, causing delays in fulfilling orders and potentially damaging customer satisfaction.

		By increasing inventory to 30 days, we can ensure that we always have enough stock to meet demand while avoiding the pitfalls of overstocking. This helps us maintain a cost-effective inventory that supports faster delivery times and keeps our overall operational costs in check.
2	Trade receivables	In Fiscal 2023 and 2024, our receivable days were 51 days and 216 days, respectively. For Fiscal 2025 and 2026, we expect to bring this down to 75 days. The goal is to collect payments faster, so we can use the funds more effectively and improve our overall financial health. By reducing receivable days, we are improving cash flow, which helps us manage our finances better while still maintaining strong relationships with our customers.
3	Short term Loans and advances and other current assets	The key items under this head are security deposits etc., interest receivables, advance to vendors amongst others
Current Liabilities		
4	Trade payables	In Fiscal 2023 and 2024, our payable days were 35 days and 289 days, respectively. For Fiscal 2025 and 2026, we plan to keep our payable days at 50 days. By maintaining payable days at 50, we aim to strike a balance between managing our cash flow efficiently and strengthening our supplier relationships. Keeping it at this level allows us to take enough time to pay suppliers without delaying payments too much, ensuring we don't hurt our supplier partnerships. At the same time, it helps us maintain adequate cash flow, so we can use funds effectively for other parts of the business. This approach supports smoother operations and financial stability.
5	Other current liabilities and short-term provisions	Other current liabilities and short-term provisions include Liabilities for Expenses, Interest on MSME creditors, Advance from Customers, provisions, statutory dues, provisions for taxes and gratuity etc.

Note: Pursuant to the certificate dated February 18, 2025, UDIN: 25405027BMGNQI1071, issued by our Statutory Auditor M/s. V S Bapna & Associates, Chartered Accountants.

4. General Corporate Purposes

Our Company proposes to deploy the balance Net Proceeds aggregating to ₹428.14 lakhs towards general corporate purposes. The same is 14.97% of our Issue proceeds. The general corporate purposes for which our Company proposes to utilise the Net Proceeds include but are not limited to funding growth opportunities, strategic initiatives, joint-ventures, partnerships, marketing and business development expenses, expansion of facilities and meeting exigencies and expenses incurred by our Company in the ordinary course of business. In addition to the above, our Company may utilise the Net Proceeds towards other expenditure (in the ordinary course of business) considered expedient and as approved periodically by the Board, subject to compliance with necessary provisions of the Companies Act. The quantum of utilisation of funds towards each of the above purposes will be determined by our Board based on the business requirements of our Company, from time to time. Our Company's management, in accordance with the policies of the Board, shall have flexibility in utilising surplus amounts, if any. However, we confirm that the amount for general corporate purposes, as mentioned in objects of the issue, shall not exceed fifteen per cent of the fresh issue amount raised by our Company.

Issue Related Expenses

The total expenses of the Issue are estimated to be approximately ₹350.00 lakhs. The expenses of this Issue include, among others, underwriting and management fees, printing and distribution expenses, advertisement expenses and legal fees, if applicable. The estimated Issue expenses are as follows:

Activity	Estimated expenses	As a % of the total estimated Issue expenses	As a % of the total Issue size
Payment to Merchant Banker including, underwriting, and selling commissions, brokerages, Advisors to the Company, payment to other intermediaries such as Legal Advisors, Registrars etc. and other out of pocket expenses.	220.00	73.33%	7.69%

(₹ in lakhs)

Activity	Estimated expenses	As a % of the total estimated Issue expenses	As a % of the total Issue size
Advertising and marketing expenses	50.00	16.67%	1.75%
Printing and stationery expenses, distribution, and postage	5.00	1.67%	0.17%
ROC, Regulatory and other expenses including Listing Fee	25.00	8.33%	0.87%
Total estimated Issue expenses	300.00	100.00%	10.49%

⁽¹⁾ The SCSBs and other intermediaries will be entitled to processing fees of ₹10 per valid Application form uploaded on the electronic system of the Stock Exchange by them and for which the shares are allotted.

Schedule of implementation

- The entire amount of Issue Proceeds will be utilised during FY 2025-2026.

Deployment of Funds in the Objects

As on the date of the Draft Prospectus, our Company incurred following expenditure on the Objects:

(₹ in Lakhs)

Sr. No.	Particulars	Expenses Already Incurred till December 31, 2024
1	Issue Related Expenses	12.50
	Total	12.50

*As certified by M/s. V S Bapna & Associates, Chartered Accountants, vide their certificate dated February 18, 2025, UDIN: 25405027BMGNQL4326. The aforesaid funds have been deployed out of the internal accruals of our Company. The funds already deployed will be recouped out of the fresh Issue Proceeds.

Details of balance fund deployment

(₹ in Lakhs)

Sr. No.	Particulars	Expenses Already Incurred till December 31, 2024	FY 2025-26	Total
1	Prepayment / Repayment of Loans	--	900.00	900.00
2	Augmenting funds for capital expenditure requirements	--	583.13	583.13
3	Augmenting additional working capital requirements	--	648.25	648.25
4	General Corporate Purposes	--	428.14	428.14
5	Issue Related Expenses	12.50	287.50	300.00
	Total	12.50	2847.02	2,859.52

Interim Use of Funds

Pending utilization for the purposes described above, we undertake to temporarily deposit the funds from the Net Proceeds only in the scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, for the necessary duration. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in the equity shares of any other listed company.

Appraisal Report

None of the objects for which the Net Proceeds from the Issue will be utilised have been appraised by any financial institutions/banks.

Bridge Loan

As of the date of this Draft Prospectus, our Company has not raised any bridge loans which are required to be repaid from the Net Proceeds. However, depending on its business requirements, our Company may consider raising bridge financing facilities, pending receipt of the Net Proceeds.

Monitoring of Utilization of Funds

As the size of the Issue will not exceed Rs.10,000 Lakhs, the appointment of Monitoring Agency would not be required as

per Regulation 262(1) of the SEBI ICDR Regulations. Our Board and the management will monitor the utilization of the Net Issue Proceeds through our audit committee. Pursuant to Regulation 32 of the SEBI Listing Regulations, our Company shall on half-yearly basis disclose to the Audit Committee the Application of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Draft Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full.

Variation in Objects

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013, our Company shall not vary the Objects of the Issue without our Company being authorized to do so by the shareholders by way of a special resolution. In addition, the notice issued to the shareholders in relation to the passing of such special resolution shall specify the prescribed details and be published in accordance with the Companies Act 2013.

Pursuant to the Companies Act 2013, the Promoters or controlling shareholders will be required to provide an exit opportunity to the shareholders who do not agree to such proposal to vary the Objects of the Issue at the fair market value of the Equity Shares as on the date of the resolution of our Board recommending such variation in the terms of the contracts or the objects referred to in the Draft Prospectus, in accordance with such terms and conditions as may be specified on this behalf by SEBI.

Other Confirmations

No part of the Net Proceeds of the Issue will be utilized by our Company as consideration to our Promoters, members of the Promoter Group, Directors, Group Entities, or key management personnel. Our Company has not entered into or is not planning to enter into any arrangement/ agreements with Promoters, Directors, key management personnel, associates, or Group Entities in relation to the utilization of the Net Proceeds of the Issue.

BASIS FOR ISSUE PRICE

The Issue Price is determined by our Company in consultation with the Lead Manager. The financial data presented in this section are based on our Company's restated financial statements. Investors should also refer to the sections titled 'Risk Factors' and 'Financial Information' on pages 20 and 130, respectively, to get a more informed view before making the investment decision.

Qualitative Factors

For details of Qualitative factors please refer to the paragraph "Our Competitive Strengths" in "Our Business" beginning on page 84.

Quantitative Factors (Based on Restated Financial Statements)

1. Basic & Diluted Earnings Per Share (EPS):

Basic EPS

Period	Basic and Diluted EPS (₹)	Weights
FY 2024	7.52	3
FY 2023	-16.54	2
FY 2022	0.13	1
Weighted Average	-1.73	

Diluted EPS

Period	Basic and Diluted EPS (₹)	Weights
FY 2024	7.52	3
FY 2023	-12.25	2
FY 2022	0.10	1
Weighted Average	-0.31	

Notes:

1. Basic EPS and Diluted EPS calculations are in accordance with Accounting Standard 20 (AS-20) 'Earnings per Share', notified under Section 133 of Companies Act, 2013 read together along with paragraph 7 of the Companies (Accounts) Rules, 2014.
2. Basic /Diluted EPS: Net profit after tax / Equivalent weighted average number of shares outstanding during the year.
3. Diluted Earnings per share = Net profit after tax, as restated / Weighted average number of diluted equity shares outstanding during the year/ period.
4. The figures disclosed above are based on the Restated Financial Statements of our Company.

2. Price to Earnings (P/E) ratio in relation to Issue Price of ₹ 80.00:

- a. Based on the basic and diluted EPS of ₹7.52 as per restated financial statements for the financial year ended March 31, 2024, the P/E ratio is 10.64.
- b. Based on the weighted average Basic EPS of ₹-1.73, as per restated financial statements the P/E ratio is -46.15.
- c. Based on the weighted average Diluted EPS of ₹-0.31, as per restated financial statements the P/E ratio is -258.23.

Note: The price/ earnings (P/E) ratio is computed by dividing the price per share by earning per share.

d. Industry P/E

Industry P/E	
▪ Highest	100.36
▪ Lowest	50.18
▪ Average	74.09

Notes: (1) The industry high and low has been considered from the industry peer set in Defence industry, provided later in this section. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section. For further details, please see the paragraph entitled "Comparison listed industry peers" on next page.

3. Return on Net Worth

Period	Return on Net Worth (%)	Weights
FY 2024	10.63	3
FY 2023	19.80	2
FY 2022	0.13	1
Weighted Average	11.94	

RoNW is calculated as a ratio of Net Profit after tax as restated (PAT), attributable to equity shareholders of the parent, for the relevant year / period, as divided by Net Worth. Net Worth is equity share capital, other equity (including Securities Premium, and Surplus/ (Deficit) in the Statement of Profit and Loss, and other comprehensive income but excluding Capital Reserve arising on consolidation)

4. Minimum Return on increased Net Worth required to maintain pre-Issue EPS.

The minimum return on increased net worth required maintaining pre-Issue EPS:

A) Based on weighted average Basic EPS of ₹1.73
At the Issue Price of ₹80: Not Applicable as both weighted average basic and diluted EPS is negative.

B) Based on Basic and Diluted EPS for the financial year ended March 31, 2024 of ₹7.52
At the Issue Price of ₹80: 16.25% based on restated financial statements.

5. Net Asset Value per Equity Share

- As of March 31, 2024 ₹57.54
- NAV per Equity Share after the Issue is: ₹46.29
- Issue Price per Equity Share is: ₹80.00

6. Peer Competitors - Comparison of Accounting Ratios

Name of the Company	Total Income (₹ in lakhs)	Face value per equity share (₹)	P/E Ratio ⁽²⁾	EPS (Basic) (₹)	EPS (Diluted) (₹)	RoNW (%)	NAV per equity share ⁽³⁾ (₹)
FFS Defence Engineering Limited*	2,393.44	10.00	10.64	7.52	7.52	10.63	57.54
Listed Peers#							
Bharat Dynamics Limited	2,73,110.44	5.00	71.74	16.72	16.72	16.85%	198.43
Bharat Electronics Limited	20,93,838.00	1.00	50.18	5.45	5.45	24.38%	223.60
NIBE Limited	28,542.13	10.00	100.36	14.97	14.97	9.90%	142.49

*Our financial information is derived from our Restated Financial Information for the year ended March 31, 2024.

The peer set disclosed above may not offer an entirely accurate comparison due to potential differences in product lines, market focus, and company size.

(1) Source: All the financial information for listed industry peers mentioned above is sourced from the regulatory filings made by aforesaid companies to stock exchanges for the respective years to compute the corresponding financial ratios. Except for our Company, Bharat Dynamics Limited and FY 2022 financials for NIBE Limited, the financial information for other peer group companies is on a consolidated basis.

(2) P/E figures for the peers are based on closing market prices of equity shares on BSE on December 4, 2024 divided by the Basic EPS as at March 31, 2024.

(3) Basic Earnings per share = Net profit after tax, as restated attributable to equity shareholders / Weighted average number of shares outstanding during the year/ period.

(4) Diluted Earnings per share = Net profit after tax, as restated / Weighted average number of diluted equity shares outstanding during the year/ period.

(5) NAV per share for listed industry peers is computed as the Total Equity as on March 31, 2024 divided by the outstanding number of equity shares as on March 31, 2024.

(6) Return on Net Worth (%) for listed industry peers has been computed based on the Profit for the year ended March 31, 2024 divided by Total Equity as on March 31, 2024.

The face value of Equity Shares of our Company is ₹10 per Equity Share and the Issue price of ₹80 is 8.00 times of the face value. The Issue Price of ₹80 is determined by our Company, in consultation with the Lead Manager is justified based on the above accounting ratios. For further details, please refer to the section titled 'Risk Factors', and chapters titled 'Our Business' and 'Financial Information' beginning on page 20, 84 and 130, respectively of the Draft Prospectus.

Key Operational and Financial Performance Indicators:

The KPIs disclosed below have been used historically by our Company to understand and analyse the business performance, which in result, help us in analysing the growth of various verticals in comparison to our peers. The KPIs disclosed below have been approved by a resolution of our board of Directors dated December 25, 2024 and the members of the Audit Committee have verified the details of all KPIs pertaining to our Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of this Draft Prospectus. Further, the KPIs herein have been certified by M/s. V S Bapna & Associates, Chartered Accountants.

The KPIs of our Company have been disclosed in the sections titled "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on beginning pages 84 and 165 respectively. We have described and defined the KPIs, as applicable, in "Definitions and Abbreviations" beginning on page 6. Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilisation of the proceeds of the Fresh Issue as per the disclosure made in the Objects of the Issue Section, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations. Further, the ongoing KPIs will continue to be certified by a member of an expert body as required under the SEBI ICDR Regulations.

Financial KPIs of our Company

(₹ in lakhs, except for percentage)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Revenue from operations ⁽¹⁾	2,357.88	878.20	19.07
Total Income ⁽²⁾	2,393.44	879.69	19.23
EBITDA ⁽³⁾	717.16	-14.53	3.60
EBITDA margin (%) ⁽⁴⁾	29.96%	-1.65%	18.74%
PAT ⁽⁵⁾	305.84	-330.81	2.67
PAT Margin (%) ⁽⁶⁾	12.78%	-37.61%	13.87%
Net Debt ⁽⁷⁾	1,016.19	2,191.31	1,881.31
Total Equity ⁽⁸⁾	2,876.93	1,671.09	1,998.66
ROE (%) ⁽⁹⁾	10.63%	-19.80%	0.13%
ROCE (%) ⁽¹⁰⁾	7.27%	-8.27%	0.07%
EPS (Basic & Diluted) ⁽¹¹⁾	7.52	-16.54	0.13
EPS (Diluted) ⁽¹¹⁾	7.52	-12.25	0.10

(1) Revenue from operations is the revenue generated by us and is comprised of the sale of products and other operating income, as set out in the Restated Financial Statements. For further details, see "Restated Financial Statements" on page 130.

(2) Total income comprised of revenue from operations and other income, as set out in the Restated Financial Statements. For further details, see "Restated Financial Statements" on page 130.

(3) EBITDA = Profit before tax + depreciation & amortization expense + finance cost.

(4) EBITDA Margin = EBITDA/ Total income.

(5) PAT = Profit before tax – current tax – deferred tax.

(6) PAT Margin = PAT/ Total income.

(7) Net debt = Non-current borrowing + current borrowing - Cash and cash equivalent, Bank balance, and Investment in Mutual Funds.

(8) Total Equity = Equity share capital + Other equity.

(9) ROE = Net profit after tax / Total equity.

(10) ROCE = Profit before tax and finance cost / Capital employed*

*Capital employed = Total Equity + non-current borrowing + Current Borrowing + Deferred Tax Liabilities – Intangible Assets.

(11) EPS = Net Profit after tax, as restated, attributable to equity shareholders divided by weighted average number of equity shares outstanding during the year/ period.

Set forth below are the details of comparison of key performance of indicators with our listed industry peers:

(₹ in lakhs, except for percentage and per share data)

Parameters	Bharat Dynamics Limited			Bharat Electronics Limited			NIBE Limited		
	FY 2024	FY 2023	FY 2022	FY 2024	FY 2023	FY 2022	FY 2024	FY 2023	FY 2022
Revenue from operations	2,36,927.51	2,48,939.25	2,81,740.28	20,26,824.00	17,73,444.00	15,36,818.00	28,183.79	10,530.29	2,124.37
Total Income	2,73,110.44	2,64,479.47	2,92,861.32	20,93,838.00	18,01,524.00	15,59,972.00	28,542.13	10,645.43	2,246.81
EBITDA ⁽¹⁾	89,837.96	56,359.78	83,727.72	5,71,655.00	4,36,668.00	3,57,242.00	3,919.80	1,304.78	73.07
EBITDA margin (%) ⁽²⁾	32.89%	21.31%	28.59%	27.30%	24.24%	22.90%	13.73%	12.26%	3.25%
PAT	61,272.06	35,217.49	49,992.44	3,98,524	2,98,624	2,35,446.00	1,852.86	159.30	21.25
PAT Margin (%)	22.43%	13.32%	17.07%	19.03%	16.58%	15.09%	6.49%	1.50%	0.95%
Net Debt ⁽³⁾	-4,22,848.20	-3,85,886.37	-1,89,953.37	-1,01,05,659.00	-8,11,158.00	-7,56,374.00	4,857.13	2,462.81	-111.40
Total Equity	3,63,682.33	3,21,149.77	3,03,055.74	16,34,439.00	13,87,938.00	12,30,227.00	18,712.02	7,489.91	1,062.96
ROE (%) ⁽⁴⁾	16.85%	10.97%	16.50%	24.38%	21.52%	19.14%	9.90%	2.13%	2.00%
ROCE (%) ⁽⁵⁾	17.58%	11.55%	17.47%	25.46%	22.77%	20.34%	7.66%	1.51%	2.00%
EPS (Basic) ⁽⁶⁾	16.72	9.61	27.28	5.45	4.09	3.62	14.97	1.51	0.20
EPS (Diluted) ⁽⁶⁾	16.72	9.61	27.28	5.45	4.09	3.62	14.97	1.51	0.20

Note: (1) Source: All the financial information for listed industry peers mentioned above is sourced from the regulatory filings made by aforesaid companies to stock exchanges for the respective years to compute the corresponding financial ratios. Except for our Company, Bharat Dynamics Limited and FY 2022 financials for NIBE Limited, the financial information for other peer group companies is on a consolidated basis.

(1) EBITDA = Profit before tax + depreciation & amortization expense + finance cost.

(2) EBITDA Margin = EBITDA / Total income.

(3) Net debt = Non-current borrowing + current borrowing - Cash and Cash Equivalent, Bank Balance, and Investment in Mutual Funds.

(4) ROE = Net profit after tax / Total equity.

(5) ROCE = Profit before tax and finance cost / Capital employed*

*Capital employed = Total Equity + Non-current borrowing + current Borrowing + Deferred Tax Liabilities – Intangible Assets

(6) EPS = Net Profit after tax, as restated, attributable to equity shareholders divided by weighted average number of equity shares outstanding during the financial year/ period.

Weighted average cost of acquisition

- a) The price per share of our Company based on the primary/ new issue of shares (equity / convertible securities)

Other than as mentioned below, there has been no issuance of Equity Shares or convertible securities, during the 18 months preceding the date of this Draft Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-Offer capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of 30 days.

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature / Reason of Allotment	Nature of Consideration
30-Jun-23	3,00,000	10	100	Rights Issue	Cash
15-Jul-23	7,00,000	10	100	Conversion of Preference Shares into Equity Shares	Cash
28-Sep-23	10,00,000	10	90	Rights Issue	Cash
12-Dec-24	50,00,000	10	Nil	Bonus Issue in the ratio of 1:1	N.A.

- b) The price per share of our Company based on the secondary sale / acquisition of shares (equity / convertible securities)

The secondary sale / acquisitions of Equity Shares or any convertible securities, where the promoters, members of the promoter group, selling shareholders, or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this certificate, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-Offer capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

Date of Allotment / Transfer	Nature of acquisition (Allotment/ Acquired/ transfer)	Number of Equity Shares	Face Value per Equity Share (in `)	Issue Price /Acquisition Price / Transfer price per Equity Share (in `)	Nature of Consideration	Percentage of Pre-Issue Equity Share Capital (%)	Percentage of Post-Issue Equity Share Capital(%)
Rajendra Chodankar							
03-12-2024	Purchased from Paras Defence and Space Technologies Limited	50,000	10	145	Cash	0.50%	0.37%
Faithful Vanijya Private Limited							
16-08-2024	Purchased from Vasant B. Belorkar	75,000	10	10	Cash	0.75%	0.55%

- c) Weighted average cost of acquisition, offer price of Rs. 80

Types of transaction	Weighted average cost of acquisition (₹ per Equity Share)	Issue price (i.e. ₹ 80)
Weighted average cost of acquisition of primary / new issue as per paragraph 8(a) above.	27.14	2.95
Weighted average cost of acquisition for secondary sale / acquisition as per paragraph 8(b) above.	64.00	1.25

Note:

Justification for Offer Price: The Issue Price of ₹ 80.00 is determined by our Company, in consultation with the Lead Manager is justified based on the above accounting ratios. For further details, please refer to the section titled 'Risk Factors', and chapters titled 'Our Business' and 'Financial Information' beginning on pages 20, 84 and 130 respectively of the Draft Prospectus.

STATEMENT OF TAX BENEFITS

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO FFS DEFENCE ENGINEERING LIMITED AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

To,
The Board of Directors
FFS Defence Engineering Limited
 Plot No. J-17, Hingna MIDC, Hingna Road,
 Near IC Chawk, MIDC Nagpur,
 Nagpur (Urban) – 440 016, Maharashtra, India

Dear Sirs,

Sub: Statement of possible special tax benefits (“the Statement”) available to FFS Defence Engineering Limited (“the Company”) and its shareholders prepared in accordance with the requirements of the Securities and Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations, 2018, as amended (“the Regulations”)

We hereby report that the enclosed annexure, prepared by the Management of the Company, states the possible special tax benefits available to the Company and the shareholders of the Company under the Income - Tax Act, 1961 (‘Act’) as amended by the Finance Act, 2024 (i.e. applicable to Financial Year 2024-25 relevant to Assessment Year 2025-26), presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the Act. Hence, the ability of the Company or its shareholders to derive the special tax benefits is dependent upon fulfilling such conditions which, based on business imperatives which the Company may face in the future, the Company may or may not choose to fulfil.

The benefits discussed in the enclosed annexure cover only special tax benefits available to the Company and its shareholders and do not cover any general tax benefits available to the Company or its shareholders. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. A shareholder is advised to consult his/ her/ its own tax consultant with respect to the tax implications arising out of his/her/its participation in the proposed issue, particularly in view of ever changing tax laws in India. We do not express any opinion or provide any assurance as to whether:

- the Company or its shareholders will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits have been/would be met.

The contents of this annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the provisions of the tax laws.

No assurance is given that the revenue authorities / courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We would not assume responsibility to update the view, consequence to such change. We shall not be liable to Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith of intentional misconduct.

The enclosed annexure is intended for your information and for inclusion in this Draft Prospectus / Prospectus in connection with the proposed issue of equity shares and is not to be used, referred to or distributed for any other purpose without our written consent.

V S Bapna & Associates,
Chartered Accountants
Firm Registration No: 131079W

CA Virendra Bapna
Proprietor
Membership No: 405027
Date: February 18, 2025

Place: Mumbai
Peer Review Certificate No. 015260
UDIN: 25405027BMGNQJ5699

Annexure

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

Outlined below are the possible special tax benefits available to the Company and its shareholders under the current direct tax laws in India for the financial year 2024-25.

A. SPECIAL TAX BENEFITS TO THE COMPANY UNDER THE INCOME TAX ACT, 1961 (THE “ACT”)

The Company is not entitled to any special tax benefits under the Act.

B. SPECIAL TAX BENEFITS TO THE SHAREHOLDERS UNDER THE INCOME TAX ACT, 1961 (THE “ACT”)

The Shareholders of the Company are not entitled to any special tax benefits under the Act.

SECTION V: ABOUT THE COMPANY INDUSTRY OVERVIEW

The information in this section has been extracted from reports publicly available documents and information, including, but not limited to, materials issued or commissioned by the Government of India and certain of its ministries, trade and industry-specific publications and other relevant third-party sources.

Industry websites and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but their accuracy and completeness are not guaranteed, and their reliability cannot be assured. While the Company has exercised reasonable care in relying on such government, industry, market and other relevant data in this document, it has not been independently verified by the Company or any of its advisors, nor the Lead Manager or any of its respective advisors and should not be relied on as if it had been so verified.

Indian Economy Overview

Source: <https://www.ibef.org/economy/indian-economy-overview>

Introduction

Strong economic growth in the first quarter of FY23 helped India overcome the UK to become the fifth-largest economy after it recovered from the COVID-19 pandemic shock. Nominal GDP or GDP at Current Prices for Q1 2024-25 is estimated at Rs. 77.31 lakh crores (US\$ 928.9 billion) with growth rate of 9.7%, compared to the growth of 8.5% for Q1 2023-24. The growth in nominal GDP during 2023-24 is estimated at 9.6% as compared to 14.2% in 2022-23. Strong domestic demand for consumption and investment, along with Government's continued emphasis on capital expenditure are seen as among the key driver of the GDP in the second half of FY24. During the period April-September 2025, India's exports stood at US\$ 211.46 billion, with Engineering Goods (26.57%), Petroleum Products (16.51%) and electronic goods (7.39%) being the top three exported commodity. Rising employment and increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

Future capital spending of the government in the economy is expected to be supported by factors such as tax buoyancy, the streamlined tax system with low rates, a thorough assessment and rationalisation of the tariff structure, and the digitization of tax filing. In the medium run, increased capital spending on infrastructure and asset-building projects is set to increase growth multipliers. The contact-based services sector has demonstrated promise to boost growth by unleashing the pent-up demand. The sector's success is being captured by a number of HFIs (High-Frequency Indicators) that are performing well, indicating the beginnings of a comeback.

India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

India's appeal as a destination for investments has grown stronger and more sustainable because of the current period of global unpredictability and volatility, and the record amounts of money raised by India-focused funds in 2022 are evidence of investor faith in the "Invest in India" narrative

Market size

Real GDP or GDP at Constant (2011-12) Prices for the period Q1 2024-25 is estimated at Rs. 43.64 lakh crore (US\$ 524 billion), against the First Revised Estimates (FRE) of GDP for the year Q1 2023-24 of Rs. 40.91 lakh crore (US\$ 491 million). The growth in real GDP during 2023-24 is estimated at 8.2% as compared to 7.0% in 2022-23. There are 113 unicorn startups in India, with a combined valuation of over US\$ 350 billion. As many as 14 tech startups are expected to list in 2024 Fintech sector poised to generate the largest number of future unicorns in India. With India presently has the third-largest unicorn base in the world. The government is also focusing on renewable sources by achieving 40% of its energy from non-fossil sources by 2030. India is committed to achieving the country's ambition of Net Zero Emissions by 2070 through a five-pronged strategy, 'Panchamrit'. Moreover, India ranked 3rd in the renewable energy country attractive index.

According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 to 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between same time periods. India's current

account deficit (CAD) narrowed to 0.7% of GDP in FY24. The CAD stood at US\$ 9.7 billion for the Q1 2024-25 from US\$ 8.9 billion in Q1 2023-24 or 1.1% of GDP. This was largely due to decrease in merchandise trade deficit.

Exports fared remarkably well during the pandemic and aided recovery when all other growth engines were losing steam in terms of their contribution to GDP. Going forward, the contribution of merchandise exports may waver as several of India's trade partners witness an economic slowdown. According to Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles Mr. Piyush Goyal, Indian exports are expected to reach US\$ 1 trillion by 2030.

Government Initiatives

Over the years, the Indian government has introduced many initiatives to strengthen the nation's economy. The Indian government has been effective in developing policies and programmes that are not only beneficial for citizens to improve their financial stability but also for the overall growth of the economy. Over recent decades, India's rapid economic growth has led to a substantial increase in its demand for exports. Besides this, a number of the government's flagship programmes, including Make in India, Start-up India, Digital India, the Smart City Mission, and the Atal Mission for Rejuvenation and Urban Transformation, is aimed at creating immense opportunities in India.

Road Ahead

In the second quarter of FY24, the growth momentum of the first quarter was sustained, and high-frequency indicators (HFIs) performed well in July and August of 2023. India's comparatively strong position in the external sector reflects the country's positive outlook for economic growth and rising employment rates. India ranked 5th in foreign direct investment inflows among the developed and developing nations listed for the first quarter of 2022.

India's economic story during the first half of the current financial year highlighted the unwavering support the government gave to its capital expenditure, which, in 2023-24, stood 37.4% higher than the same period last year. In the budget of 2024-25, capital expenditure took lead by steeply increasing the capital expenditure outlay by 17.1 % to Rs.11 lakh crore (US\$ 133.51 billion) over Rs. 9.48 lakh crore (US\$ 113.91 billion) in 2023-24. Stronger revenue generation because of improved tax compliance, increased profitability of the company, and increasing economic activity also contributed to rising capital spending levels.

Since India's resilient growth despite the global pandemic, India's exports climbed at the second-highest rate with a year-over-year (YoY) growth of 8.39% in merchandise exports and a 29.82% growth in service exports till April 2023. With a reduction in port congestion, supply networks are being restored. The CPI-C inflation reduction from June 2022 already reflects the impact. In September 2023 (Provisional), CPI-C inflation was 5.02%, down from 7.01% in June 2022. With a proactive set of administrative actions by the government, flexible monetary policy, and a softening of global commodity prices and supply-chain bottlenecks, inflationary pressures in India look to be on the decline overall.

Defence Manufacturing Industry

Source: <https://www.ibef.org/industry/defence-manufacturing>

Introduction

Source: <https://www.ibef.org/industry/defence-manufacturing>

India is one of the strongest military forces in the world and holds a place of strategic importance for the Indian government. The top three largest market segments of the Indian defence sector are military fixed wing, naval vessels and surface combatants, and missiles and missile defence systems. Military rotorcraft, submarines, artillery, tactical communications, electronic warfare, and military land vehicles are some of the other well-known segments. Some of the major defence manufacturing companies in India are Bharat Earth Movers Ltd. (BEML), Bharat Electronics Ltd. (BEL), and Hindustan Aeronautics Ltd. (HAL).

The Indian defence manufacturing industry is a significant sector of the economy. The industry is likely to accelerate with rising concerns about national security. Demand for defence equipment in India has been growing due to the ongoing territorial disputes with Pakistan and China over the ownership of the Northern State of Kashmir and the North-Eastern State of Arunachal Pradesh, respectively. Over the last five years, India has been ranked among the top importers of defence equipment to gain technological advantages over rival countries such as China and Pakistan.

To modernise its armed forces and reduce dependency on external dependence for defence procurement, several initiatives have been taken by the government to encourage 'Make in India' activities via policy support initiatives. India's defence budget of US\$ 74.7 billion ranked fourth highest globally in 2024. India has the world's fourth largest defence expenditure, as of 2022, and has set a target of US\$ 6.02 billion (Rs. 50,000 crore) worth of annual defence exports by 2028-29.

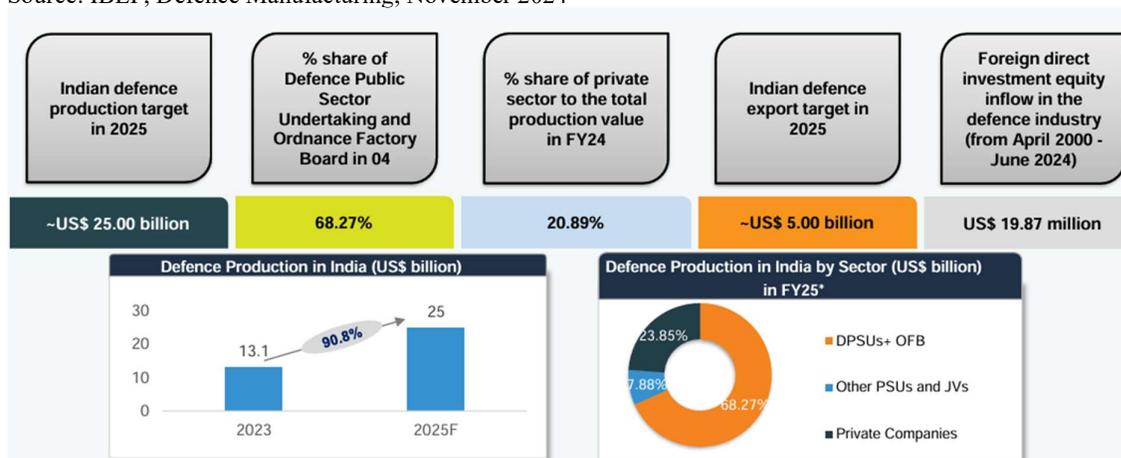
In the Interim Budget 2024-25, US\$ 2.9 billion (Rs. 23,855 crore) was allocated to DRDO, while a corpus of US\$ 12.0 billion (Rs. 1 lakh crore) was earmarked for Deep Tech, offering long-term loans to tech-savvy companies to foster innovation in defence technologies within India.

In the Regular Union Budget of FY25, Ministry of Defence (MoD) has been allocated Rs. 6,21,940.85 crore (approx. US\$ 75 Billion), the highest among the Ministries. As per the Union Budget 2022-23, 25% of the defence R&D budget has been earmarked for private industry and start-ups which will pave the way for the innovation of new defence technologies in India. Till April 2023, a total of 606 industrial licences were issued to 369 companies operating in the defence sector. Defence exports rose 240% over five years in FY23, to US\$ 1.9 billion (Rs. 15,918.16 crore). India now exports to over 85 countries due to collaborative efforts.

Defence exports stood at Rs. 21,083 crores (US\$ 2.54 billion) in 2023-24 which is 31% increase from previous year. Till October 2022, a total of 595 Industrial Licences have been issued to 366 companies operating in Defence Sector. Defence exports grew by 334% in the last five years; India now exports to over 75 countries due to collaborative efforts.

Executive Summary

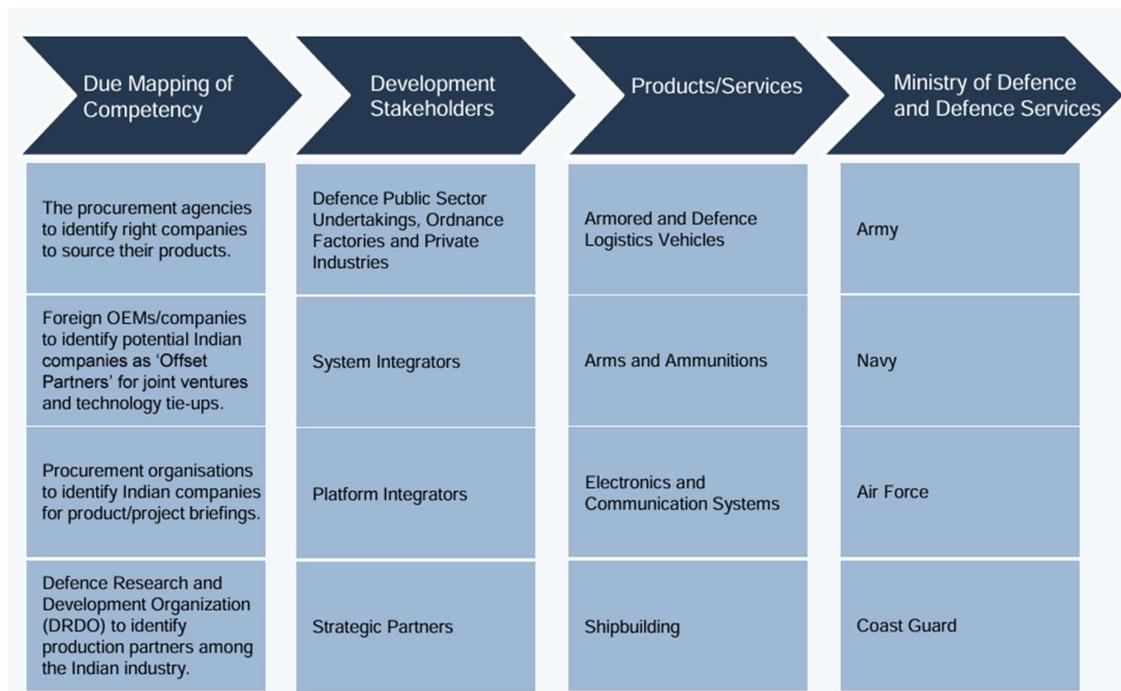
Source: IBEF, Defence Manufacturing, November 2024



- The Indian Defence ecosystem is a confluence between the Government and the defence manufacturing industry.
- Ministry of Defence has set a target of achieving a turnover of US\$ 25 billion in aerospace and defence manufacturing by 2025, which includes US\$ 5 billion in exports.
- The government has set a target of achieving defence manufacturing worth Rs. 1,75,000 crore (US\$ 21.14 billion), including defence exports of Rs. 35,000 crore (US\$ 4.22 billion) by 2024-25.
- The Interim Budget for 2024-25 envisaged an outlay of Rs. 6,21,540.85 crore (US\$ 74.8 billion), which is 13.04 % of the total budget and represents an enhancement of 4.72% over the Budget of 2023-24. This includes an amount of Rs. 1,41,205 crore (US\$ 17.0 billion) for Defence Pensions.
- Over the next 5-7 years, the Government of India plans to spend US\$ 130 billion for fleet modernization across all armed services.

Defence manufacturing landscape

Source: IBEF, Defence Manufacturing, November 2024



Indian Defence Production Value

Source: IBEF, Defence Manufacturing, November 2024

- The value of defence production in the country for 2023-24 stood at Rs. 1,27,265 crore (US\$ 15.37 billion) while the defence production by PSU’s stood at Rs. 74,434 crore (US\$ 8.99 billion).
- The Indian defence sector is one of the world’s largest and most profitable industries, with a 10-year pipeline of over US\$ 223 billion in aerospace and defence capital expenditure and a projected medium-term investment of US\$ 130 billion.
- The Draft Defence Production and Export Promotion Policy (DPEPP) was published in 2020, with the ambitious goal of increasing defence turnover from approximately Rs. 80,000 crore (US\$ 10 billion) in 2019-20 to approximately Rs. 1,75,000 crore (US\$ 21.87 billion) by 2025, including the export of Rs. 35,000 crore (US\$ 4.37 billion).
- Among the large defence programs expected to be shifted to “Buy Global – Manufacture in India” are 114 multirole fighter aircraft (MRFA), with a gradual increase in domestic production.
- The FDI maximum in defence manufacturing under the automatic route has been raised from 49% to 74% (for new investments requiring an industrial license), allowing foreign firms to establish manufacturing units with a greater degree of ownership and control.

Defence exports

Source: IBEF, Defence Manufacturing, November 2024

- Defence exports stood at Rs. 21,083 crores (US\$ 2.54 billion) in 2023-24 which is 31% increase from previous year. • India rank among top 25 nations in arms exports nations in 2024.
- The Central government aims to take India’s defence exports up to US\$ 5 billion by 2024-25.
- To achieve a turnover of Rs. 1,75,000 crore (US\$ 25 billion) including export of Rs. 35,000 crore (US\$ 5 billion) in Aerospace and Defence goods and services by 2025.
- To develop a dynamic, robust and competitive Defence industry, including the Aerospace and Naval Shipbuilding industry to cater to the needs of Armed forces with quality products.

- To reduce dependence on imports and take forward "Make in India" initiatives through domestic design and development.
- To promote the export of defence products and become part of the global defence value chains.
- To create an environment that encourages R&D, rewards innovation, creates Indian IP ownership and promotes a robust and self-reliant defence industry.

Market Size

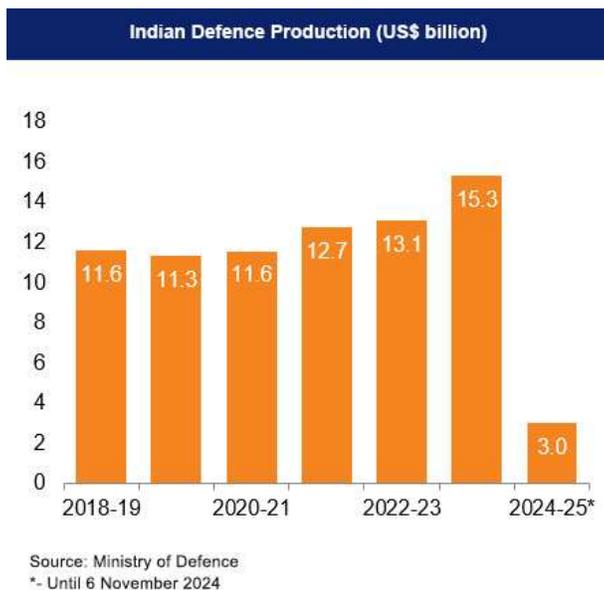
Source: <https://www.ibef.org/industry/defence-manufacturing>

According to the Global Power Index, the Indian defence sector ranks fourth in terms of firepower with a score of 0.0979 (with 0.0 being the perfect score). The Indian government has set the defence production target at US\$ 25 billion by 2025 (including US\$ 5 billion from exports by 2025). India is one of the world's biggest defence spenders with a total outlay of US\$ 74.8 billion (Rs. 6.21 lakh crore), accounting for 13.04% of the total budget and indicating an increase of 4.72% over the Budget of 2023-24 and 18.35% over the allocation for 2022-23.

India's military spending of US\$ 81.4 billion ranked fourth highest in the world in 2022. This was up by 6% from 2021.

The value of defence production in the country for 2023-24 stood at Rs. 1,27,265 crore (US\$ 15.37 billion) while the defence production by PSU's stood at Rs. 74,434 crore (US\$ 8.99 billion).

India's defence import value stood at US\$ 463 million for FY20 and US\$ 469.5 million in FY21. India targets to export military hardware worth US\$ 5 billion (Rs. 35,000 crore) in the next five years. As of 2019, India ranked 19th in the list of top defence exporters in the world by exporting defence products to 42 countries. Defence exports stood at US\$ 2.53 billion (Rs. 21,083 crores) in 2023-24 which is 32% increase from previous year. Defence exports rose 240% over five years in FY23 and India now exports to over 85 countries due to collaborative efforts.



Road Ahead

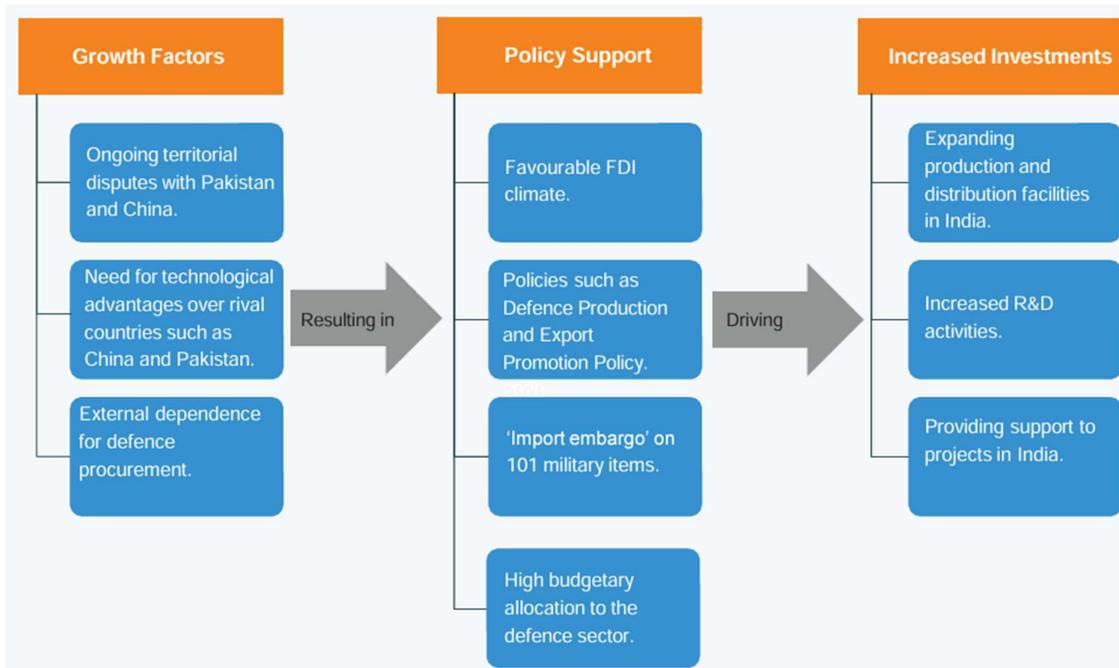
Source: <https://www.ibef.org/industry/defence-manufacturing>

The Indian government is focussing on innovative solutions to empower the country's defence and security via 'Innovations for Defence Excellence (iDEX)', which has provided a platform for start-ups to connect to the defence establishments and develop new technologies/products in the next five years (2021-2026). Working through partner incubators, iDEX has been able to attract the start-up community to participate in the Defence India Start-up Challenge (DISC) programme.

In an effort to boost the defence sector and increase the infusion of FDI, the government in September 2020 revised the regulations and permitted FDI under the automatic route up to 74% and 100% through the government route in any area, where it is likely to provide access to contemporary technologies. The Defence Ministry has set a target of 70% self-reliance in weaponry by 2027, creating huge prospects for industry players. Green Channel Status Policy (GCS) has been introduced to promote and encourage private sector investments in defence production to promote the role of private sector in defence production. Given the government's emphasis on easing restrictions on foreign investment in order to achieve India's goal of an "Atmanirbhar Bharat," the growth trajectory of the Indian defence sector remain strong.

Growth drivers for defence manufacturing in India

Source: IBEF, Defence Manufacturing, November 2024



OUR BUSINESS

Following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in the Draft Prospectus, including the information contained in the section titled 'Risk Factors', beginning on page 20 of the Draft Prospectus.

This section should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the sections titled 'Risk Factors' and 'Financial Information' and chapter titled 'Management Discussion and Analysis of Financial Condition and Results of Operations' beginning on page 20, 130 and 165, respectively, of the Draft Prospectus.

Unless the context otherwise requires, in relation to business operations, in this section of the Draft Prospectus, all references to "we", "us", "our" and "our Company" are to FFS Defence Engineering Limited and Group Entities as the case may be.

Overview

Our Company is engaged in the business of manufacturing of the ultra large size tubes required by the Defence and Space Industry. We are an ISO 9001:2015 certified for the quality management system with respect to manufacturing of flow form tubes, titanium structures, mechanical systems and opto-mechanical products.

We specialize in manufacturing motor tubes for rockets and related components using one of the largest flow-forming machines available. This advanced machine allows us to form tubes with impressive dimensions—up to 700 mm in diameter and 6000 mm in length, across a variety of materials, including alloy steel, aluminium, and maraging steel. Maraging steel is a special type of steel known for its exceptional strength and toughness while maintaining good ductility, making it ideal for high-performance applications like rocket motors.

We have two flow forming machines which can cater for minimum Dia 25 mm to 700mm. The flow-forming process allows for precise control over the tube dimensions and thickness, ensuring exceptional quality and performance. With this equipment, we can manufacture both small and large tubes, tailored to the specific needs of rocket motor and component designs. Our machines support the production of highly durable and reliable parts, crucial for space exploration and aerospace industries.

Our Flow Forming facility is designed to produce hollow, symmetrical shapes with high precision. It allows for tight control over tolerances, making sure the parts are made to exact specifications. The process can create parts with varying wall thicknesses and profiles, tailored to specific needs. It also improves the tensile strength of the material, making the parts stronger and more durable. Additionally, the inside surface finish is superior, ensuring smoothness and quality, while the process minimizes material waste, making it highly efficient and cost-effective. Flow forming technology is considered one of the most advanced metal forming methods because it offers several advantages over traditional techniques like extrusion and tube drawing. It efficiently uses metal, allowing for the production of strong, precise, and symmetrical components. These parts are lightweight but very strong, with excellent surface quality and precise measurements. The process also helps maintain cost-effectiveness while achieving high performance, making it an ideal choice for producing high-quality metal components in various industries.

In addition to making rocket motor tubes, we also have a special production line for high-performance optical components. This includes making metal mirrors, infrared (IR) lenses, and silicon carbide mirrors, which are important for aerospace and defence industries. We also produce lenses for gyro boxes, which are used in navigation systems, along with lenses coated with advanced materials like Anti-Reflective Coating (ARC) and Diamond-Like Carbon (DLC) coatings. These coatings improve the performance and durability of the lenses, making them ideal for tough environments and precise tasks. Our production line uses advanced technology to ensure the lenses meet high standards of quality and accuracy. Each product is built to meet strict performance standards, ensuring they work perfectly in demanding situations. Our optics production complements our other manufacturing capabilities, making us a trusted supplier for a wide range of advanced technology systems.

Our facility is equipped with advanced machines like the Coordinate Measuring Machine (CMM) and Zygo surface profiler, ensuring high precision and tight tolerances, which are essential for defence and space optics. We also have polishing machines (TYP 80 & 130) and coating systems (AR & DLC), enabling us to achieve high-quality surface finishes

and apply precise optical coatings for demanding applications. Additionally, the CNC lathe with a 5-meter bed length allows us to manufacture large and complex optical components, meeting the needs of defence and space systems with excellent accuracy and performance.

Our manufacturing plant is located at Nagpur, Maharashtra. We are committed to offering our customers highly competitive prices without compromising on quality, ensuring exceptional value for every project.

Capability Buildup:

1. Year 2020 - Flow Forming Machine (Length - 1.5 mtr ; Dia 250 mm)
2. Year 2021 - Bigger Flow Forming Machine (Length - 6 mtr ; Dia 700 mm)
3. Year 2022 - Entered into Space Optics Lens Manufacturing Set-up.
4. Year 2024 - Planned to Procure two roller Spinning Machine

Our Products: Some of the major products are as under:

Flow forming Products:



Optics Products





Our Strengths

Precision Measurement and Manufacturing Equipment

Our facility is equipped with some of the most advanced measurement and manufacturing tools available, ensuring that we meet the highest standards of precision and quality. We use Coordinate Measuring Machines (CMM) to accurately measure and inspect every part, ensuring tight tolerances and perfect alignment. Our Zygo surface profiler provides non-contact surface measurement, allowing us to achieve superior surface finishes, which is crucial for both mechanical and optical components. For polishing and coating, we have specialized machines like TYP 80 and TYP 130, along with advanced coating systems for applying ARC and DLC coatings. These systems ensure that our products have smooth, high-quality finishes and enhanced durability. Additionally, our CNC lathe with a 5-meter bed length enables us to manufacture large and complex optical components, making it possible to produce precision parts for defence and space systems. With these advanced capabilities, we can ensure the accuracy, durability, and performance of every component we produce.

Commitment to Quality and Compliance

Our company is deeply committed to maintaining the highest standards of quality across all our products and processes. We are ISO 9001:2015 certified, ensuring that our quality management system meets international standards for manufacturing excellence. This certification reflects our dedication to continuous improvement, customer satisfaction, and compliance with regulatory requirements. Whether manufacturing flow-form tubes, titanium structures, or optical components, we follow strict quality control procedures at every stage of production. Our state-of-the-art equipment, skilled workforce, and robust testing methods guarantee that all components meet precise specifications and perform reliably in critical aerospace and defence applications. This commitment to quality not only ensures the longevity and effectiveness of our products but also fosters trust and confidence among our clients. By adhering to the highest standards, we consistently deliver products that support the success of complex space and defence missions.

Material Efficiency

One of the key advantages of our flow-forming process is its exceptional material efficiency. Unlike traditional methods such as machining, which often result in significant material waste, flow forming stretches and shapes the metal without removing much material. This allows us to maximize the use of raw materials, reducing waste and making the process more cost-effective. By conserving material, we not only lower production costs but also reduce the environmental impact of our manufacturing processes. The ability to produce high-strength, precision components with minimal waste makes flow forming a highly efficient and sustainable solution for aerospace and defence industries. This efficiency is especially valuable for producing large, complex parts where material conservation is crucial. It also enables us to offer competitive pricing while maintaining the high-quality standards our customers rely on. Overall, material efficiency in flow forming translates to both economic and environmental benefits, aligning with the growing demand for more sustainable manufacturing practices. We work with a wide range of metals, including aluminium, steel, and titanium, offering flexibility to meet the specific needs of each project.

We serve clients from multiple industries

We serve a wide range of industries, including aerospace, defence, space exploration, automotive, and energy. Further, our client base is varied and include private companies as well as government organisations. Our expertise allows us to create high-performance parts for rocket motors, satellite systems, and advanced optical components. By working across different

sectors, we bring valuable insights and innovation to every project. This versatility ensures we can meet the unique needs of each industry with precision and reliability. Serving multiple industries helps us continuously improve and stay ahead in advanced manufacturing. Our diverse experience makes us a trusted partner for many high-tech and performance-driven industries.

Our Business Strategy

Our key strategic initiatives are described below:

Expanding Market Presence

Our business strategy focuses on expanding our market presence in the aerospace and defence sectors by providing lightweight, high-strength components for rockets, satellites, and aircraft. We aim to meet the growing demand for advanced materials that offer both durability and performance under extreme conditions. By leveraging our expertise in manufacturing precision-engineered parts, we target key markets involved in space exploration, defence systems, and aviation. We are committed to developing innovative solutions that enhance the efficiency and reliability of aerospace technologies.

Geographical Expansion

Our strategy for geographic expansion focuses on entering international markets, particularly in regions where aerospace and defence industries are growing quickly. By tapping into these emerging markets, we aim to offer our high-quality components to new customers and strengthen our global presence. We are targeting countries with increasing demand for advanced technologies, such as rocket motors, satellites, and defence systems. Expanding internationally allows us to diversify our customer base and take advantage of new opportunities in fast-growing sectors. This expansion will help us stay competitive and support the global growth of aerospace and defence industries.

Strengthening customer relationships

Strengthening customer relationships is a key part of our growth strategy. These partnerships enable us to align more closely with customer needs and create long-term, mutually beneficial relationships. These relationships not only enhance our product offerings but also allow us to gain deeper insights into customer requirements, enabling us to continuously improve and deliver the most effective solutions. Through such partnerships, we build trust, expand our reach, and strengthen our position in the competitive aerospace and defence markets.

Capital expenditure:

Our Company wants to convert our existing optics manufacturing facility into a state-of-the-art optics manufacturing facility in India to meet the growing demand for advanced optical systems used in defence equipment. This aligns with the Indian Government's goal of becoming self-reliant in defence technology, reducing reliance on imports, and supporting the modernization of the Armed Forces, including the Army, Air Force, and Navy. The proposal to expand the optics manufacturing facility will help reduce dependence on imports, boost self-reliance, and meet the growing needs of modern defence systems.

To meet the growing demands, FFS wishes additionally augment the additional machinery listed as under.

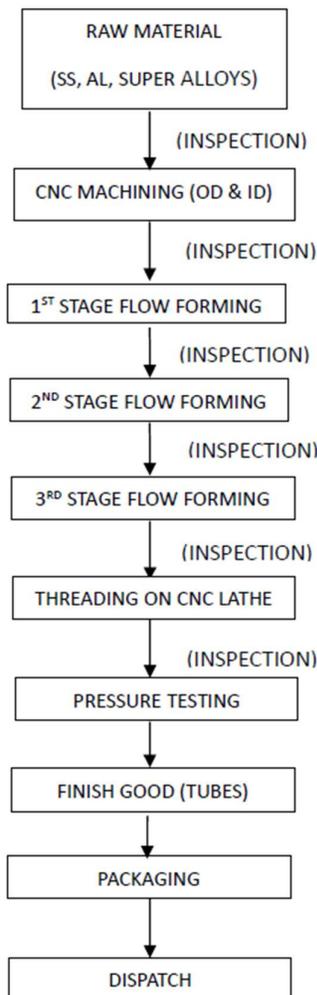
Machinery:

1. CNC Polishing Machines
2. Coating Machines
3. Domes Coating Arrangement

For details of capex please refer to the section "Objects of the Issue" beginning on page 64 of the Draft Prospectus.

Manufacturing Process:

- **FLOW FORMING PROCESS FLOW CHART**



1. Raw Material (SS, AL, Super Alloys): The process begins with selecting the appropriate raw material, which could be stainless steel, aluminum, or super alloys, depending on the requirements of the final product.

2. Inspection: The raw materials undergo a thorough inspection to ensure they meet the required standards and specifications.

3. CNC Machining (OD & ID): Computer Numerical Control (CNC) machining is carried out to precisely shape the outer diameter (OD) and inner diameter (ID) of the material.

4. Inspection: The machined material is inspected to verify the accuracy of dimensions and quality of the machining.

5. 1st Stage Flow Forming: The material is subjected to the first stage of flow forming, where it is plastically deformed into a tubular shape under controlled conditions.

6. Inspection: The workpiece is inspected after the first stage of flow forming to ensure the process parameters and material quality are maintained.

7. 2nd Stage Flow Forming: The second stage of flow forming is carried out to further refine the shape and dimensions of the tube.

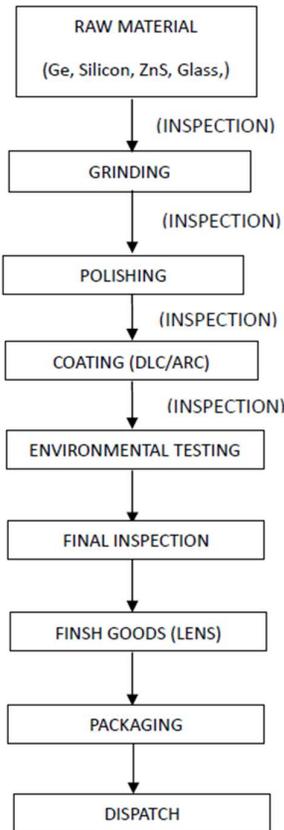
8. Inspection: The tube is inspected again after the second stage to confirm adherence to dimensional tolerances and process requirements.

9. 3rd Stage Flow Forming: The final stage of flow forming is performed to achieve the desired geometry and mechanical properties of the tube.

10. Inspection: A detailed inspection is conducted after the third stage to validate the consistency and quality of the finished shape.

11. Threading on CNC Lathe: Threads are added to the tube using a CNC lathe to prepare it for assembly or integration into a larger system.
12. Inspection: The threaded tube is inspected to confirm the accuracy and functionality of the threading.
13. Pressure Testing: The finished tube undergoes pressure testing to ensure it can withstand the operational pressures without failure.
14. Finished Goods (Tubes): The tubes, now complete and tested, are categorized as finished goods ready for the next steps.
15. Packaging: The finished tubes are carefully packaged to protect them during transportation and storage.
16. Dispatch: The packaged tubes are dispatched to the customer or intended destination.

• **OPTICS LENSES PROCESS FLOW CHART**



- 1) Glass or Crystal material is received.
- 2) Depending on the surface figure, it is either Diamond Turned or Ground and Polished to the required accuracy of the customer.
- 3) Optical Measurement is done and cleared for coating to improve the transmission/reflection of the optical surface.
- 4) Final testing of the optical performance and environmental testing is carried out and then cleared for dispatch.

Plant and Machinery

Below are the major plant and machinery owned by us:

SR NO	Flow Forming
1	CNC 3-Roller Flow Forming Machine - 1 No.
2	CNC 3-Roller Flow Forming Machine - 1 No.

3	CNC Lathe - 1 No.
4	Horizontal Boring Machine - 1 No.
5	Conventional Lathe Machine - 1 No.
6	Conventional Lathe Machine - 1 No.
7	Air Compressor - 1 No.
8	Surface Plate - 1 No.
9	Hardness Testing Machine - 1 No.
10	Pressure Testing Unit - 1 No.
11	Welding Machine - 1 No.
12	Ultrasonic Thickness Tester - 1 No.
13	Over Head Crane
14	Chiller
Machines At Optics Section	
1	Dimond Turning Machine (Dtm)
2	CNC Polishing Machine - 1 No
3	CNC Polishing Machine - 1 No
4	AR Coating Machine - 1 No.
5	DLC Coating Machine
6	Universal Measuring System
7	Contact Measuring Machine - Farm Tally Surf
8	Non-contact Measuring System
9	Phase Shift Interferometer
10	CNC Lens Grinding Machine
11	CNC Lens Grinding Machine
12	Precision CNC Lathe - 1 No.
13	White Light Inferometer - 1 No.
14	Rain Test Chamber - 1 No.
15	Climatic Test Chamber - 1 No.
16	Air Shower & It's Parts - 1 Set

Technology and Infrastructure Facilities

We rely on advanced technologies to ensure the highest quality and precision in our manufacturing processes, making them a critical factor in our success. Our state-of-the-art machines allow us to produce large, complex components with tight tolerances and minimal material waste, significantly improving both efficiency and cost-effectiveness. We also use cutting-edge measurement tools like Coordinate Measuring Machines (CMM) and Zygo surface profilers, ensuring that every product meets stringent specifications. Moreover, our investment in automation and digital technologies helps streamline production, reduce human error, and improve overall consistency. By embracing these advanced technologies, we stay ahead of the competition, meet customer demands for high-quality products, and continue to innovate in a rapidly evolving industry. The role of technology is vital for meeting the increasingly complex requirements of sectors like aerospace, defence, and space exploration.

Testing

Environmental testing: Climate chambers, rain test chamber, and salt spray testing equipment imply the ability to test optics for durability in harsh environments encountered in space and defence applications.

- Metrology: The presence of a white light interferometer signifies the capability to measure surface quality with high accuracy, essential for defence-grade optics.

- **Dimensional Testing:** The presence of a Coordinate Measuring Machine (CMM) suggests the ability to perform highly precise dimensional measurements of optical components, crucial for ensuring they meet design specifications.

Collaborations

Our Company has not entered into any collaboration.

Utilities

Our registered office and manufacturing unit have facilities of water and electricity provided by respective authorities. Our office is equipped with necessary communication devices like telephone, computers, printers, internet connection etc. Generally power requirements are met at site through normal distribution channel like State Electricity Board.

Manpower

Our Company is committed towards creating an organization that nurtures talent. We provide our employees with an open atmosphere with a continuous learning platform that recognizes meritorious performance.

The following is a department-wise break-up of our employees as on December 31, 2024:

Department	No of Employees
Accounts	2
Admin	1
Production	11
Other	4
Workers	1
Total	19

Competition

The competition in our industry is intense, as many companies are vying for a share of the growing aerospace, defence, and space markets. Competitors range from large, well-established players with extensive resources to smaller, specialized firms that focus on niche markets. While larger companies may have the advantage of scale and broad product offerings, our ability to provide highly customized, precision-engineered solutions gives us a competitive edge. The demand for high-quality, cost-effective components is rising, which fuels the competition to innovate and improve production efficiency. We differentiate ourselves by offering specialized products like flow-formed tubes and advanced optical components, which require advanced technology and expertise. Additionally, our focus on strong customer relationships and strategic collaborations helps us stand out. However, the competitive landscape is constantly evolving, with new players and emerging technologies challenging established companies. To stay ahead, we continue to invest in innovation, improve our manufacturing capabilities, and enhance our customer service. Understanding the competition and market trends helps us refine our strategies and maintain a leadership position in the industry.

Approach to Marketing and Marketing Set-up

Our approach to marketing is focused on building strong brand visibility and reaching potential customers through a combination of digital and traditional methods. We use electronic media extensively, including targeted online ads, and industry-specific websites, to reach a wide audience and generate leads. This allows us to engage with aerospace and defence professionals, as well as other potential clients, on a global scale. Additionally, we emphasize mouth-to-mouth publicity, as word-of-mouth recommendations from satisfied customers carry significant weight in our industry. Given that our products are specialized and often require a high level of trust, personal referrals and customer testimonials are invaluable for attracting new business. We also attend key industry trade shows, conferences, and events to network directly with prospective clients and demonstrate our capabilities. Our marketing setup ensures we can reach decision-makers efficiently while reinforcing our reputation for quality and reliability. This mix of electronic media and personal recommendations helps us build a strong, credible presence in our niche market. Through these strategies, we aim to position ourselves as a trusted leader in the aerospace and defence manufacturing sector.

Capacity and Capacity Utilization

Details of capacity and capacity utilization is as detailed under:

Particulars	Fiscal/ Period		
	Sept 2024	2024	2023
Installed Capacity (in PCS in the FY)	1.Mechanical- 1200 units 2.Optical – 4000 pcs	1.Mechanical- 1200 units 2.Optical – 4000 pcs	1.Mechanical- 1200 units 2.Optical – 4000 pcs
Utilised Capacity (in PCS in the FY)	1.Mechanical- 158 units 2.Optical – 989 pcs	1.Mechanical- 798 units 2.Optical – 2905 pcs	1.Mechanical- 293 units 2.Optical – 487 pcs
Utilised Capacity (%)	1.Mechanical- 13.17% 2.Optical – 24.73%	1.Mechanical- 66.5% 2.Optical – 72.63%	1.Mechanical- 24.42% 2.Optical – 12.18%

Export Possibilities & Export Obligation

Currently, we do not have any outstanding export obligations.

Property

The following table sets forth the location and other details of the leasehold properties of our Company:

Description of Property	Purpose
Plot No. J-17, Hingna MIDC, Hingna Road, Near IC Chawk, MIDC Nagpur, Nagpur (Urban) – 440016, Maharashtra, Maharashtra, India	Registered Office and Manufacturing Unit
Taken vide Lease Deed dated November 27, 2019 from Purti Solar Systems Private Limited for a period of 10 years, commencing from February 2020 to February 2030 Admeasuring 54,000 sq. feet Land, 8,000 sq. feet ground floor and 3,000 sq. feet 1st floor	
Sy. No. 26/12 and 27/4B1, Yarandahalli Village, Jigani Hobli, Anekal Taluk, Bangalore – 560099, Karnataka, India	R&D facility to be set up
Taken vide Lease Deed dated January 1, 2025 from Satish Chandra YS Purti Solar Systems Private Limited for a period of 5 years, commencing from March 1, 2025 to February 28, 2030 Admeasuring 10,800 with 150 KW power	

Intellectual Property

The following table sets forth the details of our Trademarks:

Sr. No	Particulars	Status
1	Domain Name www.ffsdefence.com	Registered
2	Logo 	Unregistered
3	FFS INDUSTRIES PRIVATE LIMITED Goods as described in registration certificate	Registered

Please refer to the Risk Factors section beginning on page 20 of this Draft Prospectus.

Insurance

As of the date of Draft Prospectus we have taken following insurance policies:

Type of Insurance	Cover
Bajaj Allianz General Insurance Company Limited, Burglary Policy for Stocks No. OG-24-1907-4010-00000559 Valid till January 15, 2025	Stocks with sum insured of Rs. 1,000.00 Lakhs
Bajaj Allianz General Insurance Company Limited, Fire Policy for Stocks No. OG-24-1907-4057-00000246 Valid till January 15, 2025	Sum insured of Rs. 1,000.00 Lakhs
Bajaj Allianz General Insurance Company Limited, Fire Policy for Buildings and Plant and Machinery No. OG-25-1933-4057-00000213 Valid till January 15, 2025	Sum insured of Rs. 2,908.89 Lakhs for Buildings and Plant and Machinery

KEY INDUSTRIAL REGULATIONS AND POLICIES IN INDIA

The following description is a summary of certain sector-specific laws currently in force in India, which are applicable to our Company. The information detailed in this chapter has been obtained from publications available in the public domain. The description below may not be exhaustive and is only intended to provide general information to investors, and is neither designed as, nor intended to substitute, professional legal advice. Judicial and administrative interpretations are subject to modification or clarification by subsequent legislative, judicial, or administrative decisions. The information detailed in this chapter has been obtained from various legislations, including rules and regulations promulgated by the regulatory bodies that are available in the public domain.

The Company may be required to obtain licenses and approvals depending upon the prevailing laws and regulations as applicable. For information on regulatory approvals obtained by us, please refer “Government and Other Approvals” on page 178. We are required to obtain and regularly renew certain licenses / registrations / sanctions / permissions required statutorily under the provisions of various Central and State Government regulations, rules, bye laws, acts, and policies. Additionally, the projects undertaken by us require, at various stages, the sanction of the concerned authorities under the relevant central and state legislations and local byelaws.

Following is an overview of some of the important laws and regulations, which are relevant to our business.

I. Regulation of the Defence Manufacturing Sector

1. Industries (Development and Regulation) Act, 1951, as amended (“IDAR Act”)

The IDAR Act has been liberalized under the New Industrial Policy dated July 24, 1991, and all industrial undertakings are exempt from licensing except for certain industries, including among others, all types of electronic aerospace and defence equipment. The IDAR Act is administered by the Ministry of Commerce & Industries through the DPIIT.

2. Defence Acquisition Procedure (“DAP”), 2020

The MoD has announced the DAP, 2020 which has come into effect from October 1, 2020 and has superseded the Defence Procurement Procedure, 2016. DAP focuses on significantly boosting indigenous production and turning India into a global manufacturing hub of weapons and military platforms. DAP has been aligned with the vision of the Government’s Atmanirbhar Bharat (self-reliant India) initiative and aims to empower Indian domestic defence industry through ‘Make in India’ projects. This policy will significantly boost indigenous defence. The Department of Military Affairs, MoD has prepared a list of 101 items for which there would be an embargo on the import (Import Embargo List), as set out in the press release dated August 9, 2020 issued by MoD. This list comprises of not just simple parts but also some high technology weapon systems such as artillery guns, assault rifles, corvettes, sonar systems, transport aircrafts, light combat helicopters (LCHs), radars and many other items to fulfil the needs of our defence services. Thereafter, 3 more lists have been released and an embargo has been put on 411 items in total. Further, the DAP aims to develop India into a Global hub for defence manufacturing and has been aligned to encourage foreign companies to set up in India. Additionally, the DAP contains detailed guidelines, inter alia, in relation to: (i) acquisition categories, acquisition planning and indigenous content; (ii) acquisition procedures for categories under ‘Buy’ and ‘Buy and Make’ schemes; (iii) procedure for procurement under ‘Make’ and ‘Innovation’ categories; and (iv) procedure for acquisition of systems designed and developed by the DRDO/DPSUs/OFB; (v) fast track procedure; (vi) standardization of contract document; (vii) revitalising defence industrial ecosystem through strategic partnerships; (viii) acquisition of system products and information and communication technology systems; (ix) leasing; (x) other capital procurement procedure; (xi) post contract management; and (xii) procedure for defence ship building. It also contains guiding principles on the intellectual property rights of the government in ‘Make-I’ projects, which are funded by the MoD. The government reserves the right to work patents, either by itself or by another entity on its behalf, when a contractor fails to work the patent within a reasonable period of time.

Acquisition Contracts have been defined as; 1. Buy (Indian-IDDM). ‘Buy (Indian-IDDM)’ category refers to the acquisition of products from an Indian vendor that have been indigenously designed, developed and manufactured with a minimum of 50% Indigenous Content (IC) on cost basis of the base contract price i.e. total contract price less taxes and duties. 2. ‘Buy (Indian)’ category refers to the acquisition of products from an Indian vendor which may not have been designed and developed indigenously, having 60% IC on cost basis of the base contract price. Vendors eligible in ‘Buy (Indian-IDDM)’ category will also be permitted to participate in this category with indigenous design and a minimum of 50% IC on cost basis of the base contract price. 3. Buy (Global -Manufacture in India). Buy (Global - Manufacture in India) category refers to an outright purchase of equipment from foreign vendors, in quantities as considered necessary, followed by indigenous

manufacture of the entire/part of the equipment and spares/assemblies/sub-assemblies/Maintenance along with Repair and Overhaul (MRO) facility (only in cases these are part of the main contract) for the equipment, through its subsidiary in India/through a Joint Venture/through an Indian Production Agency (PA) (with ToT of critical technologies as per specified range, depth and scope to the Indian PA), meeting a minimum of 50% IC on cost basis of the Base Contract Price. Indian vendors will be permitted to participate in Buy (Global -Manufacture in India). Acquisition under this category can also be carried out without any initial procurement of equipment in FF state. All payments for the 'Manufactured' portion will be paid to the vendor in Indian Rupees as per contract provisions.

The DAP outlines the defence offset policy, which is aimed at leveraging capital acquisitions and technology to develop the Indian defence industry by fostering development of internationally competitive enterprises and augmenting capacity for research, design and development related to defence products. Provisions on offsets would be applicable to 'Buy (Global)' categories of procurement, where the estimated acceptance on necessity cost is ₹ 2,000 crores or more. If an Indian vendor participating in the 'Buy (Global)' category fails to meet the minimum requirement of 30% indigenous content in the product, it would be required to discharge offsets. The required value of such offset obligations would be 30% of the estimated cost of the acquisition. The DAP will remain in force till September 30, 2025 or till reviewed.

With a view to promote domestic and indigenous industry as also align the DAP with the reforms enunciated in the 'Atmanirbhar Bharat Abhiyan', the MoD has notified a list of weapons/platforms banned for import, as updated from time to time on the MoD website and guidelines thereon, and SHQ will ensure that no weapon/platform figuring on the list is procured ex import. These equipment may, therefore, be procured under the Buy (Indian - IDDM), Buy (Indian), Buy and Make (Indian) (only if Buy quantities are zero) and Buy (Global - Manufacture in India) (only if Buy quantities are zero) categories of acquisition.

3. Draft Defence Production & Export Promotion Policy, 2020 as amended ("Draft DPEPP")

The MoD released the Draft DPEPP to provide further impetus to realise the goal of self-reliance under the goal of Atmanirbhar Bharat, which is to develop a dynamic, robust and competitive defence industry, including aerospace and naval shipbuilding industry, to cater to the needs of armed forces, along with giving end to end solutions ranging from design to production, with active participation from the public and private sectors, thus fulfilling the twin objectives of self-reliance as well as exports. The Draft DPPEP aims to implement measures so as to achieve a turnover of ₹ 1,750,000 million (US\$ 25 billion) including export of ₹ 350,000 million (US\$ 5 billion) in aerospace and defence goods and services by 2025. Further, its objective is to reform as well as standardize defence procurement by providing support to micro, small and medium enterprises/ start-ups in order to indigenize the manufacturing of imported components. Additionally, the Draft DPPEP has the following goals: (i) to reduce dependence on imports and take forward the "Make in India" initiative through domestic design and development; (ii) to promote export of defence products and become part of the global defence value chains; (iii) to create an environment that encourages research and development, rewards innovation, creates Indian intellectual property ownership and promotes a robust and self-reliance defence industry; (iv) enhance investment promotion with the association of the Ministry of Civil Aviation by offering incentives to global and domestic original equipment manufacturers to set up design and manufacturing facilities in India; and (v) liberalize foreign direct investment in the defence sector for attracting global original equipment manufacturers to shift manufacturing facilities and expand India's presence in international supply chains.

4. Aircraft Act, 1934 as amended ("Aircraft Act"), the Aircraft Rules, 1937 as amended ("Aircraft Rules") and the Drone Rules, 2021 and Drone (Amendment) Rules, 2023 ("Drone Rules").

The Aircraft Act and the Aircraft Rules were enacted to control the manufacture, possession, use, operation, sale, and the import and export of aircrafts. They stipulate parameters for determining airworthiness, maintenance of aircrafts, general conditions for flying and safety, registration of aircrafts and conduct of investigations. The Directorate General of Civil Aviation ("DGCA") is the competent authority for providing the abovementioned license and approvals. The DGCA is the regulatory body in the field of civil aviation primarily responsible for regulation of air transport services to/ from/ within India and for enforcement of civil air regulations, air safety and airworthiness standards. Further, the Bureau of Civil Aviation Security ("BCAS") is an independent authority responsible for laying down standards and measures with respect to security of civil flights at international and domestic airports in India.

Pursuant to the Aircraft (Amendment) Act, 2020, three regulatory bodies under the Ministry of Civil Aviation were accorded the status of statutory organisations. The DGCA is responsible for carrying out safety oversight and regulatory functions, the BCAS is responsible for carrying out regulatory and oversight functions in respect of matters relating to civil aviation security and the Aircraft Accidents Investigation Bureau is responsible for matters related to investigation of aircraft accidents or incidents.

The Ministry of Civil Aviation, on August 25, 2021, notified the Drone Rules, which repealed the Unmanned Aircraft System Rules, 2021. The Drone Rules have been amended on October 06, 2023. The Drone Rules define a ‘drone’ as an unmanned aircraft system and it applies to: (i) all persons owning or possessing, or engaged in leasing, operating, transferring or maintaining an unmanned aircraft system in India; (ii) all unmanned aircraft systems that are registered in India; and (iii) all unmanned aircraft systems that are being operated for the time being, in or over India. The Drone Rules provides detailed provisions inter alia on: (i) classification of unmanned aircraft systems; (ii) certification of unmanned aircraft systems; (iii) registration of unmanned aircraft systems; (iv) operation of unmanned aircraft systems; (v) remote pilot licenses; and (vi) unmanned aircraft system traffic management. The Drone Rules authorise the Director General of Civil Aviation or an officer authorised by the Central Government, State Government or Union Territory Administration, to levy a penalty up to rupees one lakh, for a contravention of the Drone Rules.

Motor Vehicles Act, 1988 (the “Motor Vehicles Act”)

The Motor Vehicles Act and the rules prescribed thereunder regulate all aspects of motor vehicles in India, including licensing of drivers, registration of motor vehicles, control of motor vehicles through permits, special provisions relating to state transport undertakings, insurance, liabilities, offences and penalties. Accordingly, the Motor Vehicles Act places a liability on every owner of, or person responsible for, a motor vehicle to ensure that every person who drives a motor vehicle holds an effective driving license. Further, the Motor Vehicles Act requires that an owner of a motor vehicle bear the responsibility of ensuring that the vehicle is registered in accordance with the provisions of the Motor Vehicles Act and that the certificate of registration of the vehicle has not been suspended or cancelled. Further, the Motor Vehicles Act prohibits a motor vehicle from being used as a transport vehicle unless the owner of the vehicle has obtained the required permits authorizing him/her to use the vehicle for transportation purposes. The Central Motor Vehicles Rules, 1989, is a set of rules prescribed under the Motor Vehicles Act, which lay down the procedures for licensing of drivers, driving schools, registration of motor vehicles and control of transport vehicles through issue of tourist and national permits. It also lays down rules concerning the construction, equipment and maintenance of motor vehicles and insurance of motor vehicles against third party risks.

5. Indian Naval Armament Act, 1923

No person shall, except under and in accordance with the conditions of a licence granted under this Act,— (a) build any vessel of war, or alter, arm or equip any ship so as to adapt her for use as a vessel of war; or (b) despatch or deliver, or allow to be despatched or delivered, from any place in the States any ship which has been, either wholly or partly, built, altered, armed or equipped as a vessel of war in any part of India otherwise than under and in accordance with any law for the time being in force in that part. A licence under this Act for any of the purposes specified may be granted by the Central Government.

6. Explosives Act, 1884 as amended (“Explosives Act”) and the Explosives Rules, 2008 as amended (“Explosives Rules”)

Under the Explosives Act, the Central Government has the power to regulate the manufacture, possession, use, sale, transport, import and export of explosives and grant/ refusal of license for the same activities. The Central Government prohibits the manufacture, possession or importation of specially dangerous explosives. In furtherance to the purpose of this legislation, the Central Government has notified the Explosive Rules to regulate the manufacture, import, export, transport and possession for sale or use of explosives.

LABOUR LAWS

Depending upon the nature of the activities undertaken by our Company, certain applicable labour laws and regulations include the following:

Child Labour (Prohibition and Regulation) Act, 1986

The Child Labour (Prohibition and Regulation) Act, 1986, (“**CLPRA Act**”) provides for prohibiting engagement of children below 14 years in factories, mines and hazardous employments and regulates the conditions of their employment in certain other employments. The CLPRA Act aims to regulate the number of hours, period of work and holidays to be given to child labourers. It specifies that the employer has to mandatorily furnish certain information regarding employment of child labour to the inspector and maintain a register which would contain details regarding the child labourers. The CLPRA Act also provides for health and safety measures to be complied with by the employer.

Inter State Migrant Workmen (Regulation of Employment & Conditions of Service) Act, 1979 (“ISMW Act”)

The ISMW Act regulates the employment of inter-state migrant workmen and provides for their conditions of services and for matter connected therewith. Under the provisions of the ISMW Act, every principal employer of an establishment which employs five or more inter-state migrant workmen (whether or not in addition to other workmen) on any day of the preceding 12 months has to register his establishment under ISMW Act. The ISMW Act also requires the principal employers and contractors to maintain registers with such details of the migrant workmen as may be prescribed. Any violation of the provisions of the ISMW Act and Rules prescribed thereunder is imprisonment which may extend to two years or with fine which may extend to ₹ 2,000 or with both.

Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“**SHWPPR Act**”) aims to provide women protection against sexual harassment at the workplace and prevention and redressal of complaints of sexual harassment. The SHWPPR Act defines ‘sexual harassment’ to include any unwelcome acts or a sexually determined behaviour (inter alia whether directly or by implication). Workplace under the SHWPPR Act has been defined widely to include government bodies, private and public sector organisations, non-governmental organisations, organisations carrying on commercial, vocational, educational, entertainment, industrial, financial activities, hospitals and nursing homes, educational institutes, sports institutions and stadiums used for training individuals. The SHWPPR Act requires an employer to set up an ‘internal complaints committee’ at each office or branch, of an organization employing at least 10 employees. Factors like mental trauma, medical expenses, loss in the career opportunity and income shall be considered while determining compensation. The duties of the employer and the district officer are provided in the SHWPPR Act.

The Maternity Benefit Act, 1961

The Maternity Benefit Act, 1961, as amended (“**Maternity Benefit Act**”) on 1st April 2017 regulates the employment of pregnant women and ensures that they get paid leave for a specified period during and after their pregnancy. However, the relevant provision on the “work from home” option will come into effect from 1st July 2017. The Maternity Benefit Act is applicable to establishments in which 10 or more employees are employed, or were employed on any day of the preceding 12 months. The maximum period for which any woman shall be entitled to maternity benefit shall be 26 weeks, of which not more than Eight weeks shall precede the date of her expected delivery. For women who are expecting after having 2 children, the duration of paid maternity leave shall be 12 weeks (i.e., 6 weeks pre and 6 weeks post expected date of delivery). It also provides that every woman who adopts a child shall be entitled to 12 weeks of maternity leave, from the date of adoption. The MB Amendment Act has also introduced an enabling provision relating to “work from home” for women, which may be exercised after the expiry of the 26 weeks’ leave period depending on nature of work. Entitlement of six weeks of paid leave is also applicable in case of miscarriage or medical termination of pregnancy. The MB Amendment Act makes crèche facility mandatory for every establishment employing 50 or more employees. Women employees would be permitted to visit the crèche 4 times during the day.

The Minimum Wages Act, 1948

Under the Minimum Wages Act, 1948 (“**Minimum Wages Act**”) every employer is mandated to pay not less than the minimum wages to all employees engaged to do any work whether skilled, unskilled, manual or clerical (including out-workers) in any employment listed in the schedule to the Minimum Wages Act, in respect of which minimum rates of wages have been fixed or revised under the Minimum Wages Act.

Laws relating to taxation

The Income Tax Act, 1961

The Income Tax Act, 1961 deals with the taxation of individuals, corporate, partnership firms and others. As per the provisions of this Act the rates at which they are required to pay tax is calculated on the income declared by them or assessed by the authorities after availing the deductions and concessions accorded under the Act. The maintenance of Books of Accounts and relevant supporting documents and registers are mandatory under the Act. Filing of returns of Income is compulsory for all assesses. The maintenance of Books of Accounts and relevant supporting documents and registers are mandatory.

The Central Goods and Services Tax Act, 2017 (the “GST Act”)

The GST Act levies indirect tax throughout India to replace many taxes levied by the Central and State Governments. The GST is governed by a GST Council and its Chairman is the Finance Minister of India. The GST Act is applicable from July 1, 2017 and will bound together the Central Excise Duty, Commercial Tax, Value Added Tax (VAT), Food Tax, Central Sales Tax (CST), Introit, Octroi, Entertainment Tax, Entry Tax, Purchase Tax, Luxury Tax, Advertisement Tax, Service Tax, Customs Duty, Surcharges. Under GST, goods and services will be taxed under five different categories that are 0%, 5%, 12%, 18%, 28%. GST will be levied on all transactions such as sale, transfer, purchase, barter, lease, or import of goods and/or services. India will adopt a dual GST model, meaning that taxation is administered by both the Union and State Governments. Transactions made within a single state will be levied with Central GST (CGST) by the Central Government and State GST (SGST) by the government of that state. For inter-state transactions and imported goods or services, an Integrated GST (IGST) is levied by the Central Government. GST is a consumption-based tax; therefore, taxes are paid to the state where the goods or services are consumed and not the state in which they were produced.

Other Laws and Regulations

In addition to the above, our Company is also required to comply with the provisions of the Companies Act, and other applicable statutes imposed by the Centre or the State for its day-to-day operations. Our Company is also amenable to various central and state tax laws.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was originally incorporated as 'FFS Industries Private Limited' a private limited company under the Companies Act, 2013 at Mumbai, Maharashtra, pursuant to a certificate of incorporation dated August 6, 2019 issued by the Registrar of Companies, Central Registration Centre. ("RoC"). Further the name of our Company was changed to "FFS Defence Engineering Private Limited" pursuant to shareholder's resolution dated July 25, 2024 and a fresh certificate of incorporation consequent to change of name was issued on August 27, 2024 by the Registrar of Companies, Mumbai. Subsequently, the name of the Company was changed to 'FFS Defence Engineering Limited' upon conversion into public company, pursuant to shareholder's resolution dated August 29, 2024. and a fresh certificate of incorporation consequent to conversion was issued on October 8, 2024 by the Registrar of Companies. The Company's Corporate Identity Number is U35990MH2019PLC328941.

Rajendra Chodankar and Faithful Vanijya Private Limited are the Promoters of our Company.

Names of signatories to the Memorandum of Association of the Company and the number of Equity Shares subscribed by them:

The names of the signatories of the Memorandum of Association of the Company and the number of Equity Shares subscribed for by them at the time of signing of the Memorandum of Association are as mentioned below:

Name of Allottee	No. of Shares Allotted
Rajendra Chodankar	5,000
Raunaq Chodankar	5,000

Changes in our Registered Office:

As on the date of this Draft Prospectus, our Registered Office is located at Plot No. J-17, Hingna MIDC, Hingna Road, Near IC Chawk, MIDC Nagpur, Nagpur (Urban) – 440 016, Maharashtra, India.

Following are the details of the changes in the address of the registered office of our Company since incorporation:

- From 3, Plot No. 6828-6829, Gold Inn, A-Wing, Santacruz East, Mumbai – 400098, Mumbai, Maharashtra, India
To Plot No. J-17, Hingna MIDC, Hingna Road, Near IC Chawk, MIDC Nagpur, Nagpur (Urban) – 440 016, Maharashtra, India due to administrative reasons w.e.f. July 25, 2024.

Main objects of our Company

The main objects of our Company as contained in our Memorandum of Association are:

- To carry on the business of manufacture, fabricate and assemble, buy, sell, import, export, distribute, and deal in automobile parts of all kinds and descriptions, automotive, mechanical flow form tubes for rocket motors and other gears, transmission and other axles, universal joints, springs, leaves, head lamps, sealed beams, induction hardened pins, axles, alloy springs, accessories and fittings of all kinds and to act as brokers and marketing agents for aforesaid items.

The main object clause and objects incidental or ancillary to the main objects contained in the Memorandum of Association enable our Company to undertake its existing business.

Amendments to our Memorandum of Association

Set out below are the amendments that have been made to our Memorandum of Association, in the ten years preceding the date of this Draft Red Herring Prospectus:

Particulars of Change		Date of Members Meeting	AGM/EGM
From	To		
₹1,00,000 consisting of 10,000 Equity shares of ₹10.00 each.		On incorporation	-
₹1,00,000 consisting of 10,000 Equity shares of ₹10.00 each.	Total Authorised Capital of ₹ 19,75,00,000 divided into ₹1,99,00,000 consisting of 19,90,000 Equity shares of ₹10.00 each and ₹17,75,00,000 consisting of 17,75,000 Preference shares of ₹100.00 each	November 25, 2019	EGM
Total Authorised Capital of ₹ 19,75,00,000 divided into ₹1,99,00,000 consisting of 19,90,000 Equity shares of ₹10.00 each and ₹17,75,00,000 consisting of 17,75,000 Preference shares of ₹100.00 each	Subdivision of total Authorised Capital of ₹ 19,75,00,000 divided into: Class A Equity Shares: ₹1,90,00,000 consisting of 19,00,000 Equity shares of ₹10.00 each. Class B Equity Shares: ₹10,00,000 consisting of 1,00,000 Equity shares of ₹10.00 each with differential voting rights of 1 share with 19 votes. Preference Shares: ₹17,75,00,000 consisting of 17,75,000 Preference shares of ₹100.00 each	January 13, 2020	EGM
Total Authorised Capital of ₹ 19,75,00,000 divided into: Class A Equity Shares: ₹1,90,00,000 consisting of 19,00,000 Equity shares of ₹10.00 each. Class B Equity Shares: ₹10,00,000 consisting of 1,00,000 Equity shares of ₹10.00 each with differential voting rights of 1 share with 19 votes. Preference Shares: ₹17,75,00,000 consisting of 17,75,000 Preference shares of ₹100.00 each	Total Authorised Capital of ₹ 20,75,00,000 divided into: Class A Equity Shares: ₹2,90,00,000 consisting of 29,00,000 Equity shares of ₹10.00 each. Class B Equity Shares: ₹10,00,000 consisting of 1,00,000 Equity shares of ₹10.00 each with differential voting rights of 1 share with 19 votes. Preference Shares: ₹17,75,00,000 consisting of 17,75,000 Preference shares of ₹100.00 each	April 1, 2023	EGM
Total Authorised Capital of ₹ 20,75,00,000 divided into: Class A Equity Shares: ₹2,90,00,000 consisting of 29,00,000 Equity shares of ₹10.00 each. Class B Equity Shares: ₹10,00,000 consisting of 1,00,000 Equity shares of ₹10.00 each with differential voting rights of 1 share with 19 votes. Preference Shares: ₹17,75,00,000 consisting of 17,75,000 Preference shares of ₹100.00 each	Total Authorised Capital of ₹ 20,75,00,000 divided into: ₹11,15,54,000 consisting of 1,11,55,400 Equity shares of ₹10.00 each. Preference Shares: ₹9,59,46,000 consisting of 9,59,460 Preference shares of ₹100.00 each	August 14, 2023	EGM
Total Authorised Capital of ₹ 20,75,00,000 divided into: ₹11,15,54,000 consisting of 1,11,55,400 Equity shares of ₹10.00	Total Authorised Capital of ₹ 23,59,46,000 divided into: ₹14,00,00,000 consisting of 1,40,00,000 Equity shares of ₹10.00 each.	December 9, 2024	EGM

Particulars of Change		Date of Members Meeting	AGM/EGM
From	To		
each. Preference Shares: ₹9,59,46,000 consisting of 9,59,460 Preference shares of ₹100.00 each	Preference Shares: ₹9,59,46,000 consisting of 9,59,460 Preference shares of ₹100.00 each		

Changes other than Authorised Capital:

Date of change/ shareholders' resolution	Nature of amendment
July 25, 2024	Clause I of our Memorandum of Association was amended to reflect the change in our name from 'FFS Industries Private Limited' to 'FFS Defence Engineering Private Limited'.
August 29, 2024	The name of the Company was changed to 'FFS Defence Engineering Limited' upon conversion into public company

Major events and milestones

The below table below sets forth some of the major events in the history of our Company:

Year	Details
2019	Incorporation of our Company
2020	Installed Flow forming machine for Defence and Space.
2021	Expansion in Flowforming activity with installation of 2 nd Flowforming machine along with High Pressure Testing and Precision Machining facilities.
2022	Setup Optic facility
2023	Trial Order from Solar (Economic Explosives Ltd.) for development of Pinaka Missile Tubes and was successfully completed. Completed 1000 missile tubes comprising of Pinaka, Flight Motor & Vshorads
2023	Received Development Order from ARDE Pune (DRDO Lab) for Missile Motor Tube. Received order form Solar (Economic Explosives Ltd.) for Pinaka MK-I and Enhance Missile Motor tubes
2024	Conversion of our Company from private limited to public limited.
2024	Export of OPTICS to ISMT UAE

Significant financial or strategic partnerships

Our Company does not have any significant financial and strategic partners as on the date of this Draft Red Herring Prospectus.

Time/cost overrun

There have been no time or cost overruns pertaining in the setting up of projects by our Company since incorporation.

Launch of key products or services, capacity/ facility, location of plants, entry in new geographies or exit from existing markets

For details of key products or services launched by our Company, entry into new geographies or exit from existing markets, capacity/facility creation, location of our manufacturing facilities. For further details, see "Our Business" beginning on page 84.

Defaults or rescheduling/restructuring of borrowings with financial institutions/banks

There are no defaults or rescheduling/restructuring of borrowings availed by our Company from financial institutions or banks.

Details regarding material acquisition or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last ten (10) years.

Our Company has not made any material acquisitions or divestments of any business or undertakings, and has not undertaken any mergers, amalgamations or revaluation of assets in the last ten (10) years:

Holding Company

As on the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

Subsidiary of our Company

As on the date of this Draft Red Herring Prospectus, our Company does not have any subsidiary company.

Joint Ventures of our Company

As on the date of this Draft Red Herring Prospectus, our Company does not have any joint ventures or associate companies.

Inter-se Arrangement/ Agreement

There are no other subsisting inter-se agreements/ arrangements and clauses / covenants which are material and that there are no other clauses / covenants which are adverse / pre-judicial to the interest of the minority / public shareholders. Also, that there are no other subsisting agreements, deed of assignments, acquisition agreements, shareholders' agreement, inter-se agreements or agreements of similar nature, as on the date of this Draft Red Herring Prospectus.

Details of shareholders' agreement

There are no subsisting shareholders' agreements as on the date of this Draft Red Herring Prospectus.

Other material agreements

Our Company has not entered into any other subsisting material agreements other than in the ordinary course of business of our Company, as on the date of this Draft Red Herring Prospectus.

Agreements with our Key Managerial Personnel, Director, Promoters or any other employee

As on the date of this Draft Red Herring Prospectus there are no agreements entered into by our Key Managerial Personnel or Directors or Promoters or any other employee of our Company, either by themselves or on behalf of any other person, with any Shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

Details of guarantees given to third parties by our Promoters

As on the date of this Draft Red Herring Prospectus, our Promoters have provided the guarantees for the loans availed by our Company. The guarantees are typically effective for a period till the underlying loan is repaid. The financial implications in case of default by our Company would entitle the lender to invoke the personal guarantee given by our Promoters to the extent of outstanding loan amount. For details of our borrowings, see "*Financial Indebtedness*" on page 174.

Number of Shareholders

Our Company has 54 (Fifty Four) shareholders on date of the Draft Prospectus.

OUR MANAGEMENT

In terms of Companies Act and the Articles of Association require that our Board shall comprise of not less than three Directors and not more than fifteen Directors, provided that our Shareholders may appoint more than fifteen Directors after passing a special resolution in a general meeting.

As on the date of filing this Draft Red Herring Prospectus, we have six (6) Directors on our Board, including one (1) Non Executive Chairman, two (2) Whole-time Directors, one (1) Non-Executive Director and two (2) Independent Directors. Our Company is in compliance with the corporate governance laws prescribed under the SEBI Listing Regulations and the Companies Act, 2013 in relation to the composition of our Board and constitution of committees thereof.

Board of Directors

The following table sets forth the details of our Board as on the date of filing of this Draft Red Herring Prospectus:

Name, designation, date of birth, address, occupation, current term, period of directorship and DIN	Age (in years)	Other directorships
<p>Shishir Kumar Saha</p> <p><i>Designation:</i> Non-Executive Chairman</p> <p><i>Date of birth:</i> February 8, 1955</p> <p><i>Address:</i> 63A, Saurav, 8th Main Road, Near Skadha Apartment, Srinidhi Layout, Vidyanarayapura, Bangalore North, Bangalore – 560097, Karnataka, India</p> <p><i>Occupation:</i> Retired Professional</p> <p><i>Current term:</i> Liable to retire by rotation</p> <p><i>Period of Directorship:</i> Since July 3, 2024 and appointed on current designation on December 16, 2024.</p> <p><i>DIN:</i> 10643268</p>	70 years	Nil
<p>Kurian Jacob Varikad</p> <p><i>Designation:</i> Whole-time Director</p> <p><i>Date of birth:</i> May 28, 1960</p> <p><i>Address:</i> B-103, Blue Bells, Devi Dayal Road, B.P.S. Estate, Mulund West, Mumbai – 400080, Maharashtra, India</p> <p><i>Occupation:</i> Business</p> <p><i>Current term:</i> 5 years ending May 31, 2029</p> <p><i>Period of Directorship:</i> Since June 1, 2024 and appointed on current designation on June 25, 2024.</p> <p><i>DIN:</i> 08445042</p>	64 years	1. Rainwear India Private Limited

Name, designation, date of birth, address, occupation, current term, period of directorship and DIN	Age (in years)	Other directorships
<p>Avinash Purushottam Mool</p> <p><i>Designation:</i> Whole-time Director</p> <p><i>Date of birth:</i> September 26, 1961</p> <p><i>Address:</i> 62, Hirkrupa Sankul, Shah Lay Out, Near Water Tank, Wadi, Nagpur – 440023, Maharashtra, India</p> <p><i>Occupation:</i> Professional</p> <p><i>Current term:</i> 5 years ending May 31, 2029</p> <p><i>Period of Directorship:</i> Since June 1, 2024 and appointed on current designation on June 25, 2024</p> <p><i>DIN:</i> 10631986</p>	63 years	Nil
<p>Triloksingh Bahra</p> <p><i>Designation:</i> Non-Executive Director</p> <p><i>Date of birth:</i> January 1, 1949</p> <p><i>Address:</i> C-705, Shreeji Heights, Sector 46 A, Palm Beach Road, Nerul, Navi Mumbai, Thane-400706, Maharashtra, India</p> <p><i>Occupation:</i> Professional</p> <p><i>Current term:</i> Liable to retire by rotation</p> <p><i>Period of Directorship:</i> Since July 3, 2024</p> <p><i>DIN:</i> 07594858</p>	76 years	Triqual Cryogenics Private Limited
<p>Manoj Kumar Ramrikh Pandey</p> <p><i>Designation:</i> Non-Executive and Independent Director</p> <p><i>Date of birth:</i> January 1, 1973</p> <p><i>Address:</i> B-804, Giriraj Horizon CHS, Sector-20, Kharghar, Raigarh – 410210, Maharashtra, India</p> <p><i>Occupation:</i> Professional</p> <p><i>Current term:</i> For a period of five (5) years with effect from July 3, 2024 up to July 2, 2029</p> <p><i>Period of Directorship:</i> Since July 3, 2024</p> <p><i>DIN:</i> 03006819</p>	52 years	Kubera Wealth Management LLP P2 Advisory LLP
<p>Dipti Jain</p>	42 years	Nil

Name, designation, date of birth, address, occupation, current term, period of directorship and DIN	Age (in years)	Other directorships
<p>Designation: Non-Executive and Independent Director</p> <p>Date of birth: January 31, 1983</p> <p>Address: H No. 54, Sales tax Colony, Gumashta Nagar, Sudama Nagar, Indore - 452009, Madhya Pradesh, India</p> <p>Occupation: Professional</p> <p>Current term: For a period of five (5) years with effect from July 3, 2024 up to July 2, 2029</p> <p>Period of Directorship: Since July 3, 2024</p> <p>DIN: 10685596</p>		

Brief profile of Directors

Shishir Kumar Saha, is the Non-executive Chairman of our Company. He is a retired professional with almost 36 years of experience working in BEL (Bharat Electronics), a defence electronics PSU (Public Sector Undertaking). Started as a Senior Engineer in July 1979 and retired as an Additional General Manager (AGM) and Head of Product Support – Naval Systems SBU (Strategic Business Unit) in February 2015. Has long experience overseeing Production Control and Production Planning departments across various SBUs such as Naval, Low Power Equipment (LPE), High Frequency (HF) and Radar systems. He holds a degree of B.E. Mechanical Assam Engineering College, Gauhati and has also completed his Masters of Technology from IIT Kharagpur. He was appointed on our Board with effect from July 2024. He provides the required strategic and products related guidance to our Company.

Kurian Jacob Varikad, is the Whole-time Director of our Company. Colonel Jacob Kurian journey began from the first literacy state of Kerala. He completed his graduation and joined in the Indian Army, where he commenced his career as a Lieutenant and steadily ascended to the rank of Colonel. He has an experience of over 3 decades. His expertise spans the domains of Defence Logistic Installations, and Defence Quality Assurance (QA) units /Labs. Additionally, he brings valuable insights as a Psychology Assessor trained from the prestigious DIPR (Defence institute of psychological research) for the Services Selection Board. Colonel Kurian transitioned into a consultant role, lending his expertise to numerous Indian and international companies. His academic achievements are equally impressive, with a Bachelor's degree in Science and a Diploma in Instrumentation Optics/Optronics from Jawaharlal Nehru University (JNU), Delhi. He pursued an MBA in Material Management from Rani Durgavati University, Jabalpur, and another MBA in HRD from JNU, Delhi. His academic journey also includes a Master's in Psychology from Bharathiar University, Coimbatore, affiliated with the Defence Institute of Psychological Research (DIPR), New Delhi. As the Whole-time Director, Colonel Kurian Jacob Varikad leverages his extensive experience in defence logistics, quality assurance, and psychological assessment to guide strategic decision-making. His academic background and leadership in both military and consultancy roles enhance operational efficiency and innovation. His expertise ensures the company excels in resource management, quality control, and human resource development.

Avinash Purushottam Mool, is the Whole-time Director of our Company. served in the Indian Air Force (IAF) from 1978 to 1993, reaching the rank of Sergeant and spending 6 years as a Qualified Technical Instructor. He holds a Diploma in Mechanical engineering from Indian Air Force. He is a BA in Political Science from Kakatiya University, and an MBA in Industrial Safety from NIBM, Chennai. Following his IAF service, he gained 5 years of private sector experience and has spent the last 21 years at the Ordnance Factory, Nagpur, where he has led the leads the Research and Development (R&D) section. As the Whole-time Director, Avinash Purushottam Mool brings extensive leadership, technical expertise, and a strong background in R&D to the company. His experience in the Indian Air Force and private sector enhances strategic decision-making and operational efficiency. His leadership ensures the company thrives through innovation and effective management of resources.

Triloksingh Bahra, aged 76 years is a Non-Executive Director of our Company. He holds a bachelor's degree of Engineering from University of Allahabad. He retired as Scientist and Head Cryo-technology Division, BARC, Trombay, Mumbai. He is Director of a start-up company "TriQual Cryogenics Pvt Ltd". He was appointed on the Board with effect from July 3, 2024. He has over 5 decades years of experience in Cryo-technology and other technology.

Manoj Kumar Ramrikh Pandey, aged 52 years, is a Non-executive and Independent Director of our Company. Mr. Manoj Kumar Pandey is a professional holding a B.Com degree, FCA, MBF, IICA Valuation Certificate Program, and a CFO Programme certification from IIM Calcutta. He qualified as a Chartered Accountant in 2005 and has been a partner at M R Pandey & Co. Chartered Accountants since February 2006, focusing on accounting, auditing, and taxation. He was appointed on the Board with effect from July 3, 2024. He has over 15 years of experience in the aforesaid fields.

Dipti Jain, aged 42 years, is a Non-executive and Independent Director of our Company. She qualified as a Chartered Accountant and an associate member of the Institute of Chartered Accountants of India. She is a partner at Kochar & Associates in Dadar, Mumbai, a 40-year-old firm with 8 partners practicing in the fields of taxation, funding, and all types of audits. and has been a partner at M R Pandey & Co. Chartered Accountants since February 2006, focusing on accounting, auditing, and taxation. She was appointed on the Board with effect from July 3, 2024. She has over 10 years of experience in the audit.

Relationship between our Directors and Key Managerial Personnel

None of our other Directors are related to each other or to any of our Key Managerial Personnel:

Arrangement or understanding with major shareholders, customers, suppliers or others.

None of our Directors have been nominated, appointed or selected pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or others.

Service contracts with Directors

Our Company has not entered into any service contracts with our Directors which provide for benefits upon the termination of their employment.

Payment or benefit to Directors of our Company

In Fiscal 2024, our Company has not paid any compensation or granted any benefit on an individual basis to any of our directors other than remuneration paid to them for such period.

Terms of appointment of our Whole-time Directors

1. Kurian Jacob Varikad, Whole-time Director

Our Board of Directors in its meeting held on June 1, 2024 and our Shareholders in their general meeting held on June 25, 2024 approved the appointment of Kurian Jacob Varikad as the Whole-time Director of our Company for a period of 5 years ending May 31, 2029. He will be entitled to get remuneration as set out below:

- Remuneration of not more than ₹ 0.75 lakhs per month as may be approved by our Board from time to time;
- Contribution to provident fund as per the rules of the Company;
- Such other allowances, perquisites, amenities, facilities, and benefits as may be approved by our Board from time to time.

2. Avinash Purushottam Mool, Whole-time Director

Our Board of Directors in its meeting held on June 1, 2024 and our Shareholders in their general meeting held on June 25, 2024 approved the appointment of Avinash Purushottam Mool as the Whole-time Director of our Company for a period of 5 years ending May 31, 2029. He will be entitled to get remuneration as set out below:

- Remuneration of not more than ₹ 0.75 lakhs per month as may be approved by our Board from time to time;
- Contribution to provident fund as per the rules of the Company;

- Such other allowances, perquisites, amenities, facilities, and benefits as may be approved by our Board from time to time.

Non-Executive Directors

The sitting fees payable to our Non-Executive Directors / Independent Directors for attending meetings of our Board and meetings of various Committees of our Board is within the limits prescribed under the Companies Act, 2013, and the rules notified thereunder. The details of the sitting fees are as follows:

Sr. No.	Name of Directors	Designation	For attending each board meeting	For attending each Audit Committee and Nomination and Remuneration Committee meeting	For attending each other Committee meetings	Amount to be paid
1	Mr. Manoj Kumar Ramrikh Pandey	Independent Director	15,000	10,000	7,500	Maximum amount upto ₹ 2,00,000 per annum
2	Ms. Dipti Jain	Independent Director	15,000	10,000	7,500	Maximum amount upto ₹ 2,00,000 per annum
3	Mr. Shishir Kumar Saha	Non-Executive Director	25,000	Nil	Nil	Maximum amount upto ₹ 2,00,000 per annum

Contingent and deferred compensation payable to the Directors

As on the date of this Draft Red Herring Prospectus, there is no contingent or deferred compensation payable to the Directors, which does not form part of their remuneration.

Bonus or profit-sharing plan for our Directors

Our Company has no bonus or profit-sharing plan in which the Directors participate.

Shareholding of our directors and Key Managerial Personnel in our Company

Our articles do not require our directors to hold any qualification shares.

None of our Directors and Key Managerial Personnel hold any Equity Shares in our Company.

Borrowing Powers

In accordance with our Articles of Association and subject to the provisions of the Companies Act, 2013, and pursuant to a resolution passed in the Annual General Meeting held on September 28, 2023, in accordance with Section 180 of the Companies Act, 2013, our Board is authorised to borrow such sums of money from time to time, with or without security, on such terms and conditions as it may consider fit notwithstanding that the amount to be borrowed together with the amount already borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business) exceeds the aggregate of the paid up capital and free reserves of our Company provided that the total amount borrowed by our Board and outstanding at any point of time shall not exceed ₹ 5,000.00 lakhs.

Interest of Directors

All our directors, including Independent Directors, may be regarded to be interested to the extent of remuneration, fees, if any, payable to them for attending meetings of our board of directors or a committee thereof of our Company as well as to the extent of other remuneration, commission and reimbursement of expenses payable to them by our Company and Subsidiaries. Certain of our Directors may also be regarded as interested to the extent of loan granted to the Company and interest being paid towards them.

The Directors may also be regarded as interested in Equity Shares held by them, if any, or that may be subscribed by and allotted to their relatives, or the entities with which they are associated as promoters, directors, partners, proprietors or trustees or to the companies, firms and trust, in which they are interested as directors, promoters, members, partners and trustees, pursuant to the Offer and to the extent of any dividend payable to them and other distributions in respect of the Equity Shares. None of our Independent Directors hold any Equity Shares in our Company.

Certain of our Directors may be deemed to be interested in the contracts, transactions, agreements or arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firm in which they are partners as declared in their respective capacity. For details see, “*Restated Financial Statements – Annexure V- Related Party Disclosures*” beginning on page 155.

There is no material existing or anticipated transaction whereby Directors will receive any proceeds from the Offer.

Interest of Directors in the promotion and formation of our Company

As on the date of this Draft Red Herring Prospectus, none of our other Directors and Key Managerial Personnel are interested in the promotion of our Company. For further details, see “*Our Promoters and Promoter Group*” on page 120.

Interest in property

Our directors do not have any interest in any property acquired or proposed to be acquired by or of our Company.

Our directors do not have any interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Business interest

Except as stated in “*Restated Financial Statements – Annexure V - Related Party Disclosures*” beginning on page 155 and as disclosed in this section, our Directors do not have any other interest in our business.

Confirmations

- There are no arrangements or understanding with major shareholders, customers, suppliers, or others, pursuant to which any of the persons were selected as a director.
- There are no service contracts entered into by the Directors with our Company providing for benefits upon termination of employment.
- None of the Directors is declared as wilful defaulters by the RBI or any bank or financial institution or consortium thereof.
- None of our Promoters or Directors of our Company are declared Fugitive Economic Offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.
- None of our Directors is or was a director of any listed company during the last five years preceding the date of this Draft Prospectus, whose shares have been or were suspended from being traded on the Stock Exchange(s), during the term of their directorship in such company.
- None of our Directors is or was a director of any listed company during the last five years preceding the date of this Draft Prospectus, whose shares have been or were suspended from being traded on the Stock Exchange(s), during the term of their directorship in such company.
- None of the Promoters, Persons forming part of our Promoter Group, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.

- No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms of companies in which they are interested by any person either to induce him to become or to help him qualify as a Director, or otherwise for services rendered by him or by the firm or company in which he is interested, in connection with the promotion or formation of our Company.
- No proceedings/ investigations have been initiated by SEBI against any company, the board of directors of which also comprises any of the Directors of our Company. No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms of companies in which they are interested by any person either to induce him to become or to help him qualify as a Director, or otherwise for services rendered by him or by the firm or company in which he is interested, in connection with the promotion or formation of our Company.

Changes to our Board in the last three years

The changes in our Board in the last three years immediately preceding the date of this Draft Red Herring Prospectus are as follows:

Name of Director	Date of Change	Reasons
Shishir Kumar Saha	December 16, 2024	Appointment as Non-Executive Chairman
Kurian Jacob Varikad	June 1, 2024	Appointment as whole-time Director
Avinash Purushottam Mool	June 1, 2024	Appointment as whole-time Director
Manoj Kumar Ramrikh Pandey	July 3, 2024	Appointment as Independent Director
Triloksingh Bahra	July 3, 2024	Appointment as Non-Executive Director
Shishir Kumar Saha	July 3, 2024	Appointment as Non-Executive Director
Dipti Jain	July 3, 2024	Appointment as Independent Director
Keyur Sharad Kenia	October 17, 2024	Resignation
Rajesh Dineshchandra Sanghvi	October 17, 2024	Resignation
Raunaq Rajendra Chodankar	October 27, 2023	Resignation
Rajendra Kamalakant Chodankar	October 27, 2023	Resignation
Rajendra Kamalakant Chodankar	September 28, 2023	Reappointed as Director
Keyur Sharad Kenia	September 28, 2023	Reappointed as Director
Rajesh Dineshchandra Singhvi	September 28, 2023	Reappointed as Director
Rajesh Dineshchandra Singhvi	September 2, 2023	Appointed as additional Director
Keyur Sharad Kenia	September 2, 2023	Appointed as additional Director
Rohan Raphael Furtado	November 1, 2022	Cessation
Rajendra Kamalakant Chodankar	November 18, 2022	Appointed as additional Director

Corporate Governance

The provisions of the Companies Act, 2013 along with the SEBI Listing Regulations, with respect to corporate governance, will be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges. Our Company is in compliance with the requirements of the applicable regulations in respect of corporate governance in accordance with the SEBI Listing Regulations, and the Companies Act, 2013, pertaining to the constitution of our Board and committees thereof.

Our Company is in compliance with the corporate governance laws prescribed under the SEBI Listing Regulations and the Companies Act, 2013 in relation to the composition of our Board and constitution of committees thereof. Our Company undertakes to take all necessary steps to continue to comply with all the requirements of the SEBI Listing Regulations and the Companies Act, 2013.

Committees of our Board of Directors

Our Company has constituted the following committee of the Board in terms of the SEBI Listing Regulations and the Companies Act:

1. IPO Committee
2. Audit Committee
3. Nomination and Remuneration Committee

4. Stakeholder Relationship Committee
5. Corporate Social Responsibility Committee
6. Risk Management Committee

IPO Committee

The IPO Committee was last re-constituted by a meeting of our Board held on December 16, 2024. The members of the IPO Committee are:

Name of Director	Position in the Committee	Designation
Shishir Kumar Saha	Chairman	Non-Executive Chairman
Kurian Jacob Varikad	Member	Whole-time Director
Avinash Purushottam Mool	Member	Whole-time Director

The terms of reference of the IPO Committee:

1. To make applications, seek clarifications, obtain approvals and seek exemptions from, where necessary, SEBI, the relevant registrar of companies and any other governmental or statutory authorities as may be required in connection with the Offer and accept on behalf of the Board such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions as may be required and wherever necessary, incorporate such modifications/ amendments as may be required in the draft red herring prospectus, the red herring prospectus and the prospectus as applicable;
2. To finalize, settle, approve, adopt and file in consultation with the BRLMs where applicable, the DRHP, the RHP, the Prospectus, the preliminary and any amendments, supplements, notices, addenda or corrigenda thereto, and take all such actions as may be necessary for the submission and filing of these documents including incorporating such alterations/ corrections/ modifications as may be required by SEBI, the ROC or any other relevant governmental and statutory authorities or in accordance with Applicable Laws;
3. To decide in consultation with the BRLMs on the actual Offer size, timing, pricing, discount, reservation and all the terms and conditions of the Offer, including the price band (including offer price for anchor investors), bid period, Offer price, and to do all such acts and things as may be necessary and expedient for, and incidental and ancillary to the Offer including to make any amendments, modifications, variations or alterations in relation to the Offer;
4. To appoint and enter into and terminate arrangements with the BRLMs, underwriters to the Offer, syndicate members to the Offer, brokers to the Offer, escrow collection bankers to the Offer, refund bankers to the Offer, registrars, public offer account bank, sponsor bank, advertising agency, legal advisors, auditors, and any other agencies or persons or intermediaries to the Offer, including any successors or replacements thereof, and to negotiate, finalise and amend the terms of their appointment, including but not limited to the execution of the mandate letter with the BRLMs and negotiation, finalization, execution and, if required, amendment of the offer agreement with the BRLMs;
5. To negotiate, finalise and settle and to execute and deliver or arrange the delivery of the DRHP, the RHP, the Prospectus, offer agreement, syndicate agreement, underwriting agreement, share escrow agreement, cash escrow agreement, agreements with the registrar to the offer and all other documents, deeds, agreements and instruments whatsoever with the registrar to the Offer, legal advisors, auditors, stock exchange(s), BRLMs and any other agencies/ intermediaries in connection with the Offer with the power to authorise one or more officers of the Company to execute all or any of the aforesaid documents or any amendments thereto as may be required or desirable in relation to the Offer;
6. To seek, if required, the consent and/ or waiver of the lenders of the Company, customers, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents and/ or waivers that may be required in relation to the Offer or any actions connected therewith;
7. To open and operate bank accounts in terms of the escrow agreement and to authorize one or more officers of the Company to execute all documents/ deeds as may be necessary in this regard;

8. To open and operate bank accounts of the Company in terms of Section 40(3) of the Companies Act, 2013, as amended, and to authorize one or more officers of the Company to execute all documents/ deeds as may be necessary in this regard;
9. To authorize and approve incurring of expenditure and payment of fees, commissions, brokerage, remuneration and reimbursement of expenses in connection with the Offer;
10. To accept and appropriate the proceeds of the Offer in accordance with the Applicable Laws;
11. To approve code of conduct as may be considered necessary by the IPO Committee or as required under applicable laws, regulations or guidelines for the Board, officers of the Company and other employees of the Company;
12. To approve the implementation of any corporate governance requirements that may be considered necessary by the Board or the IPO Committee or as may be required under the applicable laws or the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and listing agreements to be entered into by the Company with the relevant stock exchanges, to the extent allowed under law;
13. To issue receipts/ allotment letters/ confirmation of allotment notes either in physical or electronic mode representing the underlying Equity Shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more stock exchange(s), with power to authorize one or more officers of the Company to sign all or any of the afore stated documents;
14. To authorize and approve notices, advertisements in relation to the Offer in consultation with the relevant intermediaries appointed for the Offer;
15. To do all such acts, deeds, matters and things and execute all such other documents, etc., as may be deemed necessary or desirable for such purpose, including without limitation, to finalise the basis of allocation and to allot the shares to the successful allottees as permissible in law, issue of allotment letters/ confirmation of allotment notes, share certificates in accordance with the relevant rules, in consultation with the BRLMs;
16. To do all such acts, deeds and things as may be required to dematerialise the Equity Shares and to sign and/ or modify, as the case maybe, agreements and/ or such other documents as may be required with the National Securities Depository Limited, the Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, authorities or bodies as may be required in this connection and to authorize one or more officers of the Company to execute all or any of the aforestated documents;
17. To make applications for listing of the Equity Shares in one or more stock exchange(s) for listing of the Equity Shares and to execute and to deliver or arrange the delivery of necessary documentation to the concerned stock exchange(s) in connection with obtaining such listing including without limitation, entering into listing agreements and affixing the common seal of the Bank where necessary;
18. To settle all questions, difficulties or doubts that may arise in regard to the Offer, including such issues or allotment, terms of the IPO, utilisation of the IPO proceeds and matters incidental thereto as it may deem fit;
19. To submit undertaking/ certificates or provide clarifications to the SEBI, Registrar of Companies, Maharashtra at Mumbai and the relevant stock exchange(s) where the Equity Shares are to be listed;
20. To negotiate, finalize, settle, execute and deliver any and all other documents or instruments and to do or cause to be done any and all acts or things as the Listing Committee may deem necessary, appropriate or advisable in order to carry out the purposes and intent of this resolution or in connection with the Offer and any documents or instruments so executed and delivered or acts and things done or caused to be done by the Listing Committee shall be conclusive evidence of the authority of the Listing Committee in so doing;
21. To approve suitable policies on insider trading, whistle-blowing, risk management, and any other policies as may be required under the SEBI Listing Regulations or any other Applicable Laws;
22. To approve the list of “group of companies” of the Company, identified pursuant to the materiality policy adopted

by the Board, for the purposes of disclosure in the DRHP, RHP and Prospectus;

23. Deciding, negotiating and finalising the pricing and all other related matters regarding the execution of the relevant documents with the investors in consultation with the BRLMs and in accordance with applicable laws;
24. Taking on record the approval of the Selling Shareholders for offering their Equity Shares in the Offer for Sale;
25. To withdraw the DRHP or the RHP or to decide to not proceed with the Offer at any stage in accordance with Applicable Laws and in consultation with the BRLMs; and
26. To appoint, in consultation with the BRLMs, the registrar and other intermediaries to the Offer, in accordance with the provisions of the SEBI Regulations and other Applicable Laws including legal counsels, banks or agencies concerned and entering into any agreements or other instruments for such purpose, to remunerate all such intermediaries/ agencies including the payments of commissions, brokerages, etc. and to terminate any agreements or arrangements with such intermediaries/ agents.

Audit Committee

The Audit Committee was last re-constituted by a meeting of our Board held on December 16, 2024. The members of the Audit Committee are:

Name of Director	Position in the Committee	Designation
Manoj Kumar Ramrikh Pandey	Chairman	Independent Director
Dipti Jain	Member	Independent Director
Trilok Singh Bahra	Member	Non-executive Director

The Company Secretary of our Company shall serve as the secretary of the Audit Committee. The scope and functions of the Audit Committee are in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations. The terms of reference of the Audit Committee are as follows:

A. Powers of Audit Committee

1. oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - b. changes, if any, in accounting policies and practices and reasons for the same;
 - c. major accounting entries involving estimates based on the exercise of judgment by management;
 - d. significant adjustments made in the financial statements arising out of audit findings;
 - e. compliance with listing and other legal requirements relating to financial statements;
 - f. disclosure of any related party transactions;
 - g. modified opinion(s) in the draft audit report;
5. reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. approval or any subsequent modification of transactions of the Company with related parties;
9. scrutiny of inter-corporate loans and investments;
10. valuation of undertakings or assets of the Company, wherever it is necessary;

11. evaluation of internal financial controls and risk management systems;
12. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. discussion with internal auditors of any significant findings and follow up there on;
15. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. to review the functioning of the whistle blower mechanism;
19. Carrying out any other function as is mentioned in the terms of reference of the audit committee;
20. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
21. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.

The audit committee shall mandatorily review the following information:

1. management discussion and analysis of financial condition and results of operations;
2. management letters / letters of internal control weaknesses issued by the statutory auditors;
3. internal audit reports relating to internal control weaknesses;
4. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; and
5. statement of deviations:
 - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - b. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was last re-constituted by a meeting of our Board held on December 16, 2024. The members of the Nomination and Remuneration Committee are:

Name of Director	Position in the Committee	Designation
Manoj Kumar Ramrikh Pandey	Chairman	Independent Director
Dipti Jain	Member	Independent Director
Trilok Singh Bahra	Member	Non-executive Director

The scope and functions of the Nomination and Remuneration Committee are in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations. The terms of reference of the Nomination and Remuneration Committee are as follows:

The role of the Nomination, Remuneration and Compensation Committee shall be as follows:

1. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
2. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description

of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- a. use the services of an external agencies, if required;
 - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c. consider the time commitments of the candidates.
3. formulation of criteria for evaluation of performance of independent directors and the board of directors;
 4. devising a policy on diversity of board of directors;
 5. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
 6. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors; and
 7. recommend to the board, all remuneration, in whatever form, payable to senior management.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee was lastly re-constituted by a meeting of our Board held on December 16, 2024. The members of the Stakeholders' Relationship Committee are:

Name of Director	Position in the Committee	Designation
Shishir Kumar Saha	Chairman	Non-executive Chairman
Dipti Jain	Member	Independent Director
Manoj Kumar Ramrikh Pandey	Member	Independent Director

The scope and functions of the Stakeholders' Relationship Committee are in accordance with Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations. The terms of reference of the Stakeholders' Relationship Committee are as follows:

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company;

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was constituted by a resolution of our Board dated -constituted by a way of resolution passed by our Board dated December 16, 2024. The members of the Corporate Social Responsibility Committee are:

Name of Director	Position in the Committee	Designation
Shishir Kumar Saha	Chairman	Non-executive Chairman
Dipti Jain	Member	Independent Director
Manoj Kumar Ramrikh Pandey	Member	Independent Director

The scope and functions of the Corporate Social Responsibility Committee of our Company are in accordance with Section 135 of the Companies Act, 2013 and the applicable rules thereunder, and have been set out below:

- (a) To formulate and recommend to the Board, a Corporate Social Responsibility Policy stipulating, amongst others, the guiding principles for selection, implementation and monitoring the activities as well as formulation of the annual action plan which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act and the rules made thereunder and make any revisions therein as and when decided by the Board;

- (b) To review and recommend the amount of expenditure to be incurred on the activities referred to in (a) and amount to be incurred for such expenditure shall be as per the applicable law;
- (c) To identify corporate social responsibility policy partners and corporate social responsibility policy programmes;
- (d) To review and recommend the amount of expenditure to be incurred for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;
- (e) To delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;
- (f) To review and monitor the Corporate Social Responsibility Policy of the company and its implementation from time to time, and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes ;
- (g) To do such other acts, deeds and things as may be required to comply with the applicable laws; and;
- (h) To take note of the Compliances made by implementing agency (if any) appointed for the corporate social responsibility of the Company.
- (i) details of need and impact assessment, if any, for the projects undertaken by the Company; and To perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 or by the SEBI Listing Regulations or statutorily prescribed under any other law or by any other regulatory authority.”
- (j) The Corporate Social Responsibility Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its corporate social responsibility policy, which shall include the following:
 - a. the list of corporate social responsibility projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Companies Act;
 - b. the manner of execution of such projects or programmes as specified in the rules notified under the Companies Act;
 - c. the modalities of utilisation of funds and implementation schedules for the projects or programmes;
 - d. monitoring and reporting mechanism for the projects or programmes.

Risk Management Committee

The Risk Management Committee was constituted by a resolution of our Board dated -constituted by a way of resolution passed by our Board dated December 16, 2024. The members of the Corporate Social Responsibility Committee are:

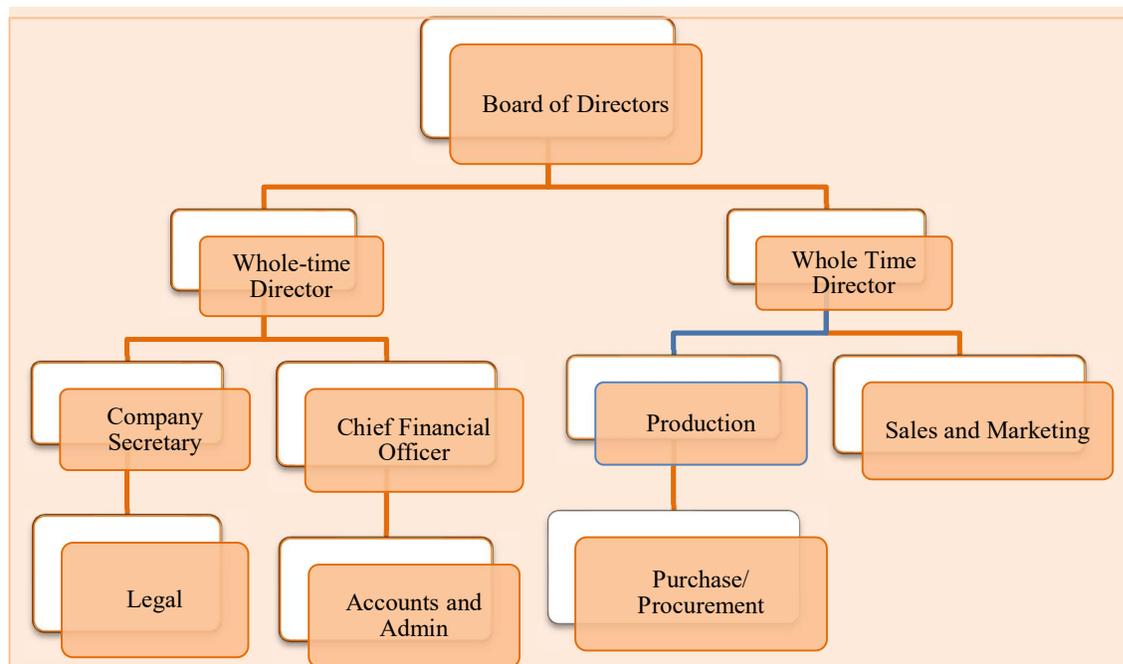
Name of Director	Position in the Committee	Designation
Shishir Kumar Saha	Chairman	Non-executive Chairman
Avinash Purushottam Mool	Member	Whole-time Director
Dipti Jain	Member	Independent Director

The Risk Management Committee shall have the following terms of reference:

1. To formulate a detailed risk management policy covering risk across functions and plan integration through training and awareness programmes which shall include:
 - (a) A framework for identification of internal and external risks specifically faced by the listed entities, in particular including financial, operational, sectoral, sustainability (particularly environmental, social and governance related risks), information, cyber security risks or any other risk as may be determined by the Risk Management Committee;
 - (b) Measures for risk mitigation including systems and processes for internal control of identified risks; and
 - (c) Business continuity plan
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To approve the process for risk identification and mitigation;
6. To decide on risk tolerance and appetite levels, recognizing contingent risks, inherent and residual risks including for cyber security;
7. To monitor the Company’s compliance with the risk structure. Assess whether current exposure to the risks it faces is acceptable and that there is an effective remediation of non-compliance on an on-going basis;
8. To approve major decisions affecting the risk profile or exposure and give appropriate directions;

9. To consider the effectiveness of decision making process in crisis and emergency situations;
10. To balance risks and opportunities;
11. To generally, assist the Board in the execution of its responsibility for the governance of risk;
12. To keep the Board informed about the nature and content of its discussions, recommendations and actions to be taken;
13. The appointment, removal and terms of remuneration of the chief risk officer (if any) shall be subject to review by the Risk Management Committee;
14. To review and assess the risk management system and policy of the Company from time to time and recommend for amendment or modification thereof;
15. To implement and monitor policies and/or processes for ensuring cyber security;
16. To review and recommend potential risk involved in any new business plans and processes;
17. To review the Company's risk-reward performance to align with the Company's overall policy objectives;
18. To monitor and review regular updates on business continuity;
19. The Risk Management Committee shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary;
20. The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors;
21. To advise the Board with regard to risk management decisions in relation to strategic and operational matters such as corporate strategy; and
22. Performing such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 or by the SEBI Listing Regulations or statutorily prescribed under any other law or by any other regulatory authority."

Management organization chart



Key Management Personnel

For details in relation to the biographies of our Executive Directors, see “*Brief Profile of Directors*” on page 106. The details of the Key Managerial Personnel of our Company are as follows:

R Prabakaran aged 63 years is the CEO of our Company. He was appointed as CEO of the Company with effect from December 12, 2024. He holds a bachelor's degree in Business Management from the University of Madras. He is an experienced professional with 36 years in optics production, process engineering, assembly, and quality management. He specializes in lean manufacturing, process control (FMEA, CPK, SPC), and tooling design. Our Company has paid ₹ Nil lakhs to him as for financial year 2024.

Puneet Babna aged 35 years is the CEO of our Company. He was appointed as CEO of the Company with effect from August 27, 2024. As the Chief Financial Officer, Mr. Puneet Babna brings a wealth of expertise to our organization, underpinned by his qualifications as a Chartered Accountant (CA) and Company Secretary (CS), additionally he has also completed various certifications from the Indian Institute of Banking and Finance (IIBF). With his successful stint for 10+ years as Chief Manager at a reputed PSU bank holding several key responsibilities, Mr. Puneet has a wealth of knowledge and skills that are sure to take the organisation to great heights. His role here involves not only overseeing our financial operations but also strategically guiding our financial future through meticulous planning, risk management, and innovative solutions. He is dedicated to ensuring that our financial strategies align with our long-term goals and drive sustainable growth. Our Company has paid ₹ Nil lakhs to him as for financial year 2024.

Saarthak Chaudhary, aged 30 years, has been serving as the Company Secretary and Compliance Officer of our Company since June 1, 2024. He is a qualified member of the Institute of Company Secretaries of India. In his role, Saarthak oversees the overall corporate governance, company law, and secretarial functions of our organization. With over five years of experience in corporate governance, legal compliance, and secretarial matters, he brings valuable expertise to the company. He has previously worked with Ebix Travels Private Limited. Our Company has paid ₹ Nil lakhs to him as remuneration during financial year 2024.

Note: All the Key Managerial Personnel are permanent employees of our Company.

Relationship among Key Management Personnel and Directors

Except as disclosed in “-*Relationship between our Directors and Key Managerial Personnel*” on page 107, none of our other Key Management Personnel are related to each other.

Arrangements and understanding with major shareholders, customers and suppliers

None of our Key Managerial Personnel have been selected pursuant to any arrangement or understanding with any major Shareholders, customers or suppliers of our Company, or others.

Shareholding of the Key Management Personnel

Except as disclosed in “-*Shareholding of our Directors and Key Managerial Personnel in our Company*” on page 108, none of our other Key Management Personnel hold any Equity Shares in our Company.

Retirement and termination benefits

Our Key Managerial Personnel have not entered into any service contracts with our Company which include termination or retirement benefits. Except statutory benefits upon termination of their employment in our Company or superannuation, none of the Key Managerial Personnel is entitled to any benefit upon termination of employment or superannuation.

Contingent and deferred compensation payable to Key Managerial Personnel

As on the date of this Draft Red Herring Prospectus, there is no contingent or deferred compensation which accrued to our Key Managerial Personnel for Fiscal 2022, which does not form part of their remuneration for such period.

Bonus or profit-sharing plan of the Key Managerial Personnel

Our Company has no bonus or profit-sharing plan in which the Key Managerial Personnel participate.

Interest of our Key Management Personnel

The Key Management Personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of their service. The Key Management Personnel may also be deemed to be interested in the Equity Shares, if any, held by them, and dividend payable to them and other distributions in respect of Equity Shares held by them, if any.

Further, our Key Management Personnel may be deemed to be interested to the extent as disclosed in “-Interest of Directors” on page 108.

Changes in the Key Management Personnel in last three years

The details of the changes in the Key Management Personnel of our Company in the last three years are as follows:

Name	Designation	Date of change	Reason of change
R Prabakaran	CEO	December 12, 2024	Appointment
Puneet Bapna	CFO	August 27, 2024	Appointment
Saarthak Chaudhary	Company Secretary and Compliance Officer	June 1, 2024	Appointment
Garima Jain	Company Secretary	June 1, 2024	Resignation
Garima Jain	Company Secretary	October 1, 2023	Appointment
Rajendra Kamalakant Chodankar	CEO	December 12, 2024	Resignation
Sandeep Umashankar Prajapati	Company Secretary	May 31, 2023	Resignation
Sandeep Umashankar Prajapati	Company Secretary	February 1, 2023	Appointment
Monika Nishant Gattani	Company Secretary	April 1, 2022	Resignation

Payment or benefits to the Key Management Personnel (non-salary related)

No employee stock option plans, no non-salary amount or benefit has been paid or given or is intended to be paid or given to any of our Company’s officers and Key Management Personnel within the two preceding years from the date of filing of this Draft Red Herring Prospectus, other than in the ordinary course of their employment.

Shareholding of KMP

None of the above-mentioned key managerial personnel hold any Equity Shares in our Company. For details of shareholding of our Directors and key managerial personnel, please refer “Capital Structure” on page 49.

Status of Key Managerial Personnel

All our key managerial personnel are permanent employees of our Company.

Nature of family relationship

None of the above-mentioned key managerial personnel are related to each other and neither are they related to our Promoters or Directors.

Arrangements and Understanding with Major Shareholders

None of our key managerial personnel or Directors has been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers, or others. For more information, refer “History and Certain Other Corporate Matters” on page 100.

Bonus or Profit-Sharing Plan for our Key Managerial Personnel

As on the date of this Draft Prospectus our Company does not have any performance linked bonus or profit-sharing plan with any of our key managerial personnel.

Loans to Key Managerial Personnel

There is no loan outstanding against any of the key managerial personnel as on date of this Draft Prospectus.

Interest of Key Managerial Personnel

Except as disclosed in “Interest of Directors” on page 108 in respect of Directors, no other Key Managerial Personnel of our Company has any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course

of business. There is no contingent or deferred compensation accrued for the year payable to the Key Managerial Personnel, even if the compensation is payable at a later date.

Further, the Key Managerial Personnel may be regarded as interested in the Equity Shares held by them, if any, (together with dividends and any other distributions in respect of such Equity Shares). No loans have been availed by our Key Managerial Personnel from our Company.

Employees Stock Option Scheme

Our Company does not have any Employee Stock Option Scheme/ Employee Stock Purchase Scheme as on the date of filing of the Draft Prospectus.

Payment or Benefit to officers of our Company

Except as disclosed in this Draft Prospectus, no amount or benefit has been paid or given or is intended to be paid or given to any of our Company's employees including the Key Management Personnel within the two years preceding the date of filing of this Draft Prospectus, except for the payment of remuneration or commission for services rendered as an officer of our Company.

OUR PROMOTERS AND PROMOTER GROUP

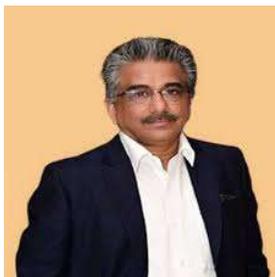
Our Promoters

As on the date of this Draft Red Herring Prospectus, the Promoters of our Company are Rajendra Kamalakant Chodankar and Faithful Vanijya Private Limited.

As on the date of this Draft Red Herring Prospectus, our Promoters, in aggregate, hold 29,90,000 Equity Shares in our Company, representing 29.90% of the pre-offer issued, subscribed and paid-up Equity Share capital of our Company.

For further details, please see "*Capital Structure*" beginning" on page 49.

Details of our Promoters



Rajendra Kamalakant Chodankar, aged 64 years, is the Promoter of our Company. He holds a bachelor's degree and Marsters degree in inorganic chemistry from University of Bombay. He has been associated with our Company since incorporation and is also one of the Promoters of our Company. He has over 25 years of experience in the field of healthcare equipment and defence equipment, electro optics, thermal imaging and night vision systems and technologies. He is instrumental for the strategic direction, growth, and success of our Company as a promoter. With his vast experience of over 25 years in the fields of healthcare equipment, defence equipment, electro optics, thermal imaging, and night vision systems, he has played a crucial role in shaping the company's core competencies and establishing it as a leader in these advanced technological sectors. His expertise has been key in driving innovation, ensuring product development aligned with industry standards, and maintaining quality manufacturing processes. For further details please refer "*Our Management*" on page 104.

For a complete profile of our Promoter, and other directorships, please refer "*Our Management*" on page 104.

As on date of the Draft Prospectus, Mahesh S. Deshmukh holds 15,90,000 Equity Shares representing 15.90 % of the pre-issue paid-up share capital of our Company.

Declaration: We confirm that the PAN, bank account number, passport number, Aadhaar card number and driving license number of our Promoter will be submitted to BSE Limited on whose SME Platform the Equity Shares are proposed to be listed at the time of filing the Draft Prospectus with BSE Limited.

Corporate Promoters

Faithful Vanijya Private Limited

Corporate Information

Faithful Vanijya Private Limited was incorporated as a private company on July 28, 2011, limited by shares, under the Companies Act, 1956, and a certificate of incorporation was issued by the Registrar of Companies, Mumbai. The registered office of Faithful Vanijya Private Limited is situated at Shop No. 1013, 1st Floor, Janaki Heritage, Opp-Maxus Mall, 150th Road, Thane, Bhayander, Maharashtra – 401101, India. The address at which the books of account are to be maintained is 9/12, Lal Bazar Street, Block-E, 2nd Floor, Kolkata, West Bengal – 700001, India. The CIN of Faithful Vanijya Private Limited is U51909MH2011PTC272901. The permanent account number of Faithful Vanijya Private Limited is AABCF8134G.

Faithful Vanijya Private Limited is authorized to carry on the business distribution and trading. There has been no change in activities since the incorporation of Faithful Vanijya Private Limited.

As on the date of this Draft Red Herring Prospectus, Faithful Vanijya Private Limited holds 14,00,000 Equity Shares, representing 14.00% of the issued, subscribed, and paid-up equity share capital of our Company.

Board of Directors

As on date of this Draft Red Herring Prospectus, the board of directors of Faithful Vanijya Private Limited comprises of:

Sr. No.	Name of Director	Designation
1.	Ranjit Das	Director
2.	Krishnachandra Ghosh	Director

Change in control

There has been no change in the control of Faithful Vanijya Private Limited in the three years immediately preceding the filing of this Draft Red Herring Prospectus.

Shareholding pattern

The Shareholding pattern of Faithful Vanijya Private Limited as on the date of this Draft Red Herring Prospectus is as follows:

Sr. No.	Name of Shareholder	Number of equity shares held	Percentage of issued and paid-up share capital (%)
1.	Mangal Sudha Barter Private Limited	2,79,900	49.98%
2.	Nirmalkunj Agency Private Limited	2,79,900	49.98%
3.	Sunita Agarwal	100	0.02%
4.	Sabhapati Nath Tiwari	100	0.02%
Total		5,60,000	100.00

Our Company confirms that the permanent account number, bank account number, company registration number of Faithful Vanijya Private Limited and the address of Registrar of Companies where Faithful Vanijya Private Limited is registered, shall be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus with them.

Interest of our Promoters

Our Promoters are interested in our Company to the extent (i) that they have promoted our Company; (ii) of their shareholding and the shareholding of relatives in our Company and the dividend payable, if any and other distributions in

respect of the Equity Shares held by them or the relatives; (iii) of being Managing Director and Key Management Personnel of our Company and the remuneration, sitting fees and reimbursement of expenses payable by our Company to him; (iv) that he has mortgaged his personal properties and provided personal guarantees for the loans availed by our Company; (v) of being a subscriber to the Memorandum of Association of our Company; (vi) of his relatives having been appointed to places of profit in our Company; and (vii) that our Company has undertaken transactions with them, or their relatives or entities in which our Promoter hold shares. For details regarding the shareholding of our Promoter in our Company, please refer “*Capital Structure*”, “*Our Management*” and “*Related Party Transactions*” on pages 49, 104, and 155, respectively.

Other than as mentioned below, our Promoters do not have any interest in any property acquired by our Company within two years of the date of this Draft Prospectus or proposed to be acquired by it or in any transaction in acquisition of land and construction of building etc. Further, our Promoter do not have any interest in any supply of machinery to our Company.

Other than as disclosed in the section “*Related Party Transaction as Restated*” on page 155, there are no sales/purchases between our Company and our Promoter and Promoter Group and Group Companies where such sales or purchases exceeding in value in the aggregate 10% of the total sales or purchases of our Company or any business interest between our Company, our Promoter, our Promoter Group and Group Entities as on the date of the last audited financial statements.

Our Promoters may also be deemed to be interested in our Company to the extent of the personal guarantees given by them for the loans availed by our Company. For further details, please see the chapter titled “*Financial Indebtedness*” beginning on page 174 of this Draft Prospectus.

Our Promoters are not members of any firm or company having any interest in the Company for which any sums are paid or agreed to be paid to either of our Promoters or to the firm or company in cash or shares or otherwise by any person either to induce our Promoters to become, or to qualify our Promoters as, a director, or otherwise for services rendered by our Promoters or by the firm or company, in connection with the promotion or formation of the Company.

Change in the management and control of our Company

There has been no change in the management of our Company since incorporation.

Group Company

For details of our group entities, please refer “*Our Group Entities*” on page 126 of the Draft Prospectus.

Payment of Benefit to Promoters

Except as stated above in “*Interest of Promoters*” and in “*Financial Statements- Annexure V – Statement of Related Party Transactions*” on pages 121 and 155 of the Draft Prospectus, there has been no payment of benefits to our Promoters, members of our Promoter Group and Group Entities, during the two years preceding the filing of the Draft Prospectus.

Material Guarantees

Our Promoters have not given any material guarantees to any third parties with respect to the Equity Shares, as on the date of this Draft Prospectus.

Common Pursuits

There are no common pursuits common pursuits between our Company and other entities of the Group.

Litigation

For details relating to legal proceedings involving the Promoters, please refer ‘*Outstanding Litigations and Material Developments*’ on page 175 of the Draft Prospectus.

Other Confirmations

Our Promoters and their relatives have not been declared as Wilful Defaulters and there are no violations of securities laws committed by our Promoters in the past and no proceedings for violation of securities laws are pending against them.

None of our Promoters or Directors are Fugitive Economic Offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

None of the Promoters, Promoter Group entities or Group Companies have been debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Promoters and members of the Promoter Group are not and have never been promoters, directors or person in control of any other company which is debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

There is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last 5 (five) years preceding the date of the Offer against our Promoters, except as disclosed under the chapter titled "Outstanding Litigation and Material Developments" beginning on page 175 of this Draft Prospectus.

Except as disclosed in "*Related Party Transactions*" on page 155, our Promoters are not related to any of the sundry debtors or beneficiaries of loans and advances of our Company.

Our Promoters are not interested in any entity which holds any intellectual property rights that are used by our Company.

Guarantees

Our Promoters have not given any guarantee to any third party as of the date of the Draft Prospectus.

Companies with which our Promoters have disassociated in the last three years.

Our Promoters have not disassociated themselves as a promoter(s) from any Company in three years preceding the date of the Draft Prospectus.

OUR PROMOTER GROUP

In addition to the Promoters named above, the following individuals and entities form part of the Promoter Group:

A. Individuals forming part of Promoter Group:

Relationship	Rajendra Chodankar
Father	Priyanka Rajendra Chodankar
Mother	Kamalakant Kundalik Chodankar
Spouse/Husband	Jayashree Kundalik Chodankar
Brother	Damodhar Kamalakant Chodankar
Sister	--
Son	Raunaq Chodankar and & Anay Chodankar
Daughter	--
Spouse's Father	Ganesh Narvekar
Spouse's Mother	Indumati G Narvekar
Spouse's Brother	Dayanand Narvekar, Subhash Narvekar, Kiran Narvekar and Sanjoy Narvekar
Spouse's Sister	Yamini, Palavi, Neelam and Saahi

B. Entities forming part of Promoter Group:

Companies

- RRP Fusion Tech Private Limited
- RRP S4E Innovation Limited
- RRP Drones Innovation Private Limited
- RRP Electronics Limited
- Technology Options (India) Private Limited
- Racho Precision Engineering Private Limited
- RRP Semiconductor Limited
- Brahmastra Defence Techno Products Limited
- Kshvid Systems Private Limited
- Veedee Visions Private Limited
- Mangal Sudha Barter Private Limited
- Nirmalkunj Agency Private Limited

LLPs

Nil

Partnership Firms

Nil

H.U.F.

Nil

Proprietary concern

- *Nil*

Other Persons forming part of Promoter Group

- *Nil*

OUR GROUP ENTITIES

Under the SEBI ICDR Regulations, the definition of ‘group companies’ includes such companies (other than the promoters and subsidiaries) with which the Company related party transactions during the period for which financial information is disclosed, as covered under applicable accounting standards, and such other companies as are considered material by the Board. Pursuant to a Board resolution dated December 16, 2024, our Board formulated a policy with respect to companies which it considered material to be identified as group companies. Our Board has approved that: i) all companies with which the Company has entered into related party transactions as set out in the Restated Financial Statements; or such other companies as considered material by the Board are identified as Group Companies.

Accordingly, based on the parameters outlined above, as on the date of this Red Herring Prospectus, our Company has one (1) Group Company namely, RRP S4E Innovation Limited.

Details of our Group Company

The details of RRP S4E Innovation Limited are provided below:

RRP S4E Innovation Limited (“RRPS4E”)

Corporate information

RRPS4E was incorporated on January 22, 2018, under the Companies Act, 2013. The registered office address of Anmol Monower is located at A396/397, TTC Industrial Area, Mahape, Navi Mumbai - 400710, Thane, Maharashtra, India.

The CIN of RRPS4E is U74999MH2018PLC304545.

Financial information

The financial information derived from the audited financial statements of Anmol Monower for Fiscals 2024, 2023 and 2022 as required by the SEBI ICDR Regulations, are available on www.ffddefence.com.

Litigation

There is no outstanding litigation involving our Group Companies which have a material impact on our Company.

Group Companies under the Insolvency and Bankruptcy Code, 2016

Neither has any winding up petition been filed under the Companies Act, 2013 against any group company nor has any corporate insolvency resolution process commenced against such group company under the Insolvency and Bankruptcy Code, 2016 or any other applicable law.

Defunct Group Companies

None of our Group Companies are defunct companies, nor has any application been made to strike off their names from the register of companies during the five years preceding the date of filing the Draft Prospectus.

Related Party Transactions and sales and purchases between our Company and Group Entities

For details of related party transactions entered into by our Company, refer “*Related Party Transactions*” on page 155.

Common Pursuits

There are no common pursuits amongst any of our Group Companies and our Company.

Interest of Group Entities

In the promotion of our Company

Our Group Company does not have any interest in the promotion of our Company.

In the properties acquired by our Company in the past three years before filing this Red Herring Prospectus or proposed to be acquired by our Company

Our Group Company is not interested in the properties acquired by our Company in the three years preceding the filing of this Red Herring Prospectus or proposed to be acquired by our Company.

In transactions for acquisition of land, construction of building and supply of machinery, etc.

Our Group Company is not interested in any transactions for acquisition of land, construction of building or supply of machinery, etc.

Payment or Benefit to our Group Entities

Except as stated in the “*Related Party Transactions*” on page 155, there has been no payment of benefits to our Group Entities during the two years prior to the filing of this Draft Prospectus.

Other Confirmations

As on the date of this Draft Prospectus, none of the Group Entities: (i) are listed on any stock exchange; (ii) have completed any public or rights issue since the date of its incorporation; (iii) has received any winding up petition accepted by a court; (iv) have become defunct; (v) have made an application to the relevant registrar of companies (in India), for striking off its name (vi) have been identified as wilful defaulters, as defined under the SEBI (ICDR) Regulations and there are no violations of securities laws committed by them in the past and no proceedings pertaining to such penalties are pending against them (vii) have been refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad (viii) had negative net worth as of the date of their last audited financial statements.

RELATED PARTY TRANSACTIONS

For details of related party transactions of our Company as per the requirements under Accounting Standard 18 "*Related Party Disclosures*" issued by the Institute of Chartered Accountants of India and as reported in the Restated Financial Statements, please refer "*Statement of Related Parties & Transactions*" on page 155.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act, 2013. The dividend, if any, will depend on a number of factors, including but not limited to the earnings, capital requirements, contractual obligations, applicable legal restrictions, and overall financial position of our Company. Our Company has not declared any dividend since incorporation.

Our Company has no formal dividend policy. Our Board may also, from time to time and in accordance with applicable laws, pay interim dividends from the profits of the Financial Year in which such interim dividend is sought to be declared.

**SECTION VI – FINANCIAL INFORMATION
FINANCIAL STATEMENTS**

RESTATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR’S REPORT

(As required by Section 26 of Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014)

**INDEPENDENT AUDITORS’ EXAMINATION REPORT ON THE RESTATED FINANCIAL INFORMATION
IN CONNECTION WITH THE PROPOSED INITIAL PUBLIC OFFERING FFS DEFENCE ENGINEERING
LIMITED (Formerly Known as FFS DEFENCE ENGINEERING PRIVATE LIMITED)**

To,

**The Board of Directors,
FFS DEFENCE ENGINEERING LIMITED
(Formerly Known as FFS Defence Engineering Private Limited)**

Dear Sir/Ma’am,

We have examined the attached Restated Financial Statement along with the Significant Accounting Policies and related notes of FFS Defence Engineering Limited (the 'Company') as at and for the period ended September 30, 2024 and financial year ended March 31, 2024, March 31, 2023, March 31, 2022 annexed to this report and prepared by the Company for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") (being collectively referred as "Offer Document") in connection with its proposed Initial Public Offer ("IPO") on the SME Platform of the BSE Limited ("BSE").

1. The said Restated Financial Statements and other Financial Information have been prepared in accordance with the requirements of:
 - i) Section 26 of Part I of Chapter III to the Companies Act, 2013("the Act") read with Companies (Prospectus and Allotment of Securities) Rules 2014;
 - ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 ("ICDR Regulations") issued by the Securities and Exchange Board of India ("SEBI") in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments / clarifications from time to time;
 - iii) The terms of reference to our engagements with the Company requesting us to carry out the assignment, in connection with the Offer Document being issued by the Company for its proposed IPO of equity shares on SME Platform of the BSE Limited ("BSE"); and
 - iv) The Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India ("Guidance Note").

2. We have examined the accompanied 'Restated Statement of Profit and Loss' (**Annexure – II**) for the financial year ended on September 30, 2024, March 31, 2024, March 31, 2023, March 31, 2022, the 'Restated Statement of Assets and Liabilities' (**Annexure-I**) as on above dates and 'Restated Financial Statement of Cash Flows' (**Annexure-III**) as on above dates, forming part of the 'Financial Information' dealt with by this Report, detailed below. Both read together with the Significant Accounting Policies and Notes to Accounts (**Annexure – IV & V**) thereon. The Restated Financial Information has been prepared by Company’s management. The information has been extracted from the financial statements for the financial year ended on September 30, 2024, March 31, 2024, March 31, 2023, March 31, 2022. The Financial Statement for the period ended September 30, 2024 and March 31, 2024 were audited by us, V S Bapna & Associates, Chartered Accountants, being the Statutory Auditor of the Company, which were approved by the Board of Directors as on December 12, 2024 and August 05, 2024 respectively and upon which we have placed our reliance while reporting. The Financial Statement for the year ended March 31, 2023 and March 31, 2022 were audited by N V Jaina & Associates, Chartered Accountants, being then the Statutory Auditor of the Company, which were approved by the Board of Directors as on September 02, 2023 and September 07, 2022 respectively and upon which we have placed our reliance while reporting.

3. In terms of Schedule VI (Part A) (11) (II) (i) of the SEBI (ICDR) Regulations, 2018 and other provisions relating to accounts of FFS Defence Engineering Limited, we, V S Bapna & Associates, Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the Peer Review Board of the ICAI.
4. Based on our examination, we report that:
 - a. The “Restated Financial Statement of Assets and Liabilities” as set out in **Annexure I**, “Restated Financial Statement of Profit and Loss” as set out in **Annexure II** and “Restated Financial Statement of Cash Flows” as set out in **Annexure III** to this report, of the Company as at September 30, 2024, March 31, 2024, March 31, 2023, March 31, 2022 is prepared by the Company and approved by the Board of Directors. These Restated Financial Statements have been arrived at after making such adjustments and regroupings to the financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure IV & V** to this Report.
 - b. The Restated Financial Statements have been made after incorporating adjustments for:
 - i. The changes, if any, in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all the reporting period /years.
 - ii. Prior period and other material amount in the respective financial years to which they relate.
 - iii. Extra-ordinary items, if any, that needs to be disclosed separately in the accounts requiring adjustments, which are stated in the Notes to Accounts as set out in Annexure V.
 - c. There were no qualifications in the Audit Reports issued by Statutory Auditor(s) for the period ended on September 30, 2024, March 31, 2024, March 31, 2023, and March 31, 2022.
5. At the request of the company, we have also examined the following financial information ("Other Financial Information") proposed to be included in the offer document prepared by the management and approved by the board of directors of the company and annexed to this report:

Annexure of Restated Financial Statements of the Company: -

- i. Statement of Equity Share Capital, as restated (Note– 3 of Annexure V)
- ii. Statement of Reserves & Surplus, as restated (Note - 4 of Annexure V)
- iii. Statement of Long-Term Borrowings, as restated (Note- 5 of Annexure V)
- iv. Statement of Deferred Tax Liability (Net), as restated (Note- 6 of Annexure V)
- v. Statement of Long-term Provisions, as restated (Note - 7 of Annexure V)
- vi. Statement of Short term Borrowings, as restated (Note- 8 of Annexure V)
- vii. Statement of Trade Payables, as restated (Note- 9 of Annexure V)
- viii. Statement of Other Current Liabilities, as restated (Note- 10 of Annexure V)
- ix. Statement of Short-term provisions, as restated (Note- 11 of Annexure V)
- x. Statement of Property, Plant & Equipment, as restated (Note- 12 of Annexure V)
- xi. Statement of Long term loans and advances, as restated (Note- 13 of Annexure V)
- xii. Statement of Non - Current Investments, as restated (Note- 14 of Annexure V)
- xiii. Statement of Capital Work in Progress, as restated (Note- 15 of Annexure V)
- xiv. Statement of Inventories, as restated (Note- 16 of Annexure V)
- xv. Statement of Trade Receivables, as restated (Note - 17 of Annexure V)
- xvi. Statement of Cash and Cash Equivalents, as restated (Note- 18 of Annexure V)
- xvii. Statement of Short-term loans & advances, as restated (Note - 19 of Annexure V)
- xviii. Statement of Other Current Assets, as restated (Note - 20 of Annexure V)
- xix. Statement of Revenue from Operations, as restated (Note – 21 of Annexure V)
- xx. Statement of Other Income, as restated (Note – 22 of Annexure V)
- xxi. Statement of Raw Material Consumed, as restated (Note – 23 of Annexure V)
- xxii. Statement of Change in Inventories, as restated (Note – 24 of Annexure V)
- xxiii. Statement of Employee Benefit Expenses, as restated (Note – 25 of Annexure V)
- xxiv. Statement of Finance Costs, as restated (Note – 26 of Annexure V)
- xxv. Statement of Other Expenses, as restated (Note – 27 of Annexure V)
- xxvi. Statement of Prior Period Item, as restated (Note – 28 of Annexure V)
- xxvii. Statement of Related Party Transactions, as restated (Note – 29 of Annexure V)
- xxviii. Statement of Earnings per share, as restated (Note – 30 of Annexure V)
- xxix. Statement of Ratio Analysis, as restated (Note – 31 of Annexure V)

- xxx. Statement of Employee benefit plans, as restated (Note – 32 of Annexure V)
- xxxi. Statement of MSME Creditors, as restated (Note – 33 of Annexure V)

6. In our opinion, the Restated Financial Statements and the other Financial Information set forth in Annexure I to VIII read with the significant accounting policies and notes to the restated financial statements have been prepared in accordance with section 26 of Companies Act, 2013 and the SEBI Regulations and the Guidance Note on the reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI).

Consequently, the financial information has been prepared after making such regroupings and adjustments as were, in our opinion, considered appropriate to comply with the same. As a result of these regrouping and adjustments, the amount reported in the financial information may not necessarily be the same as those appearing in the respective audited financial statements for the relevant years.

7. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other Firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.
8. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
9. This report is intended solely for your information and for inclusion in the Offer document in connection with the Company's proposed IPO of equity shares and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For
V S Bapna & Associates
Chartered Accountants,

CA Virendra Bapna
FRN – 131079W
UDIN – 2'405027BMGNQC3873

Date: 12.12.2024
Place: Mumbai

Annexure I – RESTATED FINANCIAL STATEMENT OF ASSETS AND LIABILITIES

(₹ in Lakhs)

Particulars	Note No	For the period ended September 30, 2024	For the full year ended March 31, 2024	For the full year ended March 31, 2023	For the full year ended March 31, 2022
(I) EQUITY AND LIABILITIES					
1 Shareholder's Fund					
a) Equity share capital	3	500.00	500.00	1,975.00	1,975.00
b) Reserves and Surplus	4	2,423.70	2,376.93	(303.91)	23.66
Total Equity		2,923.70	2,876.93	1,671.09	1,998.66
2 Non-Current Liabilities					
a) Long term Borrowings	5	389.60	588.01	1,674.01	1,883.49
b) Deffered Tax Liability	6	178.83	139.04	114.29	-
c) Long term Provision	7	2.06	1.58	-	-
Total Non-Current Liabilities		570.49	728.63	1,788.29	1,883.49
3 Current Liabilities					
a) Short term Borrowings	8	654.13	600.76	540.24	-
b) Trade Payables					
Dues of Micro enterprises and Small enterprises	9	184.63	184.76	-	7.57
Dues of Others		914.68	996.42	86.81	139.95
d) Other Current Liabilities	10	48.44	180.89	22.86	1.46
e) Short-term Provisions	11	0.62	0.00	-	10.69
Total Current Liabilities		1,802.51	1,962.83	649.91	159.66
Total Equity and Liabilities		5,296.69	5,568.39	4,109.29	4,041.81
(II) ASSETS					
1 Non-Current Assets					
a) Property, Plant & Equipment	12	2,911.33	3,014.77	3,219.91	-
b) Capital Work in Progress		-	-	-	3,270.99
c) Long term loans and advances	13	206.22	206.22	14.70	14.70
d) Non - Current Investment	14	18.38	10.50	10.50	-
e) Other Non Current Asset	15	-	-	-	-
Total Non-Current Assets		3,135.92	3,231.49	3,245.11	3,285.69
2 Current Assets					
a) Inventories	16	12.66	59.36	133.03	87.93
b) Trade Receivables	17	1,557.17	1,396.86	122.14	78.08
c) Cash and Cash Equivalents	18	3.58	172.57	22.94	2.18
d) Short-term Loans and Advances	19	574.86	708.11	586.07	587.93
e) Other Current Assets	20	12.50	-	-	-

Total Current Assets		2,160.77	2,336.91	864.18	756.12
Total Assets		5,296.69	5,568.39	4,109.29	4,041.81

The above statement should be read with Basis of Preparation and the Significant Accounting Policies appearing in Annexure IV, Notes to the Restated Financial Information appearing in Annexure VI.

Annexure II – RESTATED FINANCIAL STATEMENT OF PROFIT & LOSS

(₹ in Lakhs)

Particulars		Note No	For the period ended September 30, 2024	For the full year ended March 31, 2024	For the full year ended March 31, 2023	For the full year ended March 31, 2022
I	INCOME					
	Revenue from Operations	21	486.66	2,357.88	878.20	19.07
	Other Income	22	15.21	35.56	1.49	0.16
	Total Income		501.87	2,393.44	879.69	19.23
II	EXPENSES					
	Purchases of Traded Goods	23	143.25	1,490.06	902.31	20.48
	Change in Inventories	24	46.70	73.67	(45.09)	(18.01)
	Employee Benefit Expenses	25	31.00	37.11	8.67	2.53
	Finance Costs	26	52.36	179.09	150.91	-
	Depreciation & Amortisation Expenses	12	104.08	207.46	51.08	-
	Other Expenses	27	37.92	75.44	28.33	10.63
	Total Expenses		415.32	2,062.84	1,096.21	15.62
III	Profit/(Loss) before exceptional and Exceptional items		86.55	330.60	(216.53)	3.60
	Exceptional items		-	-	-	-
IV	Profit/(Loss) Before Tax		86.55	330.60	(216.53)	3.60
	Current Tax		-	-	-	0.94
	Deferred Tax		39.78	24.76	114.29	-
	Total tax		39.78	24.76	114.29	0.94
V	Profit/(Loss) for the year		46.77	305.84	(330.81)	2.67

The above statement should be read with Basis of Preparation and the Significant Accounting Policies appearing in Annexure IV, Notes to the Restated Financial Information appearing in Annexure VI.

Annexure III – RESTATED CASH FLOW STATEMENT AS RESTATED

(₹ in Lakhs)

Particulars		For the period ended September 30, 2024	For the full year ended March 31, 2024	For the full year ended March 31, 2023	For the full year ended March 31, 2022
(I)	CASH FLOW FROM OPERATING ACTIVITIES				
	Net Profit/(Loss) before tax	86.55	330.60	(216.53)	3.60
	<i>Adjustments</i>				
	Add: Depreciation	104.08	207.46	51.08	-
	Less: Interest Income	(12.39)	(15.96)	-	-
	Add: Finance Cost	52.36	179.09	150.91	-
	Less: Proposed dividend	-	-	-	(0.08)
	Add : Provision for Gratuity	0.61	1.58	-	-
	Operating profit before working capital changes	231.22	702.78	(14.53)	3.52
	Increase/ (Decrease) in Trade payables	(81.86)	1,094.37	(60.70)	(2,285.66)
	Increase/ (Decrease) in short term provisions	0.48	-	(10.69)	2.63
	Increase/ (Decrease) in Other Current Liability	(132.45)	158.03	21.40	0.06
	(Increase)/ Decrease in Inventory	46.70	73.67	(45.09)	(18.01)
	(Increase)/ Decrease in Trade Receivables	(160.31)	(1,274.72)	(44.06)	81.99
	(Increase)/ Decrease in Short Term Loans and advances	133.24	(122.03)	1.85	216.88
	(Increase)/ Decrease in Long Term Loans and advances	-	(191.52)	-	-
	Increase/ (Decrease) in Other Current Assets	(12.50)	-	-	-
	Cash flow from operations	24.53	440.56	(151.83)	(1,998.59)
	Less: Tax paid during the year	-	-	-	0.94
	Net Cash Flow from Operating Activities	24.53	440.56	(151.83)	(1,999.53)
(II)	CASH FLOW FROM INVESTING ACTIVITIES				
	Purchase of Tangible, CWIP and Intangible Assets	(0.64)	(2.32)	(0.00)	(5.25)
	Purchase / Sale of investments	(7.88)	-	(10.50)	-
	Interest Income	12.39	15.96	-	-
	Net Cash Flow from Investing Activities	3.88	13.64	(10.50)	(5.25)
(III)	CASH FLOW FROM FINANCING ACTIVITIES				
	Increase in Share Capital	-	2,375.00	180.74	-
	Redemption of Share Capital	-	(1,475.00)	(177.50)	-
	Finance cost	(52.36)	(179.09)	(150.91)	-
	Proceeds/(Repayment) from Long-term borrowings	(198.40)	(1,086.00)	(209.48)	1,783.05
	Proceeds/(Repayment) from Short -term borrowings	53.37	60.52	540.24	-
	Net Cash Flow from Financing Activities	(197.40)	(304.57)	183.08	1,783.05
(IV)	Net change in Cash and Cash Equivalents (I+II+III)	(169.00)	149.64	20.76	(221.72)
	Reconciliation of Cash and Cash Equivalents (IV)				
	Cash and Cash Equivalents at the beginning of the year	174.28	24.64	3.88	225.61
	Cash and Cash Equivalents at the end of the year	5.28	174.28	24.64	3.88
	Components of Cash and Cash Equivalents				
	Cash In Hand *	0.11	0.27	0.39	0.77
	Balances with banks :	-	-	-	-
	- Current accounts	3.47	172.30	22.55	1.41
	Cash and Cash Equivalents at the end of the year	3.58	172.57	22.94	2.18

Notes: 1. The above Cash Flow Statement has been prepared under the Indirect Method as set out in Accounting Standard -3 (AS-3) on Cash Flow Statement issued by the Institute of Chartered Accountants of India

2. The above statement should be read with Basis of Preparation and the Significant Accounting Policies appearing in Annexure IV, Notes to the Restated Financial Information appearing in Annexure V.

ANNEXURE IV: CORPORATE INFORMATION, SIGNIFICANT ACCOUNTING POLICIES, RECONCILIATION OF NET PROFIT /(LOSS) AND RECONCILIATION OF NETWORTH.

1 CORPORATE INFORMATION:

FFS Defence Engineering Limited (Formerly Known as FFS Defence Engineering Private Limited), incorporated in India as on August 06, 2019. Under Companies Act, 2013. The Company has manufacturing facility at Nagpur and is primarily involved in the area of heavy engineering, turn-key solutions from designing to commissioning of small to large systems.

2.0 RESTATED SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS:

2.1 ACCOUNTING CONCEPTS

The financial statements have been prepared to comply in all material aspects with the notified Accounting Standard by Companies Accounting Standard Rules, 2006 which continue to apply under section 133 of the Companies Act, 2013 (the Act) read with the rule 7 of the Companies (Accounts) rule 2014 and other relevant provisions of the Companies Act, 1956 to the extent applicable. The Financials Statements are prepared and presented on the basis of generally accepted accounting principles and historical Cost convention on accrual basis. The Accounting Policies have been consistently applied by the Company and are consistent with those used in the previous year. The company follows Mercantile system of Accounting and Recognizes Income and Expenditure on Accrual Basis, Except those with Significant Uncertainties.

2.2 Basis of Preparation of Restated Financial Statements:

"These financial statements have been prepared in accordance with generally accepted accounting principles ('GAAP') in India under the historical cost convention on the accrual basis of accounting. These financial statements have been prepared to comply in all material aspects with the accounting standards specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Companies Act, 2013 (hereinafter together referred to as 'the Act') and Schedule III of the Act.

The restated financial information has been prepared for inclusion in the Draft Red Hearing Prospectus ("DRHP" or "offer document") to be filed by the Company with the

Securities and Exchange Board of India ('SEBI') in connection with proposed Initial Public Offering of its equity shares of face value of Rs 10 each of the Company comprising a fresh issue of equity shares and offer for sale of equity shares held by the certain existing shareholders (the "Offer"), in accordance with the requirements of:

- a) Section 26 of part I of Chapter III of the Act
- b) relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements Regulations, 2018, issued by the Securities and Exchange Board of India ('SEBI') as amended in pursuance of the Securities and Exchange Board of India Act, 1992; and"
- "c) Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI").

The Restated financial information have been compiled from:

- a) the audited financial statement of the Company as at September 30, 2024 which have been approved by the Board of Directors at their meeting held on 12th December, 2024
- b) the audited financial statement of the Company as at March 31, 2024 which have been approved by the Board of Directors at their meeting held on August 05, 2024.
- c) the audited financial statement of the Company as at March 31, 2023 which have been approved by the Board of Directors at their meeting held on September 02, 2023.
- d) the audited financial statement of the Company as at March 31, 2022 which have been approved by the Board of Directors at their meeting held on September 07, 2022.

There were no qualifications in the Audit Reports issued by Statutory Auditor(s) for the period ended on March 31, 2024, March 31, 2023, March 31, 2022.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year."

2.3 Use of estimates and judgements

The preparation of financial statements in conformity with the generally accepted accounting principles requires the Management to make estimates, judgements and assumptions that affect the reported balances of assets and liabilities as on the date of financial statements and the reported amounts of revenues and expenses for the reported period. Changes in

estimates are recognized in the period in which the estimates are revised and if material, their effects are disclosed in the notes to the financial statements.

2.4 Going Concern

The financial accounts of the Company are prepared on the assumption of going concern concept.

2.5 Current versus non-current classification

"The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realized or intended to be sold or consumed in normal operating cycle
- It is held primarily for the purpose of trading
- It is expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

A liability is current when it satisfies any of the following criteria:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period"

Current liabilities includes the current portion of long term financial liabilities. The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.6 Inventories

"Inventories are carried at the lower of cost or net realisable value.

Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In determining the cost, FIFO method is used.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The proportionate amount of additional duty of customs paid on finished goods imported for trading and lying unsold as at the year end has been included in the value of the finished goods stock.

The comparison of cost and net realisable value is made on an item-by-item basis"

2.7 Property, Plant and Equipment

Fixed Assets are stated at cost less accumulated depreciation and impairment losses, if any. The cost of an item of property, plant and equipment comprises its acquisition price, including import duties and other non-refundable taxes or levies, any directly attributable cost of bringing the asset to its working condition for its intended use, pre-operative expenses including financial charges and adjustments on account of foreign exchange fluctuations, wherever applicable; any trade discounts and rebates are deducted in arriving at the purchase price. Subsequent expenditures related to an item of fixed asset should be capitalised only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance otherwise expenditure should be written off.

2.8 Depreciation and Amortisation

"Depreciation on property, plant and equipment is provided on written down value method over the useful lives of assets estimated by the management which are equal to the useful lives prescribed under Schedule II of the Companies Act, 2013 . The useful lives estimated by the management are mentioned below:

Furniture and fixtures	: 10 years
Plant and Machinery	: 15 years
Office Equipments	: 5 years

The useful lives are reviewed by the management periodically and revised, if appropriate. In case of a revision, the unamortized depreciable amount is charged over the revised remaining useful life. Depreciation is provided on a pro-rata basis i.e. from the date on which asset is ready for use. Property, Plant and Equipment is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal."

2.9 Intangible assets

Intangible assets that are acquired by the company are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and accumulated impairment loss (if any).

Subsequent expenditure is capitalised only when it increases the future economic benefits to the specific assets to which it relates.

Intangible assets are amortised in Statement of Profit and Loss over their estimated useful lives, from the date that they are available for use based on the expected pattern of consumption of economic benefits of the assets. Accordingly, at present these are being amortised on written down value method over a period of three years based on the useful economic life.

Amortisation method and useful lives are reviewed at each reporting date. If the useful life of an asset is estimated to be significantly different from previous estimates, the amortisation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern. An intangible asset is derecognized on disposal or when no future economic benefit is expected from its use and disposal.

3.0 Recognition of Revenue and Expenses

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must be also met before revenue is recognized:

3.1 Sale of goods:

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of goods have passed to the buyer under the terms of the contract.

3.2 Interest Income:

(i) Revenue from interest on Deposits is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

(ii) Interest received on loans given have been recognized on receipt basis (if any).

2.10 Expenses:

Expenses are accounted for on accrual basis and provision is made for all known losses and expenses.

2.11 Investments

Investments which are readily realizable and intended to be held for not more than one year from the date of which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

2.21 Transactions in foreign currency

Foreign exchange transactions are recorded at the exchange rates prevailing on the date of such transactions. Realized gains and losses on foreign exchange transactions during the year are recognized in the statement of profit and loss. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date. The resultant exchange differences are recognized in the statement of profit and loss.

2.12 Segment Reporting

The Company operates in a single primary business segment . Hence, there are no reportable segment as per AS 17 Segment Reporting.

2.13 Earnings per share

Basic Earnings per Share (EPS) is computed by dividing the net profit after tax for the year attributable to the equity shareholders by the weighted average number of shares outstanding during the year. The Company does not have any potentially dilutive securities in any of the years presented to calculate diluted EPS and hence the diluted EPS is the same as basic EPS.

2.14 Accounting for taxes on Income

Tax expense comprises current and deferred tax.

Current Tax

Current Tax expense is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Deferred Tax

Deferred income tax reflects the impact of timing differences between taxable income and accounting income during the current year and reversal of timing differences for the earlier years. Deferred Tax is measured using the tax rates and tax laws used enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all the taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets and deferred tax liabilities are reviewed at each reporting period.

2.15 Impairment of Assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An Impairment Loss is charged for when an asset is identified as Impaired. The impairment loss recognized in prior accounting period is reversed, if there has been a change in the estimate of recoverable amount. The Company has identified that there are no Assets available whose carrying cost exceeds its recoverable value and hence the Company has not provided for any impairment loss during the year.

2.16 Provisions, Contingent liabilities and Contingent assets

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Company uses significant judgements to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent assets are neither recognized nor disclosed in the financial statements.

2.17 Cash and Cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage. Cash and cash equivalents for the purpose of cash flow statement comprise of cash at bank and in Hand and short-term bank deposits with original maturity of three months or less.

2.18 General

Accounting policies not specifically referred to, are consistent with the Indian Generally Accepted Accounting Principles and are followed consistently.

Annexure V - Restated Financial Information					
3 Share capital					
<i>(Rs. in lakhs)</i>					
a)	Particulars	For the period ended September 30, 2024	For the full year ended March 31, 2024	For the full year ended March 31, 2023	For the full year ended March 31, 2022
	Authorised share capital				
	1,11,55,400 Equity Shares of Rs. 10/- each	1,115.54	1,115.54	-	-
	9,59,460 0.01% Optionally Convertible Preference Shares of Rs.100/- each	959.46	959.46	-	-
	29,00,000 Class A Equity Shares of Rs.10/- each	-	-	300.00	290.00
	1,00,000 Class B Equity Shares of Rs.10/- each	-	-	-	10.00
	17,75,000 0.01% Optionally Convertible Preference Shares of Rs.100/- each	-	-	1,775.00	1,775.00
	Total	2,075.00	2,075.00	2,075.00	2,075.00
	Issued, Subscribed & Fully Paid up				
	50,00,000 Equity Shares of Rs.10/- each	500.00	500.00	200.00	190.00
	1,00,000 Class B Equity Shares of Rs.10/- each	-	-	-	10.00
	17,75,000 0.01% Optionally Convertible Preference Shares of Rs.100/- each	-	-	1,775.00	1,775.00
	Total	500.00	500.00	1,975.00	1,975.00
b)	The reconciliation of the numbers of shares outstanding and amount of share capital as at year end is set out below:				
	Class A Equity Shares				
	Particulars	For the period ended September 30, 2024	For the full year ended March 31, 2024	For the full year ended March 31, 2023	For the full year ended March 31, 2022
	Equity Shares (in nos)				
	Shares outstanding at the beginning of the year	50,00,000	20,00,000	19,00,000	19,00,000
	Class B shares converted to Class A shares	-	-	1,00,000	-
	Shares issued during the period	-	30,00,000	-	-
	Shares Outstanding at the end of the period	50,00,000	50,00,000	20,00,000	19,00,000
	Equity Share Capital (in lakhs)				

Share Capital outstanding at the beginning of the year	500.00	200.00	190.00	190.00
Shares issued during the period	-	300.00	10.00	-
Equity Shares Capital at the end of the period	500.00	500.00	200.00	190.00
Class B Equity Shares				
Particulars	For the period ended September 30, 2024	For the full year ended March 31, 2024	For the full year ended March 31, 2023	For the full year ended March 31, 2022
Equity Shares (in nos)				
Shares outstanding at the beginning of the year	-	-	1,00,000	1,00,000
Shares converted to Class A during the period	-	-	(1,00,000)	-
Shares Outstanding at the end of the period	-	-	-	1,00,000
Equity Share Capital (in lakhs)				
Share Capital outstanding at the beginning of the year	-	-	10.00	10.00
Shares converted to Class A during the period	-	-	(10.00)	-
Equity Shares Capital at the end of the period	-	-	-	10.00
0.01% Optionally Convertible Preference Shares				
Particulars	For the period ended September 30, 2024	For the full year ended March 31, 2024	For the full year ended March 31, 2023	For the full year ended March 31, 2022
Preference Shares (in nos)				
Shares outstanding at the beginning of the year	-	17,75,000	17,75,000	17,75,000
Shares issued during the period	-	-	17,75,000	-
Shares redeemed during the year	-	(11,03,378)	(17,75,000)	-
Shares converted during the year	-	(6,71,622)	-	-
Shares Outstanding at the end of the period	-	-	17,75,000	17,75,000
Preference Share Capital (in lakhs)				
Share Capital outstanding at the beginning of the year	-	1,775.00	1,775.00	1,775.00
Shares issued during the period	-	-	1,775.00	-
Shares redeemed during the year	-	(1,103.38)	(1,775.00)	-
Shares converted during the year	-	(671.62)	-	-
Equity Shares Capital at the end of the period	-	-	1,775.00	1,775.00

c) Name of Shareholders holding more than 5% shares			
Name of Shareholder	No of shares held	% of Holding	% Change during the Year
Class A Equity Shares			
Mr. Rajendra Chodankar			
September 30, 2024	7,45,000	14.90%	0.00%
March 31, 2024	7,45,000	14.90%	-84.85%
March 31, 2023	19,95,000	99.75%	0.01%
March 31, 2022	18,95,000	99.74%	0.00%
Vasant Balirampant Belorkar			
September 30, 2024	-	0.00%	-20.00%
March 31, 2024	10,00,000	20.00%	20.00%
March 31, 2023	-	0.00%	0.00%
March 31, 2022	-	0.00%	0.00%
Paras Defence & Space Technologies Ltd			
September 30, 2024	6,40,000	12.80%	-7.00%
March 31, 2024	9,90,000	19.80%	19.80%
March 31, 2023	-	0.00%	0.00%
March 31, 2022	-	0.00%	0.00%
JK Solutions Private Limited			
September 30, 2024	3,50,000	7.00%	-7.00%
March 31, 2024	7,00,000	14.00%	14.00%
March 31, 2023	-	0.00%	0.00%
March 31, 2022	-	0.00%	0.00%
Faithful Vanijya Pvt. Ltd.			
September 30, 2024	7,00,000	14.00%	1.50%
March 31, 2024	6,25,000	12.50%	12.50%
March 31, 2023	-	0.00%	0.00%
March 31, 2022	-	0.00%	0.00%
Kavita Vasant Belorkar			
September 30, 2024	3,00,000	6.00%	6.00%
March 31, 2024	-	0.00%	0.00%
March 31, 2023	-	0.00%	0.00%
March 31, 2022	-	0.00%	0.00%
Prerna Anup Belorkar			
September 30, 2024	3,25,000	6.50%	6.50%
March 31, 2024	-	0.00%	0.00%
March 31, 2023	-	0.00%	0.00%

March 31, 2022	-	0.00%	0.00%
Minal Amol Kale			
September 30, 2024	3,50,000	7.00%	7.00%
March 31, 2024	-	0.00%	0.00%
March 31, 2023	-	0.00%	0.00%
March 31, 2022	-	0.00%	0.00%
Class B Equity Shares			
Maharashtra Defence and Aerospace Venture Fund*			
September 30, 2024	-	0.00%	0.00%
March 31, 2024	-	0.00%	0.00%
March 31, 2023	-	0.00%	-100.00%
March 31, 2022	1,00,000	100.00%	0.00%
0.01% Optionally Convertible Preference Shares			
Maharashtra Defence and Aerospace Venture Fund*			
September 30, 2024	-	0.00%	0.00%
March 31, 2024	-	0.00%	0.00%
March 31, 2023	-	0.00%	-100.00%
March 31, 2022	17,75,000	100.00%	0.00%
GSR Tradefin Private Limited			
September 30, 2024	-	0.00%	0.00%
March 31, 2024	-	0.00%	-40.70%
March 31, 2023	7,22,353	40.70%	40.70%
March 31, 2022	-	0.00%	0.00%
J K Solution Private Limited			
September 30, 2024	-	0.00%	0.00%
March 31, 2024	-	0.00%	-37.84%
March 31, 2023	6,71,622	37.84%	37.84%
March 31, 2022	-	0.00%	0.00%
Paras Defence & Space Technologies			
September 30, 2024	-	0.00%	0.00%
March 31, 2024	-	0.00%	-21.47%
March 31, 2023	3,81,025	21.47%	21.47%
March 31, 2022	-	0.00%	0.00%
*Through its Investment Manager - IDBI Capital Markets & Securities Limited			
d Shares held by promoters at the year end			
Name of Shareholder	No of shares held	% of Holding	% Change during the Year

Rajendra Chodankar				
September 30, 2024		7,45,000	14.90%	0.00%
March 31, 2024		7,45,000	14.90%	-84.85%
March 31, 2023		19,95,000	99.75%	0.01%
March 31, 2022		18,95,000	99.74%	0.00%
Faithful Vanijya Pvt. Ltd.				
September 30, 2024		7 00 000	14.00%	1.50%
March 31, 2024		6 25 000	12.50%	12.50%
March 31, 2023		-	0.00%	0.00%
March 31, 2022		-	0.00%	0.00%
Raunaq Chodankar				
September 30, 2024		5,000	0.10%	0.00%
March 31, 2024		5,000	0.10%	-0.15%
March 31, 2023		5,000	0.25%	-0.01%
March 31, 2022		5,000	0.26%	0.00%
March 31, 2021	5,000	5,000	50.00%	0.00%

e Rights, preferences and restrictions attached to equity shares

The company has only one class of Equity Shares having a par value Rs. 10.00 per share with effect from June, 2023. Each shareholder is eligible for one vote per share held. In the event of liquidation, the shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

Previously, the Company had three classes of shares.

i) Class A Equity Shares - Class A Equity Shares have a face value of Rs. 10/- each. Each Shareholder is eligible for one vote per share held.

ii) Class B Equity Shares - Class B Equity Shareholders are eligible for 19 votes per share held.

iii) 0.01% Optionally Convertible Preference Shares - Pursuant to the Agreement, Investor has subscribed to 17,75,000, 0.01% optionally convertible cumulative preference shares ('OCPS') at Rs. 100 each at par.

The OCPS carry coupon of 0.01% has a moratorium period of 2 years till date of conversion of OCPS. No dividend is payable on any equity shares till date of conversion of OCPS. The coupon on the outstanding OCPS shall accrue and be payable annually on 30th June.

f Company does not have any Revaluation Reserve

Notes:

i) The Shareholders have all other rights as available to equity shareholders as per the provisions of The Companies Act, 2013, read together with the Memorandum of Association and Articles of Association of the Company, as applicable.

- ii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held at the time of commencement of winding-up.
- iii) Pursuant to shareholder's resolution dated 9th June, 2023 the Company has increased its authorized share capital from Rs 20,75,00,000 (Rupees Twenty crore seventy-five Lacs only) divided in to Class A Equity Shares - 29,00,000 (Twenty Nine Lakh) equity shares of Rs. 10/- (Rupees Ten only) each; Class B Equity Shares - 1,00,000 (One Lakh) equity shares of Rs. 10/- (Rupees Ten only) each with Differential Voting Rights of 1(One) share with 19 (Nineteen) votes; and Preference Shares - 17,75,000 (Seventeen Lakhs Seventy-Five Thousand) Preference Shares of Rs. 100/- (Rupees One Hundred Only) to ₹ 20,75,00,000 (Rupees Twenty Crores Seventy Five Lakhs only) divided into 1,11,55,400 (One Crore Eleven Lakh Fifty Five Thousand Four Hundred) Equity Shares of Rs. 10/- (Rupees Ten only) each and 9,59,460 (Nine Lakh Fifty Nine Thousand Four Hundred Sixty) Preference Shares of Rs. 100/- (Rupees One Hundred Only).
- iv) 17,75,000 0.01% Optionally Convertible Preference shares of Rs. 100 which are issued during the financial year 2022-23 are redeemed and converted during the current year.
- v) On 7th June 2023 the Company redeemed 8,15,540 (Eight Lakhs Fifteen Thousand Five Hundred Forty), 0.01% Optionally Convertible Preference Shares of Rs. 100/- (Rupees One Hundred Only) each at a premium of Rs. 4.23/- (Rupees Four and Twenty Three Paisa) per share aggregating to Rs. 8,50,00,000- (Rupees Eight Crore Fifty Lakhs only) held by GSR Tradefin Private Limited out of the proceeds of fresh issue of the Company.
- vi) On 30th June 2023 the Company redeemed 2,87,838 (Two Lakh Eighty Seven Thousand Eight hundred Thirty Eight), 0.01% Optionally Convertible Preference Shares of Rs. 100/- (Rupees One Hundred Only) each at a premium of Rs. 4.23/- (Rupees Four and Twenty Three Paisa) per share aggregating to Rs. 3,00,01,355/- (Rupees Three Crore One Thousand Three Hundred Fifty Five only) held by Paras Defence and Space Technologies Limited out of the proceeds of fresh issue of the Company.
- (vii) On 15th July 2023 the Company Converted 6,71,622 (Six Lakhs Seventy One Thousand Six Hundred Twenty Two), 0.01% Optionally Convertible Preference Shares of J K Solutions Private Limited into 7,00,000 Equity Shares and allotted the same to J K Solutions Private Limited.

Annexure V - Restated Financial Information

4 Reserves and Surplus

(Rs. in lakhs)

Particulars	For the period ended September 30, 2024	For the full year ended March 31, 2024	For the full year ended March 31, 2023	For the full year ended March 31, 2022
Retained Earnings				
Opening balance	(1.31)	(307.15)	23.66	21.08
Profit during the year	46.77	305.84	(330.81)	2.67
Less: Utilisation of reserves for proposed dividend	-	-	-	0.08
Sub-total (a)	45.46	(1.31)	(307.15)	23.66
Securities Premium				
Opening balance	2,378.24	3.24	-	-
Addition during the year optionally converted preference shares	-	2,450.00	75.00	-
Less: Utilisation of premium for redemption of optionally converted preference shares	-	75.00	71.76	-
Sub-total (b)	2,378.24	2,378.24	3.24	-
Total	2,423.70	2,376.93	(303.91)	23.66

5. Long term Borrowings

(Rs. in lakhs)

Particulars	For the period ended September 30, 2024	For the full year ended March 31, 2024	For the full year ended March 31, 2023	For the full year ended March 31, 2022
<u>Secured Loan</u>				
Term loans (Refer note a below)	456.26	509.00	557.81	-
Less: Current Maturities of Long-term Liabilities	151.14	105.47	48.81	
Sub-total of Term Loans	305.12	403.52	509.00	-
Inter Corporate Deposits	-	100.00	1,100.00	-
<u>Unsecured Loan</u>				
Related Parties	84.48	84.48	65.01	1,883.49
Total (a+b-c)	389.60	588.01	1,674.01	1,883.49

Terms of secured loan*(Rs. in lakhs)*

Particulars	Sanction Limit	Interest Rate	Tenure	EMI per month (Rs in lakhs)
Term Loan with JALGAON PEOPLES CO OP BANK LTD	150.00	9%	36 months	5.80
Less: Current Maturities of Long-term Liabilities	400.00	9.5%	82 months	6.79

6. Deferred Tax Liability (Net)*(Rs. in lakhs)*

Particulars	For the period ended September 30, 2024	For the full year ended March 31, 2024	For the full year ended March 31, 2023	For the full year ended March 31, 2022
Balance at the beginning of the year	139.04	114.29	-	-
Add: During the year adjustment	39.78	24.76	114.29	-
Balance at the end of the year	178.83	139.04	114.29	-

7. Long-term Provisions*(Rs. in lakhs)*

Unsecured Loan	For the period ended September 30, 2024	For the full year ended March 31, 2024	For the full year ended March 31, 2023	For the full year ended March 31, 2022
Provisions for Gratuity	2.06	1.58	-	-
Total	2.06	1.58	-	-

8. Short term Borrowings*(Rs. in lakhs)*

Particulars	For the period ended September 30, 2024	For the full year ended March 31, 2024	For the full year ended March 31, 2023	For the full year ended March 31, 2022
<u>Secured Loan</u>				
Current Maturities of Long-term Liabilities	151.14	105.47	48.81	-

Working Capital Loans	502.99	495.29	491.43	
Total	654.13	600.76	540.24	-

Terms of secured loan*(Rs. in lakhs)*

Add: During the year adjustment	Sanction Limit	Interest Rate	Tenure	Emi per month (Rs in lakhs)
Term Loan with JALGAON PEOPLES CO OP BANK LTD	500.00	9.50%	Renewable Annually	N.A

9. Trade Payables*(Rs. in lakhs)*

Particulars	For the period ended September 30, 2024	For the full year ended March 31, 2024	For the full year ended March 31, 2023	For the full year ended March 31, 2022
- Total outstanding dues of Micro, Small & Medium Enterprises	184.63	184.76	-	7.57
- Total outstanding dues other than Micro, Small & Medium Enterprises	914.68	996.42	86.81	139.95
Total	1,099.32	1,181.18	86.81	147.51

Ageing of Trade Payables*(Rs. in lakhs)*

Particulars	For the period ended September 30, 2024	For the full year ended March 31, 2024	For the full year ended March 31, 2023	For the full year ended March 31, 2022
(i) Micro enterprises and small enterprises				
Less than 1 year	113.90	184.76	-	7.57
1-2 years	70.73	-	-	-
Sub-total	184.63	184.76	-	7.57
(ii) other than micro enterprises and small enterprises				
Outstanding for following periods from due date of payment				
Less than 1 year	912.69	994.42	86.81	139.95
1-2 years	1.99	1.99	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	-	-
Sub-total	914.68	996.42	86.81	139.95
(iii) Disputed Dues MSME	-	-	-	-
(iv) Disputed Dues-Others	-	-	-	-
Total	1,099.32	1,181.18	86.81	147.51

10. Other Current Liabilities*(Rs. in lakhs)*

Particulars	For the period ended	For the full year ended March 31, 2024	For the full year ended March 31, 2023	For the full year ended March 31, 2022
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	September 30, 2024			
Liabilities for Expenses	7.41	4.22	2.70	1.29
Interest on MSME creditors	23.74	12.17	4.56	-
Interest payable on ICD	-	4.50	-	-
Proposed Dividend on 0.01% OCPS	-	-	-	0.17
Advance from Customers	17.28	159.99	15.60	
Total	48.44	180.89	22.86	1.46

11. Short-term provisions*(Rs. in lakhs)*

Particulars	For the period ended September 30, 2024	For the full year ended March 31, 2024	For the full year ended March 31, 2023	For the full year ended March 31, 2022
Statutory Liabilities	0.48	-	-	0.02
Provision for Income Tax	-	-	-	10.67
Provisions for Gratuity	0.14	0.00	-	-
Total	0.62	0.00	-	10.69

13. Long term loans and advances*(Rs. in lakhs)*

Particulars	For the period ended September 30, 2024	For the full year ended March 31, 2024	For the full year ended March 31, 2023	For the full year ended March 31, 2022
Security Deposit with MSEDCL	14.70	14.70	14.70	14.70
Intercorporate Deposits with RRP S4E Innovation Private Limited	191.52	191.52	-	-
Total	206.22	206.22	14.70	14.70

14. Non - Current Investments*(Rs. in lakhs)*

Particulars	For the period ended September 30, 2024	For the full year ended March 31, 2024	For the full year ended March 31, 2023	For the full year ended March 31, 2022
Valued at cost or Market value which ever is lower				
Investment in Equity Instruments	18.38	10.50	10.50	-
Balance at the end of the year	18.38	10.50	10.50	-

15. Capital Work in Progress*(Rs. in lakhs)*

Particulars	For the period ended September 30, 2024	For the full year ended March 31, 2024	For the full year ended March 31, 2023	For the full year ended March 31, 2022
Capital Work in Progress			-	3,270.99
Total	-	-	-	3,270.99

16. Inventories*(Rs. in lakhs)*

Particulars	For the period ended September 30, 2024	For the full year ended March 31, 2024	For the full year ended March 31, 2023	For the full year ended March 31, 2022
Raw Materials	12.66	59.36	133.03	87.93
Total	12.66	59.36	133.03	87.93

The Inventory have been valued at cost of NRV whichever is lower.

17. Trade Receivables*(Rs. in lakhs)*

Particulars	For the period ended September 30, 2024	For the full year ended March 31, 2024	For the full year ended March 31, 2023	For the full year ended March 31, 2022
Unsecured, Considered good	1,557.17	1,396.86	122.14	78.08
Total	1,557.17	1,396.86	122.14	78.08

Ageing of Trade Receivables*(Rs. in lakhs)*

Particulars	For the period ended September 30, 2024	For the full year ended March 31, 2024	For the full year ended March 31, 2023	For the full year ended March 31, 2022
(i) Unsecured, Considered good Outstanding for following periods from due date of payment				
Less than 6 months	29.87	1,130.48	122.14	78.08
6 months -1 year	1,527.30	266.38	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	-	-
Total	1,557.17	1,396.86	122.14	78.08

18. Cash and Cash Equivalents*(Rs. in lakhs)*

Particulars	For the period ended September 30, 2024	For the full year ended March 31, 2024	For the full year ended March 31, 2023	For the full year ended March 31, 2022
Cash In Hand *	0.11	0.27	0.39	0.77
Balances with banks :				
- Current accounts	3.47	172.30	22.55	1.41
Total	3.58	172.57	22.94	2.18

* Balances of Cash is certified by Director

19. Short-term loans & advances*(Rs. in lakhs)*

Particulars	For the period ended	For the full year ended March 31, 2024	For the full year ended March 31, 2023	For the full year ended March 31, 2022
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	September 30, 2024			
<u>(Unsecured, Considered Good)</u>				
Balance with Revenue Authorities	541.63	591.55	584.92	585.02
Interest Receivable on ICD	26.75	14.37	-	-
Advance to Vendors & others	6.48	102.19	1.15	2.91
Total	574.86	708.11	586.07	587.93

20. Other Current Assets*(Rs. in lakhs)*

Particulars	For the period ended September 30, 2024	For the full year ended March 31, 2024	For the full year ended March 31, 2023	For the full year ended March 31, 2022
IPO Expenses	12.50	-	-	-
Total	12.50	-	-	-

21. Revenue from operation*(Rs. in lakhs)*

Particulars	For the period ended September 30, 2024	For the full year ended March 31, 2024	For the full year ended March 31, 2023	For the full year ended March 31, 2022
Sale of Products				
<i>Domestic Sales</i>	200.90	1,224.55	859.12	19.07
<i>Export Sales</i>	132.58	931.11	-	-
Sale of Service	153.18	202.22	19.08	-
Total	486.66	2,357.88	878.20	19.07

22. Other Income*(Rs. in lakhs)*

Particulars	For the period ended September 30, 2024	For the full year ended March 31, 2024	For the full year ended March 31, 2023	For the full year ended March 31, 2022
<u>Other Non Operating revenue</u>				
Interest Income on ICD	12.39	15.96	-	-
Other Income	-	0.02	-	0.16
Duty Drawback Income	1.79	11.57	-	-
RoDTEP Income	0.98	5.00	-	-
Foreign Exchange Gain	0.05	-	-	-
Write off	-	3.01	1.49	-
Total	15.21	35.56	1.49	0.16

23. Purchase of Traded Goods*(Rs. in lakhs)*

Particulars	For the period ended September 30, 2024	For the full year ended March 31, 2024	For the full year ended March 31, 2023	For the full year ended March 31, 2022
Purchases of Materials <i>Direct expense</i>	127.42	1,447.10	880.40	7.74
Power consumption	10.69	26.51	20.58	11.88
Packing material and charges	5.15	16.45	1.33	0.86
Total	143.25	1,490.06	902.31	20.48

24. Change in Inventories

(Rs. in lakhs)

Particulars	For the period ended September 30, 2024	For the full year ended March 31, 2024	For the full year ended March 31, 2023	For the full year ended March 31, 2022
Opening Stock of raw materials	59.36	133.03	87.93	69.92
Closing Stock of raw materials	12.66	59.36	133.03	87.93
Total	46.70	73.67	(45.09)	(18.01)

25. Employee Benefit Expenses

(Rs. in lakhs)

Particulars	For the period ended September 30, 2024	For the full year ended March 31, 2024	For the full year ended March 31, 2023	For the full year ended March 31, 2022
Salaries	30.25	35.35	8.67	2.53
Gratuity Expenses	0.61	1.58	-	-
Contribution to ESIC	0.14	0.18	-	-
Total	31.00	37.11	8.67	2.53

26. Finance Costs

(Rs. in lakhs)

Particulars	For the period ended September 30, 2024	For the full year ended March 31, 2024	For the full year ended March 31, 2023	For the full year ended March 31, 2022
Interest Expenses	49.36	178.96	140.81	-
Loan Processing Fees and other charges	3.00	0.14	10.10	-
Total	52.36	179.09	150.91	-

27. Other Expenses

(Rs. in lakhs)

Particulars	For the period ended September 30, 2024	For the full year ended March 31, 2024	For the full year ended March 31, 2023	For the full year ended March 31, 2022
Auditor Remuneration	1.00	1.00	0.30	0.30
Bank Charges	0.14	0.19	0.11	0.06
Professional and Legal Fees	1.08	1.95	3.21	0.68
Advertising Agency	-	0.32	-	-
Transport and Conveyance Expenses	5.63	7.96	1.76	0.37

ROC Fees, Filing fees and other fees etc	1.35	2.90	0.06	0.34
Insurance Charges	1.88	2.60	-	-
Rent Expenses	9.60	13.50	18.00	6.00
Foreign exchange loss	-	7.88	-	-
Security Charges	1.20	2.88	2.88	-
Repairs & Maintenances	1.24	20.05	0.26	-
Interest on Statutory Dues	1.63	0.08	0.42	-
Interest on MSME Creditors	11.57	12.17		
Tender Fees	0.25	-	-	-
Inspection Charges	0.07	-	-	-
Water Expenses	0.21	0.44	0.36	0.45
General Expenses	1.09	1.51	0.98	2.43
Total	37.92	75.44	28.33	10.63

Payment to Auditors

- Audit fees	1.00	1.00	0.30	0.30
Total	1.00	1.00	0.30	0.30

12. Property, Plant and Equipment*(Rs. in lakhs)*

Particulars	Property, Plant & Equipment			
	Plant and Machinery	Office equipment	Furniture & Fixture	Total of PPE
Gross carrying amount				
As at April 01, 2024	3,270.99	1.76	0.56	3,273.31
Additions	-	-	0.64	0.64
Disposals	-	-	-	-
As at September 30, 2024	3270.99	1.76	1.20	3273.95
Accumulated depreciation				
As at April 01, 2024	258.24	0.27	0.03	258.54
Charge for the year	103.87	0.17	0.05	104.08
On disposals	-	-	-	-
As at September 30, 2024	362.11	0.43	0.08	362.62
Net carrying amount as at September 30, 2024	2,908.88	1.32	1.12	2,911.33
Gross carrying amount				
As at April 01, 2023	3,270.99	-	-	3,270.99
Additions	-	1.76	0.56	2.32
Disposals	-	-	-	-
As at March 31, 2024	3270.99	1.76	0.56	3273.31
Accumulated depreciation				
As at April 01, 2023	51.08	-	-	51.08
Charge for the year	207.16	0.27	0.03	207.46
On disposals	-	-	-	-
As at March 31, 2024	258.24	0.27	0.03	258.54

Net carrying amount as at March 31, 2024	3,012.75	1.49	0.53	3,014.77
Gross carrying amount				
As at April 01, 2022	-	-	-	-
Additions	3,270.99	-	-	3,270.99
Disposals	-	-	-	-
As at March 31, 2023	3270.99	-	-	3270.99
Accumulated depreciation				
As at April 01, 2022	-	-	-	-
Charge for the year	51.08	-	-	51.08
On disposals	-	-	-	-
As at March 31, 2023	51.08	-	-	51.08
Net carrying amount as at March 31, 2023	3,219.91	-	-	3,219.91

Note: Investment in vehicles are in the name of Directors.

28 Related Party Transactions

Related Parties

Name of the party	Nature of relationship
Avinash Purushottam Mool	Whole-time Director
Rajesh Dineshchandra Sanghvi	Ex Director
Kurian Jacob Varikad	Whole-time Director
Rajendra Kamalakant Chodankar	Promoter
Puneet Bapna	Chief Financial Officer
Saarthak Chaudhary	Company Secretary
Raunaq Chodankar	Relative of Promoter
Munjil Sharad Shah	Director in our Shareholder Company
RRP S4E Innovation Private Limited	Entities over which our KMPs has significant influence
Paras Defence and Space Tech Ltd	Shareholder

(Rs. in lakhs)

Particulars	For the period ended September 30, 2024	For the full year ended March 31, 2024	For the full year ended March 31, 2023	For the full year ended March 31, 2022
Salary				
Avinash Mool	2.78	-	-	-
Kurian Jacob V	2.25	-	-	-
Loans				
Rajendra Chodankar				
Opening	64.48	64.48	1,795.49	-
Loan taken	-	-	-	1,795.49
Loan repaid	-	-	1,731.01	-
Closing Balance	64.48	64.48	64.48	1,795.49
Raunaq Chodankar				
Opening	10.00	10.00	26.00	26.00
Loan taken	-	-	-	-
Loan repaid	-	-	16.00	-

Closing Balance	10.00	10.00	10.00	26.00
Munjal Sharad Shah				
Opening	10.00	-	-	-
Loan taken	-	10.00	-	-
Loan repaid	-	-	-	-
Closing Balance	10.00	10.00	-	-
RRP S4E Innovation Private Limited				
Opening	-	-	62.00	74.44
Loan taken	-	-	560.67	-
Loan repaid	-	-	622.68	12.44
Closing Balance	-	-	-	62.00
Paras Defence and Space Tech Ltd				
Purchase of Material	26.95	1,379.51	-	-
Sale of Material	185.47	223.02	22.13	-
Intercorporate Deposits				
Paras Defence and Space Tech Ltd				
Opening	100.00	1,100.00	-	-
Deposits received	-	0	1,102.40	-
Interest Payable	-	-	129.23	-
TDS on Int	-	-	12.92	-
Deposits paid	100.00	1,000.00	118.70	-
Closing Balance	0.00	100.00	1,100.00	-
Intercorporate Deposits				
RRP S4E Innovation Private Limited				
Opening	191.52	-	-	-
Deposits given	-	191.52	-	-
Deposits received	-	-	-	-
Closing Balance	191.52	191.52	-	-
Interest on Deposit (Net of TDS)	12.39	14.37	-	-

Related Party Balances at the end of the year

(Rs. in lakhs)

Particulars	For the period ended September 30, 2024	For the full year ended March 31, 2024	For the full year ended March 31, 2023	For the full year ended March 31, 2022
Loans payable to related parties	84.48	84.48	74.48	1,883.49
Director Salary Payable	5.03	-	-	-
Inter Corporate Deposits given to Related Parties	191.52	191.52	-	-
Interest Receivable	26.75	14.37	-	-
Creditors	911.46	989.51	-	-
Debtors	-	-	22.13	-
Advances received	17.28	56.56	-	-
Advances paid	-	-	9.47	-

29 Earnings per share

(Rs. in lakhs)

Particulars	For the period ended September 30, 2024	For the full year ended March 31, 2024	For the full year ended March 31, 2023	For the full year ended March 31, 2022
Profit after Tax	46.77	305.84	-330.81	2.67
Less Prop Dividend	0.00	0.00	0.00	0.08
Profits attributable to the equity holders of the Company (in lakhs)	46.77	305.84	-330.81	2.58
Basic Weighted average number of equity shares (no's)	50,00,000	40,68,852	20,00,000	20,00,000
Diluted Weighted average number of equity shares (no's)	50,00,000	40,68,852	27,00,000	27,00,000
Earnings per share (basic)	0.94	7.52	-16.54	0.13
Earnings per share (diluted)	0.94	7.52	-12.25	0.10
Face value per equity share (Rs.)	10.00	10.00	10.00	10.00

30 Ratio Analysis

(Rs. in lakhs)

Particulars	For the period ended September 30, 2024	For the full year ended March 31, 2024	For the full year ended March 31, 2023	For the full year ended March 31, 2022
a) Current Ratio	1.20	1.19	1.33	4.74
<u>Current Asset</u>	2,160.77	2,336.91	864.18	756.12
<u>Current Liability</u>	1,802.51	1,962.83	649.91	159.66
b) Debt- Equity Ratio	0.36	0.41	1.33	0.94
<u>Total Debt</u>	1,043.73	1,188.77	2,214.25	1,883.49
<u>Shareholder's Equity</u>	2,923.70	2,876.93	1,671.09	1,998.66
c) Debt Service Coverage ratio	0.07	1.31	-0.02	N.A
<u>Earnings for debt service (EBIT+ Depn)</u>	38.00	717.16	-14.53	3.60
<u>Interest & Principal Repayments</u>	528.99	547.66	670.52	0.00
d) Return on Equity ratio	0.02	0.13	-0.18	0.00
<u>Net Profits after taxes</u>	46.77	305.84	-330.81	2.67
<u>Average Shareholder's Equity</u>	2900.32	2274.01	1834.87	1998.22
e) Inventory Turnover ratio	1.31	16.26	7.76	0.03
<u>Cost of Goods Sold</u>	47.00	1,563.73	857.22	2.46
<u>Average Inventory</u>	36.01	96.19	110.48	78.93
f) Trade Receivable Turnover Ratio	0.33	3.10	8.77	0.16
<u>Revenue from operations</u>	486.66	2,357.88	878.20	19.07
<u>Average Trade Receivable</u>	1,477.02	759.50	100.11	119.08
g) Trade Payable Turnover Ratio	0.13	2.35	7.70	0.02
<u>Purchase of Goods</u>	143.25	1,490.06	902.31	20.48
<u>Average Trade Payables</u>	1,140.25	634.00	117.16	1,290.34
h) Net Capital Turnover Ratio	1.33	8.02	2.17	-0.07
<u>Revenue from operations</u>	486.66	2,357.88	878.20	19.07

	Average Working capital	366.17	294.17	405.37	-292.88
i)	Net Profit ratio	2.23	0.13	-0.38	0.14
	<u>Net Profit</u>	46.77	305.84	-330.81	2.67
	Revenue from operations	21.00	2,357.88	878.20	19.07
j)	Return on Capital Employed	0.04	0.14	-0.02	0.00
	<u>Earnings before interest and taxes</u>	138.92	509.70	-65.61	3.60
	Total Capital Employed	3,492.13	3,603.98	3,459.38	3,882.15

Particulars		Change from 22-23 and 23-24	Change from 21-22 and 22-23
Current Ratio		-10.46%	-71.92%
Reason: With the increase in Revenue during 2023-24, the Company has funded itself with working capital loan leading to fall in ratio.			
Debt- Equity Ratio		72.16%	40.61%
Reason: During the year 22-23, the Co has added a working capital loans and also faced losses during the year which decreased the equity capital. Both the factor led to rise in ratio. debts has been majorly repaid leading to decrease in ratio.			
During the year 23-24, the Company has started repayemnt of loans and has generated profits leading to increase in equity capital.			
Debt Service Coverage ratio		-6141.46%	N.A
Reason: During the year 22-23, the Co has added a working capital loans and also faced losses during the year which led to negative earning for debts and in F.Y 2023-24, the Co was able to genrate profits leading to positive ratio.			
Return on Equity ratio		-174.60%	-13608.70%
Reason: During the year 21-22 the Co has not started full fledged operation so has booked negligible profits. During the year 22-23, the Co has booked a significant loss with the start of commercial production. During the year 23-24, the Company has been in production for full years and has generated profits leading to positive ratio.			
Inventory Turnover ratio		109.52%	24786.56%
During the year 21-22, the Company has sold for few amount and has built up work in progress stock with the purchases. Further during the year 2022-23, the Company has made better purchases and increase stock leading to change in ratio. During, the year 2023-24, the Company has made significant purchases and increased in inventories level smiliar to last year leading to positive changes with growth.			
Trade Receivable Turnover Ratio		-64.61%	5378.79%
During the year 2022-23, with increase in revenue, the Company has made more credit sales, leading to rise in debtors as compared to last year. Further, during 2023-24, the Company has been able to increase in revenue but higher increase in debtors leading to negative ratio.			
Trade Payable Turnover Ratio		-69.48%	48432.67%

During the year 2022-23, with increase in purchases, the Company has made more credit purchases, leading to rise in creditors as compared to last year. Further, during 2023-24, the Company has been able to increase in revenue along with purchases but higher increase in creditors leading to negative ratio.				
Net Capital Turnover Ratio		269.98%	-3427.99%	
During the year 2021-22, the company has earned smaller amounts of profit, and post commercialisation, the Company has incurred losses during the year 2022-23 leading to change in ratio. Further during 2023-24, the Company has been able to earn profits and better utilise its working capital.				
Net Profit ratio		-134.43%	-369.30%	
During the year 2021-22, the company has earned smaller amounts of profit, and post commercialisation, the Company has incurred losses during the year 2022-23 leading to change in ratio. Further during 2023-24, the Company has been able to earn profits and better margins on sale.				
Return on Capital Employed		-845.63%	-2143.16%	
During the year 2021-22, the company has earned smaller amounts of profit, and post commercialisation, the Company has incurred losses during the year 2022-23 leading to change in ratio and negative returns on capital. Further during 2023-24, the Company has been able to earn profits and increase return on the capitals.				

33 Foreign Exchange Earnings and Outflows:

(Rs. in lakhs)

Particulars	For the period ended September 30, 2024	For the full year ended March 31, 2024	For the full year ended March 31, 2023	For the full year ended March 31, 2022
a) Value of Import on CIF Basis	-	-	-	-
b) Earning on Foreign Currency	132.58	931.11	-	-

34 Other Statutory Information

(i) The Company do not have any Benami property and no proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company have registered loans with MCA.

(iii) The Company has yet to correct the charges of 800 lakhs loans disclosed with ROC within the statutory period.

(iv) The Company have not been declared wilful defaulter by any bank or financial institution or other lender.

(v) The Company have not traded or invested in Crypto currency or Virtual Currency during the period covered by the Restated Financial Statements.

(vi) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vii) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(viii) The Company do not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

- (ix) Balance shown under head Sundry debtors, creditors and advances are subject to confirmation.
- (x) The Company is not required to transferred, to the Investor Education and Protection Fund by the Company.
- (xi) The Company does not own any property.
- (xii) The Company did not have any long- term contracts including derivative contracts for which there were any material foreseeable losses.
- (xiii) The Company has used all borrowings from bank and financial institution for the specific purpose for which it was taken at balance sheet date.
- (xiv) Regulations of Employees Provident Fund and Gratuity is not applicable to the Company for the number of employees. Therefore, no disclosure in this respect is given.
- (xv) Previous year's figures have been regrouped / reclassified wherever necessary to correspond with current year's classification.
- (xvi) There are no contingent liabilities or commitments during the financial period/year September 30, 2024 and 2023 - 24, 2022 - 23 and 2021- 22.
- (xvii) In the opinion of the Board of Directors
- a) Current Assets, Loans and Advances are realizable in the ordinary course of Business, as the value at which they are stated
- b) The provision for all known liabilities are adequate and not in excess of amount reasonably necessary.
- (xviii) We have verified the vouchers and documentary evidence wherever made available. Where no documentary evidences were available, we relied on the authentication given by the management
- (xix) The Company do not have any transactions with companies struck off.

31. Employee benefit plans

(a) Defined contribution plan

ESIC expenses has been recognised in the Statement of Profit and Loss under the head Employee Benefit Expense.

Particulars	For the period ended September 30, 2024	For the full year ended March 31, 2024	For the full year ended March 31, 2023	For the full year ended March 31, 2022
Employer contribution to ESIC	0.14	0.18	N.A.	N.A.

(b) Defined benefit plan

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

Actuarial assumptions:

(Rs. in lakhs)

Particulars	For the period ended September 30, 2024	For the full year ended March 31, 2024	For the full year ended March 31, 2023	For the full year ended March 31, 2022
Discount rate as at	7%	7.25%	N.A.	N.A.
Future salary increases	5.00% per annum			
Mortality rate	IALM 2012-14 Ultimate			
Normal retirement age	60 years			
Withdrawal rates	10% per annum			

The amounts recognised in the balance sheet and movements in the net defined benefit obligation (DBO) are as follows:

(Rs. in lakhs)

Change in the present value of obligation	For the period ended September 30, 2024	For the full year ended March 31, 2024	For the full year ended March 31, 2023	For the full year ended March 31, 2022
Present value of obligation at the beginning of the year	1.58	-	-	-
Current service cost	0.38	-	-	-
Past Service Cost	-	1.58	-	-
Interest cost	0.06	-	-	-
Benefits paid	-	-	-	-
Actuarial loss/(gain)	0.17	-	-	-
Present value of obligation at the end of the year	2.19	1.58	0.00	0.00

Particulars	For the period ended September 30, 2024	For the full year ended March 31, 2024	For the full year ended March 31, 2023	For the full year ended March 31, 2022
Current Liability	0.14	0.00	-	-
Non - Current liability	2.06	1.58	-	-
Less: Fair value of plan assets	-	-	-	-
Net liability recognised in balance sheet	2.19	1.58	0.00	0.00

(Rs. in lakhs)

Amount recognised in the statement of profit and loss	For the period ended September 30, 2024	For the full year ended March 31, 2024	For the full year ended March 31, 2023	For the full year ended March 31, 2022
Current service cost	0.38	-	-	-
Past Service Cost	-	1.58	-	-
Interest cost	0.06	-	-	-
Actuarial loss/(gain)	0.17	-	-	-
Total expense recognized in the statement of profit and loss	0.61	1.58	0.00	0.00

32 MSME Creditors

(Rs. in lakhs)

Particulars	For the period ended September 30, 2024	For the full year ended March 31, 2024	For the full year ended March 31, 2023	For the full year ended March 31, 2022
A. The principal amount and the interest due there (to be shown separately) remaining unpaid to any supplier as at the end of each accounting period				
-Principal	184.63	184.76	0.00	7.57
-Interest	23.74	12.17	4.56	0
B. The amount of interest paid by the buyer in terms of section 16 of the Micro, small and Medium Enterprises Development Act,2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting period.	-	-	-	-

C. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under Micro, small and Medium Enterprises Development Act,2006.	-	-	-	-
D, The amount of interest accrued and remaining unpaid at the end of each accounting period.	-	-	-	-
E. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance, as a deductible expenditure under Section 23 of the Micro, small and Medium enterprises Development Act,2006				

ANNEXURE VI - Note on Reconciliation of Profits & Reconciliation of Networth

Reconciliation of Profits

(Rs. in lakhs)

Particulars	For the period ended September 30, 2024	For the full year ended March 31, 2024	For the full year ended March 31, 2023	For the full year ended March 31, 2022
Net Profit after tax as per Audited profit & loss account	46.77	305.84	(332.51)	2.67
Adjustment :				
Depreciation	-	-	0.00	0.00
Deffered Tax	-	0.00	0.00	0.00
Foreign Exchange Loss/ gain	-	0.00	0.00	0.00
Net Profit after tax as Restated	46.77	305.84	(332.51)	2.67

Reconciliation of Networth

(Rs. in lakhs)

Particulars	For the period ended September 30, 2024	For the full year ended March 31, 2024	For the full year ended March 31, 2023	For the full year ended March 31, 2022
Net Worth after tax as per Audited profit & loss account	2,923.70	2,876.93	1,671.09	1,998.66
Adjustment:				
Depreciation		-	-	-
Deferred Tax		-	-	-
Foreign Exchange Loss		-	-	-
Net Worth after tax as Restated	2,923.70	2,876.93	1,671.09	1,998.66

Appropriate adjustments have been made in the restated summary statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the latest audited financial statements of the Company, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018 (as amended).

ANNEXURE VII - Statement of Accounting Ratio

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:
(Rs. in lakhs, unless otherwise stated)

Particulars	For the period ended September 30, 2024	For the full year ended March 31, 2024	For the full year ended March 31, 2023	For the full year ended March 31, 2022
Restated Profit after tax as per P & L Account	46.77	305.84	-330.81	2.67
EBITDA	242.99	717.16	(14.53)	3.60
Actual number of equity shares outstanding as on the date (nos)	50,00,000	50,00,000	20,00,000	20,00,000
Basic Weighted average number of equity shares (no's)	50,00,000	40,68,852	20,00,000	20,00,000
Diluted Weighted average number of equity shares (no's)	50,00,000	40,68,852	27,00,000	27,00,000
Share capital	500.00	500.00	1975.00	1975.00
Reserves & surplus	2,423.70	2,376.93	-303.91	23.66
Net Worth	2,923.70	2,876.93	1671.09	1998.66
Earnings Per Share (EPS):				
Basic EPS (based on actual no of shares)	0.94	6.12	-16.54	0.13
Diluted EPS (based on actual no of shares)	0.94	6.12	-16.54	0.13
Basic EPS (based on equivalent weighted avg no of shares)	0.94	7.52	-16.54	0.13
Diluted EPS (based on equivalent weighted avg no of shares)	0.94	7.52	-12.25	0.10
Return on net worth (%)	1.60%	10.63%	-19.80%	0.13%
Net asset value per share (Rs) - based on actual no. of equity shares at the end of the year	58.47	57.54	83.55	99.93
Net asset value per share (Rs) - based on equivalent weighted avg no. of equity shares	58.47	70.71	83.55	99.93
Face value per equity share (Rs.)	10.00	10.00	10.00	10.00

The above statement should be read with the Significant accounting policies and notes to accounts appearing in Annexure IV & V respectively.

Formulas used for calculating above ratios are as under:

i. Basic /Diluted EPS : Net profit after tax / Equivalent weighted average number of shares outstanding during the year.

ii. Return on Net worth : Profit after Tax / Net Worth

iii. *Net asset value: Net worth / Actual number of equity shares outstanding during the year

**Net asset value: Net worth / Equivalent weighted number of shares outstanding during the year

iv. EBITDA = Sum of Profit before tax and Depreciation & Amortisation

"Notes: As there is no dilutive capital in the Company, basic and diluted earnings per share are similar."

ANNEXURE VIII - Capitalisation Statement

The following table sets forth our Company's capitalisation as at September 30, 2024, on the basis of the Restated Financial Statements, and as adjusted for the Offer. This table should be read in conjunction with the sections titled "Risk Factors", "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" respectively.

(Rs. in lakhs)

Particulars	Pre offer as at September 30, 2024	As adjusted for the proposed Offer
<u>Borrowings:</u>		
Long term borrowings (a)	389.60	389.60
Short term borrowings (b)	654.13	654.13
Total borrowings (c= a+b)	1,043.73	1,043.73
<u>Equity:</u>		
Equity share capital	500.00	1,357.50
Reserves and surplus	2423.70	10,068.70
Total equity (d)	2,923.70	11,426.20
Ratio: Short term borrowing (Including current maturities of long term borrowings) (b)/ Total equity (d)	0.22	0.06
Ratio: Total borrowings (c) / Total equity (d)	0.36	0.09

The Corresponding post IPO capitalisation data for each of the accounts given in the above table is not determinable at this stage pending the completion of the Book Building process and hence the same have not been provided in the above statement.

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

You should read the following discussion of our financial condition and results of operations together with our restated financial statements included in the Draft Prospectus. You should also read the section entitled “Risk Factors” on page 20, which discusses a number of factors, risks and contingencies that could affect our financial condition and results of operations. The following discussion relates to our Company and is based on our restated financial statements, which have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Regulations. Portions of the following discussion are also based on internally prepared statistical information and on other sources.

Our financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the ICDR Regulations and restated as described in the restated financial statements dated December 12, 2024 which is included in this Draft Prospectus under “Restated Financial Statements”. The Restated Financial Information has been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. Our financial year ends on March 31 of each year, and all references to a particular financial year are to the twelve-month period ended March 31 of that year.

Significant Developments Subsequent to the Last Financial Period

In the opinion of the Board of Directors of our Company, other than as mentioned below, since the date of the last financial statements disclosed in this Draft Prospectus, there have not arisen any circumstance that materially or adversely affect or are likely to affect the business or profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months.

Key factors affecting the results of operation:

Our Company’s future results of operations could be affected potentially by the following factors:

Technological Advancements

The continuous development of advanced technologies directly impacts the efficiency and precision of manufacturing processes, such as flow forming and optical components production. For example, the use of state-of-the-art machines like large flow-forming machines, CMM, Zygo surface profilers, and polishing systems allows for superior precision and high-quality production. Constant innovations ensure that our company remains competitive, meets industry standards, and delivers products with optimal performance in demanding environments like defence and space.

Material Quality and Availability

The quality and availability of materials such as maraging steel, titanium, alloy steel, aluminum, and silicon carbide play a significant role in the production of high-performance components. These materials are crucial for ensuring that the manufactured parts, especially rocket motor tubes and optical components, meet the strength, toughness, and durability requirements for aerospace and defence applications. Any fluctuation in material prices or supply chain disruptions can impact production timelines, costs, and overall quality.

Quality Control and Precision Manufacturing

The effectiveness of quality control processes is crucial for the success of the business. Our ISO 9001:2015 certification underlines our commitment to maintaining high standards in manufacturing processes. By using precise equipment and techniques like flow-forming and optical coatings, we ensure that every product is within tight tolerances and meets stringent performance requirements. Continuous quality assurance is essential for maintaining the reliability of parts used in critical applications such as space exploration and defence systems.

Regulatory Compliance and Industry Standards

Compliance with industry regulations and certifications is vital for businesses operating in the defence and space sectors. Our ISO 9001:2015 certification is a testament to our adherence to international quality standards. Additionally, meeting the specific requirements of customers in highly regulated sectors like defence and aerospace necessitates maintaining high levels of operational and technical standards. Any changes in these regulations or non-compliance can affect business operations, customer trust, and the company's ability to secure contracts.

Skilled Workforce and Expertise

The success of our business depends on a highly skilled and experienced workforce capable of operating advanced machinery and implementing sophisticated manufacturing processes. With over 25 years of expertise in specialized industries, the leadership and technical teams ensure the consistent production of complex and high-performance components. Talent acquisition, training, and retention are critical factors in maintaining production efficiency, meeting project deadlines, and innovating within the healthcare, defence, and aerospace sectors.

RESULTS OF OPERATIONS

Description of the major components of revenue and expense items: -

Our total revenue consists of revenue from operations and other income.

Revenue

Revenue from Operations

Revenue from operations comprised revenue generated from sale of our products.

Expenses

Purchase of traded goods is our largest head of expense and mainly comprised of purchase of material, power consumption and packing material charges.

Changes in inventories consists of difference between opening and closing stock of raw materials.

Employee Benefits Expense comprised of salary and wages to employees, gratuity and contribution to ESIC.

Finance Cost includes interest charges and other bank charges.

Depreciation and Amortisation Expenses comprised depreciation on fixed assets both tangible and intangible.

Other Expenses

Other expenses primarily comprises of rent, transport, conveyance & travelling expenses, insurance, printing & stationery, audit fees, rent and other miscellaneous expenses.

Tax Expense

Our tax expense or credit for the period represents the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

DISCUSSION ON RESULTS OF OPERATIONS:

The following discussion on results of operations should be read in conjunction with the restated financial statements of our Company for the period ended September 30, 2024 and financial years ended March 31, 2024, 2023 and 2022.

OUR SIGNIFICANT ACCOUNTING POLICIES

For Significant accounting policies please refer *Restated Financial Information of our Company* on page 130.

RESULTS OF OUR OPERATION

Period ended September 30, 2024

(₹ lakhs)

Particulars	Amount	% to Total Income
INCOME		
Revenue from Operations	486.66	
Other Income	15.21	
Total Income	501.87	
EXPENSES		
Purchases of Traded Goods	143.25	28.54%
Change in Inventories	46.70	9.31%
Employee Benefit Expenses	31.00	6.18%
Finance Costs	52.36	10.43%
Depreciation & Amortisation Expenses	104.08	20.74%
Other Expenses	37.92	7.56%
Total Expenses	415.32	82.75%
Profit/(Loss) Before Tax	86.55	17.25%
Current Tax	0.00	0.00%
Deffered Tax	39.78	7.93%
Profit/(Loss) after Tax	46.77	9.32%

Revenue from Operations

The company earned Rs. 486.66 Lakhs from its core business activities, primarily related to the manufacturing of ultra-large tubes, rocket motor components, and high-performance optical products. This revenue contributes 97.0% to the total income, reflecting the company's strong operational performance in its specialized sectors.

Other Income

Other income of Rs. 15.21 Lakhs, contributing 3.0% to the total income, includes earnings from non-operational sources such as interest income, duty draw back, or other financial gains. Although a smaller portion, it adds value to the overall financial performance of the company.

Purchases of Traded Goods

The company spent Rs. 143.25 Lakhs, or 28.54% of the total income, on the procurement of traded goods. These goods are essential for the manufacturing process, especially for components that require specific raw materials or intermediate products for further production in the aerospace and defence sectors.

Change in Inventories

A change in inventories resulted in an expense of Rs. 46.70 Lakhs, accounting for 9.31% of total income. This change reflects adjustments primarily in raw materials inventories, impacting the cost of goods sold and overall financial outcomes.

Employee Benefit Expenses

The company incurred Rs. 31.00 Lakhs (6.18% of total income) in employee benefit expenses, which include salaries, wages, bonuses, and other employee-related costs. This investment ensures the company has the skilled workforce necessary for maintaining production quality and meeting technical demands in the defence industries.

Finance Costs

Finance costs amounted to Rs. 52.36 Lakhs, or 10.43% of the total income. These costs include interest on loans and other borrowings, representing the financial outflow required to manage the company's funding and ensure smooth operations across capital-intensive projects.

Depreciation & Amortisation Expenses

The company recorded depreciation and amortization expenses of Rs. 104.08 Lakhs, or 20.74% of total income. This represents the allocation of costs related to the depreciation of physical assets and the amortization of intangible assets over their useful lives, which is crucial for maintaining accurate financial reporting.

Other Expenses

Other expenses, amounting to Rs. 37.92 Lakhs (7.56% of total income), encompass a variety of operational costs, including utilities, repairs, and administrative expenses, rent, transport, conveyance & travelling expenses, insurance, printing & stationery, audit fees, rent and other miscellaneous expenses. These expenses are vital for maintaining day-to-day operations but are less significant than direct production-related costs.

Profit/(Loss) Before Tax

The company achieved a profit before tax of Rs. 86.55 Lakhs, which is 17.25% of total income.

Current Tax

There was no current tax expense during this period, amounting to Rs. 0.00 Lakhs. This is due to accumulated losses from previous years, contributing to a lower tax liability in the current period.

Deferred Tax

Deferred tax expenses were Rs. 39.78 Lakhs, or 7.93% of total income. This reflects temporary differences between accounting profit and taxable profit, resulting in future tax liabilities or assets that will be settled in subsequent periods.

Profit/(Loss) After Tax

The company reported a profit after tax of Rs. 46.77 Lakhs, which is 9.32% of total income. This indicates a healthy financial outcome, with the company maintaining profitability after accounting for both current and deferred taxes.

Comparison of Financial Years ended March 31, 2024, 2023 and 2022

	(₹ lakhs)		
Particulars	31.03.24	31.03.23	31.03.22
Income			
Revenue from Operations	2,357.88	878.20	19.07
Increase/Decrease (%)	168.49%	4506.19%	
Other Income	35.56	1.49	0.16
Total Income	2,393.44	879.69	19.23
Increase/Decrease (%)	172.08%	4475.18%	
Expenditure			
Purchases of Traded Goods	1,490.06	902.31	20.48
Increase/Decrease (%)	65.14%	4306.78%	
% to Total Income	62.26%	102.57%	106.49%
Change in Inventories	73.67	-45.09	-18.01
Increase/Decrease (%)	-263.37%	150.31%	

% to Total Income	3.08%	-5.13%	-93.69%
Employee Benefit Expenses	37.11	8.67	2.53
Increase/Decrease (%)	328.03%	242.39%	
% to Total Income	1.55%	0.99%	13.17%
Other Expenses	75.44	28.33	10.63
Increase/Decrease (%)	166.24%	166.55%	
% to Total Income	3.15%	3.22%	55.29%
Total Expenditure	1,676.28	894.22	15.62
Increase/Decrease (%)	87.46%	5623.58%	
% to Total Income	70.04%	101.65%	81.26%
EBIDTA	717.16	-14.53	3.60
Increase/Decrease (%)	-5034.41%	-503.28%	
% to Total Income	29.96%	-1.65%	18.74%
Depreciation	207.46	51.08	0.00
Increase/Decrease (%)	306.14%		
% to Total Income	8.67%	5.81%	0.00%
Profit Before Interest and Tax	509.70	-65.61	3.60
Increase/Decrease (%)	-876.80%	-1920.66%	
% to Total Income	21.30%	-7.46%	18.74%
Interest & Financial Charges	179.09	150.91	0.00
Increase/Decrease (%)	18.68%		
% to Total Income	7.48%	17.16%	0.00%
Profit before Taxation	330.60	-216.53	3.60
Increase/Decrease (%)	-252.68%	-6108.07%	
% to Total Income	13.81%	-24.61%	18.74%
Tax Effect	24.76	114.29	0.94
% to Total Income	1.03%	12.99%	4.87%
Profit After Tax	305.84	-330.81	2.67
Increase/Decrease (%)	-192.45%	-12504.42%	
% to Total Income	12.78%	-37.61%	13.87%

Comparison of FY 2024 with FY 2023:

Revenue from Operations

Revenue from operations increased significantly from Rs. 878.20 Lakhs in FY 2022-23 to Rs. 2,357.88 Lakhs in FY 2023-24, marking a growth of 168.49%. The sharp rise indicates a strong performance, likely due to export sales, increased

domestic sales, expanded market reach. This substantial increase in revenue highlights the company's improved operational capacity and product demand. The increase in revenue is a key indicator of business growth and market penetration.

Other Income

Other income rose from Rs. 1.49 Lakhs to Rs. 35.56 Lakhs, reflecting a growth of 172.08%.

Total Income

Total income surged by 172.08%, from Rs. 879.69 Lakhs in FY 2022-23 to Rs. 2,393.44 Lakhs in FY 2023-24. This remarkable increase reflects a combination of higher revenue from operations and an upsurge in other income.

Purchases of Traded Goods

Purchases of traded goods increased by 65.14%, from Rs. 902.31 Lakhs to Rs. 1,490.06 Lakhs. This rise correlates with the significant increase in revenue from operations, indicating the company's need to procure more materials for production. The percentage of total income spent on purchases decreased from 102.57% to 62.26%.

Change in Inventories

The change in inventories saw a shift, moving from a negative Rs. 45.09 Lakhs to a positive Rs. 73.67 Lakhs, a 263.37% decrease. The positive change in inventories suggests that the company had more goods in stock at the end of the period. This change directly affects the cost of goods sold and can be linked to inventory management improvements or higher production in anticipation of future sales.

Employee Benefit Expenses

Employee benefit expenses increased sharply by 328.03%, from Rs. 8.67 Lakhs to Rs. 37.11 Lakhs, but as a percentage of total income, it remained relatively low at 1.55% compared to 0.99% in the prior year. This rise indicates the company's investment in human resources, potentially reflecting higher wages, new hires, or more benefits for existing employees to support expanded operations. The significant increase also points to the growing importance of human capital as the company scales up its business.

Other Expenses

Other expenses saw a significant increase of 166.24%, from Rs. 28.33 Lakhs to Rs. 75.44 Lakhs. The rise reflects higher operational costs, including utilities, administration, and other essential day-to-day expenditures. As a percentage of total income, other expenses remained relatively stable at 3.15%, showing that the company is managing its overhead costs effectively as it expands its operations. Despite the increase, these costs appear to be in line with the company's growth and expansion strategies.

Total Expenditure

Total expenditure grew by 87.46%, from Rs. 894.22 Lakhs to Rs. 1,676.28 Lakhs, but as a percentage of total income, it decreased from 101.65% to 70.04%. This indicates that while costs increased in absolute terms, the company was able to manage them more efficiently relative to its income growth. The overall improvement in cost-to-income ratio highlights the company's ability to scale operations effectively while controlling its expenditures in a profitable manner.

EBITDA

EBITDA turned positive, reaching Rs. 717.16 Lakhs in FY 2023-24, compared to a negative Rs. 14.53 Lakhs in the previous year. The positive EBITDA of 29.96% of total income in FY 2024 signifies operating performance, driven by improved revenue generation and better control of operational costs. The turnaround in EBITDA reflects operational efficiencies and the company's ability to generate profit from core business activities.

Depreciation

Depreciation expenses surged by 306.14%, from Rs. 51.08 Lakhs to Rs. 207.46 Lakhs. Depreciation as a percentage of total income increased to 8.67%, in FY 2024.

Profit Before Interest and Tax (PBIT)

PBIT improved significantly, from a loss of Rs. 65.61 Lakhs in FY 2022-23 to a profit of Rs. 509.70 Lakhs in FY 2023-24, reflecting a dramatic turnaround. This increase highlights the company's ability to effectively manage its operations and control costs, leading to stronger profitability. The significant improvement in PBIT as a percentage of total income in FY 2024 of 21.30% showcases enhanced operational efficiencies and effective cost management in the current year.

Interest & Financial Charges

Interest and financial charges increased by 18.68%, from Rs. 150.91 Lakhs in FY 2023 to Rs. 179.09 Lakhs during FY 2024. As a percentage of total income, financial charges decreased from 17.16% to 7.48%.

Tax Effect

The tax effect decreased from Rs. 114.29 Lakhs for FY 2023 to Rs. 24.76 Lakhs for FY 2024, which is 1.03% of total income. The tax impact consists of deferred tax only.

Profit After Tax (PAT)

Profit after tax turned positive at Rs. 305.84 Lakhs for FY 2024, compared to a loss of Rs. 330.81 Lakhs for FY 2023 in the previous year. As a percentage of total income, PAT increased to 12.78% in FY 2024 showcasing improved profitability and the company's successful recovery from the previous year's losses. This positive result reflects the company's enhanced financial position and ability to manage both operational and financial challenges effectively.

Comparison of FY 2024 with FY 2023:

The comparison between the financial years ended March 31, 2023, and March 31, 2022, shows significant changes across all major financial metrics, making it challenging to draw meaningful conclusions.

Cash Flows

The following table sets forth certain information concerning our cash flows for the periods indicated:

Particulars	(₹ in lakhs)			
	Period ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Net cash flow from operating activities	24.53	440.56	(151.83)	(1,999.53)
Net cash flow from investing activities	3.88	13.64	(10.50)	(5.25)
Net cash flow from financing activities	(197.40)	(304.57)	183.08	1,783.05
Net increase in cash and cash equivalents	(169.00)	149.64	20.76	(221.72)
Add: Balance at the beginning of the year	172.57	22.94	2.18	225.61
Cash and cash equivalents at the end of the year	3.58	172.57	22.94	2.18

(I) Cash Flow from Operating Activities

The cash flow from operating activities shows the net cash generated or used by the company's core business operations. For the period ended September 30, 2024, the company reported a positive cash flow of Rs. 24.53 Lakhs, reflecting a more modest cash generation compared to Rs. 440.56 Lakhs for the full year ended March 31, 2024. The sharp drop from the full year indicates the significant contribution of one-off adjustments and large operational cash flows in the prior year. In FY 2023-24, the operating profit before working capital changes stood at Rs. 702.78 Lakhs, driven by higher earnings, but cash flows were impacted by changes in working capital, including significant fluctuations in trade receivables and payables. The full year ended March 31, 2023, saw a negative cash flow of Rs. 151.83 Lakhs due to operating losses, while FY 2022-23 saw an even larger outflow of Rs. 1,999.53 Lakhs, indicating a poor cash generation ability during that period.

(II) Cash Flow from Investing Activities

Investing activities reflect cash flows related to the purchase and sale of assets and investments. For the six months ended September 30, 2024, cash flow from investing activities was Rs. 3.88 Lakhs, mainly driven by interest income of Rs. 12.39 Lakhs. This contrasted with a net inflow of Rs. 13.64 Lakhs for the full year ended March 31, 2024. The difference is due to a higher level of capital expenditure and asset purchases during the full year. The full year ended March 31, 2023, saw an outflow of Rs. 10.50 Lakhs, primarily from investments in long-term assets. Meanwhile, the year ended March 31, 2022, had a more substantial outflow of Rs. 5.25 Lakhs, primarily due to purchases of tangible and intangible assets, as the company was focused on expanding its infrastructure and operations.

(III) Cash Flow from Financing Activities

Cash flow from financing activities reflects changes in the company's capital structure, including borrowings and equity changes. For the six months ended September 30, 2024, the company had a negative cash flow of Rs. 197.40 Lakhs, primarily driven by repayments of long-term borrowings amounting to Rs. 198.40 Lakhs and finance costs of Rs. 52.36 Lakhs. This contrasts with a net cash outflow of Rs. 304.57 Lakhs for the full year ended March 31, 2024, driven by similar reasons of repayments and finance costs, though partially offset by the issuance of new shares. In FY 2023-24, the company raised Rs. 2,375 Lakhs in share capital, contributing to a positive financing cash flow, but significant repayment of borrowings led to a net outflow. The full year ended March 31, 2023, had a net inflow of Rs. 183.08 Lakhs, reflecting higher short-term borrowings and equity issuance. Meanwhile, FY 2022-23 reported a strong positive cash flow of Rs. 1,783.05 Lakhs, mainly due to the company's successful capital raising activities and borrowing inflows.

FACTORS THAT MAY AFFECT THE RESULTS OF THE OPERATIONS:

1. Unusual or infrequent events or transactions

Other than as mentioned under *Risk Factors*' beginning on page 20 of the Draft Prospectus there are no unusual or infrequent events or transactions.

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

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in '*Factors Affecting our Results of Operations*' and the uncertainties described in the section entitled '*Risk Factors*' beginning on page 20 of the Draft Prospectus. To our knowledge, except as we have described in the Draft Prospectus, there are no known factors which we expect to bring about significant economic changes.

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

Apart from the risks as disclosed under Section titled "*Risk Factors*" on page 20 in the Draft Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

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

Our Company's future costs and revenues will be determined by demand/supply situation, government policies and prices quoted by service providers.

5. 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.

Changes in revenues during the last three fiscal years are explained in "Management's Discussion and Analysis of Financial Condition & Results of Operations" under the subsection "Comparison of Financial Years ended March 31, 2024, 2023 and 2022" under the respective paragraphs titled "Operating Revenue".

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

For details on the total turnover of the industry please refer to "*Industry Overview*" on page 78.

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

Our Company has not announced any new product, services or business segment.

8. The extent to which business is seasonal.

Our business is not seasonal in nature.

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

Particulars	Period ended September 30, 2024	Financial Year ended March 31, 2024	Financial Year ended March 31, 2023	Financial Year ended March 31, 2022
Customers' contribution Top 10 (%)	100.00%	100.00%	100.00%	100.00%
Suppliers' contribution Top 10 (%)	100.00%	100.00%	100.00%	100.00%

10. Competitive conditions.

Competitive conditions are as described under “*Industry Overview*” and “*Our Business*” on pages 78 and 84, respectively.

FINANCIAL INDEBTEDNESS

Following is a summary of our Company's outstanding borrowings as on September 30, 2024:

Long-Term Borrowings:

(Rs. in lakhs)

Particulars	For the period ended September 30, 2024
<u>Secured Loan</u>	
Term loans (Refer note a below)	456.26
Less: Current Maturities of Long-term Liabilities	151.14
Sub-total of Term Loans	305.12
Inter Corporate Deposits	-
<u>Unsecured Loan</u>	
Related Parties	84.48
Total (a+b-c)	389.60

Terms of secured loan

(Rs. in lakhs)

Particulars	Sanction Limit	Interest Rate	Tenure	EMI per month (Rs in lakhs)
Term Loan with JALGAON PEOPLES CO OP BANK LTD	150.00	9%	36 months	5.80
Less: Current Maturities of Long-term Liabilities	400.00	9.5%	82 months	6.79

Short term Borrowings:

(Rs. in lakhs)

Particulars	For the period ended September 30, 2024
<u>Secured Loan</u>	
Current Maturities of Long-term Liabilities	151.14
Working Capital Loans	502.99
Total	654.13

<i>Terms of secured loan</i>	Sanction Limit	Interest Rate	Tenure	<i>(Rs. in lakhs)</i> Emi per month (Rs in lakhs)
Add: During the year adjustment				
Term Loan with JALGAON PEOPLES CO OP BANK LTD	500.00	9.50%	Renewable Annually	N.A

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

Except as stated below there is no (i) pending criminal litigation involving our Company, Directors, Promoter or Group Companies; (ii) actions taken by statutory or regulatory authorities involving our Company, Directors, Promoter or Group Companies; (iii) outstanding claims involving our Company, Directors, Promoter or Group Companies for any direct and indirect tax liabilities; (iv) outstanding proceedings initiated against our Company for economic offences; (v) defaults or non-payment of statutory dues by our Company; (vi) material fraud against our Company in the last five years immediately preceding the year of this Draft Prospectus; (vii) inquiry, inspection or investigation initiated or conducted under the Companies Act 2013 or any previous companies law against our Company during the last five years immediately preceding the year of this Draft Prospectus and if there were prosecutions filed (whether pending or not); (viii) fines imposed or compounding of offences for our Company in the last five years immediately preceding the year of this Draft Prospectus; (ix) litigation or legal action against our Promoter by any ministry or Government department or statutory authority during the last five years immediately preceding the year of this Draft Prospectus; (x) pending litigations involving our Company, Directors, Promoter, Group Companies or any other person, as determined to be material by the Company's Board of Directors in accordance with the SEBI (ICDR) Regulations; or (xi) outstanding dues to creditors of our Company as determined to be material by our Company's Board of Directors in accordance with the SEBI (ICDR) Regulations and dues to small scale undertakings and other creditors.

Our Company, our Promoter and/or our Directors, have not been declared as wilful defaulters by the RBI or any governmental authority, have not been debarred from dealing in securities and/or accessing capital markets by the SEBI and no disciplinary action has been taken by the SEBI or any stock exchanges against our Company, our Promoter or our Directors, that may have a material adverse effect on our business or financial position, nor, so far as we are aware, are there any such proceedings pending or threatened.

Unless otherwise stated, all proceedings are pending as of the date of this Draft Prospectus. All information provided below is as of the date of this Draft Prospectus.

None of our Promoters or Directors are Fugitive Economic Offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

LITIGATION INVOLVING OUR COMPANY:

Nil

LITIGATION INVOLVING THE DIRECTORS:

Nil

LITIGATION INVOLVING OUR PROMOTERS:

Nil

LITIGATION INVOLVING OUR GROUP ENTITIES:

Nil

TAX PROCEEDINGS:

Nil

LEGAL NOTICES RECEIVED BY OUR COMPANY, OUR PROMOTER AND OUR DIRECTORS: NIL

MATERIAL FRAUDS AGAINST OUR COMPANY

There have been no material frauds committed against our Company in the five years preceding the year of this Draft Prospectus.

PROCEEDINGS INITIATED AGAINST OUR COMPANY FOR ECONOMIC OFFENCES

There are no proceedings initiated against our Company for any economic offences.

NON-PAYMENT OF STATUTORY DUES

As on the date of the Draft Prospectus there have been no (i) instances of non-payment or defaults in payment of statutory dues by our Company, (ii) over dues to companies or financial institutions by our Company, (iii) defaults against companies or financial institutions by our Company, or (iv) contingent liabilities not paid for.

PAST CASES WHERE PENALTIES WERE IMPOSED

There are no past cases where penalties were imposed on our Company by concerned authorities/courts.

OUTSTANDING LITIGATION AGAINST OTHER PERSONS AND COMPANIES WHOSE OUTCOME COULD HAVE AN ADVERSE EFFECT ON OUR COMPANY

As on the date of the Draft Prospectus, there is no outstanding litigation against other persons and companies whose outcome could have a material adverse effect on our Company.

PAST INQUIRIES, INSPECTIONS, OR INVESTIGATIONS

There have been no inquiries, inspections or investigations initiated or conducted under the Companies Act 2013 or any previous company law in the last five years immediately preceding the year of the Draft Prospectus in the case of Company, Promoters, Directors. Other than as described above, there have been no prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last five years immediately preceding the year of the Draft Prospectus.

Further, there is no legal action pending or taken by any Ministry or Department of the Government or a statutory authority against the promoters during the last five years immediately preceding the year of the issue of the Draft Prospectus and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action.

OUTSTANDING DUES TO CREDITORS

As per the Materiality Policy, our Board has approved that each creditor, to whom our Company individually owes a net aggregate amount that exceeds 5.00% of the trade payables as per the Restated Financial Statements for the most recent financial year, shall be considered as a material creditor of our Company. Our Board has also approved that dues owed by our Company to small scale undertakings as per the Restated Financial Statements for the most recent financial year shall be disclosed in a consolidated manner.

As per the above policy, information of outstanding dues, as at September 30, 2024, owed to small scale undertakings, material dues to trade creditors separately, giving details of number of cases and aggregate amount for such dues is as under:

<i>(₹ in lakhs)</i>		
Particulars	Number of cases	Amount Outstanding
Dues to small scale undertakings	1	194.63
Material dues to creditors	1	911.46
Other dues to creditors	9	3.22

Further, our Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure, if any, in relation to amount unpaid as at the year end together with interest payable as required under the said Act have not been furnished. Our Company does not owe any small-scale industries or any MSMEs any amounts exceeding ₹1 lakh which is outstanding for more than 30 days. There are no disputes with such entities in relation to payments to be made to them. The details pertaining to net outstanding dues towards our creditors are available on the website of our Company at www.ffddefence.com. It is clarified that such details available on our website do not form a part of this Draft Prospectus. Anyone placing reliance on any other source of information, including our Company's website, www.ffddefence.com, would be doing so at their own risk.

Material Developments

Except as stated in “*Management’s Discussion and Analysis of Financial Condition and Results of Operation*” on page 165, there have not arisen, since the date of the last financial statements disclosed in the Draft Prospectus, any circumstances which materially and adversely affect or are likely to affect our profitability taken as a whole or the value of our assets or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

Our business and operations require various approvals, licenses, registration, and permits issued by relevant regulatory authorities of the jurisdictions in which we operate under applicable law. Set out below is a list of material and necessary approvals, licenses, registrations and permits obtained by our Company for the purposes of undertaking its business activities and operations. Other than as stated below, no further material approvals, licenses, registrations, or permits are required to undertake the Offer or continue our business activities or operations. Additionally, unless otherwise stated, these approvals, licenses, registrations and permits are valid as on the date of this Draft Prospectus. Certain approvals, licenses, registrations and permits may expire periodically in the ordinary course of business and applications for renewal of such expired approvals are submitted in accordance with applicable requirements and procedures. For details in connection with the applicable regulatory and legal framework, see “Key Regulations and Policies” on page 95. Further, for details of risk associated with not obtaining or delay in obtaining the requisite approvals, see “Risk Factors” on page 20. For Offer related approvals, see “Other Regulatory and Statutory Disclosures” on page 181 and for incorporation details of our Company, see “History and Certain Corporate Matters” on page 100.

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to undertake its existing business activities.

I. Approvals for the Offer

For details in relation to approvals for the Offer, see “Other Regulatory and Statutory Disclosures- Authority for the Offer” on page 181.

II. Incorporation Details of our Company

Sr. No.	Authorisation granted	Issuing Authority	Registration No./CIN	Date of Issue	Valid up to
1.	Certificate of incorporation in the name of “FFS Industries Private Limited”	Registrar of Companies, Mumbai	U35990MH2019PTC328941	August 6, 2019	Valid until cancelled
2.	Change of name to “FFS Defence Engineering Private Limited”	Registrar of Companies, Mumbai	U35990MH2019PTC328941	August 27, 2024	Valid until cancelled
3.	Fresh Certificate of Incorporation consequent upon Change of Name on Conversion to Public Limited Company in the name of “FFS Defence Engineering Limited”	Registrar of Companies, Mumbai	U35990MH2019PLC328941	October 8, 2024	Valid until cancelled
4.	Udyam Registration Certificate	Ministry of Micro, Small and Medium Enterprises, Government of India	UDYAM-MH-20-0131093	April 29, 2023	Valid until cancelled

III. Material Approvals in relation to our business and operations

Our Company requires various approvals and/or licenses to carry on our business in India. Some of these may expire in the ordinary course of business and applications for renewal of these approvals are submitted in accordance with applicable procedures and requirements.

1. Environmental registrations:

Sr. No	Particulars	Issuing Authority	Other Details	Date of Undertaking
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1.	Water (Prevention & Control of Pollution) ACT, 1974; the Air (Prevention & Control of Pollution) ACT, 1981; the Water CESS Act ,1977 & the Environment Protection Act, 1986.	Maharashtra Pollution Control Board	We have submitted Undertaking about our industry being under 'white' category.	December 29, 2024
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2. **Employment related registrations:**

- i. We have been obtained establishment code NANGPF000018, from Maharashtra Labour Welfare Board, in respect of our manufacturing unit.
- ii. Implementation of the E.S.I. Act, 1948 and Registration of Employees of the Factories and Establishments under Section 1(5) of the Act with code 23000330210000999, in respect of our manufacturing unit.

IV. Tax related approvals/ registrations

- i. Permanent account number AADCF8169P has been issued to our Company by the Income Tax Department, Government of India, under the Income Tax Act, 1961.
- ii. Tax deduction account number MUMF09978D, issued by the Income Tax Department, Government of India, under the Income Tax Act, 1961.
- iii. Our Company has obtained GST Registration bearing number 27AADCF8169P1ZT has been issued in respect of registered office of our Company and our manufacturing unit situated at Nagpur, Maharashtra.
- iv. Profession tax registration number 27521725195P issued under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975

V. Foreign trade related approvals

Our Company has obtained an importer exporter code from the Office of the Additional Director General of Foreign Trade, Mumbai, Ministry of Commerce and Industry, Government of India.

VI. Material Approval required or expired but not applied for by our Company

Nil

VII. Material Approvals applied for but not received by our Company

We have applied for the license to work a factory on February 3, 2025.

VIII. Other Certifications

We have received ISO 9001:2015 certificate no. 101378/FFS09A issued on July 12, 2023 and valid for three years, for manufacturing of flow form tubes, titanium structures, mechanical systems and opto-mechanical products.

IX. Intellectual property

The following table sets forth the status and particulars of the registered Trademarks:

Particulars of trademark / Design	Category of trademark / Design	Trademark Number	Class	Status	Validity
FFS INDUSTRIES PRIVATE LIMITED	Goods as described in registration certificate	4403156	42	Registered	10 years w.e.f. November 15, 2020

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Corporate Approvals

- Our Board has, pursuant to its resolution dated December 25, 2024, authorized the Issue, subject to the approval of the Equity Shareholders of our Company under Section 62(1)(c) of the Companies Act 2013.
- Our Equity Shareholders have, pursuant to a resolution dated January 20, 2025, under Section 62(1)(c) of the Companies Act, authorized the Issue.

We have received in-principle approval from BSE *vide* their letter dated [●], 2025 to use the name of BSE in this Offer Document for listing of our Equity Shares on SME Platform of BSE. BSE is the Designated Stock Exchange.

Prohibition By Securities Market Regulators

Our Company, our Promoter, our Directors and our Promoter’s Group, person(s) in control of the promoter or issuer, have not been prohibited from accessing the capital market or debarred from buying, selling, or dealing in securities under any order or direction passed by the Board or any securities market regulators in any other jurisdiction or any other authority/court.

Undertaking Regarding Regulatory Inspections and Observations

As on date of this Draft Prospectus, there are no findings, observations, or inspections by SEBI or any other regulatory authority, which may have a material impact on the investment decision.

Prohibition by SEBI, the RBI, or other Governmental Authorities

Our Company, our Promoters, our Directors, the members of the Promoter Group, the persons in control of our Company and each of the Selling Shareholders have not been prohibited from accessing the capital markets and have not been debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority or court, including any securities market regulator in any jurisdiction.

Prohibition by RBI

Neither our Company, our Promoter, our Directors, relatives (as per Companies Act, 2013) of Promoter or the person(s) in control of our Company have been identified as a wilful defaulter or a fugitive economic offender and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them.

Neither our Company, our Promoter, our Directors, relatives (as per Companies Act, 2013) of Promoter or the person(s) in control of our Company have been categorized as a wilful defaulter or a fraudulent borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters or fraudulent borrowers issued by the Reserve Bank of India;

None of our Promoters or Directors are Fugitive Economic Offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

Compliance with the Companies (Significant Beneficial Owners) Rules, 2018

Our Company, Promoter and members of the Promoter Group, are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended (“SBO Rules”), to the extent applicable to each of them as on the date of this Draft Prospectus.

Directors associated with the Securities Market

None of our Directors are, in any manner, associated with the securities market and there has been no action initiated by SEBI against the Directors of our Company in the five years preceding the date of this Draft Prospectus.

Eligibility for this Issue

Our Company is not ineligible in terms of Regulations 228 of SEBI ICDR Regulations for this Issue as:

- Neither our Company, nor our Promoters, promoter group nor directors are debarred from accessing the capital market by the Board.
- Neither our Promoters, nor any directors of our Company are promoter or director of any other company which is debarred from accessing the capital market by the Board.
- Neither our Company, nor our Promoters, Promoter Group nor our directors, are Wilful Defaulters or a Fraudulent Borrower.
- Neither our Promoters nor any of our directors is declared as Fugitive Economic Offender.
- Our Company is eligible for the Issue in accordance with Regulation 229(2) and other provisions of Chapter IX of the SEBI (ICDR) Regulations 2018, as we are an Issuer whose post issue face value paid-up capital is more than ten (10) crores and up to twenty-five (25) crore rupees and can issue Equity Shares to the public and propose to list the same on the SME Platform of BSE Limited.

Our Company has complied with the conditions of Regulation 230 of SEBI (ICDR) Regulations, 2018 for this Issue.

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations; and this Issue is an “Initial Public Offer” in terms of the SEBI (ICDR) Regulations.

We confirm that:

1. In accordance with Regulation 260 of the SEBI (ICDR) Regulations, this issue is 100% underwritten and that the LM to the Issue shall underwrite minimum 15% of the Total Issue Size. For further details pertaining to said underwriting please refer to section titled "*General Information* " beginning on page 42.
2. In accordance with Regulation 268 of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within four (4) Working Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of four (4) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act 2013.
3. In terms of Regulation 246(5) of the SEBI (ICDR) Regulations, our Lead Manager has submitted a soft copy of the Draft Prospectus to SEBI at the time of filing the Draft Prospectus with Stock Exchange. Further, in terms of Regulation 246(2), SEBI shall not issue observation on the Draft Prospectus. In terms of Regulation 246(1) and (3) of the SEBI (ICDR) Regulations, we shall ensure that our Lead Manager submits a copy of the Offer Document along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Offer Document with Stock Exchange and the Registrar of Companies. Further, in terms of Regulation 246(2), SEBI shall not issue observation on the Offer Document.
4. In accordance with Regulation 261(1) of the SEBI (ICDR) Regulations, we hereby confirm that we shall enter into an agreement with the Lead Manager and with Market Maker to ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of Equity Shares on the SME Platform of BSE. For further details of the arrangement of market making please refer to section titled "*General Information* " beginning on page 42.

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter IX of SEBI (ICDR) Regulations, 2018 as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

We confirm that we comply with all the below requirements / conditions so as to be eligible to be listed on the SME Platform of the BSE:-

- a) Post Issue Paid up Capital: Rs. 1,357.50 Lakhs
- b) Net worth: Atleast Rs. 1 crore for 2 preceding full financial years.

(` Lakhs)

Particulars	For the period ended September 30, 2024	For the full year ended March 31, 2024	For the full year ended March 31, 2023	For the full year ended March 31, 2022
Net Worth	2,923.70	2,876.93	1671.09	1998.66

c) Net Tangible Asset: Rs 3 crores in last preceding (full) financial year.

Particulars	Net Tangible Asset (` Lakhs)
March 31, 2024	3,605.56

d) Our Company has track record of 3 years.

e) Earnings before Interest, Depreciation and tax

Particulars	Earnings before Interest, Depreciation and tax (` Lakhs)
March 31, 2024	717.16
March 31, 2023	-14.53
March 31, 2022	3.60

f) Leverage Ratio: Leverage ratio as on September 30, 2024 is 0.09 times.

g) Disciplinary action:

- We confirm that there are no regulatory action of suspension of trading against the promoter(s) or companies promoted by the promoters by any stock Exchange having nationwide trading terminals.
- We confirm that the Promoter(s) or directors are not promoter(s) or directors of compulsory delisted companies by the Exchange and the applicability of consequences of compulsory delisting is attracted or companies that are suspended from trading on account of non-compliance.
- We confirm that Directors are not disqualified/ debarred by any of the Regulatory Authority.

h) Default

We confirm that there are no pending defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders by the applicant company, promoters/ promoting company(ies), Subsidiary Companies.

i) Name change

- In case of name change within the last one year, at least 50% of the revenue calculated on a restated and consolidated basis for the preceding 1 full financial year has been earned by it from the activity indicated by its new name.: **Not Applicable, as no name change suggesting any change of activity.**
- The activity suggesting name should have contributed to at least 50% of the revenue, calculated on a restated and consolidated basis, for the preceding one full financial year. **Not Applicable**

Other Requirements

- Our Company has a functional website, www.ffsdefence.com.
- 100% of the Promoter's shareholding in the Company is in Dematerialized form.
- To facilitate trading in demat securities we have entered into an agreement with both the depositories viz NSDL and CDSL.
- There has been no change in the promoters of the company in preceding one year from date of filing the application to BSE for listing under SME segment.
- The composition of the board should be in compliance with the requirements of Companies Act, 2013 at the time of in-principle approval.
- The Net worth computation is as per the definition given in SEBI (ICDR) Regulations

- The Company has not been referred to NCLT under IBC.
- There is no winding up petition against the company, which has been admitted by the court.

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

- The Draft Prospectus has been filed with BSE and our Company has made an application to BSE for listing of its Equity Shares on the BSE SME platform. BSE is the Designated Stock Exchange.
- Our Company has entered into an agreement with both the depositories for dematerialisation of its Equity Shares already issued and proposed to be issued.
- The entire pre-Issue capital of our Company has shares fully paid-up Equity Shares and the Equity Shares proposed to be issued pursuant to this IPO will be fully paid-up.
- The entire Equity Shares held by the Promoters is in dematerialised form.
- The requirement of firm arrangements of finance through verifiable means towards seventy five per cent of the stated means of finance for funding from the issue proceeds, excluding the amount to be raised through the proposed public offer or through existing identifiable internal accruals is not applicable to our Company. For details, please refer the chapter “Objects of the Issue” on page 64.

Our Company confirms that the amount for general corporate purposes, as mentioned in objects of the issue in the offer document does not exceed twenty-five per cent. of the amount being raised by our Company.

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

- Neither our Company nor our Promoters, members of our Promoter Group or our Directors are debarred from accessing the capital markets by the SEBI.
- None of our Promoters or Directors are promoters or directors of companies which are debarred from accessing the capital markets by the SEBI.
- Neither our Company nor our Promoters or Directors is a wilful defaulter.
- Neither our Company nor our Promoters or Directors is a fraudulent borrower.
- None of our Promoters or Directors is a fugitive economic offender.

We further confirm that we shall be complying with all other requirements as laid down for such offer under Chapter IX of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

Further, in accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within four (4) Working Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of four (4) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act 2013. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE

STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MANAGER, INVENTURE MERCHANT BANKER SERVICES PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS OFFER DOCUMENT, THE LEAD MANAGER, INVENTURE MERCHANT BANKER SERVICES PRIVATE LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, INVENTURE MERCHANT BANKER SERVICES PRIVATE LIMITED HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED [●], 2025 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS), REGULATIONS, 2018.

THE FILING OF THIS OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE OFFER DOCUMENT.

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Draft Prospectus with the Registrar of Companies, West Bengal in terms of sections 26, 32 and 33 of the Companies Act, 2013.

Disclaimer from our Company and the Lead Manager

Our Company, its Directors and the Lead Manager accept no responsibility for statements made otherwise than those contained in this Draft Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.

The Lead Manager accepts no responsibility, save to the limited extent as provided in the MOU / Issue Agreement entered into between the Lead Manager and our Company dated January 27, 2025 and the Underwriting Agreement dated [●], 2025 entered into between the Underwriter and our Company and the Market Making Agreement dated [●], 2025 entered into among the Lead Manager, the Market Maker and our Company.

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

The Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for our Company, our Group Entities and our respective affiliates and associates in the ordinary course of business, and have engaged, or may in the future engage in commercial banking and investment banking transactions with our Company or our Group Entities or their respective affiliates or associates for which they have received, and may in future receive compensation.

Disclaimer in Respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, public financial institutions as specified in Section 2 (72) of the Companies Act, 2013, scheduled commercial banks, mutual fund registered with SEBI, FII and sub-account (other than a sub-account which is a foreign corporate or foreign individual) registered with SEBI, Alternative Investment Fund, multilateral and bilateral development financial institution, venture capital fund registered with SEBI, foreign venture capital investor registered with SEBI, state industrial development corporation, insurance company registered with Insurance Regulatory and Development Authority, provident fund with minimum corpus of ₹2,500 lakhs, pension fund with minimum corpus of ₹2,500 lakhs, National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the

Government of India published in the Gazette of India, insurance funds set up and managed by army, navy or air force of the Union of India and Insurance funds set up and managed by the Department of Posts, India, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company this Draft Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Maharashtra, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Prospectus has been filed with BSE Limited for its observations and BSE Limited shall give its observations in due course. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

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

Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

Disclaimer Clause of the SME Platform of BSE Limited

As required, a copy of the Draft Prospectus has been submitted to the SME Platform of BSE.

"BSE Limited ("BSE") has vide its letter dated [●], 2025 given permission to "FFS Defence Engineering Limited" to use its name in the Offer Document as the Stock Exchange on whose Small and Medium Enterprises Platform ("SME platform") the Company's securities are proposed to be listed. BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Company. BSE does not in any manner:

- i. warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- ii. warrant that this Company's securities will be listed on completion of Initial Public Offering or will continue to be listed on BSE; or
- iii. take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;
- iv. warrant, certify or endorse the validity, correctness or reasonableness of the price at which the equity shares are offered by the Company and investors are informed to take the decision to invest in the equity shares of the Company only after making their own independent enquiries, investigation and analysis. The price at which the equity shares are offered by the Company is determined by the Company in consultation with the Merchant Banker (s) to the issue and the Exchange has no role to play in the same and it should not for any reason be deemed or construed that the contents of this offer document have been cleared or approved by BSE. Every person who desires to apply for or otherwise acquire any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.
- v. BSE does not in any manner be liable for any direct, indirect, consequential or other losses or damages including loss of profits incurred by any investor or any third party that may arise from any reliance on this offer document or for the reliability, accuracy, completeness, truthfulness or timeliness thereof.

vi. The Company has chosen the SME platform on its own initiative and at its own risk, and is responsible for complying with all local laws, rules, regulations, and other statutory or regulatory requirements stipulated by BSE/other regulatory authority. Any use of the SME platform and the related services are subject to Indian laws and Courts exclusively situated in Mumbai”.

Track records of past issues handled by Inventure Merchant Banker Services Private Limited

For details regarding the track record of the INVENTURE MERCHANT BANKER SERVICES PRIVATE LIMITED, as specified under Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer to the website of INVENTURE MERCHANT BANKER SERVICES PRIVATE LIMITED at www.inventuremerchantbanker.com.

Listing

The Equity Shares of our Company are proposed to be listed on SME Platform of BSE. Our Company has obtained in-principle approval from BSE by way of its letter dated [●], 2025 for listing of equity shares on SME Platform of BSE.

BSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue. If the 40 to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by BSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this Draft Prospectus. If such money is not repaid within the prescribed time then our Company becomes liable to repay it, then our Company and every officer in default shall, shall be liable to repay such application money, with interest, as prescribed under the applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of BSE mentioned above are taken within Six (6) Working Days of the Issue Closing Date. If Equity Shares are not Allotted pursuant to the Offer within Six (6) Working Days from the Issue Closing Date or within such timeline as prescribed by the SEBI, our Company shall repay with interest all monies received from applicants, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period Subject to applicable law.

Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who –

- a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or*
- b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013, includes imprisonment for a term of not less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

Consents

Consents in writing of (a) Our Directors, Our Company Secretary & Compliance Officer, Chief Financial Officer, Our Statutory Auditor, Banker to the Company; (b) Lead Manager, Registrar to the Issue, Banker to the Issue/ Sponsor Bank, Legal Advisor to the Issue, Underwriter to the Issue and Market Maker to the Issue to act in their respective capacities have been obtained and shall be filed along with a copy of the Prospectus with the RoC, as required under Sections 26 of the

Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

Expert Opinion

Except for the reports in the section “Financial Information of the Company” on Restated Financial Information and “Statement of Tax Benefits” on page 130 and page 76, from the Statutory Auditors, our Company has not obtained any expert opinions.

Previous Rights and Public Issues during the Last Five Years

We have not made any previous rights and/or public issues during the last five years, and are an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations.

Commission and Brokerage Paid on Previous Issues of our Equity Shares

Since this is the Initial Public Offer of the Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since inception of the Company.

Previous capital issue during the last three years by listed Group Companies and Subsidiary of our Company

None of the Group Companies of our Company are listed. Further, none of our Group Companies have made any public or rights issue of securities in the preceding three years.

Performance vis-à-vis objects

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Therefore, data regarding promise versus performance is not applicable to us.

None of the Group Entities has made public issue of equity shares during the period of ten years immediately preceding the date of filing draft offer document with the BSE Limited.

Details of Fees Payable

Fees Payable to the Lead Manager

The total fees payable to the Lead Manager (including underwriting fees) will be as per the Memorandum of Understanding and Underwriting Agreement among our Company and the Lead Manager, copy of which is available for inspection at the Registered Office of our Company.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue will be as per the Agreement signed by our Company and the Registrar to the Issue dated January 27, 2025 a copy of which is available for inspection at our Registered Office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided by the Company to the Registrar to the Issue to enable them to send refund orders or allotment advice by registered post/ speed post/ under certificate of posting.

Fees Payable to Others

The total fees payable to the Legal Advisor, Statutory Auditor and Advertisers, etc. will be as per the terms of their respective engagement letters, if any.

Statement on Price Information of Past Issues handled by INVENTURE MERCHANT BANKER SERVICES PRIVATE LIMITED: -

For details regarding the track record of the Inventure Merchnat Banker Services Private Limited, as specified under Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer to the website of Inventure Merchnat Banker Services Private Limited at www.inventuremerchnatbanker.com.

Statement on Price Information of Past Issues handled by Inventure Merchant Banker Services Private Limited:

TABLE 1

Sl No	Financial Year	Issue Name	Issue Size (₹ in Crores)	Issue Price (₹)	Listing Date	Opening Price on Listing Date (₹)	+/- % Change in Closing Price, [+/- % Change in Closing Benchmark]- 30 th Calendar Days from the Listing Day	+/- % Change in Closing Price, [+/- % Change in Closing Benchmark]- 90 th Calendar Days from the Listing Day	+/- % Change in Closing Price, [+/- % Change in Closing Benchmark]- 180 th Calendar Days from the Listing Day
SME Board									
1	2021-22	Navoday Enterprises Limited	4.61	20	June 25, 2021	19.50	-21.83% (0.10%)	-33.21% (13.15%)	-43.40% (7.57%)
2		AA Plus Tradelink Limited	6.48	18	July 22, 2021	17.50	-48.57% (4.72%)	-58.57% (15.94%)	-50.57% (14.98%)
3		Omnipotent Industries Limited	18.90	63	November 29, 2021	99.00	-59.01% (0.95%)	-65.98% (-2.45%)	-75.60% (-4.15%)
4		Brandbucket Media & Technology Limited	8.25	55	December 31, 2021	55.25	-35.81%(-1.81%)	-64.57% (0.54%)	-73.14% (-8.97%)
5	2022-23	Silver Pearl Hospitality & Luxury Spaces Limited	9.00	18	June 17, 2022	16.00	-26.05% (4.19%)	-39.87% (16.69%)	-48.03% (22.04%)
6		Maagh Advertising And Marketing Services Limited	9.12	60	October 13, 2022	62.30	-40.21% (7.97%)	-57.11% (5.01%)	-71.31% (3.02%)
7	2023-24	Innovatus Entertainment Networks Limited	7.74	50	August 4, 2023	57.70	-6% (-0.51%)	-51.61% (-2.50%)	-19.07% (9.18%)
8		Vilin Bio Med Limited	12.00	30	June 30, 2023	30.00	-10.53% (2.23%)	-24.39% (1.22%)	-20.35% (11.31%)
9	2024-25	Grill Splendour Services Limited	16.47	120	April 23, 2024	121.30	-36.40% (2.28%)	-43.35% (9.17%)	-37.53% (9.86%)
10		Varyaa Creations Limited	20.10	150	April 30, 2024	285.00	-68.96% (-0.80%)	-71.76% (9.23%)	-56.25% (6.60%)
11		Clinitech Laboratory Limited	5.783	96	August 01, 2024	115.00	-25.40% (0.33%)	-32.93% (-2.35%)	NA
12		Paramatrix Technologies Limited	33.84	110	September 04, 2024	115.05	-10.60% (-0.81%)	-16.35% (-1.83%)	NA
13		Excellent Wires And Packaging Limited	12.6	90	September 19, 2024	85	-11.03% (-2.36%)	-21.51% (-3.61%)	NA
14	Lamosaic India Limited	61.2	200	November 29, 2024	164	-42.94% (-1.38%)	NA	NA	
Main Board – Nil									

Note:- 1. The BSE Sensex and Nifty are considered as the Benchmark Index

2. Prices on BSE/NSE are considered for all of the above calculations

3. In case the 30th/90th/180th day is a holiday, closing price on BSE/NSE of the previous trading day has been considered.

4. In case 30th/90th/180th days, scrips are not traded then closing price on BSE/NSE of the previous trading day has been considered.

TABLE 2: SUMMARY STATEMENT OF DISCLOSURE

Financial Year	Total1 no. Of IPOs	Total amount of funds raised (Rs. Cr.)	No. of IPOs trading at discount-30 th calendar days from listing			No. of IPOs trading at premium-30 th calendar days from listing			No. of IPOs trading at discount-180 th calendar days from listing			No. of IPOs trading at premium-180 th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
SME BOARD														
2024-25*	6	150	1	2	2	-	-	-	1	1	-	-	-	-
2023-24	2	19.74	-	-	2	-	-	-	-	-	2	-	-	-
2022-23	2	18.12	-	2	-	-	-	-	1	1	-	-	-	-
2021-22	4	38.24	-	3	1	-	-	-	3	1	-	-	-	-
MAIN BOARD														
Inventure Merchant Banker Services Private Limited has not done any main board issue in last three financial years as well as in the current financial year till the date this Draft Prospectus.														

* Upto date of this Draft Prospectus.

Outstanding Debentures or Bond Issues or Redeemable Preference Shares

As on the date of this Draft Prospectus, our Company has no outstanding debentures, bonds, or redeemable preference shares.

Partly Paid-Up Shares

As on the date of this Draft Prospectus, there are no partly paid-up Equity Shares of our Company.

Outstanding Convertible Instruments

Our Company does not have any outstanding convertible instruments as on the date of filing this Draft Prospectus.

Option to Subscribe

- a. Investors will get the allotment of specified securities in dematerialization form only.
- b. The equity shares, on allotment, shall be traded on stock exchange in demat segment only.

Stock Market Data for our Equity Shares

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Thus, there is no stock market data available for the Equity Shares of our Company.

Investor Grievances and Redressal System

The Registrar Agreement provides for retention of records with the Registrar to the Issue for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

Further, the Applicants shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

The Registrar to the Issue shall obtain the required information from the SCSBs and Sponsor Banks for addressing any clarifications or grievances of ASBA Applicants. Our Company, the Lead Manager and the Registrar to the Issue accept no responsibility for errors, omissions, commission, or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. Investors can contact the Company Secretary and Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

SEBI has launched a centralized web-based complaints redress system “SCORES”. This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website www.scores.gov.in. Our Company shall obtain authentication on the SCORES and comply with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013 in relation to redressal of investor grievances through SCORES.

The Board has constituted a Stakeholders Relationship Committee to review and redress the shareholders and investor grievances such as transfer of Equity Shares, non-recovery of balance payments, declared dividends, approve subdivision, consolidation, transfer and issue of duplicate shares. For further details, please refer to the “*Our Management*” on page 104.

Our Company has appointed CS **Saarthak Chaudhary** as the Company Secretary and Compliance Officer and he may be

contacted at the following address:

Saarthak Chaudhary,
Company Secretary and Compliance Officer
Plot No. J-17, Hingna MIDC, Hingna Road,
Near IC Chawk, MIDC Nagpur,
Nagpur (Urban) – 440 016, Maharashtra, India
E-mail: cs@ffsdefence.com
Tel: +91 810 468 6260
Website: www.ffsdefence.com

Investors can contact the Company Secretary and Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, credit of allotted Equity Shares in the respective beneficiary account or refund orders, *etc.*

As on the date of this Draft Prospectus, there are no pending investor complaints. Our Company has not received any investor complaint in the three years prior to the filing of this Draft Prospectus.

Our Company, Lead Manager and the Registrar accept no responsibility for errors, omissions, commission of any acts of the Designated Intermediaries, including any defaults in complying with its obligations under the SEBI ICDR Regulations.

Our Group Companies and our Subsidiaries are not listed on any stock exchange.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Issue or the SCSB, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of nonroutine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

SECTION VIII – ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

All Applicants should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (“General Information Document”) which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act 2013 (to the extent notified), the Companies Act, 1956 (to the extent not repealed by the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations as amended. The General Information Document has been updated to reflect amendments to the SEBI ICDR Regulations and to include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, SEBI Listing Regulations 2015 and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document is also available on the website of the Stock Exchange and the Lead Manager. Please refer to the relevant portions of the General Information Document which are applicable to this Issue.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Offer shall use only Application Supported by Blocked Amount (ASBA) facility for making payment. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public offer may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

Further vide the said circular Registrar to the Issue and Depository Participants have been also authorized to collect the application forms. Investor may visit the official website of the concerned for any information on operationalization of this facility of form collection by the Registrar to the Issue and Depository Participants as and when the same is made available.

Ranking of Equity Shares

The Equity Shares being issued in the Issue shall be subject to the provisions of the Companies Act and the Memorandum and Articles of Association and shall rank *pari-passu* with the existing Equity Shares of our Company including rights in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please refer “Main Provisions of Articles of Association” on page 226.

Authority for the Issue

This Issue has been authorized by a resolution of the Board passed at their meeting held on December 25, 2024 subject to the approval of shareholders through a special resolution to be passed pursuant to section 62 (1) (c) of the Companies Act, 2013. The shareholders have authorized the Issue by a special resolution in accordance with Section 62 (1) (c) of the Companies Act, 2013 passed at the EGM of the Company held on January 20, 2025.

Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of Companies Act, 1956 and Companies Act, 2013, Article of Association, the provision of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 any other rules, regulations or guidelines as may be issued by Government of India in connection to recommendation by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividend, in cash as per the provisions of the Companies Act and our Articles of Association.

Face Value and Issue Price per Share

The face value of the Equity Shares is ₹10.00 each and the Issue Price is ₹80.00 per Equity Share.

The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under “Basis for Issue Price” on page 71. At any given point of time there shall be only one denomination for the Equity Shares.

Compliance with SEBI (ICDR) Regulations

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the Equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation subject to any statutory and preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, the terms of the listing agreements with the Stock Exchange(s) and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer “*Main Provisions of Articles of Association*” on page 226.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Mumbai, India.

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

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint – tenants with benefits of survivorship.

Allotment only in Dematerialised Form

Pursuant to Section 29 of the Companies Act, 2013 and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed amongst our Company, the respective Depositories, and the Registrar to the Offer:

- Agreement dated October 14, 2024 amongst NSDL, our Company and the Registrar to the Offer; and
- Agreement dated November 4, 2024 amongst CDSL, our Company and the Registrar to the Offer.

Market Lot and Trading Lot

The trading of the Equity Shares will happen in the minimum contract size of 1,600 Equity Shares and the same may be modified by the SME platform of BSE from time to time by giving prior notice to investors at large.

Nomination Facility to Investor

In accordance with Section 72 of the Companies Act, 2013 the sole or first Applicant, along with other joint Applicants, may nominate any one person in whom, in the event of the death of sole Applicant or in case of joint Applicants, death of all the Applicants, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to

the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

In accordance with Section 72 of the Companies Act, 2013 any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- a) to register himself or herself as the holder of the Equity Shares; or
- b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective depository participant.

Minimum Number of Allottees

Further in accordance with the Regulation 268 of SEBI (ICDR) Regulations, the minimum number of allottees in this Offer shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Offer and the monies blocked by the SCSBs and sponsor bank, shall be unblocked within 4 working days of closure of Offer.

Period of the Subscription list of the Public Issue

Event	Indicative Date
Issue Opening Date	[●]
Issue Closing Date	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	[●]
Initiation of Refunds	[●]
Credit of Equity Shares to Demat Accounts of Allottees	[●]
Commencement of trading of the Equity Shares on the Stock Exchange	[●]

The above timetable is indicative and does not constitute any obligation on our Company and the Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue by our Company or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Minimum Subscription

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriters within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond four days after the Issuer becomes liable to pay the amount, the Issuer shall pay interest at the rate of fifteen per cent per annum.

In terms of Regulation 260 of the SEBI ICDR Regulations, 2018, the Issue is 100% underwritten. For details of underwriting arrangement, kindly refer the chapter titled “*General Information*” on page 42.

Further, in accordance with Regulation 267 of the SEBI ICDR Regulations, 2018, the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

Arrangements for Disposal of Odd Lots

The trading of the equity shares will happen in the minimum contract size of 1,600 Equity Shares. However, the market maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME Platform of BSE.

Option to receive Equity Shares in Dematerialized Form

Pursuant to Section 29 of the Companies Act, the Equity Shares in the Issue shall be allotted only in dematerialised form. Further, as per the SEBI (ICDR) Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchange.

Migration to Main Board

Eligibility Criteria for Migration of SME Companies to BSE Main Board as per BSE Circular dated November 24, 2023

Eligibility Criteria	Details
Paid up capital and market capitalization	Paid-up capital of more than 10 Crores and Market Capitalisation should be minimum Rs. 25 Crores (Market Capitalisation will be the product of the price (average of the weekly high and low of the closing price of the related shares quoted on the stock exchange during 3 (Three) months prior to the date of the application) and the post issue number of equity shares.)
Promoter holding	Promoter(s) shall be holding at least 20% of equity share capital of the company at the time of making application.
Financial Parameters	The applicant company should have positive operating profit (earnings before interest, depreciation and tax) from operations for at least any 2 out of 3 financial years and has positive Profit after tax (PAT) in the immediate preceding Financial Year of making the migration application to Exchange. The applicant company should have a Net worth of at least Rs. 15 crores for 2 preceding full financial years.
Track record of the company in terms of listing/ regulatory actions, etc	The applicant company is listed on SME Exchange/ Platform having nationwide terminals for atleast 3 years.
Regulatory action	<ul style="list-style-type: none"> • No material regulatory action in the past 3 years like suspension of trading against the applicant company, promoters/promoter group by any stock Exchange having nationwide trading terminals. • No Debarment of company, promoters/promoter group, subsidiary company by SEBI. • No Disqualification/Debarment of directors of the company by any regulatory authority. • The applicant company has not received any winding up petition admitted by a NCLT.
Public Shareholder	The applicant company shall have a minimum of 250 public shareholders as per the latest shareholding pattern.
Other parameters like No. of shareholders, utilization of funds	<ul style="list-style-type: none"> • No proceedings have been admitted under the Insolvency and Bankruptcy Code against the applicant company and Promoting companies.

	<ul style="list-style-type: none"> • No pending Defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders by the applicant, promoters/promoter group /promoting company(ies), Subsidiary Companies. • The applicant company shall obtain a certificate from a credit rating agency registered with SEBI with respect to utilization of funds as per the stated objective pursuant to IPO and/or further funds raised by the company, if any post listing on SME platform. • The applicant company has no pending investor complaints. • Cooling off period of 2 months from the date the security has come out of trade-to-trade category or any other surveillance action.
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Market Making

The shares issued and transferred through this Offer are proposed to be listed on the BSE SME with compulsory market making through the registered Market Maker of the SME Exchange for a minimum period of three years or such other time as may be prescribed by the Stock Exchange, from the date of listing on the SME Platform of BSE Limited. For further details of the market making arrangement please refer to chapter titled “General Information” beginning on page 42 of this Draft Prospectus.

As per the extent Guideline of the Government of India, OCBs cannot participate in this Issue.

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

New Financial Instruments

The Issuer Company is not issuing any new financial instruments through this Issue.

Application by Eligible NRI’s, FPI’s, VCF’s, AIF’s registered with SEBI

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for the lock-in of the pre-Issue capital of our Company, Promoters’ minimum contribution as provided in “*Capital Structure*” on page 49, and except as provided in the Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For details, please refer “*Main Provisions of Articles of Association*” on page 226.

ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229(2) of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue face value capital exceed ten crore rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME Platform of BSE Limited). For further details regarding the salient features and terms of such an issue please refer "Terms of the Issue" and "Issue Procedure" on page 193 and 202, respectively.

Following is the Issue structure:

PUBLIC ISSUE OF 35,74,400 EQUITY SHARES OF FACE VALUE OF ₹ 10.00 EACH OF FFS DEFENCE ENGINEERING LIMITED ("OUR COMPANY" OR "THE ISSUER") FOR CASH AT A PRICE OF ₹80.00 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹70.00 PER EQUITY SHARE) ("ISSUE PRICE") AGGREGATING TO ₹2,859.52 LAKHS ("THE ISSUE"). OF THE ISSUE, 1,79,200 EQUITY SHARES AGGREGATING TO ₹143.36 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 33,95,200 EQUITY SHARES OF FACE VALUE OF ₹ 10.00 EACH AT AN ISSUE PRICE OF ₹80.00 PER EQUITY SHARE AGGREGATING TO ₹2,716.16 LAKHS IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.33% AND 25.01%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.

Particulars	Net Issue to Public [^]	Market Maker reservation portion
Number of Equity Shares	33,95,200 Equity Shares	1,79,200 Equity Shares
Percentage of Issue Size available for allocation	94.99% of the Issue Size (50% for the Retail Individual Investors and the balance 50% for Other than Retail Individual Investors).	5.01% of the Issue Size
Basis of Allotment/Allocation if respective category is oversubscribed	Proportionate subject to minimum allotment of 1,600 Equity Shares and Further allotment in multiples of 1,600 Equity Shares each. For further details please refer to the section titled "Issue Procedure" on page 202.	Firm Allotment
Mode of Application*	All the applicants shall make the application (Online or Physical) through the ASBA Process only (including UPI mechanism for UPI Applicants using Syndicate ASBA).	
Minimum Application Size	<u>For OIB and NII:</u> Such number of Equity Shares in multiples of 1,600 Equity Shares at an Issue price of ₹80 each such that the Application Value exceeds ₹2,00,000 <u>For Retail Individuals:</u> 1,600 Equity Shares at an Issue price of ₹80 each.	1,79,200 Equity Shares at an Issue price of ₹80.00 each.
Maximum Application	<u>For OIB and NII:</u> The maximum application size is the Net Issue to public i.e. 33,95,200 Equity Shares, subject to limits the investor has to adhere under the relevant laws and regulations as applicable. <u>For Retail Individuals:</u>	1,79,200 Equity Shares at an Issue price of ₹80 each.

Particulars	Net Issue to Public [^]	Market Maker reservation portion
	1,600 Equity Shares at an Issue price of ₹80 each.	
Mode of Allotment	Dematerialized Form	Dematerialized Form
Trading Lot	1,600 Equity Shares	1,600 Equity Shares. However, the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations.
Terms of payment	The entire Application Amount will be payable at the time of submission of the Application Form.	

This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. For further details please refer 'Terms of the Issue' on page 193.

*As per Regulation 253(2) of the SEBI (ICDR) Regulations, as amended, as present issue is a fixed price offer the allocation in the net offer to the public category shall be made as follows:

- d) Minimum fifty percent to retail individual investors; and
- e) Remaining to:
 - i. Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
- f) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

If the retail individual investor category is entitled to more than fifty per cent on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.

** In case of joint Application, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Applicant would be required in the Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders.*

Withdrawal of the Issue

The Company, in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining the following:

1. The final listing and trading approvals of BSE Limited for listing of Equity Shares offered through this issue on its SME Platform, which the Company shall apply for after Allotment and,
2. The final ROC approval of the Prospectus after it is filed with the ROC.

In case, the Company wishes to withdraw the Issue after Issue opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (One each in English and Hindi) and one in regional newspaper.

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared, and the Stock Exchange will also be informed promptly.

If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

Issue Programme

Issue Opening Date	[●], 2025
Issue Closing Date	[●], 2025

Submission of Applications:

Offer Period (except the Bid/Offer Closing Date)	
Submission and Revision in Applications	Only between 10.00 a.m. and 5.00 p.m. Indian Standard Time (“IST”)
Offer Closing Date (T day)	
Submission of Applications	<p>Electronic Applications</p> <p>i. Online ASBA through 3-in-1 accounts – Upto 5.00 p.m. IST on T day.</p> <p>ii. Bank ASBA through Online channels like Internet Banking, Mobile Banking and Syndicate UPI ASBA etc – Upto 4.00 p.m. IST on T day.</p> <p>iii. Syndicate Non-Retail, Non-Individual Applications – Upto 3.00 p.m. IST on T day.</p> <p>Physical Applications</p> <p>i. Bank ASBA – Upto 1.00 p.m. IST on T day.</p> <p>ii. Syndicate Non-Retail, Non-Individual Applications of QIBs and NIIs – Upto 9.00 p.m IST on T day and Syndicate members shall transfer such applications to banks before 1 p.m. IST on T day.</p>
Revision in Applications	Only between 10.00 a.m. and 5.00 p.m. IST

On the Offer Closing Date, the Applications shall be uploaded until:

- (i) 4:00 p.m. IST for Applications by QIBs and Non-Institutional Investors; and
(ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Applications by Retail and reserved category.

Above timelines will be applicable during the Issue Period at the Application Centres mentioned in the Application Form. Applications will be accepted only on Working days i.e. all days excluding Saturdays, Sundays, and public holidays, on which the commercial banks in the city as notified in the offer document are open for business.

On the Offer Closing Date, extension of time may be granted by the Stock Exchanges only for uploading Applications received from Retail Individual Investors and Eligible Employees Bidding in the Employee Reservation Portion after taking into account the total number of Bids received up to closure of timings for acceptance of Bid cum Application Forms as stated herein and as reported by the LM to the Stock Exchanges.

The Registrar to the Issue shall submit the details of cancelled/withdrawn/deleted applications to the SCSBs on daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the Bid/Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the LM and the RTA on a daily basis, as per the format prescribed in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

It is clarified that Bids shall be processed only after the application monies are blocked in the ASBA Account and Applications not uploaded on the electronic bidding system or in respect of which the full Application Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to limitation of time available for uploading the Applications on the Bid/Offer Closing Date, Applicants are advised to submit their Applications one day prior to the Issue Closing Date, and are advised to submit their Applications no later than prescribed time on the Offer Closing Date. Any time mentioned in this Prospectus is IST. Bidders are cautioned that, in the event a large number of Applications are received on the Offer Closing Date, some Applications may not get uploaded due to lack of sufficient time. Such Applications that cannot be uploaded will not be considered for allocation under the Offer. Applications will be accepted only during Working Days, during the Offer Period. Investors may please note that as per letter no. List/smd/sm/2006 dated July 3, 2006 issued by BSE respectively, Applications and any revision in Applications shall not be accepted on Saturdays, Sundays and public holidays as declared by the Stock Exchanges. Applications by ASBA Applicants shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges. The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange Platform during the Offer Period till 5.00 pm on the Offer Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing. In case of any discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid cum Application Form, for a particular Applicant, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Our Company, in consultation with the Lead Manager, reserve the right to extend the Bid/Offer Period in accordance with the SEBI ICDR Regulations.

In case of any extension, the Offer Period will be extended by at least three additional Working Days, subject to the Issue Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company, in consultation with the Lead Manager, for reasons to be recorded in writing, extend the Offer Period for a minimum of three Working Days, subject to the Issue Period not exceeding 10 Working Days. Any extension of Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice and at the terminals of the Syndicate Member(s) and by intimation to Self-Certified Syndicate Banks (“SCSBs”), other Designated Intermediaries and the Sponsor Bank(s), as applicable.

ISSUE PROCEDURE

All Applicants should review the General Information Document for Investing in Public Issues which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act 2013 (to the extent notified), the Companies Act, 1956 (to the extent not repealed by the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations as amended. The General Information Document is available on the websites of the Stock Exchanges and the Lead Manager. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue. The investors should note that the details and process provided in the General Information Document should be read along with this section.

Additionally, all Applicants may refer to the General Information Document for information in relation to (i) Category of investor eligible to participate in the Issue; (ii) maximum and minimum Application size; (iii) price discovery and allocation; (iv) Payment Instructions for ASBA Applicants; (v) Issuance of CAN and Allotment in the Issue; (vi) General instructions (limited to instructions for completing the Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Application Form; (x) other instructions (limited to joint applications in cases of individual, multiple applications and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiv) interest in case of delay in Allotment or refund.

Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the Draft Prospectus/Prospectus before investing in the Issue.

Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section, and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that their applications are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Prospectus.

Further, our Company and the Lead Manager do not accept any responsibility for any adverse occurrences consequent to the implementation of the UPI mechanism for application in this Issue.

The lists of Banks that have been notified by SEBI as Issuer Banks for UPI are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>. The list of Stockbroker, Depository Participants (DP), Registrar to an Issue and Share Transfer Agent (RTA) that has been notified by BSE Limited to act as intermediaries for submitting Application Forms are provided on <https://www.bsesme.com>.

SEBI through its circular no. (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 and circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, has introduced an alternate payment mechanism using Unified Payments Interface (—UPI) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIIs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. (—UPI Phase II). The UPI Phase I was effective till June 30, 2019.

With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Applications by RIIs through Designated Intermediaries (other than SCSBs), issued by SEBI, the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later (“**UPI Phase II**”). Subsequently however, SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II till March 31, 2020. However, given the prevailing uncertainty due to the COVID-19 pandemic, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, has decided to continue with the UPI Phase II till further notice. The final reduced timeline of T+3 days for the UPI Mechanism for applications by RIIs (“**UPI Phase III**”) and modalities of the implementation of UPI Phase III maybe notified and made effective subsequently, as may be prescribed by SEBI. The Issue will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars,

clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular shall come into force for initial public offers opening on or after May 1, 2021 and the provisions of this circular are deemed to form part of this Draft Prospectus. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all UPI applicants in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹5.00 lakhs shall use the UPI Mechanism.

Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document, and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that their applications are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Draft Prospectus.

Further, our Company and the Lead Manager are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in the Issue.

Phased implementation of Unified Payments Interface

SEBI has issued a **UPI Circulars** in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circulars, UPI will be introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIBs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six working days to up to three working days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI Mechanism, the UPI Circular proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

Phase I: This phase has become applicable from January 1, 2019 and will continue till June 30, 2019. Under this phase, a Retail Individual Applicant would also have the option to submit the Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing would continue to be six Working Days.

Phase II: This phase commenced on completion of Phase I i.e. with effect from July 1, 2019 and was to be continued for a period of three months or launch of five main board public issues, whichever is later. Further, as per the SEBI circular SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, the UPI Phase II has been extended until March 31, 2020. Further still, as per SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, the current Phase II of Unified Payments Interface with Application Supported by Blocked Amount be continued till further notice. Under this phase, submission of the Application Form by a Retail Individual Applicant through intermediaries to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI Mechanism. However, the time duration from public issue closure to listing would continue to be six Working Days during this phase.

Phase III: This phase has become applicable on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023, vide SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 ("T+3 Notification"). In this phase, the time duration from public issue closure to listing has been reduced to three Working Days. The Offer shall be undertaken pursuant to the processes and procedures as notified in the T+3 Notification as applicable, subject to any circulars, clarification or notification issued by the SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

The Offer is being made under Phase III of the UPI (on a mandatory basis).

All SCSBs offering facility of making application in public issues shall also provide facility to make application using the UPI Mechanism. The Issuers are to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Applicants into the UPI mechanism.

SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹

500,000, shall use UPI. Individual investors bidding under the Non-Institutional Portion bidding for more than ₹ 200,000 and up to ₹ 500,000, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the Lead Manager.

FIXED PRICE ISSUE PROCEDURE

The Issue is being made in compliance with the provisions of Chapter IX of the SEBI (ICDR) Regulations, 2018 and through the Fixed Price Process. As per Regulation 253(2) of the SEBI (ICDR) Regulations, as amended, as present issue is a fixed price issue the allocation in the net offer to the public category shall be made as follows:

- a) Minimum fifty percent to retail individual investors; and
- b) Remaining to:
Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
- c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

If the retail individual investor category is entitled to more than fifty per cent on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.

Applicants are required to submit their Applications to the Application collecting intermediaries i.e. SCSB or Registered Brokers of Stock Exchanges or Registered Registrar to the Issue and Share Transfer Agents (RTAs) or Depository Participants (DPs) registered with SEBI. In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

Subject to the valid Applications being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Applicants shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription, if any, in any category, would be allowed to be met with spillover from any other category or a combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.

Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialised form. The Application Forms which do not have the details of the Applicant's depository account including DP ID, PAN, UPI ID (in case of RIBs using the UPI mechanism) and Beneficiary Account Number shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchange, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Applicants will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialized segment of the Stock Exchange.

APPLICATION FORM

Copies of the Application Form and the abridged prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the BSE Limited (www.bseindia.com), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date.

ASBA Applicants shall ensure that the Applications are made on Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of electronic Application Forms) and the Application Forms not bearing such specified stamp are liable to be rejected. Retail Individual Investors using UPI mechanism, may submit their ASBA Forms with Syndicate Members, Registered Brokers, RTA or Depository Participants. ASBA

Applicants are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount which can be blocked by the SCSB.

Category	Colour ⁽¹⁾
Indian Public / eligible NRI's applying on a non-repatriation basis (ASBA)	White
Non-Residents including eligible NRI's, FPI's, FII's, FVCI's, etc. applying on a repatriation basis (ASBA)	Blue

(1) Excluding electronic Application Form.

RIIs and other Individual investors using UPI mechanism, may submit their ASBA Forms with Syndicate Members, Registered Brokers, RTA or Depository Participants. ASBA Applicants are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount which can be blocked by the SCSB.

Further, for applications submitted to designated intermediaries (other than SCSBs), with use of UPI for payment, after accepting the application form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange(s).

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Draft Prospectus. An Investor, intending to subscribe to this Issue, shall submit a completed application form to any of the following Intermediaries (Collectively called "Designated Intermediaries")

Sr. No.	Designated Intermediaries
1.	An SCSB, with whom the bank account to be blocked, is maintained.
2.	A syndicate member (or sub-syndicate member)
3.	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity)('broker')
4.	A depository participant ('DP')(whose name is mentioned on the website of the Stock Exchange as eligible for this activity)
5.	A registrar to an issue and share transfer agent ("RTA")(whose name is mentioned on the website of the stock exchange as eligible for this activity)

RIIs and other Individual investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as 'Intermediaries'), and intending to use UPI, shall also enter their UPI ID in the application form.

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as proof of having accepted the application form, in physical form or electronic mode respectively.

The upload of the details in the electronic bidding system of the stock exchange will be done by:

For the applications submitted by the investors to SCSB	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the Bank account specified in the form, to the extent of the application money specified.
For applications submitted by investors to intermediaries other than SCSBs without use of UPI for payment	After accepting the application form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of the Issue.
For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment	<p>After accepting the application form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange(s).</p> <p>Stock Exchange shall share application details including the UPI ID with Sponsor Bank on a continuous basis, to enable Sponsor Bank to initiate mandate request on investors for blocking of funds.</p> <p>Sponsor Bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of</p>

	funds, on his / her mobile application, associated with UPI ID linked bank account.
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Stock exchange(s) shall validate the electronic details with depository's records for DP ID/Client ID and PAN, on a real time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.

Stock exchange(s) shall allow modification of selected fields viz. DP ID/Client ID, Bank code and Location code, in the application details already uploaded.

For ASBA Applicants using UPI mechanism, the Stock Exchange shall share the application details (including UPI ID) with Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to ASBA applicants for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIBs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every bid entered in the Stock Exchanges bidding platform, and the liability to compensate ASBA applicants (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the Bankers to the Issue) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the Bankers to the Issue. The Lead Manager shall also be required to obtain the audit trail from the Sponsor Banks and the Bankers to the Issue for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts for mandate block and unblock including details specified in SEBI *circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M* dated March 16 ,2021.

Who Can Apply?

1. Indian nationals' resident in India, who are not minors (except through their Legal Guardians), in single or joint names (not more than three);
2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: —Name of Sole or First Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;
3. Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorized to invest in equity shares;
4. Mutual Funds registered with SEBI;
5. Eligible NRIs on a repatriation basis or on a non-repatriation basis subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
6. Indian financial institutions, scheduled commercial banks (excluding foreign banks), regional rural banks, cooperative banks (subject to RBI regulations and the SEBI Regulations and other laws, as applicable);
7. FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual under the QIB portion;
8. Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional Applications portion;
9. Venture Capital Funds registered with SEBI;
10. Foreign Venture Capital Investors registered with SEBI;
11. Eligible Qualified Foreign Investors;
12. Foreign Nationals and other non-residents (subject to eligibility norms specified in SEBI FPI Regulations, 2014 and other applicable provisions);

13. Multilateral and bilateral development financial institutions;
14. State Industrial Development Corporations;
15. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorized under their respective constitutions to hold and invest in equity shares;
16. Scientific and/or industrial research organizations authorized in India to invest in equity shares;
17. Insurance companies registered with Insurance Regulatory and Development Authority;
18. Provident Funds with a minimum corpus of `250 million and who are authorised under their constitution to hold and invest in equity shares;
19. Pension Funds with a minimum corpus of `250 million and who are authorised under their constitution to hold and invest in equity shares;
20. Limited liability partnerships;
21. National Investment Fund set up by resolution no. F.NO.2/3/2005-DDII dated November 23, 2005 of the Government of India, published in the Gazette of India;
22. Nominated Investor and Market Maker;
23. Insurance funds set up and managed by the army, navy, or air force of the Union of India and by the Department of Posts, India;
24. Any other person eligible to Apply in this Issue, under the laws, rules, regulations, guidelines, and policies applicable to them and under Indian laws.
25. As per the existing policy of the Government of India, OCBs cannot participate in this Issue. Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.
26. Applications not to be made by:
 1. Minors (except through their Guardians)
 2. Partnership firms or their nominations
 3. Overseas Corporate Bodies

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

Maximum and Minimum Application Size

a) For Retail Individual Applicants:

The Application must be for a minimum of 1,600 Equity Shares and in multiples of 1,600 Equity Shares thereafter, so as to ensure that the Application Amount payable by the Applicant does not exceed ₹2,00,000. In case of revision of the Application, the Retail Individual Applicants have to ensure that the Application Amount does not exceed ₹2,00,000.

b) For Other Applicants [Non-Institutional Applicants and Qualified Institutional Buyer(s) (QIB)]:

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds `2,00,000 and in multiples of 1,600 Equity Shares thereafter. Application cannot be submitted for more than the Issue Size. However, the maximum application size by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **A QIB and a Non-Institutional Applicant cannot withdraw or lower the size of their Application at any stage and are required to pay the entire Application Amount upon submission of the**

Application. Under the existing SEBI regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

The identity of QIBs applying in the Net Issue shall not be made public during the Issue Period. In case of revision in Application, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion.

The above Information is given for the benefits of the Applicants. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section. Applicants are advised to make their independent investigations and ensure that their applications do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus.

Basis Of Allotment

Allotment will be made in consultation with the Stock Exchange. In the event of over subscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e., the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e., Total number of Shares applied for into the inverse of the over subscription ratio).
3. For applications where the proportionate allotment works out to less than 4000 Equity Shares the allotment will be made as follows:
 - a. Each successful applicant shall be allotted 1,600 Equity Shares; and
 - b. The successful applicants out of the total applicants for that category shall be determined by the draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of 1,600 Equity Shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 1,600 Equity Shares subject to a minimum allotment of 1,600 Equity Shares.
5. If the Shares allocated on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the lower nearest multiple of 1,600 Equity Shares, results in the actual allotment being higher than the shares issue, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the Issue specified under the Capital Structure mentioned in this Prospectus.
6. Since present issue is a fixed price issue, the allocation in the net Issue to the public category in terms of Regulation 253 of the SEBI (ICDR) Regulations, 2018 shall be made as follows:
 - a. A minimum of 50% of the net Issue of shares to the Public shall initially be made available for allotment to retail individual investors as the case may be.
 - b. The balance net Issue of shares to the public shall be made available for allotment to a) individual applicants other than retails individual investors and b) other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
 - c. The unsubscribed portion of the net to any one of the categories specified in (a) or (b) shall/may be made available for allocation to applicants in the other category, if so required.

If the retail individual investor is entitled to more than fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.

Please note that the Allotment to each Retail Individual Investor shall not be less than the minimum application lot, subject to availability of Equity Shares in the Retail portion. The remaining available Equity Shares, if any in Retail portion shall be allotted on a proportionate basis to Retail individual Investor

'Retail Individual Investor' means an investor who applies for shares of value of not more than ₹ 2 lakhs Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with the Stock Exchange.

The Allotment of Equity Shares to Bidders other than Retail Individual Investors and Anchor Investors may be on proportionate basis. No Retail Individual applicant will be allotted less than the minimum application Lot subject to availability of Equity Shares in Retail Individual Investor Category and the remaining available Equity Shares, if any will be allotted on a proportionate basis. The Company is required to receive a minimum subscription of 90% of the Issue.

Flow of Events from the closure of bidding period (T DAY) Till Allotment:

- On T Day, Registrar to validate the electronic bid details with the depository records and also reconcile the final certificates received from the Sponsor Bank for UPI process and the SCSBs for ASBA and Syndicate ASBA process with the electronic bid details.
- Registrar identifies cases with mismatch of account number as per bid file / Final Certificate and as per applicant's bank account linked to depository demat account and seek clarification from SCSB to identify the applications with third party account for rejection.
- Third party confirmation of applications to be completed by SCSBs on T+1 day.
- Registrar prepares the list of final rejections and circulate the rejections list with LM / Company for their review/ comments.
- Post rejection, the Registrar submits the basis of allotment with the Stock Exchange.
- The Stock Exchange, post verification approves the basis and generates drawal of lots wherever applicable, through a random number generation software.
- The Registrar uploads the drawal numbers in their system and generates the final list of allottees as per process mentioned below:

Process for generating list of Allottees:

- Instruction is given by RTA in their Software System to reverse category wise all the application numbers in the ascending order and generate the bucket /batch as per the allotment ratio. For example, if the application number is 78654321 then system reverses it to 12345687 and if the ratio of allottees to applicants in a category is 2:7 then the system will create lots of 7. If the drawal of lots provided by Designated Stock Exchange (DSE) is 3 and 5 then the system will pick every 3rd and 5th application in each of the lot of the category and these applications will be allotted the shares in that category.
- In categories where there is proportionate allotment, the Registrar will prepare the proportionate working based on the oversubscription times.
- In categories where there is undersubscription, the Registrar will do full allotment for all valid applications.
- On the basis of the above, the RTA will work out the allottees, partial allottees and non- allottees, prepare the fund transfer letters and advice the SCSBs to debit or unblock the respective accounts.

BASIS OF ALLOTMENT

Allotment will be made in consultation with the SME Platform of BSE Limited (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth hereunder:

- 1) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e., the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of Applicants in the category x number of Shares applied for).
- 2) The number of Shares to be allocated to the successful Applicants will be arrived at on a proportionate basis in marketable lots (i.e., Total number of Shares applied for into the inverse of the over subscription ratio).

3) For applications where the proportionate allotment works out to less than 1,600 equity shares the allotment will be made as follows:

- i. Each successful Applicant shall be allotted 1,600 equity shares; and
- ii. The successful Applicants out of the total applicants for that category shall be determined by the drawl of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.

4) If the proportionate allotment to an Applicant works out to a number that is not a multiple of 1,600 equity shares, the Applicant would be allotted Shares by rounding off to the nearest multiple of 1,600 equity shares subject to a minimum allotment of 1,600 equity shares.

5) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Applicants in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of 1,600 Equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the Issue specified under the Capital Structure mentioned in this Draft Prospectus.

6) Since present issue is a fixed price issue, the allocation in the net offer to the public category in terms of Regulation 253(2) of the SEBI (ICDR) Regulations, 2018 shall be made as follows:

- a) Minimum fifty percent (50%) To Retail Individual Investors; and
- b) Remaining to: Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for

The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

Explanation: If the retail individual investor category is entitled to more than fifty per cent on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.

'Retail Individual Investor' means an investor who applies for shares of value of not more than Rs. 2,00,000/- . Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with BSE.

Participation by associates and affiliates of the Lead Manager and the Syndicate Members

The Lead Manager shall not be allowed to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, the associates and affiliates of the Lead Manager may subscribe to Equity Shares in the Issue in non Retail Portion, where the allocation is on a proportionate basis and such subscription may be on their own account or on the behalf of their clients.

Option to subscribe in the Issue

- a) As per Section 29(1) of the Companies Act, 2013, allotment of Equity Shares shall be dematerialized form only. Investors will not have the option of getting of specified securities in physical form. However, they may get the specified securities re-materialized subsequent to allotment.
- b) The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
- c) A single application from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable laws.

Applications by Mutual Funds

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to reject the Application without assigning any reason thereof.

Applications made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Applications are made.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Applications by Eligible NRIs

Eligible NRIs may obtain copies of Application Form from the Designated Intermediaries. Eligible NRI Applicants applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSSB to block their Non-Resident External (NRE) accounts, or Foreign Currency Non-Resident (FCNR) Accounts, and eligible NRI Applicants applying on a non-repatriation basis by using Resident Forms should authorize their SCSSB to block their Non-Resident Ordinary (NRO) accounts for the full application amount, at the time of the submission of the Application Form.

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents (white in colour). Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for Non-Residents (blue in colour).

Application by FIIs (including FIIIs)

In terms of the SEBI FPI Regulations, an FII who holds a valid certificate of registration from SEBI shall be deemed to be a registered FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or sub-account may, subject to payment of conversion fees under the SEBI FPI Regulations participate in the Issue until the expiry of its registration with SEBI as an FII or sub-account, or if it has obtained a certificate of registration as an FPI, whichever is earlier. Accordingly, such FIIIs can, subject to the payment of conversion fees under the SEBI FPI Regulations, participate in this Issue in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of the SEBI FPI Regulations, the purchase of Equity Shares and total holding by a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIIs (being deemed FPIs) shall be included.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio investor and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with _know your

client' norms. Further, pursuant to a Circular dated November 24, 2014 issued by the SEBI, FPIs are permitted to issue offshore derivative instruments only to subscribers that (i) meet the eligibility criteria set forth in Regulation 4 of the SEBI FPI Regulations; and (ii) do not have opaque structures, as defined under the SEBI FPI Regulations. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority. Further, where an investor has investments as FPI and also holds positions as an overseas direct investment subscriber, investment restrictions under the SEBI FPI Regulations shall apply on the aggregate of FPI investments and overseas direct investment positions held in the underlying Indian company.

Applications by SEBI registered Venture Capital Funds, Alternative Investment Fund (AIF) and Foreign Venture Capital Investors

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as amended, (the “**SEBI VCF Regulations**”) and the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended, among other things prescribe the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 (the “**SEBI AIF Regulations**”) prescribe, amongst others, the investment restrictions on AIFs.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends, and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

Our Company or the Lead Manager will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.

Applications by Limited Liability Partnerships

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof. Limited Liability Partnerships can participate in the Issue only through the ASBA Process.

Applications by Insurance Companies

In case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000 (“**IRDA Investment Regulations**”), as amended, are broadly set forth below:

- 1) Equity shares of a company: the least of 10.00% of the investee company's subscribed capital (face value) or 10.00% of the respective fund in case of life insurer or 10.00% of investment assets in case of general insurer or reinsurer;

- 2) The entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- 3) The industry sector in which the investee company belongs to not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be. Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Applications under Power of Attorney

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, Mutual Funds, insurance companies and provident funds with minimum corpus of `25 Crores (subject to applicable law) and pension funds with a minimum corpus of `25 Crores a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason, therefore.

In addition to the above, certain additional documents are required to be submitted by the following entities:

- (a). With respect to applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- (b). With respect to applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Application Form as applicable. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- (c). With respect to applications made by provident funds with minimum corpus of `25 Crores (subject to applicable law) and pension funds with a minimum corpus of `25 Crores, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject such application, in whole or in part, in either case without assigning any reasons thereof.

Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject to such terms and conditions that our Company, the lead manager may deem fit.

Our Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars and mailing of the Allotment Advice / CANs / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories.

The above information is given for the benefit of the Applicants. The Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

Applications by Provident Funds / Pension Funds

In case of Applications made by provident funds with minimum corpus of `25 crores (subject to applicable law) and pension funds with minimum corpus of ` 25 crores, a certified copy of certificate from a chartered accountant certifying the corpus

of the provident fund/ pension fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

Applications by Banking companies

In case of Applications made by banking companies registered with RBI, certified copies of:

- (i) The certificate of registration issued by RBI, and
- (ii) The approval of such banking company's investment committee are required to be attached to the Application Form, failing which our Company reserves the right to reject any Application without assigning any reason, therefore.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 (the "**Banking Regulation Act**"), and Master Circular – Para-banking Activities dated July 1, 2015 is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the investment in a non-financial services company by a banking company together with its subsidiaries, associates, joint ventures, entities directly or indirectly controlled by the bank and mutual funds managed by asset management companies controlled by the banking company cannot exceed 20% of the investee company's paid-up share capital. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

Applications by Self Certified Syndicate Banks (SCSBs)

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

Information for the Applicants

1. Our Company and the Lead Manager shall declare the Issue Opening Date and Issue Closing Date in the Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in a regional newspaper with wide circulation. This advertisement shall be in prescribed format.
2. Our Company will file the Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
3. Copies of the Application Form along with Abridged Prospectus and copies of the Prospectus will be available with the Lead Manager, the Registrar to the Issue, and at the Registered Office of our Company. Electronic Application Forms will also be available on the websites of the Stock Exchange.
4. Any applicant who would like to obtain the Prospectus and/ or the Application Form can obtain the same from our Registered Office.
5. Applicants who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
6. Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected. The Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account or alternatively, the Retail Individual Applicants wishing to apply through UPI Channel, may provide the UPI ID and validate the blocking of the funds and the Application Forms that do not contain such details are liable to be rejected.
7. Applicants applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSBs or other Designated Intermediaries (Other than SCSBs), the relevant SCSB, shall block an amount in the ASBA Account

equal to the Application Amount specified in the Application Form, before entering the ASBA application into the electronic system.

8. Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Applicants, or in the case of application in joint names, the first Applicant (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Application Form without PAN is liable to be rejected. The demat accounts of Applicants for whom PAN details have not been verified, excluding persons resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be “suspended for credit” and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Applicants.
9. The Applicants may note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic collecting system of the Stock Exchange. Designated Intermediaries do not match with PAN, the DP ID, and Client ID available in the Depository database, the Application Form is liable to be rejected.

ISSUE PROCEDURE FOR APPLICATION SUPPORTED BY BLOCKED ACCOUNT (ASBA) APPLICANTS

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Our Company and the Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Application Form, please refer the above-mentioned SEBI link.

Method and Process of Applications

1. Applicants are required to submit their applications during the Issue Period only through the Designated Intermediaries.
2. The Issue Period shall be for a minimum of three (3) Working Days and shall not exceed ten (10) Working Days. The Issue Period may be extended, if required, by an additional three Working Days, subject to the total Issue Period not exceeding ten (10) Working Days.
3. During the Issue Period, Applicants who are interested in subscribing to the Equity Shares should approach the Designated Intermediaries to register their applications.
4. The Applicant cannot apply on another Application Form after applications on one Application Form have been submitted to the Designated Intermediaries. Submission of a second Application form to either the same or to another Designated Intermediaries will be treated as multiple applications and is liable to be rejected either before entering the application into the electronic collecting system or at any point prior to the allocation or Allotment of Equity Shares in this Issue.
5. The Designated Intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively. The upload of the details in the electronic bidding system of stock exchange and post that blocking of funds will be done by as given below:

For the applications submitted by the investors to SCSB	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the Bank account specified in the form, to the extent of the application money specified.
For applications submitted by investors to intermediaries other than SCSBs without use of UPI for payment	After accepting the application form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to

	designated branches of the respective SCSBs for blocking of funds within one day of closure of the Issue.
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6. Upon receipt of the Application Form, submitted whether in physical or electronic mode, the Designated Intermediaries shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form, prior to uploading such applications with the Stock Exchange.
7. If sufficient funds are not available in the ASBA Account, the Designated Intermediaries shall reject such applications and shall not upload such applications with the Stock Exchange.
8. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form and will enter each application option into the electronic collecting system as a separate application and generate a TRS for each price and demand option. The TRS shall be furnished to the Applicant on request.
9. The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Applicants to the Public Issue Account. In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

Terms of payment

The entire Issue price of ₹ 80 per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs or Sponsor Bank to unblock the excess amount paid on Application to the Applicants.

SCSBs or Sponsor Bank will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs or Sponsor Bank.

The applicants should note that the arrangement with Banker to the Issue or the Registrar or Sponsor Bank is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Applicants.

Payment mechanism for Applicants

The applicants shall specify the bank account number in their Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Application Form sent by the Sponsor Bank. The SCSB or Sponsor Bank shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However Non-Retail Applicants shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application by the ASBA Applicant, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Offer shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public offer may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

Electronic Registration of Applications

The Designated Intermediary may register the Applications using the on-line facilities of the Stock Exchange. The Designated Intermediaries can also set up facilities for off-line electronic registration of Applications, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities on a regular basis before the closure of the issue.

On the Issue Closing Date, the Designated Intermediaries may upload the applications till such time as may be permitted by the Stock Exchange.

c) Only Applications that are uploaded on the Stock Exchange Platform are considered for allocation/Allotment. In the Phase 1, the Designated Intermediaries are given till 1:00 pm on the day following the Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Issue Period after which the Stock Exchange send the application information to the Registrar to the Issue for further processing.

Other Instructions

Joint Applications in the case of Individuals

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Applications

An Applicant should submit only one Application (and not more than one) for the total number of Equity Shares required. Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- i. All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature, and father/ husband's name to determine if they are multiple applications.
- ii. Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
- iii. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of "know your client" norms by the depositories. The Company reserves the right to reject, in our absolute discretion, all or any multiple Applications in any or all categories.

Permanent Account Number or PAN

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number ("PAN") to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. **Applications without this information will be considered incomplete and are liable to be rejected.** It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

Allocation of Equity shares

1) The Issue is being made through the Fixed Price Process wherein 1,79,200 Equity Shares shall be reserved for Market Maker. 16,97,600 Equity Shares having face value of `10.00 each at a price of `80 per Equity Share aggregating `1,358.08 lakhs will be available for allocation to Retail Individual Investors. 16,97,600 Equity Shares having face value of `10.00 each at a price of `80 per Equity Share aggregating `1,358.08 lakhs will be available for allocation to other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for.

2) Under- subscription if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.

3) Allocation to Non-Residents, including Eligible NRIs, Eligible QFIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines, and approvals.

4) In terms of SEBI Regulations, Non-Retail Applicants shall not be allowed to either withdraw or lower the size of their applications at any stage.

5) Allotment status details shall be available on the website of the Registrar to the Issue.

Signing of Underwriting Agreement

Vide an Underwriting Agreement dated [●], 2025 this issue is 100% Underwritten.

Filing of the Prospectus with the ROC

The Company will file a copy of the Prospectus with the ROC in terms of 26 of the Companies Act, 2013.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013 the Company shall, after registering the Prospectus with the ROC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation.

Issuance of Allotment Advice

1) Upon approval of the Basis of Allotment by the Designated Stock Exchange.

2) On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue. The Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of Allotment Advice shall be deemed a valid, binding, and irrevocable contract for the Allotment to such Applicant.

3) Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful applicants Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

Designated Date

On the Designated Date, the Registrar to the Issue shall instruct the SCSBs or Sponsor Bank to unblock funds represented by allocation of Equity Shares from ASBA Accounts into the Public Offer Account.

GENERAL INSTRUCTIONS**Do's:**

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about the Depository Participant and the beneficiary account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Applicant shall use only his / her own bank account or only his / her own bank account linked UPI ID to make an application.
- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the Demographic Details are updated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.
- Ensure that you have funds equal to the Application Amount in the ASBA account or UPI ID linked Bank Account maintained with the SCSB before submitting the Application Form under the ASBA process the SCSBs where the Applicant has a bank account or a UPI ID linked Bank Account, the Registered Broker (at the Broker Centre's), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
- Instruct your respective Banks to release the funds blocked in the ASBA Account/UPI ID linked Bank Account under the ASBA process;
- Ensure that the Application Form is signed by the account holder in case the applicant is not the account holder.
- Ensure that you have mentioned the correct bank account number in the Application Form and in case of Retail Individual Applicants applying through UPI Channel, ensure that you have mentioned the correct UPI ID;
- Ensure that the Application Forms are delivered by the applicants within the time prescribed as per the Application Form and the Prospectus;
- Ensure that you have requested for and receive a TRS;
- Ensure that you request for and receive a stamped acknowledgement of the Application Form for all your application options;
- Ensure that you have correctly signed the authorization/ undertaking box in the Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account/ UPI ID linked Bank Account, as the case may be, equivalent to the Application Amount mentioned in the Application Form;
- Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form; and
- The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

- Do not apply for lower than the minimum Application size;
- Do not apply for a price different from the price mentioned herein or in the Application Form;
- Do not use third party bank account or third-party UPI ID linked Bank Account for making the Application;
- Do not apply on another Application Form after you have submitted an application to the Designated Intermediary;
- Do not pay the Application Price in cash, cheque, by money order or by postal order or by stock invest;

- Do not send Application Forms by post, instead submit the Designated Intermediary only;
- Do not submit the Application Forms to any non-SCSB bank or our Company
- Do not apply on an Application Form that does not have the stamp of the relevant Designated Intermediary;
- Do not submit the application without ensuring that funds equivalent to the entire application Amount are blocked in the relevant ASBA Account;
- Do not apply for an Application Amount exceeding Rs.2,00,000 (for applications by Retail Individual Applicants);
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue Size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;
- Do not submit incorrect details of the DP ID, beneficiary account number and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
- Do not submit applications on plain paper or incomplete or illegible Application Forms in a colour prescribed for another category of Applicant; and
- Do not make Applications if you are not competent to contract under the Indian Contract Act, 1872, as amended.
- The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Further, in case of any pre-issue or post issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out the Company Secretary and Compliance Officer.

For details of grounds for technical rejections of a Bid cum Application Form, please see the General Information Document.

Further, helpline details of the Lead Manager pursuant to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 are set forth in the table below:

Name of the Lead Manager	Helpline (email)	Telephone
Inventure Merchant Banker Services Private Limited	sme.ipo@inventuremerchantbanker.com	+91 22 4075 1500

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Stock Exchange, along with the Lead Managers and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any allotment in excess of the Equity Shares offered through the Offer through the offer document except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. The allotment of Equity Shares to applicants other than to the Retail Individual Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size.

The allotment of Equity Shares to each Retail Individual Investor shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Investor category, and the remaining available shares, if any, shall be allotted on a proportionate basis.

Instructions for Completing the Application Form

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Applications made using a third-party bank account or using third party UPI ID linked bank account are liable to be rejected. Application Forms should bear the stamp of the Designated Intermediaries. ASBA Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Application forms in public issues using the stock broker (broker) network of Stock Exchange, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the website of BSE i.e. www.bseindia.com. With a view to broad base the reach of Investors by substantial), enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Application forms in Public Issue with effect front January 01, 2016. The List of RTA and DPs centres for collecting the application shall be disclosed is available on the website of BSE i.e. www.bseindia.com

For details of instruction in relation to the Application Form, Applicants may refer to the relevant section of GID.

Applicant's Depository Account and Bank Details

Please note that, providing bank account details, PAN Nos, UPI ID (if applicable), Client ID and DP ID in the space provided in the application form is mandatory and applications that do not contain such details are liable to be rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain front the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Submission of Application Form

All Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

Communications

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

Disposal of Application and Application Moneys and Interest in Case of Delay

The Company shall ensure the dispatch of Allotment advice and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within two working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at SME Platform of BSE where the Equity Shares are proposed to be listed are taken within 6 working days from Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment shall be made within three (3) days of the Issue Closing Date;
2. Giving of Instructions for refund by unblocking of amount via ASBA not later than 4(four) working days of the Issue Closing Date, would be ensured; and
3. If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who—

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447 of Companies Act, 2013 and shall be treated as Fraud."*

Mode of Refunds

- a) **In case of ASBA Applicants:** Within 6 (six) Working Days of the Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Application, for any excess amount blocked on Application, for any ASBA application withdrawn, rejected or unsuccessful or in the event of withdrawal or failure of the Issue
- b) In the case of Applications from Eligible NRIs and FPIs, refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/ or commission. If so desired, such payments in Indian Rupees may be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and may be dispatched by registered post. The Company may not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.
- c) In case of Other Investors: Within six Working Days of the Issue Closing Date, the Registrar to the Issue may dispatch the refund orders for all amounts payable to unsuccessful Investors. In case of Investors, the Registrar to the Issue may obtain from the depositories, the Bidders' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Investors in their Investor Application Forms for refunds. Accordingly, Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Investors' sole risk and neither the Issuer, the Registrar to the Issue, the Escrow Collection Banks, may be liable to compensate the Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay.

Mode of making refunds for Applicants other than ASBA Applicants

The payment of refund, if any, may be done through various modes as mentioned below:

- (i) NECS - Payment of refund may be done through NECS for Applicants having an account at any of the centers specified by the RBI. This mode of payment of refunds may be subject to availability of complete bank account details including the nine-digit MICR code of the Bidder as obtained from the Depository;

(ii) NEFT - Payment of refund may be undertaken through NEFT wherever the branch of the Bidders' bank is NEFT enabled and has been assigned the Indian Financial System Code ("IFSC"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Bidders through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;

(iii) Direct Credit – Applicants having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;

(iv) RTGS – Applicants having a bank account at any of the centres notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS. The IFSC code shall be obtained from the demographic details. Investors should note that on the basis of PAN of the bidder, DP ID and beneficiary account number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Bidders account details, IFSC code, MICR code and occupation (hereinafter referred to as "Demographic Details"). The bank account details for would be used giving refunds. Hence, Applicants are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at their sole risk and neither the Lead Manager or the Registrar to the Issue or the Escrow Collection Bank nor the Company shall have any responsibility and undertake any liability for the same;

(v) Please note that refunds, on account of our Company not receiving the minimum subscription, shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank. For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers etc. Bidders may refer to Prospectus.

INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer shall make the Allotment within the period prescribed by SEBI. In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding three Working Days from the Bid/ Issue Closing Date, the applicant shall be compensated in accordance with applicable law, i.e. the applicant shall be compensated at a uniform rate of Rs. 100.00 per day for the entire duration of delay exceeding three working days from the Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The Lead Manager shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Further, Investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

Undertakings by our Company

We undertake as follows:

- i. That the complaints received in respect of the Issue shall be attended to by us expeditiously and satisfactorily;
- ii. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within the period prescribed by the Board;
- iii. That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;
- iv. Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within six Working Days from the Offer Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- v. That no further Issue of Equity Shares shall be made till the Equity Shares issued through the Prospectus are listed or until the Application monies are refunded on account of non-listing, under-subscription etc.;
- vi. That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment;
- vii. That if our Company do not proceed with the Issue, the reason thereof shall be given as a public notice to be issued by our Company within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
- viii. If our Company withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh Prospectus with the Stock exchange/RoC/SEBI, in the event our Company subsequently decides to proceed with the Offer;

UTILIZATION OF THE ISSUE PROCEEDS

The Board of Directors of our Company certifies that:

1. all monies received out of the Issue shall be transferred to a separate Bank Account other than the bank account referred to in Sub-Section (3) of Section 40 of the Companies Act, 2013;
2. details of all monies utilized out of the Issue referred above shall be disclosed and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;
3. details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (earlier known as *Department of Industrial Policy and Promotion*) (“**DPIIT**”), issued the FDI Policy, which is effect from October 15, 2020, which subsumes and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular. FDI in companies engaged in sectors/ activities which are not listed in the FDI Policy is permitted up to 100% of the paid up share capital of such company under the automatic route, subject to compliance with certain prescribed conditions.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the FEMA Non-Debt Instruments Rules, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government of India, as prescribed in the FDI Policy and the FEMA Non-Debt Instruments Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made similar amendment to the FEMA Rules. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Issue Period.

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

SECTION IX – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Schedule I of the Companies Act, 2013 and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below:

1. The Regulations contained in Table 'F' in Schedule I to the Companies Act, 2013, (hereinafter referred to as Table 'F') shall apply to this Company so far as they are applicable to a company Limited by Shares and save and in so far as they are expressly or impliedly excluded or modified by the following Articles.
2. This set of Articles of Association has been approved pursuant to the provisions of Section 14 of the Companies Act, 2013 and by a special resolution passed at the Extraordinary General Meeting of the FFS Defence Engineering Limited (the “**Company**”) held on 29th August, 2024. These Articles have been adopted as the Articles of Association of the Company in substitution for and to the exclusion of all the existing Articles thereof.
3. **Definitions & Interpretation**
 - A. In these Articles:-

“**Act**” means the Companies Act 2013 or any statutory modification or re-enactment thereof for the time being in force and the terms shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable

“**Articles**” means these Articles of association of the Company or as altered from time to time.

“**Board of Directors**” or “**Board**” means the collective body of the Directors of the Company.

“**Company**” means **company as mentioned under Clause I of Memorandum of Association.**

“**Rules**” means the applicable rules for the time being in force as prescribed under relevant section of the Act.

“Public company” the Company is a Public Company within the meaning of the Act
 - B. Words importing the singular number shall include the plural number and words importing the masculine gender shall where the context admits, include the feminine and neuter gender.
 - C. Unless the context otherwise require, words or expressions contained in these Articles shall bear the same meaning as in the Act or Rules, as the case may be.

Share capital and variation of rights

4. The Authorized Share Capital of the Company shall be in accordance with Clause V of the Memorandum of Association.
5. Subject to the provisions of the Act and these Articles, the Shares for the time being shall be under the control of the Board, which may issue, allot or otherwise dispose of the Shares or any of them to such persons, in such proportion, on such terms and conditions, either at a premium or at par or at a discount (subject to compliance with the provisions of the Act), at such time as it may from time to time deem fit, and with the sanction of the Company in a General Meeting, to give to any person or persons the option or right to call for any Shares, either at par or premium during such time and for such consideration as the Board deems fit, and may issue and allot Shares on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business. Any Shares so allotted may be issued as fully paid-up Shares and if so issued, shall be deemed to be fully paid-up Shares. Notwithstanding the foregoing, the option or right to call for Shares shall not be given to any person or persons without the sanction of the Company in a General Meeting.
6. Subject to these Articles and the provisions of the Act, the Company may, from time to time, increase the Share Capital by such sum, to be divided into Shares of such amount, as may be specified in the resolution.

7. Subject to the provisions of the Act, the Company may from time to time, undertake any of the following:
- (i) Increase, reduce or otherwise alter its authorised share capital in such manner as it thinks expedient;
 - (ii) Consolidate and divide all or any of its Share Capital into Shares of larger amount or smaller amount, than its existing Shares;
 - (iii) Convert all or any of its fully paid-up Shares into stock, and reconvert that stock into fully paid-up Shares of any denomination;
 - (iv) Sub-divide its Shares, or any of them, into Shares of smaller amount, such that the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in case of the Share from which the reduced Share is derived; or
 - v) Cancel any Shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any Person, and diminish the amount of its Share Capital by the amount of Shares so cancelled. A cancellation of Shares pursuant to this Article shall not be deemed to be a reduction of the Share Capital within the meaning of the Act.
8. Where shares are converted into stock-
- i. the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
 - ii. the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
 - iii. Such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.
9. The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws:
- (a) Equity share capital:
 - (i) with voting rights; and / or
 - (ii) with differential rights as to dividend, voting or otherwise in accordance with the Rules; and
 - (b) Preference share capital
10. (i) The Board or the Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to – (a) persons who, at the date of offer, are holders of equity shares of the Company in proportion, as nearly as the circumstances admit, to their shareholding at the date of offer; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favor of any other person; or (b) employees under any scheme of employees’ stock option; or (c) any persons, subject to and in accordance with applicable provisions of the law, whether or not those persons include the persons referred to in clause (a) or clause (b) above.
- (ii) Subject to the provisions of section 42 and 62(1)(c) of the Act, a further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules.

11. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.
12. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.
13. Nothing in Article 10 above shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the Company to convert such debentures or loans into Shares in the Company or to subscribe for Shares in the Company. Provided that the terms of the issue of such debentures or the terms of such loans include a term providing for such option and such term:
 - A. Either has been approved by the Central Government before the issue of debentures or the raising of the loans or is in conformity with the Rules, if any made by that Government in this behalf; and
 - B. In the case of debentures or loans or other than debentures issued to, or loans obtained from the Government or any institution specified by the Central Government in this behalf, has also been approved by the special resolution passed by the Company in General Meeting before the issue of the loans.
14. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the applicable provisions of the Act, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.
15. Subject to the provisions of Sections 68 to 70 and other applicable provisions of the Act or any other Law for the time being in force, the Company shall have the power to buy-back its own Shares or other securities, as it may consider necessary.
16. Subject to the provisions of the Act, the Company shall have the power to make compromise or make arrangements with creditors and Members, consolidate, demerge, amalgamate or merge with other company or companies in accordance with the provisions of the Act and any other applicable Laws.
17. Subject to the provisions of the Act, the Company may, from time to time, by special resolution reduce in any manner and with, and subject to, any incident authorized and consent required under applicable Law:
 - (i) the Share Capital;
 - (ii) any capital redemption reserve account; or
 - (iii) any securities premium account.
18. Except as required by law, no person shall be recognized by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
19. Subject to Law, a Person subscribing to Shares of the Company shall have the option either to receive certificates for such Shares or hold the Shares with a Depository in electronic form. Where Person opts to hold any Share with the Depository, the Company shall intimate such Depository of details of allotment of the Shares to enable the Depository to enter in its records the name of such Person as the beneficial owner of such Shares.
 - (i) Unless the shares have been issued in dematerialized form in terms of applicable laws, every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of Issue

shall be provided-

- (a) one certificate for all his shares without payment of any charges; or
 - (b) several certificates, each for one or more of his shares, upon payment of such fees as may be Board determines for each certificate after the first.
- (ii) Every certificate shall specify the shares to which it relates and the amount paid-up thereon.
- (iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
20. If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of such charges as may be fixed by the Board for each certificate.

Lien

21. (i) The company shall have a first and paramount lien on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:
- Provided that the Board of Directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.
- (ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.
- (iii) The fully paid up shares shall be free from all lien and in the case of partly paid up shares the Company's lien, if any, shall be restricted to moneys called or payable at a fixed time in respect of such shares.
22. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:
- Provided that no sale shall be made unless a sum in respect of which the lien exists is presently payable; or until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
23. (i) To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof.
- (ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.
- (iii) The purchaser shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
24. (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
- (ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.
25. In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognize any equitable or other claim to, or interest in, such share on the part of any other

person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.

26. The provisions of these Articles relating to lien shall mutatis mutandis apply to any other securities including debentures of the Company.

Calls on shares

27. The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.

A call may be revoked or postponed at the discretion of the Board.

28. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.
29. The joint holders of a share shall be jointly or severally liable to pay all calls in respect thereof.
30. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine. The Board shall be at liberty to waive payment of any such interest wholly or in part
31. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
- (ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
32. The Board may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve percent per annum, as may be agreed upon between the Board and the member paying the sum in advance. Nothing contained in this Article shall confer on the member (i) any right to participate in profits or dividends; or (ii) any voting rights in respect of the moneys so paid by him, until the same would, but for such payment, become presently payable by him.
33. If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by instalments, then every such instalment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.
34. All calls shall be made on a uniform basis on all shares falling under the same class.

Explanation: Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.

Transfer of shares

35. (i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.
- (ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
36. The Board may, subject to the right of appeal conferred by section 58 decline to register the transfer of a share to a person of whom they do not approve; or any transfer of shares on which the company has a lien.
37. The Board may decline to recognize any instrument of transfer unless-
- (i) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56. The Company shall also use a common form of transfer;
- (ii) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- (iii) the instrument of transfer is in respect of only one class of shares.

The registration of transfer of any securities shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons, indebted to the Company on any account whatsoever except where the Company has a lien on shares.

38. On giving not less than seven days' previous notice in accordance with section 91 of the Act and rules made there under, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year, subject to applicable law.

Transmission of shares

39. On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the company as having any title to his interest in the shares. Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
40. Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as herein after provided, elect, either-
- i. to be registered himself as holder of the share; or
- ii. to make such transfer of the share as the deceased or insolvent member could have made.

The Board shall, in either case, have the same right to decline or suspend registrations it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

41. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.
42. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
43. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

44. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:
45. Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

Forfeiture of shares

46. If a member fails to pay any call, or instalment of a call or any money due in respect of any share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or instalment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.
47. The notice aforesaid shall name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
48. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
49. Neither the receipt by the Company for a portion of any money which may from time to time be due from any member in respect of his shares, nor any indulgence that may be granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.
50. When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.
51. The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.
52. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
53. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
54. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares and the liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.
55. A duly verified declaration in writing that the declarant is a Director, the Manager or the Secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.

The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favor of the person to whom the share is sold or disposed of;

The transferee shall thereupon be registered as the holder of the share; and the transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

56. The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

Capitalization of profits

57. (i) The company in general meeting may, upon the recommendation of the Board resolve that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards-

- (a) paying up any amounts for the time being unpaid on any shares held by such members respectively;
- (b) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
- (c) partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);

(iii) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;

(iv) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

58. Whenever such a resolution as aforesaid shall have been passed, the Board shall make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares if any; and generally do all acts and things required to give effect thereto.

59. The Board shall have power to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions and to authorize any person to enter, on behalf of all the members entitled there to, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalization, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares;

60. Any agreement made under such authority shall be effective and binding on such members.

Dematerialization of Securities

61. **Company entitled to dematerialize its shares, debentures and other securities**

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its shares, debentures and other securities and to offer any shares, debentures or other securities proposed to be issued by it for subscription in a dematerialized form and on the same being done, the Company shall further be entitled to maintain a Register of Members/ Debenture holders/ other Security holders with the details of members/ debenture holders/ other security holders holding shares, debentures or other securities both in materialized and dematerialized form in any media as permitted by the Act.

The Company shall recognize interest in dematerialized securities under the Depositories Act, 1996. Subject to the provisions of the Act, either the Company or the investor may exercise an option to issue (in case of the Company only), deal in, hold the securities (including shares) with a Depository in electronic form and the certificates in

respect thereof shall be dematerialized, in which event, the rights and obligations of the parties concerned and matters connected therewith or incidental thereof shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time or any statutory modification(s) thereto or re-enactment thereof, the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and other applicable law.

62. Option to hold shares in electronic or physical form

Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities in electronic form with a Depository. If a person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of the security, and on receipt of the information, the Depository shall enter in its records the name of the allottee as the Beneficial Owner of the Security.

63. Beneficial owner deemed as absolute owner

Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears as the beneficial owner of the shares, debentures and other securities in the records of the Depository as the absolute owner thereof as regards receipt of dividends or bonus on shares, interest/premium on debentures and other securities and repayment thereof or for service of notices and all or any other matters connected with the Company and accordingly the Company shall not (except as ordered by the Court of competent jurisdiction or as by law required and except as aforesaid) be bound to recognize any benami trust or equity or equitable, contingent or other claim to or interest in such shares, debentures or other securities as the case may be, on the part of any other person whether or not it shall have express or implied notice thereof.

The Company shall cause to be kept a register and index of Members with details of securities held in materialized and dematerialized forms in any media as may be permitted by law including any form of electronic media. The register and index of beneficial owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be a register and index of Members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India, a Register of Members, resident in that state or country.

64. Shares, debentures and other securities held in electronic form.

In the case of transfer of shares, debentures or other securities where the Company has not issued any certificates and where such shares, debentures or other securities are being held in an electronic and fungible form, the provisions of the Depositories Act, shall apply.

Provided that in respect of the shares and securities held by the depository on behalf of a beneficial owner, provisions of Section 9 of the Depositories Act shall apply so far as applicable.

65. Information about transfer of securities.

Every Depository shall furnish to the Company, information about the transfer of securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws of the Depository and the Company in that behalf.

66. Provisions to apply to shares in electronic form

Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in electronic form so far as they apply to shares in physical form subject however to the provisions of the Depositories Act. Provided that, nothing contained in Article 39 shall apply to the transfer of shares, debentures or other marketable securities effected by the transferor and the transferee, both of whom are entered as beneficial owners in the record of the Depository.

General meetings

67. All general meetings other than annual general meeting shall be called extraordinary general meeting.

68. The Board may, whenever it thinks fit, call an extraordinary general meeting.

Proceedings at general meetings

69. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
- (ii) No business shall be discussed or transacted at any general meeting except election of Chairperson whilst the chair is vacant.
- (iii) The quorum for a general meeting shall be as provided in the Act.
70. The Chairperson of the Company shall preside as Chairperson at every general meeting of the Company.
71. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairperson of the meeting, the Directors present shall elect one of their members to be Chairperson of the meeting.
72. If at any meeting no Director is willing to act as Chairperson or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall, by poll or electronically, choose one of their members to be Chairperson of the meeting.
73. On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.
74. (i) The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered.
- (ii) There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting –
- a) is, or could reasonably be regarded, as defamatory of any person; or
 - b) is irrelevant or immaterial to the proceedings; or
 - c) is detrimental to the interests of the Company.
75. The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.
76. The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.
77. The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall be kept at the registered office of the Company and be open to inspection of any member without charge, during 11.00 a.m. to 1.00 p.m. on all working days other than Saturdays.
78. Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes above:
- Provided that a member who has made a request for provision of a soft copy of the minutes of any previous general meeting held during the period immediately preceding three financial years, shall be entitled to be furnished with the same free of cost.
79. The Board, and also any person(s) authorized by it, may take any action before the commencement of any general meeting, or any meeting of a class of members in the Company, which they may think fit to ensure the security of the meeting, the safety of people attending the meeting, and the future orderly conduct of the meeting. Any decision

made in good faith under this Article shall be final, and rights to attend and participate in the meeting concerned shall be subject to such decision.

Adjournment of meeting

80. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
- (ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- (iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

Voting rights

81. Subject to any rights or restrictions for the time being attached to any class or classes of shares-
- (a) on a show of hands, every member present in person shall have one vote; and
- (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
82. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
83. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
- (ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
84. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians.
85. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
86. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.
87. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
- (ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.
88. Any member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.

Proxy

89. Subject to the provisions of the Act and these Articles, any Member of the Company entitled to attend and vote at a General Meeting of the Company shall be entitled to appoint a proxy to attend and vote instead of himself and the proxy so appointed shall have no right to speak at the meeting.
90. The proxy shall not be entitled to vote except on a poll.
91. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office not less than 48 (forty eight) hours before the time for holding the meeting or adjourned meeting at which the Person named in the instrument proposes to vote; or in the case of a poll, not less than 24 (twenty four) hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
92. An instrument appointing a proxy shall be in the form as prescribed under the Act and the rules framed thereunder.
93. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the Shares in respect of which the proxy is given; provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or the adjourned meeting at which the proxy is used.

Board of Directors

94. Unless otherwise determined by the Company in a General Meeting and subject to the provision of Section 149 of the Companies Act, 2013, the number of Directors of the Company shall not be less than 3 (**Three**) and maximum as provided in Section 149 of the Companies Act 2013, which presently stands at 15 (**FIFTEEN**).
95. The first Directors of the Company were the person named hereunder: -
 1. Mr. Raunaq Rajendra Chodankar
 2. Mr. Rajendra Kamlakant Chodankar
96. (i) The remuneration of the Directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

(ii) In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid all travelling, hotel and other expenses properly incurred by them-
 - (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or
 - (b) in connection with the business of the company.
97. The Board may pay all expenses incurred in getting up and registering the company.
98. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.
99. All cheques, promissory notes, drafts, *hundis*, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
100. Every Director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
101. Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional Director, provided the number of the Directors and additional Directors together shall not at any time exceed the maximum strength fixed for the Board by the articles. Such person shall hold office only up

to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a Director at that meeting subject to the provisions of the Act.

102. The Board of Directors of a Company may, appoint a person, not being a person holding any alternate Directorship for any other Director in the company, to act as an alternate Director for a Director during his absence for a period of not less than three months from India, on receipt of written notice from such Director.

Provided that an alternate Director shall not hold office for a period longer than that permissible to the Director in whose place he has been appointed and shall vacate the office if and when the Director in whose place he has been appointed returns to India.

Provided further that if the term of office of the original Director is determined before he so returns to India, any provision for the automatic re-appointment of retiring Directors in default of another appointment shall apply to the original, and not to the alternate Director.

Proceedings of the Board

103. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
- (ii) The Chairperson or any one Director with the previous consent of the Chairperson may, or the Company Secretary on the direction of the Chairperson shall, at any time, summon a meeting of the Board.
- (iii) The quorum for a Board meeting shall be as provided in the Act.
- (iv) The participation of Directors in a meeting of the Board may be either in person or through video conferencing or audiovisual means or teleconferencing, as may be prescribed by the Rules or permitted under law.
104. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
- (ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
105. The continuing Directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.
106. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.
- (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be Chairperson of the meeting.
107. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.
- (ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
108. (i) A committee may elect a Chairperson of its meetings.
- (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
109. (i) A committee may meet and adjourn as it thinks fit.

- (ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
- 110. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a Director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such Director or such person had been duly appointed and was qualified to be a Director.
- 111. Save as otherwise expressly provided in the Act, a resolution in writing, signed by majority of the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.
- 112. Subject to the provisions of the Act, Directors may be paid sitting fees for each meeting of the Board or a Committee thereof attended by him, subject to the ceiling prescribed under the Act.

Managing Director, Whole Time Director, Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer

- 113. The Board may, from time to time, subject to Section 196 and other applicable provisions of the Act, appoint one or more of their body to the office of the Managing Director or Whole time Director or Manager for such period and on such remuneration and other terms, as they think fit and subject to the terms of any agreement entered into in any particular case, may revoke such appointment.
- 114. Subject to the provisions of any contract between him and the Company, the Managing Director/ Whole-time Director, shall be subject to the same provisions as to resignation and removal as the other Directors and his appointment shall automatically terminate if he ceases to be a Director.
- 115. Subject to the provisions of the Act, a Managing Director or Whole-time Director or Manager may be paid such remuneration (whether by way of salary, commission or participation in profits or partly in one way and party in other) as the Board may determine subject to applicable provisions of the Act.
- 116. The Board, subject to Section 179 and any other applicable provisions of the Act, may entrust to and confer upon a Managing Director or Whole-time Director or Manager any of the powers exercisable by them upon such terms and conditions and with such restrictions, as they may think fit and either collaterally with or to the exclusion of their own powers and may, from time to time, revoke, withdraw or alter or vary all or any of such powers.
- 117. Subject to the provisions of the Act-
 - (i) A Chief Executive Officer, Company Secretary or Chief Financial Officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any Chief Executive Officer, Company Secretary or Chief Financial officer so appointed may be removed by means of a resolution of the Board;
 - (ii) A Director may be appointed as Chief Executive Officer, Manager or Chief Financial Officer.

Circular Resolutions

- 118. Save as otherwise expressly provided in the Act, a resolution in writing, signed, whether manually or by secure electronic mode, by a majority of the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

Power of the board and Constitution of Committees of the Board

- 119. Subject to Section 179 of the Act, the Directors shall have the right to delegate any of their powers to such Managers, agents or other Persons as they may deem fit and may at their own discretion revoke, vary or withdraw such powers.
- 120. The Board of Directors shall, or shall authorize Persons in their behalf, to make necessary filings with governmental authorities in accordance with the Act and other applicable Law, as may be required from time to time.

121. Subject to the provisions of the Act and these Articles, the management of affairs of the Company shall be vested in the Board who shall be entitled to exercise all such powers, and to do all such acts and things as the Company is authorized to exercise and do; provided that the Board shall not exercise any power or do any act or thing which is directed or required, whether by the Act, or any other statute or by the Memorandum of Association or by these Articles or otherwise, to be exercised or done by the Company in a General Meeting; provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions in that behalf contained in the Act or any other statute or in the Memorandum of Association of the Company or in these Articles, or in any regulations not inconsistent therewith and duly made thereunder, including regulations made by the Company in a General Meeting, but no regulation made by the Company in a General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit and may determine their functions, powers, authorities and responsibilities. Such Committees will meet as frequently as the Board may decide, subject to applicable Laws.

122. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
123. A committee may elect a Chairman of its meetings and may also determine the period for which he is to hold office. If no such Chairman is elected, or if at any meeting the Chairman is not present within 5 (five) minutes after the time appointed for holding the meeting, the Members present may choose one of their Members to be Chairman of the meeting.
124. A committee may meet and adjourn as it thinks fit.
125. Questions arising at any meeting of a committee shall be determined by a majority of votes of the Directors present. The chairperson of the committee, if any, shall not have any second or casting vote.
126. The Directors shall have the power to open bank accounts, to sign cheques on behalf of the Company and to operate all banking accounts of the Company and to receive payments, make endorsements, draw and accept negotiable instruments, hundies and bills or may authorise any other Person or Persons to exercise such powers.

Dividends and Reserve

127. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board. But the Company in general meeting may declare a lesser dividend.
128. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends (including special dividends) as appear to it to be justified by the profits of the company.
129. (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.
- (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
- (iii) The company shall not declare dividend unless carried over previous losses and depreciation not provided in previous year or years are set off against profit of the company for the current year.
130. No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by law.
131. Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is

- paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.
132. No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share. Where capital is paid in advance of calls on any share, such capital may carrying interest, shall not confer a right to dividend or to participate in the profits, subsequently declared.
133. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
134. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.
135. Any dividend, interest or other monies payable in cash in respect of shares maybe paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
136. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
137. Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.
138. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
139. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
140. No dividend shall bear interest against the company.
141. Where the Company has declared a dividend which has not been paid or the dividend warrant in respect thereof has not been posted within 30 days from the date of declaration to any shareholder entitled to the payment of the dividend the Company shall within such period as prescribed under applicable law, open a special account in that behalf in any scheduled bank called “Unpaid dividend Account” and transfer to the said account, the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted. Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the fund known as the Investor Education and Protection Fund established under Section 125 of the Act. A claim to any money so transferred to the Investor Education and Protection Fund may be preferred to the Central Government by the shareholders to whom the money is due. No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by the law.

Inspection of Accounts

142. (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being Directors.
- (ii) No member (not being a Director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorized by the Board or by the company in general meeting.

Secrecy

143. No Member shall be entitled to inspect the Company’s works without the permission of the Directors or to require discovery of any information respectively and detail of the Company’s trading or any matter which is or may be in

the nature of a trade secret, history of trade or secret process which may be related to the conduct of the business of the Company and which in the opinion of the management will be inexpedient in the interest of the Members of the Company to communicate to the public.

Winding up

144. Subject to the provisions of Chapter XX of the Act and rules made there under-
- (i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
 - (ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
 - (iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

Indemnity & Insurance

145. Subject to the provisions of the Act, every Director, Managing Director, Whole-Time Director, Manager, Company Secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such Director, Manager, Company Secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such Director, Manager, Company Secretary or Officer or in any way in the discharge of his duties in such capacity including expenses.

Subject as aforesaid, every Director, Manager, Company Secretary, Chief Financial Officer Or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgment is given in his favor or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.

146. The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former Directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

General Power

147. Subject to the provisions of the Act and other applicable Law, the Board or any Committee thereof may from time to time, at their discretion raise or borrow funds or any sums of money for and on behalf of the Company from the Members or from other persons, companies or banks. Directors may also advance monies to the Company on such terms and conditions as may be approved by the Board.
148. The Board may, from time to time, secure the payment of such money in such manner and upon such terms and conditions in all respects as they think fit.
149. Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise, if permissible under the Act, and may be issued on the condition that they shall be convertible into Shares of any denomination and with any privileges and conditions as to redemption, surrender, drawings, allotment of Shares, attending (but not voting) at General Meetings, appointment of Directors and otherwise. Debentures with the rights to conversion into or allotment of Shares shall not be issued except with the sanction of the Company in General Meeting by a special resolution and subject to the provisions of the Act.
150. Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Articles authorizes and empowers the Company to have such rights, privileges or authorities and to carry such

transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

151. At any point of time from the date of adoption of these Articles, if the Articles are or become contrary to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “**Listing Regulations**”), the provisions of the Listing Regulations shall prevail over the Articles to such extent and the Company shall discharge all of its obligations as prescribed under the Listing Regulations, from time to time.

Employee Stock Option Schemes (ESOPs)

152. Subject to the provisions of Section 62 of the Act and other applicable laws, the Company may issue shares to employees including its Directors other than Independent Directors (as defined and provided under the Act) and such other persons as the Rules may allow, under ‘Employee Stock Option Scheme (ESOP)’ or any other scheme, if authorized by a special resolution of the Company, subject to the provisions of the Act, the Rules and applicable guidelines made thereunder, by whatever name called.

**Adopted by members in the Extra Ordinary General Meeting of the Company held on 25th, July 2024 subject to approval of Central Government*

** Adopted by members due to Conversion of Company from Private Limited to Public Limited (FFS Defence Engineering Private Limited to FFS Defence Engineering Limited) by passing of Special Resolution in EOGM held on 29/08/2024 and subject to approval by Registrar of Companies, Mumbai*

SECTION X – OTHER INFORMATION MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Draft Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Draft Prospectus will be delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at Plot No. J-17, Hingna MIDC, Hingna Road, Near IC Chawk, MIDC Nagpur, Nagpur (Urban) – 440 016, Maharashtra, India, from 10.00 a.m. to 5.00 p.m. on working days from the date of the Draft Prospectus until the Issue Closing Date.

Material Contracts

1. Memorandum of Understanding dated January 27, 2025 between our Company and the Lead Manager.
2. Agreement between Registrar and Share Transfer Agent and our Company dated January 27, 2025 appointing them as the Registrar to the Issue.
3. Underwriting Agreement dated [●], 2025 between our Company and Underwriter.
4. Market Making Agreement dated [●], 2025 between our Company, Lead Manager and Market Maker.
5. Tripartite agreement among the NSDL, our Company and Registrar to the Issue dated October 14, 2024.
6. Tripartite agreement among the CDSL, our Company and Registrar to the Issue dated November 4, 2024.
7. Banker to the Issue and Sponsor Bank Agreement dated [●], 2025 between our Company, the Lead Manager, Banker to the Issue and Registrar to the Issue.

Material Documents

1. Certificate of Incorporation of our Company in the name of “*FFS Industries Private Limited*” dated August 6, 2019, issued by the Registrar of Companies, Mumbai, Maharashtra.
2. Certificate of Incorporation of our Company in the name of “*FFS Defence Engineering Private Limited*” dated August 27, 2024 issued by the Registrar of Companies, Mumbai, Maharashtra.
3. Fresh Certificate of Incorporation consequent upon conversion in the name of ‘*FFS Defence Engineering Limited*’ dated October 8, 2024 issued by the Registrar of Companies, Mumbai, Maharashtra.
4. Certified true copy of the Memorandum and Articles of Association of our Company, as amended.
5. Certified true copy of the resolution passed at the meeting of the Board of Directors dated December 25, 2024 authorizing the Issue.
6. Certified true copy of the special resolution of the Shareholders passed at the Extraordinary General Meeting dated January 20, 2025 authorizing the Issue.
7. Statement of Tax Benefits dated February 18, 2025 issued by our Statutory Auditor, M/s. V S Bapna & Associates, Chartered Accountants.
8. Report of our Statutory Auditor, M/s. V S Bapna & Associates, Chartered Accountants dated December 12, 2024, on the Restated Financial Statements included in this Draft Prospectus.
9. Copies of audited financial statements of our Company for period ended September 30, 2024 and Fiscals 2024, 2023 and 2022.

10. Certified true copy of the resolution dated June 25, 2024 passed at the Board Meeting, appointing Kurian Jacob Varikad as the Whole-time Director of our Company.
11. Certified true copy of the resolution dated June 25, 2024 passed at the Board Meeting, appointing Avinash Purushottam Mool as the Whole-time Director of our Company.
12. Consents of Directors, Chief Financial Officer, Company Secretary and Compliance Officer, Statutory Auditor, Legal Advisor to the Issue, Banker to the Company, the Lead Manager, Registrar to the Issue, Underwriter, Market Maker, Bankers to the Issue, to act in their respective capacities.
13. Due Diligence Certificate dated February 18, 2025 from the Lead Manager to BSE.
14. Due Diligence Certificate dated [●], 2025 from the Lead Manager to SEBI.
15. Copy of in-principle approval from BSE *vide* letter dated [●], 2025 to use the name of BSE in this document for listing of Equity Shares on SME Platform of BSE.

Any of the contracts or documents mentioned in the Draft Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

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

Signed by all the Directors of FFS Defence Engineering Limited

Name and designation	Signature
Shishir Kumar Saha Non-Executive Chairman	Sd/-
Kurian Jacob Varikad <i>Whole-time Director</i>	Sd/-
Avinash Purushottam Mool <i>Whole-time Director</i>	Sd/-
Triloksingh Bahra <i>Non-Executive Director</i>	Sd/-
Manoj Kumar Ramrikh Pandey <i>Non-Executive and Independent Director</i>	Sd/-
Dipti Jain <i>Non-Executive and Independent Director</i>	Sd/-

Signed by the – Chief Financial Officer**Puneet Bapna**

Sd/-

Place: Mumbai

Date: February 18, 2025