



CFF FLUID CONTROL LIMITED

Corporate Identity Number is U28990MH2012PLC227023.

REGISTERED OFFICE	CORPORATE OFFICE	CONTACT PERSON	EMAIL AND TELEPHONE	WEBSITE
Plot No 01, Survey No 96, Kumbhivli Madap Khopoli, Khalapur, Raigarh-410203	503, Delphi, A Wing, Orchard Avenue, Hiranandani Business Park, Powai, Mumbai-400076	Sonika Mehta <i>Company Secretary and Compliance Officer</i>	Email: compliance@cffdefensys.com Telephone: +91-2246086806	www.cffdefensys.com
THE PROMOTERS OF OUR COMPANY				
Sunil Menon and Gautam Makkar				
DETAILS OF ISSUE				
TYPE	FRESH ISSUE SIZE (IN LAKHS)	OFS SIZE (BY NO. OF SHARES OR BY AMOUNT IN ₹)	TOTAL ISSUE SIZE	ELIGIBILITY 229(1) / 229(2) & SHARE RESERVATION AMONG NII & RII
Fresh Issue	₹ 8,580.00 Lakhs	Nil	₹ 8,580.00 Lakhs	The Issue is being made pursuant to Regulation 229(2) of SEBI ICDR Regulations. As the Company's post issue face value capital is more than ten crore rupees and upto twenty five crore rupees.
RISK IN RELATION TO THE FIRST ISSUE				
This being the first Public Issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹10 each and the Issue Price is 16.5 times the face value. The Issue Price (determined and justified by our Company in consultation with the Lead Manager) as stated under "Basis of Issue Price" beginning on page no. 66 of this Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.				
GENERAL RISK				
Investment 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 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 Prospectus. Specific attention of the investors is invited to "Risk Factors" beginning on page no. 20 of this Prospectus.				
COMPANY'S ABSOLUTE RESPONSIBILITY				
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this 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 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 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 issued through this Prospectus are proposed to be listed on SME Platform of BSE Limited ("BSE"). Our Company has received an In-Principle Approval letter dated January 19, 2023 from BSE Limited for using its name in this Offer Document for listing our shares on the SME Platform of BSE Limited. For the purpose of this Issue, the Designated Stock Exchange will be the BSE Limited ("BSE").				
LEAD MANAGER TO THE ISSUE			REGISTRAR TO THE ISSUE	
				
ARYAMAN FINANCIAL SERVICES LIMITED 60, Khatau Building, Ground Floor, Alkesh Dinesh Modi Marg, Opp. P. J. Towers (BSE Building), Fort, Mumbai – 400 001 Tel: +91 – 22 – 6216 6999 Email: ipo@afsl.co.in Website: www.afsl.co.in Investor Grievance Email: feedback@afsl.co.in Contact Person: Jigar Bhanushali / Harsha Lohia SEBI Registration No.: INM000011344			CAMEO CORPORATE SERVICES LIMITED Subramanian Building, No. 1, Club House Road, Chennai – 600 002. Tel.: +91 - 44 – 40020700 (5 Lines) E-mail: priya@cameoindia.com Investor Grievance Email: investor@cameodina.com Website: www.cameoindia.com Contact Person: K. Sreepriya SEBI Registration. No.: INR 000003753	
ISSUE OPENS ON			ISSUE CLOSES ON	
May 30, 2023			June 02, 2023	



CFF FLUID CONTROL LIMITED

Our Company was incorporated as Flash Forge Fluid Control Private Limited on February 16, 2012 under the Companies Act, 1956 with the Registrar of Companies, Mumbai, Maharashtra bearing Registration number 227023. The name of our company was changed to CFF Fluid Control Private Limited vide Special resolution dated September 21, 2012. The fresh certificate of incorporation consequent of name change was issued on October 19, 2012 by the Registrar of Companies, Mumbai, Maharashtra. Further the status of the Company was changed to Public limited and the name of our Company was changed to CFF Fluid Control Limited vide Special Resolution dated September 05, 2022. The fresh certificate of incorporation consequent to conversion was issued on September 15, 2022 by the Registrar of Companies, Mumbai, Maharashtra. The Corporate Identification Number of our Company is U28990MH2012PLC227023. For further details pertaining to the change of name of our Company and the change in Registered Office, please refer the chapter "History and Certain Corporate Matters" on page no. 116 of this Prospectus.

Registered Office: Plot No 01, Survey No 96, Kumbhivli Madap Khopoli, Khalapur, Raigarh-410203
Corporate Office: 503, Delphi, A Wing, Orchard Avenue, Hiranandani Business Park, Powai, Mumbai-400076
Tel No.: +91 - 22 - 40021599. **Email:** compliance@cffdefensys.com **Website:** www.cffdefensys.com
Contact Person: Sonika Mehta, Company Secretary and Compliance Officer.
Our Promoters: Sunil Menon And Gautam Makkar

THE ISSUE

INITIAL PUBLIC OFFER OF 52,00,000 EQUITY SHARES OF ₹ 10 EACH ("EQUITY SHARES") OF CFF FLUID CONTROL LIMITED ("CFF" OR THE "COMPANY") FOR CASH AT A PRICE OF ₹ 165 PER SHARE (THE "ISSUE PRICE"), AGGREGATING TO ₹ 8,580.00 LAKHS ("THE ISSUE"), OF WHICH 2,60,800 EQUITY SHARES OF ₹ 10 EACH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 49,39,200 EQUITY SHARES OF ₹ 10 EACH IS HERINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.70% AND 25.36%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.

THE FACE VALUE OF THE EQUITY SHARE IS ₹ 10 AND THE ISSUE PRICE IS 16.5TIMES OF THE FACE VALUE

In terms of Rule 19(2) (b) (i) of the SCRR this Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. This Issue is being made through Fixed Price process in accordance and compliance with Chapter IX and other applicable provisions of SEBI ICDR Regulations wherein a minimum 50% of the Net Issue is allocated for Retail Individual Applicants and the balance shall be offered to individual applicants other than Retail Individual Applicants and other investors including corporate bodies or institutions, QIBs and Non-Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Issue Price. Additionally, if the Retail Individual Applicants category is entitled to more than fifty per cent on proportionate basis, the Retail Individual Applicants shall be allocated that higher percentage. For further details please refer the section titled "Issue Information" beginning on page no. 187 of this Prospectus.

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 respective bank accounts and / or UPI IDs, in case of RIIs, if applicable, which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to "Issue Procedure" on page no.196 of this Prospectus. A copy will be filed with the Registrar of Companies as required under Section 26 of the Companies Act, 2013.

RISK IN RELATION TO THE FIRST ISSUE

This being the first Public Issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 10 each and the Issue Price is 16.5 times the face value. 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 66 of this 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

Investment 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 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 Prospectus. Specific attention of the investors is invited to "Risk Factors" beginning on page no. 20 of this Prospectus.

COMPANY'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this 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 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 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 issued through this Prospectus are proposed to be listed on SME Platform of BSE Limited ("BSE"). Our Company has received an In-Principle Approval letter dated January 19, 2023 from BSE Limited for using its name in this Offer Document for listing our shares on the SME Platform of BSE Limited. For the purpose of this Issue, the Designated Stock Exchange will be the BSE Limited ("BSE").

LEAD MANAGER TO THE ISSUE



ARYAMAN FINANCIAL SERVICES LIMITED
60, Khatau Building, Ground Floor, Alkesh Dinesh Modi Marg,
Opp. P. J. Towers (BSE Building), Fort, Mumbai – 400 001
Tel No.: +91 22 6216 6999
Email: ipo@afsl.co.in
Website: www.afsl.co.in
Investor Grievance Email: feedback@afsl.co.in
Contact Person: Jigar Bhanushali / Harsha Lohia
SEBI Registration No. INM000011344

REGISTRAR TO THE ISSUE



CAMEO CORPORATE SERVICES LIMITED
Subramanian Building, No. 1, Club House Road,
Chennai – 600 002.
Tel.: +91 - 44 – 40020700 (5 Lines)
E-mail: priya@cameoindia.com
Investor Grievance Email: investor@cameodina.com
Website: www.cameoindia.com
Contact Person: Ms. K. Sreepriya
SEBI Registration. No.: INR 000003753

ISSUE OPENS ON

May 30, 2023

ISSUE CLOSES ON

June 02, 2023

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rule, guideline or policy shall be to such legislation, act, regulation, rule, guideline or policy, as amended, supplemented or re-enacted from time to time.

The words and expressions used in this Prospectus but not defined herein shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made there under. If there is any inconsistency between the definitions given below and the definitions contained in the General Information Document (defined hereinafter), the following definitions shall prevail.

General Terms

Term	Description
CFF Fluid Control Limited / CFF / The Company / Company / We / Us / Our Company	Unless the context otherwise indicates or implies refers to CFF Fluid Control Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 with its registered office in the Plot No 01, Survey No 96, Kumbhivli Madap Khopoli, Khalapur, Raigarh-410203

Company related Terms

Term	Description
AoA/ Articles / Articles of Association	The articles of association of our Company, as amended from time to time
Audit Committee	The committee of the Board of Directors constituted on November 04,2022 as our Company's Audit Committee in accordance with Section 177 of the Companies Act, 2013
Auditors/Statutory Auditors	V. N. Purohit & Co., Chartered Accountants, being the current Statutory Auditors of our Company.
Board of Directors / Board	The Board of Directors of CFF Fluid Control Limited, including all duly constituted Committees thereof.
Chief Financial Officer	Chief financial officer of our Company is Hitesh Birla.
Company Secretary and Compliance Officer	The Company Secretary and Compliance officer of our Company is Sonika Mehta.
Director(s)	Director(s) of CFF Fluid Control Limited, unless otherwise specified.
Equity Shares	Equity Shares of our Company of Face Value of Rs. 10 each unless otherwise specified in the context thereof.
Equity Shareholders	Persons holding Equity Share of our Company
Group Companies	In terms of SEBI ICDR Regulations, the term "Group Companies" includes companies (other than our Promoter) with which there were related party transactions as disclosed in the Restated Financial Statements as covered under the applicable accounting standards, and any other companies as considered material by our Board, in accordance with the Materiality Policy, as described in "Our Group Companies" on page no 135 of this Prospectus.
Independent Director(s)	The Independent Director(s) of our Company, in terms of Section 2(47) and Section 149(6) of the Companies Act, 2013.
ISIN	International Securities Identification Number. In this case being INE0NJ001013.
Key Management Personnel / KMP	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI (ICDR) Regulations, together with the Key Managerial Personnel of our Company in terms of Section 2(51) of the Companies Act, 2013 and as disclosed in the chapter titled "Our Management" on page no 120 of this Prospectus.
Materiality Policy	Policy adopted by our Company, in its Board meeting held on November 04, 2022 for identification of group companies, material creditors and material litigations.
MOA / Memorandum / Memorandum of Association	The memorandum of association of our Company, as amended from time to time

Term	Description
Nomination and Remuneration Committee	The nomination and remuneration committee of our Company, constituted on November 04, 2022 in accordance with Section 178 of the Companies Act, 2013, the details of which are provided in “Our Management” on page no. 120 of this Prospectus
Promoter(s) / Core Promoter	Sunil Menon and Gautam Makkar
Promoter Group	Such persons, entities and companies constituting our promoter group pursuant to Regulation 2(1) (pp) of the SEBI (ICDR) Regulations as disclosed in the Chapter titled “Our Promoters and Promoter Group” on page no. 131 of this Prospectus
Registered Office	The Registered Office of our Company situated at Plot No 01, Survey No 96, Kumbhivli Madap Khopoli, Khalapur, Raigarh-410203.
Corporate Office	503, Delphi, A Wing, Orchard Avenue, Hiranandani Business Park, Powai, Mumbai-400076.
Registrar of Companies / RoC	Registrar of Companies, Mumbai at Maharashtra situated at 100, Everest, Marine Drive, Mumbai 400 002.
Restated Financial Statements	The financial information of the Company which comprises of the restated statement of assets and liabilities as at December 31, 2022, March 31, 2022, March 31, 2021 and March 31, 2020, and the restated statement of profit and loss and the restated cash flow statement for the years ended December 31, 2022, March 31, 2022, March 31, 2021 and March 31, 2020, and the related notes, schedules and annexures thereto included in this Prospectus, which have been prepared in accordance with Section 133 of the Companies Act, 2013, and restated in accordance with the SEBI ICDR Regulations.
Stakeholders’ Relationship Committee	The stakeholder’s relationship committee of our Company, constituted on November 04, 2022 in accordance with Section 178 of the Companies Act, 2013, the details of which are provided in “Our Management” on page no 120 on this Prospectus
willful defaulter or a fraudulent borrower(s)	Willful defaulter as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations.

Issue Related Term

Term	Description
Abridged Prospectus	Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by SEBI in this behalf
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application Form.
Allot / Allotment / Allotted	Unless the context otherwise requires, allotment or transfer, as the case may be of Equity Shares offered pursuant to the Fresh Issue to the successful Applicants
Allotment Advice	A note or advice or intimation of Allotment sent to the Applicants who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allottees	The successful applicant(s) to whom the Equity Shares are being / have been allotted.
Applicant / Investor	Any prospective investor who makes an application pursuant to the terms of the Prospectus.
Application Amount	The amount at which the prospective investors shall apply for Equity Shares of our Company in terms of the Prospectus.
Application Supported by Blocked Amount/ ASBA	An application whether physical or electronic, used by ASBA Applicant to make an application authorizing an SCSB to block the Application Amount in the specified Bank Account maintained with such SCSB and will include applications made by RIIs using the UPI Mechanism, where the Application Amount shall be blocked upon acceptance of UPI Mandate Request by RIIs using UPI Mechanism.
ASBA Account	A bank account maintained with an SCSB by an ASBA Applicants, as specified in the ASBA Form submitted by ASBA Applicants for blocking the Application Amount mentioned in the relevant ASBA Form and includes the account of an RIIs which is blocked upon acceptance of a UPI Mandate Request made by the RIIs using the UPI Mechanism.
ASBA Applicant(s)	Any prospective investors in the Issue who intend to submit the Application through the ASBA process.
ASBA Application / Application	An application form, whether physical or electronic, used by ASBA Applicants which will be considered as the application for Allotment in terms of the Prospectus.

Term	Description
ASBA Form/ Application Form	An application form (with and without the use of UPI, as may be applicable), whether physical or electronic, used by the ASBA Applicants and which will be considered as an application for Allotment in terms of the Prospectus.
Banker(s) to the Company	Such banks which are disclosed as Bankers to our Company in the chapter titled “General Information” on page no 42 of this Prospectus.
Banker(s) to the Issue	Collectively, Escrow Collection Bank, Public Issue Bank, Sponsor Bank and Refund Bank, as the case may be, which are Clearing Members and registered with SEBI as Banker to the Issue with whom the Escrow Agreement is entered and in this case being Axis Bank Limited.
Banker(s) to the Issue Agreement	The agreement dated January 25, 2023 entered into amongst our Company, the Registrar to the Issue, the LM, and Banker(s) to the Issue in accordance with the UPI Circulars, transfer of funds to the Public Issue Account(s) and where applicable remitting refunds, if any, to Applicants, on the terms and conditions thereof
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants under the Issue and which is described in the chapter titled “Issue Procedure” beginning on page no 196 of this Prospectus.
Broker Centres	Broker centres notified by the Stock Exchanges where Applicants can submit the ASBA Forms (in case of RIIs only ASBA Forms under UPI) to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Broker are available on the respective websites of the Stock Exchange.
Business Day	Monday to Friday (except public holidays).
CAN / Confirmation of Allocation Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange.
Client ID	Client identification number maintained with one of the Depositories in relation to demat account.
Collecting Depository Participant(s) or CDP(s)	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. GR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI and the UPI Circulars issued by SEBI as per the list available on the websites of Stock Exchange.
Collecting Registrar and Share Transfer Agents / CRTAs	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 and the UPI Circulars issued by SEBI
Controlling Branches	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.
Collection Centres	Centres at which the Designated intermediaries shall accept the Application Forms, being the Designated SCSB Branch for SCSBs, specified locations for syndicate, broker centre for registered brokers, designated RTA Locations for RTAs and designated CDP locations for CDPs.
Demographic Details	The demographic details of the Applicants such as their Address, PAN, Occupation, Bank Account details and UPI ID (if applicable).
Depository / Depositories	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996 i.e. CDSL and NSDL.
Depository Participant / DP	A depository participant as defined under the Depositories Act
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the ASBA Forms and in case of RIIs only ASBA Forms with UPI. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the website of the Stock Exchange.

Term	Description
Designated Date	The date on which funds are transferred from the Escrow Account and the amounts blocked by the SCSBs (in case of RIIs using UPI Mechanism, instruction issued through the Sponsor Bank) are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, in terms of the Prospectus, and the aforesaid transfer and instructions shall be issued only after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange.
Designated Intermediaries / Collecting Agent	In relation to ASBA Forms submitted by RIIs authorising an SCSB to block the Application Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by RIIs where the Application Amount will be blocked upon acceptance of UPI Mandate Request by such RII using the UPI Mechanism, Designated Intermediaries shall mean syndicate members, sub-syndicate members, Registered Brokers, CDPs and RTAs. In relation to ASBA Forms submitted by QIBs and NIBs, Designated Intermediaries shall mean SCSBs, syndicate members, sub-syndicate members, Registered Brokers, CDPs and RTAs.
Designated Market Maker	Aryaman Capital Markets Limited will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI ICDR Regulations.
Designated 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 websites of the Stock Exchange.
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms (other than ASBA Forms submitted by RIIs where the Application Amount will be blocked upon acceptance of UPI Mandate Request by such RII using the UPI Mechanism), a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes . Intermediaries or at such other website as may be prescribed by SEBI from time to time
Designated Stock Exchange	BSE LIMITED (“BSE”)
Draft Prospectus	The Draft Prospectus dated December 12, 2022 issued in accordance with the SEBI ICDR Regulations.
Eligible NRI(s)	An NRI(s) from such a jurisdiction outside India where it is not unlawful to make an Issue or invitation under this Issue and in relation to whom the Application Form and the Prospectus will constitute an invitation to purchase the equity shares.
First or Sole Applicant	Applicant whose name shall be mentioned in the Application Form or the Revision Form and in case of joint Applicants, whose name shall also appear as the first holder of the beneficiary account held in joint names.
Foreign Institutional Investors/ FII	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
Foreign Portfolio Investor / FPIs	Foreign Portfolio Investor as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019.
Fresh Issue	Fresh Issue of 52,00,000 Equity Shares of face value ₹ 10 each for cash at a price of ₹ 165 per Equity Shares aggregating ₹ 8,580.00lakhs by our Company
Fresh Issue Proceeds	The proceeds of the Fresh Issue as stipulated by the Company. For further information about use of the Fresh Issue Proceeds please see the chapter titled “Objects of the Issue” beginning on page no. 60 of this Prospectus
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
General Information Document or GID	The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, as amended by SEBI from time to time and the UPI Circulars. The General Information Document shall be available on the websites of the Stock Exchange and the LM.
Issue	The Initial Public Offer of 52,00,000 Equity Shares of face value of ₹10 each for cash at a price of ₹ 165 each (including securities premium of ₹ 155per Equity Share) aggregating to ₹ 8,580.00lakhs consisting of a Fresh Issue only.

Term	Description
Issue Agreement	The Memorandum of Understanding (MoU) dated November 16, 2022 and Addendum dated January 25, 2023, entered amongst our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Opening date	The date on which the Issue opens for subscription being May 30, 2023
Issue Closing date	The date on which the Issue closes for subscription being June 02, 2023
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants can submit their Applications, including any revisions thereof.
Issue Price	The price at which the Equity Shares are being issued by our Company in consultation with the Lead Manager being ₹ 165 per share.
Issue Proceeds	Proceeds to be raised by our Company through this Issue. For further information about use of the Issue Proceeds, see “Objects of the Issue” on page no. 60 of this Prospectus.
Issue Size	The Public Issue 52,00,000 of Equity shares of Rs. 10 each at price of ₹ 165 per Equity share, aggregating to ₹8,580.00lakhs by our Company.
LM / Lead Manager	Lead Manager to the Issue, in this case being Aryaman Financial Services Limited
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and BSE Limited.
Lot Size	The Market lot and Trading lot for the Equity Share is 800 and in multiples of 800 thereafter; subject to a minimum allotment of 800 Equity Shares to the successful applicants.
Market Making Agreement	The Agreement among the Market Maker, the Lead Manager and our Company dated January 17, 2023 with addendum dated January 25, 2023.
Market Maker Reservation Portion	The Reserved portion of 2,60,800 Equity shares of ₹10 each at an Issue Price of ₹ 165 per share aggregating to ₹ 430.32lakhs for Designated Market Maker in the Public Issue of our Company.
Minimum Promoters' Contribution	Aggregate of 20% of the fully diluted post-Issue Equity Share capital of our Company held by our Promoters which shall be provided towards minimum promoters' of 20% and locked-in for a period of three years from the date of Allotment.
Mobile App(s)	The mobile applications listed on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as may be updated from time to time, which may be used by RIIs to submit Applications using the UPI Mechanism
Mutual Fund	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
Net Issue	The Net Issue of 49,39,200 Equity Shares of ₹10 each at price of ₹ 165 per Equity Shares aggregating to ₹ 8,149.68 lakhs by our Company.
Net Proceeds	Proceeds of the Issue that will be available to our Company, i.e. gross proceeds of the Fresh Issue, less Issue expenses to the extent applicable to the Fresh Issue. For further details regarding the use of the Net Proceeds and the Issue expenses, see “Objects of the Issue” beginning on page no. 60 of this Prospectus.
Non-Institutional Applicant/ NIIs	All Applicants including FPIs that are not Qualified Institutional Buyers or Retail Individual Applicants and who have Applied for Equity Shares for a cumulative amount more than ₹2,00,000 (but not including NRIs other than Eligible NRIs).
Non Resident or NRI	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FIIs registered with SEBI and FVCI's registered with SEBI
OCB / Overseas Corporate Body	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Issue.
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, Company, partnership, limited liability Company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.

Term	Description
Prospectus	The Prospectus dated May 23, 2023, to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013, containing, inter alia, the Issue opening and Closing date and other information
Public Issue Account	A bank account opened with Bankers to the Issue under Section 40(3) of the Companies Act, 2013 to receive monies from the Escrow Account and ASBA Accounts on the Designated Date
Public Issue Bank	A bank which is a clearing member and registered with SEBI as a Banker to an Issue and with whom the Public Issue Account is opened, in this case being Axis Bank Limited.
Qualified Institutional Buyers / QIBs	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Refund Account	The account to be opened with the Refund Bank, from which refunds, if any, of the whole or part of the Application Amount to the Applicants shall be made.
Refund Bank(s)	The bank which is a clearing member and registered with SEBI as a Banker to an Issue and with whom the Refund Account is opened, in this case being Axis Bank Limited.
Registered Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate eligible to procure Applications in terms of Circular No. CIR/CFD/14/2012 dated October 04, 2012 issued by SEBI.
Registrar Agreement	The agreement dated November 15, 2022 entered amongst our Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue.
Registrar and Share Transfer Agents/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 / Registrar to the Issue	Registrar to the Issue being CAMEO CORPORATE SERVICES LTD.
Retail Individual Investors / RII(s)	Individual Applicants, who have Application for the Equity Shares for an amount not more than ₹ 2,00,000 in any of the applying options in the Issue (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs)
Revision Form	Form used by the Applicants to modify the quantity of the Equity Shares or the Applicant Amount in any of their ASBA Form(s) or any previous Revision Form(s). QIB Applicants and Non-Institutional Applicants are not allowed to withdraw or lower their Applications (in terms of quantity of Equity Shares or the Application Amount) at any stage. Retail Individual Applicants can revise their Application during the Issue Period or withdraw their Applications until Issue Closing Date.
Self-Certified Syndicate Bank(s) / SCSBs	The banks registered with SEBI, which offer services, (i) in relation to ASBA, where the Application Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to RIIs using the 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 updated from time to time. Applications through UPI in the Issue can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI Mechanism is appearing in the “list of mobile applications for using UPI in public issues” displayed on the SEBI website. The said list shall be updated on the SEBI website.
Specified Locations	Centres where the Syndicate shall accept ASBA Forms from Applicants and in case of RIIs only ASBA Forms with UPI, a list of which is available on the website of SEBI (www.sebi.gov.in) and updated from time to time.
Sponsor Bank	Axis Bank Limited, being the Banker to the Issue, 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 RIIs using the UPI Mechanism and carry out other responsibilities, in terms of the UPI Circulars.

Term	Description
Systemically Important Non-Banking Financial Company	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
TRS / Transaction Registration Slip	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the Applicant, as proof of registration of the Application.
Underwriters	The underwriters in this case are Aryaman Financial Services Limited and Aryaman Capital Markets Limited.
Underwriting Agreement	The agreement dated January 17, 2023 with addendum dated January 25, 2023 entered amongst our Company and the Underwriters.
“Unified Payments Interface” or “UPI”	Unified payments interface which is an instant payment mechanism, developed by NPCI
UPI Circulars	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, circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI Circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and any subsequent circulars or notifications issued by SEBI in this regard.
UPI ID	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the National Payments Corporation of India (NPCI).
UPI Mandate Request	A request (intimating the RII by way of a notification on the UPI application and by way of a SMS directing the RII to such UPI application) to the RII initiated by the Sponsor Bank to Authorize blocking of funds on the UPI application equivalent to Application Amount and subsequent debit of funds in case of Allotment.
UPI mechanism	The Application mechanism that may be used by an RII to make an Application in the Issue in accordance the UPI Circulars to make an ASBA Applicant in the Issue.
UPI PIN	Password to authenticate UPI transaction.
U.S. Securities Act	U.S. Securities Act of 1933, as amended.
Working Day	Any day, other than the second and fourth Saturdays of each calendar month, Sundays and public holidays, on which commercial banks in Mumbai are open for business; provided however, with reference to (i) announcement of Price Band; and (ii) Issue Period, “Working Day” shall mean any day, excluding all Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and with reference to (iii) the time period between the Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI circular number SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 and the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, including the UPI Circulars.

Technical / Industry related Terms

Term	Description
CAD	Computer-aided design
CAGR	Compound annual growth rate
CAM	Computer-aided manufacturing
CNC	Computer numerical control
CSL	Cochin Shipyard Limited
CUAL	Copper- Aluminium
CUNI	Copper- Nickel
DIO	Defence Innovation Organization
DPIIT	Department for Promotion of Industry and Internal Trade
DPSU	Defence Public Sector Undertaking
DRDO	Defence Research and Development Organisation
DTTI	Defence Technology and Trade Initiative

Term	Description
FDI	Foreign Direct Investment
FPPS	Fuel Pool Purification System
GOI	Government of India
GRSE	Garden Reach Shipbuilders and Engineers
HSL	Hindustan Shipyard
IBEF	India Brand Equity Foundation
IMO	International Maritime Organization
Indian Navy	The Indian Navy is the maritime branch of the Indian Armed Forces.
LoI	Letter of Intent
MoD	Ministry of Defence
MSME	Micro, Small & Medium Enterprises
NAB	Nickel- Aluminium- Bronze
Naval Group	Naval Group is a major French industrial group specialized in naval defense design, development and construction. Naval Group designs, develops and manages the operational readiness of surface and underwater naval systems, and of their associated systems and infrastructures.
NSS	Nuclear Sampling Systems
NSTL	Naval Science & Technological Laboratory
OEM	Original Equipment Manufacturer
Prototype	the first model or design of something from which other forms will be developed
PSU	Public sector unit
SG	steam generators
SGBS	steam generator blow down system
TNC	Trade Negotiations Committee)
TOT	Transfer of Technology
TWA	Towed Wire Antenna
VNC	vertical machining centers

Conventional Terms / General Terms / Abbreviations

Term	Description
A/c	Account
AGM	Annual General Meeting
AIF	Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
AS / Accounting Standards	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
AY	Assessment Year
BSE	BSE Limited
CAGR	Compound Annual Growth Rate
Category I Alternate Investment Fund / Category I AIF	AIFs who are registered as “Category I Alternative Investment Funds” under the SEBI AIF Regulations.
Category I foreign portfolio investor(s) / Category I FPIs	FPIs who are registered as “Category I foreign portfolio investors” under the SEBI FPI Regulations
Category II Alternate Investment Fund / Category II AIF	AIFs who are registered as “Category II Alternative Investment Funds” under the SEBI AIF Regulations.
Category II foreign portfolio investor(s) / Category II FPIs	FPIs who are registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations
Category III Alternate Investment Fund /	AIFs who are registered as “Category III Alternative Investment Funds” under the SEBI AIF Regulations.

Term	Description
Category III AIF	
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIBIL	Credit Information Bureau (India) Limited
CIN	Company Identification Number
CIT	Commissioner of Income Tax
Client ID	Client identification number of the Applicant's beneficiary account
Companies Act	Unless specified otherwise, this would imply to the provisions of the Companies Act, 2013 (to the extent notified) and /or Provisions of Companies Act, 1956 w.r.t. the sections which have not yet been replaced by the Companies Act, 2013 through any official notification.
Companies Act, 1956	The Companies Act, 1956, as amended from time to time
Companies Act, 2013	The Companies Act, 2013 published on August 29, 2013 and applicable to the extent notified by MCA till date.
CSR	Corporate Social Responsibility
CST	Central Sales Tax
CY	Calendar Year
DIN	Director Identification Number
DP	Depository Participant, as defined under the Depositories Act 1996
DP ID	Depository Participant's identification
EBITDA	Earnings before Interest, Taxes, Depreciation and Amortization
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EMDEs	Emerging Markets and Developing Economies
EPS	Earnings Per Share
FCNR Account	Foreign Currency Non Resident Account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017
FIIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 registered with SEBI under applicable laws in India
FPIs	Foreign Portfolio Investors as defined under the SEBI FPI Regulations
FIPB	Foreign Investment Promotion Board
FVCI	Foreign Venture Capital Investors as defined and registered under the SEBI FVCI Regulations
FY / Fiscal / Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
GDP	Gross Domestic Product
GoI/Government	Government of India
GST	Goods & Services Tax
HNIIs	High Networth Individuals
HUF	Hindu Undivided Family
IAS Rules	Indian Accounting Standards, Rules 2015
ICAI	The Institute of Chartered Accountants of India
ICSI	Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
Indian GAAP	Generally Accepted Accounting Principles in India
Ind AS	Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standard) Rules, 2015
I.T. Act	Income Tax Act, 1961, as amended from time to time
IPO	Initial Public Offering
ISIN	International Securities Identification Number
KM / Km / km	Kilo Meter
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant

Term	Description
	Bankers) Regulations, 1992
MoF	Ministry of Finance, Government of India
MICR	Magnetic Ink Character Recognition
MOU	Memorandum of Understanding
NA / N. A.	Not Applicable
NAV	Net Asset Value
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NOC	No Objection Certificate
NRE Account	Non Resident External Account
NRIs	A person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60.00% by NRIs including overseas trusts, in which not less than 60.00% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
p.a.	per annum
P/E Ratio	Price/Earnings Ratio
PAC	Persons Acting in Concert
PAN	Permanent Account Number
PAT	Profit After Tax
PLR	Prime Lending Rate
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
RoC	Registrar of Companies
ROE	Return on Equity
RONW	Return on Net Worth
Rupees / Rs. / ₹	Rupees, the official currency of the Republic of India
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	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012, as amended from time to time.
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time.
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended from time to time.
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time.
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time.
SEBI LODR Regulations, 2015 / SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
SEBI SAST Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time.
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as repealed by the SEBI AIF Regulations
Sec.	Section
Securities Act	U.S. Securities Act of 1933, as amended

Term	Description
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
STT	Securities Transaction Tax
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time.
TIN	Taxpayers Identification Number
TDS	Tax Deducted at Source
UPI	Unified Payments Interface, a payment mechanism that allows instant transfer of money between any two persons bank account using a payment address which uniquely identifies a person's bank account
US/United States	United States of America
USD/ US\$/ \$	United States Dollar, the official currency of the Unites States of America
VAT	Value Added Tax
VCF / Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.

The words and expressions used but not defined in this Prospectus will have the same meaning as assigned to such terms under the Companies Act, the SEBI Act, the SCRA, the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in “Description of Equity Shares and Terms of the Articles of Association”, “Statement of Possible Special Tax Benefits”, “Industry Overview”, “Key Regulations and Policies”, “Financial Information of our Company”, “Outstanding Litigations and Material Developments” and “Issue Procedure”, will have the meaning ascribed to such terms in these respective sections.

CERTAIN CONVENTIONS AND PRESENTATION OF FINANCIAL

Certain Conventions

All references to “India” contained in this Prospectus are to the Republic of India. In this Prospectus, our Company has presented numerical information in “lakhs” units. One represents 1,00,000.

Financial Data

Unless stated otherwise, the financial information in this Prospectus is derived from our Restated Financial Statements. The Restated Financial Statements included in this Prospectus are for the period ended December 31, 2022, March 31, 2022, March 31, 2021 and March 31, 2020 and have been prepared in accordance with Indian GAAP and the Companies Act, and have been restated in accordance with the SEBI (ICDR) Regulations. For further information, please refer “Financial Information” beginning on page no.138 of this Prospectus.

In this Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places.

Our Company’s financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the 12-month period ended on March 31 of that year. Unless stated otherwise, or the context requires otherwise, all references to a “year” in this Prospectus are to a calendar year.

There are significant differences between Indian GAAP, IFRS and US GAAP. The Company has not attempted to quantify their impact on the financial data included herein and urges you to consult your own advisors regarding such differences and their impact on the Company’s financial data. Accordingly, to what extent, the financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices / Indian GAAP. Any reliance by persons not familiar with Indian Accounting Practices on the financial disclosures presented in this Prospectus should accordingly be limited.

Unless the context otherwise indicates, any percentage amounts, as set forth in “Risk Factors”, “Our Business” and “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” on page nos 20, 92 and 158 respectively, of this Prospectus, and elsewhere in this Prospectus have been calculated on the basis of the Restated Financial Statements of our Company.

Currency and Units of Presentation

All references to “Rupees”, “Rs.” or “₹” are to Indian Rupees, the official currency of the Republic of India. All references to “US\$” or “US Dollars” or “USD” are to United States Dollars, the official currency of the United States of America.

This Prospectus may contain conversions of certain US Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI Regulations. These conversions should not be construed as a representation that those US Dollar or other currency amounts could have been, or can be converted into Indian Rupees, at any particular rate.

Definitions

For definitions, please refer the Chapter titled “*Definitions and Abbreviations*” on page no. 1 of this Prospectus. In the Section titled “*Main Provisions of the Articles of Association of our Company*” beginning on page no. 214 of this Prospectus, defined terms have the meaning given to such terms in the Articles of Association.

Industry and Market Data

Unless stated otherwise, the industry and market data and forecasts used throughout this Prospectus has been obtained from industry sources as well as Government Publications. Industry sources as well as Government 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 and underlying assumptions are not guaranteed and their reliability cannot be assured.

Further, the extent to which the industry and market data presented in this Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are 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 Prospectus that are not statements of historical fact constitute forward-looking statements. All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements with respect to our business strategy, our revenue and profitability, our projects and other matters discussed in this Prospectus regarding matters that are not historical facts. Investors can generally identify forward-looking statements by the use of terminology such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “may”, “will”, “will continue”, “will pursue”, “contemplate”, “future”, “goal”, “propose”, “will likely result”, “will seek to” or other words or phrases of similar import. All forward looking statements (whether made by us or any third party) are predictions and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect.

Further the actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industries in India in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and overseas which have an impact on our business activities or investments, the monetary and fiscal policies of India and other jurisdictions in which we operate, inflation, deflation, unanticipated volatility in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in our industry and incidence of any natural calamities and/or acts of violence. Other important factors that could cause actual results to differ materially from our expectations, include, but are not limited to, the following:

- Changes in laws and regulations relating to the sectors/areas in which we operate;
- Inability to identify the new premises may adversely affect the operations, finances and profitability of the Company;
- Loss of one or more of our key customers
- Inability to identify or effectively respond to consumer needs, expectations or trends in a timely manner;
- Our ability to successfully implement our growth strategy and expansion plans, and to successfully launch and implement various projects;
- Volatility of Loan interest rates and inflation;
- Our failure to keep pace with rapid changes in technology;
- Our ability to meet our further capital expenditure requirements;
- Fluctuations in operating costs;
- Our ability to attract and retain qualified personnel;
- Conflict of Interest with affiliated companies, the promoter group and other related parties;
- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Changes in government policies and regulatory actions that apply to or affect our business;
- The performance of the financial markets in India and globally;
- The occurrence of natural disasters or calamities; and
- Failure to successfully upgrade our products and service portfolio, from time to time.

For further discussions of factors that could cause our actual results to differ, please refer the section titled “*Risk Factors*”, “*OurBusiness*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page nos. 20, 92 and 158 of this Prospectus, respectively.

Neither our Company, our Directors, our Promoter, the Lead Manager nor any of their respective 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 will ensure that investors in India are informed of material developments from the date of this Prospectus until the time of the grant of listing and trading permission by the Stock Exchange.

SECTION II - SUMMARY OF OFFER DOCUMENT

A. Summary of Business

Our company is primarily in the business of manufacturing and servicing of shipboard machinery, critical component systems and test facilities for submarines & surface ships for The Indian Navy. Further we also design, manufacture and service Mechanical Equipments and systems for industries like Nuclear and Clean Energy.

B. Summary of Industry

We operate in Global Maritime Industry, Shipping Industry and Defence Industry. For more details, please refer chapter titled “Industry Overview” beginning on page 73 of this Prospectus

C. Our Promoter

Our Company is promoted by Sunil Menon And Gautam Makkar.

D. Size of Issue

Fresh Issue	52,00,000 Equity Shares of face value of ₹ 10 each for cash at a price of ₹ 165 per Equity Share aggregating ₹ 8,580.00lakhs
<i>Which comprises:</i>	
Issue Reserved for the Market Maker	2,60,800 Equity Shares of face value of ₹10 each for cash at a price of ₹ 165 per Equity Share aggregating ₹430.32lakhs.
Net Issue to Public	49,39,200 Equity Shares of face value of ₹10 each for cash at a price of ₹ 165 per Equity Share aggregating ₹ 8,149.68lakhs.

E. Object of the Issue

The details of the proceeds of the Issue are set forth in the table below:

(₹ in lakhs)

Particulars	Amount
Gross Proceeds of the Issue	8,580.00
Less: Issue related expenses ⁽¹⁾	131.45
Net Proceeds of the Issue	8,448.55

⁽¹⁾The Issue related expenses are estimated expenses and subject to change

F. Pre-Issue Shareholding of our Promoter, Promoter Group as a percentage of the paid-up share capital of the Company

Set forth is the Pre Issue shareholding of our Promoter, Promoter Group as a percentage of the paid-up share capital of the Company

Sr. No.	Category of Promoter	Pre-Issue		Post- Issue	
		No. of Equity Shares	Percentage of pre- issue capital (%)	No. of Equity Shares	Percentage of post- issue capital (%)
A. Promoter					
1	Sunil Menon	71,36,660	50.00%	71,36,660	36.65%
2	Gautam Makkar	43,56,340	30.52%	43,56,340	22.37%
B. Promoter Group (as per defined by Reg. 2(1)(pp) of SEBI ICDR Regulations)					
1	Niranjan Makker	10,16,740	7.12%	10,16,740	5.22%
2	Sheeila Makker	17,63,560	12.35%	17,63,560	9.06%
Total Promoter & Promoter Group Holding		1,42,73,300	99.99%	1,42,73,300	73.30%
Total Paid up Capital		1,42,74,100	100.00%	1,94,74,100	100.00%

G. Summary of Restated Financial Statement
(₹ in lakhs)

Particulars	For period ended December 31, 2022	For the year ended March 31,		
		2022	2021	2022
Share Capital	1,427.41	71.37	71.37	71.37
Net Worth	2,201.33	1,483.22	703.71	679.11
Total Income	5085.37	4,712.39	1,481.27	3,196.48
Profit after Tax	718.11	779.51	24.60	132.99
Basic & Diluted EPS	5.03*	5.46	0.17	0.93
Net Asset Value Per Share (₹)-based on actual no. of equity shares at the end of the year	15.42	207.82	98.83	95.38
Total Borrowings	2693.09	1659.17	2261.21	1433.03

* Not Annualised

H. There are no Auditor's Qualifications in any of the Financial Statements of the Company
I. Summary of Outstanding Litigation are as follows

Name of Entity	Criminal Proceeding	Tax Proceeding	Statutory or Regulatory Proceeding	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material Civil Litigation	Aggregate amount involved (Rs in lakhs) to the extent quantifiable
Company						
By the Company	-	-	-	-	-	-
Against the Company	-	-	-	-	-	-
Directors						
By our Directors	-	-	-	-	-	-
Against the Directors	-	-	-	-	-	-
Promoters⁽¹⁾						
By Promoters	-	-	-	-	-	-
Against Promoters	-	9	-	-	-	249.43
Group Companies						
By Group Companies	-	-	-	-	-	-
Against Group Companies	-	-	2	-	-	1097.14

*For further details of the outstanding litigation proceedings, see "Outstanding Litigations and Material Developments" beginning on page 168 of this Prospectus.

(1) Other than proceedings involving our Promoter to which Company and our Directors are also parties.

J. Risk Factors

Investors should read chapter titled "Risk Factors" beginning on page no. 20 of this Prospectus to get a more informed view before making any investment decisions.

K. Summary of contingent liabilities

Bank Guarantee utilised as on December 31, 2022 is 703.87 lakhs.

For further information, please refer “Annexure XXVII Contingent Liability” in the chapter titled “Financial Statements as Restated” beginning from page no. 138 of this Prospectus

L. Summary of Related Party Transactions

Our Company has entered into certain transactions with our related parties including our Promoter, Promoter Group, Directors and their relatives as mentioned below:

(₹ in lakhs)

Particulars	For the period ended December 31, 2022	For the period ended March 31, 2022	For the period ended March 31, 2021	For the period ended March 31, 2020
Promoter				
Loan Taken	-	11.60	-	-
Loan Repaid	-	12.00	-	-
Director Remuneration	21.00	-	-	-
Key Managerial Personnel				
Salary	7.12	-	-	-
Promoter Group Co				
Loan Taken	1,560.50	922.93	1,478.11	1,571.00
Loan Repaid	468.60	841.66	1,395.00	2,340.00
Interest on Loan	121.71	-	-	-
Sales	-	-	780.00	-
Balances at the end				
Due to Promoter	15.00	-	0.40	0.40
Due to Key Managerial Person	2.63	-	-	-
Due to Promoter Group Co	1,991.65	790.21	708.94	6.83
Advances taken	1.14	-	-	619.00
Advances given	-	2.72	.	.

M. There are no financing arrangements whereby the Promoter Group, the Directors of our Company who are the Promoter of our Company, the Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company during the period of 6 (six) months immediately preceding the date of this Prospectus.

N. The weighted average price of acquisition of Equity Shares by our Promoter in last one year preceding the date of this Prospectus is below:

Name of Promoter	Average price of Acquisition (₹)
Sunil Menon	NIL
Gautam Makkar	NIL

O. The average cost of acquisition of Equity Shares by our Promoter is:

Name of Promoter	Average price of Acquisition (₹)
Sunil Menon	5.50
Gautam Makkar	5.50

P. Our Company does not contemplate any issuance or placement of Equity Shares from the date of this Prospectus till the listing of the Equity Shares.

Q. Our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Prospectus.

- R.** Our Company has not undertaken a split or consolidation of the Equity Shares in the one year preceding the date of this Prospectus.
- S.** Our Company has not applied to SEBI for any exemption from complying with any provisions of the securities Laws.

SECTION III- RISK FACTORS

An investment in Equity Shares involves a high degree of financial risk. You should carefully consider all information in this Prospectus, including the risks described below, before making an investment in our Equity Shares. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Equity Shares. This section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. Any of the following risks, as well as the other risks and uncertainties discussed in this Prospectus, could have a material adverse effect on our business and could cause the trading price of our Equity Shares to decline and you may lose all or part of your investment.

This Prospectus also contains forward-looking statements that involve risks and uncertainties. We have described the risks and uncertainties that our management believes are material, but these risks and uncertainties may not be the only ones we face. Additional risks and uncertainties, including those we are not aware of or deem immaterial, may also result in decreased revenues, increased expenses or other events that could result in a decline in the value of our Equity Shares. In making an investment decision, prospective investors must rely on their own examination of our Company and the Offer, including the merits and risks involved. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Investors are advised to read the risk factors carefully before taking an investment decision in this Offer. Investors should not invest in this Offer unless they are prepared to accept the risk of losing all or part of their investment, and they should consult their tax, financial and legal advisors about the particular consequences to you of an investment in the Equity Shares.

To obtain a better understanding of our business, you should read this section in conjunction with other chapters of this Prospectus, including the chapters titled “Our Business”, Management’s Discussion and Analysis of Financial Condition and Results of Operations”, “Industry Overview” and “Financial Information” on page no’s 92, 158, 73 and 138 respectively of this Prospectus, together with all other financial information contained in this Prospectus. Our actual results could differ materially from those anticipated in these forward looking statements as a result of certain factors, including the considerations described below and elsewhere in this Prospectus. Unless otherwise stated, the financial data in this chapter is derived from our Restated Consolidated Financial Statements for the period ended December 31, 2022, March 31, 2022, March 31, 2021 and March 31, 2020 as included in “Financial Information” on page no. 138 of this Prospectus.

INTERNAL RISK FACTORS

1. **Our Company, Group Companies, Promoters and Directors are parties to certain legal proceedings. Any adverse decision in such proceedings may have a material adverse effect on our business, results of operations and financial condition.**

Name of Entity	Criminal Proceeding	Tax Proceeding	Statutory or Regulatory Proceeding	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material Civil Litigation	Aggregate amount involved (Rs in lakhs) to the extent quantifiable
Company						
By the Company	-	-	-	-	-	-
Against the Company	-	-	-	-	-	-
Directors						
By our Directors	-	-	-	-	-	-
Against the Directors	-	-	-	-	-	-
Promoters⁽¹⁾						
By Promoters	-	-	-	-	-	-
Against Promoters	-	9	-	-	-	249.43

Name of Entity	Criminal Proceeding	Tax Proceeding	Statutory or Regulatory Proceeding	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material Civil Litigation	Aggregate amount involved (Rs in lakhs) to the extent quantifiable
Group Companies						
By Group Companies	-	-	-	-	-	-
Against Group Companies	-	-	2	-	-	1097.14
*For further details of the outstanding litigation proceedings, see “Outstanding Litigations and Material Developments” beginning on page 168 of this Prospectus.						

(1) Other than proceedings involving our Promoter to which Company and our Directors are also parties.

There can be no assurance that these litigations will be decided in favour of our Promoter, Director, Promoter Group Entity and consequently it may divert the attention of our management and Promoter and waste our corporate resources and our Director and Promoter may incur significant expenses in such proceedings. If such claims are determined against our Director and Promoter, there could be a material adverse effect on our reputation, business, financial condition and results of operations, which could adversely affect the trading price of our Equity Shares. For the details of the cases filed by and against our Company, Group Companies, our Subsidiary, our Promoters and Directors, please refer to the chapter titled “Outstanding Litigations and Material Developments” on page no. 168 of this Prospectus.

2. ***We require certain approvals and licenses in the ordinary course of business and are required to comply with certain rules and regulations to operate our business, and the failure to obtain, retain and renew such approvals and licenses or comply with such rules and regulations, and the failure to obtain or retain them in a timely manner or at all may adversely affect our operations.***

Our Company requires certain statutory and regulatory permits, licenses and approvals to operate our business, some of which our Company has either received, applied for or is in the process of application. Many of these approvals are granted for fixed periods of time and need renewal from time to time. Non-renewal of the said permits and licenses would adversely affect our Company’s operations, thereby having a material adverse effect on our business, results of operations and financial condition.

Further, there can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all. Our Company requires the following statutory and regulatory registrations, licenses, permits and approvals for our business but the same have not been obtained/not renewed by us, as on date of this Prospectus such as The Company has not yet make an application to obtain No Objection Certificate from the concerned Fire Officer in accordance with the provisions of the Maharashtra Fire Prevention and Life Safety Measures Act, 2006, in respect of the Company’s manufacturing facility. and certificate of registration under the Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2017 for premises at 503, Delphi, A Wing, Orchard Avenue, Hiranandani Business Park, Powai, Mumbai-400076.

Further, some of our permits, licenses and approvals are subject to several conditions and we cannot provide any assurance that we will be able to continuously meet such conditions or be able to prove compliance with such conditions to the statutory authorities, which may lead to the cancellation, revocation or suspension of the relevant permits, licenses or approvals. Any failure by us to apply in time, to renew, maintain or obtain the required permits, licenses or approvals, or the cancellation, suspension or revocation of any of the permits, licenses or approvals may result in the interruption of our operations and may have a material adverse effect on our business. If we fail to comply with all the regulations applicable to us or if the regulations governing our business or their manner of implementation change, we may incur increased costs, or be subject to penalties or may suffer a disruption in our business activities, any of which, could adversely affect our business or results of operations. For further details, please see “Key Industry Regulations and Policies” and “Government and Other Statutory Approvals” beginning on page nos. 109 and 172 respectively of this Prospectus.

3. *Our company derives majority of its revenue from contracts with Indian Navy and associated Defence sectors. Loss of order book, contracts, and change in their requirement or fall in budget will have material adverse effect on our business, financial condition and result of operation.*

In the Financial year 2021-22, our revenue from Defence sector comprised of 89.43 % of our Total Revenue from Operations. We are heavily dependent on Indian Navy for our business revenue, contracts and cash flows. Our business substantially relies on delivering the components required in shipbuilding and submarines of Indian Navy. Components like valves, ball, gear box, hydraulic systems, nuclear sampling systems, titanium air bottles, towed wire antenna systems etc are manufactured using technology specially designed for defence sector and delivered as per order book to Indian Navy. We cannot assure you that we can maintain the historical levels of business from these clients/ OEMs or that we will be able to replace these clients/ OEMs in case we lose any of them.

Further, our customer may experience financial or other difficulties such as force majeure events, changes in laws, economic conditions of the customer and labor problems which may result in delays to the order being received and executed. Our business is affected by the price, quality, availability and the timely delivery of the component parts that we manufacture for defence sector.

It may be difficult to find such large contracts from any other customers that continue to rely on us for their requirements. We have our technology designed in a way to satisfy their requirements, so we have our unit customized for major customer.

The projects of submarine in which we supply the components have also authorized us for the repair and maintenance contract. The submarines have a life of three decades. We have orders to supply our components required for the submarine repairs and maintenance for its complete life. However, in case of any foreseen development w.r.t Indian Navy & related OEMs would affect our future results of operations and financial conditions.

4. *We have not entered into any agreement with the suppliers of equipments as specified in the objects of the Issue. Further the amount allocated for purchases of equipments are based on the quotation received from suppliers.*

One of the Objects of issue is to deploy funds of ₹ 886 lakhs in purchases of capital equipments and plant and machinery. This will lead to higher capacity in our production and with better technology we will be able to complete delivery of our order book. We have received quotation of the equipment from several vendors with the limited time period validity. We are yet to place orders for our plant & machinery required for our proposed expansion, as specified in the section titled “Objects of the Issue” on page 60 of this Prospectus. We may pass the time validity and might have to incur additional cost and delay in occupying the asset. We may also be subject to risks on account of inflation in the price of plant & machinery and other equipments that we require. Hence, our project could face time and cost over-run which could have an adverse effect on our operations.

The amount proposed to be allocated for purchases of plant and machinery is based on the quotation received from suppliers and has not been appraised by any independent agency and may be subject to various factors beyond our control.

Management may change the estimate as per new order, or arrival of new technology in the market or change in demand or supply of any machine and other such reasons. We cannot assure that all the machines will be purchased as per the schedule given in the Objects. Any delay in entering such agreements may delay the implementation schedule, which may also lead to increase in prices and availability of these equipments in future affecting our costs, revenue and profitability.

5. *Our business of manufacturing and supply of components, equipments and services required by Indian Navy is significantly dependent on the technology, process and product development of such components.*

Our manufacturing facility is built in a way to cater the requirements of the Defence sectors in their submarine projects. For manufacturing the specific components, we acquire technology, process knowhow and product development from our suppliers Coyard, located at France. Currently, we even have entered into additional product line for submarine which is Towed Wire Antenna (TWA) which is used as an underwater communication device. To manufacture this product we have entered Letter of Intent (LoI) with Nereides, France who is engaged in manufacturing TWA, who will over the years transfer us its technology, process, knowhow and product development. The additional product line will bring us additional business, revenue and opportunities in the future. We have agreed to remit amount not exceeding Euro 1 million for the transfer. We are yet to enter into a detailed contract with them. Moreover, this agreement set out various terms and conditions which are required to be strictly adhered to by our Company. Any failure to comply with

these obligations and covenants may have a material adverse effect on our business, prospects, cash flows and financial condition.

This LoI entered may not be finalized into a contract or may be terminated or revoked by Nereides for reasons beyond our control. Without the technology, we will not be able to manufacture the product and it may affect our reputation and future business operations. We have limited ability to negotiate on the terms and conditions with them and may have to accept unusual or onerous provisions. Considering the nature of our business activities, our Company shall consistently make all efforts to develop new product prototype and expand our business operations. Thus in the event of cancellation of LoI by the said vendor or in case of failure to procure new vendor technology our business operations may have adverse affect. For further details refer “Our Business” page no 92.

6. *Our Company has availed certain unsecured loans that may be recalled by the lenders at any time.*

Our Company has currently availed unsecured loans and is heavily dependent on it and which may be recalled by the lenders at any time. As of December 31, 2022, our Company had availed unsecured loans amounting to ₹ 1,991.65 lakhs, comprising 73.95% of the total borrowings of our Company. In the event that any lender seeks a repayment of any such loan, our Company would need to find alternative sources of financing, which may not be available on commercially reasonable terms which may adversely affect our competitive edge and better bargaining power if entered with non-related parties resulting into relatively more favorable terms and conditions and better margins. We may not have adequate working capital to undertake new assignments and complete orders of our customers. As a result, any such demand may affect our business, cash flows, financial condition and results of operations. For details in relation to the indebtedness of our Company, see “Financial Indebtedness” beginning on page 167.

7. *Our Company may have potential Conflicts of interest with our Promoter Group Entity as they are engaged in similar line of business.*

Our Promoters have interests in other companies and entities that may compete with us, including other Group Company that conducts businesses with operations in Defence sector. Our Promoters have also promoted other companies and may continue to do so. For details, please refer to the Chapter titled “Our Management” and “Our Promoters and Promoter Group” on page no 120 and 131 respectively of this Prospectus.

Further, our Company has not entered into any non- compete agreement with the group company and hence there can be no assurance of any conflict of interests which may arise in allocating or addressing business opportunities and strategies amongst our Company and our Group Company in circumstances where our interests differ from theirs. In cases of conflict, our Promoter may favour other Companies in which our Promoter has an interest. Hence, conflict of interest may occur between our business and the businesses of our Group Companies which could have an adverse effect on our business, financial condition, results of operations and prospects.

8. *In addition to normal remuneration, other benefits and reimbursement of expenses our directors (including our Promoters) and Key Management Personnel are interested in our Company to the extent of their shareholding and dividend entitlement in our Company. Further our promoter has interest in our property and in past we have entered in related party transaction with them.*

Some of our Directors (including our Promoter) and Key Management Personnel are interested in our Company to the extent of their shareholding, loan and dividend entitlement in our Company, in addition to normal remuneration or benefits and reimbursement of expenses. Our Promoters and Promoter Group currently holds 99.99% of shareholding of our Company and will hold 73.29% of post issue shareholding of our Company. We cannot assure you that our directors or our Key Management Personnel would always exercise their rights as Shareholders to the benefit and best interest of our Company. As a result, our directors will continue to exercise significant control over our Company, including being able to control the composition of our board of directors and determine decisions requiring simple or special majority voting, and our other Shareholders may be unable to affect the outcome of such voting. Our directors may take or block actions with respect to our business, which may conflict with our best interests or the interests of other minority Shareholders, such as actions with respect to future capital raising or acquisitions. We cannot assure you that our directors will always act to resolve any conflicts of interest in our favor, thereby adversely affecting our business and results of operations and prospects.

We have entered into related party transactions which are at an arm’s length basis from time to time with our promoters, directors and group companies. Some of the regular related party transactions involved in our company are explained below:

- Our company has obtained unsecured loans from our directors in the past. Furthermore, it is likely that we will enter related party transactions in the future. Hence our directors may be interested in interest earned on such loans in the future or repayment of the same.
- We have obtained unsecured loan from our promoter group company at an interest rate of 12% p.a. Hence, they might be interested in interest and repayment of such loans. Outstanding details of such loan as on December 31, 2022 is given below:
- We have entered into leave and license agreement for a property at Hiranandani Gardens, Mumbai to use as our guest house and residence for our Promoter, which costs us a monthly rent of ₹ 3.00 lakhs.

We cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on our results of operations and financial condition.

A summary statement of the related party transactions is as follows:

Particulars	For the period ended December 31, 2022	For the period ended March 31, 2022	For the period ended March 31, 2021	For the period ended March 31, 2020
Promoter				
Loan Taken	-	11.60	-	-
Loan Repaid	-	12.00	-	-
Director Remuneration	21.00	-	-	-
Key Managerial Personnel				
Salary	7.12	-	-	-
Promoter Group Co				
Loan Taken	1,560.50	922.93	1,478.11	1,571.00
Loan Repaid	468.60	841.66	1,395.00	2,340.00
Interest on Loan	121.71	-	-	-
Sales	-	-	780.00	-
Balances at the end				
Due to Promoter	15.00	-	0.40	0.40
Due to Key Managerial Person	2.63	-	-	-
Due to Promoter Group Co	1,991.65	790.21	708.94	6.83
Advances taken	1.14	-	-	619.00
Advances given	-	2.72	.	.

9. The IPO Proceeds will be used to repay a loan from our promoter group company.

We intend to use the proceeds from the Issue to repay a loan from our Promoters group company. As on December 31, 2022, we have availed an aggregate of ₹ 1,991.65 lakhs of unsecured loans from them and these loans were to utilized to fund working capital and capital expenditures. We intend to repay an aggregate of ₹ 2,100.00 lakhs of the said outstanding loan. As on April 30, 2023 and December 31, 2022 the outstanding loan amount was ₹ 2,158.20 and ₹ 1,991.65 lakhs respectively. We believe that the proposed repayment will enable us to improve our debt-equity ratio and the total unsecured loans after the proposed repayment will be ₹ 58.20 lakhs: For details, refer the chapter “Objects of the Issue” on page no 60 of this Prospectus.

10. Our Promoters and Key Managerial Person play key role in our functioning and we heavily rely on their knowledge and experience in operating our business and therefore, it is critical for our business that they remain associated with us.

Our success also depends upon the continued services of our promoters and Key Managerial Persons and our ability to retain them. They are actively involved in marketing of the Company, timely execution of the orders and ensures that the quality control standards. Our Promoters, along with the group key managerial personnel, have over the years build

relations with clients, government agencies and other persons who are connected with us. The loss of their services could impair our ability to implement our strategy, and our business, financial condition, results of operations and prospects may be materially and adversely affected.

Further, our Promoters have also promoted other companies and may continue to do so. If they divert their attention to the other companies, we may not be able to function as efficiently and profitably as before. We may have to incur additional costs to replace the services of our promoters or we may not be able to do so at all, which could adversely affect our business operations and affect our ability to continue to manage and expand our business. Any inability to attract and retain talented employees or the resignation or loss of key management personnel, may have an adverse impact on our business, future financial performance and the price of our Equity Shares.

11. Most agreements that we have entered into in connection with our business contain a penalty or liquidated damage clause for delay in the completion of a project that takes effect should the completion of a project be delayed.

Our projects are typically subject to a completion schedule. We are also required to provide performance guarantees to customers to complete projects on schedule. Any failures to adhere to a contractually agreed schedule for reasons other than the agreed force majeure events could result in our being required to pay liquidated damages, which would usually be a certain percentage of the total project cost, or lead to forfeiture of security deposits or invocation of performance guarantees. We have in the past not been able to complete some of our projects within the schedule specified, which may led to some of our clients invoking our performance guarantees or withholding amounts owed to us/ however we have not paid any material penalty. Any future failures to complete projects on schedule could have a material adverse effect on our results of operations and financial condition. Delays in the completion of projects could also increase our working capital requirements and cause damage to our reputation, which could in turn adversely affect our ability to prequalify for projects.

12. Our Balance sheet has a significant portion of Property Plant and Equipment. Any destruction, breakdown, theft our major plants or equipment or failures to repair or maintain the same may adversely affect our business, cash flows, financial condition and results of operations.

One of the objects of Issue is to fund the purchase of capital equipment. We are planning to invest significantly on plant and machinery of latest technology and higher capacity and efficiency for our manufacturing facility. We own a large number of equipment and machinery used in our operations. To maintain our capability to undertake projects, we may have to purchase machines and equipment built with the latest technologies and knowhow. We cannot assure you that we will be immune from the associated operational risks such as the obsolescence of our plants or equipment, destruction, theft or major equipment breakdowns or failures to repair our major plants or equipment, which may result in their unavailability, project delays, cost overruns and even defaults in our order book.

The latest technologies used in newer models of equipment may improve productivity significantly and render our older equipment obsolete. Obsolescence, destruction, theft or breakdowns of our major plants or equipment may significantly increase our equipment purchase cost and the depreciation of our plants and equipment, as well as change the way our management estimates the useful life of our plants and equipment. We may have to incur high cost when our plants or equipment are not readily available from the market or requires services from original equipment manufacturers. We may experience significant price increases due to supply shortages, inflation, transportation difficulties or unavailability of bulk discounts. Such replacement, repair or maintenance failures or price increases may not be adequately covered by the insurance policies availed by our Company and may have an adverse effect on our business, cash flows, financial condition and results of operations.

13. The deployment of the Net Proceeds from the Fresh Issue are based on management estimates and have not been independently appraised by any bank or financial institution and is not subject to any monitoring by any independent agency and our Company's management will have flexibility in utilizing the Net Proceeds from the Fresh Issue.

The deployment of the funds towards the objects of the Issue is entirely at the discretion of the Board and our Board will monitor the utilization of Net Proceeds. As per Regulation 262 of the SEBI (ICDR) Regulations, we are not required to appoint a monitoring agency since the Fresh Issue size is not in excess of ₹ 100 crores. The management of our Company will have discretion to use the Net Proceeds from the Issue, and investors will be relying on the judgment of our Company's management regarding the application of the Net Proceeds from the Issue.

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. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our operational and financial performance.

Further, pursuant to Section 27 of the Companies Act 2013, any variation in the objects would require a special resolution of the Shareholders and would be required to provide an exit opportunity to the shareholders who do not agree with our proposal to change the Objects of the Issue, at a price and manner as specified in the SEBI ICDR Regulations. Additionally, the requirement on Promoters or controlling shareholders to provide an exit opportunity to such dissenting shareholders may deter the Promoters or controlling shareholders from agreeing to the variation of the proposed utilization of our Net Proceeds, even if such variation is in our interest. Further, we cannot assure you that our Promoters or the controlling shareholders will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price which may be prescribed by SEBI. Accordingly, prospective investors in the Issue will need to rely upon our management's judgment with respect to the use of Net Proceeds.

14. We have reported negative net cash flows in the past and may do so in the future.

The following table sets forth net cash inflow/(outflow) from operating, investing and financing activities for period December 31, 2022 and Fiscals 2022, 2021 and 2020:

(₹ in lakhs)

Particulars	For the period ended December 31, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Net cash flow from operating activities	(161.70)	920.03	(742.12)	1,967.32
Net cash flow from Investing activities	(933.97)	10.45	8.05	14.20
Net cash flow from financing activities	852.44	(727.21)	654.84	(1,901.82)

We had negative cash flows from operating activities for the December 31, 2022 and Fiscal 2021 due to the reduction of trade payables and other current liabilities. Further we have negative cash flows from investing activities for the December 31, 2022 since the Company has invested in plant and machinery and purchased buildings during this period. We had negative cash flows from financing activities for Fiscal 2022, 2020 due to repayment of borrowings.

We cannot assure you that our net cash flows will be positive in the future. If our Company is not able to generate sufficient cash flows, our Company may not be able to generate sufficient amounts of cash flow to finance our projects, make new capital expenditure, pay dividends, make new investments or fund other liquidity needs which could have a material adverse effect on our business and results of operations.

15. We are dependent on a few suppliers for supply of raw materials and any major disruption to the timely and adequate supplies of our raw materials could adversely affect our business, results of operations and financial condition.

Our Company is dependent on a few suppliers for procuring the raw materials for manufacturing of its products and we do not currently have long term contracts or exclusive supply arrangements with any of our vendors. For the financial year ended March 31, 2022, our top five suppliers accounted for approximately 97.28%. We believe that the quality of raw materials, the transparent pricing, location advantage, etc. are also some of the major reasons our Company prefers to procure these raw materials from these suppliers. Any failure of the supplier to deliver these raw materials in the necessary quantities or to adhere to delivery schedules or specified quality standards and technical specifications would adversely affect our business operations and our ability to deliver orders on time and at the desired level of quality. As a result, we may lose customers and incur liabilities for failure to execute orders, which could have a material adverse effect on our business financial condition and results of operations.

16. Our failure to keep our technical knowledge confidential could erode our competitive advantage. We possess certain technical knowledge about our products.

We have certain tie-up with foreign supplier who has over the time given us access to their process, design, research and development results. This tie-up has been resulted from continuous effort and experience of our promoter and key managerial personnel in this industry. Goodwill of our company in the defence sector over the years has been rewarded

with such technical knowledge that we possess which gives us a competitive edge. Some of our technical knowledge is protected only by secrecy. As a result, we cannot be certain that our technical knowledge will remain confidential in the long run. Even if all reasonable precautions, whether contractual or otherwise, are taken to protect our confidential technical knowledge of our products and business, there is still a danger that certain proprietary knowledge may be leaked, either inadvertently or willfully, at various stages of the production process.

A significant number of our employees have access to confidential design and product information and there can be no assurance that this information will remain confidential. Moreover, certain of our employees may leave us and join our various competitors. Although we may seek to enforce non-disclosure agreements in respect of research and development and certain other key employees, we cannot guarantee that we will be able to successfully enforce such agreements. In the event that the confidential technical information in respect of our products or business becomes available to third parties or to the general public, any competitive advantage that we may have over other companies in the defence sector could be harmed. If a competitor is able to reproduce or otherwise capitalize on our technology, it may be difficult, expensive or impossible for us to obtain necessary legal protection. Consequently, any leakage of confidential technical information could have an adverse effect on our business, results of operations, financial condition and future prospects.

17. Our Company is dependent on the continuing operation of our manufacturing facilities.

Any significant interruption in manufacturing at our facilities could have a material adverse effect on our business, results of operations and financial condition. Our Company has only one unit where the manufacturing of all our products takes place which is located at Khopoli, which are subject to the normal risks of industrial production, including equipment breakdowns, labor shortages, natural disasters, industrial accidents, power interruptions etc. In case of any disruption at such facilities, it may adversely affect the manufacturing cycle, and may lead to time over-run in the execution of the project and timely delivery of our product. Our manufacturing facilities require a significant amount and continuous supply of electricity and any shortage or non-availability of electricity may adversely affect our operations.

18. We do not own our Corporate Office which is being used by us currently.

Our Corporate Office premise which is situated at 503, Delphi, A wing Hiranandani Business Park, Powai Mumbai-400076, is taken on leasehold basis. Upon the termination of the lease agreement, we are required to return the said premise to the licensor. Further, the term of the lease agreement may or may not be renewed.

In the event the licensor terminate or does not renew the lease on commercially acceptable terms, or at all, we shall be required to vacate the premises. We may be required to identify alternate premises and enter into fresh lease agreement. Such a situation could result in loss of business and may adversely affect our operations and profitability. For further details, please see paragraph titled "Properties" under the chapter titled "Our Business" beginning on page no 92 of this Prospectus.

19. We are dependent on third party transportation providers for the delivery of our products to our customers.

We rely substantially on third party transportation providers for the supply of our products to our customers. Transportation strikes / non-availability of Transportation could have an adverse effect on our ability to deliver the same to our customers. Increase in transportation costs or unavailability of transportation services for our products, as well the extent and reliability of Indian infrastructure may have an adverse effect on our business, financial condition, results of operations and prospects. In addition, transportation costs in India have been steadily increasing over the past several years. While usually the end consumer bears the freight cost, we may not always be able to pass on these costs to our customers. In addition, India's physical infrastructure is less developed than that of many developed nations, and problems with its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our normal business activity, including delivery of our products to customers by third-party transportation providers. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. These problems could interrupt our business operations, which could have a material adverse effect on our results of operations and financial condition.

20. Failure in supply of electricity or power can lead to significant disruption in manufacturing process and can affect our operations.

We consume substantial power and fuel at our manufacturing facilities. Electricity expenses represent a significant portion of the direct cost associated with cost of material consumed. For period December 31, 2022 and Fiscals 2022, 2021 and 2020, electricity cost was ₹ 26.37 lakhs, ₹ 48.87 lakhs, ₹ 40.23 lakhs and ₹ 27.81 lakhs, constituting 0.52%, 1.04%, 2.72% and 0.87%, respectively, of our total revenue from operations. If electricity cost rises or supply arrangements were disrupted, our profitability could decline. We source most of our electricity requirements for our manufacturing facilities from the Maharashtra State Electricity Distribution Co. Ltd. The cost of electricity from state electricity boards could be significantly higher, thereby adversely affecting our cost of production and profitability. Further, if for any reason such electricity is not available, we may need to temporary shut down our plants until an adequate supply of electricity is restored which will lead to the loss of production in progress and may affect our results of operations

21. We face foreign exchange risks, primarily in our import and procurement operations that could adversely affect our results of operations.

We are exposed to foreign currency exchange risk as we have imported our raw materials from foreign. We deal with supplier in foreign currency and are affected with its fluctuation. We have even recorded foreign fluctuation gain and losses in our financial statement. For period December 31, 2022 and Fiscals 2022, 2021 and 2020, purchases from outside India was ₹ 314.21 lakhs, ₹ 175.81 lakhs, ₹ 116.53 lakhs and ₹ 47.03 lakhs, constituting 8.06%, 5.56%, 10.20% and 2.20%, respectively, of our total purchases of raw materials. Fluctuation in currency exchange rates influences our results of operations. As and when outflows are incurred, the required foreign exchange is bought from market at the then prevailing exchange rate. In future we may continue to incur capital expenditures, including raw materials, equipment and machinery, denominated in foreign currencies. The exchange rates between Rupee and USD and between Rupee and EUR have changed substantially in recent years and may continue to fluctuate significantly in the future. Accordingly, any decline in the value of the Rupee against the U.S. Dollar and Euro or any other foreign currency would increase the Rupee cost of such raw materials. Although we closely follow our exposure to foreign currencies in an attempt to reduce the risks of currency fluctuations, these activities are not always sufficient to protect us against incurring potential losses if currencies fluctuate significantly. Any such losses on account of foreign exchange fluctuations may affect our results of operations.

22. We have applied for few trademarks which are pending registration. A delay in, or failure to obtain, registration may result in our inability to adequately defend intellectual property rights.

Any infringement of our corporate logo or failure to get it registered may adversely affect our business. Our logo is not registered with Registrar of Trademark; this may impact our business operations. Further, any kind of negative publicity or misuse of our brand name and our logo could hamper our brand building efforts and our future growth strategy could be adversely affected. Our ability to protect our intellectual properties, namely our trademark / logo is restricted until we receive registered trademark from the appropriate authority. We have made the application for our



corporate logo “ ” & Word mark “CFF FLUID CONTROL LIMITED” and the status still pending with the Trade Marks Registry, Mumbai. Further, the same may involve costly litigations and penal provisions if the case may be. We believe that our future growth and competitiveness would depend on our ability to establish and strengthen our brand.

We cannot guarantee that we will be able to make a lasting brand image with our clients and other people in the absence of a logo. Although, we believe that that our present systems are adequate to protect our confidential information and intellectual property, there can be no assurance that our intellectual property data, trade secrets or proprietary technology will not be copied, infringed or obtained by third parties. Further, our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. This may lead to litigations and any such litigations could be time consuming and costly and their outcome cannot be guaranteed. Our Company may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our intellectual property, which may adversely affect our business, financial condition and results of operations. For further details pertaining to our intellectual property, please refer to the chapter titled “Our Business” beginning on page no 92 of this Prospectus.

23. *Our cost of production is exposed to fluctuations in the prices of raw materials required for the manufacture as well as its availability.*

Our company is exposed to fluctuations in the prices of various raw materials like Nickel- Aluminum- Bronze (NAB), Copper- Nickel (CUNI), Copper- Aluminum (CUAL), and Titanium as well as its availability, particularly as we typically do not enter into any supply agreements with our suppliers and all the above mentioned raw materials are bought by our Company from suppliers on an order to order basis. The prices of the various raw materials used in our manufacturing process are subject to fluctuations in the prices due to changes in core prices of minerals as a natural resource etc. Also, we procure some of the raw materials from international markets and the prices of these raw materials may fluctuate based on exchange rate, customs & duties levied on imports or changes in government policies with respect to these materials or the countries supplying the same. We may be unable to make adequate provisions for the price fluctuations and, consequently, any adverse fluctuations that we have not factored in or provided for may adversely affect the consolidated results of our operations and our consolidated financial conditions. We also face the risks associated with compensating for or passing on such increase in our cost of production on account of such fluctuations in prices to our customers. These factors could adversely affect our business, results of operations, financial condition and cash flows.

24. *If we are unable to manage our growth effectively or raise additional capital, our business, future financial performance and results of operations could be materially and adversely affected.*

The success of our business will depend greatly on our ability to effectively implement our business and growth strategy. Our growth strategy involves focusing on optimal utilization of resources and to develop relationship with customers and suppliers, For details, see “Our Business – Our Business Strategy” on page 92. This could place significant demands on our operational, credit, financial and other internal risk controls. In pursuing our growth strategy, we will require additional capital investments and cash outlays, which may have a material impact on our cash flows and results of.

Our ability to manage our growth effectively requires us to forecast accurately our sales, growth and manufacturing capacity and to expand funds to improve our operational, financial and management controls, reporting systems and procedures. Moreover, even if we secure the required funding, there is no assurance that we will be able to successfully implement our strategies. We may also face difficulties in effectively implementing new technologies required in designing, developing and manufacturing new products and solutions and may not be able to recover our investments. Many of our contracts contain performance obligations that require innovative design capabilities are technologically complex or involve developmental costs. An inability to implement our future business plan, manage our growth effectively or failure to secure the required funding on favorable terms or at all could have a material and adverse effect on our business, future financial performance and results of operations.

25. *The outbreak of COVID-19 or outbreak of any other severe communicable disease could have a potential impact on our business, financial condition and results of operations.*

An outbreak of a novel strain of corona virus (COVID-19) was recognized by the World Health Organization as a public health emergency of international concern on January 30, 2020, and as a pandemic on March 11, 2020. The outbreak of COVID-19 has significantly and adversely impacted and will likely continue to impact economic activity and has contributed to significant volatility in global financial markets and led to operational challenges. It is possible that the outbreak of COVID-19 will cause a prolonged global economic crisis, stagnation, recession or depression, despite monetary and fiscal interventions by governments and central banks globally. In particular, a number of governments and organizations have revised GDP growth forecasts for 2021 downwards in response to the economic slowdown caused by the spread of COVID-19, and it is possible that the COVID-19 pandemic will cause a prolonged global economic crisis or recession. In response to the COVID-19 outbreak, the governments of many countries, including India have taken preventive or protective actions, such as issuing advisories and imposing country or state wide lockdowns, including restrictions on travel and temporary closure of business operations and increased remote working protocols, which have significantly slowed down economic activity.

On March 14, 2020, India declared COVID-19 as a “notified disaster” and imposed a nationwide lockdown announced on March 24, 2020. While there have been progressive relaxations and calibrated easing of lockdown measures by the Government, we cannot predict if stricter lockdowns will not be re-introduced or extended in the future. On account of the government imposed lockdown in India, operations at our manufacturing facility was temporarily shut down with effect from March 23, 2020 and resumed operations from May 18, 2020 in accordance with permissions from the local authorities. The COVID-19 pandemic and resulting government actions may affect our business, results of operations and financial condition, in the future, in a number of ways such as requiring a complete or partial closure of our

operations. The pandemic outbreak has caused an economic downturn on a global scale, including closures of many businesses and reduced consumer spending, as well as significant market disruption and volatility. The demand for our products is dependent on and directly affected by factors affecting industries where our products are supplied. Our manufacturing operations were shut down from March 20, 2020 to May 25, 2020. We resumed at 50% working capacity till September 20, 2020, post that we fully operated at full capacity subject to certain adjustments in working patterns and limited workforce. We continue to closely monitor the impact that COVID-19 may have on our business and results of operations.

It is difficult for us to predict the impact that COVID-19 will have on us, our customers or suppliers in the future. Further, due to the rising number of infected cases of COVID-19 in the country, there is no certainty if additional restrictions will be put back in place or if another lockdown would be re-imposed to control the spread of the pandemic. We cannot assure you that we may not face any difficulty in our operations due to such restrictions and such prolonged instances of lockdown may adversely affect our business, financial condition and results of operations.

26. *Employee misconduct, errors or fraud could expose us to business risks or losses that could adversely affect our business prospects, results of operations and financial condition.*

Employee misconduct, errors or frauds could expose us to business risks or losses, including regulatory sanctions, penalties and serious harm to our reputation. Such employee misconduct includes breach in security requirements, misappropriation of funds, hiding unauthorized activities, failure to observe our operational standards and processes, and improper use of confidential information. It is not always possible to detect or deter such misconduct, and the precautions we take to prevent and detect such misconduct may not be effective. In addition, losses caused on account of employee misconduct or misappropriation of petty cash expenses and advances may not be recoverable, which we may result in write-off of such amounts and thereby adversely affecting our results of operations. Our employees may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions in which case, our reputation, business prospects, results of operations and financial condition could be adversely affected.

27. *We have incurred indebtedness which exposes us to various risks which may have an adverse effect on our business and results of operations. We may also be unable to obtain future financing to fund our operations, expected capital expenditure and working capital requirements on favorable terms, or at all.*

As of December 31, 2022, we have ₹ 2,693.09 lakhs total borrowing on our balance sheet. Our level of indebtedness has important consequences to us, such as:

- affecting our credit rating;
- limiting our ability to borrow more money both now and in the future;
- Increasing our interest expenditure and adversely affecting our profitability.

Our business requires funding for capital expenditure and working capital requirements. The actual amount and timing of future capital expenditure may depend on several factors, among others, new opportunities, availability of land, regulatory approvals, regulatory changes, economic conditions, technological changes and market developments in our industry. Our sources of additional funding, if required, to meet our capital expenditure may include the incurrence of debt or the issue of equity or debt securities or a combination of both. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations.

In case there is insufficient cash flow to meet our working capital requirement or we are unable to arrange the same from other sources or there is delay in disbursement of arranged funds, or there is any increase in interest rate on our borrowings, it may adversely affect our operations and profitability. These factors may result in an increased amount of short-term borrowings. Continuous increase of our working capital requirements may have an adverse effect on our results of operations and financial condition. Further our ability to arrange for additional funds on acceptable terms is subject to a variety of uncertainties, including future results of operations, financial condition and cash flows; economic, political conditions and market scenario for our products; costs of financing, liquidity and overall condition of financial and capital markets in India; issuance of necessary business/government licenses, approvals and other risks associated with our businesses; and limitations on our ability to raise capital in capital markets and conditions of the Indian and other capital markets in which we may seek to raise funds. Any such inability to raise sufficient funds could have a material adverse effect on our business and results of operations.

28. *Restrictions on the import of our materials and other regulations could adversely affect our business, results of operations and financial condition.*

We design and manufacture many defence products considered to be of national strategic interest. Limitation or withdrawal, if any (in the case, for example, of embargoes or geopolitical conflicts), of the authorization to import the products might have a negative impact on our operations and financial situation. Further, failure to comply with the regulations and requirements could result in contract modifications or termination and the imposition of penalties, fines and withdrawal of authorizations, which could negatively affect our business, results of operations and financial condition. Authorizations can be revoked which may change in response to international conflicts or other political or geopolitical factors. Such factors could have a material adverse effect on our business and results of operations

29. *Industrial accidents at our manufacturing facility may adversely affect our operation.*

Our manufacturing facility are subject to operating risk resulting in fatal accidents which can cause injury to the labour and employees of the company and this could also cause damage to the property and plant and machinery situated at the factory which could have an adverse affect on our operations. Though, we have taken adequate safety measures in order to avoid such mishaps, but in case of any such happening of the event out of our control, we cannot assure you whether it will be sufficient or not. Further occurrence of such accidents could impact our production schedules, costs, revenue and ability to meet customer demand.

30. *Any delay or defaults in receipt of payments or dues from our customers could result in a reduction of our profits.*

We regularly commit resources prior to receiving payments from our customer. We may be subject to working capital shortages due to delays or defaults in receipt of payments or dues from such customers. If our customers default in their payments or if any order/ assignment in which we have invested significant resources is delayed, cancelled or curtailed, it could have a material adverse effect on our business, financial condition and results of operations.

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

With the increased scrutiny of the affairs of a public listed company by shareholders, regulators and the public at large, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur in the past. We will also be subject to the provisions of the listing agreements signed with the Stock Exchange(s) which require us to file unaudited financial results on a half yearly basis. In order to meet our financial control and disclosure obligations, significant resources and management supervision will be required. As a result, management's attention may be diverted from other business concerns, which could have an adverse effect on our business and operations. There can be no assurance that we will be able to satisfy our reporting obligations and/or readily determine and report any changes to our results of operations in a timely manner as other listed companies. In addition, we might have to increase the strength of our management team and hire additional legal and accounting staff with appropriate public company experience and accounting knowledge and we cannot assure that we will be able to do so in a timely manner. This could have an adverse affect on our profit and reputation.

32. *Our insurance coverage may not be sufficient or may not adequately protect us against any or all hazards, which may adversely affect our business, results of operations and financial condition.*

Our business and assets could suffer damage from fire, natural calamities and the goods transported to our customers by our supplier could suffer from damage, misappropriation or other causes, resulting in losses, which may not be covered / fully compensated by insurance. Legal proceedings or other actions may be initiated against us or any of our employees for acts and conduct of our employees which may occur due to various reasons including misconduct with customers. In the event of personal injuries, damage or other accidents suffered by our employees or our customers or other people, we could face claims alleging that we were negligent, provided inadequate supervision or be otherwise liable for the injuries. Our principal types of insurance coverage include Plant and Machinery, Building and Stock Insurance.

While we believe that the insurance coverage which we maintain would be reasonably adequate to cover the normal risks associated with the operation of our businesses, we cannot assure you that any claim under the insurance policies maintained by us will be honored fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all. To the extent that we suffer loss or damage, or successful assertion of one or more large claims against us for events for which we are not insured, or for which we did not obtain or maintain insurance, or

which is not covered by insurance which exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, financial performance and cash flows could be adversely affected. For further details on our insurance arrangements, see “Insurance – Our Business” on page no 92 of this Prospectus.

- 33. *Our Company might be unable to meet certain delivery obligations including timelines of delivery, due to which, it could become liable to claims by customers, suffer adverse publicity and incur substantial costs, which in turn could adversely affect our results of operations.***

Many of our orders involve providing services that are critical to the operations of our customers business. Any failure or defect in services could result in a claim against us for damages, regardless of our responsibility for such a failure or defect. Our Company has commitments for safe and timely delivery of the products. Any failure to meet the scheduled timelines set by our customers or loss or damage may lead to our customers raising claims against us. Although Our Company is attempting to limit its contractual liability for all the damages, including consequential damages, while rendering the services, our Company cannot be assured that the limitations on liability it provides for, in the service contracts will be enforceable in all cases. This may impact our financial condition.

- 34. *We have not made any alternate arrangements for repaying the unsecured loans 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 or meeting the same could adversely affect our growth plans, operations and financial performance. As on date, we have not made any alternate arrangements for repaying our unsecured loans as per the Objects of the Issue. Over the period of time, we have met our capital requirements through Directors and Promoter’s group entity unsecured loans. Any shortfall in our net cash flows, internal accruals and our inability to raise institutional debt in future would result in us being unable to repay these unsecured loans, which are repayable on demand, which in turn may increase our financial costs, affect our Promoter’s group entity’s liquidity and restrict future funding from them in urgent situations, thus negatively affecting 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 “Objects of the Issue” on page no 60 of this Prospectus.

- 35. *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.***

Our future ability to pay dividends will depend on the earnings, financial condition and capital requirements of our Company. Dividends distributed by us will attract dividend distribution tax at rates applicable from time to time. We cannot assure you that we will generate sufficient income to cover our operating expenses and pay dividends to our shareholders, or at all. Our business is working capital intensive and we may plan to invest additional working capital expenditures to effect purchase of inventory or pay creditors. Our ability to pay dividends could also be restricted under certain financing arrangements that we may enter into. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements and financing arrangements for the products proposed to purchased, financial condition and results of operations.

- 36. *Our Promoters and Promoter Group Entity has extended personal guarantees in connection with certain of our debt facilities.***

There can be no assurance that such personal guarantees will be continued to be provided by our Promoters in the future or can be called at any time, affecting the financial. Our Company is susceptible to changes in interest rates and the risks arising there from. Our sanction letters provide for interest at variable rates with a provision for the periodic resetting of interest rates. Further the lenders are entitled to change the applicable rate of interest, which is a combination of a base rate that depends upon the policies of the RBI and a contractually agreed spread, and in the event of an adverse change in our Company’s credit risk rating.

For further details of interest payable on our borrowings, please refer to the chapter titled “Financial Indebtedness” on page no.167 of this Prospectus Further, in recent years, the Government of India have taken measures to control inflation, which have included tightening the monetary policy by raising interest rates. As such, any increase in interest rates may have an adverse effect on our business, results of operations, cash flows and financial condition.

37. *Non-compliance with and changes in, safety, health and environmental laws and other applicable regulations, might adversely affect Our Company's results of operations and its financial condition.*

We are subject to Indian laws and government regulations, including laws in relation to safety, health and environmental protection. These safety, health and environmental protection laws and regulations inter alia impose controls on air and water discharge, noise levels, storage handling, employee exposure to hazardous substances and other aspects of our Company's operations and products. In addition, our products, including the process of manufacture, storage and distribution of such products, are subject to numerous laws and regulations in relation to quality, safety and health.

For further details, please see "Key Industry Regulation and Policies" on page no 109 of this Prospectus. Failure to comply with any existing or future regulations applicable to us might result in levy of fines, commencement of judicial proceedings and/or third party claims, and might adversely affect our results of operations and financials .

EXTERNAL RISK FACTORS

38. *Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, results of operations, financial condition and prospects.*

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations, financial condition and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

39. *Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.*

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, fluctuations in commodities markets, consumer debt levels, unemployment trends and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude, which may negatively affect our stock prices.

40. *System failures or inadequacy and security breaches in computer systems may adversely affect our business.*

Our business is increasingly dependent on our ability to process, on a daily basis, a large number of transactions. Our financial, accounting or other data processing systems may fail to operate adequately or become disabled as a result of events that are wholly or partially beyond our control, including a disruption of electrical or communication services. We may experience difficulties in upgrading, developing and expanding our systems quickly enough to accommodate our growing customer base and range of services our computer systems, software and networks may be vulnerable to unauthorized access, computer viruses or other malicious code and other events that could compromise data integrity and security. Any failure to effectively maintain or improve or upgrade our systems in a timely manner could materially and adversely affect our competitiveness, financial position and results of operations. Moreover, if any of these systems do not operate properly or are disabled or if there are other shortcomings or failures in our internal processes or systems, it could affect our operations or result in financial loss, disruption of our businesses, regulatory intervention or damage to our reputation. In addition, our ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports our businesses and the localities in which we are located.

41. *With time we might be liable to other labor laws which were not applicable before leading to increase cost and time to be invested in its compliance.*

Employees form the integral part of the operation of our business. Any labor disputes or unrests could lead to lost production, increased costs or delays which could lead to penalties. We are subject to a number of stringent labor legislation that protects the interests of workers and defines our duties and obligations towards them in the capacity of principal employers, including legislations that sets forth detailed procedures for employee removal and dispute resolution and impose financial obligations on us. We are also subject to state and local laws and regulations. If labor laws become more stringent or are more strictly enforced, it may become difficult for us to maintain flexible human resource policies, discharge employees or downsize, any of which could have an adverse effect on our business, results

of operations, financial condition and cash flows. Any organizational changes, including changes in salaries and wages and other employee benefits that are, or are perceived to be negative, could result in an increased attrition rate. We cannot assure you that there may not be incidences of labor unrest and absenteeism from work by some of our employees. Labour shortages could increase the cost of labor and hinder our productivity and ability to adhere to our delivery schedules for our projects, which would materially and adversely affect our business, financial condition, results of operations and prospects.

42. *Our Company is subject to risk arising from changes in interest rates and banking policies.*

Increased interest rates will have a bearing on profitability and credit controls will have an effect on our liquidity and will have serious effects on adequate working capital requirements. We are dependent on various banks for arranging of our working capital requirement etc. Accordingly, any change in the existing banking policies or increase in interest rates may have an adverse impact on profitability of our company.

43. *If inflation were to rise in India, we might not be able to increase the prices of our services at a proportional rate in order to pass costs on to our customers and our profits might decline.*

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of transportation, wages, raw materials and other expenses relevant to our business. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to pass on to our customers, whether entirely or in part, and may adversely affect our business, cash flows and financial condition. In particular, we might not be able to reduce our costs or increase the amount of commission to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected. Further, the Government of India has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

44. *We may, from time to time, look for opportunities to enter strategic alliances, acquire businesses or enter into joint venture arrangements. Any failure to manage the integration of the businesses or facilities post such acquisition or joint venture may cause our profitability to suffer.*

We may, from time to time, look for opportunities to acquire businesses or enter into strategic partnerships or alliances. Such acquisitions may not contribute to our profitability, and we may be required to incur or assume debt or additional expenses beyond our forecasts or assume contingent liabilities, as part of any acquisition. Further, the acquisitions may give rise to unforeseen contingent risks relating to these businesses that may only become apparent after the merger or the acquisition is finalized. We may also face difficulty in assimilating and retaining the personnel, operations and assets of the acquired company. Further, we may not be able to accurately identify or forge an alliance with appropriate companies in line with our growth strategy. In the event that the alliance does not perform as estimated, or the inability on the part of our joint venture partner to meet the customer requirements may lead to a failure of such an arrangement which may adversely affect our business.

45. *A decline in economic growth or political instability nationally or internationally or changes in the Government in India could adversely affect our business.*

Our performance and the growth of our business are necessarily dependent on the health and performance of the overall Indian economy. In the recent past, Indian economy has been affected by global economic uncertainties and liquidity crisis, domestic policy and political environment, volatility in interest rates, currency exchange rates, commodity and electricity prices, adverse conditions affecting agriculture, rising inflation rates and various other factors. Risk management initiatives by banks and lenders in such circumstances could affect the availability of funds in the future or the withdrawal of our existing credit facilities. The Indian economy is undergoing many changes and it is difficult to predict the impact of certain fundamental economic changes on our business. Conditions outside India, such as a slowdown or recession in the economic growth of other major countries, especially the United States, have an impact on the growth of the Indian economy. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. Any downturn in the macroeconomic environment in India could adversely affect our business, financial condition, results of operation and the trading price of our Equity Shares. Volatility, negativity, or uncertain economic conditions could undermine the business confidence and could have a

significant impact on our results of operations. Changing demand patterns from economic volatility and uncertainty could have a significant negative impact on our results of operations.

Further, our performance and the market price and liquidity of the Equity Shares may be affected by changes in exchange rates and controls, interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India. The GoI has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. Our business, the market price and liquidity of the Equity Shares may be affected by changes in GoI policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India.

46. *Any disproportionate increase in labor costs including increase in wage/salary demand, labor unrest or labor claims arising from accidents may adversely affect our business operations and financial conditions.*

Our increasing business operations may require our employee strength to increase in future. In the past our Company has not experienced any labor unrest, but there is no assurance that it will not experience the same at any time in the future. Also, there is a possibility that the labour costs increase disproportionately due to increase in wage/salary demand. In this event, if our Company is unable to pass on the increased costs to our customers, our business operations and financial conditions may be adversely affected.

47. *Any Penalty or demand raised by statutory authorities in future will affect our financial position of the Company.*

Our Company is engaged in the manufacturing business, which attracts tax liability such as Goods and Service tax and Income tax as per the applicable provisions of Law. We are also subject to the labour laws like depositing of contributions with Provident Fund, Employee State Insurance and Professional Tax. Any demand or penalty raised by the concerned authority in future for any previous year and current year will affect the financial position of the Company.

48. *Regional hostilities, terrorist attacks, communal disturbances, civil unrest and other acts of violence or war involving India and other countries may result in a loss of investor confidence and adversely affect the financial markets and our business.*

Terrorist attacks, civil unrest and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares will trade and also adversely affect the worldwide financial markets. In addition, the Asian region has from time to time experienced instances of civil unrest and hostilities among neighboring countries. Hostilities and tensions may occur in the future and on a wider scale. Military activity or terrorist attacks in India may result in investor concern about stability in the region, which may adversely affect the price of our Equity Shares. Events of this nature in the future, as well as social and civil unrest within other countries in the world, could influence the Indian economy and could have an adverse effect on the market for securities of Indian companies, including our Equity Shares.

49. *There is no existing market for our Equity Shares, and we do not know if one will develop. Our stock price may be highly volatile after the Issue and, as a result, you could lose a significant portion or all of your investment.*

There is no guarantee that our Equity Shares will be listed on the Stock Exchanges in a timely manner or at all and any trading closures at the Stock Exchanges may adversely affect the trading price of our Equity Shares. Further, we cannot predict the extent to which investor interest will lead to the development of an active trading market on the Stock Exchanges or how liquid that market will become. If an active market does not develop, you may experience difficulty selling the Equity Shares that you purchased. The Issue Price is not indicative of prices that will prevail in the open market following the Issue. Consequently, you may not be able to sell your Equity Shares at prices equal to or greater than the Issue Price. The market price of the Equity Shares on the Stock Exchanges may fluctuate after listing as a result of several factors, including the following:

- Volatility in the Indian and other Global Securities Markets;
- The performance of the Indian and Global Economy;
- Risks relating to our business and industry, including those discussed in this Prospectus;
- Strategic actions by us or our competitors;
- Investor perception of the investment opportunity associated with our future performance;
- Adverse media reports about us, our shareholders or Group Companies;
- Future sales of the Equity Shares;
- Variations in our half-yearly results of operations;

- Differences between our actual financial and operating results and those expected by investors and analysts;
- Our future expansion plans;
- Perceptions about the performance of companies engaged in defence sector generally;
- Perception in the market about investments in the Defence sector;
- Significant developments in the regulation of the trading and distribution industry in our key trade locations;
- Changes in the estimates of our performance or recommendations by financial analysts;
- Significant developments in India's economic liberalization and deregulation policies; and
- Significant developments in India's fiscal and environmental regulations.

There has been significant volatility in the Indian stock markets in the recent past, and our Equity Share. Price could fluctuate significantly as a result of market volatility. A decrease in the market price of the Equity Shares could cause you to lose some or all of your investment.

50. *Investors can be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares*

Under current Indian tax laws, capital gains arising from the sale of equity shares within 12 months in an Indian company are classified as short term capital gains and generally taxable. Any gain realized on the sale of listed equity shares on a stock exchange that are held for more than 12 months is considered as long-term capital gains and is taxable at 10%, in excess of ₹ 1,00,000. Any long-term gain realized on the sale of equity shares, which are sold other than on a recognized stock exchange and on which no STT has been paid, is also subject to tax in India. Capital gains arising from the sale of equity shares are exempt from taxation in India where an 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 to pay tax in India as well as in their own jurisdiction on a gain on the sale of equity shares.

51. *The ability of Indian companies to raise foreign capital may be constrained by Indian law.*

As an Indian Company, we are subject to exchange controls that regulate borrowing in foreign currencies, including those specified under FEMA. Such regulatory restrictions limit our financing sources for our projects under development and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, or at all. Limitations on foreign debt may adversely affect our business growth, results of operations and financial condition.

52. *Any downgrading of India's debt rating by a domestic or international rating agency could adversely affect our Company's business.*

Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely affect our Company's ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could harm our Company's business and financial performance and ability to obtain financing for capital expenditures.

53. *Conditions in the Indian securities market and stock exchanges may affect the price and liquidity of our Equity Shares.*

Indian stock exchanges, which are smaller and more volatile than stock markets in developed economies, have in the past, experienced problems which have affected the prices and liquidity of listed securities of Indian companies. These problems include temporary exchange closures to manage extreme market volatility, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have occurred on occasion between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of the Equity Shares could be adversely affected. Further, a closure of, or trading stoppage on, either of the Stock Exchanges could adversely affect the trading price of our Equity Shares.

54. *There is no guarantee that the Equity Shares issued pursuant to the Issue will be listed on the SME Platform of BSE in a timely manner, or at all.*

In accordance with Indian law and practice, permission for listing and trading of the Equity Shares issued pursuant to the Issue will not be granted until after the Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the SME Platform of BSE. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

55. *Civil disturbances, extremities of weather, regional conflicts and other political instability may have adverse affects on our operations and financial performance.*

Certain events that are beyond our control such as earthquake, fire, floods and similar natural calamities may cause interruption in the business undertaken by us. Our operations and financial results and the market price and liquidity of our equity shares may be affected by changes in Indian Government policy or taxation or social, ethnic, political, economic or other adverse developments in or affecting India.

SECTION IV: INTRODUCTION

THE ISSUE

Equity Shares⁽¹⁾ : Present Issue of Equity Shares by our Company ⁽²⁾	52,00,000 Equity Shares of face value of ₹ 10 each for cash at a price of ₹ 165 per Equity Share aggregating ₹8,580.00 lakhs
Of which:	
Issue Reserved for the Market Maker	2,60,800 Equity Shares of face value of ₹10 each for cash at a price of ₹ 165 per Equity Share aggregating ₹ 430.32 lakhs.
Net Issue to Public	49,39,200 Equity Shares of face value of ₹10 each for cash at a price of ₹ 165 per Equity Share aggregating ₹8,149.68 lakhs.
	Of which⁽³⁾:
	24,69,600 Equity Shares of ₹10 each at a price of ₹ 165 per Equity Share will be available for allocation for Investors of up to ₹ 2.00 lakhs
	24,69,600 Equity Shares of ₹ 10 each at a price of ₹ 165 per Equity Share will be available for allocation for Investors of above ₹2.00 lakhs
Equity shares outstanding prior to the Issue	1,42,74,100 Equity Shares of face value of ₹10 each
Equity shares outstanding after the Issue	1,94,74,100 Equity Shares of face value of ₹10 each
Use of Net Proceeds	Please refer to the section titled " <i>Objects of the Issue</i> " beginning on page no. 60 of this Prospectus.

⁽¹⁾ 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 see the section titled "Issue Information" beginning on page no 187 of this Prospectus.

⁽²⁾ The present Issue has been authorized pursuant to a resolution of our Board dated November 21, 2022 and by Special Resolution passed under Section 62(1)(C) of the Companies Act, 2013 at an Extra-Ordinary General Meeting of our shareholders held with a shorter notice on November 25, 2022

⁽³⁾ The allocation' is the net Issue to the public category shall be made as per the requirements of Regulation 253(2) of SEBI (ICDR) Regulations, as amended from time to time:

a) Minimum fifty percent to retail individual investors; and

b) Remaining to

(i) Individual applicants other than retail individual investors; and

(ii) 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.

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.

For further details please refer to the chapter titled "Issue Structure" beginning on page no 193 of this Prospectus.

SUMMARY OF FINANCIAL INFORMATION

ANNEXURE I - RESTATED FINANCIAL STATEMENT OF ASSETS AND LIABILITIES

(₹.in Lakhs)

Particulars	Note to Annexure V	As at December 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Equity and Liabilities					
1. Shareholder's fund					
a) Equity share capital	3	1,427.41	71.37	71.37	71.37
b) Share Application Pending Allotment		-	-	-	-
c) Reserves and surplus	4	773.92	1,411.85	632.34	607.74
Total equity		2,201.33	1,483.22	703.71	679.11
2. Non-current liabilities					
a) Long term borrowings	5	205.02	1,104.48	1,017.64	232.12
b) Deferred tax liabilities (Net)	12	-	-	-	5.82
c) Long term provisions	6	8.28	7.69	6.25	6.05
Total Non-current liabilities		213.30	1,112.17	1,023.89	244.00
3. Current liabilities					
a) Short term borrowing	7	2,488.07	554.69	1,243.57	1,200.91
b) Trade payables	8				
- Total outstanding dues of micro enterprises and small enterprises		-	-	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		1,489.65	1,961.07	603.65	867.54
c) Other current liabilities	9	287.35	237.45	648.02	1,265.46
d) Short term provisions	10	485.87	244.99	9.48	53.42
Total current liabilities		4,750.94	2,998.20	2,504.72	3,387.32
Total Equity and liabilities		7,165.57	5,593.59	4,232.32	4,310.42
Assets					
1. Non-Current assets					
a) Property, plant and equipment	11	1,664.77	812.91	903.70	1,011.48
b) Deferred Tax Assets	12	3.77	5.54	5.04	-
Total Non-current assets		1,668.54	818.45	908.74	1,011.48
2. Current assets					
a) Inventories	13	2,588.95	2,083.36	2,005.03	1,829.80
b) Trade receivables	14	2,085.97	1,314.39	660.11	357.47
c) Cash and bank balances	15	162.04	405.28	202.01	281.23
d) Short term loans & advances	16	403.50	829.46	236.63	440.25
e) Other current assets	17	256.57	142.66	219.80	390.18
Total current assets		5,497.03	4,775.14	3,323.58	3,298.93
Total Assets		7,165.57	5,593.59	4,232.32	4,310.42

ANNEXURE II - RESTATED FINANCIAL STATEMENT OF PROFIT AND LOSS
(₹in Lakhs)

Particulars	Note	From 1st April 2022 to 31st December 2022	For the Year ended March 31, 2022	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Revenue:					
Revenue from operations	18	5,077.32	4,698.77	1,452.41	3,177.80
Other income	19	8.05	13.62	28.87	18.69
Total Revenue		5,085.37	4,712.39	1,481.27	3,196.48
Expenses:					
Cost of material consumed	20	3,545.85	3,276.95	1,036.68	2,460.57
Employee benefit expenses	21	158.16	96.79	101.43	127.67
Finance costs	22	181.48	125.17	173.33	209.30
Depreciation & amortisation cost	23	88.06	90.79	107.78	128.50
Other expenses	24	137.91	78.74	36.12	85.21
Prior period expenses	25	13.02	-	-	5.07
Total Expenses		4,124.49	3,668.45	1,455.35	3,016.32
Exceptional items		-	-	-	-
Net Profit before Tax		960.88	1,043.94	25.93	180.16
Less: Provision for Tax					
(a) Current Tax		241.00	265.00	9.10	53.00
(b) Deferred Tax		1.77	(0.50)	(10.86)	(3.98)
(c) Short/Excess Tax provision for earlier period		-	(0.07)	3.09	(1.85)
Total		242.77	264.43	1.33	47.17
Net Profit / (Loss) for the period after tax but before extra ordinary items		718.11	779.51	24.60	132.99
Extraordinary Items		-	-	-	-
Net Profit / (Loss) for the period after tax and after extra ordinary items available for appropriation		718.11	779.51	24.60	132.99
Earning Per Share:					
- Basic		5.03*	5.46	0.17	0.93
- Diluted		5.03*	5.46	0.17	0.93

* Not Annualised

ANNEXURE III- CASH FLOW STATEMENT, AS RESTATED
(₹in Lakhs)

Particulars	Period ended December 31, 2022	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Cash flow from operating activities				
Net profit before tax	960.88	1,043.94	25.93	180.16
Adjustments for :				
Depreciation	88.06	90.79	107.78	128.50
Provision for Gratuity	0.65	1.76	0.16	6.47
Foreign Exchange fluctuation (Gain)/ Loss	(2.09)	2.10	(20.81)	37.26
Interest income	(5.96)	(10.45)	(8.05)	(15.01)
Finance cost	181.48	125.17	173.33	209.30
Operating profit before working capital adjustment	1,223.03	1,253.31	278.34	546.68
Adjustment for changes in working capital				
Trade and other payable	(469.32)	1,355.32	(243.07)	235.46
Other current liabilities	49.90	(410.57)	(617.44)	857.75
Other Short term Loans & Advances	425.97	(592.83)	203.61	616.39
Trade and other receivables	(771.58)	(654.28)	(302.64)	(57.14)
Changes in inventories	(505.59)	(78.33)	(175.22)	219.98
Other current assets	(113.91)	77.15	170.38	(390.18)
Cash flow generated from operations	(161.52)	949.77	(686.04)	2,028.92
Direct taxes paid	(0.18)	(29.74)	(56.09)	(61.60)
Net cash flow from operating activities (A)	(161.70)	920.03	(742.13)	1,967.33
Cash flow from investing activities				
Sale of fixed assets	-	-	-	-
Interest received	5.96	10.45	8.05	15.01
Purchase of building and plant and machinery	(939.93)	-	-	(0.81)
Net Cash flow from Investing activities (B)	(933.97)	10.45	8.05	14.20
Cash flow from financing activities				
Proceed from short term borrowings	1,933.38	(688.87)	42.66	(811.55)
Proceed from long term borrowings	(899.46)	86.84	785.52	(880.97)
Finance cost	(181.48)	(125.17)	(173.33)	(209.30)
Issue of share capital	-	-	-	-
Net cash flow From financing activities (C)	852.44	(727.21)	654.84	(1,901.82)
Increase/(Decrease) in cash and cash equivalents (A+B+C)	(243.24)	203.27	(79.23)	79.70
Cash and cash equivalent at the beginning of the year	405.28	202.01	281.23	201.53
Cash & cash equivalent at the end of the year (note 15)	162.04	405.28	202.00	281.24

GENERAL INFORMATION

Our Company was incorporated as Flash Forge Fluid Control Private Limited on February 16, 2012 under the Companies Act, 1956 with the Registrar of Companies, Mumbai, Maharashtra bearing Registration number 227023. The name of our company was changed to CFF Fluid Control Private Limited vide Special resolution dated September 21, 2012. The fresh certificate of incorporation consequent of name change was issued on October 19, 2012 by the Registrar of Companies, Mumbai, Maharashtra. Further the status of the Company was changed to Public limited and the name of our Company was changed to CFF Fluid Control Limited vide Special Resolution dated September 05, 2022. The fresh certificate of incorporation consequent to conversion was issued on September 15, 2022 by the Registrar of Companies, Mumbai, Maharashtra. The Corporate Identification Number of our Company is U28990MH2012PLC227023. For further details pertaining to the change of name of our Company and the change in Registered Office, please refer the chapter “History and Certain Corporate Matters” on page no. 116 of this Prospectus

BRIEF COMPANY AND ISSUE INFORMATION

Registered Office	CFF FLUID CONTROL LIMITED Registered Office: Plot No 01, Survey No 96, Kumbhivli Madap Khopoli, Khalapur, Raigarh-410203. Tel No.: +91-2246086806 Email ID: compliance@cffdefensys.com Website: www.cffdefensys.com
Corporate Office	Corporate Office: 503, Delphi, A Wing, Orchard Avenue, Hiranandani Business Park, Powai, Mumbai-400076.
Date of Incorporation	February 16, 2012
Company Registration Number	227023
Company Identification Number	U28990MH2012PLC227023
Address of the Registrar of Companies	Address: 100, Everest, Marine Drive, Mumbai 400 002, Tel No: +91- 22- 2281 2627 / 2202 0295/ 2284 6954 Website: www.mca.gov.in
Issue Programme	Issue Opens on: May 30, 2023 Issue Closes on: June 02, 2023
Designated Stock Exchange	BSE Limited
Company Secretary and Compliance Officer	Sonika Mehta 503, Delphi, A Wing, Orchard Avenue, Hiranandani Business Park, Powai, Mumbai-400076 Tel No.: +91-2246086806 Email ID: compliance@cffdefensys.com Website: www.cffdefensys.com

Board of Directors

As on the date of this Prospectus, the Board of Directors of our Company comprises of the following:

Name	Designation	DIN	Residential Address
Sunil Menon	Managing Director	00409485	Flat No. 501, A Wing, Adonia Hiranandani Garden, Powai IIT, Powai Mumbai, Maharashtra-400076.
Gautam Makkar	Chairman and Non Executive Director	00354956	805-806, Prathima Estate, Paradise Isle, Maharani-peta, Visakhapatnam (Urban), Visakhapatnam, Andhra Pradesh - 400067.
Priyanka Moondra Rathi	Non Executive Independent Director	09485101	Plot No. 16/2 B, Bhatti ki Bavri, Chopasni Housing Board, Jodhpur Nandanwan Jodhpur, Rajasthan-342008
Prakash Rajnish	Non Executive Independent Director	08595423	C/502, Haware Tiara Building, Plot No. 184, Sector 13, Kharghar, Navi Mumbai, Raigarh, Maharashtra -410210.

For further details of our Directors, see “Our Management” on page no 120 of this Prospectus.

CHIEF FINANCIAL OFFICER

Hitesh Birla

503, Delphi, A Wing,
Orchard Avenue,
Hiranandani Business Park,
Powai, Mumbai-400076.
Tel No.: +91-2246086806
Email ID: compliance@cffdefensys.com

COMPANY SECRETARY AND COMPLIANCE OFFICER

Sonika Mehta

503, Delphi, A Wing,
Orchard Avenue,
Hiranandani Business Park,
Powai, Mumbai-400076.
Tel No.: +91-2246086806
Email ID: compliance@cffdefensys.com

INVESTOR GRIEVANCES

Investors may contact the Company Secretary and Compliance Officer and /or the Registrar to the Issue and/or Lead Manager 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 and non-receipt of funds by electronic mode.

All Issue related grievances, other than of Anchor Investors may be addressed to the Registrar to the Issue, with a copy to the relevant Designated Intermediary with whom the Bid cum Application Form was submitted, giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, address of Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for Retail Individual Investors who make the payment of Bid Amount through the UPI Mechanism), date of Bid cum Application Form and the name and address of the relevant Designated Intermediary where the Bid was submitted. Further, the Bidder shall enclose the Acknowledgment Slip or the application number from the Designated Intermediary in addition to the documents or information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Issue.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days.

DETAILS OF KEY INTERMEDIARIES PERTAINING TO THIS ISSUE AND OUR COMPANY

LEAD MANAGER TO THE ISSUE



ARYAMAN FINANCIAL SERVICES LIMITED

60, Khatau Building, Ground Floor
Alkesh Dinesh Modi Marg
Opp. P. J. Towers (BSE Building),
Fort, Mumbai – 400 001
Tel No.: +91 – 22 – 6216 6999

Email: ipo@afsl.co.in

For Investor Grievances: feedback@afsl.co.in

Website: www.afsl.co.in

Contact Person: Jigar Bhanushali / Harsha Lohia

SEBI Registration No.: INM000011344

REGISTRAR TO THE ISSUE

CAMEO CORPORATE SERVICES LIMITED

Subramanian Building, No. 1, Club House Road,
Chennai – 600 002.

Tel.: +91 - 44 –40020700 (5 Lines)

E-mail: priya@cameoindia.com

Investor Grievance Email: investor@cameodina.com

Website: www.cameoindia.com

Contact Person: Ms. K. Sreepriya

SEBI Registration. No.: INR 000003753

LEGAL COUNSEL TO THE ISSUE
M/S. ABDUS SAMEE ABDUL QADIR MANIYAR (A. A. MANIYAR) (ADVOCATE)

Office No. 2-A, Ground Floor,
Ali Chambers, Tamarind Street,

Fort, Mumbai 400 001

Tel No.: +91 – 22 - 2265 5505

Email: advaamaniyar@gmail.com

STATUTORY AUDITORS TO OUR COMPANY
M/s. V. N. Purohit & CO., Chartered Accountants

214, New Delhi House, 2nd Floor,
27, Barakhamba, New Delhi-110001

Tel: +011-43596011

Email: vnpdelhi@gmail.com

Contact Person: O. P. Pareek

Membership No.: 014238

Firm Registration No.: 304040E

Peer Review No: 012784

CHANGES IN THE AUDITORS

Except as disclosed below, there has been no change in the statutory auditors during the three years immediately preceding the date of this Prospectus:

Sr. No.	Date of Change	From	To	Reason for change
1.	September 05, 2022	M/s. Chandiramani & Co. Chartered Accountants Shop No. 85, 1st Floor, Heera Panna Mall, Oshiwara, Andheri (West), Mumbai, Maharashtra- 400053. Tel: 022 – 40165545/46 Email: info@cncoindia.com Contact Person: Mohan Chandiramani Peer Review No.: N. A. Membership No.: 040127 Firm Registration No.: 101667W	M/s. V. N. Purohit & CO., Chartered Accountants 214, New Delhi House, 2 nd Floor, 27, Barakhamba, New Delhi-110001 Tel: +011-43596011 Email: vnpdelhi@gmail.com Contact Person: O. P. Pareek Membership No.: 014238 Firm Registration No.: 304040E Peer Review No: 012784	Appointment of Peer Review certified Auditor

BANKER(S) TO OUR COMPANY

AXIS BANK LIMITED

Address: 1st Floor Senorita Plot No. 21, Gulmohar Road Near, Juhu Circle, Vile Parle West, Mumbai 400049.

Contact Person: Nikit Mohan

Tel no. : +91-9699487362

Email Id: nikit.mohan@axisbank.com

Website: <https://www.axisbank.com>

BANKER(S) TO OUR ISSUE/ SPONSOR BANK(S)/REFUND BANK



AXIS BANK LIMITED

Address: 1st Floor Seniorita Plot No. 21, Gulmohar Road Near, Juhu Circle, Vile Parle West, Mumbai 400049.

Contact Person: Vaishali Tambwekar

Tel no. : +91-22-26215555

Email Id: villeparle.brachhead@axisbank.com

Website: <https://www.axisbank.com>

SELF CERTIFIED SYNDICATE BANK(S)

The list of banks that have been notified by SEBI to act as the SCSBs (i) in relation to the ASBA (other than through UPI Mechanism) is provided 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 updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, refer to the above-mentioned link or any other such website as may be prescribed by SEBI from time to time.

INVESTORS BANKS OR ISSUER BANKS FOR UPI

The list of Self Certified Syndicate Banks that have been notified by SEBI to act as Investors Bank or Issuer Bank for UPI mechanism are provide on the website of SEBI on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>. For details on Designated Branches of SCSBs collecting the Bid Cum Application Forms, please refer to the above mentioned SEBI link.

REGISTERED BROKERS

The list of the Registered Brokers eligible to accept ASBA forms, including details such as postal address, telephone number and e-mail address, is provided on the website of SEBI (www.sebi.gov.in) at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, respectively, as updated from time to time.

REGISTRAR AND SHARE TRANSFER AGENTS

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of SEBI (www.sebi.gov.in) at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, respectively, as updated from time to time.

COLLECTING DEPOSITORY PARTICIPANTS

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the website of SEBI (www.sebi.gov.in) at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, respectively, as updated from time to time.

INTER-SE ALLOCATION OF RESPONSIBILITIES

Aryaman Financial Services Limited (AFSL) is the sole Lead Manager (LM) to the issue and all the responsibilities relating to co-ordination and other activities in relation to the Issue shall be performed by them.

MONITORING AGENCY

Since the proceeds from the Fresh Issue does not exceed ₹ 10,000 Lakhs in terms of Regulation 262 (1) of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Issue.

However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

APPRAISING AUTHORITY

The objects of the Issue and deployment of funds are not appraised by any independent agency/ bank/ financial institution.

CREDIT RATING

As the Issue is of Equity Shares, the appointment of a credit rating agency is not required.

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.

TRUSTEES

As this is an Issue of Equity Shares, the appointment of trustees is not required.

GREEN SHOE OPTION

No green shoe option is applicable for the Issue

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. N. Purohit & CO., Chartered Accountants, to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Prospectus and as “Expert” as defined under section 2(38) of the Companies Act, 2013 in respect to their Report on Restated Financial Statements dated April 25, 2023 and Report on Statement of Tax Benefits dated April 20, 2023 and issued by them, included in this Prospectus and such consent has not been withdrawn as on the date of this Prospectus.

However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

FILING OF PROSPECTUS

The Draft Prospectus will not be filed with SEBI, nor will SEBI issue any observation on the Offer Document in terms of Regulation 246 (2) of SEBI ICDR Regulations. However, pursuant to sub regulation (5) of Regulation 246 of the SEBI ICDR Regulations, the copy of Prospectus shall be furnished to the Board in a soft copy.

Pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>. A copy of the Prospectus along with the documents required to be filed under Section 26 and 28 of the Companies Act, 2013 will be delivered to the Registrar of Company, Mumbai, situated at 100, Everest, Marine Drive, Mumbai – 400 002.

ISSUE PROGRAMME

Event	Dates
Issue Opening Date	May 30, 2023
Issue Closing Date	June 02, 2023
Finalization of Basis of Allotment with the Designated Stock Exchange	June 07, 2023
Initiation of Allotment / Refunds / Unblocking of Funds	June 08, 2023
Credit of Equity Shares to demat accounts of allottees	June 09, 2023
Commencement of trading of Equity Shares on the Stock Exchange	June 12, 2023

The above timetable is indicative and does not constitute any obligation on our Company or 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 Period 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.

Applications and any revision to the same shall be accepted only between **10.00 a.m. and 5.00 p.m. (IST)** during the Issue Period (except for the Issue Closing Date). On the Issue Closing Date, the Applications and any revision to the same shall be accepted between **10.00 a.m. and 3.00 p.m. (IST)** or such extended time as permitted by the Stock Exchanges, in case of Applications by Retail Individual Applicants after taking into account the total number of applications received up to the closure of timings and reported by the Lead Manager to the Stock Exchanges. It is clarified that Applications not uploaded on the electronic system would be rejected. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

Due to limitation of time available for uploading the Applications on the Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Issue Closing Date. All times mentioned in this Prospectus are Indian Standard Times. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public offerings, 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 Issue. Applications will be accepted only on Business Days. Neither our Company, nor the Lead Manager is liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise.

In accordance with the SEBI Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their Applications (in terms of the quantity of the Equity Shares or the Applications Amount) at any stage. Retail Individual Applicants can revise or withdraw their Applications prior to the Issue Closing Date. Except Allocation to Retail Individual Investors, Allocation in the Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or the electronic Application Form, for a particular Applicant, the details as per the file received from the Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Application Form, for a particular ASBA Applicant, the Registrar to the Issue shall ask the relevant SCSB or the member of the Syndicate for rectified data.

UNDERWRITING AGREEMENT

This Issue is 100% Underwritten. The Underwriting agreement is dated January 17, 2023 with addendum dated January 25, 2023. Pursuant to the terms of the Underwriting Agreement and Addendum, the obligations of the Underwriters are several and are subject to certain conditions specified therein. The Underwriters have indicated their intention to underwrite the following number of specified securities being offered through this Issue:

Details of the Underwriter	No. of Shares Underwritten	Amount Underwritten	% of total Issue size underwritten
Aryaman Financial Services Limited 60, Khatau Building, Ground Floor Alkesh Dinesh Modi Marg Opp. P. J. Towers (BSE Building), Fort, Mumbai – 400 001 Tel. No.: +91 – 22 – 6216 6999 Email: ipo@afsl.co.in	49,39,200	8,149.68 Lakhs	94.98%
Aryaman Capital Markets Limited 60, Khatau Building, Ground Floor Alkesh Dinesh Modi Marg Opp. P. J. Towers (BSE Building), Fort, Mumbai – 400 001 Tel. No.: +91 – 22 – 6216 6999 Email: aryacapm@gmail.com	2,60,800	430.32 lakhs	5.02%
Total	52,00,000	8,580.00 lakhs	100.00%

As per Regulation 260(2) of SEBI (ICDR) Regulations, 2018, the Lead Manager has agreed to underwrite to a minimum extent of 15% of the Issue out of its own account. In the opinion of the Board of Directors (based on certificate given by the Underwriters), the resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The above mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as broker with the Stock Exchange.

WITHDRAWAL OF THE ISSUE

Our Company in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time after the Issue Opening Date but before the Board meeting for Allotment. In such an event our Company would Issue a public notice in the newspapers, in which the pre- Issue advertisements were published, within two days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Applicants within one day of receipt of such notification. Our Company shall also promptly inform the Stock Exchange on which the Equity Shares were proposed to be listed. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an IPO, our Company shall be required to file a fresh Prospectus.

MARKET MAKER



ARYAMAN CAPITAL MARKETS LIMITED

60, Khatau Building, Ground Floor
Alkesh Dinesh Modi Marg
Opp. P. J. Towers (BSE Building),
Fort, Mumbai – 400 001

Tel. No.: +91 – 22 – 6216 6999

Email: aryacapm@gmail.com

Contact Person: Mr. Harshad Dhanawade

SEBI Registration No.: SMEMM0651421122012

Details of the Market Making Arrangement for this Issue

Our Company and the Lead Manager, have entered into an agreement dated January 17, 2023 with addendum dated January 25, 2023, a Market Maker registered with SME Platform of BSE Limited in order to fulfil the obligations of Market Making

The Market Maker shall fulfill the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, and its amendments from time to time and the circulars issued by the 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 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 Issue their holding to the Market Maker in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
3. The Inventory Management and Buying/Selling Quotations and its mechanism shall be as per the relevant circulars issued by SEBI and SME Platform of BSE Limited from time to time.
4. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
5. 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.

6. The shares of the Company will be traded in continuous trading session from the time and day the company gets listed on SME Platform of BSE Limited and Market Maker will remain present as per the guidelines mentioned under BSE and SEBI circulars.
7. 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 or 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.
8. The price band shall be 20% and the Market Maker Spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.
9. The Market Maker shall have the right to terminate the said arrangement by giving a three months notice or on mutually acceptable terms to the Lead Manager, 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 Makers 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 particulars point of time.

10. **Risk containment measures and monitoring for Market Maker:** SME Platform of BSE Limited 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 Maker:** SME Platform of BSE Limited 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 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:
 - 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.
 - 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 price band shall be 20% and the Market Maker Spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.

The following spread will be applicable on the SME Exchange Platform:

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	7
4.	Above 100	6

13. Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for Markets Makers 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 Crores to ₹ 50 Crores	20%	19%
₹ 50 Crores 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.

On the first day of listing, there will be a pre-open session (call auction) and there after trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction. The securities of the Company will be placed in SPOS and would remain in Trade for Trade settlement for 10 days from the date of listing of Equity Shares on the Stock Exchange.

CAPITAL STRUCTURE

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

(₹ in lakhs, except share data)

Sr. No.	Particulars	Aggregate Value at Face Value	Aggregate Value at Issue Price
A.	Authorized Share Capital		
	2,10,00,000 Equity Shares of face value of ₹ 10 each	2,100.00	-
B.	Issued, Subscribed And Paid-Up Equity Capital before the Issue		
	1,42,74,100 Equity Shares of face value of ₹ 10 each	1,427.41	-
C.	Present Issue in Terms of this Prospectus		
	Issue of 52,00,000 Equity Shares of face value of ₹ 10 each ⁽¹⁾	520.00	8,580.00
	<i>Which Comprises:</i>		
	Reservation for Market Maker portion		
	2,60,800 Equity Shares of Rs. 10/- each at a price of Rs. 165 per Equity Share reserved as Market Maker Portion	26.08	430.32
	Net Issue to the Public		
	Net Issue to Public of 49,39,200 Equity Shares of Rs. 10/- each at a price of Rs. 165 per Equity Share to the Public	493.92	8,149.68
	<i>Of which⁽²⁾</i>		
	24,69,600 Equity Shares of Rs. 10/- each at a price of Rs. 165 per Equity Share will be available for allocation for Investors of up to Rs. 2.00 lakhs	246.96	4074.84
	24,69,600 Equity Shares of Rs. 10/- each at a price of Rs. 165 per Equity Share will be available for allocation for Investors of above Rs. 2.00 lakhs	246.96	4074.84
D.	Paid-up Equity Capital after the Issue		
	1,94,74,100 Equity Shares of face value of ₹ 10 each		1,947.41
E.	Securities Premium Account		
	Before the Issue		Nil
	After the Issue		8,060.00

⁽¹⁾ The present Issue has been authorized by our Board pursuant to a resolution passed at its meeting held on November 21, 2022 and by our Shareholders pursuant to a Special Resolution passed at the Extra-Ordinary General meeting held on November 25, 2022.

⁽²⁾ Allocation to all categories shall be made on a proportionate basis subject to valid Applications received at or above the Issue Price. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.

CLASS OF SHARES

Our Company has only one class of share capital i.e., Equity Shares of ₹10/-each. All Equity Shares issued are fully paid-up. Our Company has no outstanding convertible instruments as on the date of this Prospectus.

NOTES TO THE CAPITAL STRUCTURE

1. Changes In Authorized Share Capital

Since incorporation, the capital structure of our Company has been altered in the following manner:

1. The Initial Authorized Share Capital shares of ₹ 100,000 (One Lakhs) divided into 10,000 (Ten Thousand) Equity Shares of ₹ 10 each to ₹ 100,00,000 (One Crore) divided into 10,00,000 (Ten Lakhs) Equity Shares of ₹ 10 each pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting held on September 21, 2012.
2. The Authorized Share Capital of the Company was increase from ₹100,00,000 (One Crore) divided into 10,00,000 (Ten Lakhs) Equity Shares of ₹ 10 each to ₹ 20,00,00,000 (Twenty Crore) divided into 2,00,00,000 (Two Crore) Equity Shares of ₹ 10 each pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting held on July 07, 2022.
3. The Authorized Share Capital of the Company was increase from ₹ 20,00,00,000 (Twenty Crore) divided into 2,00,00,000 (Two Crore) Equity Shares of ₹ 10 each to ₹ 21,00,00,000 (Twenty One Crore) divided into 2,10,00,000 (Two Crore Ten Lakhs) Equity Shares of ₹ 10 each pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting held on November 25, 2022.

2. Share Capital History of our Company

The following table sets forth the history of the equity share capital of our Company:

Date of Allotment of Equity Shares	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 (₹)
On Incorporation	10,000	10	10	Subscription to MoA(1)	Cash	10,000	1,00,000	Nil
August 22, 2013	1,85,527	10	50	Rights Issue(2)	Cash	1,95,527	19,55,270	74,21,080
April 08, 2015	88,178	10	50	Private Placement(3)	Cash	2,83,705	28,37,050	1,09,48,200
November 21, 2015	4,30,000	10	50	Rights Issue(4)	Cash	7,13,705	71,37,050	2,81,48,200
July 11, 2022	1,35,60,395	10	NA	Bonus Issue(5)	Other than Cash	1,42,74,100	14,27,41,000	Nil

⁽¹⁾Initial Subscribers to the Memorandum of Association, the Company issue and allotted 9,999 Equity Shares to Flash Forge Private Limited and 1 Equity share allotted to Sunil Menon.

⁽²⁾Pursuant to the Right Issue of the Equity shares, the Company issued and allotted 1,34,690 shares to Flash Forge Private Limited and 50,837 shares to Financiere MB Sas.

⁽³⁾Pursuant to the Private Placement of the Equity shares, the Company issued and allotted 88,178 shares to Financiere MB Sas.

⁽⁴⁾Pursuant to the Right Issue of the Equity shares, the Company issued and allotted 4,30,000 shares to Flash Forge Private Limited.

⁽⁵⁾Pursuant to the Bonus Issue of the Equity shares, the Company issued and allotted 1,35,60,395 Equity shares of Face Value of Rs. 10/- each in the ratio 19:1 i.e 19 Bonus Equity shares for every 1 Equity Share held as per the details given below:

Sr. No.	Name of Allottees	Number of Shares Allotted
1.	Sunil Menon	67,79,827
2.	Gautam Makkar	41,38,523

<i>Sr. No.</i>	<i>Name of Allottees</i>	<i>Number of Shares Allotted</i>
3.	SheeilaMakker	16,75,382
4.	NiranjanMakker	9,65,903
5.	Hitesh Birla	190
6.	Manisha Varma	190
7.	Nayya Birla	190
8.	Vijay Kumar Kalavala	190
	Total	1,35,60,395

3. Details of Equity Shares issued for consideration other than cash:

Except as set out below, we have not issued Equity Shares for consideration other than cash:

Date of Allotment	Name of the Allottees	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Reasons for allotment	Benefits accrued to our Company
July 11, 2022	Sunil Menon	67,79,827	10	N.A.	Other than cash	Bonus Issue - Expansion of Capital
	Gautam Makkar	41,38,523				
	SheeilaMakker	16,75,382				
	NiranjanMakker	9,65,903				
	Hitesh Birla	190				
	Manisha Varma	190				
	Nayya Birla	190				
	Vijay Kumar Kalavala	190				
	Total	1,35,60,395				

- No shares have been allotted in terms of any scheme approved under sections 230-234 of the Companies Act, 2013.
- Our Company has not issued any shares pursuant to an Employee Stock Option Scheme.
- No shares have been issued at a price lower than the Issue Price within the last one year from the date of the Prospectus except as mentioned under:

Date of Allotment	Name of the Allottees	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Reasons for allotment	Benefits accrued to our Company
July 11, 2022	Sunil Menon	67,79,827	10	N.A.	Other than cash	Bonus Issue - Expansion of Capital
	Gautam Makkar	41,38,523				
	SheeilaMakker	16,75,382				
	NiranjanMakker	9,65,903				
	Hitesh Birla	190				
	Manisha Varma	190				
	Nayya Birla	190				
	Vijay Kumar Kalavala	190				
	Total	1,35,60,395				

1. Shareholding Pattern of our Company

a) The table below presents the current shareholding pattern of our Company as on the date of this Prospectus.

Category (I)	Category of Share- holder (II)	No. of Share-holder (III)	No. of fully paid-up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares Underlying Depository Receipts (VI)	Total Nos. Shares held (VII) = (IV) + (V) + (VI)	Share holding as a % of total No. of Shares (calculated As per SCRR, 1957)(VIII)As a % of (A+B+C2)	Number of Voting Rights held in each Class of securities (IX)				No of Underlying Outstanding Convertible securities (incl. Warrants) (X)	Share Holding as a % assuming Full convertible securities (as a % of Diluted Share Capital) (XI)=(VII)+(X) As a % of (A+B+C2)	Number of Locked In shares (XII)		No. of shares Pledged Or Otherwise encumbered (XIII)		No. of Equity shares held in De-mat form (XIV)
								No of voting Right			Total As a %of(A+B+C)			No	As a % of total shares held (b)	No	As a % of total shares held (b)	
								Class-Equity	Class	Total								
A	Promoter & Promoter Group	4	1,42,73,300	-	-	1,42,73,300	99.99%	1,42,73,300	-	1,42,73,300	99.99%	-	-	-	-	-	1,42,73,300	
B	Public	4	800	-	-	800	0.01%	800	-	800	0.01%	-	-	-	-	-	-	
C	Non Promoter Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
C1	Shares Underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
C2	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Total	8	1,42,74,100	-	-	1,42,74,100	100.00%	1,42,74,100	-	1,42,74,100	100.00%	-	-	-	-	-	-	1,42,73,300

- a) Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company as of two years prior to the date of this Prospectus.

Sr. No.	Name of the Shareholder	Number of Equity shares	Percentage of the pre-Issue Equity Share capital (%)
1.	Sunil Menon	3,56,868	50.00%
2.	Financiere MB SAS	1,39,015	19.48%
3.	Gautam Makkar	2,17,822	30.52%
Total		7,13,705	100.00%

- b) Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company as of one year prior to the date of this Prospectus.

Sr. No.	Name of the Shareholder	Number of Equity shares	Percentage of the pre-Issue Equity Share capital (%)
1.	Sunil Menon	3,56,833	50.00%
2.	Gautam Makkar	2,17,817	30.52%
3.	Niranjan Makker	50,837	7.12%
4.	Sheeila Makker	88,178	12.35%
Total		7,13,665	99.99%

- c) Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company as of ten days prior to the date of this Prospectus.

Sr. No.	Name of the Shareholder	No. of Shares	Percentage of Pre-Issue Share Capital (%)
1.	Sunil Menon	71,36,660	50.00%
2.	Gautam Makkar	43,56,340	30.52%
3.	Niranjan Makker	10,16,740	7.12%
4.	Sheeila Makker	17,63,560	12.35%
Total		1,42,73,300	99.99%

- d) Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company as on the date of this Prospectus.

Sr. No.	Name of the Shareholder	No. of Shares	Percentage of Pre-Issue Share Capital (%)
1.	Sunil Menon	71,36,660	50.00%
2.	Gautam Makkar	43,56,340	30.52%
3.	Niranjan Makker	10,16,740	7.12%
4.	Sheeila Makker	17,63,560	12.35%
Total		1,42,73,300	99.99%

- e) Our Company has not made any public issue (including any rights issue to the public) since its incorporation.
- f) Our Company has not issued any warrants, convertible debentures, loan or any other instrument which would entitle the shareholders to equity shares upon exercise or conversion.
7. Except as disclosed in this Prospectus, our Company does not have any intention or proposal to alter our capital structure within a period of 6 months from the date of opening of the 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 bonus, rights, further public issue or qualified institutions placement or otherwise. However, our Company may further issue Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the date of the opening of the Issue to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board may deem fit, if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.

8. Shareholding of our Promoters

a) Build-up of the shareholding of our Promoter

Date of Allotment / Transfer	Nature of Issue / Transaction	Nature of Consideration	No. of Equity Shares	FV (₹)	Acquisition / Transfer Price	% of Pre Issue Equity Share Capital	% of Post Issue Equity Share Capital
Sunil Menon							
On Incorporation	Subscription to MOA	Cash	1	10	10	Negligible	Negligible
September, 30, 2014	Transfer	Cash	(1)	10	50	Negligible	Negligible
November 21, 2015	Transfer	Cash	1	10	50	Negligible	Negligible
April 01, 2021	Transfer	Cash	2,55,000	10	110	1.79%	1.31%
May 01, 2021	Transfer	Cash	1,01,867	10	110	0.71%	0.52%
February 11, 2022	Transfer	Cash	(35)	10	110	Negligible	Negligible
July 07, 2022	Bonus Issue	Other than Cash	67,79,827	10	Nil	47.50%	34.81%
Gautam Makkar							
May 01, 2021	Transfer	Cash	2,17,822	10	110	1.53%	1.12%
February 11, 2022	Transfer	Cash	(5)	10	110	Negligible	Negligible
July 07, 2022	Bonus Issue	Other than Cash	41,38,523	10	Nil	28.99%	21.25%

Notes:

- None of the shares belonging to our Promoter have been pledged till date.
- The entire Promoter' shares shall be subject to lock-in from the date of allotment of the equity shares issued through this Prospectus for periods as per applicable Regulations of the SEBI (ICDR) Regulations.
- Our Promoter have confirmed to the Company and the Lead Manager that the Equity Shares held by our Promoter have been financed from their personal funds and no loans or financial assistance from any bank or financial institution has been availed by them for this purpose.
- All the shares held by our Promoter, were fully paid-up on the respective dates of acquisition of such shares.

b) Pre- Issue and Post- Issue Shareholding of our Promoter and Promoter Group

Provided below are details of Equity Shares held by our Promoter and the members of our Promoter Group as on the date of this Prospectus:

Sr. No.	Category of Promoter	Pre-Issue		Post- Issue	
		No. of Equity Shares	Percentage of pre- issue capital (%)	No. of Equity Shares	Percentage of post- issue capital (%)
A. Promoter					
1	Sunil Menon	71,36,660	50.00%	71,36,660	36.65%
2	Gautam Makkar	43,56,340	30.52%	43,56,340	22.37%
B. Promoter Group (as per defined by Reg. 2(1)(pp) of SEBI ICDR Regulations)					
1	Niranjan Makker	10,16,740	7.12%	10,16,740	5.22%
2	Sheeila Makker	17,63,560	12.35%	17,63,560	9.06%
Total Promoter & Promoter Group Holding		1,42,73,300	99.99%	1,42,73,300	73.29%
Total Paid up Capital		1,42,74,100	100.00%	1,94,74,100	100.00%

All Equity Shares held by the Promoter and members of our Promoter Group have been dematerialised as on date of this Prospectus.

9. Our Company has Eight (8) shareholders, as on the date of this Prospectus.

10. We hereby confirm that:

- a. None of the members of the Promoter, Promoter Group, Directors and their immediate relatives have purchased or sold any Equity shares of our Company within the last six months from the date of this Prospectus:
- b. None of the members of the Promoter Group, Directors and their immediate relatives have financed the purchase by any other person of Equity shares of our Company other than in the normal course of business of the financing entity within the period of six months immediately preceding the date of this Prospectus.

11. Promoter's Contribution and other Lock-in details

a) *Details of Promoter's Contribution locked-in for three (3) years*

Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post- Issue Equity Share capital of our Company held by the Promoter, shall be locked in for a period of three years as minimum Promoter's contribution from the date of Allotment and the shareholding of the Promoter in excess of 20% of the fully diluted post- Issue Equity Share capital shall be locked in for a period of one year from the date of Allotment.

The details of the Equity Shares held by our Promoter, which shall be locked-in for a period of three years from the date of allotment, are set out in the following table:

Name of Promoter	No. of Equity Shares Locked-in ⁽¹⁾	% of the post- Issue equity share capital
Sunil Menon	39,00,000	20.03%
Total	39,00,000	20.03%

⁽¹⁾For details on the date of Allotment of the above Equity Shares, the nature of Allotment, face value and the price at which they were acquired, please refer "Notes to Capital Structure" on page no. 51 of this Prospectus.

We confirm that in compliance with Regulation 237 of SEBI ICDR Regulations, the minimum Promoter contribution of 20% as shown above which is subject to lock-in for three years does not consist of:

- Equity Shares acquired during the preceding three years for consideration other than cash and out of revaluation of assets or capitalization of intangible assets or bonus shares out of revaluation reserves or reserves without accrual of cash resources.
- Equity Shares acquired by the Promoter during the preceding one year, at a price lower than the price at which Equity Shares are being issued to public in the Issue.

- The Equity Shares held by the Promoter and offered for minimum 20% Promoter' Contribution is not subject to any pledge.
- Equity Shares for which specific written consent has not been obtained from the shareholders for inclusion of their subscription in the minimum Promoter' Contribution subject to lock-in.

We further confirm that our Promoter' Contribution of 20% of the Post Issue Equity does not include any contribution from Alternative Investment Funds or FVCI or Scheduled Commercial Banks or Public Financial Institutions or Insurance Companies.

a) Details of share capital locked-in for one (1) year

i) Pursuant to Regulation 238 (b) of the SEBI (ICDR) Regulations, in addition to the Promoter's Contribution to be locked-in for a period of 3 years, as specified above, the entire Pre-Issue Equity Share capital will be locked in for a period of one (1) year from the date of Allotment in this Issue, other than the Equity Shares allotted and subscribed pursuant to the Offer for Sale.

ii) Pursuant to Regulation 242 of the SEBI Regulations, the Equity Shares held by our Promoter can be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions for the purpose of financing one or more of the objects of the Issue and the pledge of shares is one of the terms of sanction of such loan. However, as on date of this Prospectus, none of the Equity Shares held by our Promoter have been pledged to any person, including banks and financial institutions.

iii) Pursuant to Regulation 243 of the SEBI (ICDR) Regulations, Equity Shares held by our Promoter, which are locked in as per Regulation 238 of the SEBI (ICDR) Regulations, may be transferred to and amongst our Promoter / Promoter Group or to a new promoter or persons in control of our Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as applicable.

iv) Pursuant to Regulation 243 of the SEBI (ICDR) Regulations, Equity Shares held by shareholders other than our Promoter, which are locked-in as per Regulation 239 of the SEBI (ICDR) Regulations, may be transferred to any other person holding shares, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as applicable.

12. Neither the Company, nor its Promoter, Directors or the Lead Manager have entered into any buyback and/or standby arrangements for purchase of Equity Shares of the Company from any person.
13. All Equity Shares issued pursuant to the Issue shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this 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.
14. As on the date of this Prospectus, the Lead Manager and their respective associates (as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares of our Company. The Lead Manager and their affiliates may engage in the 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.
15. As on date of this Prospectus, there are no outstanding ESOP's, warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares, nor has the company ever allotted any equity shares pursuant to conversion of ESOP's till date.
16. None of our Directors or Key Managerial Personnel holds Equity Shares in the Company, except as stated in the chapter titled "Our Management" beginning on page no. 120 of this Prospectus.
17. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed under "Basis of Allotment" in the chapter titled "Issue Procedure" beginning on page no. 196 of this Prospectus. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 253 (2) of SEBI (ICDR) Regulations, as amended from time to time.

- 18.** An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 10% of the 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 Promoter 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.
- 19.** Subject to valid applications being received at or above the Issue Price, under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines.
- 20.** No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoter to the persons who receive allotments, if any, in this Issue.
- 21.** There shall be only one denomination of Equity Shares of our Company unless otherwise permitted by law. Our Company shall comply with disclosure and accounting norms as may be specified by SEBI from time to time.
- 22.** Our Company shall ensure that transactions in the Equity Shares by our Promoter and our Promoter Group between the date of this Prospectus and the Issue Closing Date shall be reported to the Stock Exchange within 24 hours of such transaction.
- 23.** Our Promoter and Promoter Group will not participate in the Issue.
- 24.** Our Company has not re-valued its assets and we do not have any revaluation reserves till date.

SECTION V- PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

Issue Proceeds and Net Issue Proceeds

The details of the proceeds of the Issue are set forth in the table below:

(₹ in lakhs)

Particulars	Amount
Gross Proceeds of the Issue	8,580.00
Less: Issue related expenses ⁽¹⁾	131.45
Net Proceeds of the Issue	8,448.55

⁽¹⁾The Issue related expenses are estimated expenses and subject to change

Net Issue

Our Company proposes to utilize the Net Proceeds from Issue towards funding the following objects (collectively, referred to herein as the “Objects”):

1. Funding Working capital requirements;
2. Repayment of Loans;
3. Purchase of machinery and equipment;
4. Acquire Technology of “ Towed Wire Antenna (TWA)”
5. General Corporate Purpose

Further, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchange including to enhance our visibility and our brand image among our existing and potential customers and creation of a public market for our Equity Shares in India.

The main objects and objects incidental and ancillary to the main objects set out in the Memorandum of Association enable us (i) to undertake our existing business activities and (ii) to undertake the activities proposed to be funded from the Net Proceeds.

Proposed Schedule of Implementation and Deployment of the Net Proceeds

The Net Proceeds of the Issue (“Net Proceeds”) are currently expected to be deployed in accordance with the schedule as stated below:

(₹ in lakhs)

Sr. No.	Particulars	Amount to be funded from the Net Proceeds	Amount to be deployed from the Net Proceeds in FY 2023-24
1.	Funding Working capital requirements	2,941.53	2,941.53
2.	Repayment of Loans	2,100.00	2,100.00
3.	Purchase of machinery and equipment	886.00	886.00
4.	Acquire Technology of “ Towed Wire Antenna (TWA)”	850.00	850.00
5.	General Corporate Purpose	1671.02	1671.02
Total		8,448.55	8,448.55

Requirements of Funds and Means of Finance

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, management estimates, quotations from suppliers, and other commercial and technical factors. We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market condition, business and strategy, competition, negotiation with suppliers, variation in cost estimates on account of factors, including changes in design or configuration of the equipment and other external factors including changes in the price of the equipment due to variation in commodity prices which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose, subject to compliance with applicable law. For further details, see “Risk Factors – The Objects of the Issue for which funds are being raised have not been appraised by any

bank or financial institution. The deployment of funds is entirely at the discretion of our management and as per the details mentioned in the section titled “Objects of the Issue”. Any revision in the estimates may require us to reschedule our expenditure and may have a bearing on our expected revenues and earnings”. To the extent our Company is unable to utilise any portion of the Net Proceeds towards the aforementioned objects of the Issue, as per the estimated schedule of deployment specified above, our Company shall deploy the Net Proceeds in the subsequent Fiscals towards the aforementioned objects

The fund requirements for all objects are proposed to be entirely funded from the Net Proceeds. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards 75% of the stated means of finance.

In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by our internal accruals and/ or debt, as required. If the actual utilisation towards any of the objects is lower than the proposed deployment, such balance will be used for funding other objects as mentioned above or towards 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 in accordance with the SEBI ICDR Regulations.

DETAILS OF THE FUND REQUIREMENTS

1. Funding Working capital requirements

Since we primarily work for the Indian Navy (including its OEMs), the market practice is to provide substantial credit period from our billing cycle and likewise substantial amounts of our funds are required for the long gestation work-in-progress inventories and working capital assets we would hold. Hence, the success in our business is dependent on our ability to ensure that we have funded working capital available for smooth flow of sales and goods for production.

Our Company proposes to utilize ₹ 2,941.53.44 lakhs of the Net Proceeds for our working capital requirements. The entire amount will be utilized during Fiscal 2023-24 towards our Company’s working capital requirements. The balance portion of our Company working capital requirements shall be met from the debt facilities availed from banks and internal accruals. The incremental and proposed working capital requirements, as approved by the Board pursuant to a resolution dated April 25, 2023 and key assumptions with respect to the determination of the same are mentioned below. Our Company’s expected working capital requirements for Fiscal 2023-24 and the proposed funding of such working capital requirements are as set out in the table below:

Basis of estimation of working capital requirements

(₹ in lakhs)

Sr. No.	Particulars	Fiscal 2021-22 (Restated)	December 2022 (Restated)	Fiscal 2023-24 (Projected)
I.	Current Assets:			
1.	Inventories	2,083.36	2,588.95	4,109.59
2.	Trade Receivables	1,314.39	2,085.97	3,561.64
3.	Cash & Bank Balance	405.28	24.91	56.11
4.	Short Term Loans and Advances	829.46	403.50	1,401.79
5.	Other Current Assets	142.66	393.70	450.00
	Total Current Assets (A)	4,775.15	5,497.02	9,579.13
II.	Current Liabilities			
1.	Trade Payables	1,961.07	1,489.65	460.86
2.	Other Current Liabilities and Short Term Provisions	482.44	866.22	107.10
	Total Current Liabilities (B)	2,443.51	2,355.87	567.96
III.	Total Working Capital Gap (A – B)	2,332.64	3,141.16	9,011.17
IV.	Funding Pattern:			
1.	Working Capital Facilities from Banks	402.87	403.42	1,500.00 ⁽¹⁾
2.	Owned Funds and Internal Accruals	1,929.77	2,737.74	4,569.64
3.	Part of the Net proceeds to be utilised	-	-	2,941.53

⁽¹⁾ Our sanctioned working capital facilities as on date of this Prospectus comprised ₹ 1,500.00 lakhs from banks and other financial institutions.

Our Statutory Auditor has, pursuant to a certificate dated April 25, 2023, certified the working capital requirements of our Company for the Fiscal 2023.

Justification for holding period levels

Particulars	Details
Current Assets	
Inventories	In Fiscal 2022 our inventory days were 162 days. We are expecting decrease in periods of inventories due to faster conversion of inventories into sales books and thereby fall in gestation period of our projects Hence; we estimated a decrease in our projected Inventories days to 136 days of Net sales for the Financial Year 2023-24.
Trade Receivables	In Fiscal 2022 our receivable days were 102 days. Due to the business growth and the need for increasing the sales volume we estimate the receivables to be maintained at levels of 118 days for Fiscal 2023.
Current Liabilities	
Trade Payables	In Fiscal 2022, our trade payables were 218 days. Our Company intends to improve our relations and ensure timely supply which will require us to have ready inventory and paying the Creditors in short period of time will enable us to avail various trade discounts and better margins. Accordingly, we estimate that the Trade Payables be paid within a cycle of approximately 22 days for Fiscal 2023-24

2. Repayment of Loans

We have from time to time availed unsecured loans from our Promoter Group Entity. As on April 30, 2023 our Company had total outstanding unsecured loans amounting to ₹ 2,158.20 lakhs as confirmed by the Statutory Auditors M/s. V.N. Purohit & Co, Chartered Accountants, vide Certificate dated May 01, 2023. This loan carry an interest rate of 12%. p.a. M/s. V.N. Purohit & Co, Chartered Accountants, have further confirmed that this loan was mainly utilized for acquiring property at Hiranandani & working capital needs from time to time.

(₹ in lakhs)

Sr. No.	Name of the Lender	Amount outstanding as on April 30, 2022	Amount proposed to be repaid
1	Flash Forge Private Limited	2,158.20	2,100.00
Total		2,158.20	2,100.00

As on the date of this Prospectus, Our Company has not repaid any of these loans. However, we may repay the above loans, before we obtain proceeds from the Issue, through other means and source of financing, including bridge loan or other financial arrangements, which then will be recouped from the proceeds of the Fresh Issue.

3. Purchase of machinery and equipment;

We currently have one manufacturing facility located at Plot No 1, Survey No-96, Kumbhivli, Maharashtra. We propose to augment our capacities & in-house capabilities by installing new equipments and machinery. Our Company hence, intends to utilize ₹886.00 lakhs from the Net Proceeds for the purchase of machinery and equipment at this manufacturing facility. We believe this will enable us to cater the growing demand of our customers with enhanced quality and increased efficiency. We are yet to place orders for such machineries and equipment.

The details of such machinery and equipment are set forth below:

Sr.No	Machinery specification and description	Type/Purpose of Machinery	Name of the vendor from whom quotation is obtained	Quantity	Cost per unit (in ₹ Lakhs)*	Total cost ofthemachinery(in ₹Lakhs)*	Condition (new / upgraded)
1.	5 Axis Haas Control	Machining Centre	Phillips Machine Tools India Pvt Ltd	2	225.63	451.27	New

2.	4 Axis Haas Control	Machining Centre	Phillips Machine Tools India Pvt Ltd	2	91.67	183.35	New
3.	4 Axis MCV 400	Machining Centre	Ace Manufacturing Limited	2	37.41	74.81	New
4.	Turn Mill LT-2LM 500MY	Machining Centre	Ace Manufacturing Limited	2	48.09	96.17	New
5.	Blasting Machine KSB-AST 750	Blasting Machine	Krishna Shot	1	7.38	7.38	New
6.	Vertical Milling Machine	Machining Centre	Techno Mech Machine Tool	1	3.88	3.88	New
7.	Radial Drilling Machine	Machining Centre	Techno Mech Machine Tool	1	3.19	3.19	New
8.	Power Back (Ups)	Infrastructure	Prostarm Power Redfined	1	18.88	18.88	New
9.	Pressure Test Unit	Testing	New Ray Engineering	1	22.30	22.30	New
10.	Epoxy Coatings	Infrastructure	Geetansh Enterprises	1	7.97	7.97	New
11.	Battery Operated Floor Crane	Infrastructure	Shree Ballad Handling Works	1	1.53	1.53	New
12.	Tig Machine	Machining Centre	NNEP Technologies	2	1.00	2.01	New
13.	3D Scanner	Design team	Shining 3D	1	12.04	12.04	New
14.	RO Water Filter 250 ltr per hour	Infrastructure	Aryan Enterprises	1	1.24	1.24	New
	Total					886.00	

We have not entered into definitive agreements with any of these vendors and there can be no assurance that the same vendors would be engaged to eventually supply the equipment or at the same costs. The quantity of equipment to be purchased is based on the present estimates of our management.

Our Company shall have the flexibility to deploy such equipment as per our internal estimates of our management and business requirements, which may change from time to time. The actual mode of deployment has not been finalised as on the date of this Prospectus. For further details, see “Risk Factors” starting from page no. 20.

4. Acquire technology of “ Towed Wire Antenna (TWA)”

Our Company has from time to time strived to be at the forefront of the technological innovation w.r.t components, parts and services which may be required by the Indian Navy. We have earlier acquired technology from Coyard of France by way of a “TOT” Agreement due to which we were able to secure important orders from Indian Navy for the Scorpene Submarine Programme. For detail of this please refer “Our Business” on page 92.

In line with this strategy, we intend to acquire technology for TWA (Towed Wire Antenna), an underwater communication device which is used submarine for the reception and the transmission of the data. To this effect, we have entered into a LOI with Nereides of France (here after referred to as “LOI service provider”).

The LOI service provider shall permit technology transfer and process development of TWA to our Company and shall further support in product development. The LOI service provider shall remit invoice for the same on monthly basis and in no event shall the fees be in excess of Euro 1 million. Hence we propose to utilize ₹ 850.00 lakhs from the Net Proceeds of the Issue towards enabling such technology acquisition during the fiscal year 2023-24. For further details refer “Risk Factors” on page 20.

5. General Corporate Purpose

Our management will have flexibility to deploy ₹1,671.02 lakhs, aggregating to 19.48% of the Gross Proceeds towards general corporate purposes, including but not restricted to strategic initiatives, partnerships, joint ventures and strategic entity/ business acquisitions, branding, marketing, new client referral fees meeting exigencies which our Company may face in the ordinary course of business, to renovate and refurbish certain of our existing Company owned/leased and operated facilities or premises, towards brand promotion activities or any other purposes as may be approved by our Board, subject to compliance with the necessary provisions of the Companies Act.

Our management, in accordance with the policies of the Board, will have flexibility in utilizing any amounts for general corporate purposes under the overall guidance and policies of our Board. The quantum of utilization of funds towards any of the purposes will be determined by the Board, based on the amount actually available under this head and the business requirements of our Company, from time to time.

We confirm that any issue related expenses shall not be considered as a part of General Corporate Purpose. Further, we confirm that in terms of Regulation 230(2) of the SEBI ICDR Regulations, the extent of the Net Proceeds according to this Prospectus, proposed to be used for general corporate purposes, shall not exceed 25% of the amount raised by our Company through the Issue of Equity Shares.

ISSUE RELATED EXPENSES

The total estimated Issue Expenses are ₹ 131.45, which is 1.53 % of the total Issue Size. The details of the Issue Expenses are tabulated below:

(₹ in lakhs)

Sr. No.	Particulars	Amount (₹ in lakhs)	% of Total Expenses ⁽¹⁾	% of Total Issue size ⁽¹⁾
1	Issue Management fees including fees and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses.	74.00	56.30%	0.86%
2	Brokerage and selling commission ⁽²⁾⁽³⁾⁽⁴⁾	21.45	16.32%	0.25%
3	Printing & Stationery, Distribution, Postage, etc.	2.00	1.52%	0.02%
4	Advertisement and Marketing Expenses	2.00	1.52%	0.02%
5	Stock Exchange Fees, Regulatory and other Expenses	32.00	24.34%	0.37%
Total		131.45	100.00%	1.53%

⁽¹⁾ The SCSBs and other intermediaries will be entitled to a commission of ₹10/- per every valid Application Form submitted to them and uploaded on the electronic system of the Stock Exchange by them.

⁽²⁾ The SCSBs would be entitled to processing fees of ₹10/- per Application Form, for processing the Application Forms procured by other intermediaries and submitted to the SCSBs.

⁽³⁾ Further the SCSBs and other intermediaries will be entitled to selling commission of 0.01% of the Amount Allotted (product of the number of Equity Shares Allotted and the Issue Price) for the forms directly procured by them and uploaded on the electronic system of the Stock Exchange by them.

The Issue expenses are estimated expenses and subject to change. The Issue expenses shall be payable within 30 working days post the date of receipt of the final invoice from the respective Intermediaries by our Company.

Appraisal and Bridge Loans

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Prospectus, which are proposed to be repaid from the Net Proceeds.

Year wise Deployment of Funds / Schedule of Implementation

As on the date of this Prospectus, no funds have been deployed on these objects. The entire Issue size is proposed to be deployed in the Financial Year 2023-24.

Monitoring of Utilization of Funds

Since the proceeds from the Issue do not exceed ₹10,000 lakhs, in terms of Regulation 262 of the SEBI ICDR regulations, our Company is not required to appoint a monitoring agency for the purposes of this Issue. Our Board and Audit Committee will monitor the utilisation of the proceeds of the Issue. Our Company will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. Our Company will indicate investments, if any, of unutilised Net Proceeds in the balance sheet of our Company for the relevant fiscals subsequent to receipt of listing and trading approvals from the Stock Exchange.

Pursuant to the SEBI Listing Regulations, our Company shall disclose to the Audit Committee of the Board of Directors the uses and applications of the Net Proceeds. Our Company shall prepare a statement of funds utilised for purposes other than those stated in this Prospectus and place it before the Audit Committee of the Board of Directors, as required under applicable law. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the statutory auditor of our Company. Furthermore, in accordance with the Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchange on a half yearly basis, a statement indicating (i) deviations, if any, in the utilisation of the proceeds of the Issue from the objects of the Issue as stated above; and (ii) details of category wise variations in the utilisation of the proceeds from the Issue from the objects of the Issue as stated above.

Interim Use of Funds

Pending utilization of the Net Proceeds for the purposes described above, our Company will deposit the Net Proceeds with scheduled commercial banks included in schedule II of the RBI Act. Our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any listed company or for any investment in the equity markets.

Variation in Objects

In accordance with Section 27 of the Companies Act, 2013, our Company shall not vary the objects of the Issue without our Company being authorised 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 as required under the Companies Act. The notice in respect of such resolution to Shareholders shall simultaneously be published in the newspapers, one in English and one in Regional language of the jurisdiction where our Registered Office is situated. The Shareholders who do not agree to the above stated proposal, our Promoter or controlling Shareholders will be required to provide an exit opportunity to such dissenting Shareholders, at a price as may be prescribed by SEBI, in this regard.

Other Confirmations / Payment to Promoter and Promoter's Group from the IPO Proceeds

Except for part repayment of loan of ₹ 2100.00 lakhs to our Group Company as mentioned in this Chapter above, no part of the Net Proceeds will be paid by our Company as consideration to our Promoter, Promoter Group, our Board of Directors, our Key Management Personnel or Group Companies except in the normal course of business in compliance with applicable law.

BASIS OF ISSUE PRICE

The Issue Price has been determined by our Company in consultation with the Lead Manager on the basis of the key business strengths. The face value of the Equity Shares is ₹ 10 and Issue Price is ₹ 165 per Equity Share and is 16.5 times of the face value. Investors should read the following basis with the sections titled “Risk Factors”, “Financial Information” and the chapter titled “Our Business” beginning on page nos. 20, 138 and 92 respectively, of this Prospectus to get a more informed view before making any investment decisions. The trading price of the Equity Shares of Our Company could decline due to these risk factors and you may lose all or part of your investments.

Qualitative Factors

Some of the qualitative factors and our strengths which form the basis for the Issue Price are:

1. Experienced Promoter and Management Team
2. Visible growth through Robust Order Book Position
3. Strong Financial Performance
4. Technical Capabilities, registrations and empanelment
5. Focus on Navy Defense Sector
6. Long standing strategic Partnerships

For more details on qualitative factors, refer to chapter “Our Business” on page no 92 of this Prospectus.

Quantitative Factors

The information presented in this section is derived from our Restated Financial Statements. For more details on financial information, investors please refer the chapter titled “Financial Statements as Restated” on page no. 138 of this Prospectus.

Investors should evaluate our Company taking into consideration its earnings and based on its growth strategy. Some of the quantitative factors which may form the basis for computing the price are as follows:

1. Basic and Diluted Earnings / Loss Per Share (“EPS”)

Year ended March 31,	Basic & Diluted	
	EPS (in ₹)	Weights
2022	5.46	3
2021	0.17	2
2020	0.93	1
Weighted Average		2.94
December 31, 2022*		5.01

* Not Annualized

Notes:

- a. The face value of each Equity Share is Rs. 10 each.
- b. Basic EPS has been calculated as per the following formula:

$$\text{Basic EPS (₹)} = \frac{\text{Net profit/ (loss) as restated, attributable to Equity Shareholders}}{\text{Weighted average number of Equity Shares outstanding during the year/period}}$$

- c. Diluted EPS has been calculated as per the following formula:

$$\text{Diluted EPS (₹)} = \frac{\text{Net profit/ (loss) as restated, attributable to Equity Shareholders}}{\text{Diluted Weighted average number of Equity Shares outstanding during the year/period}}$$

- d. Basic and Diluted EPS calculations are in accordance with Accounting Standard 20 “Earnings per Share”, notified under section 133 of Companies Act, 2013 read together with paragraph 7 of Companies (Accounting) Rules, 2014.
- e. The above statement should be read in conjunction with Significant Accounting Policies and Notes to Restated Financial Statements as appearing in “Annexure IV & V - Financial Information” beginning on page no. 138 this Prospectus.

2. Price Earnings Ratio (“P/E”) in relation to the Price of ₹ 165 per share of ₹ 10 each

Particulars	P/E
P/E ratio based on Basic and Diluted EPS as at March 31, 2022	30.22

Particulars	Industry P/E ⁽¹⁾
Highest-MTAR Technologies Limited	87.03
Lowest-Bharat Electronics Limited	10.73
Industry Average	61.65

3. Return on Net worth (RoNW)

Year ended March 31,	RoNW (%)	Weight
2022	52.56%	3
2021	3.50%	2
2020	19.58%	1
Weighted Average	30.71%	
December 31, 2022*	32.62%	

*Not Annualized

Note: Return on Net worth has been calculated as per the following formula:

$$\text{RoNW} = \frac{\text{Net profit/loss after tax, as restated}}{\text{Net worth excluding preference share capital and revaluation reserve}}$$

4. Net Asset Value (NAV) based on actual no. of equity shares at the end of the year

Financial Year	NAV (₹)
NAV as at March 31, 2022-Before Bonus Issue	207.82
NAV as at March 31, 2022-After Bonus Issue ⁽¹⁾	10.39
NAV as at December 31, 2022	15.42
NAV after Issue	55.35
Issue Price (₹)	165.00

(1) On July 11, 2022, the Company has issued and allotted 1,35,60,395 equity shares having face value of Rs. 10 each by way of Bonus Shares in ratio of 19:1 to the existing shareholders.

Note: Net Asset Value has been calculated as per the following formula:

$$\text{NAV} = \frac{\text{Net worth excluding preference share capital and revaluation reserve}}{\text{Outstanding number of Equity shares at the end of the year}}$$

5. Key Performance Indicators

All the KPIs disclosed below have been approved by a resolution of our Audit Committee dated May 20, 2023 and the Audit Committee has confirmed that it has verified and audited details of all the KPIs pertaining to the Company that have been disclosed to earlier investors at any point of time during the three years period prior to the date of filing of this Prospectus, if any. During the three years period prior to the date of filing of this Prospectus, no fresh allotment was made except for issuance of equity shares on bonus issue as disclosed in this section and section entitled “Capital Structure” on page no 51 of this Prospectus. Further, the KPIs herein have been certified by M/s. V.N. Purohit & Co., Statutory Auditor, by their certificate dated May 20, 2023. For further details, please refer to the sections entitled “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 92 and 158, respectively.

(Rs. in lakhs)

Particulars	For the period ended December 31, 2022*	Fiscal 2022	Fiscal 2021	Fiscal 2020
Revenue from Operations	5,077.32	4,698.77	1,452.41	3,177.80
EBITDA ⁽¹⁾	1,230.42	1,259.90	307.04	517.96
EBITDA Margin (%) ⁽²⁾	24.23%	26.81%	21.14%	16.30%

Particulars	For the period ended December 31, 2022*	Fiscal 2022	Fiscal 2021	Fiscal 2020
Restated profit for the period / year	718.11	779.51	24.60	132.99
Restated profit for the period / year Margin (%) ⁽³⁾	14.12%	16.54%	1.66%	4.18%
Return on Average Equity ("RoAE") (%) ⁽⁴⁾	38.98%	71.29%	3.56%	21.71%
Return on Capital Employed ("RoCE") (%) ⁽⁵⁾	23.13%	36.81%	6.22%	17.66%
Net Debt / EBITDA Ratio	2.06	1.00	6.71	2.22

*Not Annualised

Notes:

⁽¹⁾ EBITDA is calculated as restated profit for the period / year plus tax expense plus depreciation and amortization plus finance costs plus exceptional items.

⁽²⁾ EBITDA Margin is calculated as EBITDA divided by revenue from operations.

⁽³⁾ Restated profit for the period / year margin is calculated as restated profit for the period / year divided by revenue from operations.

⁽⁴⁾ RoAE is calculated as Net profit after tax divided by Average Equity.

⁽⁵⁾ RoCE is calculated as Earnings before interest and taxes (EBIT) divided by Capital Employed.

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 section "Objects of the Offer", whichever is later or for such other duration as may be required under the SEBI ICDR Regulations as amended from time to time.

Explanation for the Key Performance Indicators

Revenue from operations: Revenue from operations represents the total turnover of the business as well as provides information regarding the year over year growth of our Company.

EBITDA: EBITDA is calculated as Restated profit / loss for the period plus tax expense plus depreciation and amortization plus finance costs and any exceptional items. EBITDA provides information regarding the operational efficiency of the business of our Company.

EBITDA margin: EBITDA Margin the percentage of EBITDA divided by revenue from operations and is an indicator of the operational profitability of our business before interest, depreciation, amortisation, and taxes.

Restated profit for the period / year: Restated profit for the period / year represents the profit / loss that our Company makes for the financial year or during the a given period. It provides information regarding the profitability of the business of our Company.

Restated profit for the period / year margin: Restated profit for the period / year Margin is the ratio of Restated profit for the period / year to the total revenue of the Company. It provides information regarding the profitability of the business of our Company as well as to compare against the historical performance of our business.

Return on Average Equity ("RoAE"): RoAE refers to Restated profit for the period / year divided by Average Equity for the period. Average Equity is calculated as average of the total equity at the beginning and ending of the period. RoAE is an indicator of our Company's efficiency as it measures our Company's profitability. RoAE is indicative of the profit generation by our Company against the equity contribution.

Return on Capital Employed ("RoCE"): RoCE is calculated as Earnings before interest and taxes (EBIT) divided by Capital Employed by the Company for the period. RoCE is an indicator of our Company's efficiency as it measures our Company's profitability. RoCE is indicative of the profit generation by our Company against the capital employed.

Net Debt/ EBITDA: Net Debt to EBITDA is a measurement of leverage, calculated as a company's interest-bearing liabilities minus cash or cash equivalents, divided by its EBITDA. It shows how many years it would take for a company to pay back its debt if net debt and EBITDA are held constant.

6. Past Transfer(s) / Allotment(s)

There has been no issuance of Equity Shares or convertible securities, (excluding the shares issued under issuance of bonus shares), during the 18 months preceding the date of this 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)), in a single transaction or multiple transactions.

There have been no secondary sales / acquisitions of Equity Shares or any convertible securities (where promoter / promoter group entities or shareholder(s) having the right to nominate director(s) in the Board of the Issuer Company are a party to the transaction) equivalent to or exceeding 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-Offer capital before such transaction(s)), whether in a single transaction or a group of transactions during the 18 months preceding the date of this Prospectus.

Further we had not undertaken any primary / new issuance of Equity Shares or any convertible securities during the period of preceding three years from the date of this Prospectus except for issuance of equity shares on bonus issue as disclosed in the section entitled “*Capital Structure*” on page no. 51 of this Prospectus.

Weighted Average Cost of Acquisition (WACA) based on primary / secondary transactions (secondary transactions where by promoter / promoter group entities or shareholder(s) having the right to nominate director(s) in the Board of the Issuer Company are a party to the transaction) during the 3 years preceding the date of this Prospectus (irrespective of the size of transactions) is given below:

Past Transactions	WACA	IPO Price
WACA of Primary issuance*	Nil	NA
WACA of Secondary transactions	107.95	1.53 times

*Excluding the shares issued under issuance of bonus shares

7. Peer Group Comparison of Accounting Ratios:

Particulars	CMP*	EPS (₹)		PE Ratio		RONW (%)	NAV per share(₹)	Face Value (₹)	Revenue from Operations (₹in Lakhs)
		Basic	Diluted	Basic	Diluted				
CFF Fluid Control Limited (i)	165	5.46	5.46	30.22	30.22	52.56%	10.39	10.00	4,698.77
Peer Group **									
Data Patterns (India) Limited	1,599.30	19.48	19.48	82.10	82.10	16.36%	110.72	2.00	31,085.00
MTAR Technologies Limited	1,886.35	19.79	19.79	95.32	95.32	11.71%	168.97	10.00	32,201.00
Paras Defence and Space Technologies Limited	632	7.78	7.78	81.23	81.23	7.15%	155.14	10.00	18,256.24
Bharat Electronics Ltd	107.05	9.85	9.85	10.87	10.87	19.53%	50.42	1.00	15,36,818.00

* CMP for our Company shall be considered as Issue Price

**Source: www.bseindia.com

Notes:

- (i) The figures of CFF Fluid Control Limited are based on restated financial statements for the year ended December 31, 2022.
- (ii) Current Market Price (CMP) is the closing price of peer group scripts as on May 19, 2023
- (iii) The figures for the peer group are based on the standalone audited financials for the year ended March 31, 2022.

8. The face value of our share is ₹10.00 per share and the Issue Price is of ₹ 165 per share are 16.5 times of the face value.
9. The Company in consultation with the Lead Manager believes that the Issue price of ₹ 165 per share for the Public Issue is justified in view of the above parameters. The investors may also want to peruse the Risk Factors and Financials of the Company including important profitability and return ratios, as set out in the Financial Statements included in this Prospectus to have more informed view about the investment proposition. The Face Value of the Equity Shares is ₹ 10 per share and the Issue Price is 16.5 times of the face value i.e. ₹ 165 per share.

STATEMENT OF TAX BENEFITS

To,
The Board of Directors,
CFF Fluid Control Limited
Plot No 01, Survey No 96, Kumbhivli Madap
Khopoli IN, Khalapur Raigad
Raigarh MH 410203

Dear Sirs,

Sub: Statement of Possible Special Tax Benefits available to CFF Fluid Control Limited and its shareholders prepared in accordance with Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI Regulations”) and the Companies Act, 2013, as amended (the “Act”).

We hereby report that the accompanying Statement states the possible special tax benefits available to the Company and shareholders of the Company (hereinafter referred to as “**the Statement**”) under the Income Tax Act, 1961 (read with Income Tax Rules, circulars, notifications) presently in force in India (together referred to as the “**Direct Tax Laws**”), the Goods and Service Tax Act 2017 & Customs Act, 1962 (read with rules, circulars, notifications) presently in force in India (together referred to as the “**Indirect Tax Laws**”). For inclusion in the Prospectus (collectively, the “Offer Documents”) for the proposed offer of equity shares of the company, as required under the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amendment (the “Regulations”).

These possible special tax benefits are dependent on the Company and/ or the Company’s shareholders fulfilling the conditions prescribed under relevant Direct Tax Laws, Indirect Tax Laws and other laws. Hence, the ability of the Company or the Company’s shareholders to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company or the Company’s shareholders may or may not choose to fulfil. The Company does not have any subsidiary as on date of the Prospectus/ Prospectus.

The benefits discussed in the enclosed Statement are not exhaustive and only cover the possible special direct and indirect tax benefits available to the Company and the Company’s shareholders. The Statement is neither designed nor intended to be a substitute for professional tax advice and each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares of the Company.

We do not express any opinion or provide any assurance as to whether:

- a) the Company or its shareholders will continue to obtain these possible special tax benefits in future; or
- b) the conditions prescribed for availing the possible special tax benefits, where applicable, have been/would be met with; and

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

No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

We conducted our examination in accordance with the “Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)” (“**Guidance Note**”) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We hereby give consent to include this Statement in the Prospectus in connection with the proposed initial public offering of the Company.

Yours faithfully,

For M/s. V.N. Purohit & Co.
Chartered Accountants
FRN: 304040E

O.P. Pareek

Partner

Membership No: 014238

Place: New Delhi

Date: April 25th, 2023

UDIN: 23014238BGXRPW4962

Annexure:

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND COMPANY'S SHAREHOLDERS.

Outlined below are the possible special tax benefits available to **CFF Fluid Control Limited ("the Company")** and to its Shareholders under the Direct and Indirect Tax Laws in force in India.

A. SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY

1. Direct Tax

There are no special direct tax benefits available to the Company.

2. Indirect Tax

There are no special indirect tax benefits available to the Company.

B. SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS OF THE COMPANY

1. Direct Tax

There are no special direct tax benefits available to the Shareholders of the Company.

2. Indirect Tax

There are no special indirect tax benefits available to the Shareholders of the Company.

SECTION VI – ABOUT OUR COMPANY

INDUSTRY OVERVIEW

The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications, publically available documents and industry sources. Neither we nor any other person connected with the Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information. You should read the entire Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Statements” and related notes beginning on page nos. 20 and 138 of this Prospectus.

GLOBAL ECONOMIC OVERVIEW

A tentative recovery in 2021 has been followed by increasingly gloomy developments in 2022 as risks began to materialize. Global output contracted in the second quarter of this year, owing to downturns in China and Russia, while US consumer spending undershot expectations. Several shocks have hit a world economy already weakened by the pandemic: higher-than-expected inflation worldwide—especially in the United States and major European economies—triggering tighter financial conditions; a worse-than-anticipated slowdown in China, reflecting COVID-19 outbreaks and lockdowns; and further negative spillovers from the war in Ukraine.

The baseline forecast is for growth to slow from 6.1 percent last year to 3.2 percent in 2022, 0.4 percentage point lower than in the April 2022 World Economic Outlook. Lower growth earlier this year, reduced household purchasing power, and tighter monetary policy drove a downward revision of 1.4 percentage points in the United States. In China, further lockdowns and the deepening real estate crisis have led growth to be revised down by 1.1 percentage points, with major global spillovers. And in Europe, significant downgrades reflect spillovers from the war in Ukraine and tighter monetary policy. Global inflation has been revised up due to food and energy prices as well as lingering supply-demand imbalances, and is anticipated to reach 6.6 percent in advanced economies and 9.5 percent in emerging market and developing economies this year—upward revisions of 0.9 and 0.8 percentage point, respectively. In 2023, disinflationary monetary policy is expected to bite, with global output growing by just 2.9 percent.

The risks to the outlook are overwhelmingly tilted to the downside. The war in Ukraine could lead to a sudden stop of European gas imports from Russia; inflation could be harder to bring down than anticipated either if labour markets are tighter than expected or inflation expectations unanchored; tighter global financial conditions could induce debt distress in emerging market and developing economies; renewed COVID-19 outbreaks and lockdowns as well as a further escalation of the property sector crisis might further suppress Chinese growth; and geopolitical fragmentation could impede global trade and cooperation. A plausible alternative scenario in which risks materialize, inflation rises further, and global growth declines to about 2.6 percent and 2.0 percent in 2022 and 2023, respectively, would put growth in the bottom 10 percent of outcomes since 1970.

With increasing prices continuing to squeeze living standards worldwide, taming inflation should be the first priority for policymakers. Tighter monetary policy will inevitably have real economic costs, but delay will only exacerbate them. Targeted fiscal support can help cushion the impact on the most vulnerable, but with government budgets stretched by the pandemic and the need for a disinflationary overall macroeconomic policy stance, such policies will need to be offset by increased taxes or lower government spending. Tighter monetary conditions will also affect financial stability, requiring judicious use of macroprudential tools and making reforms to debt resolution frameworks all the more necessary. Policies to address specific impacts on energy and food prices should focus on those most affected without distorting prices. And as the pandemic continues, vaccination rates must rise to guard against future variants. Finally, mitigating climate change continues to require urgent multilateral action to limit emissions and raise investments to hasten the green transition.

The Forces Shaping the Outlook

Global slowdown intensifies as downside risks materialize

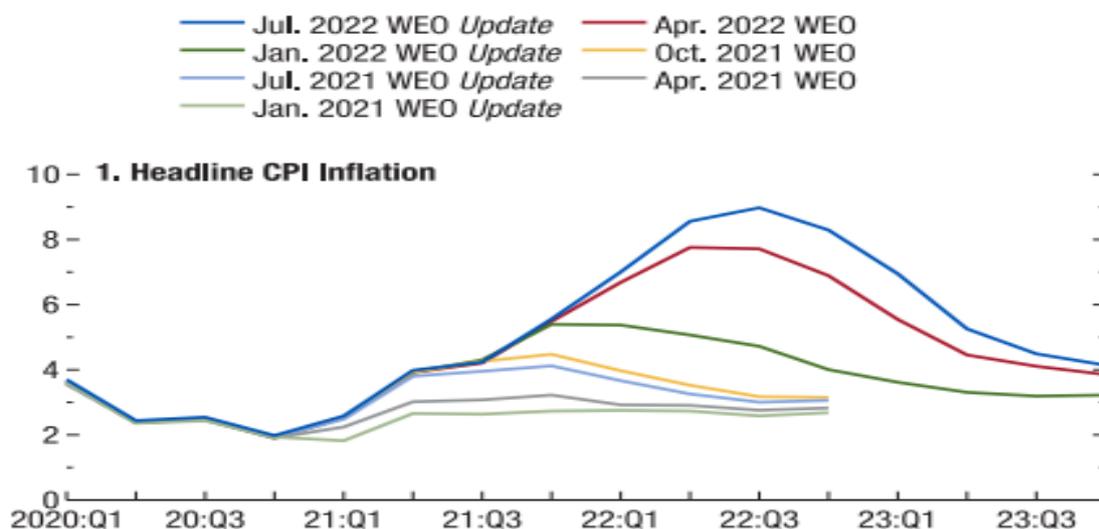
A tentative recovery in 2021 has been followed by increasingly gloomy developments in 2022. Performance was slightly better than expected in the first quarter, but world real GDP is estimated to have shrunk in the second quarter—the first contraction since 2020—owing to economic downturns in China and Russia. Downside risks discussed in the

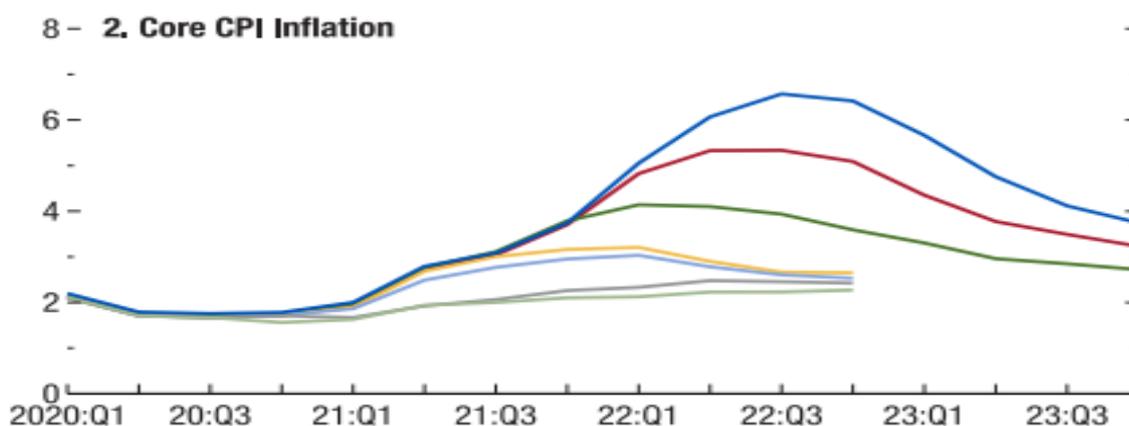
April 2022 World Economic Outlook are materializing, with higher inflation worldwide, especially in the United States and major European economies, triggering a sharp tightening in global financial conditions; a sharper-than-anticipated slowdown in China, reflecting COVID-19 outbreaks and lockdowns; and further negative cross-border effects from the war in Ukraine.

Global inflation again surprises on the upside, prompting more central bank tightening

Since 2021, consumer prices have consistently risen faster than widely expected, including in the World Economic Outlook (Figure 1). In the United States, the consumer price index rose by 9.1 percent in June, compared with a year earlier, and it also rose by 9.1 percent in the United Kingdom in May—the highest inflation rates in these two countries in 40 years. In the euro area, inflation in June reached 8.6 percent, its highest level since the inception of the monetary union. Equally concerning, in emerging market and developing economies, second-quarter inflation is estimated to have been 9.8 percent. Higher food and energy prices, supply constraints in many sectors, and a rebalancing of demand back toward services have in most economies driven up headline inflation. But underlying inflation has also increased, as reflected in different gauges of core inflation, reflecting the pass-through of cost pressures by way of supply chains and tight labor markets, especially in advanced economies.¹ Wage growth has on average not kept up with inflation across both advanced and emerging market and developing economies, eroding household purchasing power. Although long-term inflation expectations have been stable in most major economies, they have started to rise according to some measures, including in the United States (Figure 2). In response to incoming data, central banks of major advanced economies are withdrawing monetary support more assertively and raising policy interest rates faster than expected in the April 2022 World Economic Outlook. Central banks in several emerging market and developing economies have raised interest rates more aggressively than during past advanced economy tightening cycles. The associated rise in longer-term borrowing costs, including mortgage and tighter global financial conditions have led to precipitous declines in equity prices, weighing on growth. At the same time, public COVID-19 support packages have been wound down.

Figure 1. Global Inflation Forecasts: Serial Upside Surprises
(Percent)





Source: IMF staff calculations.

Note: Global inflation is a weighted average of individual countries' numbers using GDP valued at purchasing power parity as weights. WEO = *World Economic Outlook*.

[*\(Source: The International Monetary Fund, World Economic Outlook July, 2022\)*](#)

INDIAN SCENARIO

The Indian economy has fully recovered to the pre-pandemic real GDP level of 2019-20, according to the provisional estimates of GDP released on May 31, 2022. Real GDP growth in FY 2021-22 stands at 8.7%, which is 1.5% higher than the real GDP in FY 2019-20. These figures are associated with stronger growth momentum, indicating increased economic demand. The investment rate in the fourth quarter increased to its highest level in the previous nine quarters. Moreover, capacity utilisation in the manufacturing sector rose in the fourth quarter, as against the third quarter, implying a build-up in demand, which is consistent with the growth objectives of the Indian economy.

Future capital spending of the government in the Indian economy is expected to be supported by factors such as tax buoyancy, streamlined tax system, thorough assessment and rationalisation of the tariff structure and digitisation of tax filing. In the medium term, an increase in capital spending on infrastructure and asset-building projects is set to increase growth multipliers. Furthermore, revival in monsoon and Kharif sowing helped the agriculture sector gain momentum. As of July 11, 2022, the South-West monsoon has covered the entire country, resulting in 7% higher rainfall than the normal level.

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

Market Size

- India's nominal GDP at current prices was estimated at Rs. 232.15 trillion (US\$ 3.12 trillion) in FY22. With more than 100 unicorns valued at US\$ 332.7 billion, India has the third-largest unicorn base in the world. The government is also focusing on renewable sources to generate energy, and is planning to achieve 40% of its energy from non-fossil sources by 2030.
- According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 and 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 this period. India's current account deficit (CAD), primarily driven by an increase in the trade deficit, stood at 1.2% of GDP in 2021-22.
- Exports fared remarkably well during the pandemic and aided recovery when all other growth engines lost 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 Mr. Piyush Goyal, Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Indian exports are expected to reach US\$ 1 trillion by 2030.

Recent Developments

- As of July 15, 2022, India's foreign exchange reserves reached US\$ 572.71 billion.
- Private equity-venture capital (PE-VC) sector investments stood at US\$ 34.1 billion, up 28% YoY, across 711 deals through January-June 2022.
- India's merchandise exports stood at US\$ 676.2 billion in FY22. In June 2022, India's merchandise exports stood at US\$ 37.9 billion, recording the highest ever exports in June 2022.
- In June 2022, the gross Goods and Services Tax (GST) revenue collection stood at Rs. 1.44 trillion (US\$ 18.1 billion).
- According to the Department for Promotion of Industry and Internal Trade (DPIIT), FDI equity inflow in India stood at US\$ 588.53 billion between April 2000-March 2022.
- In July 2022 (until 21 July 2022), Foreign Portfolio Investment (FPI) outflows stood at Rs. 228,862 crore (US\$ 28.65 billion)
- Consumer Price Index (CPI) inflation stood at 7.01% in June 2022 compared to 7.04% in May 2022.

Government Initiatives

Over the years, the Indian government has introduced many initiatives to strengthen the nation's economy. The 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 the recent decade, India's rapid economic growth has led to a substantial increase in demand for exports. Moreover, many 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, are aimed at creating immense opportunities in India. In this regard, some of the initiatives taken by the government to improve the economic condition of the country are mentioned below:

- In July 2022, the Union Cabinet chaired by the Prime Minister, Mr. Narendra Modi, approved the signing of the Memorandum of Understanding (MoU) between India and Maldives. This MoU will provide a platform to tap the benefits of IT for court digitisation, and can be a potential growth area for IT companies and start-ups in both the countries.
- In July 2022, the Reserve Bank of India (RBI) approved international trade settlements in Indian rupees (INR) in order to promote the growth of global trade with emphasis on exports from India and to support the increasing interest of the global trading community.
- Mr. Rajnath Singh, Minister of Defence, launched 75 newly-developed artificial intelligence (AI) products and technologies during the first-ever "AI in Defence" (AIDef) symposium and exhibition, organised by the Ministry of Defence in New Delhi on July 11, 2022.

As of April 2022, India signed 13 Free Trade Agreements (FTAs) with its trading partners, including major trade agreements such as the India-UAE Comprehensive Partnership Agreement (CEPA) and the India-Australia Economic Cooperation and Trade Agreement (IndAus ECTA).

Road Ahead

Despite continuing geopolitical concerns, rising interest rates in the US and India and high prices of crude oil and few other commodities, economic activity in India is holding up better than anticipated. Electricity consumption, manufacturing PMI, exports, power supply and other high-frequency indicators indicate that the pace of economic activity has fully recovered from the COVID-19 pandemic shock. Economic growth is anticipated to be fuelled by the effective implementation of PLI schemes, development of renewable energy sources while diversifying import dependence on crude oil and bolstering of the banking sector. Recent government initiatives to boost revenue will aid in containing the rise in the current account deficit and ensure that any potential fiscal slippage is adequately contained. Overall, the first ten days of July and June were better than the first two months of FY 2022–23, which is a cause for comfort and even cautious optimism in these testing times. According to a Boston Consulting Group (BCG) analysis, India is expected to be the third-largest consumer economy as its consumption may quadruple to US\$ 4 trillion by 2025 due to changes in consumer behaviour and spending patterns. By 2040, India is anticipated to overtake the US to become the second-largest economy in terms of purchasing power parity (PPP), according to a report by PricewaterhouseCoopers.

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

GLOBAL MARITIME INDUSTRY OVERVIEW

The global shipbuilding prospects got some fillip due to large ageing fleet replacements and new regulatory restrictions implemented by the International Maritime Organization (IMO). The global fuel, sulphur cap, which came into force in

January 2020, is part of the IMO's response to heightening environmental concerns, contributed in part by harmful emissions from ships. Further, commitments to reduce the total emissions to 50% by 2050 is a forward looking initiative with farreaching impact providing plenty of opportunity for the industry to adopt new technology and thus driving next generation fleet replacements. That is likely to have modest positive effect for the shipyards and the suppliers in medium and long term basis. The uncertainties in the political sphere and trade wars looming large, the world real GDP had a stagnant growth on year on year basis. This had direct impact on the seaborne trade and thus limiting the appetite for the new shipbuilding orders on the international stage.

(Source: https://shipmin.gov.in/sites/default/files/AnnualReport2021_0.pdf)

Global Marine Valves And Actuators Market Outlook

The marine valves and actuators market is predicted to grow at a moderate CAGR of 4.5%. The global market is estimated to reach a value of about US\$ 5.8 Bn by 2032, growing from US\$ 3.5 Bn valued in 2021. Rapid globalization of the manufacturing market has significantly increased the international commerce rising demand for marine ships and vessels that can transport the raw materials and finished products. The growing use of vessels for marine mobility has aided the growth of the one-way marine valve and actuator market across the world. Recent technical advancements in the marine sector achieved through R&D activities has increased the demand for employing advanced actuators and valves, giving a broad market reach.

Impact of Covid -19 on Global Marine Valves And Actuators Market

During the global pandemic years, all the industries dealing with non-essential items, particularly the transportation sector, were hit severely by the imposed restrictions on the free movement of citizens and logistics. Sea routes and waterway transports dropped down, indirectly reducing the demand for maritime actuators and valves along with the manufacturing of ships, vessels, ferries and other water transport vehicles. The growth of the global maritime valves and actuator market was observed to decrease from a higher rate of 5.7% recorded by the previous market report for the years 2015 to 2021. Developed economies around the world are concentrating on compensating for the pandemic effects by accelerating operations when opportunities occur. It is expected to boost the maritime industry, further benefiting the marine fuel tank selector valve and actuators market.

Driving Factors for Global Marine Valves And Actuators

In the present world, shipping has overtaken other means of transportation as the highly preferred method of transportation due to its low cost a minimal carbon footprint. Consequently, the overall volume of traffic over sea routes and waterways has expanded substantially by seaborne tankers, vessels, ships and other cargo boats. Air vent head that governs ship operations by using valves and actuators is turning out to be a remunerative business for market players. The defence or naval branch contributes a significant marine valves and actuators market share since flow management in the battleships is critical for the sector. Advancement in maritime warfare techniques deploying military-grade maritime vessels such as corvettes, frigates and destroyers is expected to boost the demand for marine electric actuators and marine gas valves in the defence sector. The global expansion of the oil & gas sector as a result of enlarging production and consumption levels throughout the economies has resulted in the development of seaborne trade among supplier and consumer economies. According to the market survey report by United Nations Conference on Trade & Development (UNCTAD) in 2021, more than 80% of international trade in goods is carried out by sea routes in terms of volume.

The shipping industry is expanding at a significant rate after the receding of the pandemic crisis carrying immense opportunities for the associated industries, including the global valves and actuators market.

(Source: <https://www.factmr.com/report/marine-valves-and-actuators-market>)

INDIAN SHIPPING INDUSTRY OVERVIEW

According to the Ministry of Shipping, around 95% of India's trading by volume and 70% by value is done through maritime transport. In November 2020, the Prime Minister, Mr. Narendra Modi renamed the Ministry of Shipping as the Ministry of Ports, Shipping and Waterways. India has 12 major and 205 notified minor and intermediate ports. Under the National Perspective Plan for Sagarmala, six new mega ports will be developed in the country. The Indian ports and shipping industry play a vital role in sustaining growth in the country's trade and commerce. India is the sixteenth-largest maritime country in the world with a coastline of about 7,517 kms. The Indian Government plays an important role in supporting the ports sector. It has allowed Foreign Direct Investment (FDI) of up to 100% under the automatic route for port and harbour construction and maintenance projects. It has also facilitated a 10-year tax holiday to enterprises that develop, maintain and operate ports, inland waterways and inland ports.

Government Initiatives

Some of the major initiatives taken by the government to promote the ports sector in India are as follows:

- In December 2021, India and Russia are talking about collaborating on shipbuilding and inland waterways.
- The Draft Indian Ports Bill 2021, which was circulated in July 2021, aims to centralise the administration of minor ports that are currently managed by state governments.
- In November 2021, Union Minister for Ports, Shipping & Waterways and Ayush, Mr. Sarbananda Sonowal, inaugurated the simultaneous launching of five vessels at Cochin Shipyard Limited (CSL).
- In June 2021, the Ministry of Ports, Shipping and Waterways and Ministry of Civil Aviation signed a memorandum of understanding (MoU) to develop sea plane services in India.

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

Road Ahead

Under the present depressed prevailing market, the growth in the Industry is likely to be accelerated through the “Atmanirbhar Bharat” initiative under the Make in India Programme of the GOI. Various support initiatives were taken by the ministry such as providing preference to local built Tugs for the employment of services in all the Major ports. The likely growth in demand for shipbuilding in India is expected to emerge from the above schemes for the coastal shipping and Inland water. Another potential area of interest is the defence market and deep sea fishing segment. As per a published report, the Indian Navy’s perspective plan aims to increase the Navy’s fleet from the present 137 to 200 nos. by 2027.

(Source: https://shipmin.gov.in/sites/default/files/AnnualReport2021_0.pdf)

GLOBAL DEFENCE MARKET OUTLOOK

The defence market consists of sales of air-based, sea-based and land-based military equipment by entities (organizations, sole traders and partnerships) that produce air-based, sea-based and land-based military equipment including support and auxiliary equipment such as radar, satellites, sonars, and other auxiliary equipment or maintain, repair and overhaul defence equipment.

The main defence types are air-based defence equipment, sea-based defence equipment, land-based defence equipment, defence equipment maintenance, repair and overhaul services, defence support, and auxiliary equipment. Air-based defence equipment includes support and auxiliary equipment for the air-based defence such as radar, satellites, sonars, and other auxiliary equipment. The various operation includes autonomous defence equipment, manual and involves various platforms such as airborne, land, naval.

The global defence market size is expected to grow from \$452.69 billion in 2021 to \$483.47 billion in 2022 at a compound annual growth rate (CAGR) of 6.8%. The growth in the defence market is mainly due to the companies rearranging their operations and recovering from the COVID-19 impact, which had earlier led to restrictive containment measures involving social distancing, remote working, and the closure of commercial activities that resulted in operational challenges. The defence market is expected to reach \$604.82 billion in 2026 at a CAGR of 5.8%.

The global defence market is segmented -

- 1) By Type: Air-Based Defence Equipment, Sea-Based Defence Equipment, Land-Based Defence Equipment, Defence Equipment Maintenance, Repair and Overhauling Services, Defence Support and Auxiliary Equipment
- 2) By Operation: Autonomous Defence Equipment, Manual
- 3) By Platform: Airborne, Land, Naval

Sub segments Covered: Fighter Aircrafts, Military Helicopters, Military Gliders and Drones, Battle Force Ships (Aircraft Carriers, Frigates, Destroyers, Corvettes, Torpedo Boats, Support Crafts), Submarines (including Nuclear Submarines), Armoured Vehicles, Missiles, Tanks, Small Arms and Light Weapons, Air-Based Defence Equipment MRO Services, Water-Based Defence Equipment MRO Services, Land-Based Defence Equipment MRO Services, Military Radars, Military Satellites, Other Defence Support and Auxiliary Equipment.

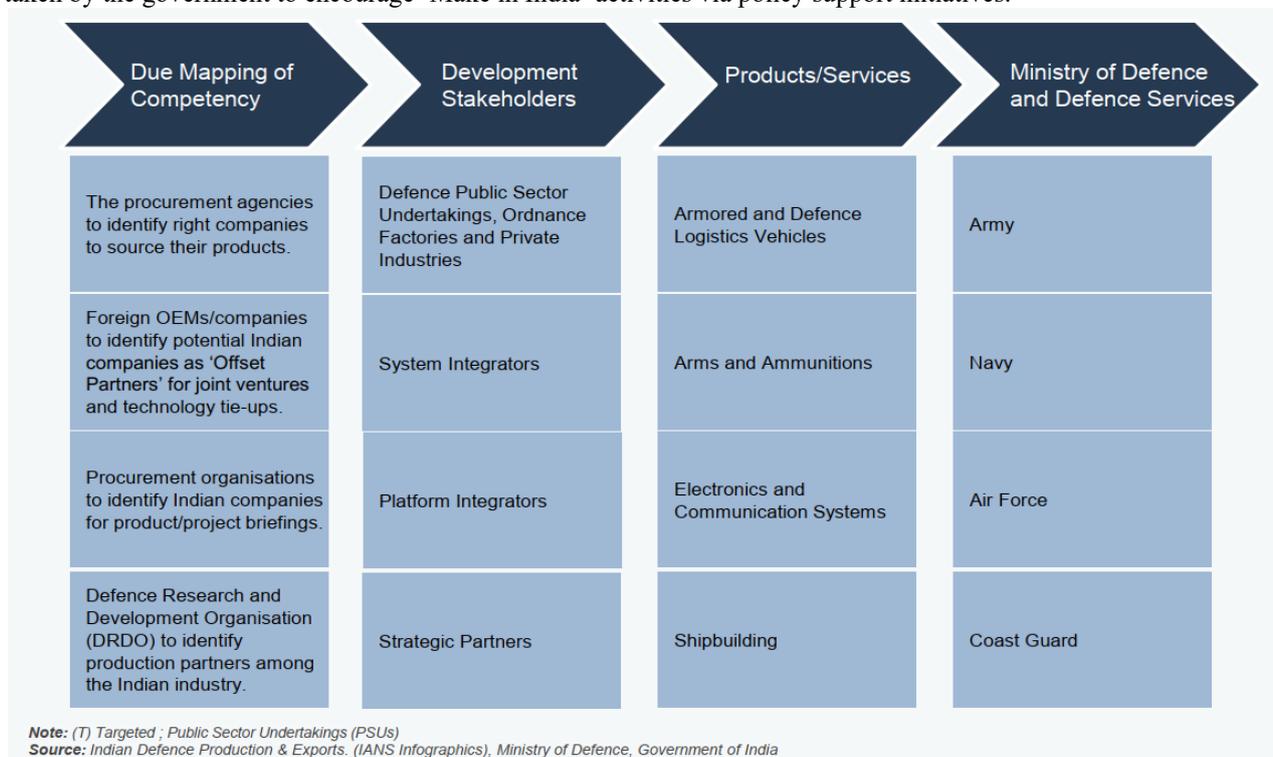
(Source: <https://www.thebusinessresearchcompany.com/report/defence-global-market-report>)

INDIAN DEFENCE MARKET OUTLOOK

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).

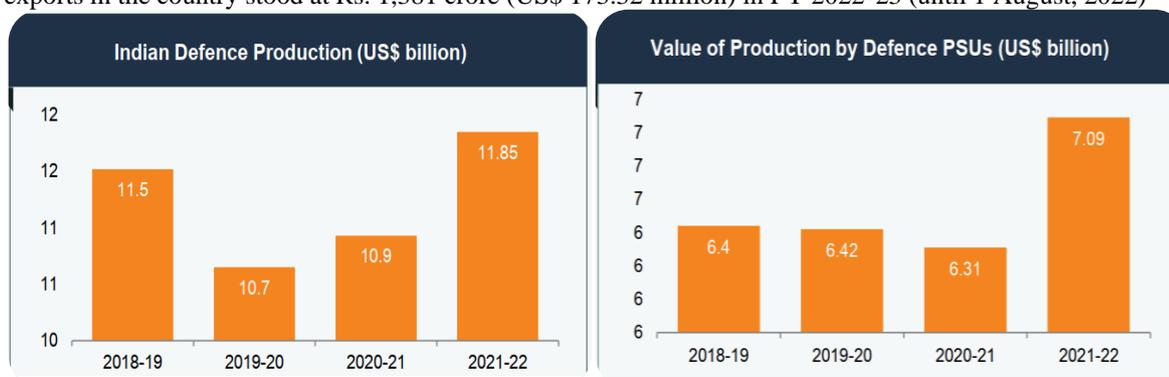
The Indian defence manufacturing industry is a significant sector for the economy. The industry is likely to accelerate with rising concerns of national security. Demand for defence equipment in India has been growing due to the ongoing territorial disputes with Pakistan and China over the ownership 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 over external dependence for defence procurement, several initiatives have been taken by the government to encourage 'Make in India' activities via policy support initiatives.



Market Size

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\$ 25.00 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 Rs. 5.25 lakh crore (US\$ 66 billion), accounting for 13.31% of the total budget and indicating an increase over the budget estimates of 2021-22 by Rs. 46,970 crore (US\$ 5.9 billion).

India's defence import value stood at US\$ 463 million for FY20 and is expected to be at US\$ 469.5 million in FY21. India targets to export military hardware worth Rs. 35,000 crore (US\$ 5 billion) in the next 5 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 in the country stood at Rs. 1,381 crore (US\$ 173.32 million) in FY 2022-23 (until 1 August, 2022)



- India's defence production stood at Rs. 17, 885 crore (US\$ 2.24 billion) in FY 2022-23 (until 1 August, 2022)
- Defence production by PSUs stood at Rs. 10,831 crore (US\$ 1.36 billion) in FY 2022-23 (until 1 August, 2022)
- The overall production sector decreased in 2019; however, growth was observed in the value of production by Defence PSUs due to numerous key product developments through research and development initiatives, in addition to various products and equipment being manufactured through transfer of technology.
- Ordnance factories recorded a slight decline in the value of production as 275 items, which were earlier reserved for ordnance factories, were notified for open industry procurement.
- The country plans to spend US\$ 130.00 billion on military modernisation in the next five years and is also achieving self-reliance in defence production.
- The Government of India opened the defence industry for private sector participation to provide impetus to indigenous manufacturing
- In India, 100% FDI is allowed in the defence industry, wherein 74% is allowed the under automatic route and beyond 74% is through the government route.

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

Defence Exports



- Defence exports in the country stood at Rs. 1,381 crore (US\$ 173.32 million) in FY 2022-23 (until 1 August, 2022).
- Defence exports in the country witnessed strong growth in the last two years. India targets to export military hardware worth US\$ 5.00 billion (Rs. 35,000 crore) in the next 5 years.
- The 12th edition of DefExpo, India's flagship event showcasing land, naval, air and homeland security systems will be held in Gandhinagar, Gujarat, from March 10 to March 13, 2022. The aim of DefExpo-2022 is to build and achieve 'Aatmanirbharta' (self-reliance) in defence and increase defence exports to US\$5 billion by 2024.
- To boost the domestic defence sector manufacturing, the Ministry of Defence, in December 2020, approved the export of indigenously-developed surface-to-air Akash missile system and set up a panel to ensure faster approvals for acquisition proposals by various countries.
- With an emphasis on promoting defence exports from the country, India Pavilion at Aero India 2021 – Bengaluru will showcase a range of indigenously developed helicopters.
- In October 2020, India and the UAE have agreed to take their defence cooperation further through joint production and mutual trade. This move is expected to boost domestic defence exports and achieve defence export targets worth US\$ 5 billion in the next five years.

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

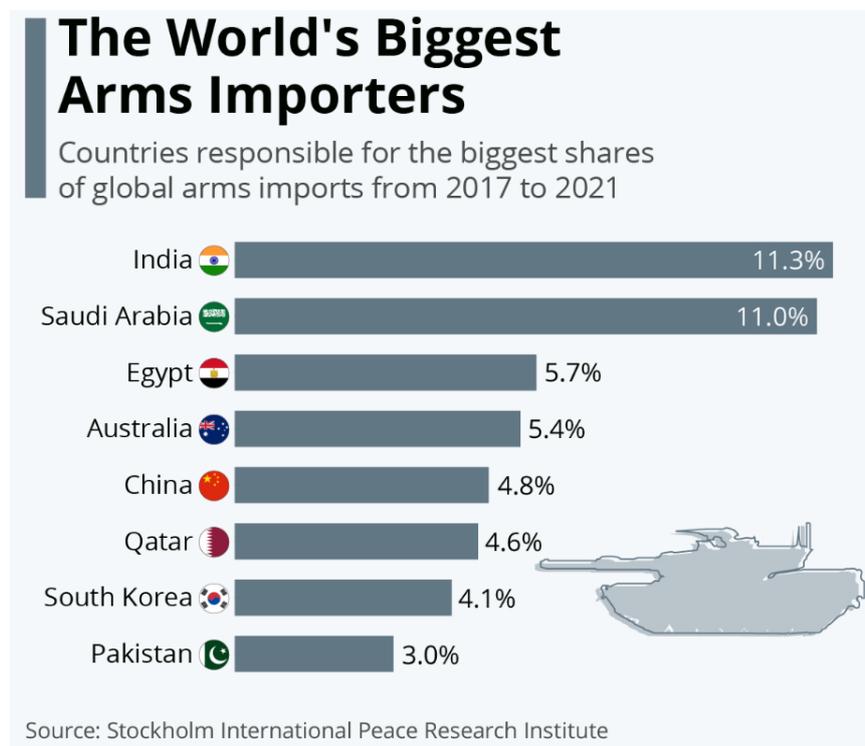
Defence Imports



- India's defence import value stood at US\$ 463 million for FY20 and is expected to be at US\$ 469.5 million in FY21.
- In February 2020, Defence Minister Mr. Rajnath Singh at Aero India 2021 announced to reduce defence imports by at least US\$ 2 billion by 2022.
- In August 2020, Defence Minister Mr. Rajnath Singh announced to ban imports of 101 defence items to bolster, the Prime Minister, , Mr. Narendra Modi's resolve to make India self-reliant. This embargo on imports is planned to be progressively implemented between 2020 and 2024.
- In September 2016, India agreed to purchase 36 Rafale fighter jets from France for ~US\$ 7.70 billion. Following this deal, France delivered a set of three Rafale fighters to India in July 2021, boosting the Indian Air Force fleet.
- In August 2020, Defence Minister, Mr. Rajnath Singh, launched the indigenisation portal 'SRIJAN', a one-stop shop, online portal for vendors interested to take up items for indigenisation.
- In the first stage, the portal displayed those items that were imported in 2019-20 and are expected to import in 2020-21. This information could be helpful for the Indian manufacturers to design and develop defence products.
- In November 2020, Hindustan Times reported that India leased two MQ-9B Sea Guardian drones from the United States, under the new Indian defence acquisition guidelines, which now permits the Indian Army to temporarily lease hardware as opposed to buying the equipment outright.

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

India was the highest importer of Arms and one of the Lowest Exporter, however the trend is expected to change:



The Stockholm International Peace Research Institute (SIPRI) has released its latest report on Trends in International Arms Transfer, 2021. As per the report, India and Saudi Arabia emerged as the largest importers of arms between 2017-21. Both two countries accounted for 11% of all global arms sales. Egypt (5.7%), Australia (5.4%) and China (4.8%) were the next three largest importers respectively in the top 5. The report placed India at the top of the list. 85% of India’s overall imports were from three countries. Russia (46%), France (27%), and the USA (12%) were the top three largest exporters of arms to India during the period.

Largest Arms Exporters in 2017-21:

- USA, with 39% share, retained its standing as the world’s largest arms exporters during 2017-21.
- Russia (19%), France (11%), China (4.6%) and Germany (4.5%) were among the top 5 largest exporters respectively.
- India was 23rd largest exporter during 2017-21, with a share of just 0.2% of the global exports.

The Rise Of India’s Defence Export

The Indian armed forces are one of the most powerful forces in the world comprising three divisions: the Indian Army, Indian Navy and Indian Air Force. The Government of India is responsible for safeguarding the defence of India and its borders. The Global Firepower (GFP) annual defence review assigns ranks to different countries on 50 different factors including manpower, airpower, land forces, naval forces, natural resources, logistics, financials and geography. India emerged as the fourth best country in terms of its power index with a score of 0.0979 (0.0000 being perfect) towards the start of 2022.

India has active military manpower of 1.45 lakhs armed personnel. As of January 2022, the country was equipped with 2,182 aircraft including fixed-wing and rotorcraft platforms. The country also had approximately 4,614 tanks and 12,000 armoured vehicles. However, India has emerged as one of the largest arms importers in the world, accounting for 11% of the total global arms sales globally. Alternatively, India has realised it needs to reduce dependence on defence imports and give more weightage to exports. India was the only country among the top countries of the world which has significantly diminished its reliance on imports in the past few years. The country witnessed a 21% decline in imports during 2017-21 versus 2012-16. This was due to a growing emphasis on indigenous design and manufacturing of defence equipment by the private sector and various state-owned companies.

According to the Ministry of Defence, the country's arms exports have seen a 6x rise since 2014, amounting to Rs. 11,607 crore (US\$ 1.5 billion) during FY 2021-22. This astronomical rise was ascribed to various reforms proposed by the government to scale up defence exports and improve the ease of doing business. The government is ambitious to reach an export target of Rs. 36,500 crore (US\$ 4.8 billion) by 2025. It inked a crucial export deal worth US\$ 375 million (Rs. 2,770 crore) with the Philippines for exporting the Brahmos supersonic cruise missile. This deal is likely to open doors to India's defence exports to various Asian countries such as Indonesia and Vietnam. India is also in talks with some Middle Eastern countries such as the UAE and Saudi Arabia for exporting the Brahmos missile and Akash air defence missiles.

(Source: <https://www.ibef.org/research/case-study/the-rise-of-india-s-defence-exports>)

Key Developments in Defence manufacturing which show that India is moving from being defense consumer to defence supplier:

- **Kalvani emerges as supplier for Howitzers** :In a first for the country, India's private defence player Kalyani Strategic Systems has bagged an export order worth \$155 million (over Rs 1,200 crore) for artillery guns
Source :<https://theprint.in/defence/indias-kalyani-group-bags-155-million-export-order-for-artillery-guns-first-for-country/1206769/>
- **Pinaka Rocket is supplied to Armenia** :Pinaka is a multiple rocket launcher produced in India and developed by the DRDO for the Army. As tensions rise with Azerbaijan, Armenia buys Pinaka rockets & ammunition from India. Armenia has signed a contract with India for procuring the indigenous Pinaka multi-barrel rocket launchers, unspecified missiles and ammunition, amid its growing tensions with Azerbaijan which is close to Turkey and Pakistan
Source :<https://theprint.in/defence/as-tensions-rise-with-azerbaijan-armenia-buys-pinaka-rockets-ammunition-from-india/1147833/>
- **BrahMos Missile is Procured by Phillipines:Philippines on Friday signed a \$374.96-million deal with BrahMos Aerospace Private Ltd** . for the supply of shore-based anti-ship variant of the BrahMos supersonic cruise missile. This is the first export order for the missile, a joint product of India and Russia.
Source :<https://www.thehindu.com/news/national/philippines-inks-deal-worth-375-million-for-brahmos-missiles/article38338340.ece>
- **L&T emerges as small arms suppliers to many countries** :Engineering and construction major Larsen & Toubro (L&T) on Friday said its defence arm has received orders for the Indian Ministry of Defence (MoD) for the supply of four regiments of Pinaka Weapon Systems. "The contract involves supply of Pinaka launchers, battery command posts and associated engineering support package (ESP) for four regiments
- **HAL TEJAS is evaluated by lot of countries and is competing with likes of South Korean and Chinese Warplanes**:India has been eyeing a debut international deal for its Light Combat Aircraft (LCA) Tejas for a while. However, in an incredible twist, the Tejas is now being bolstered by the Russian-origin Sukhoi Su-30 fighter jets besides the cutting-edge western technology that it already uses.

Trends in the Defence Manufacturing Sector

1. Developing AI based Capabilities :

According to data released by the Department of Defence Production, 68 artificial intelligence (AI) projects in the field of defence have been planned upto March, 2024, with 40 AI projects already completed as on 30 April,2022. Key defence manufacturing players are focusing on developing AI-based technologies for their platforms/equipment. E.g.designing and prototyping remotely operated vehicles (ROV), sleep/fatigued operator alert system on dump trucks.

2. Focusing on Supply Chain Management :

Key defence manufacturing players are focusing on supply chain management, for example, HAL implemented the 'Public Procurement Policy' for micro and small enterprises (MSEs) and achieved >25% procurement from MSE Entrepreneurs.

3. Automating Armed Forces Medical Stores Depot

Radio-based telemedicine will connect isolated posts to Regimental Aid Post (RAP). Telemedicine equipment such as 'Portable Physiological Vital Para Monitor (PPVPM)' can ensure efficient operations to aid battlefield nursing assistants.

4. Local designing & development of products

Key defence manufacturing companies are currently focusing on designing and developing various indigenous weapons and essential products to boost domestic manufacturing capabilities and align with Hon'ble Prime Minister's vision of Aatm Nirbhar Bharat.

5. Leveraging IT for Efficient Defence Production Operations

Development of an indigenization portal for all defense PSUs and ordnance factories can ensure seamless search experience for stakeholders for processes such as online registration of vendors expressing interest for indigenizing a product

- Indigenously developed Laser-Guided Anti-Tank Guided Missiles (ATGM) were successfully test-fired from Main Battle Tank (MBT) Arjun by Defence Research and Development Organization (DRDO) and Indian Army at KK Ranges with support of Armored Corps Centre & School (ACC&S) Ahmednagar in Maharashtra on 4 August 2022.
- In June 2022, the Ministry of Defense approved the procurement of military equipment and platforms worth Rs. 76,390 crore (US\$ 9.84 billion) from domestic industries
- In June 2022, Ministry of Defence signed a deal for the Astra Mk 1 Beyond Visual Range (BVR) AAM and associated equipment, at a cost of Rs. 2,971 crore (US\$ 382.79 million).
- In order to promote private industry, MSMEs and start-ups in defence production ecosystem, the Ministry of Defence has allocated 25% of domestic capital procurement/ acquisition Budget, amounting to Rs 21,149.47 crore (US\$ 2.72 billion), for domestic private industry in FY2022-23
- Under Mission Raksha Gyan Shakti, 1391 Intellectual Property Rights (IPRs) (until 31 May, 2022) have been granted/registered by the Indian Patent office
- The government has established two Defence Industrial Corridors (DICs) in the country, one in Uttar Pradesh called the Uttar Pradesh Defence Industrial Corridor (UPDIC) and the other in Tamil Nadu called the Tamil Nadu Defence Industrial Corridor (TNDIC), with the goal of attracting Rs 10,000 crore (US\$ 1.31 billion) in investment in each
- In November 2021, Defence Acquisition Council (DAC) boosted the 'Make in India' initiative by according Acceptance of Necessity (AoN)— to capital acquisition proposals worth Rs. 7,965 crore (US\$ 1.07 billion) — for modernization and operational needs of armed forces
- In August 2021, Defence Minister, Mr. Rajnath Singh, approved the launch of Defence Testing Infrastructure Scheme (DTIS) with an outlay of Rs. 400 crore (US\$ 54 million) to create state-of-the-art testing infrastructure and boost domestic defence & aerospace manufacturing.
- The five-year scheme is predicted to set up 6-8 new test facilities in partnership with private industries and facilitate indigenous defence production
- The projects under the scheme will be given up to 75% government funding in the form of 'Grant-in-Aid'. The remaining 25% of the project cost will be borne by a Special Purpose Vehicle (SPV) comprising members from Indian private entities and state governments
- According to official sources, India is set to finalise a long-conceived proposal to procure 30 multi-mission armed Predator drones from the US for the three services — Army, Navy, Airforce at an estimated cost of ~US\$ 3 billion (~Rs. 22,000 crore)

Strategies Adopted

1. Innovation in Defence Manufacturing

Indian defence tech start-ups are developing innovative solutions such as automated robots, individual protection systems, navigation systems and drones, among others to increase effectiveness of the armed forces and enhance overall technological capabilities

On May 17, 2021, the Defence Ministry unveiled the first batch of anti-COVID drug, 2-deoxy-D-glucose (2-DG) developed by the Institute of Nuclear Medicine and Allied Sciences (INMAS), a lab of Defence Research and Development Organisation (DRDO), along with Dr. Reddy's Laboratories (DRL), Hyderabad.

2. Digital Technologies

To increase efficiency, the Indian government is focusing on adding digital technologies in operations in the defence sector.

Union Defence Minister, Mr. Rajnath Singh, launched a web portal to boost opportunities for the 'Make in India' initiatives in the defence sector via video conferencing, as a part of 'Atmanirbharta Saptah'.

Bihar's Defence Production Unit launched an indigenous online portal for defence items, components and spares to attract vendors.

3. Leveraging Strategic Partnerships to Build Capabilities

To increase overall capabilities, Indian defence companies are focusing on leveraging long-term strategic partnerships with the global equipment manufacturers to seek technology transfer.

For example, India plans to build six conventional submarines for the Indian Navy to narrow the gap with China's growing naval competencies.

In June 2021, BEL signed an agreement with the Indian Navy to build emerging technologies in the areas of quantum computing, artificial intelligence and robotics.

4. Procurement Of Military Hardware & Software

The Indian government is procuring military hardware and software to improve firepower in the Indian Navy and enhance capabilities to perform against fast manoeuvring targets such as missiles and 'Fast Attack Crafts'.

In February 2021, Ministry of Defence (MoD) and Defence Public Sector Undertaking (DPSU) Bharat Electronics Limited (BEL) signed a contract for procurement of Software Defined Radio Tactical (SDR-Tac) worth Rs. 1,000 crore (US\$ 137.50 million).

In September 2020, the Indian defence acquisition guidelines underwent a change, permitting the Indian Army to temporarily lease hardware as opposed to buying equipment outright. This change is aimed at managing costs.

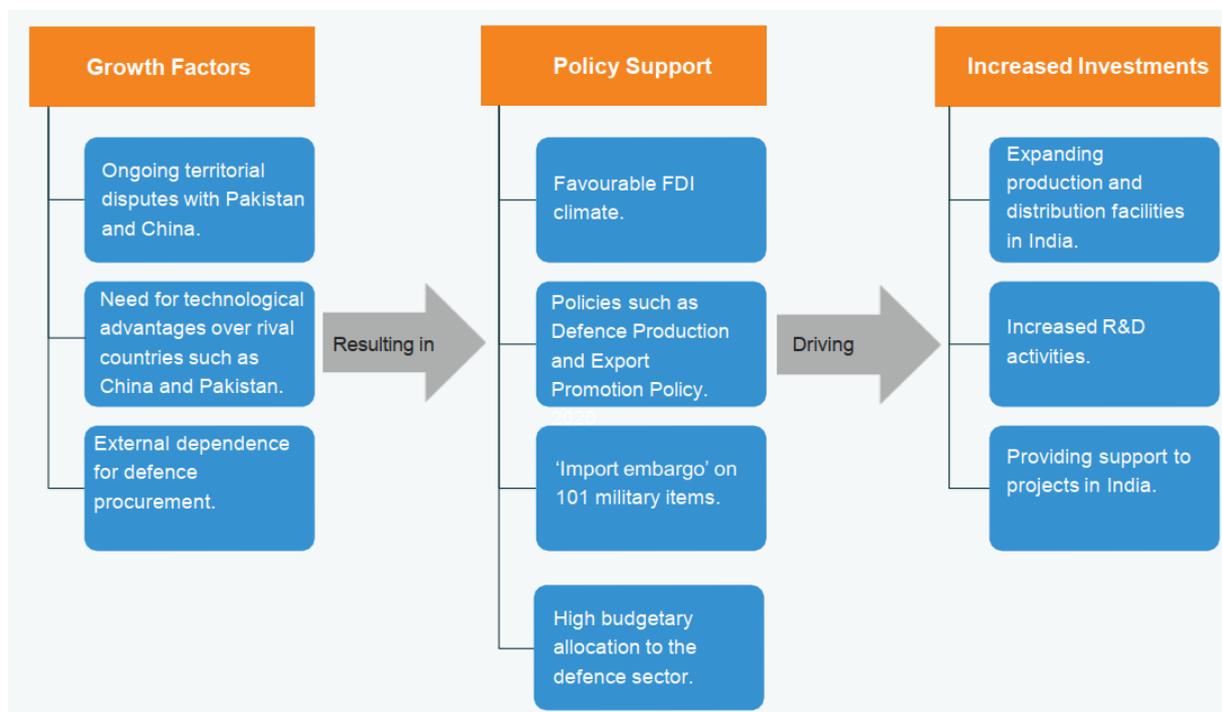
Recent Development & Investments

The Indian Defence Manufacturing sector has seen some major investments and developments in the recent past.

- India's defence manufacturing sector recorded increased production to US\$ 11.85 billion in FY22 from US\$ 10.9 billion in FY21.
- India's defence production stood at Rs. 17,885 crore (US\$ 2.24 billion) in FY 2022-23 (until 1 August, 2022)
- Defence production by PSUs stood at Rs. 10,831 crore (US\$ 1.36 billion) in FY 2022-23 (until 1 August, 2022)
- The 3rd Edition of Vietnam India Bilateral Army Exercise "Ex VINBAX 2022" is scheduled to be conducted at Chandimandir from 1-20 August 2022.
- In June 2022, the Ministry of Defence approved the procurement of military equipment and platforms worth Rs. 76,390 crore (US\$ 9.84 billion) from domestic industries.
- Foreign Direct Investment (FDI) equity inflow in the defence sector for April 2000-March 2022 stood at US\$ 12.51 million, as per data released by the Department for Promotion of Industry and Internal Trade (DPIIT).
- Hindustan Aeronautics Limited (HAL) and Bharat Electronics Limited (BEL) signed a contract for the co-development and co-production of the Long Range Dual Band Infra-Red Search and Track System (IRST) for the Su-30 MKI under the MAKE-II procedure of Defence Acquisition Procedure (DAP) 2020 as a part of the Make in India initiative.
- India and Japan have agreed to enhance bilateral security and defence cooperation, including in the area of defence manufacturing in May 2022.
- The Startup Incubation and Innovation Centre, IIT-Kanpur (SIIC IIT-Kanpur) recently signed an MoU with Defence Innovation Organization (DIO) to nurture and support start ups and SMEs in the defence sector through its flagship programme iDEX Prime.
- HAL has built and delivered more than 150 military Do-228 and to a variety of customers. HAL has also constructed two civilian Do-228 aircrafts.
- In November 2021, Raksha Mantri, Mr. Rajnath Singh, inaugurated the first private operationalised defence manufacturing facility in the Uttar Pradesh Defence Industrial Corridor (UPDIC), in Lucknow. The facility operated by Aerolloy Technologies — a wholly owned subsidiary of PTC industries — will manufacture parts for aircraft and helicopter engines, structural parts for aircrafts, drones and UAVs, submarines, ultra-light artillery guns, space launch vehicles and strategy systems.
- In November 2021, to demonstrate the growing India-Israeli technological cooperation, the Defence Research and Development Organization (DRDO), India and Directorate of Defence Research and Development (DDR&D), Ministry of Defence, Israel, entered a Bilateral Innovation Agreement (BIA) to promote innovation and R&D in start-ups and MSMEs of both countries for development of dual use technologies.
- The Defence Research & Development Organization (DRDO) and Indian Air Force (IAF) successfully flight tested two indigenously-developed smart anti-airfield weapons in November 2021.
- The 11th Defence Technology and Trade Initiative (DTTI) Group meeting between India and the United States (US) was held virtually on November 09, 2021. The aim of the DTTI Group is to focus on a bilateral defence trade relationship and create opportunities for co-production and development of defence equipment.
- In November 2021, the Indian Army signed an MoU with the Bhaskaracharya National Institute for Space Applications and Geo-Informatics (BISAG-N), Gandhinagar, Gujarat.
- The 12th edition of DefExpo, India's flagship event showcasing land, naval, air and homeland security systems will be held in Gandhinagar, Gujarat, from March 10 to March 13, 2022. The aim of DefExpo-2022 is to build and achieve 'Aatmanirbharta' (self-reliance) in defence and increase defence exports to US\$5 billion by 2024.

- To boost the Indian Government’s ‘self-reliant’ India initiative in June 2021, Defence Minister, Mr. Rajnath Singh, approved the budgetary funds worth Rs. 498.8 crore (US\$ 66.83 million) to Innovations for Defence Excellence (iDEX), a Defence Innovation Organization (DIO) for the next five years.

Growth Drivers For Defence Manufacturing In India



1. Growth Factors

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.

The government is focusing on strengthening border infrastructure to enhance the country’s security. In line with this, in June 2021, Defence Minister, Mr. Rajnath Singh announced the introduction of 63 bridges, established by Border Roads Organisation (BRO), in six states and two union territories (UTs).

2. “Import Embargo” on 101 Military Items

Defence ministry plans to put 101 defence items (artillery guns and assault rifles) under import embargo to offer potential military hardware manufacturing opportunities to the Indian defence industry.

The defence ministry estimates potential contract worth ~Rs. 4 lakh crore (US\$ 57.20 billion) for the domestic industry in the next 5-7 years (2025-2027)

3. Capital Procurement

In order to support domestic defence manufacturing, the Indian armed forces are projected to spend ~US\$ 130 billion in capital procurement in the next five years (2021-2026).

4. Defence Policy Support

As part of efforts to promote the domestic defence industry, the ministry has separated the capital procurement budget for 2020-21 between domestic and foreign capital procurement routes.

The government has established two Defence Industrial Corridors (DICs) in the country, one in Uttar Pradesh called the Uttar Pradesh Defence Industrial Corridor (UPDIC) and the other in Tamil Nadu called the Tamil Nadu Defence Industrial (TNDIC), with the goal of attracting Rs 10,000 crore (US\$ 1.31 billion) in investment in each corridor

5. Defence Production and Export Promotion Policy 2020

Government formulated the 'Defence Production and Export Promotion Policy 2020' to provide impetus to self-reliance in defence manufacturing under the 'Aatmanirbhar Bharat' scheme.

The ministry aims to achieve a turnover of Rs. 1 lakh 75 thousand crore (US\$ 25 billion), including an export of Rs. 35 thousand crore (US\$ 5 billion) in the aerospace and defence goods and services by 2025.

6. FDI in Defence Manufacturing

- FDI inflows in the defence industries reached US\$ 12.51 million between April 2000-March 2022.
- To increase defence manufacturing in India and make the country a reliable weapon supplier to friendly countries, the Indian government allowed the following FDI limits in September 2020.
- For new licensees - FDI allowed up to 74% through automatic route; FDI beyond 74% would need to be permitted under the Govt.route.
- For existing Licensees - Infusion of new foreign investments up to 49% can be added by making declarations of change/transfer within 30 days.

7. Skill Development

India established a state-of-the-art skill development centre with a focus on promoting applied research for development of materials used in aerospace, defense, nuclear, space and other strategic weapons

8. Green Channel Status Policy (GCS)

- The Government of India has launched numerous policies to facilitate 'ease of doing business' and promote the 'Make in India' mission, with special focus on defence manufacturing. Many established manufacturers are keen to enter into Defence manufacturing sector through various opportunities created by Government policies. Green Channel Policy from Ministry of Defence is aimed to promote 'Make In India' with reference to Defence manufacturing.
- By end of 2020, green channel status was granted to 14 firms.

Opportunities in the Defence Manufacturing

1. Make in India Initiative

Government's emphasis on 'Make in India' initiative in the Defence sector provides huge opportunities for domestic players to enhance their indigenisation efforts. The government is also inviting foreign players to invest in India and capitalise on the 'Make in India' opportunity. In June 2021, Defence Minister, Mr. Rajnath Singh, invited Swedish companies to invest in defence corridors in Uttar Pradesh and Tamil Nadu. In July 2021, the Ministry of Defence announced that the Tamil Nadu and UP governments have acquired land (>450 hectares) to establish two defence industrial corridors.

2. Government Policy Support

Indian government policies to promote self-reliance in defence manufacturing under the Aatmanirbhar Bharat Scheme. E.g., 74% FDI in defence manufacturing, 'Import embargo' on 101 military items and Defence Production and Export Promotion Policy 2020.

3. Self-reliance Target

The Defence Ministry has set a target of 70% self-reliance in weaponry by 2027, creating huge prospects for industry players.

4. Start-up India

Indian government push for start-ups in India and collaborations to develop innovative solutions gives potential growth opportunity for the defence production in terms of operational capabilities. 25% of the defence R&D budget is set out for private sector and startups.

The Startup Incubation and Innovation Centre, IIT-Kanpur (SIIC IIT-Kanpur) recently signed an MoU with Defence Innovation Organisation (DIO) to nurture and support start ups and SMEs in the defence sector through its flagship programme iDEX Prime

5. Technological Modernisation via Public Private Partnership

Indian military's technological modernisation via public private partnership with the Indian IT companies such as Tech Mahindra, Tata Consultancy Services (TCS), Wipro and HCL for intelligence analysis and enhancing military readiness

Government's effort on technological modernisation of defence manufacturing

1. Under Upgradation Of Facilities

Pinaka Rocket Complex at Ordnance Factory Chanda began upgrading facilities to meet enhanced requirements of Pinaka and other rockets. • Modernisation of facilities at OLF Dehradun will serve the purpose of manufacturing of high-end optoelectronic products for T-90 tanks. • GRSE enhanced capabilities at its Raja Bagan Dockyard to meet production requirement for the ongoing prestigious P17A project

2. Indigenous Helicopter Development Program

In April 2021, Defence Research and Development Organisation (DRDO) developed single crystal blades technology and supplied 60 of these blades to Hindustan Aeronautics Limited (HAL), as part of their indigenous helicopter development programme, for helicopter engine application

3. Industrial Design Centre

BEML established an 'Industrial Design Centre' at Bengaluru as a part of its new infrastructure creation, focusing on industrial designs and human factors as part of developmental strategies. It is proposed to develop this facility as a national facility and would be offered to the industry in the next stage

4. New Infrastructure And Technology

There are plans to establish new infrastructure including a defence park in Kerala to manufacture defence equipment for forces. The project is aimed at promoting MSMEs and boosting 'Make in India' initiative in defence manufacturing.

In June 2021, the Ministry of Defense signed an agreement with Goa Shipyard Ltd. (GSL) for building two Pollution Control Vessels (PCVs) for the Indian Coast Guard (ICG) at an estimated cost of ~Rs. 583 crore (US\$ 78.11 million).

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

Government Initiatives

To promote self-reliance in defence manufacturing it is necessary to develop robust government policies.

In the Union Budget 2022-23:

- Ministry of Defence has been allocated Rs 5,25,166 crore (US\$ 67.66 billion)
- This includes expenditure on salaries of armed forces and civilians, pensions, modernization of armed forces, production establishments, maintenance, and research and development organizations.
- The allocation to the Ministry of Defence is the highest (13%) among all ministries of the central government.
- Under Mission Raksha Gyan Shakti, 1391 Intellectual Property Rights (IPRs) (until 31 May, 2022) have been granted/registered by the Indian Patent office.
- Indigenously developed Laser-Guided Anti-Tank Guided Missiles (ATGM) were successfully test-fired from Main Battle Tank (MBT) Arjun by Defence Research and Development Organization (DRDO) and Indian Army at KK Ranges with support of Armoured Corps Centre & School (ACC&S) Ahmednagar in Maharashtra on August 04, 2022.
- According to data released by the Department of Defence Production, 68 artificial intelligence (AI) projects in the field of defence have been planned upto March, 2024, with 40 AI projects already completed as on 30 April, 2022.
- In order to promote Private Industry, MSMEs and Start-ups in defence production ecosystem, the Ministry of Defence has allocated 25% of domestic capital procurement/ acquisition budget, amounting to Rs. 21,149.47 crore (US\$ 2.72 billion), for domestic private industry in FY 2022-23.
- The government has established two Defence Industrial Corridors (DICs) in the country, one in Uttar Pradesh called the Uttar Pradesh Defence Industrial Corridor (UPDIC) and the other in Tamil Nadu called the Tamil Nadu Defence Industrial Corridor (TNDIC), with the goal of attracting Rs. 10,000 crore (US\$ 1.31 billion) in investment in each.
- In November 2021, Defence Acquisition Council (DAC) boosted the 'Make in India' initiative by according Acceptance of Necessity (AoN) — to capital acquisition proposals worth Rs. 7,965 crore (US\$ 1.07 billion) — for modernization and operational needs of armed forces.
- On October 15, 2021, Prime Minister, Mr. Narendra Modi, dedicated the seven defence public sector undertakings (PSUs)—created through the restructuring of the Ordnance Factory Board (OFB)—to improve functional autonomy, efficiency, growth potential and innovation in the defence sector.
- Government formulated the 'Defence Production and Export Promotion Policy 2020' to provide impetus to self-reliance in defence manufacturing under the 'Aatmanirbhar Bharat' scheme.
- To increase defence manufacturing in India and make the country a reliable weapon supplier to friendly countries, the Indian government allowed the following FDI limits in September 2020. For new licensees - FDI allowed up to 74%

through automatic route; FDI beyond 74% would need to be permitted under the Govt. route. For existing Licensees - Infusion of new foreign investments up to 49% can be added by making declarations of change/transfer within 30 days.

- Defence ministry plans to put 101 defence items (artillery guns and assault rifles) under import embargo to offer potential military hardware manufacturing opportunities to the Indian defence industry.
- In February 2020, Defence Minister Mr. Rajnath Singh at Aero India 2021 announced to reduce defence imports by at least US\$ 2 billion by 2022.
- The defence ministry estimates potential contract worth ~Rs. 4 lakh crore (US\$ 57.2 billion) for the domestic industry in the next 5-7 years (2025-2027).

Government Strategy from Pin to Piano

Earlier we were dependent for minor parts and routine maintenance cost was high, now due to Indigenisation, routine costs have reduced. India is a vast economy with lot of resources in terms of men, steel, iron, land etc and it is very minimal in Defense exports



(Source: Company Management Understanding of Sector movements)

Road Ahead

- The Indian government is focusing 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

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

NAVAL DEFENCE MANUFACTURING SECTOR

Naval systems are inherently technology intensive and require substantial investment of time, money and resources. The Indian industry, including the private sector, therefore, needs to play its role in meeting needs of the Indian Navy

In the past, the Indian Navy has had to acquire military technology through import from diverse sources. Requisite expertise also had to be created for their operation and maintenance. This option had to be exercised since our own research organisations and industry had not developed any major military systems within reasonable time frame to reach technological relevance in the domain of warfare. This lack of credible R&D in military sciences and technologies, inadequate amalgamation between R&D and manufacturing sector, near absence of an integrated approach amongst users, designers and manufacturers have been some of the important reasons for our inability to achieve satisfactory levels of self-reliance in the defence technologies. Further, issues such as unviability view economy of scales and technology-denial regimes, etc., have also been major factors affecting the development and manufacturing of home grown military technology and equipment.

As a long term strategy we need to identify need-based functional domains and relevant technologies required for the next 15 years (ie., 2015 – 2030) so as to channelize the indigenous efforts to accomplish self-reliance in the domain of cutting-edge defence technologies. Indian Navy's Directorate of Naval Design has designed over 80 ships since the commencement of indigenous ship building programme in the 1970s and 48 state-of-the-art ships and submarines are under construction in Indian shipyards, both public and private, as on date. However, there is still a need to evolve a sound plan for technology development and production mechanism for complex shipborne systems. Therefore, the Indian Navy has embarked upon development of shipborne systems through two routes; one to harness the R&D potential at DRDO and the other through 'Transfer of Technology (ToT)' with industry partners. Over a period of time, while the technology absorption has matured in certain areas, a large gap still exists in the development of critical technologies, viz., system engineering, materials, hi-tech components and advanced manufacturing processes.

The role of the indigenous industry in the defence manufacturing sector cannot be over emphasised. The entire industrial might of the country, whether it is the public sector, the Defence Public Sector Units (DPSUs), the large private industries or Medium, Small and Micro Enterprises (MSMEs), needs to partner to achieve the goal of self-reliance of the Indian Navy. They should become the stakeholders of the plan and provide not only the needed technical knowhow and share their vast manufacturing experience, but also bring the IN's concepts and proposed capability to fruition in the form of world class defence hardware that would serve the needs of the Indian Navy

Commitment to self-reliance through indigenous development is a subject of the larger goal of combat readiness. Therefore, till indigenous equipment is available, we have to continue with the acquisition programme to meet our specific and current operational requirements so as to constantly remain battle worthy. Simultaneously, for the short-term requirements, we have to depend on the current indigenous efforts, and use the available technologies and effect marginal improvements wherever available.

Submarine Equipment & Systems.

Submarine equipment, being much more stringent in material specifications, has had limited success towards indigenisation. However, in the recent years, support from industry has been a crucial factor in development of various systems and equipment for use onboard submarines. The support has come forth from across the industry spectrum, right from large industrial houses to smaller MSME, and has been an encouraging factor in the realms of Navy.

Categorisation of Ship's Equipment.

The ship-building materials, equipment and systems onboard an India warship/submarine can be classified into the following three categories:-

- (a) **Float.** This category encompasses all materials, equipment and systems associated with the hull structures and fittings.
- (b) **Move.** Equipment under this category encompasses propulsion system and power generation diesel/ gas/ steam turbine engines, alternators, associated control systems (Integrated Platform Management System/ Automatic Power Management System), auxiliary mechanical systems like Pumping and flooding, HVAC, Firefighting Systems and other ship systems including general electrical equipment.
- (c) **Fight.** Equipment under this category encompasses all types of ship borne weapons and sensor systems that directly improve upon the combat capability of the ship.

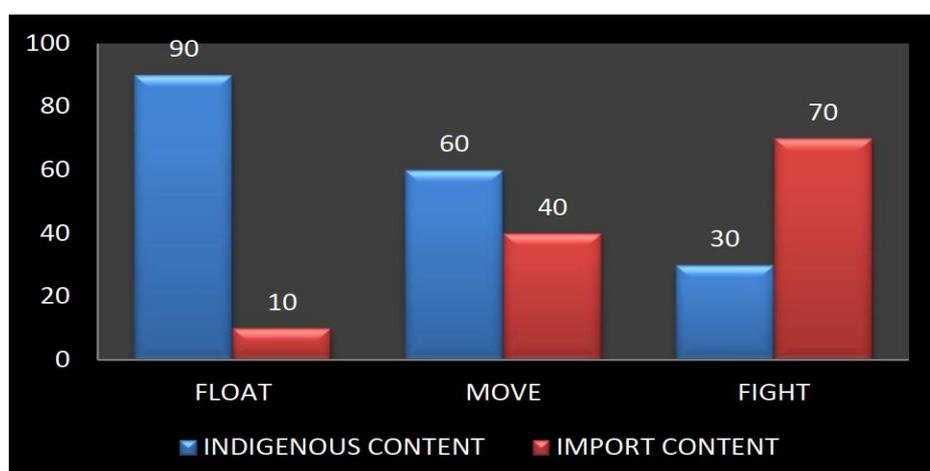
Main Areas Where India is Facing Capability Gaps.

As brought out above, India has been able to achieve about 90% indigenisation in the 'FLOAT' category, followed by about 50-60% in 'MOVE', category depending upon the type of propulsion. However, in the 'FIGHT' category we have achieved only about 30% indigenisation. Some of the major equipment where there has not been satisfactory progress are the weapons & sensors, propulsion systems (especially Gas Turbines), Marine Diesel Engines for main propulsion and Gear Boxes under 'MOVE' category, which are imported presently and holds much scope for indigenisation.

India is working closely with DRDO, DPSUs like BEL and Private Sector like L&T, Mahindra Defence Systems, Tata Power SED to bridge this capability gap, and a number of projects are underway for indigenous development of weapon & sensors as well as propulsion system controls.

INDIGENOUS DEVELOPMENTS SO FAR

The equipment and machinery fitted on board ships in the three categories of Float, Move and Fight has been indigenised to the extent of 90%, 60% and 30% respectively. The analysis of these categories indicates that while sufficient self-reliance has been achieved in the first category and reasonable in second category, there is a large shortfall in the third category. The current indigenous content of the three categories of warship equipment is depicted in the graph below.



(Source : <https://www.indiannavy.nic.in/content/indian-naval-indigenisation-plan-inip-2015-2030>)

The specific roles of the Indian Navy in future would continue to extend across the entire spectrum of security of the nation; from peacekeeping, through the low intensity segment to high-intensity conventional hostilities up to and including nuclear conflict. The Indian Navy will necessarily need to perform its varied tasks in the expanding presence of neutral and multinational/ extra regional forces in the Indian Ocean Region (IOR). In the last two decades, the capabilities available with our potential adversaries have grown considerably and are forecasted to only improve with time. The Indian Navy would therefore acquire adequate deterrent war fighting capabilities in the future.

Indian Navy Project- Scorpene Submarine P-75

Scorpène is a conventional submarine designed by the Naval Group for the export market. It demonstrates both the Naval Group's ability to deliver best-in-class submarines and to conduct successful transfers of technology. Today 14 Scorpène submarines are in operational service or being built, for the Chilean Navy (2 units), the Malaysian Navy (2 units), the Indian Navy (6 units), and the Brazilian Navy (4 units).

Six submarines of Scorpene-class (P-75) are to be constructed at Mazagon Dock Limited, Mumbai. The submarines are designed by French naval shipbuilder Naval Group and are being manufactured by Mazagon Dock Limited in Mumbai. Three submarines of the project namely INS Kalvari, INS Khanderi, INS Karanj and INS Vela have been commissioned. Two submarines remain to be inducted with the Indian Navy. The last submarine is likely to be delivered in Q1 2024.

<https://www.navalnews.com/naval-news/2022/04/india-launches-its-sixth-and-final-scorpene-submarine>

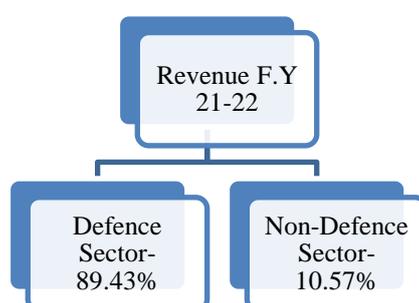
OUR BUSINESS

This chapter 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 the chapter titled ‘Management Discussion and Analysis of Financial Condition and Results of Operations’ beginning on page nos. 20, 138 and 158 respectively, of this Prospectus. Unless the context otherwise requires, in relation to business operations, in this chapter of this Prospectus, all references to “we”, “us”, “our” and “our Company” are to CFF Fluid Control Limited.

OVERVIEW

Our company is primarily in the business of manufacturing and servicing of shipboard machinery, critical component systems and test facilities for submarines & surface ships for The Indian Navy. Further we also design, manufacture and service Mechanical Equipments and systems for industries like Nuclear and Clean Energy.

The break up of revenue model between defence sector and private sector for FY 2021-22 is as shown below:



Our promoters and group companies have been in the defence manufacturing space for more than 20 years. Our company was incorporated with a purpose of having dedicated new entity focussed on meeting the growing requirements of Indian Navy, Mazagaon Dockyard and Shipbuilders Limited (MDL) for manufacturing and supplying mechanical equipment for the “Scorpene” Submarine Program of India. Soon after inception, a TOT (Transfer of Technology) was signed between CFF and Coyard SAS France for design, manufacture and supply of Mechanical Components for the Scorpene submarine program. The TOT was approved by relevant authorities and after factory inspection; our company was awarded license for production of mechanical components for the Scorpene Submarine Program.

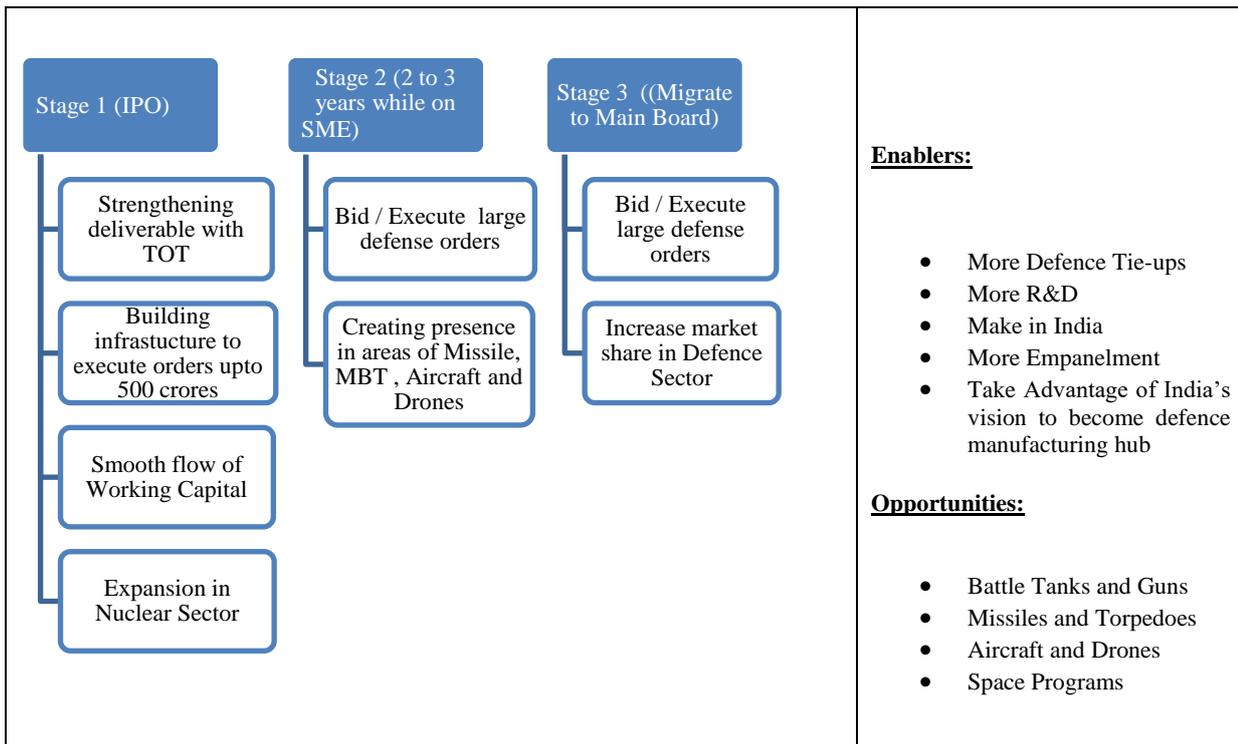
Our facilities are situated at Khopoli from where we design, manufacture and service fluid control systems, distributor and air panels, Weapons and Control Systems, Steering gear, Propulsion Systems, High Pressure Air Systems, Hydraulics Systems, Breathing and Diving Air Systems and Integrated Platform Management Systems for submarines and surface ships for the Indian Navy and its OEMs. The facility is spread over 6,000 sq. mtrs. and has all the relevant state of the art machinery and testing facilities. Our facility is approved by Indian Navy, MDL & Naval Group (France) and has ISO 9001:2015 certification for quality management systems.

Since incorporation, up to December 31, 2022, we have completed orders from Indian Navy (including its OEMs) worth Rs. 18,678.79 lakhs and we have a robust order book as on December 31, 2022 of Rs.9,004.00 lakhs of which over 90 % pertains to orders from Indian Navy (including its OEMs). The highlights of some of the key defence sector projects which we were part of w.r.t supply and servicing of equipments are as below:

- SSK Class Submarine
- Kalveri Class Submarine
- Kilo Class Submarine

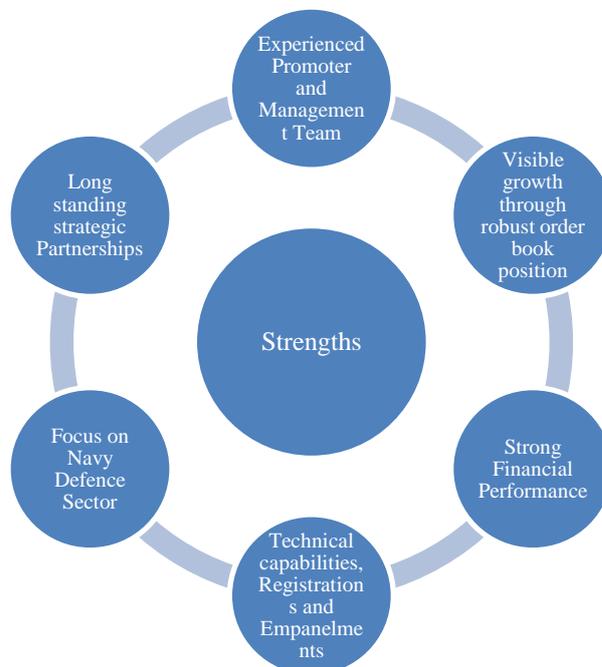
We have on-payroll employee strength of 33 persons as on December 31, 2022 and we also employ industry professionals for project specific works on professional basis from time to time.

Our long-term vision for growth:



Our Competitive Strengths

Following are our key competitive strengths:



Experienced Promoters and Management Team

The Promoters and the senior management team of our Company have significant industry experience and have been instrumental in the high growth of our company in the recent few years. Our Promoters have more than three decades of business experience and over two decades of defence sector related experience. They have been instrumental in the high growth of our Company in the recent few years. Further are promoters are supported by well-educated and

experienced professional management team whose collective experience and capabilities enable us to understand and anticipate market trends; manage our business operations and growth, leverage customer relationships and respond to changes in customer preferences. We will continue to leverage on the experience of our management team and their understanding of the industry we operate in, to take advantage of current and future market opportunities. For further details of the educational qualifications and experience of our promoter and senior management please refer to the chapter titled “Our Management’ on page 120 of this Prospectus.

Visible growth through Robust Order Book Position

In our industry, an order book is considered an indicator of future performance since it represents a portion of anticipated future revenue. We are not focused solely on order book addition but, rather, on adding quality projects with potentially higher margins. By diversifying our skill set and order book across different critical component and systems required in submarines and other shipping lines, we are able to pursue a broader range of project tenders and therefore maximize our business volume and contract profit margins. As on December 31, 2022, we have been awarded contracts/orders which are on-going to the aggregate of ₹ 1,9565.15 lakhs of which ₹ 10,561.15 lakhs worth works have been executed and the remaining ₹ 9,004.00 lakhs are part of our order book. We have been able to achieve and maintain such robust Order Book positions due to our continued focus on our core areas and our ability to successfully bid and win new contracts/orders. This robust order book would provide us with sustainable growth opportunities and ability to enhance shareholder’s value in the future.

Strong Financial Performance

Our company is 10 year old and we have been profitable since commercialisation of our product. In the last three years, despite external factors such as Covid and other disruptions we have been able to achieve strong financial performance. Based on our restated financial statements, our revenue from operations has increased from ₹ 3,177.80 lakhs in Fiscal 2020 to 4,698.77 lakhs in Fiscal 2022 representing a CAGR of 21.60%. Our EBITDA have increased from ₹ 503.68 lakhs in Fiscal 2020 to ₹ 1,250.42 lakhs in Fiscal 2022 representing a CAGR of 57.56%. Our Profit After Tax (PAT) have increased from ₹ 132.99 lakhs in Fiscal 2020 to ₹ 779.51 lakhs in Fiscal 2022 representing a CAGR of 142.10 %. We strive to maintain a robust financial position with emphasis on having a strong balance sheet and increased profitability. For further details on comparative analysis of our financial position and revenue from operations, see the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on Page no 158 of this Prospectus.

Technical Capabilities, registrations and empanelments

We have the necessary certifications and registrations with various clients with whom regular business is undertaken. These include Defence PSU shipyards such as Mazagaon Dockyard and Shipbuilders Limited (MDL), Naval Dockyards at Mumbai, Visakhapatnam, and Karwar. We are also in the process of registration with Garden Reach Shipbuilders and Engineers (GRSE), Hindustan Shipyard (HSL), Cochin Shipyard Limited (CSL).

For the equipment manufactured and serviced by CFF, we are recognized as the Authorized Equipment Manufacturer by the Indian Navy. This enables us to obtain repeat orders for the items and its spares as and when required by the Indian Navy. Further this enables us to provide repair services to the Indian Navy as a single source vendor. We are the Authorized Equipment Manufacturers for the following:

- (a) Mechanical Equipment for Scorpene submarines (Authorized Equipment Manufacturer)
- (b) Underwater communication equipment for Scorpene Submarines (Authorized Equipment Manufacturer)

In addition, we have a framework agreement with Naval Group (France) and M/s Issartel (France) which will enable us to support various other equipment and systems for the 30 year life cycle of the submarines. Being an Authorized Equipment Manufacturer and having the necessary framework agreements for licensed production in place will ensure continuity in business for the complete life cycle of the Scorpene submarines. In defence manufacturing there is a concept of “Authorized Equipment Manufacturer”, which means that a particular item whose Authorized Equipment Manufacturer is allocated to a vendor needs to be procured from said vendor only until the completion of the life cycle of the submarine or ship and hence we believe that having Authorized Equipment Manufacturer status for certain items pertaining to Scorpene submarine is a major strength of our company. The above mentioned technical capabilities, registrations and empanelment would provide a competitive advantage to our company in the future.

Focus on Navy Defence Sector

Defence Industry has its own procedure, rules and regulations for its business activity as it is connected directly to national safety and reputation of the country. GoI has come up with the mission to turn India into a manufacturing hub. When it comes to defence sector there is no room for failure. We need to tackle with the stringent technical standards required by the equipment to survive extreme conditions. The manufacturing process requires in depth understanding the requirement, prototyping process, high-skilled manpower who specializes on different materials. Maintaining confidentiality in regards to design and delivery is the key necessity. Time horizon of approx 3years is required to empanel and get on board with the customer. Only after surviving all the conditions, we get approved as a vendor for that specific equipment designed and manufactured by us. All the supplies, then will delivered by us during the life period of submarine. For e.g. We would be providing the supply equipment and spares for 30 year life cycle of Scorpene Submarines and such future endeavours would make us preferred choice vendor for Indian Navy and hence enable us to generate long term sustainable value creation.

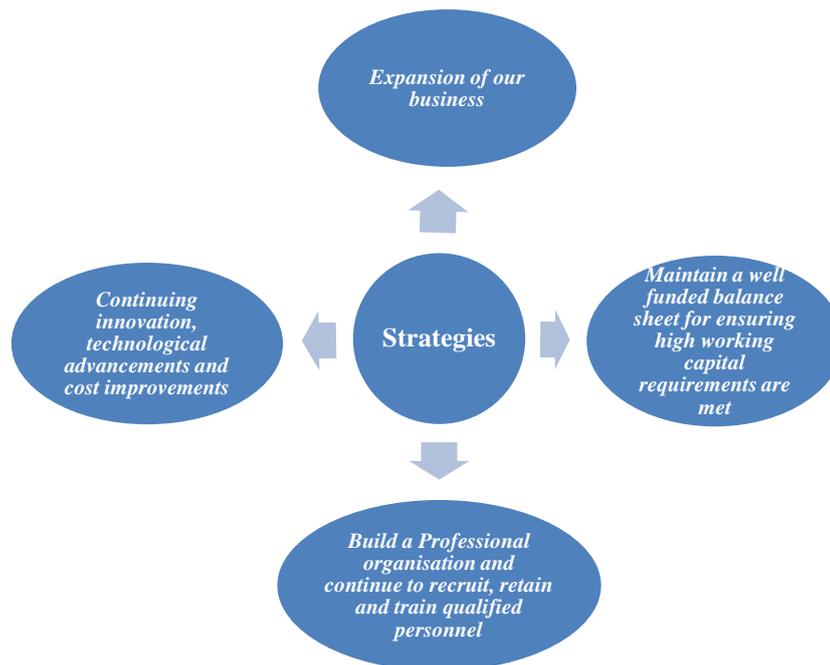
Long standing strategic Partnerships

CFF has established longstanding strategic partnerships with foreign Manufacturers. The partnerships are carefully chosen to bring technology which is not available in India and is the need for the Indian Defence Industry. Our key tie-ups are with M/s Nereides of France and M/s Minerva Issartel of France.

Nereides, French Company is engaged in the manufacturing of Towed Wire Antenna. We have agreement for technology transfer, process development manufacture of Towed Wire Antennae for Indian Navy and also export to foreign countries.

Minerva Issartel is in business of design and manufacture of complex parts for energy, transport and defence industries. We have agreed to work jointly to support Minerva Issartel products and services in the Indian market, including Nuclear industry and for the P75 Project.

Our Strategies



Expansion of our business

We currently have one manufacturing facility which is in preliminary stage situated at Plot No. 1 Survey No. 96, Village Kumbhivali, Khalapur, Khopoli (E), Raigad- 410202, India. We have an unexecuted order of Rs. 9,004.00 lakhs for which we need plants and equipment of better technology. Our current plant and equipment may not be sufficient to execute this order on timely basis. Therefore, we are planning to invest in plant and machinery from various domestic and international vendors. For the availability and quick delivery with reasonable quotation we need to have liquid funds. Our company is trying to cater the needs of defence as well as nuclear and clean energy. For sustaining our expansion and timely delivery of customer's order we will incur capital expenditure in our business at our manufacturing facility.

As a strategic investment, we enter into LOI with companies offering specific niche technologies like underwater communication which is a unique technology available with M/s Nereides. The LOI service provider shall permit technology transfer and process development of TWA to our Company and shall further support in product development. Our company has entered into an agreement for manufacturing of Towed wire Antenna in India. The Transfer of Technology (TOT) will be obtained from our partners, Nereides and will be used for manufacturing and supplying the systems for Indian Navy and for the world market. We have entered into Letter of Intent for the transfer of technology, know-how and other relevant Intellectual property rights.

For further details, refer chapter "Objects of the Issue" beginning from page 60.

Maintain a well funded balance sheet for ensuring high working capital requirements are met

Since we primarily work for the Indian Navy (including its OEMs), the market practice is to provide credit periods of over 3 to 4 months from our billing cycle and likewise substantial amounts of our funds are required for the long gestation work-in-progress inventories we would hold. Hence, the success in our business is dependent on our ability to ensure we have interest free working capital available to ensure smooth flow of sales and goods for production without the stress and difficulties of funding the same through debt. Hence, we propose to raise IPO funds for ensuring our working capital intensive business remains well funded in the long term and hence provide a competitive advantage to us in the future.

Build a Professional organisation and continue to recruit, retain and train qualified personnel

We believe for a business to grow beyond a certain size, it needs to be run as a professional organization. We wish to reduce our dependencies on our promoters over the next few years and build a sustainable professionally run organisation. We are exploring various avenues such as appointing external consultants and experts to help liaison and reach policy makers, industry experts and other key stakeholders within our space in order to ensure we are able to improve our reach within the industry and concern circles to be able to identify business opportunities at an early stage and also to be able to build systems and processes in order to take the company to the next level of governance. We also believe that our growth would depend on our ability to hire and retain experienced, motivated and well-trained members of our management and employee teams. We intend recruit, retain and train qualified and skilled personnel. We plan to empower management leadership to excel by decentralizing operational decision-making to those who best know the business needs of each plant, and to encourage the building of our knowledge base by sharing best practices from different locations.

Continuing innovation, technological advancements and cost improvements

Continuous innovation in our manufacturing process, technological advancements and cost improvements are the three core pillars which will help improve our operating performance. Our qualified and technical teams will strive to ensure minimal wastage and extract out maximum from the resources we have at our disposal, be it the raw materials, be it the energy or the premises we operate in, optimum utilisation is what we believe will help us in innovating process improvements, thereby reducing costs. Additionally, we propose to use the latest technology and machinery to ensure best quality and competitive product output and regularly upgrade our technology and machineries used in the manufacturing process in order to keep up market standards.

DETAILS OF OUR BUSINESS

Location

Manufacturing Unit/ Registered Office: Plot No. 1 Survey No. 96, Village Kumbhivali, Khalapur, Khopoli (E), Raigad- 410202, India.

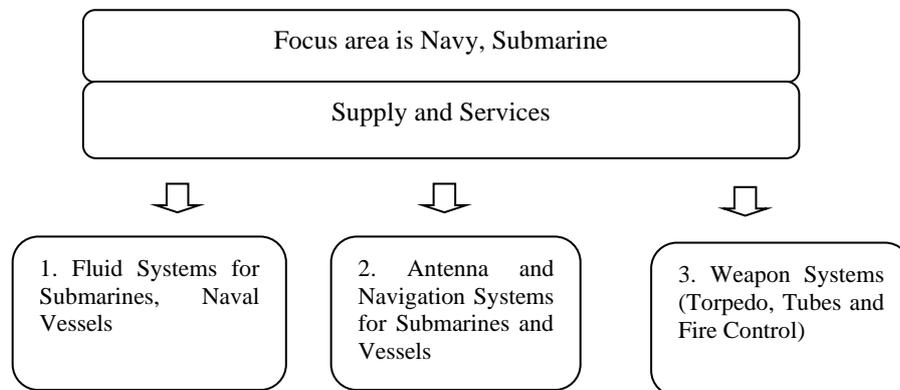
We have the state of the art manufacturing facility at our factory. The equipment and processes are approved and qualified by Naval Group (France). The machining centre is capable of handling precision machining. The 10,000 class clean room is capable of handling welding and fabrication of special materials like Titanium and High Nickel-Chromium materials which are used in submarine, nuclear and space applications. Other equipment such as Tig Welding Machine, Water jet cutting machines, Heat treatment furnaces etc are available to support the fabrication works. Design software's complement the CAD-CAM environment required for manufacturing the components.





Products and Services

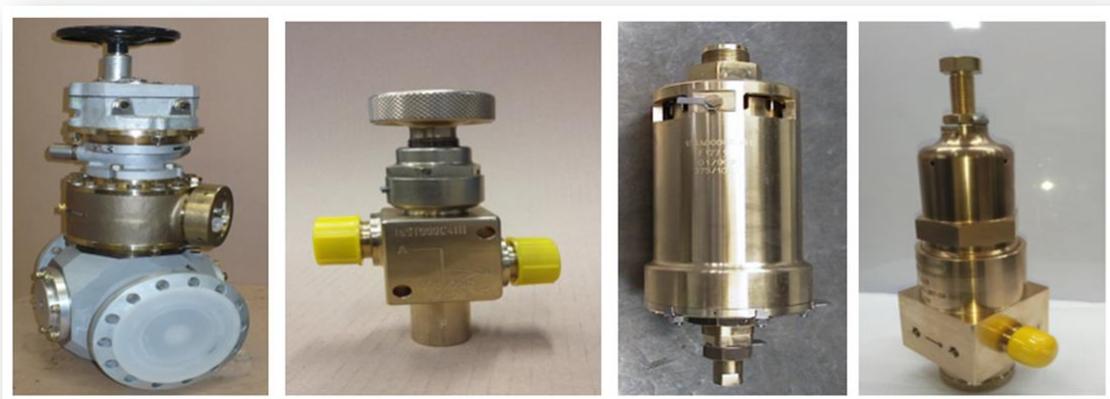
Our current business model is shown below:



Our Company manufactures a wide range of products which can be classified into following categories:

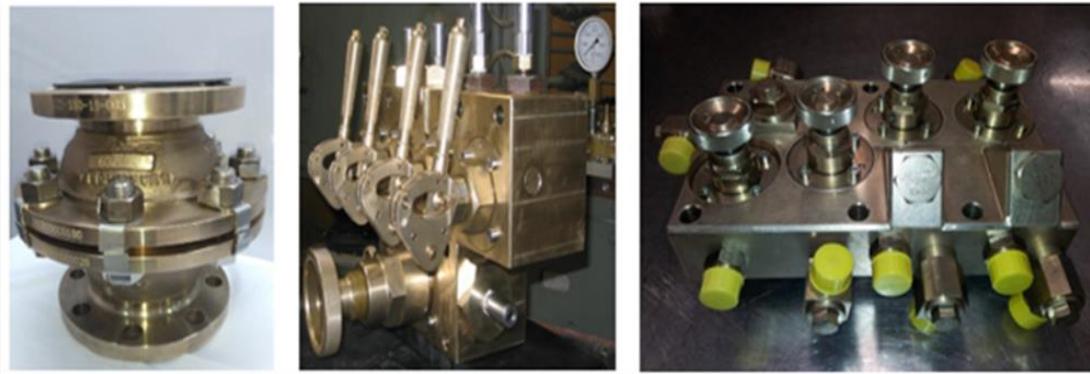
1. Fluid Control Products

Whenever a Submarine, a Tank or a Missile is built, Fluid Systems play a pivotal role. Products and equipment directly required for handling air, sea water and hydraulic systems, as part of the fluid systems are, complex inline isolation valves, Control valves, Pressure relief valves, Reducing stations, online fittings, orifice plates etc.



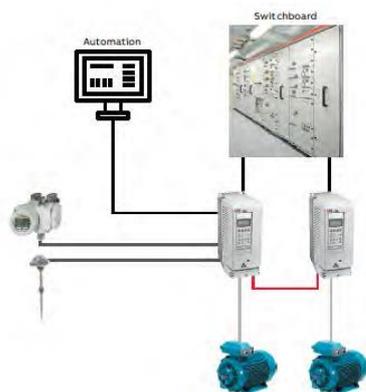
2. Distributors and air Panels

High Pressure Air and Hydraulic fluid are the lifeline of the submarines. They need to be stored, regulated and distributed for functioning of equipment and systems. High Pressure Air and hydraulic system reducing stations and distribution panels are required for controlling and distribution of the fluid pressure for various equipment and systems. A few products are shown below.



3. Nuclear Sampling System

Nuclear Sampling Systems (NSS) are used to collect liquid and gaseous samples from the primary coolant, liquid and gaseous waste treatment systems, and auxiliary systems. The samples are then measured and analysed in the laboratory. Nuclear Sampling System (NSS) samples are categorized as active liquid samples, slightly active liquid samples and gaseous samples. The NSS also collects local grab samples, specifically for corrosion product sampling, from upstream and downstream of Mechanical Filters, Fuel Pool Purification System (FPPS). The Secondary NSS consists of Steam generator blow down sampling system and Turbine Island sampling system. The steam generator blow down sampling system collects liquid samples from the steam generators (SG), steam generator blow down system (SGBS) and the SG blow down demineralising system in order to perform water quality analyses.



Pressure and Flow Transmitters



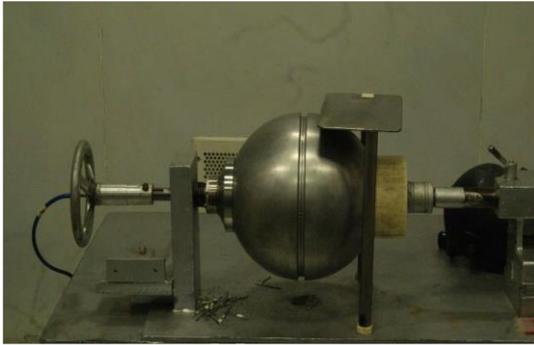
Steam water sampling for nuclear application

4. Components for Akash Missiles and T92 Tanks

We have taken up as a challenge the manufacturing of the Air bottles for Akash Missile and Turbocharger for the T-92 tanks. We have successfully developed a process to forge Titanium and have developed jigs for welding to manufacture Air bottles from Titanium material. The Air bottles store air and act as the primary source of energy for Akash Missiles. The Air stored in the air bottles is used to move the wings of the Akash Missiles and thereby guide the missile to its destination.

The Turbochargers for T-92 tank has been prototyped by us to meet the requirements of Heavy Vehicles

Factory, Avadi. The Turbocharger is replicated from the original Russian design for the Heavy Vehicles Factory, Avadi.



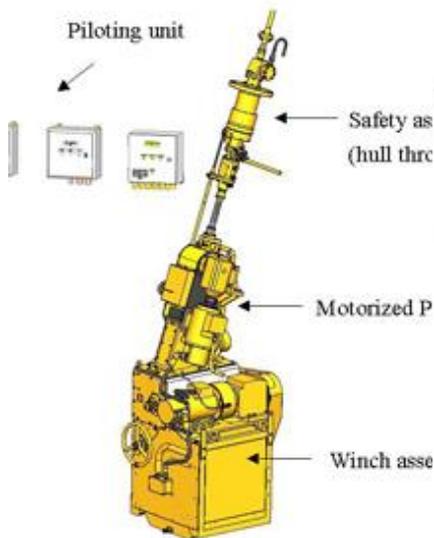
Titanium Air Bottle for Akash Missiles



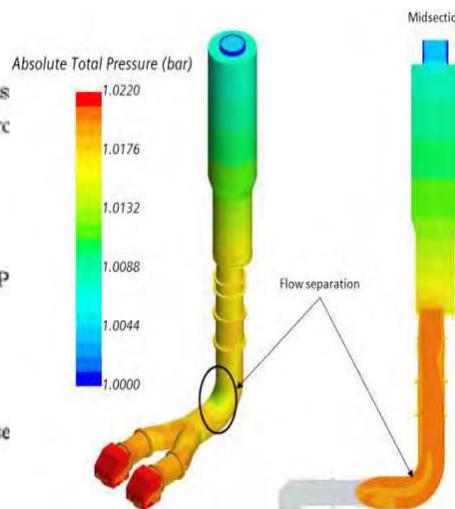
Turbocharger for T-92 tanks

5. System Integration

CFF is undertaking ship system design, manufacturing and integration. The systems include the High Pressure Air system, Hydraulic systems, HVAC systems, Engine air intake and Engine exhaust systems, Infrared suppression systems. Glimpses of the systems are shown below:



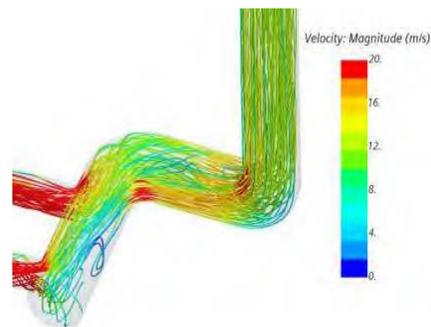
Towed Wire Antennae System



Design of Engine Exhaust system



HVAC system installation on ships and submarines



Design of Engine Air intake system

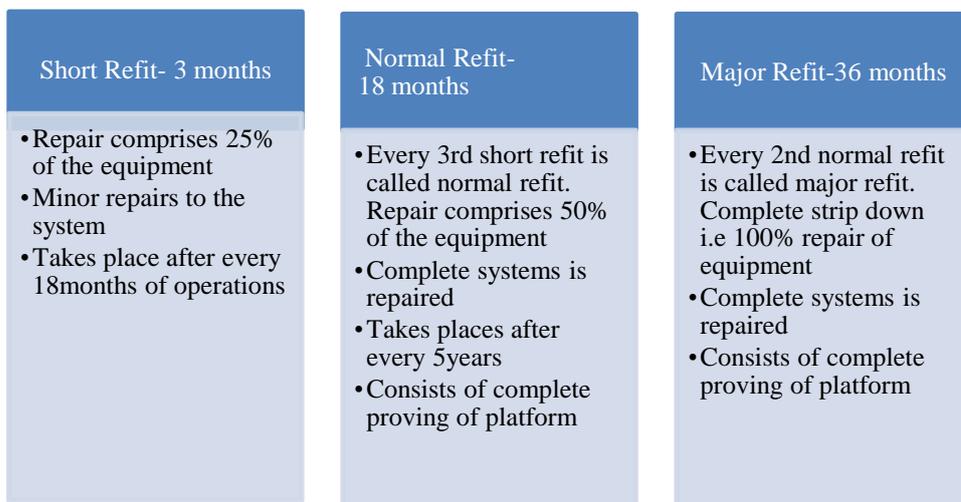
6. Repair and Maintenance services



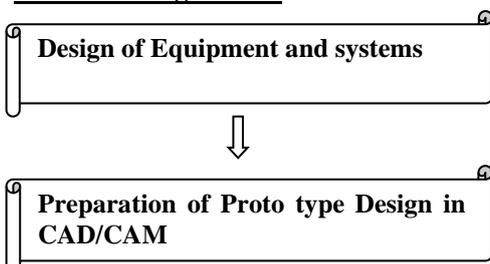
CFF has over the time and with experiences developed expertise in repairs and servicing of the below mentioned equipment and systems for the ships and submarines. We have also entered into agreements with Naval Group (France) and Minerva Issartel for providing complete service support to various systems of the Scorpene submarines. We have supplied equipments and parts to 6 scorpene submarines already and 5 out of these 6 are already in operation. Repairs and retrofit work will be done continuously over the next 30 years life of submarines. The systems which can be supported by us are

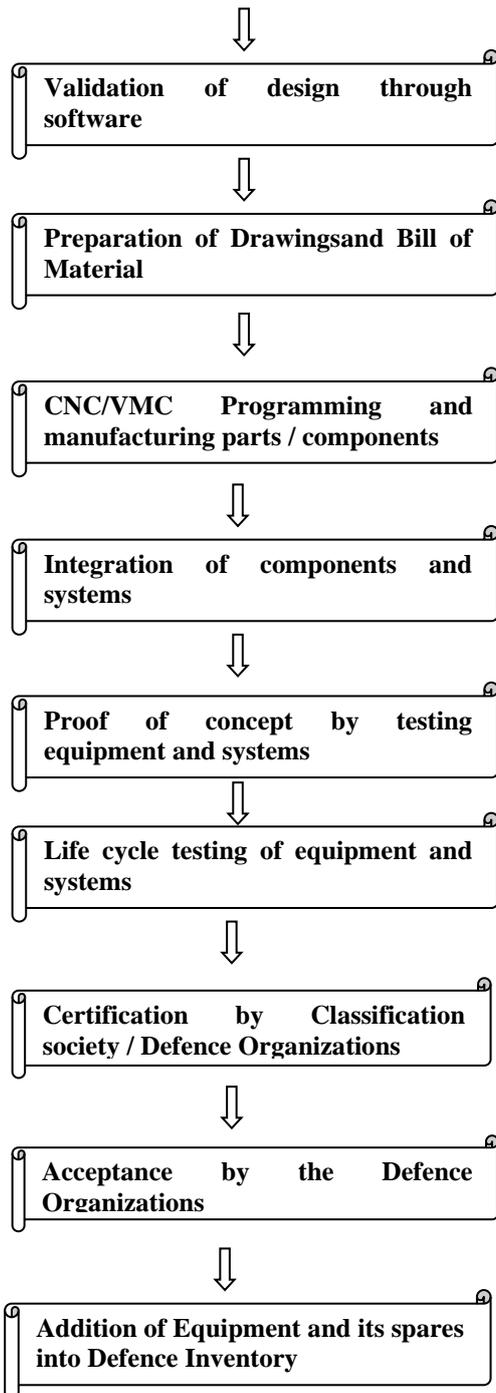
- Weapons and Control Systems
- Steering gear
- Propulsion System
- High Pressure Air System
- Hydraulics System
- Breathing and Diving Air System
- Integrated Platform Management System

Repair in submarines and ships takes place in following phases:



Manufacturing Process





We have built our design and engineering department and ventured into complete system integration. In the above process products are prototyped, developed, functionally tested, validated, environmentally tested in compliance with stringent requirements of the Defence and Nuclear Industry. We have separate division that undertakes repairs and overhaul of valves and equipment delivered by us.

The equipment and systems are designed to meet the stringent requirements of the Defence Industry. We have a capable design team which is well versed with understanding the various technical standards and to undertake the design meeting the stringent defence technical standards. The design is undertaken on various software held by us.

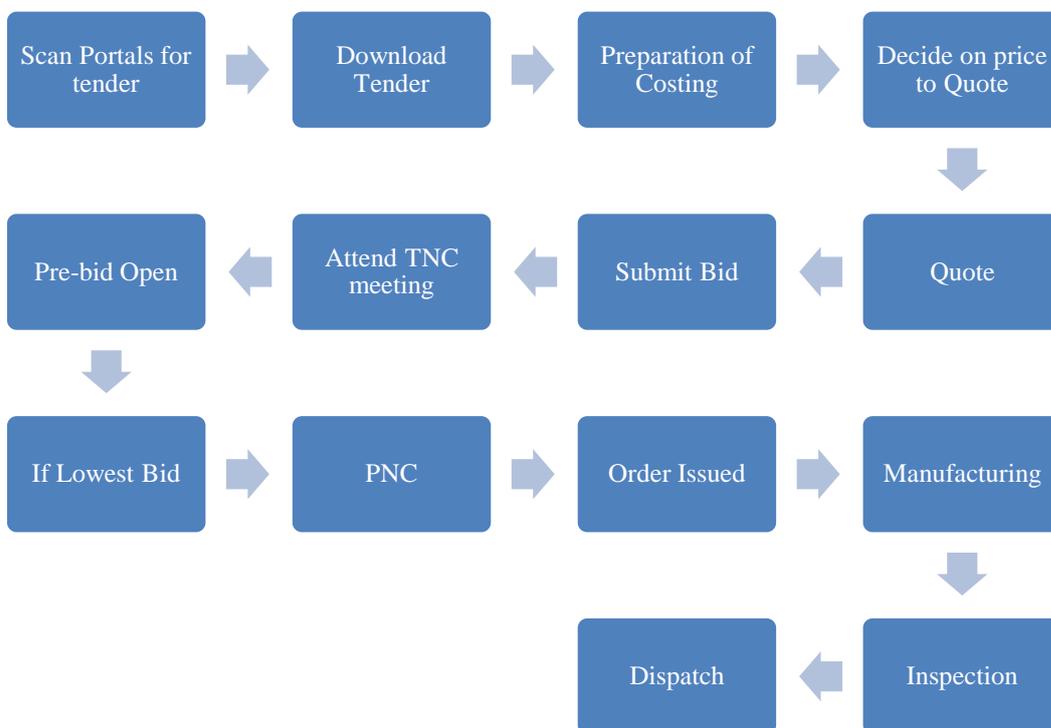
On completion of design, the equipment / components are to be manufactured. Detailed technical specifications of the raw material and equipment are prepared. Required material is procured and components are manufactured as per production drawings issued to the production shop floor.

The components / parts are thereafter assembled as per the assembly drawings provided by the design department. The prototype equipment / systems are made ready for physical inspection prior undertaking functional trails.

The Prototype thereafter undergoes functional trials as per the requirements specified by the Defence Forces. Required test beds are custom built and quality standards are met and demonstrated to the defence quality assurance organization. Life cycle tests are performed to ensure reliability of the product. Stringent testing on equipment withstanding vibration and shock resembling missile explosions in near by area are performed. The equipment has to perform satisfactorily in shock and vibration conditions. This key factor distinguishes the defence equipment from commercial equipment. Careful design and manufacturing is essential to ensure equipment qualifying the stringent defence standards.

On successful acceptance of prototype, clearance is issued for bulk production. Equipment once manufactured are offered for quality inspection by the client. On successful acceptance, equipment are packed and dispatched to the client for installation onboard the ships and submarines. During commissioning of the equipment and systems, our services are offered to ensure equipment functions as desired.

Key Business Process



Plant and Machinery

Following are the details of the equipments being used for business:

Sr.no	Description	Capacity	Make
1.	Air Compressor	0-12 Bar, 15HP	ELGI
2.	Air Compressor	142 cm ² @ 13/kg/cm ²	Chicago Pneumatic
3.	Hydro Hand Pallet Tract	2.5MT	Premier
4.	Grinding Machine	2000RPM	Deccar
5.	Hydro Pneumatic Power Pack	03-2500 Bar	Electrometric
6.	CNC Turning Centre	Chuck 200mm (3JAW), Bed 300mm, 3000 RPM	ACE
7.	CNC Turning Centre	Chuck 200mm (3JAW), Bed 300mm, 3000 RPM	ACE
8.	BMV VMC	X-1050, Y-610,Z-610mm	BFW
9.	Conventional Lathe Machine	Dia 8"	Syndicate
10.	Bench Grinder	2800 RPM	EMCO
11.	Marking Machine	Portable Marking Machine Window 120mm x40mm	SIC
12.	Vibratory Cleaning Machine	75kg	S.A.F.C
13.	CNC Band Saw Machine	Double colom Fully Automated Band Saw	Indotech
14.	EOT Crane	5 Ton EOT Cranes	Hindustan Hoist & Crane
15.	EOT Crane	5 Ton EOT Cranes	Hindustan Hoist & Crane
16.	Hydraulic Bolt Tightner	700 bar, 4000NM torque	Power Master
17.	Weighing Scale	10-12 Kg	M-Coll
18.	Hydraulic Fork Lift	5-Ton	Godrej & Boyce Co. Ltd
19.	Hydraulic Power Pack for Oil Testing	0-400 Bar	Akash Hydraulics
20.	Hydraulic Oil Filtration Systems	105 microns	Trinity
21.	Pneumatic Compressor	330 Bar	Maximator
22.	DG 200KVA	200Kva	Cummins
23.	Ultrasonic Cleaning Machine	500 wt	High clean ultrasonic
24.	Welding Machine	Phantom-301P, Range 300amp	MEMCO
25.	Hydraulic Press Machine	10 Tons	JK Machine Tools
26.	5 Axis CNC VMC	X-650, Y-765, Z-520mm	Doosan

Raw Materials

Our major raw materials are Nickel- Aluminium- Bronze (NAB), Copper- Nickel (CUNI), Copper- Aluminium (CUAL), and Titanium. We have been able to secure timely supply of required materials for our existing activity. We fetch raw material from both domestic and international markets and no difficulty is envisaged in sourcing it.

Utilities

Water

Water is a key and indispensable resource requirement in our manufacturing process. Our Company has made adequate arrangements to meet its water requirements. Water requirement at our manufacturing facility is met through tube-well pump owned by the company.

Power

Our manufacturing units have adequate power supply from Maharashtra State Electricity Distribution CO. Ltd. We have a sanctioned load of 760 KW at our manufacturing unit located at Survey No 96, Kumbhivali Tal, Khalapur, Raigad.

Research and Development

A strong and experienced team of Research and development has been nurtured at CFF. As part of make in India, a number of products are listed for indigenization by the Government of India. Many complex parts, components, complete equipment and complete systems are required to be indigenized. Our team has the capability of rapid prototype and come out with innovative solutions. Few products already indigenized and few under development and prototyping are listed below:

Sr. No.	Description	Brief Explanation	Status
1.	Infrared Suppression System	System reduces the Infrared signature of the ships. Joint work with NSTL, DRDO lab	Under prototyping
2.	Turbocharger for Tanks	Turbochargers are in short supply and required for performance of engines	Prototyping completed.
3.	Magazine fire fighting system	Fire fighting system for extinguishing fires in explosive/magazine compartments	Bid submitted to MDL
4.	Steering gear for Indian Naval ships	Steering gear and stabilizer to be indigenized for ships and submarines	Under evaluation for bidding
5.	Fuel cell manufacturing	Fuel cells manufacturing for future submarines	TOT application submitted to DRDO

Collaborations and Tie-ups

Our strategy is to bring technological innovation and new efficient products which are to be used in defence sector. We continuously focus on developing products using better technology by entering into partnership with foreign vendors. GOI has established Make in India programme for the defence sector. As the products were before imported for the submarine project, we are trying to make arrangement for production of such components in India. Defence sector has stringent conditions and specific requirements to be fulfilled for their products and therefore need a dedicated unit. We have entered into various collaborations with foreign vendors for supply of their technology, products, process and other relevant intellectual property rights, which will enable us to manufacture required products domestically. We have supplied components, parts, mechanical equipments and services for the Scorpene Submarine project with the technology acquired during the years and continuous research and product development.

The Indian Navy has authorised us to supply various components like valves, ball, gear box, hydraulic systems, nuclear sampling systems, titanium air bottles, towed wire antenna systems which are to be installed in the submarines. Under the guidance of the Naval Group, we manufacture these items at our facility as per the requirements of the project. We even provide the repairs and maintenance services to the Indian Navy for submarine project. Through our promoters and professional team we have been able to enter into such agreements with following vendors:

Nereides

Nereides, French Company is engaged in the manufacturing of Towed Wire Antenna (TWA) which is used by the Indian Navy. The Buoyant Towed wire antenna is developed with the unique technology by the Nereides. TWA is installed in the submarine for the communication purpose and helps submarine in not being detected by the enemy. As we have started Make in India programme, we are now planning to produce this antenna at our manufacturing facility with the Nereides. With this we are starting a new product line for Defence sector which may be required by Indian NAVY. We have therefore signed Letter of intent with them for supply of technology, process development and processes know how, thereby enabling us to manufacture the system at our facility. For this agreement we will enter into a detailed contract regarding terms and conditions, roles and time period. They will generate invoice on monthly basis and the amount shall not exceed Euro 1millions (approx 850.00 lakhs) at any point of time. Nereides also agrees that our company shall have the right to edit, copy, add to, take from, adapt, alter and translate the Intellectual Property as it deems fit. We are also planning to export this product in the future.

Minerva Issartel

Minerva Issartel is in business of designs and manufactures complex parts for the energy, transport and defence industries. Issartel specializes in the manufacturing of mechanical, hydraulic, and pneumatic systems including equipment for spent fuel transportation and storage. We have agreed to work jointly to support Minerva Issartel products and services in the Indian market, including for the P75 Project. We will act as a supplier of mechanical and hydraulic system for the Indian Navy Group for their projects. The agreement with Issartel is valid for a period of 36 months.

Capacity Utilisation

We are in the business of manufacture, overhaul, repairs and maintenance of shipboard machinery, combat systems, reference systems, test facilities for submarines & surface ships for the Indian Navy. Our Company also deals in business of design, manufacture, sales and service of Marine and Industrial Mech. Equipment's and Systems. Our end product is customized as per client's requirement. It's not a continuous process. Therefore, due to the nature of business in which our Company operates it is difficult to ascertain the exact installed capacity and capacity utilization

Performance Security and Defect Liability

We are usually required to provide a guarantee equal to a fixed percentage of the contract price as the performance security. During the warranty period after the deliveries, we are usually required to cure manufacturing defects, except usual wear and tear, at our own risk and costs. We are usually responsible for curing the defects during the defect notification period, which is usually for a period of 12 to 60 months after delivery. In the event we are unable to cure the defects, our clients usually have the right to get the defect rectified by a third party at our cost.

Liquidated Damages

We are usually required to pay liquidated damages for delays in completion of project milestones, which are often specified as a fixed percentage of the contract price. Our clients are entitled to deduct the amount of damages from the payments due to us.

Key Registrations and Certifications etc

Sr. No.	Description	Registration certificate number	Validity
1.	Registration with Mazagon Dock Shipbuilders Limited	1010545	July 13, 2025
2.	Registration with The Admiral Superintendent(Naval Dockyard)	SR-1185-E	November 02, 2024
3.	Registration with Controller Procurement Material Organisation (Kawar)	S5730D	N.A
4.	Registration with Controller Procurement Material Organisation (Mumbai)	S5730D	N.A

Our Major Customers

The percentage of income derived from our top customers for the year ended March 31, 2022 based on revenue from sale of products and services is as given below:

(₹ in lakhs)

Sr. No.	Particulars	For year ended Mar 31, 2022	
		Revenue (₹)	Percentage (%)
1.	Income from Top 5 customers	4,649.01	98.94%
2.	Income from Top 10 customers	4,698.77	100.00%

We constantly try to address the needs of our customers for maintaining a long term working relation with the customers, in order to get continuous business.

Export and Export Obligations

Our company does not have any export obligation. We have supplied samples of our product to different countries.

Competition

We operate in a competitive environment and we expect to face greater competition from existing competitors located both in India and globally, and in particular from companies in United States and Germany. We compete on the basis of our ability to fulfil our contractual obligations including the timely delivery of complex products manufactured by us and the price and quality of such products. Some of our competitors have more resources than us, while certain competitors may have lower cost of operations. In addition, certain competitors may have competitive advantages in manufacturing certain types of precision products compared to us. However, we believe we have a competitive edge with our precision engineered components and assemblies catered to the Indian NAVY and given that some of the products manufactured by us are on a single tender basis.

Manpower

We believe that a motivated and empowered employee base is the key to our operations and business strategy. We believe our employees are one of our most important assets and critical to maintaining our competitive position in our key geographical markets and in our industry. Our ability to maintain the growth depends to a large extent on our strength in attracting, training, motivating and retaining employees. As on December 31, 2022, we had 33 full time employees.

The detailed break-up of our employees is summarized as under:

Sr. No.	Category	Number of Employees
1.	Executive Director	1
2.	Key Managerial Personnel (KMP)	3
3.	Other Employees	29
Total		33

Intellectual Properties

Our intellectual property rights are important to our business. We do not have any registered trademark as on December 31, 2022.

We have made an application for intellectual property consisting of four Trademarks to be registered in India whose details are as follows:

TM Type	Application No.	Date of Filing	Class
Logo	5671413	Nov 07, 2022	Class 42
Logo	5671412	Nov 07, 2022	Class 7
Name	5671411	Nov 07, 2022	Class 42
Name	5671410	Nov 07, 2022	Class 7

For further information, see “Government and other Approvals” on page 172 of this Prospectus. Further please refer to the chapter titled “Risk Factors” for information in relation to the risk w.r.t. our intellectual property, on page 20 of this Prospectus.

Properties

Owned

Following are the details of properties owned:

Sr. No.	Particulars of the Property	Usage
1.	Plot No. 1 Survey No. 96, Village Kumbhivali, Khalapur, Khopoli (E), Raigad- 410202, India. Area: 6266 Sq. mtrs. (Acquired on December 22, 2015 from Flash Forge Private Limited, who is related party for an amount of 211.00 lakhs)	Used as Registered office and Factory
2.	Flat No. 2202, “B” Wing, Adonia Building, Hiranandani Gardens, Powai, Mumbai - 400076 entered on August 16, 2022. Area: 1600 Sq. ft (Acquired on August 16, 2022 from Melronia Hospitality Private Limited, for an amount of 871.20 lakhs)	Vacant (Under renovation)

Leased

Following are the details of properties leased:

Sr. no.	Details of the Deed/Agreement	Particulars of the property, description and area	Consideration/ License Fee/Rent	Tenure/ Term	Usage
1.	Leave and License Agreement executed on September 01, 2022 between M/s Melronia Hospitality Private Limited (“Licensor”) and our Company (“Licensee”).	402, 4 th Wing, Adonia Building, Hiranandani Gardens, Powai Mumbai - 400076 Area: 1600 Sq. ft	Security Deposit: ₹ 18,00,000/- Rent of ₹ 3,00,000 /- per month	A period of 12 months commencing from September 03, 2022	Used by Senior Management and Company as a Guest House
2.	Leave and License Agreement executed on September 27, 2022 between Ms Iyer Priya Muralidharan and Mr. Muralidharan Jagdish (“Licensor”) and our Company (“Licensee”).	503, Delphi, A wing Hiranandani Business Park, Powai Mumbai-400076. Area: 4160 Sq. ft	Security Deposit: ₹ 16,64,000/- Rent of ₹ 5,85,354/- per month (and annual increase of 5%.	A period of 60 months commencing from October 01,2022	Used for Corporate office

Insurance

Our business is subject to various hazards inherent to storing and transporting our materials and products, such as floods, thefts, fire, earthquake, other natural calamities, terrorism and force majeure. These acts can cause our products or raw materials subject to severe damage, loss of inventory or complete destruction of our property. Our principal types of coverage include Plant and Machinery, Building and Stock Insurance. We maintain insurances for the same from Oriental Insurance Company Ltd.

KEY REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the GoI and other regulatory bodies that are applicable to our business. The information detailed below has been obtained from various legislations, including rules and regulations promulgated by regulatory bodies, and the bye laws of the respective local authorities that are available in the public domain. The regulations set out below may not be exhaustive and are merely intended to provide general information to the shareholders and neither designed, nor intended to substitute for professional legal advice. For details of government approvals obtained by us, see the section titled “Government and Other Approvals” on page 172 of this Prospectus.

Our company is primarily in the business of manufacturing and servicing of shipboard machinery, critical component systems and test facilities for submarines & surface ships for The Indian Navy. Further we also design, manufacture and service other Marine and Industrial Mechanical Equipments and systems for Other non-defence Shipping Clients. Our business is governed by various central and state legislations that regulate the substantive and procedural aspects of our business. We are required to obtain and regularly renew certain licenses/ registrations and / or permissions required statutorily under the provisions of various Central and State Government regulations, rules, bye-laws, acts and policies.

Given below is a brief description of the certain relevant legislations that are currently applicable to the business carried on by us:

A. CORE INDUSTRIAL LAWS

Draft Defence Production and Export Promotion Policy 2020

The Draft of Defence Production and Export Promotion Policy 2020 was put for public views by Ministry of Defence, Government of India in August 2020. DPEPP is anchored on the vision of making India a leading country of the world in defence, aerospace, naval and submarine sector both in design, as well as, production through the participation of public and private sectors. DPEPP sets the goal of Defence production turnover of 25 Bn USD (175,000 Crs) and export target of 5 Bn USD (35000 Crs) by 2025.

The Policy lists several goals and objectives. These include making the defence industry dynamic, robust and competitive, reducing import dependence (current global share 15%), and promoting exports, encouraging R&D, rewarding innovation, creating more and more Indian Intellectual Property (IP) etc. The policy is yet to be made effective.

Defence Acquisition Procedure 2020

The Defence Acquisition Procedure [DAP] 2020 has been established in 2020 as a part of ‘Atmanirbhar Bharat Abhiyan’ in the sector of defense manufacturing. It came into effect from October 01, 2020. The DAP is applicable on the procurement and acquisition of upgraded technology, products and services for the Tri-services and other allied defence services.

The key features of DAP 2020 include:

- a) Enhancement of indigenous content: through increase in the procurement and acquisition of indigenously manufactured products and technologies in the sector. This would include inter-governmental agreements that would help import substitution of defense products, technologies and spare parts.
- b) A indigenous content in DAP 2020 is reproduced below:

Category	DAP 2020
Buy (India -IIDM)	Min 50%
Buy (India)	Indigenous design- Min 50% Otherwise - Min 60%
Buy and Make (India)	Min 50% of Make
Buy (Global - Manufacturer in India)	Min 50% of Buy plus Make
Buy (Global)	Min 30% for Indian vendors

- c) Buy (Global – Manufacturing in India) – The entire or part of the manufacturing procedure for equipment / spare parts / Maintenance or Repair of any out of India procured goods must be conducted by the Indian subsidiary of foreign supplier.

- d) Project Management Unit and Preference to Indigenous Manufacturers- Facilitation of operations and decision making through the Project Management Unit; Preference to manufacturers producing complete defense products, rather than parts; Increase of multipliers in the offset policy with respect to direct purchase, Transfer of Technology and Foreign Direct Investment to incentivize the discharge of offsets; Systematic trials and testing such as avoidance of duplicate trials etc
- e) Increased FDI Cap: FDI in defense manufacturing is permitted up to 100% [up to 74% under Automatic route and beyond 74% under Government Route.

The DAP will remain in force till September 30, 2025 or till reviewed.

Factories Act, 1948

The Factories Act, 1948 ("**Factories Act**") seeks to regulate labour employed in factories and makes provisions for the safety, health and welfare of the workers. The term 'factory', as defined under the Factories Act, means any premises which employs or has employed on any day in the previous 12 (twelve) months, 10 (ten) or more workers and in which any manufacturing process is carried on with the aid of power, or any premises wherein 20 (twenty) or more workmen are employed at any day during the preceding 12 (twelve) months and in which any manufacturing process is carried on without the aid of power. An occupier of a factory under the Factories Act, means the person who has ultimate control over the affairs of the factory. The occupier or manager of the factory is required to obtain a registration for the factory. The Factories Act also requires *inter alia* the maintenance of various registers dealing with safety, labour standards, holidays and extent of child labour including their conditions. Further, notice of accident or dangerous occurrence in the factory is to be provided to the inspector by the manager of the factory. It is pertinent to note that State Governments have set out rules in respect of the prior submission of plans, their approval for the registration of the establishment, and licensing of factories. The Gujarat Factories Rules, 1963 ("**Rules**") is applicable to the establishments of the Company. The Rules govern approval of plans, grant of licenses, safety procedures, working hours and conditions of workers.

B. CORPORATE AND COMMERCIAL LAWS

Companies Act, 2013

Companies Act primarily regulates the formation, financing, functioning and restructuring of separate legal entity as companies. The Act provides regulatory and compliance mechanism regarding all relevant aspects including organizational, financial and managerial aspects of companies. The provisions of the Act state the eligibility, procedure and execution for various functions of the company, the relation and action of the management and that of the shareholders. The law lays down transparency, corporate governance and protection of shareholders & creditors. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

Competition Act, 2002

The Competition Act, 2002 came into effect on June 1, 2011 and has been enacted to "prohibit anti-competitive agreements, abuse of dominant positions by enterprises" and regulates "combinations" in India. The Competition Act also established the Competition Commission of India (the "**CCI**") as the authority mandated to implement the Competition Act. The Act prohibits Combinations which are likely to cause an appreciable adverse effect on competition in a relevant market in India. The CCI may enquire into all combinations, even if taking place outside India, or between parties outside India, if such combination is likely to have an appreciable adverse effect on competition in India.

Indian Contract Act, 1872

Indian Contract Act codifies the way we enter into a contract, execute a contract, implementation of provisions of a contract and effects of breach of a contract. The Act consists of limiting factors subject to which contract may be entered into, executed and breach enforced as amended from time to time. It determines the circumstances in which promise made by the parties to a contract shall be legally binding on them.

Negotiable Instruments Act, 1881

In India, any negotiable instruments such as cheques are governed by this Act, Section 138 of the Act, makes dishonor of cheques a criminal offence if the cheque is dishonored on the ground of insufficiency of funds in the account maintained by a person who draws the cheque which is punishable with imprisonment as well as fine.

The Registration Act, 1908 (“Registration Act”)

The Registration Act was passed to consolidate the enactments relating to the registration of documents. The main purpose for which the Registration Act was designed to ensure information about all deals concerning land so that correct land records could be maintained. The Registration Act is used for proper recording of transactions relating to other immovable property also. The Registration Act provides for registration of other documents also, which can give these documents more authenticity. Registering authorities have been provided in all the districts for this purpose.

Indian Stamp Act, 1899 (the “Stamp Act”)

Under the Indian Stamp Act, 1899 (the “Stamp Act”) stamp duty is payable on instruments evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. Stamp duty must be paid on all instruments specified under the Stamp Act at the rates specified in the schedules to the Stamp Act. The applicable rates for stamp duty on instruments chargeable with duty vary from state to state. Instruments chargeable to duty under the Stamp Act, which are not duly stamped, are incapable of being admitted in court as evidence of the transaction contained therein and it also provides for impounding of instruments that are not sufficiently stamped or not stamped at all.

The Arbitration and Conciliation Act, 1996

This act was enacted by Parliament in the Forty-seventh Year of the Republic of India to consolidate and amend the law relating to domestic arbitration, international commercial arbitration and enforcement of foreign arbitral awards as also to define the law relating to conciliation.

The Insolvency and Bankruptcy Code, 2016

The Insolvency and Bankruptcy Code, 2016 (the “code”) cover Insolvency of individuals, unlimited liability partnerships, Limited Liability partnerships (LLPs) and companies. The Insolvency Regulator (The Insolvency and Bankruptcy Board of India) has been established to exercise regulatory oversight over (a) Insolvency Professionals, (b) Insolvency Professional Agencies and (c) Information Utilities.

The Micro, Small and Medium Enterprises Development Act, 2006 r/w Industries (Development and Regulation) Act, 1951

The Act provides for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises. The Central Government is empowered to classify by notification, any class of enterprises including inter-alia, a company, a partnership, firm or undertaking by whatever name called, engaged in the manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 as: (i) a micro enterprise, (ii) a small enterprise, or (iii) a medium enterprise, as per criteria mentioned in the said Act. The MSMED Act inter-alia stipulates that any person who intends to establish, a micro or small enterprise or a medium enterprise engaged in rendering of services, may at his discretion and a medium enterprise engaged in the manufacture or production of goods as specified hereinabove, file a memorandum of micro, small or medium enterprise, as the case may be, with the prescribed authority.

Negotiable Instruments Act, 1881

In India, any negotiable instruments such as cheques are governed by this Act, Section 138 of the Act, makes dishonor of cheques a criminal offence if the cheque is dis honored on the ground of insufficiency of funds in the account maintained by a person who draws the cheque which is punishable with imprisonment as well as fine.

The Consumer Protection Act, 2019

The Consumer Protection Act provides better protection to the interests of consumers. This is enabled with the establishment of consumer councils and other authorities for the settlement of consumers’ disputes and matters

connected therewith. The Consumer Protection Act protects the consumers against any unfair/restrictive trade practice that has been adopted by any trader or service provider or if the goods purchased by him suffer from any defect or deficiency. In case of consumer disputes, the same can be referred to the redressal forums set up under the Act.

Information Technology Act, 2000

The Information Technology Act, 2000 (also known as ITA-2000, or the IT Act) is an Act of the Indian Parliament (No 21 of 2000) notified on 17 October 2000. It is the primary law in India dealing with cybercrime and electronic commerce. Secondary or subordinate legislation to the IT Act includes the Intermediary Guidelines Rules 2011 and the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rule, 2021. The laws apply to the whole of India.

The Act provides a legal framework for electronic governance by giving recognition to electronic records and digital signatures. It also defines cyber-crimes and prescribes penalties for them. If a crime involves a computer or network located in India, persons of other nationalities can also be indicted under the law. The Act directed the formation of a Controller of Certifying Authorities to regulate the issuance of digital signatures. It also established a Cyber Appellate Tribunal to resolve disputes arising from this new law.

C.LABOUR AND EMPLOYMENT LAWS

Child Labour (Prohibition and Regulation) Act, 1986

This statute prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes. Under this Act, the employment of child labour in the building and construction industry is prohibited.

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“SHWW Act”)

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 provides for the protection of women at work place and prevention of sexual harassment at work place. The Act also provides for a redressal mechanism to manage complaints in this regard. Sexual harassment includes one or more of the following acts or behaviour namely, physical contact and advances or a demand or request for sexual favours or making sexually coloured remarks, showing pornography or any other unwelcome physical, verbal or non-verbal conduct of sexual nature. The Act makes it mandatory for every employer of a workplace to constitute an Internal Complaints Committee which shall always be presided upon by a woman. It also provides for the manner and time period within which a complaint shall be made to the Internal Complaints Committee i.e. a written complaint is to be made within a period of 3 (three) months from the date of the last incident. If the establishment has less than 10 (ten) employees, then the complaints from employees of such establishments as also complaints made against the employer himself shall be received by the Local Complaints Committee. The penalty for non-compliance with any provision of the SHWW Act shall be punishable with a fine extending to Rs. 50,000/- (Rupees Fifty Thousand Only).

The Maharashtra Shops & Establishments (Regulation of Employment and Conditions of Service) Act, 2017 (“Shops Act”)

The Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2017 came into effect August 08, 2017. The 2017 Act replaces the Maharashtra Shops and Establishment Act of 1948. The law is applicable to all commercial establishments in the State, (not covered under the Factories Act), employing 10 or more workers and requires intimation from every establishment employing less than 10 workers to the government authority by submitting an application within prescribed time. The New Act read with The Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Rules 2018 require all commercial establishments to register itself as a commercial establishment without any fee. However, the new Act require the registered entities to file an Annual return in Form ‘R’. The New Act has also introduced a new concept for the safety of women employees by restricting their working hours for between 7:00 am to 9:30 pm. Now, after the new Act the women employees (with consent) shall be allowed to work during 9:30 pm and 7:00 am only if adequate protection of their dignity, honour and safety, protection from sexual harassment and their transportation are provided by the employer. The New Act also limits the total number of overtime hours of the employees which shall not exceed 125 hours in three months

The Employees State Insurance Act, 1948:

The ESI Act provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers. Companies which are controlled by the Government are exempt from this requirement if employees receive benefits similar or superior to the benefits prescribed under the ESI Act.

Employees Provident Fund and Miscellaneous Provisions Act, 1952:

The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (EPF Act) applies to factories employing 20 or more employees and such other establishments and industrial undertakings as notified by the government from time to time. The EPF Act requires all such establishments to be registered with the Regional Provident Fund Commissioner and requires the employers and their employees to contribute in equal proportion to the employees' provident fund, the prescribed percentage of basic wages and dearness and other allowances payable to employees. The EPF Act also requires the employer to maintain registers and submit a monthly return to the State Provident Fund Commissioner.

Payment of Bonus Act, 1965:

A bonus payment is usually made to employees in addition to their base salary as part of their wages or salary. Pursuant to the Payment of Bonus Act, 1965, as amended (the "Bonus Act"), an employee in a factory or in any establishment where twenty or more persons are employed on any day during an accounting year, who has worked for at least 30 working days in a year is eligible to be paid a bonus.

D.TAX LAWS

Income Tax Act, 1961

Income-tax Act, 1961 ("**Income-tax Act**") is applicable to every company, whether domestic or foreign whose income is taxable under the provisions of this Act or Rules made there under depending upon its 'Residential Status' and 'Type of Income' involved. Every assessee, under the Income-tax Act, which includes a company, is required to comply with the provisions thereof, including those relating to tax deduction at source, advance tax, minimum alternative tax and like.

Central Goods and Services Tax Act, 2017

The Central Goods and Services Tax Act, 2017 ("**CGST Act**") regulates the levy and collection of tax on the intra-State supply of goods and services by the Central Government or State Governments. The CGST Act amalgamates a large number of Central and State taxes into a single tax. The CGST Act mandates every supplier providing the goods or services to be registered within the State or Union Territory it falls under, within 30 days from the day on which he becomes liable for such registration. Such registrations can be amended, as well as cancelled by the proper office on receipt of application by the registered person or his legal heirs. There would be four tax rates namely 5%, 12%, 18% and 28%. The rates of GST applied are subject to variations based on the goods or services.

Integrated Goods and Services Tax Act, 2017

Integrated Goods and Services Tax Act, 2017 ("**IGST Act**") is a Central Act enacted to levy tax on the supply of any goods and/ or services in the course of inter-State trade or commerce. IGST is levied and collected by Centre on interstate supplies. The IGST Act sets out the rules for determination of the place of supply of goods. Where the supply involves movement of goods, the place of supply shall be the location of goods at the time at which the movement of goods terminates for delivery to the recipient. The IGST Act also provides for determination of place of supply of service where both supplier and recipient are located in India or where supplier or recipient is located outside India. The provisions relating to assessment, audit, valuation, time of supply, invoice, accounts, records, adjudication, appeal etc. given under the CGST Act are applicable to IGST Act.

Further, the Company is also governed by various State Goods and Service Tax statutes for levy and collection of tax on intra-State supply of goods and services or both which are as follows:

- i. Arunachal Pradesh Goods and Services Tax Act, 2017;
- ii. Haryana Goods and Services Tax Act, 2017;
- iii. Jammu & Kashmir Goods and Services Tax Act, 2017;
- iv. Maharashtra Goods and Services Act, 2017;
- v. Odisha Goods and Services Tax Act, 2017;
- vi. Rajasthan Goods and Services Act, 2017; and
- vii. Union Territory Goods and Services Tax Act, 2017.

Professional Tax

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional taxes are classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner. Every person liable to pay tax under these Acts (other than a person earning salary or wages, in respect of whom the tax is payable by the employer), shall obtain a certificate of enrolment from the assessing authority.

E. INTELLECTUAL PROPERTY LAWS

The Trademarks Act, 1999 (“Trademarks Act”)

Under the Trademarks Act, a trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. Section 18 of the Trademarks Act requires that any person claiming to be the proprietor of a trade mark used or proposed to be used by him, must apply for registration in writing to the registrar of trademarks. The right to use the mark can be exercised either by the registered proprietor or a registered user. The present term of registration of a trademark is 10 (ten) years, which may be renewed for similar periods on payment of a prescribed renewal fee.

F. ENVIRONMENTAL REGULATIONS:

The Environment Protection Act, 1986 and Environment (Protection) Rules, 1986

The Environmental Protection Act, 1986 is an "umbrella" legislation designed to provide a framework for coordination of the activities of various Central and State authorities established under various laws. The potential scope of the Act is broad, with "environment" defined to include water, air and land and the interrelationships which exists among water, air and land, and human beings and other living creatures such as plants, microorganisms and property. Further, the Ministry of Environment and Forests looks into Environment Impact Assessment. The Ministry receives proposals for expansion, modernization and setting up of projects and the impact which such projects would have on the environment which is assessed by the Ministry in detail before granting clearances for such proposed projects.

Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”)

The Air Act requires that any individual, industry or institution responsible for emitting smoke or gases by way of use of fuel or chemical reactions must apply in a prescribed form and obtain consent from the State PCB prior to commencing any activity. The consent may contain conditions relating to specifications of pollution control equipment to be installed. Within a period of four months after the receipt of the application for consent the State PCB shall, by order in writing and for reasons to be recorded in the order, grant the consent applied for subject to such conditions and for such period as may be specified in the order, or refuse consent. The Air Act prescribes penalties for contravention in terms of fine, imprisonment or both.

Water (Prevention and Control of Pollution) Act, 1974 (“Water Act”)

The Water Act prohibits the use of any stream or well for the disposal of polluting matter, in violation of the standards set down by the State Pollution Control Board (“State PCB”). The Water Act also provides that the consent of the State PCB must be obtained prior to opening of any new outlets or discharges, which are likely to discharge sewage or effluent. The Water Act prescribes specific amounts of fine and terms of imprisonment for various contraventions.

G.FOREIGN REGULATIONS

The Foreign Trade (Development & Regulation) Act, 1992

The Foreign Trade (Development & Regulation) Act, 1992 [herein after FTA], provides for the development and regulation of foreign trade by facilitating imports into and augmenting exports from India and for matters connected therewith or incidental thereto. As per the provisions of the FTA, the Government: (i) may make provisions for facilitating and controlling foreign trade; (ii) may prohibit, restrict and regulate exports and imports, in all or specified cases as well as subject them to exemptions; (iii) is authorised to formulate and announce an export and import policy and also amend the same from time to time, by notification in the Official Gazette; (iv) is also authorised to appoint a 'Director General of Foreign Trade' for the purpose of the Act, including formulation and implementation of the Export-Import Policy. FTA read with the Indian Foreign Trade Policy inter-alia provides that no export or import can be made by a company without an Importer-Exporter Code number unless such company is specifically exempt. An application for an Importer-Exporter Code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce.

Foreign Exchange Management Act, 1999 (“the FEMA”) and Rules and Regulations thereunder

Export of goods and services outside India is governed by the provisions of the Foreign Exchange Management Act, 1999 (“FEMA”), read with the applicable regulations. The Foreign Exchange Management (Export of goods and services) Regulations, 2000 have been superseded by the Foreign Exchange Management (Export of Goods and Services) Regulations, 2015 (“Export of Goods and Services Regulations 2015”) issued by the RBI on January 12, 2016 [last amended on June 23, 2017]. The RBI has also issued a Master Circular on Export of Goods and Services. The export is governed by these Regulations which make various provisions such as declaration of exports, procedure of exports as well as exemptions.

HISTORY AND CERTAIN CORPORATE MATTERS

BRIEF HISTORY OF OUR COMPANY

Our Company was incorporated as Flash Forge Fluid Control Private Limited on February 16, 2012 under the Companies Act, 1956 with the Registrar of Companies, Mumbai, Maharashtra bearing Registration number 227023. The name of our company was changed to CFF Fluid Control Private Limited vide Special resolution dated September 21, 2012. The fresh certificate of incorporation consequent of name change was issued on October 19, 2012 by the Registrar of Companies, Mumbai, Maharashtra. Further the status of the Company was changed to Public limited and the name of our Company was changed to CFF Fluid Control Limited vide Special Resolution dated September 05, 2022. The fresh certificate of incorporation consequent to conversion was issued on September 15, 2022 by the Registrar of Companies, Mumbai, Maharashtra. The Corporate Identification Number of our Company is U28990MH2012PLC227023.

Our Company has (8) Shareholders as on the date of filing of this Prospectus. For further information, please refer the chapter “*Capital Structure*” on page no. 51 of this Prospectus.

OVERVIEW

Our company is primarily in the business of manufacturing and servicing of shipboard machinery, critical component systems and test facilities for submarines & surface ships for The Indian Navy. Further we also design, manufacture and service Mechanical Equipments and systems for industries like Nuclear and Clean Energy.

For further information, please refer the chapter “*Our business*” on page no. 92 of this Prospectus.

MAJOR EVENTS IN THE HISTORY OF OUR COMPANY

Year	Major Events / Milestone / Achievements
2012	<ul style="list-style-type: none"> ▪ Incorporation of our Company as Flash Forge Fluid Control Private Limited
2012	<ul style="list-style-type: none"> ▪ Name of the Company was changed to CFF Fluid Control Private Limited vide special resolution passed at general meeting dated September 21, 2012.
2015	<ul style="list-style-type: none"> ▪ Company received government order from Naval Group..
2015	<ul style="list-style-type: none"> ▪ Company acquired service from Coyard SAS France for design, manufacture and supply of Mechanical Components for the Scorpene submarine program
2018	<ul style="list-style-type: none"> ▪ Turnover of our Company crossed ₹ 20 crore mark
2019	<ul style="list-style-type: none"> ▪ Turnover of our Company crossed ₹ 35 crore mark
2020	<ul style="list-style-type: none"> ▪ Participant SIDM Champion Awards 2020 under category of Creation of Niche Technological capability for Design, Manufacturing or Testing. –Sub Category : SSI/Start -up
2022	<ul style="list-style-type: none"> ▪ Turnover of our Company crossed ₹ 45 crore mark.
2022	<ul style="list-style-type: none"> ▪ Company converted from Private Limited Company to Public Limited Company vide special resolution passed at General Meeting dated September 05, 2022.
2022	<ul style="list-style-type: none"> ▪ CFF has established longstanding strategic partnerships with foreign Manufacturers. The partnerships are carefully chosen to bring technology which is not available in India and is the need for the Indian Defence Industry. Our key tie-ups are with M/s Nereides of France and M/s Minerva Issartel of France.

MAIN OBJECTS OF OUR COMPANY

The main objects of our Company as set forth in the Memorandum of Association of our Company are as follows:

1. To carry on in India for navy and military applications, the business of manufacturers, dealers, agents, factors, importers, exporters, distributors, dealers, stockists, traders, agents, consignors, merchants and financiers of all kinds of valves made with either metallic or non-metallic materials by any process of casting, forging, machining, servicing, assembly or by any other process as deemed fit.

The main objects and objects incidental and ancillary to the attainment of the main objects, as contained in the Memorandum of Association, enable our Company to carry on its existing business.

CHANGES IN THE REGISTERED OFFICE OF THE COMPANY SINCE INCORPORATION

Date of Change	Changed From	Change to	Reason for change
March 08, 2016	71-73, Udyog Bhavan, Sonavala Road, Goregaon East, Mumbai - 400063	Plot No. 01, Survey No. 96, Kumbhivli - Madap - Khopoli, Khalapur, Raigad - 410203	Administrative Reasons

AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY SINCE INCORPORATION

The following changes have been made to the Memorandum of Association of our Company:

Sr. No.	Date of Shareholder's Resolution	Nature of Amendment
1.	September 21, 2012	The name of our company was changed from Flash Fluid Control Private Limited to CFF Fluid Control Private Limited consequent to which a Fresh Certificate of Incorporation Consequent upon Change of Name dated October 19, 2012 was issued by the Registrar of Companies, Mumbai.
2.	September 21, 2012	The Authorized Share Capital shares of ₹ 100,000 (One Lakhs) divided into 10,000 (Ten Thousand) Equity Shares of ₹ 10 each was increased to ₹ 1,00,00,000 (One Crore) divided into 10,00,000 (Ten Lakhs) Equity Shares of Rs. 10 each pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting held on September 21, 2012.
3.	July 07, 2022	The Authorized Share Capital shares of ₹ 1,00,00,000 (One Crore) divided into 10,00,000 (Ten Lakhs) Equity Shares of Rs. 10 each was increased to ₹ 20,00,00,000 (Twenty Crore) divided into 200,00,000 (Two Crore) Equity Shares of Rs. 10 each pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting held on July 07, 2022.
4.	September 05, 2022	Alignment of the Objects clause of Memorandum of Association in line with Companies Act, 2013 pursuant to Special resolution passed at the Extra Ordinary General Meeting held on September 05, 2022.
5.	September 05, 2022	Upon Conversion from Private Company to Public Company, the name of our company was changed from 'CFF Fluid Control Private Limited' to 'CFF Fluid Control Limited' consequent to which a Fresh Certificate of Incorporation Consequent upon Conversion from Private Company to Public Company dated September 15, 2022 was issued by the Registrar of Companies, Mumbai.
6.	November 25, 2022	The Authorized Share Capital shares of ₹ 20,00,00,000 (Twenty Crore) divided into 200,00,000 (Two Crore) Equity Shares of ₹ 10 each was increased to ₹ 21,00,00,000 (Twenty One Crore) divided into 210,00,000 (Two Crore Ten Lakhs) Equity Shares of ₹ 10 each pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting held on November 25, 2022.

LOCK-OUT AND STRIKES

There have been no instances of strikes or lock-outs at any time in our Company.

SIGNIFICANT FINANCIAL OR STRATEGIC PARTNERSHIPS

Our Company has not entered into any Significant Financial or Strategic Partnerships except as entered in its normal course of business.

TIME/COST OVERRUN IN SETTING UP PROJECTS

As on date of this Prospectus, there has been no time and cost overruns in the Company.

LAUNCH OF KEY PRODUCTS OR SERVICES, ENTRY INTO NEW GEOGRAPHIES OR EXIT FROM EXISTING MARKETS, CAPACITY/ FACILITY CREATION OR LOCATION OF PLANTS

For details of key products or services launched by our Company, entry into new geographies or exit from existing markets, capacity/facility creations, and location of our manufacturing facilities, see “Our Business on page 92 of this Prospectus.

DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS/ BANKS

As on date of this Prospectus, our Company has not made any defaults / re-scheduling of its borrowings.

CHANGES IN THE ACTIVITIES OF OUR COMPANY DURING THE LAST FIVE YEARS

There have been no changes in the activities of our Company since its date of incorporation which may have had a material adverse effect on the profits and loss account of our Company, including discontinuance of lines of business, loss of agencies or markets and similar factors.

ACQUISITION OF BUSINESSES / UNDERTAKINGS, MERGER, AMALGAMATION OR REVALUATION OF ASSETS IN LAST 10 YEARS

Our Company has not made any material acquisitions or divestments of any business or undertaking, and has not undertaken any mergers, amalgamation or revaluation of assets in the last ten years.

OUR HOLDING COMPANY

As on the date of this Prospectus, our Company does not have any Holding Company.

OUR SUBSIDIARIES

As on the date of this Prospectus our Company does not have any subsidiary.

OUR ASSOCIATES

As on the date of this Prospectus our Company does not have any associate companies.

THE AMOUNT OF ACCUMULATED PROFIT / (LOSSES) NOT ACCOUNTED FOR BY OUR COMPANY

There is no accumulated profit / (losses) not accounted for by our Company.

JOINT VENTURES

As on the date of this Prospectus, there are no joint ventures of our Company.

SHAREHOLDERS' AGREEMENT

Our Company has not entered into any Shareholders Agreement as on the date of this Prospectus.

OTHER AGREEMENTS

Except the contracts / agreements entered in the ordinary course of the business carried on or intended to be carried on by our Company, we have not entered into any other agreement / contract as on the date of this Prospectus.

AGREEMENTS WITH KEY MANAGERIAL PERSONNEL OR A DIRECTOR OR PROMOTERS OR ANY OTHER EMPLOYEE OF THE COMPANY

There are no agreements entered into by key managerial personnel or a Director 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.

AGREEMENTS WITH STRATEGIC PARTNERS, JOINT VENTURE PARTNERS AND/OR FINANCIAL PARTNERS AND OTHER AGREEMENTS

Our Company has not entered into any other subsisting material agreements including with strategic partners, joint venture partners, and/or financial partners other than in the ordinary course of business of our Company

GUARANTEES GIVEN BY PROMOTERS

As on the date of this Prospectus, no guarantee has been issued by Promoters for our Company except as disclosed in the “*Financial Indebtedness*” on page no. 167 of this Prospectus.

COLLABORATION

As on the date of this Prospectus, our Company has not entered into any Collaboration except as disclosed in the “*Our Business*” on page no. 92 of this Prospectus

INJUNCTION OR RESTRAINING ORDERS

There are no injunctions/restraining orders that have been passed against the company.

OUR MANAGEMENT

BOARD OF DIRECTORS

As on the date of this Prospectus, our Board consists of Four (4) Directors including one (1) Managing Director, one (1) Non - Executive Director and two (2) Non - Executive Independent Director. Further, we have One (1) Women Director on our Board.

The details of the Directors are as mentioned in the below table:

Sr. No.	Name, Designation, Address, Date of Birth, Occupation, Term and DIN	Nationality	Age(in years)	Other Directorships
1.	<p>Sunil Menon</p> <p>Designation: Managing Director</p> <p>Date of Birth: July 15, 1967</p> <p>Address: Flat No 501, A Wing Adonia, Hiranandani Garden, Powai, Mumbai Maharashtra 400076.</p> <p>Date of appointment: Upon Incorporation</p> <p>Date of Appointment at Current Designation: September 30, 2022</p> <p>Current Term: Five years from September 30, 2022 and subject to retire by rotation.</p> <p>Occupation: Business</p> <p>DIN: 00409485</p>	Indian	55	<ol style="list-style-type: none"> 1. Aay Aar Consultancy Services Private limited. 2. Airotech Profiles (India) Private limited. 3. Autostem Technologies India Private limited. 4. FF Flowline Private Limited. 5. Flash Forge Private Limited. 6. Navigating Sales Pvt Ltd
2.	<p>Gautam Makkar</p> <p>Designation: Chairman and Non Executive Director</p> <p>Date of Birth: September 24, 1969</p> <p>Address: 805-806, Prathima Estate, Paradise Isle, Maharanipecta, Visakhapatnam (Urban), Visakhapatnam, Andhra Pradesh -400067</p> <p>Date of appointment: Upon Incorporation</p> <p>Date of Appointment at Current Designation: : September 30, 2022</p> <p>Current Term: Liable to retire by rotation</p> <p>Occupation: Business</p> <p>DIN: 00354956</p>	Indian	53	<ol style="list-style-type: none"> 1. Airotech Profiles (India) Private limited. 2. Autostem Technologies India Private limited. 3. Diplok Advisory Private Limited 4. FF Flowline Private Limited. 5. Flash Forge Private Limited.
3.	<p>Priyanka Moondra Rathi</p> <p>Designation: Non-Executive Independent Director</p> <p>Date of Birth: January 13, 1993</p>	Indian	29	<ol style="list-style-type: none"> 1. Capstar Finance Private Limited. 2. Rex Sealing and Packing Industries limited.

Sr. No.	Name, Designation, Address, Date of Birth, Occupation, Term and DIN	Nationality	Age(in years)	Other Directorships
	<p>Address: Plot No. 16/2 B, Bhatti Ki Bavri, Chopasni Housing Board, Jodhpur, Rajasthan 342008.</p> <p>Date of Appointment at Current Designation: September 02, 2022</p> <p>Term: Appointed for 5 Year from September 02, 2022</p> <p>Occupation: Professional</p> <p>DIN: 09485101</p>			3. Uma Polymers Limited.
4.	<p>RajnishPrakash</p> <p>Designation: Non-Executive Independent Director</p> <p>Date of Birth: July 04, 1953</p> <p>Address: C/502, Haware Tiara Building, Plot No. 184, Sector 13, Kharghar, Navi Mumbai, Raigarh, Maharastra -410210.</p> <p>Date of Appointment at Current Designation: : September 30, 2022</p> <p>Term: Appointed for 5 Year fromSeptember 30, 2022</p> <p>Occupation: Professional</p> <p>DIN:08595423</p>	Indian	69	1. Nuclear Power Corporation of India limited

For further details on their qualification, experience etc., please see their respective biographies under the heading “Brief Biographies” below.

BRIEF BIOGRAPHIES OF OUR DIRECTORS

Sunil Menon, aged 55 years is the founding Promoter of our company and was appointed on the Board of our Company since incorporation. He was re-designated as the Managing Director w.e.f. September 30, 2022. He has completed his Diploma in Hotel Management, Catering and Nutrition from Board of Technical Education Delhi. He has more than 30 years’ experience in Businesses like defence and in engineering company. He has taken the company from being a small components manufacturer to a strong company whose product and services portfolio includes Turnkey Projects, Integrating various platform systems. The company today has a strong product portfolio and a loyal customer base and he has contributed substantially in growth of business of company and has been a guiding force behind the growth and business strategy of our Company.

Gautam Makkar, aged 53 years is the founding Promoter of our company and was appointed on the Board of our Company since incorporation. He was re-designation as Chairmen and Non Executive Director w.e.f. September 30, 2022. He has completed his Bachelor of Electrical Engineering from Poona University in the year 1991. He has more than 25 years of experience in the fields of sourcing and providing solutions to defence, power and marine industry. As a Non Executive Director of the Company, he is responsible for providing his expertise for growth and expansion of our Company.

Priyanka Moondra Rathi, aged 30 years is a Non Executive Independent Director of our Company. She was appointed on the Board of our Company w.e.f. September 02, 2022. She has completed Bachelors of Commerce degree from Jai Narayan Vyas University in the year 2013 and completed Diploma in MBA in Finance from International Business Management Institute, Berlin, Germany in the year 2015. She is also a member of Institute of Company secretaries of India since 2017 and is currently pursuing Certified Public Accountants course. Currently she is working

with Transmissions International India Private Limited Rajasthan and is partner in Priav Eduserve & Consultancy LLP. She has an experience of more than 4 years including internship in the field of Secretarial, Compliances and Legal work.

RajnishPrakash, aged 69 years is a Non Executive Independent Director of our Company. He was appointed on the Board of our Company w.e.f. September 30, 2022. He has completed Bachelor's Degree of Science in Chemical Engineering from Roorkee Vishwavidyalaya in the year 1974 and also obtained Diploma in Chemical Engineering (Reaction Engg.) from Indian Institute of Technology, Delhi in the year 1975. He is associated with Nuclear Power Corporation of India Limited in capacity of Independent Director. He has worked in various government departments and held various post during his entire career. He received INS Homi Bhabha Life time Achievement Award- 2014 from Indian Nuclear Society & Green tech foundation and Outstanding Engineer award from Institute of Engineer.

CONFIRMATIONS

As on the date of this Prospectus:

- Except as stated below; none of the Directors of our Company are related to each other as per Section 2 (77) of the Companies Act, 2013.
 - Sunil Menon is the brother in laws of Gautam Makkar.
- There are no arrangements or understanding with major shareholders, customers, suppliers or any other entity, pursuant to which any of the Directors or Key Managerial Personnel were selected as a Director.
- The Directors of our Company have not entered into any service contracts with our Company which provides for benefits upon termination of employment.
- None of the Directors are categorized as a wilful defaulter or a fraudulent borrower, as defined under Regulation 2(1) (III) of SEBI (ICDR) Regulations.
- None of the Promoters or Directors has been or is involved as a promoter or director 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.
- None of our Directors are or were directors of any listed Company whose shares have been/were suspended from trading by any of the stock exchange(s) during his/her tenure in that Company in the last five years or delisted from the stock exchange(s) during the term of their directorship in such companies.

DETAILS OF BORROWING POWERS

Pursuant to a special resolution passed at an Annual General Meeting of our Company held at a shorter notice on September 30, 2022 and pursuant to provisions of Section 180(1) (c) and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, the Board of Directors of the Company be and are hereby authorized to borrow monies from time to time, any sum or sums of money on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by our Company may exceed in the aggregate, its paid up capital and free reserves and security premium (apart from temporary loans obtained / to be obtained from bankers in the ordinary course of business), provided that the outstanding principal amount of such borrowing at any point of time shall not exceed in the aggregate of ₹ 500 crores.

REMUNERATION/COMPENSATION/COMMISSION PAID TO EXECUTIVE DIRECTORS

The compensation package payable to the Executive Directors from the date of appointment as resolved in the Annual General Meeting held on September 30, 2022 is stated hereunder:

Sr. No.	Name of Director	Designation	Maximum limit of Remuneration/Compensation (Inclusive of all perquisites)
1.	Sunil Menon	Managing Director	1.5 Cr

Remuneration paid for F.Y. 2021 -22, the directors have been paid gross remuneration as follows:

(₹ in lakhs)

Sr. No.	Name of Director	Remuneration paid (₹ in lakhs)
1.	Sunil Menon	Nil
2.	Gautam Makkar	Nil

PAYMENT OR BENEFIT TO NON - EXECUTIVE DIRECTORS AND OF OUR COMPANY

Pursuant to the resolution passed by the Board of Directors of our Company at their meeting held on November 04, 2022, our Non Executive Directors are entitled to receive a sitting fee of ₹ 5,000 for attending Board meeting or committee meeting thereof.

SHAREHOLDING OF OUR DIRECTORS IN THE COMPANY

Our Articles of Association do not require our Directors to hold any qualification shares. The details of the shareholding of our Directors as on the date of this Prospectus are as follows:

Sr. No.	Name of the Shareholder	No. of Shares	Percentage of Pre-Issue Share Capital (%)
1.	Sunil Menon	71,36,660	50.00%
2.	Gautam Makkar	43,56,340	30.52%
Total		1,14,93,000	80.52%

INTEREST OF DIRECTORS

All of our Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board or committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under our Articles of Association, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company.

Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or allotted to the companies in which they are interested as Directors, Members, and Promoter, pursuant to this Issue. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

INTEREST IN THE PROPERTY OF OUR COMPANY

Except as stated in the heading titled “Properties” under the chapter titled “Our Business”, beginning on page no. 92 of this Prospectus, none of our Directors have interest in any property acquired or proposed to be acquired of our Company or by our Company.

INTEREST IN PROMOTION OF THE COMPANY

Except, as stated in the chapter titled “Our Promoter and Promoter Group” beginning from page no 131 none of our Directors are interested in the promotion of our company as on the date of this Prospectus.

INTEREST AS MEMBER OF A COMPANY OR FIRM

Except as stated in this chapter titled “Our Management”, the section titled “Related Party Transaction – Annexure V- Note no. 26 of Restated Financial Statements” and the chapter “Our Business” on page nos 120, 138 and 92 of this Prospectus respectively, our Directors do not have any other interest in our business.

CHANGES IN OUR BOARD OF DIRECTORS DURING THE LAST THREE YEARS

Name of Director	Date of Appointment/ Change	Reason for change
Rajnish Prakash	September 30, 2022	Appointment of Non- Executive Independent Director
Gautam Makkar	September 30, 2022	Re-designated as Non-Executive Director
Sunil Menon	September 30, 2022	Re-designated as Managing Director
Priyanka Moondra Rathi	September 02, 2022	Appointment of Non- Executive Independent Director

CORPORATE GOVERNANCE

In addition to the applicability of provisions of Companies Act, 2013 with respect to corporate governance, provisions of the SEBI (LODR) Regulations, 2015 have also been complied with, to the extent applicable to our Company.

Our Company stands committed to good Corporate Governance practices based on the principles such as accountability, transparency in dealing with our stakeholders, emphasis on communication and transparent report. We have complied with the requirements of the applicable regulations, including Regulations, in respect of Corporate Governance including constitution of the Board and its Committees. The Corporate Governance framework is based on an effective Independent Board, the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

Our Board functions either as a full Board or through the various committees constituted to oversee specific operational areas. As on the date of this Prospectus, our Board consists of Four (4) Directors including one (1) Managing Director, one (1) Non - Executive Director and two (2) Non - Executive Independent Director. Further, we have One (1) Women Director on our Board.

The following committees have been constituted for compliance with Corporate Governance requirements:

- A. Audit Committee;
- B. Stakeholders Relationship Committee;
- C. Nomination and Remuneration Committee;
- D. Corporate Social Responsibility Committee

A. AUDIT COMMITTEE

Our Board has constituted the Audit Committee vide Board Resolution dated November 04, 2022 in accordance with the Section 177 of the Companies Act, 2013. The audit committee comprises of:

Name of the Directors	Nature of Directorship	Designation in Committee
Rajnish Prakash	Non-Executive Independent Director	Chairman
Priyanka Moondra Rathi,	Non-Executive Independent Director	Member
Sunil Menon	Managing Director	Member

The Company Secretary & Compliance Officer of the Company will act as the Secretary of the Committee.

The scope of Audit Committee shall include but shall not be restricted to the following:

- Oversight of the Issuer's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 1. 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
 2. Changes, if any, in accounting policies and practices and reasons for the same.
 3. Major accounting entries involving estimates based on the exercise of judgment by management.
 4. Significant adjustments made in the financial statements arising out of audit findings.
 5. Compliance with listing and other legal requirements relating to financial statements.
 6. Disclosure of any related party transactions.
 7. Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval.

- 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/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- 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.
- Discussion with internal auditors any significant findings and follow up there on.
- 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.
- 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.
- 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.
- To review the functioning of the Whistle Blower mechanism.
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Explanation (i): The term "related party transactions" shall have the same meaning as contained in the Accounting Standard 18, Related Party Transactions, issued by The Institute of Chartered Accountants of India.

Explanation (ii): If the Issuer has set up an audit committee pursuant to provision of the Companies Act, the said audit committee shall have such additional functions / features as is contained in this clause.

The Audit Committee enjoys following powers:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise if it considers necessary.

5. The audit committee may invite such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the committee, but on occasions it may also meet without the presence of any executives of the Issuer. The finance director, head of internal audit and a representative of the statutory auditor may be present as invitees for the meetings of the audit committee.

The Audit Committee shall mandatorily review the following information:

- a. Management discussion and analysis of financial condition and results of operations;
- b. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses; and
- e. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

The Chairman of the committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

Meeting Of Audit Committee and Relevant Quorum

The audit committee shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between two meetings. The quorum for audit committee meeting shall either be two members or one third of the members of the audit committee, whichever is greater, with at least two independent directors.

B. STAKEHOLDERS' RELATIONSHIP COMMITTEE

Our Board has constituted the Stakeholders' Relationship Committee vide Board Resolution November 04, 2022 in accordance with Section 178 of the Companies Act, 2013. The Stakeholder's Relationship Committee comprises of:

Name of the Directors	Nature of Directorship	Designation in Committee
Priyanka Moondra Rathi	Non-Executive Independent Director	Chairman
Rajnish Prakash	Non-Executive Independent Director	Member
Gautam Makkar	Non-Executive Director	Member

The Company Secretary of the Company will act as the Secretary of the Committee.

This committee will address all grievances of Shareholders/Investors and its terms of reference include the following:

- a) Allotment and listing of our shares in future.
- b) Redressing of shareholders and investor complaints such as non-receipt of declared dividend, annual report, transfer of Equity Shares and issue of duplicate/split/consolidated share certificates;
- c) Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer/ transmission of shares and debentures;
- d) Reference to statutory and regulatory authorities regarding investor grievances;
- e) To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
- f) To do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.

C. NOMINATION AND REMUNERATION COMMITTEE

Our Board has constituted the Nomination and Remuneration Committee vide Board Resolution November 04, 2022 in accordance with section 178 of the Companies Act, 2013. The Nomination and Remuneration Committee comprises of:

Name of the Directors	Nature of Directorship	Designation in Committee
Priyanka Moondra Rathi	Non-Executive Independent Director	Chairman
Rajnish Prakash	Non-Executive Independent Director	Member
Gautam Makkar	Non-Executive Director	Member

The Company Secretary of our Company acts as the Secretary to the Committee.

The scope of Nomination and Remuneration Committee shall include but shall not be restricted to the following:

- a. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- b. Formulation of criteria for evaluation of Independent Directors and the Board;
- c. Devising a policy on Board diversity;
- d. 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 their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

Meeting of Nomination and Remuneration Committee and Relevant Quorum

The quorum necessary for a meeting of the Nomination and Remuneration Committee shall be two members or one third of the members, whichever is greater. The Committee is required to meet at least once a year.

D CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee was constituted on November 04, 2022 by our Board in terms of Section 135 of the Companies

Act. The Corporate Social Responsibility Committee comprises of following Directors:

Name of the Directors	Nature of Directorship	Designation in Committee
Sunil Menon	Managing Director	Chairman
Gautam Makkar	Non- Executive Director	Member
Prakash Rajnish	Independent Director (ID)	Member

The terms of reference of the Corporate Social Responsibility Committee include the following:

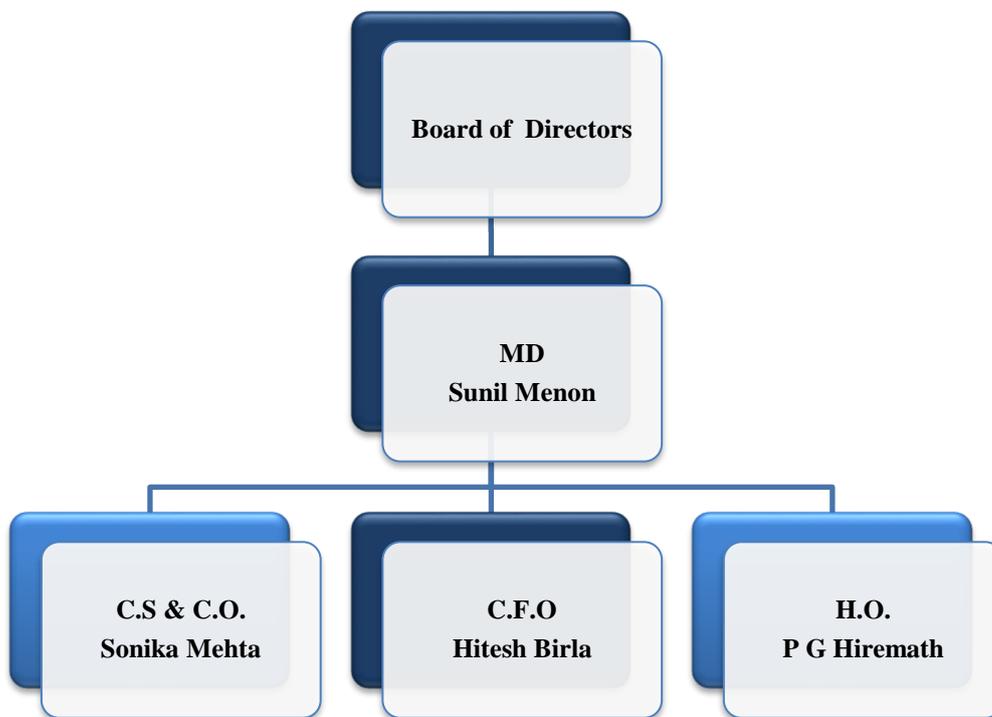
- a. Formulation of a corporate social responsibility policy to the Board, indicating the activities to be undertaken by the Company in areas or subject specified in the Companies Act, 2013. The activities should be within the list of permitted activities specified in the Companies Act, 2013 and the rules thereunder;
- b. Recommending the amount of expenditure to be incurred, amount to be at least 2% of the average net profit of the Company in the three immediately preceding financial years or where the Company has not completed the period of three financial years since its incorporation during such immediately preceding financial years;
- c. Instituting a transparent monitoring mechanism for implementation of the corporate social responsibility projects or programs or activities undertaken by the Company;
- d. Monitoring the corporate social responsibility policy from time to time and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;
- e. Identifying corporate social responsibility policy partners and corporate social responsibility policy programmes;

- f. Identifying and appointing the corporate social responsibility team of the Company including corporate social responsibility manager, wherever required; and Performing such other duties and functions as the Board may require the Corporate Social Responsibility Committee to undertake to promote the corporate social responsibility activities of the Company or as may be required under applicable laws

POLICY ON DISCLOSURES & INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING

The provisions of Regulation 8 and 9 of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the Stock Exchange. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of our Equity Shares on stock exchange. Further, Board of Directors have approved and adopted the policy on insider trading in view of the proposed public issue. Our Board is responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the code of conduct under the overall supervision of the board.

ORGANIZATIONAL STRUCTURE



- MD - Managing Director
- C.F.O. - Chief Financial Officer
- C.S & C.O. - Company Secretary and Compliance Officer
- H.O. - Head Operational

KEY MANAGERIAL PERSONNEL

Our Company is managed by our Board of Directors, assisted by qualified and experienced professionals, who are permanent employees of our Company.

Name of Employee	Designation	Date of Appointment	Compensation for last Financial Year (₹ in Lakhs)	Qualification	Name of Previous Employer(s)	Total Years of Experience
Hitesh Birla	Chief Financial Officer	August 01, 2022	Nil	• Chartered Accountant	• Flash Forge Pvt. Limited. • Murli Industries Limited.	18 Years
P.G. Hiremath	Head Operation	July 02, 2013	24.42	• MBA • B.E. Mechanical	• M/s. NSSL Limited	25 Years
Sonika Mehta	Company Secretary and Compliance Officer	November 04, 2022	Nil	• Company Secretary • B.Com	• PCS Neelam Bhandari	1.3 Years

Other Notes –

- The aforementioned KMP's are on the payrolls of our Company as permanent employees.
- Further, none of our KMPs is forming part of related parties as per the Accounting Standard 18. For details, please see the chapter titled “*Financial Information- Annexure 138 of Restated Financial Statements*” on page no. 138 of this Prospectus.

RELATIONSHIP AMONGST THE KEY MANAGEMENT PERSONNEL AND DIRECTORS

None of the aforementioned KMPs is related to each other and Directors.

SHAREHOLDING OF THE KEY MANAGEMENT PERSONNEL

None of our Key Managerial Personnel hold Equity Shares as on the date of this Prospectus, except as mentioned below:

- Hitesh Birla holds 200 shares as on the date of this Prospectus.

SERVICE CONTRACTS WITH KEY MANAGERIAL PERSONNEL

Our Key Managerial Personnel have not entered into any service contracts with our Company which provide for any benefits upon termination of their employment in our Company.

INTEREST OF KEY MANAGERIAL PERSONNEL

None of our Key Management Personnel has any interest in our Company except to the extent of their remuneration, benefits, reimbursement of expenses incurred by them in the ordinary course of business. Our Key Managerial Personnel may also be interested to the extent of Equity Shares, if any, held by them and any dividend payable to them and other distributions in respect of such Equity Shares.

LOANS TAKEN BY KEY MANAGEMENT PERSONNEL

None of our Key Managerial Personnel have any outstanding loan from our Company as on the date of this Prospectus.

ARRANGEMENT OR UNDERSTANDING WITH MAJOR SHAREHOLDERS/ CUSTOMERS/ SUPPLIERS

There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Key Managerial Personnel was selected as a member of our senior management.

BONUS OR PROFIT SHARING PLAN OF THE KEY MANAGEMENT PERSONNEL

There is no profit sharing plan for the Key Managerial Personnel. Our Company makes payment for salaries, insurance and bonus payments, in accordance with their terms of appointment.

CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO KEY MANAGERIAL PERSONNEL

There is no contingent or deferred compensation payable to our Key Managerial Personnel, which does not form part of their remuneration.

EMPLOYEE SHARE PURCHASE AND EMPLOYEE STOCK OPTION PLAN

Presently, we do not have ESOP/ESPS scheme for employees.

PAYMENT OR BENEFIT TO OUR KEY MANAGERIAL PERSONNEL

No amount or benefit has been paid or given to any officer of our Company within the two years preceding the date of filing of this Prospectus, or is intended to be paid or given, other than in the ordinary course of their employment.

CHANGES IN OUR KEY MANAGERIAL PERSONNEL IN THE LAST THREE YEARS FROM THE DATE OF FILING OF THIS PROSPECTUS

The changes in our Key Managerial Personnel during the three years immediately preceding the date of filing of this Prospectus are set forth below.

Name	Designation	Date of Appointment / Change in Designation	Reason
Hitesh Birla	Chief Financial Officer	August 01, 2022	Appointment
Sonika Mehta	Company Secretary and Compliance Officer	November 04,2022	Appointment

OUR PROMOTERS AND PROMOTERS GROUP

Our Promoters

The Promoters of our Company are Sunil Menon and Gautam Makkar.

As on the date of this Prospectus, our Promoters, in aggregate, hold 1,14,93,000 Equity Shares in our Company, representing 80.52% of the issued, subscribed and paid-up Equity Share capital of our Company.

For details of the build-up of our Promoters' shareholding in our Company, see "*Capital Structure - Shareholding of our Promoters*" beginning on page no. 51 of this Prospectus.

The details of our Promoter are as under:

Sunil Menon	
	<p>Sunil Menon, aged 55 years, is the Promoter and Managing Director of our Company.</p> <p>For details of his residential address, date of birth, educational qualifications, professional experience, other directorships, positions / posts held in the past and other directorships, other ventures and special achievements, see the chapter titled "<i>Our Management</i>" on page no 120 of this Prospectus.</p> <p>Permanent account number: AERPM5344Q</p>
Gautam Makkar	
	<p>Gautam Makkar, aged 53 years, is the Promoter, Chairman and Non - Executive Director of our Company.</p> <p>For details of his residential address, date of birth, educational qualifications, professional experience, other directorships, positions / posts held in the past and other directorships, other ventures and special achievements, see the chapter titled "<i>Our Management</i>" on page no 120 of this Prospectus.</p> <p>Permanent account number: AGQPM2281D</p>

Confirmations/declarations:

Our Company confirms that the permanent account numbers, bank account number(s), the passport numbers, Aadhaar card number and driving license of each of our Promoters have been submitted to the Stock Exchange at the time of filing of the Draft Prospectus.

Our Promoter and the members of our Promoter Group have confirmed that they have not been identified as wilful defaulter or a fraudulent borrower by the RBI or any other governmental authority.

Our Promoters have not been declared as a fugitive economic offender under the provisions of section 12 of the Fugitive Economic Offenders Act, 2018.

No violations of securities laws have been committed by our Promoters or members of our Promoter Group or any Group Companies in the past or are currently pending against them. None of (i) our Promoters and members of our Promoter Group or persons in control of or on the boards of bodies corporate forming part of our Group Companies (ii) the Companies with which any of our Promoters are or were associated as a promoters, director or person in control, are debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.

Change in Control of our Company

There has not been any change in the control of our Company in the five years immediately preceding the date of this Prospectus.

Experience of our Promoter in the Business of our Company

For details in relation to experience of our Promoters in the business of our Company, please refer to the chapter titled “*Our Management*” beginning on page no. 120 of this Prospectus.

Interest of Promoter

None of our Promoter / Directors have any interest in our Company except to the extent of compensation payable / paid, rents on properties owned by their relatives but used by our company and reimbursement of expenses (if applicable) and to the extent of any equity shares held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as director, member, partner, and / or trustee, and to the extent of benefits arising out of such shareholding. For further details please see the chapters titled “*Capital Structure*”, “*Financial Information*” and “*Our Management*” on page nos. 51,138 and 120 of this Prospectus.

Except as stated otherwise in this Prospectus, we have not entered into any contract, agreements or arrangements in which our Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company other than in the normal course of business.

Interest in promotion of our Company

Our Company is currently promoted by the promoters in order to carry on its present business. Our Promoters are interested in our Company to the extent of their shareholding and directorship in our Company and the dividend declared, if any, by our Company.

Interest in the Property of our Company

Our Promoters have confirmed that they do not have any interest in any property acquired by our Company within three years preceding the date of this Prospectus or proposed to be acquired by our Company as on the date of this Prospectus except as mentioned under the chapter titled “*Our Business - Properties*” and “*Financial Information*” on page nos. 92 and 138 respectively, of this Prospectus.

Other Interest in our Company

Except as stated in this section and the chapter titled “*Our Management*”, “*Related Party Transactions*” and “*Financial Information*” on page no 120,138 and 138 respectively, our Promoters do not have any interest in our Company other than as a Promoter.

Our Promoters are not interested in any transaction in acquisition of land or property, construction of building and supply of machinery, or any other contract, agreement or arrangement entered into by the Company.

Payment of Amounts or Benefits to the Promoter or Promoter Group During the last two years

Except as stated in this chapter and the chapter titled “*Financial Information- Annexure Annexure V- Note no. 26 of Restated Financial Statements*” on page no. 138 of this Prospectus, there has been no payment of benefits to our Promoter or Promoter Group during the two years preceding the date of this Prospectus.

Material Guarantees

Except as stated in the chapter titled “*Financial Indebtedness*” and “*Financial Information*” on page nos. 167 and 138 of this Prospectus respectively, our Promoters have not given any material guarantee to any third party with respect to the Equity Shares as on the date of this Prospectus.

Our Promoter Group

In addition to our Promoters, the following individuals, companies, partnerships and HUFs, etc. form part of our Promoter Group in terms of Regulation 2(1) (pp) of the SEBI ICDR Regulations:

Individuals forming part of the Promoter Group:

Name of the Promoters	Name of Relative	Relationship with the Promoter
Sunil Menon	Late CK Menon	Father
	Sathi Krishnankutty Menon	Mother
	Late Shalini Menon	Spouse
	NA	Brother
	Sajita C Menon	Sister
	NA	Son
	Nayantara Menon	Daughter
	Latikaa Menon	Daughter
	Niranjan Dev Makker	Spouse’s father
	Sheila Makkar	Spouse’s mother
Gautam Makkar	Gautam Makkar	Spouse’s brother
	NA	Spouse’s sister
	Niranjan Dev Makker	Father
	Sheila Makkar	Mother
	NA	Spouse*
	NA	Brother
	Shalini Menon	Sister
	Raoul Faleiro Makkar	Son
	Samara Maria Makker	Daughter
	NA	Spouse’s father
NA	Spouse’s mother	
NA	Spouse’s brother	
NA	Spouse’s sister	

* Gautam Makkar was married to Shaila Faleiro and has been separated as per conciliation settlement agreement dated 09 January, 2022, further official divorce is under process

Entities Forming Part of the Promoter Group

Except as stated below, no other company, firm or HUF are forming part of the promoter group:

Sr. No.	Name of the entity
1.	AAY AAR Consultancy Services Private Limited
2.	Airotech Profiles (India) Private Limited
3.	Amber Durables Goods Pvt Ltd
4.	Autostem Technologies India Private Limited
5.	FF Flowline Private Limited
6.	Flash Forge Private Limited
7.	Navigating Sales Private Limited
8.	Pushpak Advisory Private Limited
9.	Signet Infotech Pvt Ltd

Shareholding of the Promoter Group in our Company

For details of shareholding of members of our Promoter Group as on the date of this Prospectus, please see the chapter titled “*Capital Structure – Notes to Capital Structure*” beginning on page no. 51 of this Prospectus.

Companies with which the Promoter has disassociated in the last three years

Except as disclosed below, our Promoters have not disassociated themselves from any companies, firms or entities during the last three years preceding the date of this Prospectus:

Name of the Promoter	Companies or firms with which Promoter(s) have disassociated	Reasons and circumstances of disassociation	Date of disassociation
Gautam Makkar	Pushpak Advisory Private Limited	Resignation on account of being Pre-occupied	August 22, 2022

Outstanding Litigation

There is no outstanding litigation against our Promoters except as disclosed in the chapter titled “*Risk Factors*” and chapter titled “*Outstanding Litigation and Material Developments*” beginning on page nos. 20 and 168 of this Prospectus.

OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations, the term —Group Company includes such companies (other than Promoters and subsidiaries) with which there were related party transactions as disclosed in the Restated Financial Statements, as covered under the applicable accounting standards, and also other companies as considered material by our Board. Pursuant to a resolution dated November 04, 2022, our Board has noted that in accordance with the SEBI ICDR Regulations and for the purpose of disclosure in this Prospectus, group companies of our Company shall include (i) the companies with which there were related party transactions as disclosed in the Restated Financial Statements; or (ii) such other company as deemed material by our Board. For the purposes of (ii) above, in terms of the materiality policy, a company shall be considered material and disclosed as a group company if the companies which are members of the Promoter Group of our Company and with which there were transactions in the most recent financial year and any stub period for which restated audited financial statements are included in the Offer Documents, which individually or in the aggregate, exceed 5% of the total restated revenue of the Company for the latest restated annual financial statements.

Accordingly, Flash Forge Private Limited is identified as our Group Company.

The details of our Group Company are provided below:

1. FLASH FORGE PRIVATE LIMITED (FFPL)

Corporate Information

Flash Forge Private Limited was incorporated on July 005, 1991 under the Companies Act, 1956 as a Private Limited Company, bearing Registration No. 187895. The CIN of FFPL is U99999MH1991PTC187895. The Registered Office is situated at 11, R.K. Industry House Walbhot Road, Goregaon (East) Mumbai-400063.

Nature of business

1. To carry on the business of designing, casting, forging, manufacturing, fabricating, selling, sheeting, stamping, pressing, extruding, drawing, flattening, molding, straightening, heat treatment of all kinds of ferrous and non-ferrous materials, metals and alloys for all kinds of custom valves, heat exchangers, fittings, pipes and tubes and other solutions, in respect of oil and gas, defense, power, railways, aerospace, marine, and other industries, which require high quality custom solutions for critical applications.
2. To carry on with the business of Designing, Shipbuilding (self-propelled), building various types/ capacities of Barges, Ferry Crafts, Boats, Fast attack crafts/vessels, Hovercrafts, Coastal passenger vessels, all types of Cargo vessels, Offshore Patrol Vessels, Accommodation Barges, Pontoons etc., all these being non-propelled & self-propelled, pertaining to Naval and Marine industry and to undertake their Repairs/ Refits.
3. To carry on with the business of manufacturing and otherwise undertaking and providing services related to the Naval and Marine Industry, Aircrafts/ Helicopters/Drones, Armoured Vehicles, Hydraulic Deck Machinery, Horizontal and vertical Windlasses, Chain Stoppers and Cargo Winches, Automatic Self-tensioning Mooring Winches, Cargo and Store Cranes, all models of Marine Vessels and Structures for all types of Cargo Vessels, ship brokers.
4. To be engaged in the business of purchase, sell, acquire, manufacture, build, repair or otherwise deal in supply of Locomotives, Locomotive Spares and parts, rolling stock, spares, raw materials, stores, fixtures, fittings, accessories, consumables, ingredients in this respect.
5. To be engaged as dealers, agents, distributors of medical and surgical appliances, scientific apparatus, equipments, appliances, instruments, along with drugs of all kinds, including bio-medical, generic, non-generic, patented, bulk drugs and pharmaceuticals of every description with indigenous and/or imported technology, pharmaceutical formulations like liquids, capsules, tablets, powders, mixtures, antibiotics enzymes and fluids of every description, all intermediates and by-products of any of the above, surgical and health aids of varied nature like.

Financial Information

The financial information derived from the audited financial statements of Flash Forge Private Limited for the last three financial years, as required by the SEBI ICDR Regulations is available on the website of our Company at <https://cffdefensys.com/>

Material Litigations

There has been no material litigation arisen in the group company, which may directly or indirectly affect our Company except as disclosed under the chapter “*Outstanding Litigation and Material Developments*” on page no. 168 of this Prospectus.

Common Pursuits

Flash Forge Private Limited (FFPL) have been authorised by its Memorandum of Associations to undertake activities which is similar to that of our Company. Further, currently we do not have any non-compete agreement/arrangement with our Group Company. Such a conflict of interest may have adverse effect on our business and growth. We shall adopt the necessary procedures and practices as permitted by law to address any conflict situations, as and when they may arise.

Related Party Transactions and Significance on the Financial Statements

For details, please refer to the chapter titled “*Financial Information- Annexure V- Note no. 26 of Restated Financial Statements*” beginning on page no. 138 of this Prospectus.

Business Interests or Other Interests

Except as disclosed in “*Financial Statements*” on page no. 138 of this Prospectus, our Group Company has no business interest in our Company.

Other Confirmations

Our Group Company does not have any securities listed on any Stock Exchange. Further, our Group Company has not made any public or rights issue (as defined under the SEBI ICDR Regulations) of securities in the three years preceding the date of this Prospectus.

Further, neither have any of the securities of our Company or our Group Company been refused listing by any stock exchange in India or abroad, nor has our Company or our Group Company failed to meet the listing requirements of any stock exchange in India or abroad.

DIVIDEND POLICY

Under the Companies Act, 2013, our Company can pay dividends upon a recommendation by its Board of Directors and approval by a majority of the shareholders. The shareholders of our Company have the right to decrease, not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of a company in the year in which the dividend is declared or out of the undistributed profits or reserves of the previous years or out of both. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends.

There are no dividends declared by our Company in the last three Financial Years.

Our Company does not have a formal dividend policy. Any dividends to be declared shall be recommended by the Board of Directors depending upon the financial condition, results of operations, capital requirements and surplus, contractual obligations and restrictions, the terms of the credit facilities and other financing arrangements of our Company at the time a dividend is considered, and other relevant factors and approved by the Equity Shareholders at their discretion. When dividends are declared, all the Equity Shareholders whose names appear in the register of members of our Company as on the “record date” are entitled to be paid the dividend declared by our Company. Any Equity Shareholder who ceases to be an Equity Shareholder prior to the record date, or who becomes an Equity Shareholder after the record date, will not be entitled to the dividend declared by Our Company

SECTION VII- FINANCIAL INFORMATION

FINANCIAL STATEMENTS

To,

**The Board of Directors,
CFF Fluid Control Limited**
Plot No 01, Survey No 96, Kumbhivli Madap
Khopoli IN, Khalapur Raigad
Raigarh MH 410203

Dear Sir/Ma'am,

1. We have examined the attached Restated Financial Statement along with the Significant Accounting Policies and related notes of CFF Fluid Control Limited (the 'Company') as at and for the period ended on December 31, 2022, financial year ended March 31, 2022, March 31, 2021 and March 31, 2020 annexed to this report and prepared by the Company for the purpose of inclusion in the Prospectus (being collectively referred as "Offer Document") in connection with its proposed Initial Public Offer ("IPO") on the SME Platform of the BSE Limited ("BSE").
2. 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").
3. We have examined the accompanied 'Restated Statement of Profit and Loss' (Annexure – II) for the period ended on December 31, 2022 and for the financial year ended on March 31, 2022, March 31, 2021 and March 31, 2020 , 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 period ended on December 31, 2022 and for financial year ended on March 31, 2022, March 31, 2021 and March 31, 2020. The Financial Statements for the period ended on December 31, 2022, and March 31, 2022 is audited by us, V.N Purohit & Co being the Statutory Auditor for the respective period, which was approved by the Board of Directors as on April 20, 2023 and September 15, 2022 respectively and upon which we have placed our reliance while reporting. The Financial Statement for the year ended March 31, 2021 and March 31,2020 was audited by M/s. Chandiramani & Co, Chartered Accountants, being the then Statutory Auditor of the Company, which were approved by the Board of Directors as on November 01, 2021 and December 07, 2020 respectively and upon which we have placed our reliance while reporting.
4. In terms of Schedule VI (Part A) (11) (II) (i) of the SEBI (ICDR) Regulations, 2018 and other provisions relating to accounts of CFF Fluid Control Limited, we, V.N Purohit & Co, 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.
5. 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 December 31, 2022, March 31, 2022, March 31, 2021 and March 31, 2020 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 December 31, 2022, March 31, 2022, March 31, 2021 and March 31, 2020.
6. 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 Long Term Provisions, as restated (Note- 6 of Annexure V)
- v. Statement of Short Term Borrowings, as restated (Note-7 of Annexure V)
- vi. Statement of Trade Payables, as restated (Note8 of Annexure V)
- vii. Statement of Other Current Liabilities, as restated (Note - 9 of Annexure V)
- viii. Statement of Short Term Provisions, as restated (Note- 10 of Annexure V)
- ix. Statement of Property, Plant and Equipment, as restated (Note- 11of Annexure V)
- x. Statement of Deferred Tax Assets, as restated (Note- 12 of Annexure V)
- xi. Statement of Inventories, as restated (Note- 13 of Annexure V)
- xii. Statement of Trade Receivables, as restated (Note- 14 of Annexure V)
- xiii. Statement of Cash and Bank Balances, as restated (Note - 15 of Annexure V)
- xiv. Statement of Short Terms Loans and Advances, as restated (Note- 16 of Annexure V)
- xv. Statement of Other Current Assets, as restated (Note - 17 of Annexure V)
- xvi. Statement of Revenue from Operations, as restated (Note – 18 of Annexure V)
- xvii. Statement of Other Income, as restated (Note – 19 of Annexure V)
- xxviii. Statement of Cost of Materials Consumed, as restated (Note – 20 of Annexure V)
- xix. Statement of Employee Benefit Expenses, as restated (Note – 21 of Annexure V)
- xx. Statement of Finance Cost, as restated (Note – 22 of Annexure V)
- xxi. Statement of Depreciation, as restated (Note – 23 of Annexure V)
- xxii. Statement of Other Expenses, as restated (Note – 24 of Annexure V)
- xxiii. Statement of Prior Period Expenses, as restated (Note – 25 of Annexure V)
- xxiv. Statement of Related Party Transactions, as restated (Note – 26 of Annexure V)
- xxv. Statement of Earnings Per Share, as restated (Note- 27 of Annexure V)
- xxvi. Statement of Commitment and Contingent Liabilities, as restated (Note - 28 of Annexure V)
- xxvii. Statement of Ratio Analysis, as restated (Note – 29 of Annexure V)
- xxviii. Statement of Employee Benefits, as restated (Note - 30 of Annexure V)
- xxix. Statement of Adjustments to Audited Financial Statements appearing in (Note - 31 of Annexure V)
- xxx. Statement of Income and Expenditure in foreign currency, as restated (Note - 32 of Annexure V)
- xxxi. Statement of Other Statutory Information, as restated (Note - 33 of Annexure V)
- xxxii. Statement of Accounting Ratios, as restated (Annexure – VI)
- xxxiii. Statement of Capitalization, as restated (Annexure – VII)

7. 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.

8. 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.
9. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
10. 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 M/s. V.N. Purohit & Co.
Chartered Accountants
FRN: 304040E

O.P. Pareek
Partner
Membership No: 014238
Place:Delhi
Date:April 25, 2023
UDIN: 23014238BGXRPU6937

Annexure I - Restated Financial Statement of Assets and Liabilities

Rupees in Lakhs, unless otherwise Stated

Particulars	Note to Annexure V	As at December 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Equity and Liabilities					
1. Shareholder's fund					
a) Equity share capital	3	1,427.41	71.37	71.37	71.37
b) Share Application Pending Allotment		-	-	-	-
c) Reserves and surplus	4	773.92	1,411.85	632.34	607.74
Total equity		2,201.33	1,483.22	703.71	679.11
2. Non-current liabilities					
a) Long term borrowings	5	205.02	1,104.48	1,017.64	232.12
b) Deferred tax liabilities (Net)	12	-	-	-	5.82
c) Long term provisions	6	8.28	7.69	6.25	6.05
Total Non-current liabilities		213.30	1,112.17	1,023.89	244.00
3. Current liabilities					
a) Short term borrowing	7	2,488.07	554.69	1,243.57	1,200.91
b) Trade payables	8	-	-	-	-
- Total outstanding dues of micro enterprises and small enterprises		-	-	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		1,489.65	1,961.07	603.65	867.54
c) Other current liabilities	9	287.35	237.45	648.02	1,265.46
d) Short term provisions	10	485.87	244.99	9.48	53.42
Total current liabilities		4,750.94	2,998.20	2,504.72	3,387.32
Total Equity and liabilities		7,165.57	5,593.59	4,232.32	4,310.42
Assets					
1. Non-Current assets					
a) Property, plant and equipment	11	1,664.77	812.91	903.70	1,011.48
b) Deferred Tax Assets	12	3.77	5.54	5.04	-
Total Non-current assets		1,668.54	818.45	908.74	1,011.48
2. Current assets					
a) Inventories	13	2,588.95	2,083.36	2,005.03	1,829.80
b) Trade receivables	14	2,085.97	1,314.39	660.11	357.47
c) Cash and bank balances	15	162.04	405.28	202.01	281.23
d) Short term loans & advances	16	403.50	829.46	236.63	440.25
e) Other current assets	17	256.57	142.66	219.80	390.18
Total current assets		5,497.03	4,775.14	3,323.58	3,298.93
Total Assets		7,165.57	5,593.59	4,232.32	4,310.42

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 & Adjustments to Audited Financial Statements appearing in Annexure VI.

As per our report of even date attached.

For and on behalf of
V. N. PUROHIT & CO.
Chartered Accountants
FRN:304040E

For and on behalf of board of directors
CFF FLUID CONTROL LTD.
CIN: U28990MH2012PTC227023

O.P. Pareek
Partner
Membership No: 014238
Date : 25th April 2023
Place : New Delhi
UDIN : 23014238BGXRP6937

Gautam Makkar
Director
DIN: 00354956
Date : 25th April 2023
Place: Mumbai

Sunil Menon
Director
DIN: 00409485
Date : 25th April 2023
Place: Mumbai

Sonika Mehta
Company Secretary
Membership No: A63323
Date : 25th April 2023
Place: Mumbai

Hitesh Birla
Chief Financial Officer
PAN: AOCBP7046K
Date : 25th April 2023
Place: Mumbai

Annexure II - Restated Financial Statement of Profit and Loss

Rupees in Lakhs, unless otherwise Stated

Particulars	Note	From 1st April 2022 to 31st December 2022	For the Year ended March 31, 2022	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Revenue:					
Revenue from operations	18	5,077.32	4,698.77	1,452.41	3,177.80
Other income	19	8.05	13.62	28.87	18.69
Total Revenue		5,085.37	4,712.39	1,481.27	3,196.48
Expenses:					
Cost of material consumed	20	3,545.85	3,276.95	1,036.68	2,460.57
Employee benefit expenses	21	158.16	96.79	101.43	127.67
Finance costs	22	181.48	125.17	173.33	209.30
Depreciation & amortisation costs	23	88.06	90.79	107.78	128.50
Other expenses	24	137.91	78.74	36.12	85.21
Prior period expenses	25	13.02	-	-	5.07
Total Expenses		4,124.49	3,668.45	1,455.35	3,016.32
Exceptional items		-	-	-	-
Net Profit before Tax		960.88	1,043.94	25.93	180.16
Less: Provision for Tax					
(a) Current Tax		241.00	265.00	9.10	53.00
(b) Deferred Tax		1.77	(0.50)	(10.86)	(3.98)
(c) Short/Excess Tax provision for earlier periods		-	(0.07)	3.09	(1.85)
Total		242.77	264.43	1.33	47.17
Net Profit / (Loss) for the period after tax but before extra ordinary items		718.11	779.51	24.60	132.99
Extraordinary Items		-	-	-	-
Net Profit / (Loss) for the period after tax and after extra ordinary items available for appropriation		718.11	779.51	24.60	132.99
Earning Per Share:					
- Basic		5.03*	5.46	0.17	0.93
- Diluted		5.03*	5.46	0.17	0.93

* not annualised

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 & Adjustments to Audited Financial Statements appearing in Annexure VI.

As per our report of even date attached

For and on behalf of
V. N. PUROHIT & CO.
Chartered Accountants
FRN:304040E

For and on behalf of board of directors
CFF FLUID CONTROL LTD.
CIN: U28990MH2012PTC227023

O.P. Pareek
Partner
Membership No: 014238
Date : 25th April 2023
Place : New Delhi
UDIN : 23014238BGXRPU6937

Gautam Makkar
Director
DIN: 00354956
Date : 25th April 2023
Place: Mumbai

Sunil Menon
Director
DIN: 00409485
Date : 25th April 2023
Place: Mumbai

Sonika Mehta
Company Secretary
Membership No: A63323
Date: 25th April 2023
Place: Mumbai

Hitesh Birla
Chief Financial Officer
PAN: AOCPB7046K
Date: 25th April 2023
Place: Mumbai

Annexure III - Restated Financial Statement of Cash Flows

Rupees in Lakhs, unless otherwise Stated

Particulars	Period ended December 31, 2022	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Cash flow from operating activities				
Net profit before tax	960.88	1,043.94	25.93	180.16
Adjustments for :				
Depreciation	88.06	90.79	107.78	128.50
Provision for Gratuity	0.65	1.76	0.16	6.47
Foreign Exchange fluctuation (Gain)/ Loss	(2.09)	2.10	(20.81)	37.26
Interest income	(5.96)	(10.45)	(8.05)	(15.01)
Finance cost	181.48	125.17	173.33	209.30
Operating profit before working capital adjustment	1,223.03	1,253.31	278.34	546.68
Adjustment for changes in working capital				
Trade and other payable	(469.32)	1,355.32	(243.07)	235.46
Other current liabilities	49.90	(410.57)	(617.44)	857.75
Other Short term Loans & Advances	425.97	(592.83)	203.61	616.39
Trade and other receivables	(771.58)	(654.28)	(302.64)	(57.14)
Changes in inventories	(505.59)	(78.33)	(175.22)	219.98
Other current assets	(113.91)	77.15	170.38	(390.18)
Cash flow generated from operations	(161.52)	949.77	(686.04)	2,028.92
Direct taxes paid	(0.18)	(29.74)	(56.09)	(61.60)
Net cash flow from operating activities (A)	(161.70)	920.03	(742.13)	1,967.33
Cash flow from investing activities				
Sale of fixed assets	-	-	-	-
Interest received	5.96	10.45	8.05	15.01
Purchase of building and plant and machinery	(939.93)	-	-	(0.81)
Net Cash flow from Investing activities (B)	(933.97)	10.45	8.05	14.20
Cash flow from financing activities				
Proceed from short term borrowings	1,933.38	(688.87)	42.66	(811.55)
Proceed from long term borrowings	(899.46)	86.84	785.52	(880.97)
Finance cost	(181.48)	(125.17)	(173.33)	(209.30)
Issue of share capital	-	-	-	-
Net cash flow From financing activities (C)	852.44	(727.21)	654.84	(1,901.82)
Increase/(Decrease) in cash and cash equivalents (A+B+C)	(243.24)	203.27	(79.23)	79.70
Cash and cash equivalent at the beginning of the year	405.28	202.01	281.23	201.53
Cash & cash equivalent at the end of the year (note 15)	162.04	405.28	202.00	281.24

1 The Restated Statement of Cash Flows has been prepared under the indirect method as set out in AS 3, Statement of Cash Flows.

2. Figures in brackets represent outflow of cash and cash equivalents.

3. 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 & Adjustments to Audited Financial Statements appearing in Annexure VI.

As per our report of even date attached

For and on behalf of
V. N. PUROHIT & CO.
Chartered Accountants
FRN:304040E

For and on behalf of board of directors
CFF FLUID CONTROL LTD.
CIN: U28990MH2012PTC227023

O.P. Pareek
Partner
Membership No: 014238
Date : 25th April 2023
Place : New Delhi
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Gautam Makkar
Director
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Sonika Mehta
Company Secretary
Membership No: A63323
Date: 25th April 2023
Place: Mumbai

Hitesh Birla
Chief Financial Officer
PAN: AOCBP7046K
Date: 25th April 2023
Place: Mumbai

Annexure IV- Basis of preparation and Significant Accounting Policies

Significant accounting policies

1 Company Overview

M/s CFF Fluid Control Pvt Ltd. Company incorporated on 16th February 2012, having its registered office at Plot No 1, Survey No-96, Kumbhivli Madap Khopoli In, Khalapur, Raigad, Maharashtra. Directors of the company are MR. Gautam Makkar & Mr Sunil Menon. The nature of the operations and principal activities of the company is engaged in the business of manufacture, overhaul, repairs and maintenance of shipboard machinery, combat systems, reference systems, test facilities(pneumatic, hydraulic, electrical, electronic systems) for submarines & surface ships for Indian navy.

2 Basis of preparation and presentation 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 consolidated financial information has been prepared for inclusion in the Draft red herring 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 December 31, 2022 which have been approved by the Board of Directors at their meeting held on April 20, 2023.
- b) 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 15, 2022.
- c) the audited financial statement of the Company as at March 31, 2021 which have been approved by the Board of Directors at their meeting held on November 01, 2021.
- d) the audited financial statement of the Company as at March 31, 2020 which have been approved by the Board of Directors at their meeting held on December 07, 2020.

There were no qualifications in the Audit Reports issued by Statutory Auditor(s) for the period ended on December 31, 2022, March 31, 2022, March 31, 2021 and March 31, 2020.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

2.1 Significant accounting policies

a) Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The Company's most significant estimates include those on the useful life of assets, deferred taxes and provision for taxes. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates.

b) Current-non-current classification

Assets

An asset is classified as current when it satisfies any of the following criteria:

- a. it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- b. it is held primarily for the purposes of being traded;
- c. it is expected to be realised within 12 months after the reporting date; or
- d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- a. it is expected to be settled in the company's normal operating cycle;
- b. it is held primarily for the purposes of being traded;
- c. it is due to be settled within 12 months after the reporting date; or
- d. the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Current liabilities include the current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Cost includes all incidental costs related to acquisition and installation, other pre-operative costs and interest on borrowed funds, if any, used to finance the acquisitions of fixed assets and is capitalized up to the date the assets are ready for commercial use.

Depreciation is provided over the estimated useful life of the assets using written down value method. The rates of depreciation used are those which have been calculated as per the method specified in Schedule II of the Companies Act, 2013. The new Companies Act prescribes that the asset should be written off over its useful life as estimated by the management and provides the indicative useful lives for the different class of assets. Other assets are depreciated over their balance useful life.

d) Impairment of assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognized for such excess amount. The impairment loss is recognized as an expense in the statement of profit and loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

When there is indication that an impairment loss recognized for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognized.

e) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

f) Inventories

Inventory consists of Raw material, store and spares and Finished goods is valued at cost. Cost of inventories comprises of all cost of purchases and other costs incurred in bringing the inventory to their present location and condition. Cost is assigned on First-In-First-Out (FIFO) basis. Obsolete, defective and unserviceable stocks are provided for, wherever required.

g) Cash and cash equivalents

Cash equivalents represent highly liquid investments with remaining maturities, at the date of purchase/investment, of three months or less. As of the balance sheet date, the Company had no such investment. Cash and cash equivalents comprise of cash in hand and balance in bank accounts.

h) Revenue recognition

Sales revenue is recognized when property in the goods with all risk rewards and effective control of goods usually associated with ownership are transferred to buyer at price. Sales comprise trading sales and are exclusive of excise duty and local taxes and sales return.

The various discounts and rate differences on the sales those accepted/rejected are accounted in the year, however if the same is of material amount effecting the current year profit/loss are separately shown under the prior period head of the profit and loss account.

i) Other operational revenue

Other operational revenue represent income earned from the activities incidental to the business and is recognized when the right to receive the income is established as per the terms of the contract.

j) Interest

Interest income is recognized on a time proportion basis by considering the amount outstanding and rate applicable.

h) Retirement and employee benefits

Contributions to secure retiral benefits in respect of provident fund, based on applicable rules/status, are charges to revenue.

i) Borrowing cost

As per AS 16, borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

j) Income taxes

Tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the Income Tax Act, 1961), deferred tax charge or benefit (reflecting the tax effect of timing differences between accounting income and taxable income for the period) and minimum alternate tax.

Current tax

Current tax is recognized based on estimated tax liability computed after adjusting for allowances, disallowances and exemptions in accordance with the Income Tax Act, 1961.

Deferred tax

Deferred tax is provided on timing differences between taxable income and accounting income subject to consideration of prudence. Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain to be realized.

k) Earnings per share

The Company reports basic earnings per share (EPS) in accordance with Accounting Standard - 20. The basic earnings per share is computed by dividing the net profit/loss attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. The Company has no potentially dilutive equity shares outstanding during the period.

l) Provisions and contingent liabilities

The Company recognizes a provision when there is a present obligation arising from a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

Annexure V - Restated Financial Information

3 Equity share capital

(a) Particulars	As at December 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Authorised share capital*				
10,00,000 equity shares of Rs 10 each	100.00	100.00	100.00	100.00
1,90,00,000 equity shares of Rs 10 each	1,900.00	-	-	-
10,00,000 equity shares of Rs 10 each	100.00	-	-	-
2,10,00,000 equity shares of Rs 10 each	2,100.00	100.00	100.00	100.00
Issued subscribed & paid up share capital*				
Share capital at the beginning of the year	71.37	71.37	71.37	71.37
Bonus Shares issued	1,356.04	-	-	-
Total	1,427.41	71.37	71.37	71.37

Note :

- a. The Company has increased its authorized share capital from 10 lakh shares to 200 lakh shares at the Board Meeting held on 11th June, 2022 and further increased it to 210 lakh shares at the Board Meeting held on 21st November, 2022.
- b. 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.
- c. On 11th July 2022, the Company has issued and allotted 13,560,395 equity shares having face value of Rs. 10 each by way of Bonus Shares in ratio of 19:1 to the existing shareholders.
- d. 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.

(b) The reconciliation of the numbers of shares outstanding and amount of share capital as at year end is set out below:

Particulars	As at December 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Equity Shares (in nos)				
Shares outstanding at the beginning of the year	713,705.00	713,705	713,705	713,705
Shares issued during the period	13,560,395.00	-	-	-
Shares Outstanding at the end of the period	14,274,100.00	713,705	713,705	713,705
Equity Share Capital (in lakhs)				
Share Capital outstanding at the beginning of the year	71.37	71.37	71.37	71.37
Share Capital issued during the year	1,356.04	-	-	-
Equity Shares Capital at the end of the period	1,427.41	71.37	71.37	71.37

(c) Name of Equity Shareholders holding more than 5% equity shares

Name of shareholders	No. of Shares held	% of Holding	% Change during the Year
Sunil Menon			
December 31, 2022	7,136,660	50.00%	0.00%
March 31, 2022	356,833	50.00%	50.00%
March 31, 2021	1	0.00%	0.00%
March 31, 2020	1	0.00%	0.00%
Gautam Makkar			
December 31, 2022	4,356,340	30.52%	0.00%
March 31, 2022	217,817	30.52%	30.52%
March 31, 2021	-	0.00%	0.00%
March 31, 2020	-	0.00%	0.00%
Niranjan Makker			
December 31, 2022	1,016,740	7.12%	0.00%
March 31, 2022	50,837	7.12%	7.12%
March 31, 2021	-	0.00%	0.00%
March 31, 2020	-	0.00%	0.00%
Mrs. Sheeila Makker			
December 31, 2022	1,763,560	12.35%	0.00%
March 31, 2022	88,178	12.35%	12.35%
March 31, 2021	-	0.00%	0.00%
March 31, 2020	-	0.00%	0.00%
Financiere MB Sas			
December 31, 2022	-	0.00%	0.00%
March 31, 2022	-	0.00%	-19.48%
March 31, 2021	139,015	19.48%	0.00%
March 31, 2020	139,015	19.48%	0.00%
Flash Forge Pvt Ltd			
December 31, 2022	-	0.00%	0.00%
March 31, 2022	-	0.00%	-80.52%
March 31, 2021	574,689	80.52%	0.00%
March 31, 2020	574,689	80.52%	0.00%

(d) Shares held by promoters at the year end

Name of Promoter	Number of shares	% Change
Financiere MB Sas		
December 31, 2022	-	0.00%
March 31, 2022	-	-19.48%
March 31, 2021	139,015	0.00%
March 31, 2020	139,015	0.00%
Flash Forge Pvt Ltd		
December 31, 2022	-	0.00%
March 31, 2022	-	-80.52%
March 31, 2021	574,689	0.00%
March 31, 2020	574,689	0.00%
Sunil Menon		
December 31, 2022	7,136,660	0.00%
March 31, 2022	356,833	50.00%
March 31, 2021	1	0.00%
March 31, 2020	1	0.00%
Gautam Makkar		
December 31, 2022	4,356,340	0.00%
March 31, 2022	217,817	30.52%
March 31, 2021	-	0.00%
March 31, 2020	-	0.00%

(e) Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. Equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder are in proportion to its share of the paid-up equity capital of the Company.

- (f) No dividend is declared by the Company during the half year ended on December 31, 2022 and the year ended on March 31, 2022, March 31, 2021 and March 31, 2020.

CFF FLUID CONTROL LTD.

Annexure V - Restated Financial Information

4 Reserves and Surplus

Particulars	As at December 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Retained Earnings				
Opening balance	1,133.13	353.62	329.02	196.03
Profit during the year	718.11	779.51	24.60	132.99
Less: Bonus Shares issued during the year	(1,077.32)	-	-	-
Closing balance (A)	773.92	1,133.13	353.62	329.02
Security premium				
Opening balance	278.72	278.72	278.72	278.72
On shares issued during the period (Refer note below)	-	-	-	-
Less: Bonus Shares issued during the year	(278.72)	-	-	-
Closing balance (B)	-	278.72	278.72	278.72
Total (A+B)	773.92	1,411.85	632.34	607.74

5 Non current borrowings

Particulars	As at December 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
<i>(Secured Loans)</i>				
Term loan (Refer note a below)	205.02	314.27	308.30	224.89
Total	205.02	314.27	308.30	224.89
<i>(Unsecured)*</i>				
Loan from related parties	-	-	0.40	0.40
Inter corporate borrowing	-	790.21	708.94	6.83
	-	790.21	709.34	7.23
Total	205.02	1,104.48	1,017.64	232.12

Above secured loans includes interest accrued and not due

Term loans : The Company has availed term loan from public financial institution under the various arrangement with interest service charge of around 8.45 % to 13.25%

* Loan taken from M's Flash Forge Private Limited has been reclassified as Short term borrowings as on December 31, 2022 in terms of new arrangement that the same will be repaid in a year

Terms of repayment for secured loans

Particulars	Amount borrowed	Tenor (Months)	Date of borrowings	Repayable amount monthly
Guaranteed emergency credit line 1	142.00	60	January 24, 2022	3.94
Guaranteed emergency credit line 2	263.00	31	January 21, 2022	7.75

Details of Security :

- Primary Security : Exclusive First Charge by way of hypothecation of entire Current Assets of Company(Present and Future).
- Collateral security : Extension of exclusive charge by way of equitable mortgage of Land & Building owned by Company.
- Guarantee :Corporate Guarantee of Flash Forge Pvt Ltd and personal guarantee of Directors Gautam Makkar and Sunil Menon

6 Long term provisions

Particulars	As at December 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Gratuity provision	8.28	7.69	6.25	6.05
Total	8.28	7.69	6.25	6.05

7 Short term borrowings

Particulars	As at December 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
<i>(Secured)</i>				
- Current maturities of long term debts	93.00	151.82	219.75	120.00
Bank Cash Credit(Existing limits)	-	-	393.01	404.10
Bank Cash Credit(New limits)	403.42	402.87	630.80	676.81
Total	496.42	554.69	1,243.57	1,200.91
<i>(Unsecured)</i>				
Inter corporate borrowing	1,991.65	-	-	-
Total	2,488.07	554.69	1,243.57	1,200.91

Terms of Working capital demand facility:

- The Company has availed working capital demand loan from public financial institution-AXIS Bank with interest service charge of around 7.65 % to 8.65%
- Above working capital loan are secured against Exclusive First Charge by way of hypothecation of entire Current Assets of Company(Present and Future)
- Collateral security : Extension of exclusive charge by way of equitable mortgage of Land & Building owned by Company
- Guarantee : Corporate Guarantee of Flash Forge Pvt Ltd and personal guarantee of Directors Gautam Makkar and Sunil Menon.

Terms of repayment for unsecured loans

Unsecured loan from Corporates (promoter's group company) are borrowed at 12% interest cost.

8 Trade payables

Particulars	As at December 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
- Total outstanding dues of micro enterprises and small enterprises (Refer note below)	-	-	-	-
- Total outstanding dues other than micro enterprises and small enterprise	1,489.65	1,961.07	603.65	867.54
Total	1,489.65	1,961.07	603.65	867.54

The Company has the process of identification of 'suppliers' registered under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, by obtaining confirmations from all suppliers. There are no dues to micro enterprises and small enterprises as defined under Micro, Small & Medium Enterprises Development Act, 2006 which are outstanding for a period more than 45 days as on balance sheet date.

Ageing of Trade Payables

Particulars	As at December 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
(I)micro enterprises and small enterprise:	-	-	-	-
(II) Total outstanding dues of creditors other than micro enterprises and small enterprises Outstanding for following periods from due date of payment				
Less than 1 year	1,402.65	1,666.54	321.04	795.55
1-2 years	76.85	287.86	217.69	71.31
2-3 years	1.58	2.70	64.05	0.68
More than 3 years	8.56	3.97	0.87	-
Total	1,489.65	1,961.07	603.65	867.54
(III)Disputed Dues MSME	-	-	-	-
(IV)Disputed Dues-Others	-	-	-	-

9 Other current liabilities

Particulars	As at December 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Audit Fees payable	7.00	3.30	0.60	0.30
Professional tax payable	0.89	0.46	-	-
TDS payable	32.92	14.78	-	-
ESI and EPF payable	1.19	5.34	-	-
GST Payable	16.89	-	-	-
Advance from customers	20.40	6.67	16.69	31.33
Advance from related parties	1.14	-	-	619.00
Other Payables	198.64	198.64	198.64	198.64
Other Expenses Payable	8.27	8.267	33.59	16.86
Payable against Letter of Credit	-	-	398.51	399.33
Total	287.35	237.45	648.02	1,265.46

10 Short term provisions

Particulars	As at December 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Provision for Gratuity	0.75	0.70	0.38	0.42
Provision for income tax	485.11	244.29	9.10	53.00
Total	485.87	244.99	9.48	53.42

12 Deferred tax Asset/ (liabilities)				
Particulars	As at December 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Asset/ (liabilities) at the start of the year	5.54	5.04	(5.82)	(9.81)
Credit/ (charge) to the statement of profit & loss	(1.77)	0.50	10.86	3.98
Asset/ (liabilities) at the end of the year	3.77	5.54	5.04	(5.82)

Deferred tax asset is recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

13 Inventories				
Particulars	As at December 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Raw materials	2,588.95	2,083.36	2,005.03	1,829.80
Total	2,588.95	2,083.36	2,005.03	1,829.80

14 Trade receivables				
Particulars	As at December 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Unsecured, Considered good	2,085.97	1,314.39	660.11	357.47
Total	2,085.97	1,314.39	660.11	357.47

Ageing for Trade receivables

December 31, 2022				
Particulars	As at December 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
(i) Undisputed Trade receivables – considered good	-	-	-	-
Outstanding for following periods from due date of payment				
Less than 6 months	2,085.97	1,314.39	660.11	25.16
6 months to 1 year	-	-	-	170.41
1-2 years	-	-	-	161.91
2-3 years	-	-	-	-
More than 3 years	-	-	-	-
Total	2,085.97	1,314.39	660.11	357.47

15 Cash and bank balances				
Particulars	As at December 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Balances with banks :				
- Current accounts	15.64	230.81	1.47	5.18
- In fixed deposits- more than 12 months (Note 15.1)	137.13	169.47	200.54	276.05
Cash in hand	9.26	5.00	-	-
Total	162.04	405.28	202.01	281.23

15.1 Deposits held as margin money against guarantee 137.13 169.47 200.54 276.05

16 Short term loans & advances				
Particulars	As at December 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
(Unsecured , Considered Good)				
Advances to suppliers	392.06	822.64	235.45	436.86
Advances to employees & Others	11.43	4.10	1.18	3.38
Advances to related parties	-	2.72	-	-
Total	403.50	829.46	236.63	440.25

17 Other current assets				
Particulars	As at December 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Security Deposit	44.28	19.32	6.96	6.96
Retention Money and other Deposits	209.97	102.84	17.47	148.53
Earnest money deposit	1.18	1.18	1.18	1.18
Prepaid Expenses	1.10	-	-	-
Balance with government authorities	0.05	19.32	194.20	233.52
Total	256.57	142.66	219.80	390.19

Annexure V - Restated Financial Information

18 Revenue from operations

Particulars	Period ended December 31, 2022	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Sale of products	4,985.81	4,279.95	1,452.41	3,177.80
Sale of Service	91.51	418.82	-	-
Total(Net)	5,077.32	4,698.77	1,452.41	3,177.80

19 Other income

Particulars	Period ended December 31, 2022	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Interest on FD	5.96	10.45	8.05	15.01
Interest received on MVAT Refund	-	-	-	0.38
Foreign Fluctuation	2.09	-	20.81	-
Sundry Balance written off	-	3.18	-	3.29
Total	8.05	13.62	28.87	18.69

20 Cost of material consumed

Particulars	Period ended December 31, 2022	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Raw materials				
Opening Stock of raw materials	2,083.36	2,005.03	1,829.80	2,049.78
Add: Purchase of materials	3,897.39	3,160.51	1,142.32	2,142.21
- Custom Duty	29.78	20.03	10.18	4.35
- Clearing & Forwarding Charges	32.46	11.26	3.70	2.25
Less: Closing stock of raw materials	2,588.95	2,083.36	2,005.03	1,829.80
Total	3,454.03	3,113.47	980.97	2,368.78
Other direct expenses				
Factory Expenses	0.04	0.06	-	-
Labour Charges	12.15	2.41	1.11	11.21
Job Charges	20.05	26.10	-	-
Delivery Charges	9.65	79.75	-	-
Electricity Expenses	26.37	48.87	40.23	27.81
Loading & unloading expense	-	-	8.47	39.35
Packing Expenses	0.02	0.00	0.08	0.15
Testing Charges	4.34	4.30	2.55	2.21
Water Charges	-	0.42	1.07	1.11
Excise Duty Reversal/ Duties & Taxes	-	-	0.26	2.24
Repair & Maintenance	13.86	1.47	1.54	1.76
Sample Charges	-	-	-	0.25
Transportation	5.34	0.09	0.38	5.69
Total direct expenses	91.82	163.48	55.71	91.79
Total	3,545.85	3,276.95	1,036.68	2,460.57

21 Employee benefit expenses

Particulars	Period ended December 31, 2022	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Salaries and bonus expenses	133.89	91.68	101.16	122.60
Director Remuneration	21.00	-	-	-
Contribution to EPF	2.33	1.80	-	-
Contribution to ESI	0.17	0.19	-	-
Gratuity (Note 31.2)	0.65	1.76	0.16	1.39
Employee welfare expense	0.13	0.92	0.10	3.68
Rent	-	0.44	-	-
Total	158.16	96.79	101.43	127.67

22 Finance cost

Particulars	Period ended December 31, 2022	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Bank Interest	49.40	115.35	157.86	186.39
Interest(Others)	123.62	0.34	0.93	8.62
BG Commission	8.46	9.48	13.96	14.29
Stamp duty	-	-	0.58	-
Total	181.48	125.17	173.33	209.30

23 Depreciation expenses

Particulars	Period ended December 31, 2022	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation on property plant and equipment (Refer note 11)	88.06	90.79	107.78	128.50
Total	88.06	90.79	107.78	128.50

24 Other expenses

Particulars	Period ended December 31, 2022	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Payment to statutory auditor (Refer note below)	4.00	3.00	0.30	0.30
Administration Charge	-	0.01	0.01	-
Bank Charges	1.41	1.21	0.33	0.10
Legal & professional expenses	55.37	28.61	12.61	16.33
Commission expenses	0.07	2.10	-	-
Conveyance expense	0.24	4.23	-	-
Filing fees	22.87	0.26	-	-
GST liability paid	-	5.84	-	-
ROC Expenses	-	-	0.07	13.30
Insurance expense	1.22	2.08	2.46	1.00
Inspection Charges	1.42	0.03	-	-
Late fees/ Interest on Statutory Duty	1.29	5.65	-	-
Loan processing fees	-	-	3.41	-
Office Maintenance	0.27	0.34	-	-
Miscellaneous expense	0.90	0.54	0.74	2.94
Postage & Courier	1.56	2.41	0.49	0.74
Professional Tax	0.22	0.01	-	-
Printing & stationery expense	0.46	-	0.43	0.74
Sundry Balances written off	0.09	-	1.60	-
Rent	39.78	14.29	1.44	1.40
Foreign Fluctuation Expenses	-	2.10	-	37.26
Security expense	1.68	2.36	3.21	2.53
Telephone & internet charges	2.30	1.42	2.14	1.25
Travelling Expenses	2.74	2.25	6.86	7.54
Total	137.91	78.74	36.12	85.21

Payment to auditors

- Audit fees	4.00	3.00	0.30	0.30
Total	4.00	3.00	0.30	0.30

25 Prior period adjustment

Particulars	Period ended December 31, 2022	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Gratuity expenses for earlier years	-	-	-	5.07
Income tax demand for earlier years	11.22	-	-	-
VAT paid for earlier years	1.80	-	-	-
Total	13.02	-	-	5.07

11 Property, plant and equipment

Particulars	Tangible Assets								
	Land	Building	Plant and machinery	Office equipment	Furniture and fixtures	Computer	Electric Installation	Vehicles	Total Tangible Assets
Gross carrying amount									
As at April 01, 2022	219.74	569.79	566.45	32.04	23.29	7.41	-	-	1,418.73
Additions	-	923.78	12.07	-	-	4.08	-	-	939.93
Disposals	-	-	-	-	-	-	-	-	-
As at December 31, 2022	219.74	1,493.57	578.53	32.04	23.29	11.49	-	-	2,358.66
Accumulated depreciation									
As at April 01, 2022	-	207.58	343.79	30.05	17.23	7.17	-	-	605.82
Charge for the year	-	55.14	30.95	0.26	1.18	0.54	-	-	88.06
On disposals	-	-	-	-	-	-	-	-	-
As at December 31, 2022	-	262.72	374.74	30.31	18.41	7.71	-	-	693.89
Net carrying amount as at December 31, 2022	219.74	1,230.85	203.78	1.73	4.88	3.79	-	-	1,664.77
Gross carrying amount									
As at April 01, 2021	219.74	569.79	566.45	32.04	23.29	7.41	-	-	1,418.73
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
As at March 31, 2022	219.74	569.79	566.45	32.04	23.29	7.41	-	-	1,418.73
Accumulated depreciation									
As at April 01, 2021	-	169.56	294.58	28.61	15.11	7.17	-	-	515.03
Charge for the year	-	38.02	49.21	1.45	2.12	-	-	-	90.79
On disposals	-	-	-	-	-	-	-	-	-
As at March 31, 2022	-	207.58	343.79	30.05	17.23	7.17	-	-	605.82
Net carrying amount as at March 31, 2022	219.74	362.21	222.66	1.99	6.06	0.24	-	-	812.91
Gross carrying amount									
As at April 01, 2020	219.74	569.79	566.45	32.04	23.29	7.41	-	-	1,418.73
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
As at March 31, 2021	219.74	569.79	566.45	32.04	23.29	7.41	-	-	1,418.73
Accumulated depreciation									
As at April 01, 2020	-	127.54	234.50	25.81	12.26	7.15	-	-	407.25
Charge for the year	-	42.01	60.08	2.80	2.86	0.02	-	-	107.78
On disposals	-	-	-	-	-	-	-	-	-
As at March 31, 2021	-	169.56	294.58	28.61	15.11	7.17	-	-	515.03
Net carrying amount as at March 31, 2021	219.74	400.24	271.87	3.44	8.18	0.24	-	-	903.70
Gross carrying amount									
As at April 01, 2019	219.74	569.79	566.18	31.50	23.29	7.41	-	-	1,417.92
Additions	-	-	0.28	0.54	-	-	-	-	0.81
Disposals	-	-	-	-	-	-	-	-	-
As at March 31, 2020	219.74	569.79	566.45	32.04	23.29	7.41	-	-	1,418.73
Accumulated depreciation									
As at April 01, 2019	-	81.12	161.16	20.94	8.40	7.12	-	-	278.75
Charge for the year	-	46.42	73.34	4.86	3.85	0.02	-	-	128.50
On disposals	-	-	-	-	-	-	-	-	-
As at March 31, 2020	-	127.54	234.50	25.81	12.26	7.15	-	-	407.25
Net carrying amount as at March 31, 2020	219.74	442.25	331.96	6.24	11.03	0.26	-	-	1,011.48

Immovable properties are in the name of the Company.

Annexure V - Restated Financial Information

26 Related party disclosure

(a) Related Parties

Name of the party	Nature of relationship
Mr Sunil Menon (Managing Director)	Director
Gautam Makkar (Executive Director till September 29, 2022)	
Mr Hitesh Birla (Chief Financial Officer)	Key managerial personal (KMP)
Mrs Sonika Mehta (Company Secretary)	
Flash Forge Private Limited	Enterprises over which KMP is able to exercise significant influence.

(b) Particulars of transactions with related parties

Rupees in Lakhs, unless otherwise Stated

Particulars	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Mr Sunil Menon				
Loan Taken	-	11.60	-	-
Loan Repaid	-	12.00	-	-
Director Remuneration	21.00	-	-	-
Mr Hitesh Birla				
Salary	6.76	-	-	-
Mrs Sonika Mehta				
Salary	0.36	-	-	-
Flash Forge Pvt Ltd				
Loan Taken/Adjustment	1560.50	922.93	1,478.11	1,571.00
Loan Repaid/Adjustment	468.60	841.66	1,395.00	2,340.00
Flash Forge Pvt Ltd				
Interest on loan (Net of TDS)	109.54	-	-	-
Flash Forge Pvt Ltd				
Sales	-	-	780.00	-

(c) Related parties Balances

Particulars	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Mr Sunil Menon (To be paid by CFF)	15.00	-	0.40	0.40
Mr Hitesh Birla	2.44	-	-	-
Mrs Sonika Mehta	0.19	-	-	-
Flash Forge Pvt Ltd (Loan taken by CFF)	1991.65	790.21	708.94	6.83
Flash Forge Pvt Ltd (Advances taken by CFF)	1.14	-	-	619.00
Flash Forge Pvt Ltd (Advances given by CFF)	-	2.72	-	-

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

27 Earnings per share

Particulars	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Profits attributable to the equity holders of the Company (in lakhs)	718.11	779.51	24.60	132.99
Weighted average number of equity shares (no's)	14,274,100	14,274,100	14,274,100	14,274,100
Earnings per share (basic)	5.03	5.46	0.17	0.93
Earnings per share (diluted)	5.03	5.46	0.17	0.93
Face value per equity share (Rs.)	10	10	10	10

28 Commitments and Contingent liabilities:

(a) Commitments: Nil

(b) Contingent liabilities : Bank Guarantee utilised as on December 31,2022 is 703.87 lakhs.

32 **Income & Expenditure in Foreign Currency**

Particulars	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
I) Income in Foreign Currency:				
Indenting Commission(Exchange Gain)	-	-	-	-
II) Expenditure in Foreign Currency:				
Import Purchase (on CIF Basis)	314.21	175.81	116.53	47.03

33 **Other statutory information**

- (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company do not have any transactions with companies struck off.
- (iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the period covered by the Restated Financial Statements.
- (v) 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
- (vi) 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.
- (vii) The Company have not 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.
- (viii) Balance shown under head Sundry debtors, creditors and advances are subject to confirmation.
- (ix) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
- (x) The title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and capital work-in progress are held in the name of the Company as at the balance sheet date.
- (xi) The Company did not have any long- term contracts including derivative contracts for which there were any material foreseeable losses.
- (xii) The Company has used all borrowings from bank and financial institution for the specific purpose for which it was taken at balance sheet date.
- (xiii) Previous year's figures have been regrouped / reclassified wherever necessary to correspond with current year's classification.

For and on behalf of
V. N. PUROHIT & CO.
Chartered Accountants
FRN:304040E

For and on behalf of board of directors
CFF FLUID CONTROL LTD.
CIN: U28990MH2012PTC227023

O.P. Pareek
Partner
Membership No: 014238
Date : 25th April 2023
Place : New Delhi
UDIN : 23014238BGXRPU6937

Gautam Makkar
Director
DIN: 00354956
Date : 25th April 2023
Place: Mumbai

Sunil Menon
Director
DIN: 00409485
Date : 25th April 2023
Place: Mumbai

Sonika Mehta
Company Secretary
Membership No: A63323
Date: 25th April 2023
Place: Mumbai

Hitesh Birla
Chief Financial Officer
PAN: AOCPB7046K
Date: 25th April 2023
Place: Mumbai

Annexure V - Restated Financial Information

29 Ratio Analysis

Ratio	Numerator	Denominator	December 31, 2022*	March 31, 2022	March 31, 2021	March 31, 2020	% change from March 31, 2022 to December 31, 2022	% change from March 31, 2021 to March 31, 2022	% change from March 31, 2020 to March 31, 2021
Current ratio	Current Assets	Current Liabilities	1.16	1.59	1.33	0.97	-27.35%	20.03%	36.25%
Debt- Equity Ratio	Total Debt	Shareholder's Equity	1.22	1.12	3.21	2.11	9.37%	-65.19%	52.28%
Debt Service Coverage ratio	Earnings for debt service	Interest & Lease Payments + Principal Repayments	4.26	3.73	1.05	2.58	14.26%	255.30%	-59.38%
Return on Equity ratio	Net Profits after taxes - Preference Dividend	Average Shareholder's Equity	0.52	0.71	0.04	0.22	-27.09%	1903.54%	-83.61%
Inventory Turnover ratio	Revenue from sales of products	Average Inventory	2.85	2.09	0.76	1.64	35.91%	176.40%	-53.76%
Trade Receivable Turnover Ratio	Revenue from operations	Average Trade Receivable	3.98	4.76	2.85	9.66	-16.34%	66.73%	-70.45%
Trade Payable Turnover Ratio	Purchase of Goods	Average Trade Payables	3.01	2.46	1.55	2.93	22.20%	58.71%	-47.09%
Net Capital Turnover Ratio	Revenue from operations	Working capital	9.07	2.64	1.77	(35.95)	243.14%	49.09%	-104.93%
Net Profit ratio	Net Profit	Revenue from operations	0.14	0.17	0.02	0.04	-14.74%	879.42%	-59.53%
Return on Capital Employed	Earnings before interest and taxes	Tangible Net Worth + Total Debt + Deferred Tax Liability	0.3089	0.37	0.06	0.18	-16.29%	492.53%	-64.93%
Return on Investment	Gain/Interest Income from Investment	Investment	0.06	0.06	0.04	0.05	-6.05%	53.49%	-26.15%

*Ratio of December 31, 2022 are annualised to ensure consistent disclosure of numbers as compared to previous full year ended March 31, 2022.

Notes :

Percentage Change from March 31, 2020 to March 31, 2021

Particular	Reasons
Current Ratio	Decrease in current liabilities
Debt- Equity Ratio	Increase in total debts
Debt Service Coverage ratio	Substantial decrease in earnings for debt service as compared to interest and principal repayment of long term borrowing
Return on Equity ratio	decrease in net profit.
Inventory Turnover ratio	Increase in average inventory.
Trade Receivable Turnover Ratio	Decrease in revenue from sale of products.
Trade Payable Turnover Ratio	Decrease in purchase of goods and increase in average trade payable.
Net Capital Turnover Ratio	Substantial decrease in revenue from operation and increase in working capital
Net Profit ratio	Decrease in net profit
Return on Capital Employed	Decrease in Earnings before interest and taxes.
Return on Investment	Increase in investments.

Percentage Change from March 31, 2021 to March 31, 2022

Particular	Reasons
Debt- Equity Ratio	Increase in total shareholder fund due to net profits.
Debt Service Coverage ratio	Substantial increase in earnings for debt service as compared to interest and principal repayment of long term borrowing
Return on Equity ratio	Increase in net profits as compared to Average Shareholder's Equity
Inventory Turnover ratio	Increase in Revenue from sales of products
Trade Receivable Turnover Ratio	Increase in Revenue from operations
Trade Payable Turnover Ratio	Increase in Purchase of Goods
Net Capital Turnover Ratio	Substantial increase in Revenue from operations through efficient use of working capital
Net Profit ratio	Substantial increase in Net Profit as compared to Revenue from operations
Return on Capital Employed	Increase in net profits for the current year.
Return on Investment	Increase in interest income from fixed deposits with banks.

Percentage Change from March 31, 2022 to December 31, 2022

Particular	Reasons
Current ratio	Increased due to increase in inventories and Trade Receivables
Return on Equity Ratio	Decreased due to less profit earned on capital as compared to previous year
Inventory Turnover ratio	Substantial increase in revenue from sales of products as compared to average inventory

Annexure V - Restated Financial Information

30 Employee benefits

(a) Defined contribution plan

The Company has a defined contribution plan in respect of provident fund. Contributions are made to provident fund in India for employees as per regulations. The contributions are made to registered provident fund administered by the Government of India. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

*Rupees in Lakhs, unless
otherwise Stated*

Particulars	Period ended December 31, 2022	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Employer contribution to provident fund	2.33	1.80	0.00	0.00

Included in 'Contribution to provident funds' under employee benefits expense (refer note 19)

(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:

Particulars	Period ended December 31, 2022	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Discount rate as at	7.30%	7.05%	6.60%	6.50%
Future salary increases	7.00%	7.00%	7.00%	7%
Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14	100% of IALM 2012-14	100% of IALM 2012-14
Normal retirement age	60 years	60 years	60 years	60 years

Notes:

- Discount rate: The discount rate is based on the prevailing market yields of
- Salary escalation rate: The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

30.2 The amounts recognised in the balance sheet and movements in the net defined benefit obligation (DBO) are as follows :

Change in the present value of obligation	Period ended December 31, 2022	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Present value of obligation at the beginning of the year	8.39	6.63	6.47	-
Current service cost	0.98	1.40	0.99	1.32
Interest cost	0.44	0.44	0.42	0.39
Benefits paid	-	-	-	(0.25)
Actuarial loss/(gain)	(0.78)	(0.08)	(1.25)	(0.32)
Past Service Cost	-	-	-	5.32
Present value of obligation at the end of the year	9.04	8.39	6.63	6.47

Amount recognised in the statement of profit and loss	Period ended December 31, 2022	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Current service cost	0.98	1.40	0.99	1.32
Interest cost	0.44	0.44	0.42	0.39
Actuarial loss/(gain)	(0.78)	(0.08)	(1.25)	(0.32)
Past service cost	-	-	-	5.07
Total expense recognized in the statement of profit and loss	0.65	1.76	0.16	6.47

ANNEXURE V - Restated Financial Information

31 Adjustment made in restated financial statements

Adjustments having impact on profit

Rupees in Lakhs, unless otherwise Stated

Impact on Profit and Loss A/c

Particulars	Period ended December 31, 2022	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Profit as per Audited Financials	716.00	773.32	24.80	141.09
Adjustments For :				
Add/ (Less): Adjustment due to correction of erro		-	-	-
Add/ (Less): Adjustment for provision for gratuity expense	-	6.63	(0.16)	(6.47)
Add/ (Less): On account of deffered tax charge to P&I	2.11	(0.44)	(0.04)	(1.63)
Profit as per Restated Financials	718.11	779.51	24.60	132.99

Changes done in reserves & surplus has been restated for the financial years

Particulars	Period ended December 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Reserves & Surplus as per audited financial statement	773.92	1,413.96	640.64	615.84
Add/ (Less): Carry forward impact of previous yea	-2.11	(8.30)	(8.10)	
Add/ (Less): Impact on Profit and Loss A/c	2.11	6.19	(0.20)	(8.10)
Reserves & Surplus as per restated financial statement	773.92	1,411.85	632.34	607.74

Adjustments not having impact on profit

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).

CFF FLUID CONTROL LTD.

ANNEXURE VI - Statement of accounting ratio as restated

Rupees in Lakhs, unless otherwise Stated

Particulars	Period ended December 31, 2022	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Restated Profit after tax as per P & L Account	718.11	779.51	24.60	132.99
Actual number of equity shares outstanding at the end of the year	14,274,100	713,705	713,705	713,705
Equivalent weighted average number of equity shares at the end of the year	14,274,100	14,274,100	14,274,100	14,274,100
Diluted weighted average number of potential equity shares at the end of the year	14,274,100	14,274,100	14,274,100	14,274,100
Share capital*	1,427.41	71.37	71.37	71.37
Reserves & surplus	773.92	1,411.85	632.34	607.74
Net Worth	2,201.33	1,483.22	703.71	679.11
Earnings Per Share (EPS):				
Basic EPS	5.03	5.46	0.17	0.93
Diluted EPS	5.03	5.46	0.17	0.93
Return on net worth (%)	32.62%	52.56%	3.50%	19.58%
Net asset value per share (Rs) - based on actual no. of equity shares at the end of the year	15.42	207.82	98.60	95.15
Net asset value per share (Rs) - based on equivalent weighted avg no. of equity shares at the end of the year after bonus	15.42	10.39	4.93	4.76
Face value per equity share (Rs.)	10	10	10	10

Notes to Accounting Ratios:

- a) The above statement should be read with the Significant accounting policies and notes to accounts appearing in Annexure IV & V respectively.
- b) Formulas used for calculating above ratios are as under
- i. Basic EPS is being calculated by using the formula: (Net profit after excluding extra-ordinary items / Equivalent weighted average No. of outstanding shares)
 - ii. Return on Net worth is being calculated by using the formula: (Profit after Tax / net worth
 - iii(a). Net asset value is being calculated by using the formula: (Net worth / Actual number of equity shares at year end)
 - iii (b). Net asset value is being calculated by using the formula: (Net worth / Equivalent weighted number of equity shares at year end after bonu)

Notes:

* As there is no dilutive capital in the company, basic and biluted earnings per share are simila

Annexure VII - Restated Statement of Capitalisation

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalisation as at December 31, 2022, 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.

Particulars	<i>Rupees in Lakhs, unless otherwise Stated</i>	
	Pre offer as at December 31, 2022	As adjusted for the proposed Offer
Borrowings:		
Long term borrowings (A)	205.02	205.02
Short term borrowings (B)	2,488.07	496.42
Total borrowings (C)	2,693.09	701.44
Equity:		
Equity share capital	1,427.41	1,947.41
Reserves and surplus	773.92	8,833.92
Total equity (D)	2,201.33	10,781.33
Ratio: Total borrowings (C)/ Total equity (D)	1.22	0.07
Notes:		
1. As per the Restated Financial Statements.		

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

You should read the following discussion and analysis of financial condition and results of operations together with our financial statements included in this Prospectus. The following discussion relates to our Company and is based on our restated financial statements. Our financial statements have been prepared in accordance with Indian GAAP, the accounting standards and other applicable provisions of the Companies Act.

Note: Statement in the Management Discussion and Analysis Report describing our objectives, outlook, estimates, expectations or prediction may be "Forward looking statement" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to our operations include, among others, economic conditions affecting demand/supply and price conditions in domestic and overseas market in which we operate, changes in Government Regulations, Tax Laws and other Statutes and incidental factors.

BUSINESS OVERVIEW

Our company CFF Fluid Control Ltd is incorporated on February 16, 2012 is engaged in business of manufacturing and servicing of shipboard machinery, critical component systems and test facilities for submarines & surface ships for Defence sector. Further we also design, manufacture and service Mechanical Equipments and systems for industries like Nuclear and Clean Energy. Our promoters and senior management level has experience of two decades in this industry which gave us a competitive edge in growth of our business operation, increase in market share and long term agreements with our customers and suppliers. All these have led us to achieve strong financial performance over the years.

Our company has established longstanding strategic partnerships with foreign Manufacturers. The partnerships are carefully chosen to bring technology which is not available in India and is the need for the Indian Defence Industry. Our significant partnerships are tie-ups with M/s Nereides of France and M/s Minerva Issartel of France.

Our company strives to provide products required for submarine used in Defence sector, manufactured at our plant located at Plot No. 1 Survey No. 96, Village Kumbhivali, Khalapur, Khopoli (E), Raigad-410202, India. We have the State of Art manufacturing facility at our factory. The 10,000 class clean room is capable of handling welding and fabrication of special materials like Titanium and High Nicle-Chromium materials which are used in submarine, nuclear and space applications. Other equipment such as Tig Welding Machine, Water jet cutting machines, Heat treatment furnaces etc are available to support the fabrication works. Design software complement the CAD-CAM environment required for manufacturing the components. The plant is fully geared with latest technologies to provide competitive edge in the industry and is also compliant with the laws and licenses applicable on it.

Our total income as restated were ₹ 5,085.37 lakhs, ₹ 4,712.39 lakhs, ₹ 1,481.27 and ₹ 3,196.48 lakhs for the period ended December 31, 2022 and for the fiscals 2022, 2021 and 2020 respectively. Further, Our Profit after Tax had been recorded at ₹ 718.11 lakhs, ₹ 779.51 lakhs, ₹ 24.60 and ₹ 132.99 lakhs for the period ended December 31, 2022 and for the fiscals 2022, 2021 and 2020.

Significant Developments after December 31, 2022 that may affect our Future Results of Operations

The Directors confirm that there have been no events or circumstances since the date of the last financial statements as disclosed in the Prospectus which materially or adversely affect or is likely to affect the profitability of our Company, or the value of our assets, or our ability to pay liabilities within next twelve months.

RECENT DEVELOPMENT

Impact of COVID-19

The pandemic outbreak has caused an economic downturn on a global scale, including closures of many businesses and reduced consumer spending, as well as significant market disruption and volatility. The demand for our products is dependent on and directly affected by factors affecting industries where our products are supplied. Our manufacturing operations were shut down from March 23, 2020 to May 18, 2020. After that, we were allowed to resume operations subject to certain adjustments in working patterns and limited workforce. Despite the impact of the COVID-19 Pandemic, our revenue from operations for the Fiscal 2021 and for Fiscals 2022 was Rs. 1,452.41 lakhs and Rs. 4,698.77 lakhs respectively. We continue to closely monitor the impact that COVID-19 may have on our business and

results of operations. It is difficult for us to predict the impact that COVID-19 will have on us, our customers or suppliers in the future.

FACTORS AFFECTING OUR RESULT OF OPERATIONS

Economic conditions in the markets in which we operate

Our results of operations are dependent on the overall economic conditions in the markets in which we operate, including India. Any change in macro-economic conditions in these markets, including changes in interest rates, government policies or taxation and political, economic or other developments could affect our business and results of operations. The Defence sector in India may perform differently and be subject to market and regulatory developments that are dissimilar to the markets in other parts of the world. While stronger economic conditions tend to result into higher demand for our products, weaker economic conditions tend to result into lower demand. Change in demand in the market segments we currently supply or improvement/deterioration in the market or a change in regulations, customs, taxes or other trade barriers or restrictions could affect our operations and financial condition.

Relationship with key customers

We have historically derived, and may continue to derive, a significant portion of our income from our top 5 customers. In Fiscals 2022, our top 5 customers represented 98.94%, of our total revenues from operations in such periods. Any reduction in orders from our top five customers would adversely affect our income. The demand from our key customers, in particular our top 5 customers, determines our revenue levels and results of operations, and our sales are directly affected by the production and inventory levels of our customers. Our customers in turn are dependent on budget, economic condition of country, demand and growth in Defence sector. We are trying to venture into Nuclear an Clean energy sector also which will give us more stream of revenue and may be find less concentration of our debtors. Over the years, we have developed strong relationships with a number of domestic and international corporations through which we have been able to expand our product offerings and also our geographic reach. Our business depends on the continuity of our arrangements with these customers. Our sales to such customers are typically conducted on the basis of purchase orders that they place with us from time to time.

Our ability to successfully implement its strategy and its growth and business expansion plans

Our revenue and our business operations have grown in recent years. Although we plan to continue to expand our scale of operations, we may not be able to sustain these rates of growth in future periods due to a number of factors, including, among others, our execution capability, our ability to retain, maintain & enter into new distribution agreement, our ability to maintain customer satisfaction, our ability to mobilise sufficient working capital, macroeconomic factors beyond our control such as decline in global economic conditions, availability of cheaper imported / domestic products / brands, competition within each product category from players in the organized and unorganized segments, the greater difficulty of growing at sustained rates from a larger revenue base, our inability to control our expenses and the availability of resources for our growth. There can be no assurance that we will not suffer from capital constraints, operational difficulties or difficulties in expanding existing business operations. Our strategy and revenue plan may not work and might have adverse affect on financials.

Performance Security, Defect Liability and liquidated damages

We have agreed on clause for completion of contract on timelines accepted with the customers. Our company is required to provide guarantee of some percentage of contract as performance security. After delivery of products and components we are required to provide repair and maintenance service of submarine which has life of approx 30 years. During this time, there is a timeframe of approx 12 to 60 months for which we are required to cure any manufacturing defects and other repairs. If we fail to perform, customer can get the repairs done from third party at our cost and we can even be accounted for late delivery fines. These factors increase cost and have adverse affect on our profits. We cannot assure you that we will meet all deadlines and be able to provide service which has customer satisfaction in future. We might incur delivery fines, liquidated damages in future.

RESULTS OF OUR OPERATIONS

(₹ in lakhs)

Particulars	For the period ended December 31,		For the year ended March 31,					
	2022	% of Total Income	2022	% of Total Income	2021	% of Total Income	2020	% of Total Income
INCOME:								
Revenue from Operations	5,077.32	99.84%	4,698.77	99.71%	1,452.41	98.05%	3,177.80	99.42%
Other Income	8.05	0.16%	13.62	0.29%	28.87	1.95%	18.69	0.58%
Total Income (A)	5,085.37	100.00%	4,712.39	100.00%	1,481.27	100.00%	3,196.48	100.00%
EXPENSES:								
Cost of Materials Consumed	3,545.85	69.73%	3,276.95	69.54%	1,036.68	69.99%	2,460.57	76.98%
Employee benefit expenses	158.16	3.11%	96.79	2.05%	101.43	6.85%	127.67	3.99%
Finance costs	181.48	3.57%	125.17	2.66%	173.33	11.70%	209.30	6.55%
Depreciation and amortization	88.06	1.73%	90.79	1.93%	107.78	7.28%	128.50	4.02%
Other expenses	137.91	2.71%	78.74	1.67%	36.12	2.44%	85.21	2.67%
Prior period expenses	13.02	0.26%	-	-	-	-	5.07	0.16%
Total Expenses (B)	4,124.49	88.10%	3,668.45	77.85%	1,455.35	98.25%	3,016.32	94.36%
Net Profit / (Loss) before tax	960.88	18.90%	1,043.94	22.15%	25.93	1.75%	180.16	5.64%
Less: Tax expense								
(i) Current tax	241.00	4.74%	265.00	5.62%	9.10	0.61%	53.00	1.66%
(iii) Deferred tax	1.77	0.03%	(0.50)	(0.02)%	(10.86)	(0.74)%	(3.98)	(0.12)%
(b)Short/ Excess Tax provision for earlier periods	-	0.00%	(0.07)	0.00%	3.09	0.21%	(1.85)	(0.06)%
Total Tax Expense	242.77	4.77%	264.43	5.60%	1.33	0.09%	47.17	1.48%
Net Profit / (Loss) after tax	718.11	14.12%	779.51	16.55%	24.60	1.66%	132.99	4.16%

Main Components of our Profit and Loss Account

Income

Our total income comprises of revenue from Sale of Products and other income.

Revenue from Operations

Our revenue from operations as a percentage of total income was 99.84%, 99.71%, 98.05% and 99.42%, for the period ended December 31, 2022 and fiscals 2022, 2021 and 2020 respectively.

Other Income

Our other income comprises of interest income, foreign fluctuation income and excess balances written off. Other income, as a percentage of total income was 0.16%, 0.29%, 1.95% and 0.58%, for the period ended December 31, 2022 and fiscals 2022, 2021 and 2020 respectively.

Expenditure

Our total expenditure primarily consists of raw material consumed, employee benefit expenses, finance cost, depreciation expenses, other expenses and prior period expenses.

Cost of Raw Material Consumed

It consists of cost of raw materials consumed and other direct expenses.

Employee Benefit Expenses

Employee benefit expenses comprises of salaries, employee welfare expenses, contribution to PF & Gratuity and gratuity.

Depreciation and Amortization Cost

Depreciation and Amortization Expenses consist of depreciation on the Tangible assets of our company i.e. Buildings, Furniture & Fixtures, Plant & Machinery, Computer and Office Equipments.

Finance costs

Finance cost includes Interest on Borrowings and processing expenses.

Other Expenses

Other expenses include Legal & professional expenses, Rent, Insurance expense, Telephone and Internet charges, Postage and courier charges, Auditor's fees Bank charges and Miscellaneous expenses.

Prior period expenses

Prior period expenses include change in provision for gratuity expense.

Provision for Tax

The provision for current tax is computed in accordance with relevant tax regulation. Deferred tax is recognized on timing differences between the accounting and the taxable income for the year and quantified using the tax rates and laws enacted or subsequently enacted as on balance sheet date. Deferred tax assets are recognized and carried forward to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized in future.

Review for the six (6) months period ended Dec 31, 2022

Income

Our total income for the period ended Dec 31, 2022 was ₹ 5,085.37 lakhs. In the mentioned period, the revenue earned from operations was 99.84% and other income was 0.16% of the total income.

Cost of Materials Consumed

The cost of materials consumed for the period ended Dec 31, 2022 was ₹ 3,545.85 lakhs. As a proportion of our total income, it was 69.73 %.

Employee Benefit Expenses

Employee Benefit Expenses for the period ended Dec 31, 2022 was ₹ 158.16 lakhs. As a proportion of our total income it was 3.11%.

Financial Cost

Financial Cost for the period ended Dec 31, 2022 was ₹ 181.48 lakhs i.e. 3.57 % of the total income for the period

Depreciation cost

Depreciation for the period ended Dec 31, 2022 was ₹ 88.06 lakhs. As a proportion of total income it was 1.73%.

Other Expenses

Other Expenses for the period ended Dec 31, 2022 was ₹ 137.91 lakhs. As a proportion of our total income it was 2.71%.

Prior period Expenses

Prior period expenses for the period ended Dec 31, 2022 was ₹ 13.02 lakhs. As a proportion of our total income it was 0.26%.

Profit/ (Loss) before Tax

Profit before Tax for the period ended Dec 31, 2022 was ₹ 960.88 lakhs. i.e. 18.90% of our total income.

Tax Expenses

Our company's tax expenses for the period ended Dec 31, 2022 was ₹ 242.77 lakhs consisting of current tax, which represented 4.77 % of the total income.

Profit/ (Loss) after Tax

Profit after Tax for the period ended Dec 31, 2022 was ₹ 718.11 lakhs i.e. 14.12% of our total income.

Fiscal 2022 compared with fiscal 2021

Income

In fiscal 2022, our total income increased by ₹ 3,231.12 lakhs or 218.13%, from ₹ 1,481.27 lakhs in fiscal 2021 to ₹ 4,712.39 lakhs in fiscal 2022. The increase in the year 2022 was due to increase in the delivery of products as compared to last year.

Other income decreased by ₹ 15.25 lakhs or 52.81%, from ₹ 28.87 lakhs in fiscal 2021 to ₹ 13.62 lakhs in fiscal 2022 as we recorded gain on foreign fluctuation in Fiscal 2021.

Cost of Material Consumed

Cost of material consumed increased by ₹2,240.27 lakhs or 216.10%, from ₹ 1036.68 lakhs in Fiscal 2021 to ₹ 3,276.95 lakhs in Fiscal 2022 as we purchased bulk quantity of raw materials to meet the requirement of production house. We even incurred delivery charges and job work charges for some orders.

Employee Benefit Expenses

Employee Benefit Expenses decreased by ₹ 4.63 lakhs or 4.57%, from ₹ 101.43 lakhs in fiscal 2021 to ₹ 96.79 lakhs in fiscal 2022. This decrease was mainly due to decrease in salaries, bonus and staff welfare expenses,

Finance Costs

Finance Costs decreased by ₹ 48.16 lakhs or 27.78%, from ₹ 173.33 lakhs in fiscal 2021 to ₹ 125.17 lakhs in fiscal 2022. This decrease was mainly due to decrease in borrowing from bank which reduced our interest cost during the year.

Depreciation Expenses

Depreciation expenses were ₹ 107.78 lakhs in fiscal 2021 as compared to ₹ 90.79 Lakhs in fiscal 2022.

Other Expenses

Other expenses increased by ₹ 42.62 lakhs or 117.97% from ₹ 36.12 lakhs in fiscal 2021 to ₹78.74 lakhs in Fiscal 2022. The increase majorly consisted of rent expenses and legal and professional fees paid during the year.

Profit/ (Loss) before Tax

The increase in scale of operations has led to increase in our Profit before tax by ₹ 1,018.01 lakhs or 3926.56 % from ₹ 25.93 lakhs in fiscal 2021 to ₹ 1043.94 lakhs in fiscal 2022.

Tax Expenses

The Company's tax expenses had increased by ₹ 263.10 lakhs from 1.33 lakhs in the Fiscal 2021 to ₹ 264.43 lakhs in Fiscal 2022 as tax liability increases with rise in profits earned during the year.

Profit/ (Loss) after Tax

After accounting for taxes at applicable rates, our Profit after Tax increased by ₹ 754.91 lakhs or 3068.73 %, from ₹24.60 lakhs in fiscal 2021 to ₹ 779.51 lakhs in fiscal 2022.

Fiscal 2021 compared with fiscal 2020

Income

In fiscal 2021, our total income decreased by ₹ 1,715.21 lakhs or 53.66%, from ₹ 3,196.48 lakhs in fiscal 2020 to 1,481.27 lakhs in fiscal 2021. The increase in the year 2021 was due to disruption in the supply and order book during Covid period.

Other income decreased by ₹ 10.18 lakhs or 54.48%, from ₹ 18.69 lakhs in fiscal 2020 to ₹ 28.87 lakhs in fiscal 2021 as foreign fluctuation gain was recorded during Fiscal 2021.

Cost of Material Consumed

Cost of material consumed decreased by ₹ 1,423.89 lakhs or 57.87%, from ₹ 2,460.57 lakhs in Fiscal 2020 to ₹ 1,036.68 lakhs in Fiscal 2021 due to decrease in raw material purchases thereby even decreasing custom duty on it and less loading expenses.

Employee Benefit Expenses

Employee Benefit Expenses decreased ₹ 26.24 lakhs or 20.55%, from ₹ 127.67 lakhs in fiscal 2020 to ₹ 101.43 lakhs in fiscal 2021. As there was lockdown period and less operation in our manufacturing facility we incurred less labour cost for some period as compared to last fiscal.

Finance Costs

Finance Costs decreased by ₹ 35.97 lakhs or 17.19%, from ₹ 209.30 lakhs in fiscal 2020 to ₹ 173.33 lakhs in fiscal 2022. This decrease was mainly due to repayment of loans during the year which as a result improved our finance cost.

Depreciation Expenses

Depreciation expenses were ₹107.78 lakhs in fiscal 2021 as compared to ₹128.50 lakhs in fiscal 2020.

Other Expenses

Other expenses decreased by ₹49.08 lakhs or 57.60 % from ₹36.12 lakhs in fiscal 2021 to 85.21 lakhs in Fiscal 2020. During Fiscal 2020 we booked significant amount of foreign fluctuation expenses and as Fiscal 2021 had some disruption in scale of operation its expenses decreased as compared to last Fiscal.

Prior period expenses

Prior period expenses reported in Fiscal 2020 of ₹5.07 lakhs is for provision of gratuity for years not recognised in previous years.

Profit/ (Loss) before Tax

The decrease in revenue from operations has led to decrease in our Profit before tax by ₹ 154.23 lakhs or 85.61 % from ₹ 180.16 lakhs in fiscal 2020 to ₹ 25.93 lakhs in fiscal 2021.

Tax Expenses

The Company's current tax expenses had decreased by ₹ 45.84 lakhs or 97.18 % from ₹ 47.17 lakhs in the Fiscal 2020 to ₹ 1.33 lakhs in Fiscal 2021 due to less profit before tax.

Profit/ (Loss) after Tax

After accounting for taxes at applicable rates, our Profit after Tax decreased by ₹ 108.39 lakhs or 81.50 %, from ₹ 132.99 lakhs in fiscal 2020 to ₹ 24.60 lakhs in fiscal 2021.

Cash Flows

(₹ in lakhs)

Particulars	For the period ended	For the year ended March 31		
	December 2022	2022	2021	2020
Net Cash from Operating Activities	161.70	920.03	(742.12)	1,967.32
Net Cash from Investing Activities	(933.97)	10.45	8.05	14.20
Net Cash used in Financing Activities	852.44	(727.21)	654.84	(1,901.82)
Net Increase / (Decrease) in Cash and Cash equivalents	(243.24)	203.27	(79.23)	79.70

Cash Flows from Operating Activities

Net cash from operating activities for the period ended Dec 31, 2022 was ₹ 161.70 lakhs as compared to the PBT of ₹ 960.88 lakhs for the same period. This difference is primarily on increase in trade and other receivables, payment of trade and other payables, change in inventories and payment of other current liabilities.

Net cash from operating activities for the fiscal 2022 was ₹ 178.05 lakhs as compared to the PBT of ₹ 1,043.94 lakhs for the same period. This difference is primarily on account of changes in trade and other receivables, change in current liability, short term loans and advances.

Net cash from operating activities in fiscal 2021 was ₹ 742.12 lakhs as compared to the PBT of ₹ 25.93 lakhs for the same year. This difference is primarily on account of changes in trade and other receivables, short-term loans and advances, other current liability and trade payables.

Net cash from operating activities in fiscal 2020 was ₹ 1,967.32 lakhs as compared to the PBT of ₹ 180.16lakhs for the same year. This difference is primarily on account of other current liability, other current asset short-term loans and advances and trade payables.

Cash Flows from Investment Activities

For the period ended Dec 31, 2022 the net cash invested in investing activities was ₹ 933.97 lakhs. This was majorly on account of purchase of building and plant and machinery.

In fiscal 2022 the net cash generated in investing activities was ₹ 9.89 lakhs from interest income on deposits.

In fiscal 2021, the net cash generated in investing activities was ₹ 8.05 lakhs from interest income on deposits.

In fiscal 2020, the net cash generated in investing activities was ₹ 14.20 lakhs from interest income on deposits and purchase of office equipments and plant and machinery.

Cash Flows from Financing Activities

Net cash generated from financing activities for the period ending Dec 31, 2022 was ₹ 852.44 lakhs. This was on account of proceeds from unsecured long term loans.

Net cash used in financing activities in fiscal 2022 was 727.21 lakhs. This was on account of repayment of short term borrowings and finance cost incurred during the year.

Net cash generated from financing activities in fiscal 2021 was 654.84 lakhs. This was on account of proceeds from long term loans.

Net cash used in financing activities in fiscal 2020 was 1,901.82 lakhs. This was on account of repayment of both short-term and long term borrowings and finance cost incurred during the year.

OTHER MATTERS

1. Unusual or infrequent events or transactions

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

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

Other than as described in the Section titled “*Financial Information*” and chapter titled “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” on page no. 138 and 158 respectively of this Prospectus respectively, to our knowledge there are no significant economic changes that materially affected or are likely to affect income from continuing Operations.

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

Other than as described in the chapter titled “*Risk Factors*” and “*Management’s Discussion and Analysis of Financial Conditions and Result of Operations*” on page no. 20 nd 158 respectively of this Prospectus respectively, best to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our company from continuing operations.

4. Future relationship between Costs and Income

Other than as described in the chapter titled “*Risk Factors*” on page no. 20 of this Prospectus, best to our knowledge there are no factors, which will affect the future relationship between costs and income or which are expected to have a material adverse impact on our operations and finances.

5. The extent to which material increases in revenue or income from operations are due to increased volume, introduction of new services or increased prices

Increase in revenues is by and large linked to increase in delivery of order book and volume of business activity thereby, completing and receiving more orders for our products.

6. Status of any publicly announced new services or business segments

Please refer to the chapter titled “*Our Business*” on page no. 92 of this Prospectus.

7. The extent to which the business is seasonal.

Our business is not seasonal in nature.

8. Any significant dependence on a single or few suppliers or customers

For fiscal 2022, the revenue from our top 5 and top 10 customers constituted approximately 98.94 % and 100.00% respectively of the revenue from operations. For fiscal 2022, the purchases from our top 5 and top 10 suppliers constituted approximately 97.28 % and 99.37% respectively of the revenue from operations. For further details, please refer chapter “*Our Business*” on page no.92 of this Prospectus.

9. Competition Conditions

We face competition from various domestic and international players in the market. Most of our competitors are at global level in defence, nuclear and clean energy sector of the industry. We intend to continue competing rigorously to capture more market share and manage our growth in an optimal way. We expect that our commitment to quality, past record of timely execution and transparency will provide us with an edge over our competitors. Further we believe that our competition also depends on several factors which include changing business framework, competitive price, delivery at given timeline and established relationship with suppliers, brand recognition etc.

FINANCIAL INDEBTEDNESS

The Company avails loan and financing facilities in the ordinary course of business for meeting working capital and business requirements.

The details of the indebtedness of the Company as on December 31, 2022 is provided below:

(₹ in Lakhs)

Nature of Borrowings	December 31, 2022
Secured Borrowings (fund based)	701.44
Unsecured Borrowings	1,991.65
Total	2,693.09

Credit Facilities:

Particulars	Amount Sanctioned as on January 21, 2023 (Rs In Lakhs)*	Amount outstanding as on December 31, 2022 (Rs in Lakhs)	Interest rate	Nature of Credit Facility
Axis Bank	158.00	154.90	Repo+525bps=9.255% p.a	WCTL-ECLGS
Axis Bank	142.00	143.12	Repo (4.00%)+525bps=9.25% p.a	WCTL-ECLGS
Axis Bank	1,500.00	403.42	Repo(4.00%)+445bps=8.45% p.a	Cash Credit
Axis Bank	700.00	-	Repo(6.25%)+335bps=9.60% p.a	Term Loan
Total	2,500.00	701.44		

*As per sanction letter dated January 21, 2023 our credit facilities is enhanced to 3500.00 lakhs including Bank Guarantee of 1000.00 lakhs at 9.60 % rate of interest per annum.

Note 1: Details of security for above Credit Facilities:

1. Security: Exclusive first charge by way of hypothecation on the entire current assets of the Company both present & future.
2. First and exclusive hypothecation charge on machineries financed out by the bank.
3. Collateral security:
 - a) Land and Building of land admeasuring 1.50 acres and situated at plot no.1, Survey no. 96, Village Kumbhivali, Taluka Khalapur, Dist. Raigad, owned by Company.
 - b) EM/RM of Residential Flat No B-2202, Adonia, Hiranandani Gardens, Powai owned by Company.
4. Personal Guarantee by our Directors Mr Sunil Menon and Mr Gautam Makkar.
5. Corporate Guarantee by M/s Flash Forge Pvt Ltd.

Note 5: Bank loans contain certain debt covenants relating to limitation on indebtedness, debt-equity ratio, net Borrowings to EBITDA ratio and debt service coverage ratio.

Note 6: Our Company enjoys Bank Guarantee of Rs. 1000.00 lakhs from Axis Bank. As on December 31, 2022 our Company has outstanding Bank Guarantee of Rs 703.87 lakhs.

Note 7: Our Company has availed unsecured loan through Intercorporate borrowings (from promoter group entity-Flash Forge Pvt Ltd) aggregating to Rs.1991.65 lakhs. The same is repayable on demand and has interest cost of 12% p.a.

SECTION VIII – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no: (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; (iv) disciplinary actions including penalties imposed by SEBI or stock exchanges against the Promoters in the last five financial years, including outstanding action; or (v) Material Litigation (as defined below); involving our Company, its Directors and Promoters.

Our Board, in its meeting held on November 04, 2022, determined that outstanding legal proceedings involving the Company, its Directors and Promoters will be considered as material litigation (“Material Litigation”) if the aggregate amount involved in such individual litigation exceeds 5% of Revenue of the Company, as per the last audited financial statements of the Company or such litigations outcome could have a material impact on the business, operations, prospects or reputations of the Company.

Our Company, Directors and Promoters are not Wilful Defaulter or a Fraudulent Borrower.

LITIGATION INVOLVING OUR COMPANY

A. LITIGATION AGAINST OUR COMPANY

1. Criminal matters

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

NIL

(ii) Indirect Taxes Liabilities

NIL

4. Other Pending Litigations

NIL

B. LITIGATION FILED BY OUR COMPANY

1. Litigation Involving Criminal matters

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

NIL

(ii) **Indirect Taxes Liabilities**

NIL

4. **Other Pending Litigations**

NIL

LITIGATION INVOLVING OUR PROMOTERS AND DIRECTORS

A. LITIGATION AGAINST OUR PROMOTERS AND DIRECTORS

1. **Criminal matters**

NIL

2. **Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

3. **Litigation involving Tax Liabilities**

(i) **Direct Tax Liabilities**

Type of Direct Tax	No. of cases/ matters	Amount in dispute/ demanded (<i>Min Lakhs</i>)
Sunil Menon		
Income Tax	5	108.93
Gautam Makker		
Income Tax	4	140.50

(ii) **Indirect Taxes Liabilities**

NIL

4. **Other Pending Litigations**

NIL

B. LITIGATION FILED BY OUR PROMOTERS AND DIRECTORS

1. **Litigation Involving Criminal matters**

NIL

2. **Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

3. **Litigation involving Tax Liabilities**

(i) **Direct Tax Liabilities**

NIL

(ii) **Indirect Taxes Liabilities**

NIL

4. Other Pending Litigations

NIL

LITIGATION INVOLVING GROUP COMPANY

A. LITIGATION AGAINST OUR GROUP COMPANY

1. Litigation involving Criminal matters

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

NIL

(ii) Indirect Taxes Liabilities

NIL

4. Other Pending Litigations

Application filed by M/s. Coalnergy Minerals PTE. Ltd against the Flash Forge Private Limited before the Hon'ble National Company Law Tribunal, Mumbai

M/s Coalnergy Minerals PTE. Ltd (“Operational Creditor”) has filed an application to initiate a corporate insolvency resolution process before the Hon’ble National Company Law Tribunal, Mumbai Bench (“Court”) against the Flash Forge Private Limited (“Corporate Debtor”). The Operational Creditor had supplied goods to the Company and raised invoices on the Company in that regard. The Corporate Debtor failed to pay a sum of Rs. 7,33,88,455.02/-. Aggrieved by the failure of the Corporate Debtor to make payment, the Operational Creditor issued a Demand Notice dated January 11, 2021 under Section 8 of the Insolvency and Bankruptcy Code, 2016. However, the Corporate debtor had failed to bring out any facts pointing towards existence of a dispute with respect to amount of debt, quality of goods or breach of a representation or warranty. Further, it failed to bring out that the undisputed debt was not payable by reason of being interdicted by some law or the same is payable on a future date and not yet due. Thereafter, the Operational Creditor filed the above petition claiming an amount of the outstanding principal of Rs. 7,33,88,455.02/-. The matter was admitted under section 9 of IBC, 2016 by the NCLT, consequently Moratorium under section 14 was declared and IRP was appointed. However, on an application made by the Defendant to settle the issue by negotiation and arrive for a settlement for payment of debt, NCLT directed IRP to not initiate any action and given stay on the matter till next hearing. The next hearing date is 26.07.2023.

Application filed by M/s. Siddhi Ganesh Metal Private Limited against the Flash Forge Private Limited before the Hon'ble National Company Law Tribunal, Mumbai

M/s Siddhi Ganesh Metal Private Limited (“Operational Creditor”) has filed an application to initiate a corporate insolvency resolution process before the Hon’ble National Company Law Tribunal, Mumbai Bench (“Court”) against the Flash Forge Private Limited (“Corporate Debtor”). The Operational Creditor had supplied goods to the Company and raised invoices on the Company in that regard. The Corporate Debtor only made part payment of the amount raised under the invoices and failed to pay a sum of Rs. 3,63,26,172/-. Aggrieved by the failure of the Corporate Debtor to make payment, the Operational Creditor issued a Demand Notice dated December 01, 2021 under Section 8 of the Insolvency and Bankruptcy Code, 2016. However, no written response was provided by the Corporate Debtor. Thereafter, the Operational Creditor filed the above petition claiming an amount of the outstanding principal of Rs. 3,63,26,172/-and interest thereon of Rs. 1,35,48,172/-totally amounting to Rs. 4,98,74,344/-. The matter has not been admitted as on the date of this Prospectus.

B. LITIGATION FILED BY OUR GROUP COMPANY

1. Criminal matters

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

NIL

(ii) Indirect Taxes Liabilities

NIL

4. Other Pending Litigations

NIL

Amounts owed to small scale undertakings and other creditors

As of December 31, 2022, our Company owes the following amounts to small scale undertakings, other creditors and material creditors:

(Rs. in lakhs)

Particulars	Number of Creditors	Amount involved
Micro, Small and Medium Enterprise	-	-
Material Creditors	5	1,326.85
Other Creditor	69	162.8
Total Creditors	74	1,489.65

Details in relation to the amount owed by our Company to material creditors, small scale undertakings and other creditors as on December 31, 2022 are also available on www.cffdefensys.com

It is clarified that information provided on the website of our Company is not a part of this Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website, would be doing so at its own risk.

Disciplinary action including penalty imposed by SEBI or stock exchanges against the promoter in the last five financial years

There are no disciplinary actions including penalty imposed by SEBI or Stock Exchanges against the Promoters during the last 5 financial years including outstanding actions.

Material developments occurring after last balance sheet date

Except as disclosed elsewhere in this Prospectus, there have been no material developments that have occurred after the Last Balance Sheet Date.

GOVERNMENT AND OTHER KEY APPROVALS

We have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business (as applicable on date of this Prospectus) and except as mentioned below, no further approvals are required for carrying on our present business.

In view of the approvals listed below, we can undertake this Issue and our current/proposed business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to be undertaken in respect of the Issue or to continue our business activities. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Prospectus.

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to carry out its activities. The following are the details of licenses, permissions and approvals obtained by the Company under various Central and State Laws for carrying out its business:

I. APPROVALS FOR THE ISSUE

1. The Board of Directors have, pursuant to Section 62(1)(c) and other applicable provisions of the Companies Act, 2013, by a resolution passed at its meeting held on November 21, 2022 authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.

The shareholders of our Company have, pursuant to Section 62(1)(c) of the Companies Act, 2013, by special resolution passed in the extra ordinary general meeting held on November 25, 2022 authorized the Issue.

2. In-principle approval dated January 19, 2023 from the BSE SME for listing of the Equity Shares issued by our Company pursuant to the Issue.
3. Our Company's International Securities Identification Number (“**ISIN**”) is INE0NJ001013

II. APPROVALS PERTAINING TO INCORPORATION

a. Approvals obtained by the Company

1. Certificate of Incorporation dated February 16, 2012 issued under the name Flash Forge Fluid Control Private Limited by Registrar of Companies, Mumbai, Maharashtra.
2. Fresh Certificate of Incorporation dated October 19, 2012 issued by Registrar of Companies, Mumbai, Maharashtra pursuant to change of name from Flash Forge Fluid Control Private Limited to CFF Fluid Control Private Limited.
3. Fresh Certificate of Incorporation dated September 15, 2022 issued by Registrar of Companies, Mumbai Maharashtra consequent to conversion of the Company “CFF Fluid Control Private Limited” to “CFF Fluid Control Limited”.
4. The Corporate Identity Number of the Company is U28990MH2012PLC227023

III. TAX AND LABOUR RELATED APPROVALS

a. Approvals obtained by the Company

Sr. No.	Description	Registration / Approval / Certificate Number	Issuing Authority	Date of Issue	Date of Expiry
1.	Permanent Account Number (PAN)	AAFCC3630A	Income Tax Department, Government of India	October 19, 2012	Valid until cancelled

Sr. No.	Description	Registration / Approval / Certificate Number	Issuing Authority	Date of Issue	Date of Expiry
2.	Tax Deduction Account Number (TAN)*	MUMC20160A	Income Tax Department, Government of India	December 21, 2013	Valid until cancelled
3.	Certificate of Registration issued under the provisions of Central Goods and Service Tax Act, 2017 for premise Plot No.01, Survey No.96, Savroli Khar Pada Road, Kumbhivali, Khalapur Khopoli, Mumbai- 410203	27AAFCC3630A1Z9	Government of India	December 01, 2019	Valid until cancelled
4.	Central Excise Registration Certificate under Central Excise Rules, 2002 with respect to manufacturing of Excisable goods at Plot No.01, Survey No. 96, Service Road, Kumbhivali-Madap, Khalapur- Khopoli, Raigad, Maharashtra.*	AAFCC3630AEM001	Deputy/Assistant Commissioner of Central Excise, Raigarh- Maharashtra	April 07, 2016	Valid until cancelled
5.	Certificate of Enrolment under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975*	99302098451P	Maharashtra Sales Tax Department	November 25, 2013	Valid until cancelled
6.	Certificate of Registration under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975*	27831012899P	Maharashtra Sales Tax Department	December 27, 2013	Valid until cancelled
7.	Import Exporter Code for Company's Plot No. 1, Survey No. 96, Kumbhivli, Madap Khopoli, Khalapur, Raigad- 410203	0313081921	Directorate General of Foreign trade, Ministry of Commerce and Industry	February 28, 2014	-

* Our Company is yet to make applications to respective authorities for updating each of the aforesaid certificates to reflect its current name pursuant to conversion into a public limited company.

b. Registrations related to Labour Laws

Sr. No.	Description	Registration / Approval / Certificate Number	Issuing Authority	Date of Issue	Date of Expiry
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Sr. No.	Description	Registration / Approval / Certificate Number	Issuing Authority	Date of Issue	Date of Expiry
1.	Registration under Employees' State Insurance Act, 1948*	34000524860001001	Deputy. Director, Employees' State Insurance Corporation	September 27, 2021	Valid until cancelled
2.	Provident Fund Code*	10000204983VSH	Regional Provident Fund Commissioner, Maharashtra	November 29, 2018	Valid until cancelled

* Our Company is yet to make applications to respective authorities for updating each of the aforesaid certificates to reflect its current name pursuant to conversion into a public limited company.

IV. KEY BUSINESS RELATED APPROVALS

c. Approvals obtained by the Company

Sr. No.	Description	Registration / Approval / Certificate Number	Issuing Authority	Date of Issue	Date of Expiry
1.	Factory License*	122002529000384	Government of Maharashtra	July 12, 2021	December 31, 2023
2.	Establish and Operate Under Green Category	0000150646/CO/2211001662	Maharashtra Pollution Control Board	November 21, 2022	November 30, 2028
3.	Shop Establishment*	820045486 / S Ward /COMMERCIAL II	Municipal Corporation of Greater Mumbai	April 17, 2019	April 16, 2024
4.	UDYAM Registration Certificate	UDYAM-MH-19-0032637	Government of India	January 08, 2021	Valid until cancelled
5.	ISO 9001:2015 Certificate for Design, Manufacture, Marketing & Sales of Marine & Industrial Valves*	01 100 2137549	International Organization for Standardization	December 02, 2021	December 01, 2024
6.	Udyog Aadhaar Registration	UAN: MH27B0000906	Ministry of Micro Small & Medium Enterprises	March 31, 2016	Valid until cancelled
7.	Proprietary Article Certificate*	HQWNC/22/2021	Flag Officer Commanding in Chief	June 22, 2021	June 21, 2023

* Our Company is yet to make applications to respective authorities for updating each of the aforesaid certificates to reflect its current name pursuant to conversion into a public limited company.

V. INTELLECTUAL PROPERTY

For details regarding Intellectual Property, please refer chapter titled "Our Business" beginning on page no. 92 of this Prospectus

VI. MATERIAL PENDING APPROVAL

A. Pending For Renewal

NIL

B. Applications yet to be made

- The Company has not obtained No Objection Certificate from the concerned Fire Officer in accordance with the provisions of the Maharashtra Fire Prevention and Life Safety Measures Act, 2006, in respect of the Company's manufacturing facility.
- The Company is yet to make an application to obtain the certificate of registration under the Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2017 for premises at 503, Delphi, A Wing, Orchard Avenue, Hiranandani Business Park, Powai, Mumbai-400076.

SECTION IX – OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Our Board of Directors have vide resolution dated November 21, 2022 authorized the Issue, subject to the approval by the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013.

The shareholders have authorized the Issue, by passing a Special Resolution at the Extra-Ordinary General Meeting held with shorter notice on November 25, 2022, in accordance with the provisions of Section 62(1)(c) of the Companies Act, 2013.

The Company has obtained approval from BSE vide letter dated January 19, 2023 to use the name of BSE in this Offer Document for listing of equity shares on the SME Platform of the BSE Limited. BSE Limited is the designated stock exchange.

Prohibition by SEBI or Governmental Authorities

We confirm that there is no prohibition on our Company, its Directors, Promoters, Group Company and entities forming part of our Promoter Group, person in control of our Company from accessing the capital market or operating in the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority / court as on the date of this Prospectus.

The listing of any securities of our Company has never been refused at any time by any of the stock exchanges in India.

Prohibition by RBI

Neither our Company nor any of our Promoters or Directors has been declared as Willful Defaulters or Fraudulent Borrowers by any bank or financial institution or consortium thereof in accordance with the guidelines on willful defaulters or fraudulent borrowers issued by the RBI.

Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Promoters and the members of the Promoters Group, severally and not jointly, confirm that they are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, in relation to the Company, to the extent in force and applicable, as on the date of this Prospectus.

Association with Securities Market

None of our Directors are associated with the Securities Market in any manner and no action has been initiated against these entities by SEBI in the past (5 five) years, except as stated under the chapters titled “Risk factors”, “Our Promoters, Promoters Group”, “Our Group Companies” and “Outstanding Litigations and Material Developments” beginning on page nos. 20, 131, 135 and 168 respectively, of this Prospectus.

Eligibility for the Issue

Our Company is an “Unlisted Company” in terms of the SEBI (ICDR) Regulations; and this Issue is an “Initial Public Offer” in terms of the SEBI (ICDR) Regulations.

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 is more than ten crore rupees and upto twenty five crore rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the SME Platform of BSE Limited).

As per Regulation 229 (3) of the SEBI ICDR Regulations, our Company satisfies track record and/or other eligibility conditions of SME platform of the BSE Limited.

- a. The Company was incorporated on February 16, 2012 with the Registrar of Companies, Mumbai under Companies Act, 1956 in India, hence is in existence for a minimum period of 2 years on the date of filing the prospectus with BSE.
- b. As on the date of this Prospectus, our Company has a total paid up capital of ₹ 1427.41 lakhs comprising 142,74,100 Equity Shares and the Post Issue Capital will be of ₹ 1947.41 lakhs comprising 1,94,74,100 Equity Shares which is below ₹ 25 crores.
- c. Our Company has Net Tangible Assets of ₹2,201.33lakhs which is more than ₹ 150 Lakhs.
- d. Our Company has a track record of three years as on date of filing of this Prospectus.
- e. Our Company has positive cash accruals (Earnings before depreciation and tax) from operations for at least 1 (one) financial years preceding the date of filing of this Prospectus and the net worth of our Company is positive as per the latest audited financial statements. As per Restated Financial Statements, the cash accruals accounted for December 31, 2022 was ₹1,048.95lakhs.
- f. Our Company has not been referred to Board for Industrial and Financial Reconstruction (BIFR).
- g. There is no winding up petition against the company, which has been admitted by a Court of competent jurisdiction or a liquidator has not been appointed.
- h. There has been no change in the Promoter(s) of the Company in the preceding one year from date of filing application to BSE for listing on SME Platform of BSE.
- i. Our company has facilitated trading in demat securities and has entered into an agreement with both the depositories.
- j. No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the applicant Company.
- k. As per Restated Financial Statements, the Net-worth (excluding revaluation reserves) of the Company is ₹ 2,201.33 lakhs as at December 31, 2022.
- l. Our Company has a website: www.cffdefensys.com

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

- The Prospectus has been filed with BSE and our Company has made an application to BSE for listing of its Equity Shares on the SME Platform of BSE Limited. BSE Limited is the Designated Stock Exchange.
- Our Company has entered into an agreement dated October 13, 2022 with NSDL and agreement dated October 12, 2022, with CDSL 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 are in dematerialised form.
- The entire fund requirements are to be financed from the Net Fresh Issue Proceeds, and there is no requirement to make firm arrangements of finance under Regulation 230(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the Issue. For details, please refer the chapter “Objects of the Issue” on page no 60 of this Prospectus.

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

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

- (a) Neither our Company nor our Promoters, members of our Promoter Group or our Directors are debarred from accessing the capital markets by the SEBI.
- (b) None of our Promoters or Directors are promoters or directors of any other companies which are debarred from accessing the capital markets by the SEBI.
- (c) Neither our Company nor our Promoters or Directors is a wilful defaulter or fraudulent borrowers.
- (d) 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 Issue 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 fourth (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 PROSPECTUS 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 MERCHANT BANKER ARYAMAN FINANCIAL SERVICES LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. 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 ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE PROSPECTUS, THE LEAD MERCHANT BANKER ARE 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, ARYAMAN FINANCIAL SERVICES LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED MAY 23, 2023 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 THE PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND 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 PROSPECTUS.

Note:

All legal requirements pertaining to the Issue will be complied with at the time of registration of this Prospectus with the RoC in terms of section 26, and 30 of the Companies Act, 2013.

Disclaimer from our Company, Directors and the Lead Manager

Our Company, the Directors and the Lead Manager accept no responsibility for statements made otherwise than those contained in this 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 Issue Agreement.

All information shall be made available by our Company, (to the extent that the information pertain to themselves and their respective portion of the Offered Shares) and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Applying Centers or elsewhere.

None among our Company is liable for any failure in (i) uploading the Applications due to faults in any software/hardware system or otherwise; or (ii) the blocking of Applications Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Applying will be required to confirm and will be deemed to have represented to our Company, Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not Offer, allot, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company and their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with or become customers to our Company and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the 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, except through their legal guardian), Hindu Undivided Families (HUFs), companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), Trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds and to non-residents including NRIs and FIIs. This Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this issue will be subject to the jurisdiction of appropriate court(s) in Mumbai 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. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and the Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been any 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.

Disclaimer Clause of the BSE

"BSE Limited ("BSE") has vide its letter dated January 19, 2023, given permission to "CFF Fluid Control 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".

Disclaimer Clause under Rule 144A of the U.S. Securities Act

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to "qualified institutional buyers", as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

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 Applicants may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Listing

Application have been made to SME Platform of BSE Limited for obtaining permission for listing of the Equity Shares being offered and sold in the issue on its SME Platform of BSE Limited after the allotment in the Issue. BSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue.

If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform of BSE Limited is not granted by BSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the prospectus. The allotment letters shall be issued or application money shall be refunded / unblocked within fifteen days from the closure of the Issue or such lesser time as may be specified by Securities and Exchange Board or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of fifteen per cent per annum for the delayed period as prescribed under Companies Act, 2013, the SEBI (ICDR) Regulations and other 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 Limited mentioned above are taken within 6 Working Days of the Issue Closing Date.

The Company has obtained approval from BSE vide letter dated January 19, 2023 to use the name of BSE in this Offer document for listing of equity shares on SME Platform of BSE Limited.

Price Information of past issues handled by the Lead Manager

Sr. No.	Issue Name	Issue size (Rs. in Cr.)	Issue Price (Rs)	Listing date	Opening price on listing date	+/- % change in Price on closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing	
1.	Command Polymers Limited	7.08	28.00	29-03-23	26.75	(3.57%)	5.44%	NA	NA	NA	NA
2.	Rex Sealing and Packing Industries Limited	8.08	135.00	12-01-23	137.00	15.52%	1.21%	5.04%	0.73%	NA	NA
3.	Abans Holding Limited	345.60	270.00	23-12-22	270.00	(0.35%)	1.30%	(12.35%)	(3.21%)	NA	NA
4.	EP Biocomposites Limited	6.35	126.00	13-09-22	160.25	100.40%	(5.51%)	36.51%	2.57%	71.43%	(2.37%)
5.	Rhetan TMT Limited	56.00	70.00	05-09-22	70.00	75.50%	(1.99%)	306.93%	6.11%	632.86%	0.95%
6.	Modi's Navnirman Limited	22.68	180.00	06-07-22	189.00	75.00%	8.63%	85.83%	8.03%	204.67% ⁽⁴⁾	13.80%
7.	SP Refractories Limited	4.92	90.00	22-03-22	90.20	(11.11%)	0.45%	(8.89%)	(11.35%)	(11.11%)	1.24%
8.	Fabino Life Sciences Limited	3.24	36.00	13-01-22	38.45	(1.53%)	(5.03%)	(27.78%)	(4.73%)	(33.33%)	(12.00%)
9.	Suyog Gurbaxani Funicular Ropeways Limited	29.50	45.00	16-11-21	45.45	12.44%	(4.01%)	1.11%	(6.49%)	1.11%	(12.48%)
10.	CWD Limited	18.01	180.00	13-10-21	180.90	30.39%	(0.08%)	100.83%	(0.20%)	329.14%	(2.92%)

Summary Statement of Disclosure

Financial Year	Total no. of IPOs	Total Funds Raised (Rs in Cr.)	Nos. of IPOs trading at discount - 30 th calendar day from listing day			Nos. of IPOs trading at premium - 30 th calendar day from listing day			Nos. of IPOs trading at discount - 180 th calendar day from listing day			Nos. of IPOs trading at premium - 180 th calendar day from listing day		
			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%
2022-23	6	445.79	0	0	1	3	0	2	0	0	0	3	0	0
2021-22	7	74.60	0	0	2	0	1	4	0	1	1	1	1	3
2020-21	4	46.47	0	1	0	0	0	3	1	0	0	1	0	2

Notes:

- (1) Since the listing date of Command Polymers Limited was on March 29, 2023, information related to closing price and benchmark index as on the 90th and 180th calendar day from the listing date is not applicable.
- (2) Since the listing date of Rex Sealing and Packing Industries Limited was on January 12, 2023, information related to closing price and benchmark index as on the 180th calendar day from the listing date is not applicable.
- (3) Since the listing date of Abans Holding Limited was on December 23, 2022, information related to closing price and benchmark index as on the 180th calendar day from the listing date is not applicable.
- (4) As on the 180th calendar day from the listing day, the price of Modi's Navnirman Limited would have been Rs. 548.40, considering the corporate announcement i.e Bonus issue in the ratio 3:1. Actual price as on 180th calendar day is Rs. 137.10.
- (5) The respective Designated Stock Exchange for each Issue has been considered as the Benchmark index for each of the above Issues.
- (6) In the event any day falls on a holiday, the price/index of the immediate preceding working day has been considered. If the stock was not traded on the said calendar days from the date of listing, the share price is taken of the immediately preceding trading day.
- (7) Source: www.bseindia.com and www.nseindia.com BSE Sensex and Nifty Fifty as the Benchmark Indices.

Track record of past issues handled by the Lead Manager

For details regarding the track record of the Lead Manager to the Offer as specified in Circular reference CIR/MIRSD/1/ 2012 dated January 10, 2012 issued by the SEBI, please see the website of Aryaman Financial Services Limited – www.afsl.co.in

Stock Market Data of Equity Shares

This being an initial public offer of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

Consents

Consents in writing of: (a) The Directors, the Chief Financial Officer, Company Secretary & Compliance Officer and the Statutory Auditor; and (b) the Lead Manager, Registrar to the Offer, the Legal Advisor to the Offer, Banker to the Company, Banker to the Offer, Market Maker and Underwriters to act in their respective capacities, have been obtained and shall be filed along with a copy of this Prospectus with the RoC, as required under Section 26 and 28 of the Companies Act, 2013 and such consents shall not be withdrawn upto the time of delivery of this Prospectus for registration with the RoC.

In accordance with the Companies Act, 2013 and the SEBI (ICDR) Regulations, V. N. Purohit & Co., Chartered Accountants, have provided their written consent to the inclusion of their reports dated November 07, 2022 on Restated Financial Statements and to the inclusion of their reports dated April 20, 2023 on Statement of Tax Benefits, which may be available to the Company and its shareholders, included in this Prospectus in the form and context in which they appear therein and such consents and reports have not been withdrawn upto the time of filing of this Prospectus.

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, V. N. Purohit & Co., Chartered Accountants, to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Prospectus and as “Expert” as defined under section 2(38) of the Companies Act, 2013 in respect of the reports on the Statement of Tax Benefits dated April 20, 2023 and on the Restated Financial Statements dated April 25, 2023 and issued by them, included in this Prospectus and such consent has not been withdrawn as on the date of this Prospectus.

However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

Caution

The Lead Manager accepts no responsibility, save to the limited extent as provided in the MoU for Issue Management entered into among the Lead Manager and our Company dated November 16, 2022 addendum dated January 25, 2023 the Underwriting Agreement dated January 17, 2023 and addendum dated January 25, 2023 entered into among the Underwriter, and our Company and the Market Making Agreement dated January 17, 2023 and addendum dated January 25, 2023 entered into among the Market Maker, Lead Manager and our Company. All information shall be made available by us and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centres or elsewhere.

CAPITAL ISSUE DURING THE LAST FIVE YEARS

Previous Public and Rights Issues

We have not made any rights to the public and public issues in the past, and we are an “Unlisted Company” 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 an 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.

Capital Issues in the last three (3) years by Listed Group Companies / Subsidiaries / Associates

None of our Group Company / Associates that are listed on any Stock Exchange has made any Capital Issue in the last three (3) years. We do not have any Group/Subsidiary/Associate company as on date of this Prospectus.

Previous Issues of Equity Shares otherwise than for Cash

Except as stated in the chapter titled “*Capital Structure*” beginning on page no 51 of this Prospectus, we have not issued any Equity Shares for consideration other than for cash.

Performance vis-à-vis Objects

Issuer Company

Our Company has not made any public issue (including any rights issue to the public) since its incorporation.

Listed Subsidiaries / Promoters

We do not have any listed Subsidiary or Promoter Company as on date of this Prospectus.

Outstanding Debentures, Bonds, Redeemable Preference Shares and Other Instruments issued by the Company

The Company has no outstanding debentures or bonds. The Company has not issued any redeemable preference shares or other instruments in the past.

Disposal of Investor Grievances

Mechanism for Redressal of Investor Grievances

The Company has appointed Cameo Corporate Services Ltd d as the Registrar to the Issue, to handle the investor grievances in co-ordination with the Compliance Officer of the Company. 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.

The Registrar to the Issue will handle investor’s grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be co-ordinating with the Registrar to the Issue in attending to the grievances to the investor.

All grievances relating to the ASBA process may be addressed to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant. We estimate that the average time required by us or the Registrar to the Issue or the SCSBs for the redressal of routine investor grievances will be seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

The Company has 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.

Our Board by a resolution on November 04, 2022 constituted a Stakeholders Relationship Committee. The composition of the Stakeholders Relationship Committee is as follows:

Name of the Directors	Nature of Directorship	Designation in Committee
Priyanka MoondraRathi,	Independent Director (ID)	Chairman
Rajnish Prakash	Independent Director (ID)	Member
Gautam Makkar	Director (Non- Executive)	Member

For further details, please see the chapter titled “*Our Management*” beginning on page no 120 of this Prospectus.

Our Company has also appointed Sonika Mehta, as the Compliance Officer for the Issue and she may be contacted at the Registered Office of our Company.

Name: Sonika Mehta
Address: 503, Delphi, A Wing, Orchard Avenue,
 Hiranandani Business Park,
 Powai, Mumbai-400076
Tel: +91-2246086806
Email id: compliance@cffdefensys.com

Investors can contact the Compliance Officer or the Registrar to the Issue or the Lead Manager 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 accounts and refund orders.

Status of Investor Complaints

We confirm that we have not received any investor complaint during the three years preceding the date of this Prospectus and hence there are no pending investor complaints as on the date of this Prospectus.

Disposal of Investor Grievances by Listed Companies under the same Management

None of our Group Companies / Associates / Subsidiaries is listed on any Stock Exchange as on the date of filing this Prospectus.

Exemption from complying with any provisions of securities laws, if any

Our Company has not applied to SEBI for any exemption from complying with any provisions of the securities laws.

Other confirmations

Any person connected with the Issue shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any person for making an application in the initial public offer, except for fees or commission for services rendered in relation to the Issue.

SECTION X – ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being Allotted pursuant to this Issue shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SEBI Listing Regulations, SCRA, SCRR, our Memorandum of Association and Articles of Association, the terms of the Prospectus, the Abridged Prospectus, Application Form, any Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchange(s), the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by the SEBI, the RBI, the Government of India, the Stock Exchange(s), the RoC and/or any other authorities while granting its approval for the 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 issue 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, 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, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019 and circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, the circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 and any subsequent circulars issued by SEBI in this regard, SEBI 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 I”). The UPI Phase I was effective till June 30, 2019. With effect from July 1, 2019, with respect to Application by retail individual investors through Designated Intermediaries (other than SCSBs), 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 Applicants 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, the final reduced timeline will be made effective using the UPI Mechanism for applications by retail individual investors (“UPI Phase III”), as may be prescribed by SEBI.

Further vide the said circular Registrar to the Issue and Depository Participants have been also authorised to collect the Application forms. Investors may visit the official websites of the concerned stock exchanges for any information on operationalization of this facility of form collection by Registrar to the Issue and DPs as and when the same is made available.

Ranking of Equity Shares

The Equity Shares being issued and transferred shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association, SEBI ICDR Regulations, SCRA and shall rank *pari-passu* in all respects including dividend with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please see the section titled “Main Provisions of the Articles of Association” beginning from page no. 214 of this Prospectus.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the Memorandum and Articles of Association and provisions of the SEBI Listing Regulations and any other guidelines or directions which may be issued by the Government in this regard. Dividends, if any, declared by our Company after the date of Allotment will be payable to the Applicants who have been Allotted Equity Shares in the Issue, for the entire year, in accordance with applicable laws. For further details, in relation to dividends, see “Dividend Policy” and “Main Provisions of the Articles of Association” beginning on page nos. 137 and 214 of this Prospectus.

Face Value and Issue Price

The Equity Shares having a face value of ₹ 10 each are being issued in terms of this Prospectus at the price of ₹ 165 per Equity Share. The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the chapter titled "*Basis of Issue Price*" beginning on page no. 66 of this Prospectus.

At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

Compliance with SEBI (ICDR) Regulations, 2018

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations, 2018. 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 our Articles of Association, our Shareholders shall have the following rights:

- Right to receive dividends, 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 and e-voting, in accordance with the provisions of the Companies Act;
- Right to receive offers 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 of the Equity Shares, subject to applicable laws including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI Listing Regulations, and our Memorandum of Association and Articles of Association.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation or splitting, see "*Main Provisions of Articles of Association*" beginning on page no. 214 of this Prospectus.

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 dematerialized form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Issue:

- 1) Tripartite agreement dated October 13, 2022 between our Company, NSDL and the Registrar and Share Transfer Agent to the Issue.
- 2) Tripartite agreement dated October 12, 2022 between our Company, CDSL and the Registrar and Share Transfer Agent to the Issue.

The Company's shares bear ISIN: INE0NJ001013.

Market Lot and Trading Lot

Trading of the Equity Shares will happen in the minimum contract size of 800 Equity Shares in terms of the SEBI circular no. CIR/MRD/DSA/06/2012 dated February 21, 2012 and the same may be modified by BSE from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Issue will be done in multiples of 800 Equity Share subject to a minimum allotment of 800 Equity Shares to the successful Applicants. Further, in accordance with SEBI (ICDR) Regulations the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

Minimum Number of Allottees

In accordance with Regulation 268 (1) of SEBI (ICDR) Regulations, the minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies collected shall be refunded within eight (8) Working days of closure of Issue.

Joint Holders

Where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

Nomination facility to investors

In accordance with Section 72 (1) & 72 (2) of the Companies Act, 2013, the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, 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 (3) 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 accordance to Section 72 (4) of the Companies Act, 2013, 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 the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Articles of Association of the Company, any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, shall upon the production of such evidence as may be required by the Board, elect either:

- ✓ to register himself or herself as the holder of the Equity Shares; or
- ✓ 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 Applicant wants to change the nomination, they are requested to inform their respective Depository Participant.

Withdrawal of the Issue

Our Company in consultation with the Lead Manager, reserve the right not to proceed with the Fresh Issue in whole or in part thereof, to the extent of Issued Shares, at any time after the Issue Opening Date but before the Board meeting for Allotment. In such an event our Company would issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within two days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Lead Manager, through the Registrar to the Issue, shall notify the SCSBs and Sponsor Bank (in case of RII's using the UPI Mechanism), to unblock the bank accounts of the ASBA Applicants and the Escrow Collection Bank to release the Application Amounts to the Anchor Investors, if applicable, within one day of receipt of such notification. Our Company shall also promptly inform the Stock Exchange on which the Equity Shares were proposed to be listed.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company in consultation with the Lead Manager withdraw the Issue after the Application/ Issue Closing Date and thereafter determine that they will proceed with public Issue of the Equity Shares, our Company shall file a fresh Prospectus with the Stock Exchanges.

Issue Program

ISSUE OPENS ON	May 30, 2023
ISSUE CLOSES ON	June 02, 2023

An indicative timetable in respect of the Issue is set out below:

Event	Indicative Date
Issue Closing Date	June 02, 2023
Finalisation of Basis of Allotment with the Designated Stock Exchange	June 07, 2023
Initiation of Refunds / unblocking of funds from ASBA Account	June 08, 2023
Credit of Equity Shares to demat account of the Allottees	June 09, 2023
Commencement of trading of the Equity Shares on the Stock Exchanges	June 12, 2023

The above timetable is indicative and does not constitute any obligation on our Company or 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 Period 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.

Applications and any revision to the same shall be accepted **only between 10.00 a.m. and 5.00 p.m.** (IST) during the Issue Period (except for the Issue Closing Date). On the Issue Closing Date, the Applications and any revision to the same shall be accepted between **10.00 a.m. and 3.00 p.m.** (IST) or such extended time as permitted by the Stock Exchanges, in case of Applications by Retail Individual Applicants after taking into account the total number of applications received up to the closure of timings and reported by the Lead Manager to the Stock Exchanges. It is clarified that Applications not uploaded on the electronic system would be rejected. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

Due to limitation of time available for uploading the Applications on the Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Issue Closing Date. All times mentioned in this Prospectus are Indian Standard Times. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public Issues, 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 Issue. Applications will be accepted only on Business Days. Neither our Company nor the Lead Manager are liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their applications (in terms of the quantity of the Equity Shares or the Applications Amount) at any stage. Retail Individual Applicants can revise or withdraw their Applications prior to the Issue Closing Date. Except Allocation to Retail Individual Investors, Allocation in the Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or the electronic Application Form, for a particular Applicant, the details as per the file received from the Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Application Form, for a particular ASBA Applicant, the Registrar to the Issue shall ask the relevant SCSB or the member of the Syndicate for rectified data.

Minimum Subscription

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten.

As per Section 39 of the Companies Act, 2013, if the “stated minimum amount” has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the Issue through the Offer Document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the Issue, our Company shall forthwith refund the entire subscription amount received, if there is a delay beyond eight (8) days, after our Company become liable to pay the amount, our Company and every officer in

default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest as prescribed under the SEBI Regulations, the Companies Act, 2013 and applicable laws.

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

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

Arrangements for Disposal of Odd Lots

The trading of the Equity Shares will happen in the minimum contract size of 800 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.

Application by Eligible NRIs, FPIs or VCFs 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.

As per the extant Guidelines 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.

Restrictions, if any on Transfer and Transmission of Equity Shares

The lock-in of the pre- Issue capital of our Company as provided in “*Capital Structure*” beginning on page no. 51 of this Prospectus and except as provided in our 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, see “*Main Provisions of the Articles of Association*” beginning on page no. 214 of this Prospectus.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this 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.

New Financial Instruments

As on the date of this Prospectus, there are no outstanding warrants, new financial instruments or any rights, which would entitle the shareholders of our Company, including our Promoter, to acquire or receive any Equity Shares after the Issue.

Migration to Main Board

In accordance with the BSE Circular dated March 10, 2014, our Company will have to be mandatorily listed and traded on the SME Platform of BSE for a minimum period of two years from the date of listing and only after that it can migrate to the Main Board of the BSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter IX of the SEBI (ICDR) Regulations.

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

- If the Paid up Capital of the Company is likely to increase above ₹ 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the Company has obtained in-principal approval from the main board), we shall have to apply to BSE for listing our shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.
- If the Paid up Capital of the Company is more than ₹ 10 crores but below ₹ 25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

Market Making

The shares issued through this Issue are proposed to be listed on the SME Platform of BSE 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 SME Platform of BSE. For further details of the market making arrangement please refer the chapter titled “*General Information*” beginning on page no. 42 of this Prospectus.

ISSUE STRUCTURE

This issue is being made in terms of Regulation 229 (2) of the Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, our post issue face value capital is more than ten crore rupees and upto twenty five crore rupees. The Company shall issue specified securities 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). For further details regarding the salient features and terms of such this Issue, please see the chapters titled "*Terms of the Issue*" and "*Issue Procedure*" beginning on page nos. 187 and 193 respectively, of this Prospectus.

Issue Structure

Initial Public Issue of 52,00,000 Equity Shares of ₹10 each (*the "Equity Shares"*) for cash at a price of ₹ 165 per Equity Share (including a Share Premium of ₹155per Equity Share), aggregating ₹ 8,580.00 Lakhs (*the Issue*) by the CFF Fluid Control Limited(*"CFF" or the "Company"*).

The Issue comprises a reservation of 2,60,800 Equity Shares of ₹ 10 each for subscription by the designated Market Maker (*"the Market Maker Reservation Portion"*) and Net Issue to Public of 49,39,200 Equity Shares of ₹ 10 each (*"the Net Issue"*). The Issue and the Net Issue will constitute 26.70% and 25.36%, respectively of the post Issue paid up equity share capital of the Company. The Issue is being made through the Fixed Price Process.

Particulars	Net Issue to Public	Market Maker Reservation Portion
Number of Equity Shares available for allocation ⁽¹⁾	49,39,200 Equity Shares	2,60,800 Equity Shares
Percentage of Issue Size available for Allocation	94.98 % of the Issue Size	5.02% of the Issue Size
Basis of Allotment	Proportionate subject to minimum allotment of 800 Equity Shares and further allotment in multiples of 800 Equity Shares each. ⁽¹⁾ For further details please refer section explaining the Basis of Allotment in the GID.	Firm Allotment
Mode of Application	All the applicants shall make the application (Online or Physical) through the ASBA Process only (including UPI mechanism for Retail Investors using Syndicate ASBA).	
Mode of Allotment	Compulsorily in dematerialised form.	
Minimum Application Size	<i>For Other than Retail Individual Investors:</i> Such number of Equity Shares in multiples of 800 Equity Shares such that the Application Value exceeds ₹ 2,00,000. <i>For Retail Individuals Investors:</i> 800 Equity Shares	2,60,800 Equity Shares
Maximum Application Size	<i>For Other than Retail Individual Investors:</i> Such number of Equity Shares in multiples of 800 Equity Shares such that the Application Size does not exceed 49,39,200 Equity Shares, subject to applicable limits to the Applicant. <i>For Retail Individuals Investors:</i> Such number of Equity Shares in multiples of 800 Equity Shares such that the application value does not exceed ₹ 2,00,000.	2,60,800 Equity Shares

Particulars	Net Issue to Public	Market Maker Reservation Portion
Trading Lot	800 Equity Shares	800 Equity Shares. However the Market Maker may buy odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.
Who can Apply ⁽²⁾	<p><i>For Other than Retail Individual</i></p> <p><i>Investors:</i></p> <p>Resident Indian individuals, Eligible NRIs, HUFs (in the name of the Karta), companies, corporate bodies, scientific institutions societies and trusts.</p> <p><i>For Retail Individuals Investors:</i></p> <p>Resident Indian individuals, HUFs (in the name of the Karta) and Eligible NRIs.</p>	Market Maker
Terms of Payment ⁽³⁾	The entire Application Amount will be payable at the time of submission of the Application Form.	
Application Lot Size	800 Equity Share and in multiples of 800 Equity Shares thereafter	

⁽¹⁾ Since present issue is a fixed price issue, the allocation in the net issue to the public category in terms of Regulation 253(2) of the SEBI (ICDR) Regulations, 2018 shall be made as follows:

- i. Minimum fifty per cent to retail individual investors; and
- ii. Remaining to:
 - a. individual applicants other than retail individual investors; and
 - b. other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;

Provided that the unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

²⁾In case of joint Applications, 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.

⁽³⁾ In case of ASBA Applicants, the SCSB shall be authorised to block such funds in the bank account of the ASBA Applicant (including retail applicants applying through UPI mechanism) that are specified in the Application Form. SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB.

ISSUE PROGRAMME

ISSUE OPENING DATE	May 30, 2023
ISSUE CLOSING DATE	June 02, 2023

Applications and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form. On the Issue Closing Date applications will be accepted only between 10.00 a.m. to 4.00 p.m. (Indian Standard Time).

Due to limitation of time available for uploading the application on the Issue Closing Date, Applicants are advised to submit their applications one day prior to the Issue Closing Date and, in any case, not later than 1.00 p.m. IST on the Issue Closing Date. Any time mentioned in this Prospectus is IST. Applicants are cautioned that, in the event a large number of applications are received on the Issue Closing Date, as is typically experienced in public Issues, 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 this Issue.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday)

Lot Size

SEBI vide circular CIR/MRD/DSA/06/2012 dated February 21, 2012 (the “Circular”) standardized the lot size for Initial Public Issue proposing to list on SME exchange/platform and for the secondary market trading on such exchange/platform, as under:

IssuePrice(in₹)	LotSize(No.of shares)
Upto14	10,000
Morethan14 up to18	8,000
Morethan18 upto25	6,000
Morethan25 upto35	4,000
Morethan35 upto50	3,000
Morethan50 upto70	2,000
Morethan70 upto90	1,600
Morethan90 upto120	1,200
Morethan 120 upto150	1,000
Morethan 150 upto180	800
Morethan 180 upto250	600
Morethan250up to 350	400
Morethan350up to 500	300
Morethan500up to 600	240
Morethan600up to 750	200
Morethan750up to 1,000	160
Above 1,000	100

Further to the circular, at the Initial Public Offer stage the Registrar to Issue in consultation with Book Running Lead Manager, our Company and BSE shall ensure to finalize the basis of allotment in minimum lots and in multiples of minimum lot size, as per the above given table. The secondary market trading lot size shall be the same, as shall be the IPO Lot Size at the application/allotment stage, facilitating secondary market trading. At the Initial Public Offering stage if the price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into. For example: if the proposed price band is at 24-28 than the Lot size shall be 800 shares.

ISSUE PROCEDURE

All Applicants should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (the “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, the Securities contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, and the SEBI ICDR Regulations. The General Information Document is available on the websites of the Stock Exchange and the LM. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue, especially in relation to the process for Applications by Retail Individual Applicant through the UPI Mechanism. 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 Issue 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.

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 RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days (“UPI Phase I”). The UPI Phase I was effective till June 30, 2019.

SEBI through its circular SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 as amended from time to time, including pursuant to circular SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 has proposed to introduce an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. UPI has been introduced in a phased manner as a payment mechanism with the ASBA for applications by Retail Individual Investors through intermediaries from January 1, 2019. The UPI Mechanism for Retail Individual Investors applying through Designated Intermediaries, in phase I, was effective along with the prior process and existing timeline of T+6 days (“UPI Phase I”), until June 30, 2019. Subsequently, for applications by Retail Individual Investors through Designated Intermediaries, the process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism with existing timeline of T+6 days is applicable for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”), with effect from July 1, 2019, by SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. Further, as per the SEBI circular SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, the UPI Phase II had been extended until March 31, 2020. However, due to the outbreak of COVID-19 pandemic, UPI Phase II has been further extended by SEBI until further notice, by its circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020. Thereafter, the final reduced timeline of T+3 days may be made effective using the UPI Mechanism for applications by Retail Individual Investors (“UPI Phase III”), as may be prescribed by SEBI. Accordingly, the Issue has been considered to be made under UPI Phase II, till any further notice issued by SEBI. Further, SEBI, vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, and circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. These circulars, to the extent already in force, are deemed to form part of this Prospectus

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Issue Closing Date, the Applicants shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding four Working Days from the Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The LM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Our Company and 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 is not liable for any amendment, modification or change in the applicable law, which may occur after the date of this Prospectus. Applicants are advised to make their

independent investigations and ensure that their Application are submitted in accordance with applicable laws and 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 Prospectus and the Prospectus.

Further, the Company and the LM are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Issue.

Phased implementation of Unified Payments Interface

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of inter alia, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated 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 payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever is later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, an RII had the option to submit the ASBA Form with any of the Designated Intermediary and use his/her UPI ID for the purpose of blocking of funds. The time duration from public Issue closure to listing continued to be six working days.

Phase II: This phase has become applicable from July 1, 2019. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 had extended the timeline for implementation of UPI Phase II till March 31, 2020. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020 decided to continue Phase II of UPI with ASBA until further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) 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: The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing is proposed to be reduced to three working days.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using the UPI Mechanism. The Issuers will be required 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.

For further details, refer to the General Information Document available on the websites of the Stock Exchange and the Lead Manager.

FIXED PRICE ISSUE PROCEDURE

The Issue is being made in compliance with the provisions of Reg. 229(2) of Chapter IX of the SEBI (ICDR) Regulations, 2018 and through the Fixed Price Process wherein 50% of the Net Issue to Public is being offered to the Retail Individual Applicants and the balance shall be offered to Non Retail Category i.e. QIBs and Non-Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject compliance with Regulation 253(2) of the SEBI ICDR Regulations and subject to valid Applications being received from them at or above the Issue Price.

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 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 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 and Beneficiary Account Number/UPI ID (for RII Applicants using the UPI Mechanism), 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 exchanges, 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 dematerialised segment of the Stock Exchanges.

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 the Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the BSE (www.bseindia.com), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date.

All Applicants shall mandatorily participate in the Issue only through the ASBA process. RIIs are mandatorily required to use the UPI Mechanism for submitting their Applications to Designated Intermediaries and are allowed to use ASBA Process by way of ASBA Forms to submit their Applications directly to SCSBs.

RIIs applying using the UPI Mechanism must provide the UPI ID in the relevant space provided in the Application Form and the Application Form that does not contain the UPI ID are liable to be rejected.

ASBA Applicants (including Applicants using UPI Mechanism) must provide bank account details and authorisation to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected or the UPI ID, as applicable, in the relevant space provided in the ASBA Form. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection. RIIs using the UPI Mechanism may also apply through the mobile applications using the UPI handles as provided on the website of the SEBI

ASBA Applicants shall ensure that the Applications are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Applying Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. RIIs using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Registered Brokers, RTAs or CDPs. RIIs authorising an SCSB to block the Application Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Applicants must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Application Amount can be blocked by the SCSB or the Sponsor Bank, as applicable, at the time of submitting the Application

The prescribed colour of the Application Form for various categories is as follows:

Category	Colour⁽¹⁾
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents and Eligible NRIs, FIIs, FVCIs, etc. applying on a repatriation basis	Blue

⁽¹⁾ Excluding electronic Application Form

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant Application details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic applying system of the Stock Exchanges. For RIIs using UPI Mechanism, the Stock Exchanges shall share the Application details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIIs for blocking of funds. For ASBA Forms (other than RIIs) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Applicants has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank. Stock Exchanges shall validate the electronic Application with the records of the CDP for DP ID / Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID / Client ID or PAN ID, bank code and location code in the Application details already uploaded

For RIIs using UPI mechanism, the Stock Exchanges 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 RIIs for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIIs, 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 Application entered in the Stock Exchange bidding platform, and the liability to compensate RIIs (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the Banker to an 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 an Issue. The Lead Manager shall also be required to obtain the audit trail from the Sponsor Banks and the Banker to the Issue for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in 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

The Sponsor Bank will undertake a reconciliation of Application responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank will undertake reconciliation of all Application requests and responses throughout their lifecycle on daily basis and share reports with the LM in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank and Issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with Issuer banks and Sponsor Banks on a continuous basis

Electronic registration of Applications

The Designated Intermediary may register the Applications using the on-line facilities of the Stock Exchanges. 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 for Issue 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 Exchanges and as disclosed in the Prospectus.

Only Applications that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the next working 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(s) send the Application information to the Registrar to the Issue for further processing

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws in the United States. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

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.

Who Can Apply?

In addition to the category of Applicants set forth in the *General Information Document*, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines:

- Scientific and/or industrial research organizations in India, which are authorised to invest in equity shares; and
- Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and polices applicable to them.

PARTICIPATION BY ASSOCIATES/AFFILIATES OF LEAD MANAGER, PROMOTER, PROMOTER GROUP AND PERSONS RELATED TO PROMOTER/PROMOTER GROUP

The LM shall not be allowed to purchase Equity Shares in this Issue in any manner, except towards fulfilling their underwriting obligations. However, associates and affiliates of the LM may subscribe to or purchase Equity Shares in the Issue, either in the QIB Portion or in Non Institutional Portion as may be applicable to such Applicants. Such Applying and subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of LM, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither (i) the LM or any associates of the LM, except Mutual Funds sponsored by entities which are associates of the LM or insurance companies promoted by entities which are associate of LM or AIFs sponsored by the entities which are associate of the LM or FPIs (other than individuals, corporate bodies and family offices), sponsored by the entities which are associates of the LM nor; (ii) any “person related to the Promoter and members of the Promoter Group” shall apply in the Issue under the Anchor Investor Portion.

For the purposes of this section, a QIB who has any of the following rights shall be deemed to be a “person related to the Promoter and members of the Promoter Group”: (a) rights under a shareholders’ agreement or voting agreement entered into with the Promoter and members of the Promoter Group; (b) veto rights; or (c) right to appoint any nominee director on our Board.

Our Promoters and members of our Promoter Group will not participate in the Issue.

APPLICATION 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 in consultation with Lead Manager, reserves the right to reject any Application, without assigning any reason thereof. The Applications made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the 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 the SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that such Applications clearly indicate the scheme concerned for which the Application is submitted.

No Mutual Fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company’s paid up share capital carrying voting rights.

APPLICATION by HUFs

Applications by HUFs 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 may be considered at par with Applications from individuals.

APPLICATION BY ELIGIBLE NRIs

Eligible NRIs may obtain copies of Application Form from the Designated Intermediaries. Only Applications accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Applicant applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB or should confirm/accept the UPI Mandate Request (in case of RIIs using the UPI Mechanism) to block their Non-Resident External (“NRE”) accounts, or Foreign Currency Non-Resident (“FCNR”) ASBA Accounts, and eligible NRI Applicant applying on a non-repatriation basis by using Resident Forms should authorize their SCSB or should confirm/accept the UPI Mandate Request (in case of RIIs applying using the UPI Mechanism) to block their Non-Resident Ordinary (“NRO”) accounts for the full Application Amount, at the time of the submission of the Application Form. Participation of Eligible NRIs in the Issue shall be subject to the FEMA regulations. NRIs applying in the Issue

through the UPI Mechanism are advised to enquire with the relevant bank whether their bank account is UPI linked prior to making such Application.

Eligible NRIs will be permitted to apply in the Issue through Channel I or Channel II (as specified in the UPI Circular). Further, subject to applicable law, Eligible NRIs may use Channel IV (as specified in the UPI Circular) to apply in the Issue, provided the UPI facility is enabled for their NRE / NRO accounts

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).

For details of investment by NRIs, see “*Restrictions in Foreign Ownership of Indian Securities*” on page no. 213 of this Prospectus. Participation of eligible NRIs shall be subject to NDI Rules

APPLICATION BY FPI

In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Non-Debt Instruments Rules, the total holding by each FPI or an investor group shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%). In terms of the FEMA Non-Debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case of Applications made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Application Form, failing which our Company reserves the right to reject any Applications without assigning any reason.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Issue to ensure there is no breach of the investment limit, within the timelines for Issue Procedure, as prescribed by SEBI from time to time.

AFPI may purchase or sell equity shares of an Indian company which is listed or to be listed on a recognized stock exchange in India, and/ or may purchase or sell securities other than equity instruments.

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 21 of the SEBI FPI Regulations, an FPI, may Offer, 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 in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms; and (iv) such other conditions as may be specified by SEBI from time to time.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instrument is made by, or on behalf of it subject to, inter alia, the following conditions:

- i. each offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and
- ii. prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

The FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. Further, Applications received from FPIs bearing the same PAN will be treated as multiple Applications and are liable to be rejected, except for Applications from FPIs that utilize the multiple investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants which were issued in November 2019 to facilitate implementation of SEBI (Foreign Portfolio Investors) Regulations, 2019 (such structure “MIM Structure”) provided such Applications have been made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple Applications received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Applications, FPIs making multiple Applications using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, were required to provide a confirmation along with each of their Application Forms that the relevant FPIs making multiple Applications utilize the MIM Structure and indicate the names of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Applications will be rejected

Participation of FPIs in the Issue shall be subject to the FEMA Rules

APPLICATION BY SEBI REGISTERED ALTERNATIVE INVESTMENT FUND (AIF), VENTURE CAPITAL FUNDS (VCF) AND FOREIGN VENTURE CAPITAL INVESTORS (FVCI)

The SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs. Post the repeal of the SEBI VCF Regulations venture capital funds which have not re-registered as AIFs under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. The SEBI FVCI Regulations prescribe the investment restrictions on FVCIs

The holding by any individual VCF or FVCI registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

Category I and II AIFs cannot invest more than 25% of their investible funds in one investee company. A category III AIF cannot invest more than 10% of their investible funds in one investee company. A VCF registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds 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 SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations.

Participation of AIFs, VCFs and FVCIs shall be subject to the FEMA Rules

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.

All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only, and net of bank charges and commission.

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 which, the Company in consultation with the LM, reserves the right to reject any application, without assigning any reason thereof.

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 in consultation with the Lead Manager reserves the right to reject any Application without assigning any reason thereof.

The exposure norms for insurers prescribed in Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 (“IRDAI Investment Regulations”) are set forth below:

- a. Equity shares of a company: the lower of 10%* of the investee company’s outstanding equity shares (face value) or 10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or a reinsurer;
- b. 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 a reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- c. The industry sector in which the investee company operates: not more than 15% of the respective fund of a life insurer or a reinsurer or health insurer or general insurance or 15% of the investment assets, 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 points (i), (ii) or (iii) above, as the case may be.

** The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of Rs.2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of Rs.500,000 million or more but less than Rs.2,500,000 million.*

Insurer companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by the IRDA from time to time including the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 (“**IRDA Investment Regulations**”).

APPLICATION BY PROVIDENT FUNDS / PENSION FUNDS

In case of Applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of M25 Crores, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Application Form. Failing this, the Company in consultation with the Lead Manager reserves the right to reject any application, 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 in consultation with the LM, reserve the right to reject any Application without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 (the “Banking Regulation Act”), and Master Direction –Reserve Bank of India (Financial Services provided by Banks) Directions, 2016 is 10% of the paid-up share capital of the investee company or 10% of the bank’s own paid-up share capital and reserves, whichever is less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank’s paid-up share capital and reserves. 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 or the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank’s interest on loans/investments made to a company. The bank is required to submit a time-bound action plan for disposal of such shares within a specified period to the RBI. A banking company would require a prior approval of the RBI to make investment in excess of 30% of the paid-up share capital of the investee company, investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and investment in a non-financial services company in excess of 10% of such investee company’s paid-up share capital as stated in the Reserve

Bank of India (Financial Services provided by Banks) Directions, 2016, as amended. Applications by banking companies should not exceed the investment limits prescribed for them under the applicable laws

APPLICATION BY SYSTEMICALLY IMPORTANT NON-BANKING FINANCIAL COMPANIES

In case of Applications made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor, and (iii) such other approval as may be required by the Systemically Important NBFCs, are required to be attached to the Application Form. Failing this, our Company in consultation with the Lead Manager, reserves the right to reject any Application without assigning any reason thereof. Systemically Important NBFCs participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

APPLICATIONS BY 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 issued by SEBI. 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 such applications.

APPLICATION UNDER POWER OF ATTORNEY

In case of Applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of Rs.250 million (subject to applicable laws) and pension funds with a minimum corpus of Rs, 250 million (subject to applicable laws), 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 along with the Application Form. Failing this, our Company in consultation with the LM, reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof. Our Company in consultation with the LM, in their 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 in consultation with the LM, may deem fit.

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 Prospectus. Applicants are advised to make their independent investigations and ensure any single Application from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Prospectus or the Prospectus

In accordance with RBI regulations, OCBs cannot participate in the Issue.

Information for the Applicants

In addition to the instructions provided to the Applicants in the *General Information Document for Investing in Public Issues*, Applicants are requested to note the following additional information in relation to the Issue.

1. The Issue Period shall be for a minimum of three Working Days and shall not exceed ten 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 Working Days
2. The relevant Designated Intermediary will enter each Application into the electronic applying system as a separate Application and generate an acknowledgement slip (“**Acknowledgement Slip**”), for each price and demand option and give the same to the Applicant. Therefore, a Applicant can receive up to three Acknowledgement Slips for each Application Form. It is the Applicant’s responsibility to obtain the TRS from the relevant Designated Intermediary. The registration of the Application by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/ allotted. Such Acknowledgement will be non-negotiable and by itself will not

create any obligation of any kind. When a Applicant revises his or her Application (in case of revision in the Price), he /she shall surrender the earlier Acknowledgement Slip and may request for a revised TRS from the relevant Designated Intermediary as proof of his or her having revised the previous Application.

3. In relation to electronic registration of Applications, the permission given by the Stock Exchanges to use their network and software of the electronic applying system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, and/or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus or the Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
4. In the event of an upward revision in the Price, Retail Individual Applicants could either (i) revise their Application or (ii) shall make additional payment based on the revised Price (such that the total amount i.e., original Application Amount plus additional payment does not exceed Rs. 200,000. The revised Applications must be submitted to the same Designated Intermediary to whom the original Application was submitted. If the total amount (i.e., the original Application Amount plus additional payment) exceeds Rs. 200,000, the Applicant will be considered for allocation under the Non-Institutional Portion. If, however, the Retail Individual Applicant does not either revise the Application or make additional payment the number of Equity Shares applied for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Retail Individual Applicant and the Retail Individual Applicant is deemed to have approved such revised Application.
5. In the event of a downward revision in the Price, Retail Individual Applicant may revise their Application; otherwise, the excess amount paid at the time of Application would be unblocked after Allotment is finalised.
6. Any revision of the Application shall be accompanied by instructions to block the incremental amount, if any, to be paid on account of the upward revision of the Application.

The Applicants should note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic system of the Stock Exchanges does not match with the PAN, DP ID and Client ID available in the database of Depositories, the Application Form is liable to be rejected.

General Instructions

Please note that QIBs and Non-Institutional Investors are not permitted to withdraw their Application(s) or lower the size of their Application(s) (in terms of quantity of Equity Shares or the Application Amount) at any stage. Retail Individual Applicants can revise their Application(s) during the Issue Period and withdraw their Application(s) until Issue Closing Date

Do's:

- 1) Check if you are eligible to apply as per the terms of this Prospectus and under applicable law, rules, regulations, guidelines and approvals; All Applicants should submit their Applications through the ASBA process only;
- 2) Ensure that you have apply within the Price Band
- 3) Read all the instructions carefully and complete the Application Form in the prescribed form;
- 4) Ensure that you have mentioned the correct ASBA Account number if you are not an RII applying using the UPI Mechanism in the Application Form and if you are an RII using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle) in the Application Form;
- 5) Ensure that your Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre (except in case of electronic Applications) within the prescribed time. Retail Individual Applicants using UPI Mechanism, may submit their ASBA Forms with Syndicate Members, Registered Brokers, RTAs or CDPs and should ensure that the ASBA Form contains the stamp of such Designated Intermediary;

- 6) RIIs Applying in the Issue shall ensure that they use only their own ASBA Account or only their own bank account linked UPI ID which is UPI 2.0 certified by NPCI (only for RIIs using the UPI Mechanism) to make an application in the Issue and not ASBA Account or bank account linked UPI ID of any third party;
- 7) Ensure that you have funds equal to the Application Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries.
- 8) In case of joint Applications, ensure that first applicant is the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) and the signature of the first applicant is included in the Application Form;
- 9) Ensure that you request for and receive a stamped acknowledgement counterfoil by specifying the application number for all your Applications options as proof of registration of the Application Form for all your Applications options from the concerned Designated Intermediary;
- 10) If the first Applicants is not the ASBA Account holder (or the UPI-linked bank account holder, as the case may be), ensure that the Application Form is signed by the ASBA Account holder (or the UPI-linked bank account holder, as the case may be);
- 11) Ensure that the name(s) given in the Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Applications, 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. Ensure that the signature of the First Applicant is included in the Application Forms. PAN of the First Applicant is required to be specified in case of joint Applications;
- 12) Ensure that you submit the revised Applications to the same Designated Intermediary, through whom the original Application was placed and obtain a revised acknowledgment;
- 13) Retail Individual Investors not using the UPI Mechanism, should submit their Application Form directly with SCSBs and not with any other Designated Intermediary;
- 14) Except for Applications (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining / specifying their PAN for transacting in the securities market including without limitation, multilateral/ bilateral institutions, and (iii) Applications by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Applicants should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
- 15) Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
- 16) Ensure that the correct investor category and the investor status is indicated in the Application Form;
- 17) Ensure that in case of Applications under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
- 18) Ensure that Applications submitted by any person outside India is in compliance with applicable foreign and Indian laws;
- 19) Application by Eligible NRIs for a Amount of less than ₹ 2,00,000 would be considered under the Retail Category for the purposes of allocation and Applications for a Amount exceeding ₹ 2,00,000 would be considered under the Non-Institutional Category for allocation in the Issue

- 20) Since the allotment will be in dematerialised form only, ensure that the Applicant's depository account is active, the correct DP ID, Client ID, PAN and UPI ID, if applicable, are mentioned in their Application Form and that the name of the Applicant, the DP ID, Client ID, PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the Depository database;
- 21) In case of ASBA Applicants (other than Retail Individual Applicants using UPI Mechanism), ensure that while Applying through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Applying Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>);
- 22) Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Issue Closing Date;
- 23) Ensure that when applying in the Issue using UPI, the name of your SCSB appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, also ensure that the name of the mobile application and the UPI handle being used for making the application in the Issue is also appearing in the "list of mobile applications for using UPI in public issues" displayed on the SEBI website
- 24) Ensure that you have correctly signed the authorisation/undertaking box in the Application Form, or have otherwise provided an authorisation to the SCSB or the Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form at the time of submission of the Application. Application, in case of RIIs submitting their Applications and participating in the Issue through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Issue Amount and subsequent debit of funds in case of Allotment;
- 25) Retail Individual Applicants using the UPI Mechanism shall ensure that details of the Application are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, a Retail Individual Applicant shall be deemed to have verified the attachment containing the application details of the Retail Individual Applicant in the UPI Mandate Request and have agreed to block the entire Application Amount and authorized the Sponsor Bank to block the Application Amount specified in the Application Form;
- 26) However, Applications received from FPIs bearing the same PAN shall not be treated as multiple Applications in the event such FPIs utilise the MIM Structure and such Applications have been made with different beneficiary account numbers, Client IDs and DP IDs;
- 27) FPIs making MIM Applications using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Applications are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Applications shall be rejected;
- 28) Retail Individual Applicants who wish to revise their Applications using the UPI Mechanism should submit the revised Applications with the Designated Intermediaries, pursuant to which RIIs should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorize blocking of funds equivalent to the revised Application Amount in the RII's ASBA Account and
- 29) Ensure that the Demographic Details are updated, true and correct in all respects

The Application Form were liable to be rejected if the above instructions, as applicable, were not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 were liable to be rejected.

Don'ts:

- 1) Do not apply for lower than the minimum Application size;

- 2) Do not submit a Application using UPI ID, if you are not a RII;
- 3) Do not Apply for a Amount exceeding ₹ 2,00,000 (for Applications by Retail Individual Applicants).
- 4) Do not pay the Application Amount in cheques, demand drafts or by cash, money order or postal order or by stock invest or any mode other than blocked amounts in the bank account maintained with SCSB;
- 5) Do not send Application Forms by post; instead submit the same to the Designated Intermediary only;
- 6) Do not Apply at Cut-off Price (for Applications by QIBs and Non-Institutional Applicants);
- 7) Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
- 8) Do not submit the Applications for an amount more than funds available in your ASBA account.
- 9) Do not submit Applications on plain paper or on incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicant;
- 10) In case of ASBA Applicants, do not submit more than one ASBA Forms per ASBA Account;
- 11) If you are a Retail Individual Applicant and are using UPI Mechanism, do not submit more than one Application Form for each UPI ID;
- 12) If you are a Retail Individual Applicant and are using UPI Mechanism, do not make the ASBA application using third party bank account or using third party linked bank account UPI ID;
- 13) Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
- 14) Do not Apply on a Application Form that does not have the stamp of the relevant Designated Intermediary;
- 15) Do not submit the General Index Register (GIR) number instead of the PAN;
- 16) Do not submit incorrect details of the DP ID, Client ID PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
- 17) Do not submit a Application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
- 18) Do not Apply if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
- 19) Do not submit a Application/revise a Issue Amount, with a price less than the Issue Price;
- 20) Do not submit your Apply after 3.00 pm on the Issue Closing Date;
- 21) If you are a QIB, do not submit your Application after 3:00 pm on the QIB Issue Closing Date;
- 22) Do not Apply on another ASBA Form after you have submitted a Application to any of the Designated Intermediaries;
- 23) Do not Apply for Equity Shares in excess of what is specified for each category;
- 24) Do not fill up the Application Form such that the Equity Shares Application for exceeds the Issue size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of this Prospectus;

- 25) Do not submit the Application without ensuring that funds equivalent to the entire Application Amount are available for blocking in the relevant ASBA Account or in the case of RIIs Applying using the UPI Mechanism, in the UPI-linked bank account where funds for making the Application are available;
- 26) Do not withdraw your Application or lower the size of your Application (in terms of quantity of the Equity Shares or the Application Amount) at any stage, if you are a QIB or a Non-Institutional Applicants. Retail Individual Applicant can revise their Applications during the Issue Period and withdraw their Applications on or before the Issue Closing Date;
- 27) Do not Apply, if you are an OCB;
- 28) Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Applications submitted by RIIs using the UPI Mechanism;
- 29) RIIs Applying through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB or a bank which is not mentioned in the list provided in the SEBI website is liable to be rejected;
- 30) Do not submit more than one Application Form for each UPI ID in case of RIIs Applying using the UPI Mechanism; and
- 31) Do not submit Applications to a Designated Intermediary at a location other than Specified Locations. If you are a Retail Individual Applicant and are using UPI Mechanism, do not submit the ASBA Form directly with SCSBs.;

The 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 can reach out to our Company Secretary and Compliance Officer. For details of our Company Secretary and Compliance Officer, see “*General Information*” on page no. 42 on this Daft Prospectus

For helpline details of the LM pursuant to the SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see “*General Information - Lead Manager*” on page no. 42 on this Daft Prospectus

GROUND FOR REJECTIONS

In addition to the grounds for rejection of Application on technical grounds as provided in the “*General Information Document for Investing in Public Offers*” Applicants are requested to note that Applications may be rejected on the following additional technical grounds.

1. Applications submitted without instruction to the SCSBs to block the entire Application Amount;
2. Applications which do not contain details of the Application Amount and the bank account or UPI ID (for RIBs using the UPI Mechanism) details in the Application Form;
3. Applications submitted on plain paper;
4. Applications submitted by Retail Individual Applicants using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;
5. Applications under the UPI linked Mechanism submitted by Retail Individual Applicants using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank);
6. Application Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
7. Application submitted without the signature of the First Applicant or sole Applicants;
8. The ASBA Form not being signed by the account holders, if the account holder is different from the Applicant;
9. ASBA Form by the RIIs by using third party bank accounts or using third party linked bank account UPI IDs;

10. Applications by person for whom PAN details have not been verified and whose beneficiary accounts are 'suspended for credit' in terms of SEBI circular (reference number: CIR/MRD/DP/ 22 /2010) dated July 29, 2010;
11. GIR number furnished instead of PAN;
12. Application by Retail Individual Applicants with Application Amount for a value of more than M200,000
13. Applications by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
14. Applications accompanied by cheque(s), demand draft(s), stock invest, money order, postal order or cash;
15. Applications uploaded by QIBs after 4.00 p.m. on the QIB Issue Closing Date and by Non-Institutional Applicants uploaded after 4.00 p.m. on the Issue Closing Date, and Applications by Retail Individual Applicants uploaded after 5.00 p.m. on the Issue Closing Date, unless extended by the Stock Exchanges; and
16. Application by OCB.

Issuance of a Confirmation of Allocation Note ("CAN") and Allotment in the Issue

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the Lead Manager or Registrar to the Issue shall send to the SCSBs a list of their Applicants who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Applicant.

INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM

In addition to the instructions for completing the Application Form provided in the sub-section "*General Information Document for Investing in Public Offers – Applying in the Offer – Instructions for filing the Application Form / Application Form*" Applicants are requested to note the additional instructions provided below.

1. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal. Applications must be in single name or in joint names (not more than three, and in the same order as their Depository Participant details).
2. Applications must be made in a single name or in joint names (not more than three, and in the same order as their details appear with the Depository Participant), and completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in the Prospectus and in the Application Form.
3. Applications on a repatriation basis shall be in the names of FIIs or FPIs but not in the names of minors, OCBs, firms or partnerships and foreign nationals.

DESIGNATED DATE AND ALLOTMENT

- (a) Our Company will ensure that the Allotment and credit to the successful Applicants' depository account will be completed within six Working Days, or such period as may be prescribed by SEBI, of the Issue Closing Date or such other period as may be prescribed.
- (b) Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees.
- (c) Allottees will have the option to re-materialise the Equity Shares so allotted as per the provisions of the Companies Act, 2013 and the Depositories Act.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Designated Stock Exchange, along with the LM and the Registrar to the Issue, 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 through the Offer Document except in case of over-subscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon over-subscription, an allotment of not more than one per cent of the Issue may be made for the purpose of making Allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the Retail Individual Applicants 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 as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Applicants shall not be less than the minimum Application lot, subject to the availability of shares in Retail Individual Applicants portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis.

Pre- Issue Advertisement

Subject to Section 30 of the Companies Act, our Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one English language national daily newspaper, one Hindi language national daily newspaper and one regional language daily newspaper, each with wide circulation. In the pre- Issue advertisement, we shall state the Issue Opening Date and the Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI Regulations.

Signing of the Underwriting Agreement and the RoC Filing

- a) Our Company, the Lead Manager and the Market Maker have entered into an Underwriting Agreement on January 17, 2023 and Addendum dated January 25, 2023.
- b) For terms of the Underwriting Agreement please see chapter titled “*General Information*” beginning on page no 42 of this Prospectus.
- c) We will file a copy of the Prospectus with the RoC in terms of Section 26, and all other provision applicable as per Companies Act.

Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 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 which shall not be less than six months extending up to 10 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.

Undertaking by our Company

Our Company undertakes the following:

- 1) If our Company does not proceed with the Issue after the Issue Closing Date but before allotment, then the reason thereof shall be given as a public notice 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 exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
- 2) That the complaints received in respect of the Issue shall be attended to by the Company expeditiously and satisfactorily;
- 3) That all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within six Working Days of the Issue Closing Date or such other period as may be prescribed;
- 4) If Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within the time prescribed under applicable law or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Applicants at the rate of 15.00% per annum for the delayed period;
- 5) That where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with the amount and expected date of electronic credit for the refund;
- 6) That the Promoters' contribution in full, if applicable, shall be brought in advance before the Issue opens for subscription
- 7) That funds required for making refunds to unsuccessful applicants as per mode(s) disclosed shall be made available to the Registrar to the Issue by the Company;
- 8) No further Issue of Equity Shares shall be made until the Equity Shares offered through the Prospectus are listed or until the Application monies are unblocked in the ASBA Accounts on account of non-listing, under-subscription etc.;
- 9) That if our Company withdraw the Issue after the Issue Closing Date, our Company shall be required to file a fresh offer document with the SEBI, in the event our Company subsequently decides to proceed with the Issue;
- 10) That our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time;
- 11) That the allotment of securities/refund confirmation to Eligible NRIs shall be dispatched within specified time;
- 12) That adequate arrangements shall be made to collect all Application Forms from Applicants and to consider them similar to non-ASBA applications while finalizing the basis of allotment; and
- 13) That our Company shall not have recourse to the Issue Proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges.

Utilization of Net Proceeds

Our Company specifically confirms and declares that:

- 1) All monies received out of the Issue of specified securities to public shall be credited/ transferred to 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 to in sub-item(i) shall be disclosed and continue to be disclosed till the time any part of the Fresh Issue proceeds remains un-utilised under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised and;
- 3) Details of all unutilized monies out of the Fresh Issue, if any shall be disclosed under the appropriate separate head in the balance sheet 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 under the FDI Policy and FEMA.

The Government has from time to time made policy pronouncements on foreign direct investment (“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 effective from October 15, 2020 (the “FDI Policy”), 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. For details, see “Key Regulations and Policies” on page no. 109 of this Prospectus .

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that: (i) the activities of the investee company are under the automatic route under the Consolidated FDI Policy and transfer does not attract the provisions of the SEBI Takeover Regulations, (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI policy, and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, 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 (“Restricted Investors”), will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future FDI 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. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Rules. Each Applicant should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Applicant shall intimate our Company and the Registrar to the Issue in writing about such approval along with a copy thereof within the Issue Period.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and the applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act) under Section 4(a) of the U.S. Securities Act, and (ii) outside the United States in offshore transactions as defined in and in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made. There will be no public offering of Equity Shares in the United States.

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 Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applications for do not exceed the applicable limits under laws or regulations.

SECTION XI – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Pursuant to the Companies Act and the SEBI ICDR Regulations, the main provisions of the Articles of Association are detailed below. Capitalised terms used in this section have the meaning given to them in the Articles of Association.

Each provision below is numbered as per the corresponding article number in the Articles of Association and defined terms herein have the meaning given to them in the Articles of Association.

Public Company

1. The company is a Public Company within the meaning of section 2(71) of the Companies Act, 2013.

Share capital and variation of rights

2. (i) The Authorized Share Capital of the Company shall be as laid down in Memorandum of Association of the Company.

(ii) Subject to the provisions of the Companies Act 2013 and the applicable Rules made there under, the Company / Board shall have power to issue / allot shares, whether on preferential basis or otherwise, from time to time and the shares shall be under the control of the Directors who may allot or otherwise dispose of the same to such persons, on such terms and conditions and at such times as the Directors think fit.
3. (i) 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 twenty rupees for each certificate after the first.
(ii) Every certificate shall be under the seal and 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.
4. (i) 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 twenty rupees for each certificate.

(ii) The company may issue new share certificates pursuant to consolidation or sub-division of share certificate(s) upon written request received from shareholder together with production and surrender of respective original share certificate(s). Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.

(iii) The provisions of Articles (5) and (6) shall mutatis mutandis apply to debentures of the company.
5. 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.

6. (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made there under.
 - (ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.
 - (iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
7. (i) 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 provisions of section 48 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.
 - (ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.
8. 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.
9. 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.

Lien

10. (i) The company shall have a first and paramount lien—
 - (a) 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
 - (b) 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 shares shall be free from all lien and that in the case of partly paid shares the Company's lien shall be restricted to monies called or payable at a fixed time in respect of such shares.
11. 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—
 - (a) unless a sum in respect of which the lien exists is presently payable; or
 - (b) 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.
12. (i) To give effect to any such sale, the Board may authorise 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.

13. (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.

Calls on shares

14. (i) 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.

(ii) 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.

(iii) A call may be revoked or postponed at the discretion of the Board.

(iv) The option or right to make call on shares shall not be given to any person except with the sanction of the Company in General Meetings. That is, it may delegate power to make calls on shares subject to approval of the shareholder in a general meeting of the company.

15. 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 instalments.

16. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

17. (i) 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.

(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

18. (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.

19. The Board—

(a) 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

(b) 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 per cent. per annum, as may be agreed upon between the Board and the member paying the sum in advance but shall not confer a right to dividend or to participate in profits.

Transfer of shares

20. (i) The Company shall use a Common form of transfer. 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.
21. The Board may, subject to the right of appeal conferred by section 58 decline to register—
- (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
- (b) any transfer of shares on which the company has a lien.
22. The Board may decline to recognise any instrument of transfer unless—
- (a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;
- (b) 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
- (c) the instrument of transfer is in respect of only one class of shares.
23. On giving not less than seven days' previous notice in accordance with section 91 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.

24. Subject to the provisions of Section 59 of Companies Act, 2013, the Board may decline to register any transfer of Shares on such grounds as it think fit in the benefit of the company (notwithstanding that the proposed transferee be already a Member), but in such case it shall, within two (2) months from the date the instrument of transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal to register such transfer giving reasons for such refusal. Provided that registration of a transfer 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.

Transmission of Shares

25. (i) 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 recognised by the company as having any title to his interest in the shares.
- (ii) 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.
26. (i) 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 hereinafter provided, elect, either—
- (a) to be registered himself as holder of the share; or
- (b) to make such transfer of the share as the deceased or insolvent member could have made.
- (ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

27. (i) 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.
- (ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- (iii) 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.
28. 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:

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

29. If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.
30. The notice aforesaid shall—
- (a) 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
- (b) 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.
31. 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.
32. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
- (ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
33. (i) 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.
- (ii) 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.
34. (i) 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.
- (ii) 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 favour of the person to whom the share is sold or disposed of.

(iii) The transferee shall thereupon be registered as the holder of the share

(iv) 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.

35. The provisions of these regulations as to forfeiture shall apply in the case of nonpayment 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.

Alteration of Capital

36. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution. The Authorised Share Capital shall be as per the clause V (a) of Memorandum of Association of the company.

37. Subject to the provisions of section 61, the company may, by ordinary resolution,—

(a) increase its authorised share capital by such amount as it thinks expedient.

(b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

(d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;

(e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

38. Where shares are converted into stock,—

(a) 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.

(b) 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.

(c) 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.

39. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—

(a) its share capital;

(b) any capital redemption reserve account; or

(c) any share premium account.

Capitalisation of profits

40. (i) The company in general meeting may, upon the recommendation of the Board resolve—
- (a) that it is desirable to capitalise 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, Securities Premium Accounts or otherwise available for distribution; and
 - (b) 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.
41. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—
- (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and
 - (b) generally do all acts and things required to give effect thereto.
- (ii) The Board shall have power—
- (a) 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 infractions; and
 - (b) to authorise any person to enter, on behalf of all the members entitled thereto, 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 capitalisation, 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 capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;
- (iii) Any agreement made under such authority shall be effective and binding on such members.

Dematerialisation of Securities

42. For the purpose of this Article:-

"Beneficial Owner": Beneficial Owner shall have the meaning assigned thereto in section 2(1)(a) of the Depositories Act, 1996.

"Depositories Act": Depositories Act shall mean the Depositories Act, 1996 and includes any statutory modification or re-enactment thereof for the time being in force.

"Depository": Depository shall mean a Depository as defined in section 2(1)(e) of the Depositories Act, 1996.

"Member": Member shall mean a duly registered holder from time to time of the security of the company and includes every person whose name is entered as beneficial owner in the records of the Depository.

"Security": Security shall mean such security as may be specified by SEBI.

"Dematerialisation of Securities": Notwithstanding anything on the contrary contained in this Article, the company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form and further to rematerialise the securities held on depository pursuant to the Depositories Act, 1996 or any amendment thereof.

"Option to hold securities in physical form or with depository": Every person holding securities of the company through allotment or otherwise shall have the option to receive and hold the same in the dematerialised form with a depository.

"Beneficial Owner may opt out of a Depository": Every person holding securities of the company with a depository, being the beneficial owner thereof, may at any time opt out of the depository in the manner provided under the provisions of the Depositories Act and the Rules, if any, prescribed there under and on fulfilment of the conditions prescribed by the company from time to time, company shall issue the relevant security certificates to the beneficial owner thereof.

"Securities in Depositories to be in fungible form": All securities held by a depository shall be dematerialised and shall be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Companies Act, shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

"Rights of depository and beneficial owners": A depository shall be deemed to be the registered owner for the purposes of affecting the transfer of ownership of securities on behalf of the beneficial owners and shall not have any voting rights or any other rights in respect of the securities held by it.

Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all rights and benefits and be subject to all the liabilities in respect of his/her securities, which are held by a depository.

"Transfer of securities": Transfer of security held in a depository will be governed by the provisions of the Depository Act, 1996. Nothing contained in Section 56 of the Companies Act, 2013 or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

"Register and Index of beneficial owners": The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of Members and Security holders for the purpose of these Articles.

"Other matters": Notwithstanding anything contained in these Articles, the provision of Depositories Act, 1996 relating to dematerialisation of securities including any modification(s) or re-enactment thereof and Rules/Regulations made there under shall prevail accordingly.

Notwithstanding anything contained in the Act or the Articles, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the company by means of electronic mode or by delivery of floppies or disks.

Nomination

43. Notwithstanding anything contained in Articles, every holder of shares(s) or debenture(s) of the Company may, at any time, nominate, in the prescribed manner, a person to whom these share(s) shall vest in the event of his death and the provisions of Section 109A and Section 109B of the Companies Act, 1956 shall apply in respect of such nomination.

The provisions of this Article shall apply mutatis mutandis to a depository of money with the Company as per the provisions of Section 58A of the Act.

Buy-Back of Shares

44. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

General Meetings

45. All general meetings other than Annual General Meeting shall be called extraordinary general meeting.
46. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.
- (ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

Proceedings at General Meetings

47. (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) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.
- (iii) The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.
- (iv) 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.
- (v) 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 choose one of their members to be Chairperson of the meeting.

Adjournment of Meeting

48. (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

49. 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.

50. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
51. (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.
52. 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.
53. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
54. 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.
55. (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.

Proxy

56. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 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 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
57. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
58. 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 adjourned meeting at which the proxy is used.

Board of Directors

59. The minimum number of Directors shall be 3 and maximum number of directors shall be 15. The following shall be the First Directors of the Company:
1. Mr. Gautam Makkar s/o Niranjan Dev Makkar; and
 2. Mr. Sunil Menon s/o C.K. Menon
60. (i) Subject to the provisions of the Act, the Company may pay any remuneration, as determined by the Board of Directors / General Meeting to all or any of its Directors for the services rendered by them / him in day to day management of the affairs of the company or any other type of services, whether professional in nature or not, for any of the purposes of the company, either by a fixed sum on monthly or annual basis and / or perquisites and / or a percentage of the profits or otherwise as may be determined by the Board or the members in General Meeting.

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.

61. The Board may pay all expenses incurred in getting up and registering the company.

62. 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.

63. 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.

64. 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.

65. (i) 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.

(ii) 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.

Proceedings of the Board

66. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(ii) Subject to the Articles herein, a director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

(iii) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

(iv) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

67. 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.

68. (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.

69. (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.

70. A committee may elect a Chairperson of its meetings.
71. 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.
72. (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.
73. 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.
74. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all 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.

Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer

75. Subject to the provisions of the Act,—
- (i) A chief executive officer, manager, 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, manager, 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, company secretary or chief financial officer.
76. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

Managing Director

77. The business of the Company may be carried on by the Managing Director(s) who may be appointed by the Board of Directors / members in their General Meeting, from time to time who shall fix the terms, qualifications, remuneration, duties, authorities and powers. The Board may from time to time and subject to the provisions of the Act delegate to the Managing Director(s) such of their powers and duties and subject to such limitations and conditions as they may deem fit. The Board may from time to time, revoke, withdraw, alter or vary all or any of the powers conferred on him or dismiss him from office and appoint another in his place.
78. Subject to the provisions of section 179 and 180 of the Companies Act, 2013, the Managing Director of the Company, if any, shall be empowered to carry on the day to day business affairs of the Company. He shall have the general control, management and superintendence of the business of the Company with power to appoint and to dismiss employees and to enter into contracts on behalf of the Company in the ordinary course of business and to do and perform all other acts, deeds and things which in the ordinary course of business may be considered necessary/proper or in the interest of the Company.

The Seal

79. (i) The Board shall provide for the safe custody of the seal.

(ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

Dividends and Reserve

80. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
81. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.
82. (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.
83. (i) 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.
- (ii) 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.
- (iii) 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.
84. 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.
85. (i) Any dividend, interest or other monies payable in cash in respect of shares may be 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.
- (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent
86. 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.
87. 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.
88. No dividend shall bear interest against the company.
89. No unclaimed Dividend shall be forfeited before the claim becomes barred by law, and unclaimed Dividends shall be dealt with in accordance with the applicable provisions of the Act

Accounts

90. (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 authorised by the Board or by the company in general meeting.

Winding Up

91. 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.
92. 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.
93. 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

94. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

SECTION XII – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Prospectus) which are or may be deemed material will be attached to the copy of the Prospectus which will be delivered to the RoC for registration. Copies of the above mentioned contracts and also the documents for inspection referred to here under, may be inspected at the Corporate Office between 10 a.m. and 5 p.m. on all Working Days from Application/Offer Opening Date until the Application/Offer Closing Date.

1) Material Contracts

- a. Memorandum of Understanding dated November 16, 2022 and Addendum dated January 25, 2023 between our Company and the Lead Manager.
- b. Memorandum of Understanding dated November 15, 2022 between our Company and the Registrar to the Issue.
- c. Escrow Agreement dated January 25, 2023 between our Company, the Lead Manager, Escrow Collection Bank(s) / Sponsor Bank and the Registrar to the Issue.
- d. Market Making Agreement dated January 17, 2023 and Addendum dated January 25, 2023 between our Company, the Lead Manager and Market Maker.
- e. Underwriting Agreement dated January 17, 2023 and Addendum dated January 25, 2023 between our Company, the Lead Manager and the Market Maker.
- f. Tripartite agreement between the CDSL, our Company and the Registrar to the Issue dated October, 12 2022.
- g. Tripartite agreement between the NSDL, our Company and the Registrar to the Issue dated October, 13 2022.

2) Material Documents

- a. Certified true copies of the Memorandum and Articles of Association of our Company, as amended from time to time.
- b. Copy of Certificate of Incorporation dated February 16, 2012 issued under the name Flash Forge Fluid Control Private Limited by Registrar of Companies, Maharashtra, Mumbai.
- c. Copy of Fresh Certificate of Incorporation Consequent upon Change of Name dated October 19, 2012 issued by Registrar of Companies, Maharashtra, Mumbai consequent to name change from to CFF Fluid Control Private Limited.
- d. Copy of Certificate of Incorporation Consequent upon conversion to Public Limited Company dated September 01, 2022 issued by Registrar of Companies, Mumbai consequent upon conversion from to CFF Fluid Control Limited.
- e. Resolution of the Board of Directors dated November 21, 2022 in relation to the Issue.
- f. Resolution of the Shareholders of our Company, passed at the Extra-Ordinary General Meeting held with shorter notice on November 25, 2022 in relation to the Issue.
- g. Statutory Auditor's report for Restated Financials dated April 25, 2023 included in this Prospectus.
- h. The Statement of Tax Benefits dated April 25, 2023 from our Statutory Auditors included in this Prospectus.
- i. Consents of our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor, Banker(s) to the Company, Banker to the Issue, Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Underwriters and Market Maker to act in their respective capacities.

- j. Due Diligence Certificate(s) dated May 23, 2023 to SEBI by the Lead Manager.
- k. Approval from BSE vide letter dated January 19, 2023 to use the name of BSE in this Offer Document for listing of Equity Shares on the SME Platform of the BSE Limited.

DECLARATION

We, hereby declare that, all the relevant provisions of the Companies Act, 2013 (to the extent notified) and the Guidelines issued by the Government of India or the Regulations or Guidelines issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in the Prospectus is contrary to the provisions of the Companies Act, 2013 (to the extent notified), the Securities and Exchange Board of India Act, 1992, each as Amended or Rules made there under or Guidelines / Regulations issued, as the case may be. We further certify that all the disclosures and statements made in the Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY:

Sd/-

Sunil Menon
Managing Director

Date: May 23, 2023
Place: Mumbai

DECLARATION

We, hereby declare that, all the relevant provisions of the Companies Act, 2013 (to the extent notified) and the Guidelines issued by the Government of India or the Regulations or Guidelines issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in the Prospectus is contrary to the provisions of the Companies Act, 2013 (to the extent notified), the Securities and Exchange Board of India Act, 1992, each as Amended or Rules made there under or Guidelines / Regulations issued, as the case may be. We further certify that all the disclosures and statements made in the Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY:

Sd/-

Gautam Makkar
Non-Executive Director

Date: May 23, 2023
Place: Mumbai

DECLARATION

We, hereby declare that, all the relevant provisions of the Companies Act, 2013 (to the extent notified) and the Guidelines issued by the Government of India or the Regulations or Guidelines issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in the Prospectus is contrary to the provisions of the Companies Act, 2013 (to the extent notified), the Securities and Exchange Board of India Act, 1992, each as Amended or Rules made there under or Guidelines / Regulations issued, as the case may be. We further certify that all the disclosures and statements made in the Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY:

Sd/-

Priyanka Moondra Rathi

Non-Executive Independent Director

Date: May 23, 2023

Place: Mumbai

DECLARATION

We, hereby declare that, all the relevant provisions of the Companies Act, 2013 (to the extent notified) and the Guidelines issued by the Government of India or the Regulations or Guidelines issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in the Prospectus is contrary to the provisions of the Companies Act, 2013 (to the extent notified), the Securities and Exchange Board of India Act, 1992, each as Amended or Rules made there under or Guidelines / Regulations issued, as the case may be. We further certify that all the disclosures and statements made in the Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY:

Sd/-

Rajnish Prakash

Non-Executive Independent Director

Date: May 23, 2023

Place: Mumbai

DECLARATION

We, hereby declare that, all the relevant provisions of the Companies Act, 2013 (to the extent notified) and the Guidelines issued by the Government of India or the Regulations or Guidelines issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in the Prospectus is contrary to the provisions of the Companies Act, 2013 (to the extent notified), the Securities and Exchange Board of India Act, 1992, each as Amended or Rules made there under or Guidelines / Regulations issued, as the case may be. We further certify that all the disclosures and statements made in the Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY:

Sd/-

Hitesh Birla
Chief Financial Officer

Date: May 23, 2023
Place: Mumbai

DECLARATION

We, hereby declare that, all the relevant provisions of the Companies Act, 2013 (to the extent notified) and the Guidelines issued by the Government of India or the Regulations or Guidelines issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in the Prospectus is contrary to the provisions of the Companies Act, 2013 (to the extent notified), the Securities and Exchange Board of India Act, 1992, each as Amended or Rules made there under or Guidelines / Regulations issued, as the case may be. We further certify that all the disclosures and statements made in the Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY:

Sd/-

Sonika Mehta
Company Secretary & Compliance Officer

Date: May 23, 2023

Place: Mumbai