

**THIS IS A PUBLIC ANNOUNCEMENT FOR INFORMATION PURPOSES ONLY. IT IS NOT A PROSPECTUS ANNOUNCEMENT AND DOES NOT CONSTITUTE AN INVITATION OR OFFER TO ACQUIRE, PURCHASE OR SUBSCRIBE TO SECURITIES. NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION DIRECTLY OR INDIRECTLY OUTSIDE INDIA.**



**(Please scan this QR code to view the DRHP)**



**C2C ADVANCED SYSTEMS LIMITED**

**CORPORATE IDENTITY NUMBER: U72200KA2018PLC110361**

Our Company was incorporated as ‘C2C – DB Systems Private Limited’, a private limited company, under the Companies Act, 2013, pursuant to a Certificate of Incorporation dated February 21, 2018 issued by the Registrar of Companies, Bengaluru, Karnataka (“RoC”). Subsequently, the name of our Company was changed to C2C Advanced Systems Private Limited and a fresh Certificate of Incorporation dated May 12, 2022 was issued by the RoC. Pursuant to a special resolution passed by our shareholders in the Extra Ordinary General Meeting held on October 28, 2023 our Company was converted into a public limited company and the name of our Company was changed to ‘C2C Advanced Systems Limited and a fresh Certificate of Incorporation dated December 22, 2023 was issued to our Company by the RoC. For further details on the changes in the name and registered office of our Company, see “*History and Certain Corporate Matters*” on page **Error! Bookmark not defined.** of the Draft Red Herring Prospectus dated April 26, 2024.

Registered Office: No 86, Wings of Eagles, SS Commercial Estate, Varthur Road, Nagavarapalaya Main Road, C V Raman Nagar, Bengaluru – 560 093, Karnataka, India

**Corporate Office :** C4, Anand Niketan, New Delhi – 110 021, India

**Contact Person:** Manjeet Singh, Company Secretary and Compliance Officer; **E-mail:** compliance@ c2c-as.com; Tel : +91 80 4372 4052; **Website:** [www.c2c-as.com](http://www.c2c-as.com)

**OUR PROMOTERS: C2C INNOVATIONS PRIVATE LIMITED, PVR MULTIMEDIA PRIVATE LIMITED, LAKSHMI CHANDRA, MAYA CHANDRA,, SUBRAHMANYA SRINIVASA NARENDRA LANKA, KURIYEDATH RAMESH AND MURTAZA ALI SOOMAR**

**NOTICE TO INVESTORS: ADDENDUM TO THE DRAFT RED HERRING PROSPECTUS DATED APRIL 26, 2024 (“ADDENDUM”)**

**INITIAL PUBLIC ISSUE OF UPTO 43,62,865 EQUITY SHARES OF FACE VALUE OF ₹10.00 EACH (“EQUITY SHARES”) OF C2C ADVANCED SYSTEMS LIMITED (THE “COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE (THE “ISSUE PRICE”) AGGREGATING TO ₹ [●] LAKHS (“THE ISSUE”) OF WHICH UPTO [●] EQUITY SHARES AGGREGATING TO ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. NET ISSUE OF UPTO [●] EQUITY SHARES AGGREGATING TO ₹[●] LAKHS (THE “NET ISSUE”). THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [●]% AND [●]% RESPECTIVELY OF THE POST ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLMs AND WILL BE ADVERTISED IN [●] EDITION OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER) AND [●] EDITION OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER, AND [●] EDITION OF [●], A KANNADA REGIONAL NEWSPAPER (KANNADA BEING THE REGIONAL LANGUAGE OF BENGALURU WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED ( “NSE”) FOR THE PURPOSES OF UPLOADING ON THEIR WEBSITE.”).**

This Addendum is in reference to the Draft Red Herring Prospectus filed with NSE EMERGE in relation to the Issue. In this regard, potential Bidders may note that Potential Bidders may note that in order to assist the Bidders to get a complete understanding of the updated information, the relevant portions of the front inside cover page and sections titled “Risk Factors”, “Objects of the Issue” “Our Business” “Management’s Discussion and Analysis of financial statements and results of operations”, “Group Companies” and

certain other have been updated and included in this Addendum. All other updates to the Draft Red Herring Prospectus in this regard will be carried out in the Red Herring Prospectus and the Prospectus.

The changes in this Addendum are to be read in conjunction with the Draft Red Herring Prospectus and accordingly, the corresponding references in the Draft Red Herring Prospectus stand updated pursuant to this Addendum. The information in this Addendum supplements and updates the information in the Draft Red Herring Prospectus, as applicable. However, this Addendum does not reflect all the changes that have occurred between the date of filing of the Draft Red Herring Prospectus and the date hereof, and accordingly does not include all the changes and/or updates that will be included in the Red Herring Prospectus and the Prospectus. Please note that all other details / information included in the Draft Red Herring Prospectus will be suitably updated, including to the extent stated in this Addendum, along with other factual updates, as may be applicable, in the Red Herring Prospectus and the Prospectus, as and when filed with the RoC, SEBI and the Stock Exchange. Investors should not rely on the Draft Red Herring Prospectus or this Addendum for any investment decision, and should read the Red Herring Prospectus, as and when it is filed with the RoC, SEBI and the Stock Exchange before making an investment decision with respect to the Offer.

The Equity Shares offered in the Issue have not been and will not be registered under the United States 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 absent registration under the U.S. Securities Act or 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. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act and referred to in the Draft Red Herring Prospectus as “U.S. QIBs”; for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in the Draft Red Herring Prospectus as “QIBs”) pursuant to Section 4(a) of the U.S. Securities Act and (b) 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 are made.

This Addendum shall be made available on the website of the Stock Exchange i.e., [www.nseindia.com](http://www.nseindia.com), the website of our Company i.e. [www.c2c-as.com](http://www.c2c-as.com) and the website of the BRLMs, i.e., Mark Corporate Advisors Limited at [www.markcorporateadvisors.com](http://www.markcorporateadvisors.com) and [www.beelinemb.com](http://www.beelinemb.com)

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

Place: Bengaluru  
Date: **04/10/2024**

For C2C Advanced Systems Limited  
On behalf of the Board of Directors

Sd/-  
Manjeet Singh  
Company Secretary and Compliance Officer

BOOK RUNNING LEAD MANAGERS TO THE ISSUE		REGISTRAR TO THE ISSUE
		
<b>Mark Corporate Advisors Private Limited</b> <b>CIN Number : U67190MH2008PTC181996</b> <b>Address:</b> 404/1, The Summit Business Bay, Sant Janabai Road (Service Lane), Off W. E. Highway, Vile Parle (East), Mumbai-400 057. Maharashtra <b>Tel. No.:</b> +91 22 2612 3208 <b>Email id:</b> <a href="mailto:smeipo@markcorporateadvisors.com">smeipo@markcorporateadvisors.com</a> <b>Investor Grievance Email id:</b> <a href="mailto:investorgrievance@markcorporateadvisors.com">investorgrievance@markcorporateadvisors.com</a> <b>Website:</b> <a href="http://www.markcorporateadvisors.com">www.markcorporateadvisors.com</a> <b>Contact Person:</b> Mr Manish Gaur <b>SEBI Registration Number.:</b> INM000012128	<b>Beeline Capital Advisors Private Limited</b> <b>CIN Number : U67190GH2020PTC11432</b> <b>Address:</b> B 1311-1314, Thirteenth Floor, Shilp Corporate Park, Rajpath Rangoli Road, Thaltej, Ahmedabad- 380054, Gujarat, India. <b>Tel. No.:</b> 079 4918 5784 <b>Email Id:</b> <a href="mailto:mb@beelinemb.com">mb@beelinemb.com</a> <b>Investors Grievance Email id:</b> <a href="mailto:ig@beelinemb.com">ig@beelinemb.com</a> <b>Website:</b> <a href="http://www.beelinemb.com">www.beelinemb.com</a> <b>Contact Person:</b> Mr. Nikhil Shah <b>SEBI Registration Number:</b> INM000012917	<b>Link Intime India Private Limited</b> <b>Address:</b> C-101, 1st Floor, 247 Park, L.B. S. Marg, Vikhroli (West) Mumbai 400 083 Maharashtra, India <b>Tel. No:</b> + 91 22 4918 6200 <b>Email id:</b> <a href="mailto:c2csme ipo@linkintime.co.in">c2csme ipo@linkintime.co.in</a> <b>Investor grievance e-mail:</b> <a href="mailto:c2csmeipo@linkintime.co.in">c2csmeipo@linkintime.co.in</a> <b>Website:</b> <a href="http://www.linkintime.co.in">www.linkintime.co.in</a> <b>Contact Person...</b> Ms Shanthi Gopalkrishnan. <b>SEBI Registration No.:</b> INR000004058

## **CONTENTS**

<b>SECTION III – RISK FACTORS</b> .....	<b>4</b>
<b>GENERAL INFORMATION</b> .....	<b>12</b>
<b>CAPITAL STRUCTURE</b> .....	<b>12</b>
<b>OBJECTS OF THE ISSUE</b> .....	<b>13</b>
<b>BASIS FOR THE ISSUE PRICE</b> .....	<b>23</b>
<b>OUR BUSINESS</b> .....	<b>24</b>
<b>KEY REGULATIONS AND POLICIES</b> .....	<b>56</b>
<b>HISTORY AND CERTAIN CORPORATE MATTERS</b> .....	<b>57</b>
<b>OUR MANAGEMENT</b> .....	<b>57</b>
<b>OUR PROMOTER AND PROMOTER GROUP</b> .....	<b>57</b>
<b>OUR GROUP COMPANIES</b> .....	<b>62</b>
<b>MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION</b> .....	<b>64</b>
<b>GOVERNMENT AND OTHER APPROVALS</b> .....	<b>66</b>
<b>CASH FLOW STATEMENT</b>	<b>68</b>
<b>OTHERS</b>	<b>70</b>

### SECTION III – RISK FACTORS

#### Risk Factor No: 3

*We are having a high trade receivable days and high trade payables days in the last 2 financial years and such high receivables and payables days could have an adverse impact on liquidity position of our business.*

Our trade receivables days were 1,910 and 4085 days for the financial years March 31, 2022, and March 31, 2023 and our trade payable days were 7,811 and 2,770 days respectively for the financial years March 31, 2022 and March 31, 2021. Although the Company has already realized majority of the said trade receivables and made majority of the payments to the creditors as on the date of the Draft Red Herring Prospectus, however, we cannot guarantee that there will be no default from our trade receivables and we cannot guarantee the entire recovery. Any subsequent default by our debtors can affect our financial position and our profitability. Further, high trade receivables affect our working capital requirement as it affects the liquidity position of the business. Further this may also lead to us defaulting in the payment to our creditors which will in turn reduce the credit period and reputation that we enjoy with our suppliers and will require us to provide for additional working capital which could affect the liquidity position of our business.

#### Risk Factor No: 15

*We are yet to identify the premises at Bengaluru for the expansion of our existing activities and at Dubai for the new Experience Centre that is to be set up at Dubai, United Arab Emirates.*

We have earmarked an amount of ₹ 160 lakhs towards the security deposit for a new premises that is to be taken on lease at Bengaluru and Dubai. Further we have also earmarked an amount of ₹ 272.20 lakhs towards fitouts for the new premises at Bengaluru and for the new Experience Centre to be set up at Dubai. We are yet to identify these premises and amount earmarked for the security deposit is on the basis of the prevalent rates in the area where we propose to take the premises on lease. The amount earmarked for the fitouts are based on the quotations received from an Architect and in case there is an upward revision there could be an increase in the funds required and in that event, we would be required to undertake variation in the disclosed utilisation of the Net Proceeds and any delay may adversely affect our business or operations.

#### Risk Factor No: 17

*We depend on exports for a significant portion of our revenue. Restrictions on the export of our products and other regulations could adversely affect our business, results of operations and financial condition.*

We have in the past derived a significant portion of our revenue from exports and may continue to derive a significant portion of our revenue from such customers. As per our Restated Financial Statements, our revenue from exports on a consolidated basis for the Fiscals ended 2023, 2022 and 2021 amounting to ₹1,921.29 lakhs, 714.80 lakhs, Nil and ₹ 24.95 lakhs constituting 87.09%, 88.81%, Nil and 23.17% respectively for the period ended December 31, 2023 and the Financial Years ended March 31, 2023, 2022 and 2021 respectively. As our business is currently concentrated on exports which involves design of 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 authorisation to export 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 authorisations, could negatively affect our business, results of operations and financial condition. Authorisations can be revoked and general export controls may change in response to international conflicts or other political or geopolitical factors. Foreign exchange fluctuations could also have an adverse material impact on our revenues and profitability.

#### Risk Factor No: 18

*There have been instances of delay in the filing of Forms with the MCA in the recent past.*

The following forms have been filed with a delay with the MCA in the last 3 years and we have filed the same with additional charges. Although, no other penal action has been taken by the relevant

authorities, repeated delays could lead to penal action being taken on the Company which could have an adverse impact on our reputation and revenues.

Sl.No	Type of Form	Due date of filing	Actual date of filing
1	PAS-3 pertaining to Allotment on December 26, 2023	26/01/2024	12/02/2024
2	SH-7 – For increase in Authorised Capital	18/01/2024	09/02/2024

**Risk Factor No :21** has been modified to include the related party transactions is as per Companies Act and as per applicable laws

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

We have in the course of our business entered into, and will continue to enter into, several transactions with our related parties, which include loans, lease advances and guarantees given by our Company. *These transactions have been entered into on an arms length basis as per the provisions of the Companies Act, 2013 and other applicable laws. For details, see “Other Financial Information - Related Party Transactions” on page 221 of this Draft Red Herring Prospectus.* We cannot assure you that we will receive similar terms in our related party transactions in the future. While we believe that all such related party transactions that we have entered into are legitimate business transactions conducted on an arms’ length basis, we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. Any further transactions with our related parties could involve conflicts of interest. Further, we cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on business and financial results, including because of potential conflicts of interest or otherwise.

**Risk Factor No: 24**

*1. We have paid or filed GST returns with a delay and have also filed a late fee on the same*

We have filed the following GST returns with a delay and paid fines / late fees.

A.Y 2019-20	Due Date	Date of filing	Number of days delay	late fess
Nov-19	20.12.2019	21.12.2019	1	
Dec-19	20.01.2020	22.01.2020	2	80
Mar-20	20.04.2020	24.06.2020	65	
			<b>68</b>	<b>80</b>
A.Y 2020.-21	Due Date	Date of filing	Number of days delay	late fess
Apr-20	20.05.2020	30.06.2020	41	1750
May-20	20.06.2020	30.06.2020	10	410
Jan-20	20.07.2020	11.08.2020	53	
Jul-20	20.08.2020	24.09.2020	35	
Aug-20	20.09.2020	01.10.2020	11	
Sep-20	20.10.2020	23.10.2020	3	
Oct-20	20.11.2020	19.11.2020		10
Nov-20	20.12.2020	22.12.2020	2	
Dec-20	20.01.2021	21.01.2021	1	
March 2021	20.04.2021	22.04.2021	2	
			<b>158</b>	<b>2170</b>

A.Y 2021-22	Due Date	Date of filing	Number of days delay	late fess
Oct-21	20.11.2021	23.11.2021	3	75
Nov-21	20.12.2021	21.12.2021	1	10
			<b>4</b>	<b>85</b>
A.Y 2022-23	Due Date	Date of filing	Number of days delay	late fess
May-22	20.06.2022	23.06.2022	3	75
			<b>3</b>	<b>75</b>
A.Y 2023-24	Due Date	Date of filing	Number of days delay	Late Fees
Apr-23	20.05.2023	27.7.2023	68	1700
May-23	20.06.2023	27.07.2023	37	925
Jun-23	20.07.2023	27.07.2023	7	175
Sep-23	20.10.2023	09.12.2023	58	
Oct-23	20.11.2023	08.01.2023	49	1250
Nov-23	20.12.2023	08.01.2023	19	250
Dec-23	20.01.2024	20.01.2024		475
Jan-24	20.02.2024	04.03.2024	13	
Feb-24	20.03.2024	19.03.2024		325
Mar-24	20.04.2024	23.05.2024	34	
			<b>285</b>	<b>5100</b>

Although no other penal action has been taken, repeated non-compliances could lead to penal action being taken on the Company which could have an adverse impact on our reputation and revenues. We have further strengthened our Compliance Department with the appointment of a full time company secretary and appointed independent directors on the Board and this will ensure that there is compliance with regard to filing of all returns on time without any delay.

#### Risk Factor No: 26

*We have had a fluctuating attrition rate amongst our employees in the last 3 years. Our business depends substantially on the continued efforts of our qualified personnel, and our operations may be disrupted if we lose their services.*

We have had a fluctuating attrition rate amongst our employees in the last 3 years as under:

Particulars	For the half year ended	For the Financial year ended		
	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Average number of employees	107	58	41	40
Number of employees retired / left	6	16	20	6
Attrition Rate (%)	5.6	27.59	48.78	15.00

Although, during the past three (3) financial years we have added more employees than those who have left, we cannot assure you that there will be no attrition of employees in future. At senior levels (Management, technologists, project managers) the attrition rate has been zero for all the years. Our success depends substantially on the continued efforts of our qualified personnel with expertise in various areas. If one or more of our executive officers or key employees are unable or unwilling to continue their services with us, we might not be able to replace them easily, in a timely manner, or at all. . If we are unable to retain talent required for our business, or hire employees with similar talents and experience in the same cost, we may incur additional costs or we may face difficulties in our operations and performance due to lack of skilled and experienced workforce which could have a material adverse effect on our profitability, financial condition and results of operations.

**Risk Factor : 37**

*There has been a delay in the deposit of statutory dues in the recent past.*

There was a delay in the deposit of Provident Fund (PF) deducted from our employees as under:

Sr. No.	Wage Month	Due Date	Presentation Date	Delay (in Days)	Total Interest and Damages
1	Mar-20	15-04-2020	23-11-2023	1317	2,62,856.00
2	May-20	15-06-2020	23-11-2023	1256	2,57,630.00
3	Jun-20	15-07-2020	23-11-2023	1226	2,29,658.00
4	Jul-20	15-08-2020	23-11-2023	1195	2,23,390.00
5	Aug-20	15-09-2020	23-11-2023	1164	2,18,847.00
6	Sep-20	15-10-2020	23-11-2023	1134	2,17,856.00
7	Oct-20	15-11-2020	23-11-2023	1103	2,11,900.00
8	Nov-20	15-12-2020	23-11-2023	1073	2,10,538.00
9	Dec-20	15-01-2021	23-11-2023	1042	2,00,182.00
10	Jan-21	15-02-2021	23-11-2023	1011	1,90,082.00
11	Feb-21	15-03-2021	23-11-2023	983	1,83,377.00
12	Mar-21	15-04-2021	23-11-2023	952	1,67,762.00
13	May-21	15-06-2021	23-11-2023	891	1,45,056.00
14	Jun-21	15-07-2021	23-11-2023	861	1,29,564.00
15	Jul-21	15-08-2021	23-11-2023	830	1,23,133.00
16	Aug-21	15-09-2021	23-11-2023	799	1,65,538.00
17	Sep-21	15-10-2021	23-11-2023	769	1,47,520.00
18	Oct-21	15-11-2021	23-11-2023	738	1,31,985.00
19	Nov-21	15-12-2021	23-11-2023	708	1,21,023.00
20	Dec-21	15-01-2022	23-11-2023	677	98,356.00
21	Jan-22	15-02-2022	24-11-2023	647	1,01,263.00
22	Feb-22	15-03-2022	23-11-2023	618	92,386.00
23	Mar-22	15-04-2022	23-11-2023	587	84,653.00
24	Apr-22	15-05-2022	24-11-2023	558	1,52,113.00
25	May-22	15-06-2022	24-11-2023	527	1,46,804.00
26	Jun-22	15-07-2022	24-11-2023	497	1,42,030.00

Sr. No.	Wage Month	Due Date	Presentation Date	Delay (in Days)	Total Interest and Damages
27	Jul-22	15-08-2022	24-11-2023	466	1,32,903.00
28	Aug-22	15-09-2022	24-11-2023	435	1,20,689.00
29	Sep-22	15-10-2022	24-11-2023	405	1,11,987.00
30	Oct-22	15-11-2022	24-11-2023	374	1,03,433.00
31	Nov-22	15-12-2022	24-11-2023	344	94,251.00
32	Dec-22	15-01-2023	24-11-2023	313	80,573.00
33	Jan-23	15-02-2023	24-11-2023	282	75,298.00
34	Feb-23	15-03-2023	24-11-2023	254	68,230.00
35	Mar-23	15-04-2023	24-11-2023	223	64,442.00
36	Apr-23	15-05-2023	24-11-2023	193	54,655.00
37	May-23	15-06-2023	24-11-2023	162	35,101.00
38	Jun-23	15-07-2023	24-11-2023	132	32,582.00
39	Jul-23	15-08-2023	24-11-2023	101	22,602.00
40	Aug-23	15-09-2023	24-11-2023	70	17,788.00
41	Sep-23	15-10-2023	24-11-2023	40	7,720.00
42	Oct-23	15-11-2023	24-11-2023	9	390.00
43	Oct-23	15-11-2023	24-11-2023	9	1,274.00
	<b>Total</b>			<b>26,975</b>	<b>53,79,420</b>

An amount of Rs. 170.47 lakhs which was due as at the end of September 30, 2023, was paid on November 22, 2023. Although we have not received any show cause notice and no fine or penalty has been imposed repeated delays in the deposit of statutory dues could lead to penal action being taken on the Company which could have an adverse impact on our reputation and revenues. We have further strengthened our Compliance Department with the appointment of a full time company secretary and appointed independent directors on the Board and this will ensure that there is compliance with regard to filing of all returns on time without any delay.

### **Risk Factor 38**

#### ***There has been a delay in the deposit of Tax Deducted at Source***

Further an amount of ₹ 7.55 lakhs and ₹ 31.12 lakhs towards Tax Deducted at Source was deposited with a delay between 47 and 64 days as under:

( ₹ in lakhs)

Particulars	Due Date	Actual date of payment	Number of Days Delay	Amount
TDS	October 07, 2023	November 24, 2023	47 days	7.55
TDS	October 07, 2023	November 11, 2023	64 days	31.12

**Risk Factor : 39**

*Our Group Company Realtime Tech Solutions Limited has an outstanding amount of employee provident fund dues and as been declared as a defaulter.*

Our Group Company Realtime Tech Solutions Limited., has a total amount of ₹ 1,42,91,874 Lakhs as employee provident fund dues. The details of the delay and the amount involved is given below:

Sl No	Wage Month	Comments	No of Employees	Total Amt Due
1	May-17	Employer Contribution Due Only	44	1,34,672.00
2	Jun-17		44	2,74,068.00
3	Jul-17		56	1,93,098.00
4	Aug-17		56	2,09,351.50
5	Sep-17		58	2,10,738.50
6	Oct-17		56	2,05,176.50
7	Nov-17		55	1,92,744.00
8	Dec-17		52	1,88,376.50
9	Jan-18		50	1,83,553.50
10	Feb-18		50	1,82,805.00
11	Mar-18		50	1,81,396.00
12	Apr-18		50	1,81,029.00
13	May-18		47	1,71,856.50
14	Jun-18		48	1,89,926.50
15	Jul-18		49	1,93,443.00
16	Aug-18		48	1,81,363.50
17	Sep-18		46	1,79,704.50
18	Oct-18	Both (emp & emplr Due)	48	3,63,506.00
19	Nov-18		48	3,63,637.00
20	Dec-18		49	3,68,987.00
21	Jan-19		54	3,71,121.00

22	Feb-19		53	3,48,068.00
23	Mar-19		51	3,41,813.00
24	Apr-19		47	3,31,500.00
25	May-19		48	3,12,054.00
26	Jun-19		41	2,94,493.00
27	Jul-19		48	3,16,654.00
28	Feb-20	Both (emp & emplr Due)	47	3,26,500.00
29	Mar-20		47	3,26,788.00
30	Apr-20		47	3,21,308.00
31	May-20		47	3,26,980.00
32	Jun-20		45	3,15,484.00
33	Jul-20		43	3,08,757.00
34	Aug-20		44	3,13,073.00
35	Sep-20		44	3,13,073.00
36	Oct-20		38	2,87,397.00
37	Nov-20		39	2,91,366.00
38	Dec-20		39	2,90,469.00
39	Jan-21		37	2,83,428.00
40	Feb-21		36	2,79,459.00
41	Mar-21		36	2,79,459.00
42	Apr-21		36	2,79,459.00
43	May-21		32	2,61,273.00
44	Jun-21		31	2,52,010.00
45	Jul-21		29	2,44,072.00
46	Aug-21		25	1,94,000.00
47	Sep-21		23	1,65,224.00
48	Oct-21		21	1,53,139.00
49	Nov-21		19	1,38,301.00
50	Dec-21		18	1,34,332.00

51	Jan-22	18	1,34,332.00
52	Feb-22	18	1,34,332.00
53	Mar-22	17	1,30,363.00
54	Apr-22	16	1,23,143.00
55	May-22	16	1,26,024.00
56	Jun-22	17	1,29,699.00
57	Jul-22	17	1,29,699.00
58	Aug-22	17	1,29,699.00
59	Sep-22	16	1,26,024.00
60	Oct-22	16	1,26,024.00
61	Nov-22	16	1,26,024.00
62	Dec-22	16	1,26,024.00
			<b>1,42,91,874</b>

Hence, the Employee Provident Fund Authorities have declared EPFO as a defaulter. Realtime Techsolutions Pvt Ltd, through its promoters are in the process of paying off the PF liabilities of the amount outstanding the company and have initiated the process by depositing the 1<sup>st</sup> tranche of the amount. The company will be paying off the said liability within the time given by the authorities for the same. This matter is under settlement in accordance with instructions from the PF Department.

Included Risk Factor No: 40

***40. Our Director and CFO Murtaza Ali Soomar has been associated with Companies which have been compulsorily struck off by the RoC.***

Our Director and CFO Murtaza Ali Soomar has been associated with Zasfa Composite Containers Private Limited and Aagam Infra Developers Private Limited which have been compulsorily struck off due to non-filing of financial statements and other returns with the Registrar of Companies.

**Risk Factor No: 42** has been amended to include the filing of condonation application

***We have issued shares in the physical form after conversion of our company into a public limited company. We have further made further allotments without completing the earlier allotments.***

Our Company was converted into a public limited company on December 22, 2023 and post the conversion we have made four allotment of shares , viz December 26, 2023, January 29, 2024, February 13, 2024 and March 18, 2024 in the physical form, which is in violation of Section 29 of Companies Act, 2013 and Rule 9 of Companies (Prospectus and Allotment of Securities) Rules, 2024 and penalties could be levied under the Companies Act, 2013 on the Company, Directors and the Key Managerial Personnel. We have further made further allotments of equity shares without completing the earlier allotment which is in violation of the provisions of the Companies Act, 2013 and attract penal action against the Company, its Directors and Key Managerial Personnel. We have filed an application for condonation of this non compliance and the same is pending before the competent authorities.

## GENERAL INFORMATION

### Change in Auditors

Except for the following, there has been no change in the statutory auditors of our Company in the three years preceding the date of this Draft Red Herring Prospectus.

Particulars	Resignation / Appointment	Date of change	Reason for change
<b>BMGS &amp; Associates, Chartered Accountants</b> B-9, Sardar Nagar G T Karnal Road Delhi – 110 009 India <b>E-mail:</b> mail@bmgs.in <b>Tel:</b> +91 11 2712 0796 <b>Contact Person:</b> Vaibhav Bajaj <b>Firm registration number:</b> 026886N	Resignation	<i>December 14, 2023 (Original date of Appointment: December 31, 2020)</i>	Did not have a Peer Review Certificate
<b>Goel Mintri &amp; Associates Chartered Accountants</b> JD-18 -B, Near Ashiana Chowk Pitampura, Delhi – 11 034 India Email: goel_mintri@rediffmail.com Contact Person: Mr Goel Mintri Firm Registration Number :013211N Peer Review Certificate Number: 013553	Appointment	December 18, 2023	Since the previous auditor did not have a peer review certificate
<b>P K Chand &amp; Co, Chartered Accountants</b> F-21 B, Sector-27, Noida-201 301, INDIA Email: admin@pkchand.com Tel: +91 120 420 2226, / +91 - 9811188432 Contact Person: Prashant Kumar Chand Firm Registration Number : 512371C Peer Review Certificate Number: 014849	Appointment	February 13, 2024	Earlier Auditor resigned due to pre-occupation

## CAPITAL STRUCTURE

All the equity shares held by the promoters and members of the promoter group are in dematerialised form-

## OBJECTS OF THE ISSUE

### The Issue

The Issue comprises Fresh Issue of up to 43,62,865 Equity Shares aggregating to ₹ [●] lakhs by our Company. We intend to utilise the proceeds of the net issue in the following manner:

1. Funding of capital expenditure towards purchase of fixed assets (both hardware and software) for our existing operations (the upgradation of the existing Experience Centre and set up of Training Centre at Bengaluru) and the proposed set up of Experience Centre at Dubai
2. Towards fit-outs at the new premises at both Bengaluru and Dubai
3. Payment of Security Deposit for the new premises at Bengaluru, Karnataka, India
4. To fund the working capital requirements of our Company; and
5. To fund expenditure towards general corporate purposes.

(collectively, the “**Objects**”).

Further, our Company expects that the proposed listing of its Equity Shares on the NSE Emerge, the SME Exchange of the NSE will enhance our visibility and brand image as well as provide a public market to the existing shareholders for the Equity Shares in India.

The main object clause of Memorandum of Association of our Company enables us to undertake the existing activities.

### Net Proceeds

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

(₹ in lakhs)

Particulars	Amount**
Gross Proceeds of the Fresh Issue (“ <b>Gross Proceeds</b> ”)	[●]
Less: Issue related expenses in relation to Fresh Issue	[●]
<b>Net Proceeds of the Fresh Issue</b>	[●]

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

### Utilization of Net Proceeds

Our Company intends to utilize the Net Proceeds to meet the following Objects:

(₹ in lakhs)

Particulars	Amount
Towards purchase of Fixed Assets (both hardware and software) for our existing operations and Dubai Experience Centre	1345.30
Towards Fit-outs at our new premises at Bengaluru and Experience Centre at Dubai	458.00
Towards security deposit for our new premises at Bengaluru and Dubai	160.00
Funding working capital requirements of our Company	4600.00
General corporate purposes <sup>(1)</sup>	[●]*
<b>Total</b>	[●]*

\*To be finalised upon determination of the Issue Price as updated in the Prospectus prior to the filing with the RoC.

(1) The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.

### Means of finance

The fund requirements for the aforesaid Objects are proposed to be met entirely from the Net Proceeds and existing internal accruals. Accordingly, we confirm that there is no need for our Company to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Fresh Issue under Regulation 230(1)(e) of the SEBI ICDR Regulations.

In case of any increase in the actual utilization of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals. If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for

future growth opportunities including funding existing objects, if required. In case of delays in raising funds from the Issue, our Company may deploy certain amounts towards any of the above-mentioned Objects through a combination of Internal Accruals or Unsecured Loans (Bridge Financing) and in such case the Funds raised shall be utilized towards repayment of such unsecured Loans or recouping of Internal Accruals. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds.

Our Company’s historical expenditure may not be reflective of our future expenditure plans. Our Company may have to revise its estimated costs, fund allocation and fund requirements owing to various factors such as economic and business conditions, increased competition and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of the Company’s management. For further details on the risks involved in our business plans and executing our business strategies, please see the section titled “Risk Factors” on page 57 of this Draft Red Herring Prospectus.

#### Details of the Utilisation of the Net Proceeds

##### *1. Purchase of Fixed Assets (both hardware and software) for our existing operations and Dubai Experience Centre*

We propose to acquire the following hardware and software for our existing facility at Bengaluru and the new Experience Centre to be set up at Dubai:

1. Computers, other hardware, software, networking firewalls, main servers and premises security systems
2. Hardware and Robotics for the existing Bengaluru Defence Experience Centre
3. Hardware and Robotics for the existing Bengaluru Digital Transformation Experience Centre
4. Computers, Training Materials, Software, Content for the Training Centre at Bengaluru
5. Hardware and Robotics for the new Experience Centre to be set up at Dubai
6. SAP gold partnership, Oracle partnership, Specific to IIOT and AI/ML development

The above hardware and software will enhance our operating capacity and ability to execute more orders quickly and with greater precision. **None of the computers, hardware, software and other equipment proposed to be acquired are second hand equipment.**

The details of the hardware and software proposed to be acquired are as under:

Sl.No	Hardware & Software	Qty	Cost per Unit	Date of Quotation	Expiry Date	Name of Vendor	Quotation Amount (₹)
1	Hardware and Robotics - Bengaluru Defence Experience Centre – Submarine DMOP	1	15,00,000	20/04/2024	30/10/2024	Yash Technologies Bengaluru	15,00,000
2	Hardware and Robotics - Bengaluru Defence Experience Centre – SMFC for WECDIS	4	12,50,000	20/04/2024	30/10/2024	Yash Technologies Bengaluru	50,00,000
3	Hardware and Robotics - Bengaluru Defence Experience Centre – ECPS – Laptop	2	17,50,000	20/04/2024	30/10/2024	Yash Technologies Bengaluru	35,00,000
4	Hardware and Robotics - Bengaluru Defence Experience Centre – Dual Multifunction Console	1	40,00,000	20/04/2024	30/10/2024	Yash Technologies Bengaluru	40,00,000

Sl.No	Hardware & Software	Qty	Cost per Unit	Date of Quotation	Expiry Date	Name of Vendor	Quotation Amount (₹)
5	Hardware and Robotics - Bengaluru Defence Experience Centre – Central Server	1	75,00,000	20/04/2024	30/10/2024	Yash Technologies Bengaluru	75,00,000
6	Hardware and Robotics - Bengaluru Defence Experience Centre – AI Servers with High End Graphics and GPUs	5	7,00,000	20/04/2024	30/10/2024	Yash Technologies Bengaluru	35,00,000
7	Hardware and Robotics - Bengaluru Defence Experience Centre – AI Server Packs	2	1,25,000	20/04/2024	30/10/2024	Yash Technologies Bengaluru	2,50,000
8	Hardware and Robotics - Bengaluru Defence Experience Centre – Cabling and Other Accessories	1	2,50,000	20/04/2024	30/10/2024	Yash Technologies Bengaluru	2,50,000
9	Training Infrastructure - for the Training Centre at Bengaluru	-	-	19/04/2024	30/10/2024	Entransys Private Limited , Hyderabad	2,66,500
10	Connectivity Infrastructure for the Training Centre at Bengaluru Training Server Student Computers Tables Chairs	3 50 50 55	2,50,000 80,000 10,000 4,500	19/04/2024	30/10/2024	Entransys Private Limited , Hyderabad	7,50,000 40,00,000 5,00,000 2,47,500
11	User Licences for the Training Centre at Bengaluru	10	75,000	19/04/2024	30/10/2024	Entransys Private Limited , Hyderabad	7,50,000
12	SAP Licences	1	25,00,000	19/04/2024	30/10/2024	Entransys Private Limited , Hyderabad	25,00,000
13	Whiteboard	3	8,000	19/04/2024	30/10/2024	Entransys Private Limited , Hyderabad	24,000
14	Training Material	1	5,00,000	19/04/2024	30/10/2024	Entransys Private Limited , Hyderabad	5,00,000
15	Air conditioners	2	75,000	19/04/2024	30/10/2024	Entransys Private Limited , Hyderabad	1,50,000
16	Internet	1	24,000	19/04/2024	30/10/2024	Entransys Private	24,000

Sl.No	Hardware & Software	Qty	Cost per Unit	Date of Quotation	Expiry Date	Name of Vendor	Quotation Amount (₹)
						Limited , Hyderabad	
17	Trainer ( Defence Products)	1	2,50,000	19/04/2024	30/10/2024	Entransys Private Limited , Hyderabad	30,00,000
18	Trainer (AIML)	1	2,50,000	19/04/2024	30/10/2024	Entransys Private Limited , Hyderabad	30,00,000
19	Trainer (SAP etc)	1	2,50,000	19/04/2024	30/10/2024	Entransys Private Limited , Hyderabad	30,00,000
20	Oracle	1	20,00,000	19/04/2024	30/10/2024	Entransys Private Limited , Hyderabad	20,00,000
21	Visualisation Tool	10	5,00,000	19/04/2024	30/10/2024	Entransys Private Limited , Hyderabad	50,00,000
22	Computers for the Training Centre at Bengaluru – Laptops GPU Enabled	30	2,79,660 plus GST @ 18%	20/04/2024	30/10/2024	Yashas Computers	99,00,000
23	Computers for the Training Centre at Bengaluru – Servers	10	6,09,660 plus GST @ 18%	20/04/2024	30/10/2024	Yashas Computers	71,94,000
24	Computers for the Training Centre at Bengaluru – AWS Licenses	30	3422 plus GST@ 18% with	20/04/2024	30/10/2024	Yashas Computers	1,21,140
25	Computers for the Training Centre at Bengaluru – GITHUB	30	4564 plus GST@ 18% with	20/04/2024	30/10/2024	Yashas Computers	1,61,520
26	Computers for the Training Centre at Bengaluru – Office 365	30	1677 plus GST@ 18%h	20/04/2024	30/10/2024	Yashas Computers	59,370
27	Computers for the Training Centre at Bengaluru – Firewall	2	2125 plus GST@18%	20/04/2024	30/10/2024	Yashas Computers	5,01,596
28	Computers for the Training Centre at Bengaluru – Project Management Tool	5	11186 plus GST@ 18%	20/04/2024	30/10/2024	Yashas Computers	66,055
29	Computers for the Office at Bengaluru – Office 365	30	1677 plus GST@ 18%h	20/04/2024	30/10/2024	Yashas Computers	59,370
30	Computers for the Office at Bengaluru – SAP Partnership	1	32,05,932 plus GST @ 18%	20/04/2024	30/10/2024	Yashas Computers	32,05,932

Sl.No	Hardware & Software	Qty	Cost per Unit	Date of Quotation	Expiry Date	Name of Vendor	Quotation Amount (₹)
31	Computers for the Office at Bengaluru – SAP Developer Licence	5	128643 plus GST@18%	20/04/2024	30/10/2024	Yashas Computers	7.58,990
32	Computers for the Office at Bengaluru – AWS Licenses	30	3422 plus GST@18% with	20/04/2024	30/10/2024	Yashas Computers	1,21,140
33	Computers for the Office at Bengaluru – GITHUB	30	4564 plus GST@18% with	20/04/2024	30/10/2024	Yashas Computers	1,61,520
34	Computers for the Training Centre at Bengaluru – Office 365	30	1677 plus GST@ 18%h	20/04/2024	30/10/2024	Yashas Computers	59,370
35	Computers for the Training Centre at Bengaluru – Firewall	2	2125 plus GST@18%	20/04/2024	30/10/2024	Yashas Computers	5,01,596
36	Computers for the Training Centre at Bengaluru – Project Management Tool	5	11186 plus GST@ 18%	20/04/2024	30/10/2024	Yashas Computers	66,055
37	Computers for the Training Centre at Bengaluru – Laptops One time	30	167796 plus GST@ 18%	20/04/2024	30/10/2024	Yashas Computers	59,40,000
38	Hardware and Robotics for the new Experience Centre to be set up at Dubai – Server Hardware	2	6,41,250	20/04/2024	30/10/2024	Yash Technologies Bengaluru	12,82,500
39	Hardware and Robotics for the new Experience Centre to be set up at Dubai – Support Tools	1	4,05,000	20/04/2024	30/10/2024	Yash Technologies Bengaluru	4.05.000
40	Hardware and Robotics for the new Experience Centre to be set up at Dubai – Manufacturing Equipment	1	4,05,000	20/04/2024	30/10/2024	Yash Technologies Bengaluru	1,14,75,000
41	Hardware and Robotics for the new Experience Centre to be set up at Dubai – Other Digital Measuring Equipment	1	30,37,500	20/04/2024	30/10/2024	Yash Technologies Bengaluru	30,37,500
42	Hardware and Robotics for the new Experience Centre to be set up at Dubai – Support Tools	5	33,750	20/04/2024	30/10/2024	Yash Technologies Bengaluru	1,68,750

Sl.No	Hardware & Software	Qty	Cost per Unit	Date of Quotation	Expiry Date	Name of Vendor	Quotation Amount (₹)
43	Hardware and Robotics for the new Experience Centre to be set up at Dubai – IOT Software	1	1,35,00,000	20/04/2024	30/10/2024	Yash Technologies Bengaluru	1,35,00,000
44	Hardware and Robotics for the new Experience Centre to be set up at Dubai – IOT Hardware	20	1,48,500	20/04/2024	30/10/2024	Yash Technologies Bengaluru	29,70,000
45	Hardware and Robotics for the new Experience Centre to be set up at Dubai – IOT Hardware	5	47,250	20/04/2024	30/10/2024	Yash Technologies Bengaluru	2,36,250
46	Hardware and Robotics for the new Experience Centre to be set up at Dubai – IOT Hardware	1	3,37,500	20/04/2024	30/10/2024	Yash Technologies Bengaluru	3,37,500
47	Hardware and Robotics for the new Experience Centre to be set up at Dubai – IOT Hardware	20	47,250	20/04/2024	30/10/2024	Yash Technologies Bengaluru	9,45,000
48	Hardware and Robotics for the new Experience Centre to be set up at Dubai – IOT Hardware	5	58,050	20/04/2024	30/10/2024	Yash Technologies Bengaluru	2,90,250
49	Hardware and Robotics for the new Experience Centre to be set up at Dubai – IOT Hardware	20	16,875	20/04/2024	30/10/2024	Yash Technologies Bengaluru	3,37,500
50	Hardware and Robotics for the new Experience Centre to be set up at Dubai – IOT Hardware	30	20,250	20/04/2024	30/10/2024	Yash Technologies Bengaluru	6,07,500
51	Hardware and Robotics for the new Experience Centre to be set up at Dubai –Hardware Enclosure	20	13,500	20/04/2024	30/10/2024	Yash Technologies Bengaluru	2,70,000
52	Hardware and Robotics for the new Experience Centre to be set up	05	10,125	20/04/2024	30/10/2024	Yash Technologies Bengaluru	50,625

Sl.No	Hardware & Software	Qty	Cost per Unit	Date of Quotation	Expiry Date	Name of Vendor	Quotation Amount (₹)
	at Dubai –Hardware Enclosure						
53	Hardware and Robotics for the new Experience Centre to be set up at Dubai –Hardware Enclosure	01	16,875	20/04/2024	30/10/2024	Yash Technologies Bengaluru	16,875
54	Hardware and Robotics for the new Experience Centre to be set up at Dubai –Hardware Enclosure	20	10,125	20/04/2024	30/10/2024	Yash Technologies Bengaluru	2,02,500
55	Hardware and Robotics for the new Experience Centre to be set up at Dubai – Implementation	20 Man months	4,38,750	20/04/2024	30/10/2024	Yash Technologies Bengaluru	87,75,000
56	Hardware and Robotics for the new Experience Centre to be set up at Dubai –Detailed Design Charges	-	44,10,000	20/04/2024	30/10/2024	Yash Technologies Bengaluru	44,10,000
	Total						<b>13,45,30,102</b>

## 2. Towards Fit-outs at our proposed premises at Bengaluru and the proposed Experience Centre at Dubai:

The Dubai Experience Centre would be located at Shade Nos – 23-01, Technology Park, RAKEZ, Ras al Khaimah, U.A.E. The rent would be 60,000 dirhams per year with an escalation of 10% after 3 years. The security deposit would be 3,25,000.00 Dirham which is Rs.75,00,000 approximately as on the date of this Red Herring Prospectus. This will be a 1500 sq ft fully fitted as per the specification of the Company. This has been estimated on the basis of the letter dated May 15, 2024 received from Solutions FZC, UAE the lessors of the property.

The new premises at Bengaluru will be at Unit No: 5CE, Neil Tower, 5<sup>th</sup> Floor, Plot No: 117, Road No: 3, EPIP Phase 1, Whitefield, Bengaluru – 560 066 and the estimates of the fitouts are as under:

Sl.No	Particulars	Date of quotation	Expiry date	Name of Vendor	Quotation Amounts (₹)
1	Fit outs at Bengaluru – 20,000 sqft Interior Works	22/04/2024	25/12/2024	SM Interiors, Bengaluru	2,48,00,000
2	Fit outs at Bengaluru – 20,000 sqft – Electrical Work	22/04/2024	25/12/2024	SM Interiors, Bengaluru	1,10,00,000
3	Fit outs at Bengaluru – 20,000 sqft – HVAC	22/04/2024	25/12/2024	SM Interiors, Bengaluru	1,00,00,000
	Total				<b>4,58,00,000</b>

The fitouts will be for the new premises at Bengaluru which will be a natural expansion of the existing office premises and will also house a training centre and another Experience Centre. The company expects to double in staff size and more and being a technology company additional space is needed fitted with best hardware and

software. To deliver software. The fit outs will include wall panelling, false ceiling, flooring, furniture like tables, chairs, cabinets, floorings, glass and wooden partitions, cupboards for which an amount of Rs.2,48,00,000 has been earmarked.

It is also intended to carry out lighting work, server room and install fire detection alarm systems for which an amount of Rs.1,10,00,000 (Electrical) has been earmarked.

An amount of Rs.1,00,00,000 has been earmarked for Heating, Ventilation and Air Conditioning (HVAC)

### **3. Towards security deposit for the new premises at Bengaluru**

We propose to set up a new premises at Bengaluru in close proximity to our existing registered office and facility. Due to the increase in orders the Company intends to recruit a larger number of employees. Currently the Company has about 107 employees on its rolls ( which will continue to grow) and the new employees would require working space and hence as a natural expansion we propose to acquire a new premises at Whitefield, Bengaluru. The Company also intends to establish a training centre and another Experience Centre at this premises so that the clients can experience the simulated product before placing an order.

The new premises which is to be located at Whitefield would be approximately 22,400 sq.ft and the security deposit that is to be deposited with the lessors is estimated to be ₹94.60 lakhs. This has been provided on the basis of the letter from Neil Rao Towers the lessors of the property.

### **4. Funding working capital requirements of our Company**

Our business is predominantly working capital intensive and majority of its working capital requirements in the ordinary course of its business are met from internal accruals and loans that have been given by our promoters from time to time. Our Company operates in a highly competitive and dynamic market condition and may have to revise its working capital estimates from time to time on account of external circumstances, business or strategy and foreseeable opportunities.

The working capital ratio has been fluctuating over the years due to the turnover of the company being very low during the financial year ended March 31, 2022 due to Covid shutdowns and there has been a marked increase in the sales / order book for the FY 2023 and FY 2024. This has been characterised by delayed payments to the creditors in FY 2021 and FY 2022 which has normalised in the subsequent years. These are the reasons for the fluctuations in the working capital ratio:

The working capital has been negative for the year ended FY 2021 due to huge amount of trade payables being ₹ 437.52 lakhs. This includes trade creditors of Rs.416.90 and other expenses of Rs.20.62 lakhs. Of the total trade creditors an amount of Rs.253.77 was payable to KTI Intelligent Systems Limited and Rs.161.83 was payable to Realtime Techsolutions Private Limited, both of which are related parties to the Issuer Company hence an internal receivable. These payments have been pending since FY 2019 and as the turnover was not very encouraging during FY 2021, the company did not make payments to these **two related parties** and hence the total trade payables and other current liabilities was much higher than the current assets resulting in a negative working capital.

The company had bagged the Order from Malaysian Navy for two frigates in FY 2023 and the same is being executed from FY 2023. Further, some other orders have also been obtained which need more working capital in form of inventories, employee benefit expenses, etc. This is the reason for the higher working capital in FY 2023. We also have orders for year 2024- 25 to date of over Rs. 60 Cr and expect to close another Rs. 150 Cr in the coming months.

As of March 15, 2024, Our Company does not have any sanctioned or outstanding borrowing facility from banks to fund its working capital. Our Company requires additional working capital for executing the outstanding order book and undertake new orders.

### **Existing Working Capital Requirement**

The details of our Company's working capital requirement and funding on the basis of audited standalone financial statements as of financial year ending March 31, 2023, March 31, 2022 and March 31, 2021, and the source of funding, on the basis of audited standalone financial statements of our Company, as certified by M/s. P K Chand & Co., Chartered Accountants through their certificate dated April 26, 2024, are provided in the table below:

Particulars	As at March 31, 2022 (Actuals)	As at March 31, 2023 (Actuals)	As at March 31, 2024 (Estimated)	As at March 31, 2025 (Projected)
<b>CURRENT ASSETS*</b>				
Inventories	4.00	130.40	597.00	1628.20
Trade receivables	181.60	899.00	4274.50	10673.60
Short Term Loans and Advances	204.20	192.60	1335.50	873.20
Other Current Assets	152.00	165.80	1737.00	1666.60
<b>Total Current Assets (A)</b>	<b>404.90</b>	<b>1387.70</b>	<b>7944.00</b>	<b>14841.60</b>
<b>CURRENT LIABILITIES</b>				
Trade payables	291.90	377.40	145.00	180.20
Other Current Liabilities	123.30	196.00	465.00	903.70
Short term provisions	0.00	0.90	0.90	0.90
<b>Total Current Liabilities (B)</b>	<b>415.20</b>	<b>574.20</b>	<b>610.90</b>	<b>1084.70</b>
<b>Working Capital Requirement (A-B)</b>	<b>(10.30)</b>	<b>813.50</b>	<b>7333.10</b>	<b>13756.90</b>
Incremental		823.80	6519.60	6423.80
<b>Funding Pattern</b>				
Short Term Borrowings	545.20	944.70	0.00	0.00
Shareholders fund	(555.40)	(131.20)	7331.10	9156.90
<b>IPO Proceeds</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>4600.00</b>

Particulars	As at March 31, 2022	As at March 31, 2023	As at March 31, 2024 (Estimated)	As at March 31, 2025 (Projected)
Inventories	43	59	53	45
Trade receivables	1910	408	382	295
Trade and other payables	7811	2770	50	23

Note: Pursuant to certificate dated April 26, 2024 issued by M/s.P K Chand & Co., Chartered Accountants

#### Justification of Holding Period of Trade Receivables:

(₹ in Lakhs, unless specified otherwise)

Particulars	FY22 (A)	FY23 (A)	FY24 (Est)	FY25 (Est)
Revenue from Operations (A)	34.69	804.87	4,086.20	13,206.36
Trade Receivables (B)	181.58	899.03	4,274.50	10,673.63
No. of Days in a Year (C)	365	365	365	365
<b>Holding Period (E)=((B)/(A)) * (C)</b>	<b>1,911</b>	<b>408</b>	<b>382</b>	<b>295</b>

As can be seen from the table above, our revenue has increased from Rs 34.69 Lakhs in FY 22 to Rs 804.87 Lakhs in FY 23, Trade receivable have also increased in similar proportion from 181.58 lakhs to Rs. 899.03 lakhs, impacting the Trade receivable to normalise to industry standard, which resulted in holding period of 408 days in FY 23. Based on the above and our order book & various contract under negotiation, the managements estimates the holding period to be 382 days in FY 24 & 295 days in FY 25.

#### Justification of Holding Period of Trade and Other Payables:

(₹ in Lakhs, unless specified otherwise)

Particulars	FY22 (A)	FY23 (A)	FY24 (Est)	FY25 (Est)
Revenue from Operations	34.69	804.87	4,086.20	13,206.36
Cost of Goods Sold (A)	13.65	49.73	1,058.50	2,922.51
Trade Payables (B)	291.88	377.37	145.00	180.15
No. of Days in a Year (C)	365	365	365	366
<b>Holding Period (E)=((B)/(A)) * (C)</b>	<b>7,808</b>	<b>2,770</b>	<b>50</b>	<b>23</b>

As can be seen from the table above, our Cost of Goods Sold has increased from Rs 13.65 Lakhs in FY 22 to Rs 49.73 Lakhs in FY 23, Trade Payables has increased from 291.88 lakhs to Rs. 377.37 lakhs, which resulted in holding period of 2,770 days in FY 24. Please note trade payables days are higher in FY22 & FY till FY 23 as it majorly includes payments to our related parties which were gradually paid off in FY 2024. Based on our order book & various contract under negotiations our purchases will increase, however to achieve better margins, efficient working and scalability, our Company has decided to gradually reduce the trade payable days from 50 days in FY 24 to 23 days in FY 25.

**Justification of Holding Period of Inventories:**

*(₹ in Lakhs, unless specified otherwise)*

Particulars	FY22 (A)	FY23 (A)	FY24 (Est)	FY25 (Est)
Revenue from Operations (A)	34.69	804.87	4,086.20	13,206.36
Inventory (B)	4.00	130.37	597.00	1,628.18
No. of Days in a Year (C)	365	365	365	365
<b>Holding Period (E)=(B)/(A) * (C)</b>	<b>42</b>	<b>59</b>	<b>53</b>	<b>45</b>

As can be seen from the table above, our revenue has increased from Rs 34.69 Lakhs in FY 22 to Rs 804.87 Lakhs in FY 23, inventory have also increased in similar proportion from Rs. 4 lakhs to Rs. 130.37 lakhs, which resulted in holding period of 59 days in FY 24. Based on our order book & various contract under negotiations, the managements estimates the holding period to be 53 days in FY 24 & 45 days in FY 25

**Rationale for increased projections of Working Capital Requirements:**

Considering:

1. The Company has started the financial year 24 - 25 with the following - Order Spill from FY 24 of Rs. 3600 lakhs of which company will execute orders worth Rs 3000 lakhs in FY25 and new order intake till date in FY 25 is Rs 4700 lakhs Additionally the company is under various stage of discussion with potential order intake of 200 crores by March 25.
2. The holding period of 382 days for Trade Receivables, 53 days for Inventories and 50 days for Trade and other Payables for FY 24, the management estimates the holding period of 295 days for Trade Receivables, 45 days for Inventories and 23 days for Trade and other Payables for FY 25, which are broadly in line with the holding period for FY 24.
3. Estimated increase in Other Current Liabilities to ₹903.70 Lakhs in FY 25 is primarily as a result of increase in Order Book position.
4. Decrease in Short Term Borrowings to Nil in FY 24 is on account of repayment of such short term borrowings.

would result in our Working Capital Requirements of Rs. 13756.90 Lakhs, which is proposed to be funded out of Shareholders Funds to the extent of Rs. 9156.90 Lakhs and Rs. 4600.00 Lakhs through Net Proceeds from the Rights Issue.

**5. General Corporate Purposes**

Our Company proposes to deploy the balance Net Proceeds aggregating to ₹ [●] lakhs towards general corporate purposes and business requirements of our Company, subject to such amount not exceeding 25% of the gross proceeds of the Issue.

Our Company's management shall have flexibility in utilizing surplus amounts, if any, as may be approved by the Board from time to time and in compliance with applicable laws. In case of variation in the actual utilization of funds designated for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, which are not applied to the other purposes set out above.

## BASIS FOR THE ISSUE PRICE

### Comparison of KPIs with listed industry peers

Key Performance Indicators	C2C Advanced Systems Limited			Paras Defence and Space Technologies Limited		
	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2023	March 31, 2022	March 31, 2021**
Revenue from Operations <sup>(1)</sup>	804.87	34.69	107.68	22,242.59	18,256.24	14,3330.00
EBITDA <sup>(2)</sup>	386.20	(208.30)	13.73	6,483.42	5,482.68	4339.70
EBITDA Margin (in %) <sup>(3)</sup>	47.98	(600.46)	12.75	29.15	30.03	30.28
Profit after tax <sup>(4)</sup>	287.52	(238.21)	(11.78)	3,594.04	2,707.73	1578.60
PAT Margin (in %) <sup>(5)</sup>	35.72	(686.68)	(10.94)	16.16	14.83	11.01
Net worth <sup>(6)</sup>	252.14	(136.57)	97.39	37,950.24	34,440.81	1,7243.90
Debt/Equity <sup>(7)</sup>	3.75	(4.06)	1.38	0.04	0.08	0.001:1
RoNW (in %) <sup>(8)</sup>	114.03	Not ascertainable	(12.10)	9.47	7.86	9.12
NAV (in ₹) <sup>(9)</sup>	16.81	(27.31)	19.47	106.01	97.06	55.23

Source: Annual Reports of the respective companies / [www.bseindia.com/www.nseindia.com](http://www.bseindia.com/www.nseindia.com): Prospectus of Paras Defence and Space Technologies Limited dated September 25, 2021

## OUR BUSINESS

*The following information is qualified in its entirety by, and should be read together with, the detailed financial and other information included in this Draft Red Herring Prospectus, including the information contained in the section titled “Risk Factors” on page no 4 of this Draft Red Herring Prospectus.*

*This section should be read in conjunction with, and is qualified in its entirety by, the detailed information about our Company and its financial statements, including the notes thereto, in the section titled “Risk Factors”, “Financial Statement” on page nos. 25 and **Error! Bookmark not defined.** respectively, of this Draft Red Herring Prospectus.*

*Unless otherwise stated or the context otherwise requires, in relation to business operations, in this section of this Draft Red Herring Prospectus, all references “we”, “us”, “our”, “C2C” and “our Company” are to “C2C Advanced Systems Limited”. Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our Restated Financial Statements.*

### Background

At C2C Advanced Systems we draw our passion and strength from a deep and abiding commitment towards making India a leading player in the domain of cutting edge technologies systems for defence, security and aerospace sectors. The need to partner with global players is the most urgent need to accelerate innovations.

Our promoters / Key Managerial Personnel have over two decades of monetary and intellectual investments and innovation built capabilities that have been accepted in India and the global markets. This is an ongoing and long term journey.

Our success in selling and execution of our “Combat Management System” (CMS) to Royal Malaysian Navy against stiff competition from most established global Platform players is a testament to our capabilities. This remains as one of the most successful capability demonstration in Intelligent platform from India.

Current systems in the Indian military will need retrofits and upgrades and C2C Advanced Systems has the ability to re-engineer and revamp such legacy systems and bring them to current needs in warfare.

C2C Advanced Systems as the pre-eminent domain agnostic technology company focused on “Intelligent Platform” is in a very unique position to dominate this space. We have a technological advantage over our existing competitors, as reflected in our higher margins and globally competitive offerings.

Our expertise in architecture design, data acquisition, data analytics and modelling, AI/ML has dual use in the civilian applications. The rigorous requirements placed by Military requirements allows us to innovate for the highest levels of performance.

Our expansion strategy is to build our next domain in “Digital transformation” which is based on sensors in applications such as Industry 4.0 and transportation.

We have built a revenue generating practice that focuses on three areas which are applicable in Defence/ Security as well as in Industry 4.0.

Our business model on Digital transformation centre around four main deliveries:

- Virtual supply chain : We deliver software development based on real-time and continuous data that is delivered by various sensors and generate usable data that is actionable immediately.
- Virtual logistics: We deliver using commercial off the shelf (COTS) electronic boards and complex engineering to integrate and deliver in a engineered enclosure which can withstand harsh environmental conditions (Sub systems)
- Virtual maintenance : We integrate various subsystems to deliver systems that extract real time data and deliver situational awareness that Defence leadership can take action on (Systems)
- Application of AI/ML technologies across all offerings and as standalone product development and engineering

The knowledge learnt from the civilian applications in AI/ML can be applied to Defence/security. Machine learning, Deep learning and Artificial Intelligence applications have made great strides in Industrial systems. These applications are centered around logistics management, supply chain systems and preventive maintenance. In addition, great strides have been made in managing workforce through automation in HR processes including managing personnel needs. Much of this this work has taken place in the Civilian sector. Military systems need upgrades and all the algorithms and machine learning technologies are equally applicable in Military which has high levels of sophisticated machinery that power the Sea, Air, Land and autonomous systems. C2C advanced systems will utilize some of the knowledge built in the civilian sector to enhance the systems that it will deliver to the Military.

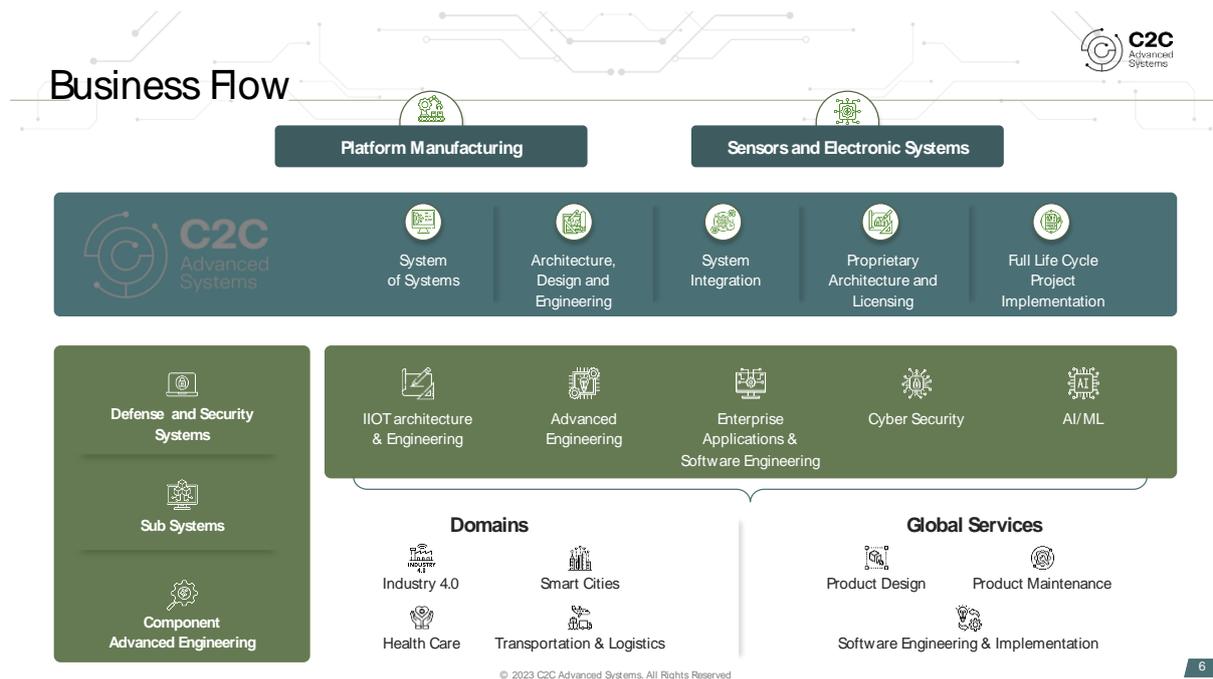
**Our Business model in Defence security**

C2C Advanced Systems does not manufacture metal or electronic components. Our Intelligent platforms enable the operationalization and provide data analytics to ensure efficient situational awareness and command and control.

Our architecture, engineering and design is agnostic to legacy, current and future platforms. One of the key areas of our architecture enable upgrading legacy platforms whose metal life is longer than the electronics or the system that run both.

We have in-house expertise to continue to develop our products and new innovations which have annuity income stream over long life cycle of the platforms, systems and sub systems we deliver.

Our in-house architecture, engineering and design of the entire stack software makes us a unique company in the market place. We have presented below our business flow:



**Overview of our Business**

Our Company was incorporated as a private limited company, under the name and style of "C2C – DB Systems Private Limited", pursuant to a Certificate of Incorporation dated February 21, 2018, issued by the RoC, Bengaluru, Karnataka. The name of our Company was subsequently changed to "C2C Advanced Systems Private Limited" vide a fresh Certificate of Incorporation dated May 12, 2022 and pursuant to the conversion of our Company in to a public limited company, the name of our Company has been changed again to "C2C Advanced Systems Limited" on December 22, 2023.

C2C Advanced Systems Limited is a vertically integrated Defence electronics solutions provider catering to the indigenously developed defence products industry in India. We at C2C have developed several offerings which cater to the entire spectrum of defence platform both in the air and in the sea. We have design capabilities across the entire spectrum of strategic defence solutions including processors, power, radio frequencies (“RF”), radars and microwave, embedded software and firmware. Our core competencies include hardware design and development, software design and development, firmware design and development, mechanical design and development, product prototype design and development, functional testing and validation, environment testing and verification and engineering services opportunities. We have end-to-end capabilities to build and deliver complete systems, with our design and manufacturing capabilities being completely in-house. Our key domain expertise includes C4I systems for effective situational awareness and decision support, AI/ML based big data analytics, enterprise integration of real time data from IIOT and embedded/FPGA designs.”

Our Company specializes in delivering bespoke software, hardware and firmware solutions which are driven by our own Intellectual Property and third-party partners. We have a technology-led focus on design and development of advanced systems and sub-systems. We specialize in delivering customized software and software enabled systems that control mission critical defence applications for military and security apparatus in India and globally.

Our products are based on our intellectual property and are unique to the Indian Defence. Our revenues are derived from the sale of proprietary (ours and third party) technologies and services.

We are one of the few vertically software integrated defence intelligent platform provider catering to the indigenously developed and global defence technology industry. We develop programs which is used by defence establishments across the world including the Indian Navy for various strategic defence solutions like ensuring combat worthiness, protection of vulnerable and strategic assets across the country and facilitates military commanders and organizational leaders to make decisions, allocate resources, and direct forces effectively.

We also provide software for developing ‘dual use’ systems and sub-systems designed to achieve comprehensive transformation of industrial organizations by integrating digital technologies, data analytics, and smart systems into various aspects of industrial processes to improve efficiency, productivity, and overall business operations.

Our turnover has grown at a rapid pace on year on year basis between 2022-23 and the nine month period ended December 31, 2023. Based on the order book this growth is likely to continue. Our offerings cater to the entire spectrum of defence and aerospace platforms – Space, Air, Land, Sea and Autonomous Systems.

We have design capabilities across the entire spectrum of defence, security and aerospace software intensive systems and sub-systems. Our core competencies include System Integration, Architecture, Design and Development of system and application software, development of special to type product prototypes, intensive testing and validation, environment testing and verification and associated engineering services. We have been at the forefront of product development in mission critical applications. Our key expertise includes C4I systems for effective situational awareness and decision support, AI/ML based big data analytics, enterprise integration of real time data from IIOT and embedded/FPGA designs.

Leveraging our key expertise in design and development of mission critical systems, we have made significant forays in developing ‘dual-use’ solutions with focus on Industry 4.0 products with focus on providing AI/ML based advanced analytics solutions to our esteemed customers in civilian sector in the realm of manufacturing.

At C2C Advanced Systems, the management team has over 100 Man years of deep domain knowledge of the Military systems- past present and the future. This includes over 35 years each for our two leadership team members and over 25 years experience in 6 of our mid management team. We offer a diverse range of technology platforms both proprietary and third party and the architecture, design and execution. We offer product engineering and technology professional services to empower our clients with superior outcomes. We have in-house design and quality standards that deliver software and hardware integrated products and services.

### **Core Competencies**

On this strength this unique innovation driven design and development capabilities of software intensive systems and sub-systems has established C2C-AS as one of the country’s leading private players in the area of situational awareness and decision support systems/sub-systems and is one of the vendors for all our clients. Some of our unique core competencies built over the years include:

- Strict adherence to international standards for software, hardware and system integration life cycles stages.
- Focus on capturing detailed interface requirements between modules and sub-systems keeping in view the crucial importance of modularity, scalability and architectural robustness.
- Design and development of AI/ML interventions to meet specific requirements of the customers and integrating these solutions with existing systems for maximum effectiveness.
- Ability to substantially transform legacy systems by adopting latest technological paradigms.
- Well-trained software and hardware professionals to meet specific needs of our esteemed customers.

### Business Model

At C2C Advanced Systems, we understand that every client has unique requirements. Thus, we offer the flexibility to adapt our products and services to meet our customers' specific needs – including specialized skills to support technology creation or requirement of comprehensive professional services that lead to managed solutions. We build with current generation technologies and continuously adopt future trends in our capabilities.

Our capabilities and core competencies across the entire spectrum of products and services in our key domains of expertise provides us significant competitive advantage globally in terms of overall development time and cost and also allows us to offer competitive pricing to our esteemed customers. We have end-to-end capabilities to build and deliver complete systems owing to our design, development and manufacturing capabilities being completely in-house.

### Our Revenues

We derive most of our revenues under the contracts from the Government arms and associated entities such as defence public sector undertakings and government organizations involved in space research. Our customer base includes Government organizations, and notable Indian public and private sector companies which include several defence public sector companies, Research organizations belonging to Government, several large platform suppliers in India and globally and a few overseas Naval establishments. The percentage-wise revenue derived from our top 10 customers for the fiscal years ended March 31, 2023, March 31, 2022 and March 31, 2021 and for the nine month period ended December 31, 2023 is as follows:

Particulars	Revenue			
	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Top 10 customers	22,04,45,156 (100%)	40,36,08,795 (100%)	8,04,87,039 (100%)	34,68,550 (100%)
Total	22,04,45,156	40,36,08,795	8,04,87,039	34,68,550

Our revenue from operations was ₹ 2206.10 lakhs for the period ended December 31, 2023, ₹ 804.87 lakhs, ₹ 34.69 lakhs and ₹ 107.68 lakhs for the fiscal years ended March 31, 2023, March 31, 2022 and March 31, 2021 respectively. Our profit after tax was ₹ 545.54 lakhs for the period ended December 31, 2023, ₹ 287.52 lakhs, ₹(238.21) lakhs and ₹ (11.78) lakhs for the fiscal years ended March 31, 2023, March 31, 2022 and March 31, 2021 respectively. The revenue earned by the Company for the Financial Year ended March 31, 2024 is Rs.4105.88 lakhs. Further the estimated revenue for financial year ended March 31, 2025 is ₹ 13019 lakhs which is based on the Orders received for financial year 2024.

Our domestic revenue on the basis of contracts with prime contractors to GOI and other contracts for the for the fiscal years ended March 31, 2023, March 31, 2022 and March 31, 2021 and for the nine month period ended December 31, 2023 is as follows:

₹ in lakhs

Particulars	Revenue ( % )			
	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Prime contractors to GOI	216.57 (9.82%)	88.51 (11.00%)	14.27 (41.13%)	-

Non GoI Contracts	1989.48 (90.18%)	716.36 (89.00%)	20.42 (58.87%)	107.68 (100.00%)
Total	2206.05 (100.00%)	804.87 (100.00%)	34.69 (100.00%)	107.68 (100.00%)

Our revenue on the basis of domestic Contracts and overseas contracts for the for the fiscal years ended March 31, 2023, March 31, 2022 and March 31, 2021 and for the nine month period ended December 31, 2023 is as follows:

₹ in lakhs

Particulars	Revenue ( %)			
	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Domestic Sales	284.76 (12.91%)	90.07 (11.19%)	34.69 (100.00%)	67.31 (62.51%)
Overseas Sales	1921.29 (87.09%)	714.80 (88.81%)	0.00 (0.00%)	40.37 (37.49%)
Total	2206.05 (100.00%)	804.87 (100.00%)	34.69 (100.00%)	107.68 (100.00%)

The countries to which we have exported our products in the last 3 years and for the period ended December 31, 2023 are Malaysia, United States of America, and Singapore. We sell our products in the states of Tamil Nadu, Karnataka, West Bengal and Uttarakhand.

**Our product/service wise revenue for the last five financial years is as under:**

Rs in Lakhs					
Particulars	FY20(A)	FY21(A)	FY22(A)	FY23(A)	FY24(A)
Revenue Summary					
<b>Global</b>	<b>435.00</b>	<b>25.00</b>	<b>-</b>	<b>714.80</b>	<b>2398.00</b>
IP Driven/License					-
Defence projects					1466.00
Project Services					932.00
<b>% of total sales-Global</b>	<b>81.31%</b>	<b>23.17%</b>	<b>0.00%</b>	<b>88.81%</b>	<b>57.95%</b>
<b>Domestic</b>	<b>100.00</b>	<b>83.00</b>	<b>35.00</b>	<b>90.10</b>	<b>1740.00</b>
IP Driven/License					-
Defence projects					1518.00
Project Services					222.00
<b>% of total sales Domestic</b>	<b>18.69%</b>	<b>76.83%</b>	<b>100.00%</b>	<b>11.19%</b>	<b>42.05%</b>
Total revenues	534.90	108.00	35.00	804.90	4106.00

**Our Order Book**

Our order book as of March 15, 2024 is ₹ 6527.45 lakhs and our Order Book for FY 2025 is as under:

Type of Order	Domestic	Global	Percentage to total orders
IP led orders		15,62,20,000	23.93%
Defense project led orders	15,33,74,401	6,95,00,000	34.14%
Defense service led orders		17,67,13,845	27.07%
Digital Transformation orders		9,69,37,500	14.85%
Total	15,33,74,401	49,93,71,345	
	23.51%	76.49%	
Total order book- top 10 clients	65,27,45,746		
Type of Order	Domestic	Global	Percentage to total orders
IP led revenue orders		15,62,20,000	29.79%
Defense project led orders	9,30,64,374	6,95,00,000	31.00%
Defense service led orders		14,99,01,345	28.59%
Digital Transformation orders		5,56,87,500	10.62%
Total	9,30,64,374	43,13,08,845	
	23.51%	76.49%	
Total order book-top 5 clients	52,43,73,219		

## Our Strengths

### Wide Range of Products and Solutions for Defence Applications

We offer a wide range of products and solutions for defence applications. As of December 31, 2023, we have a range of products and solutions with variations in each category. We believe that offering high-quality products and operational execution focused on continual improvement supports our ability to offer a wide range of products and solutions.

Our wide range of products and solutions catering to specific customer needs enable us to successfully service the defence sector in India and across the globe. This allows our customers to source most of their requirements from a single vendor and enables us to expand our business from our existing customer base, as well as address a larger base of potential customers. Our ability to provide end-to-end solutions to our customers ranging from designing, developing, manufacturing and testing increases our capability to meet specific and exclusive requirements of our customers.

With our experience in design and development of C4I systems for effective situational awareness and decision support, AI/ML based big data analytics, enterprise integration of real time data from IIOT and embedded/FPGA based systems/sub-systems, we have the ability to architect, design, develop and deploy software intensive systems and solutions based on ‘System of Systems’ approach. We also focus on strict adherence to international standards for software, hardware and system integration life cycles stages, on capturing detailed interface requirements between modules and sub-systems keeping in view the crucial importance of modularity, scalability

and architectural robustness and accordingly design and develop tailored AI/ML interventions to meet specific requirements of the customers and integrating these solutions with existing systems for maximum effectiveness.

### **Strong R&D Capabilities with a Focus on Innovation**

We place strong emphasis on R&D which has helped us develop a wide range of products and solutions in the defence and manufacturing reorganisation consulting sector. We have invested in precision manufacturing infrastructure and human resource in our dedicated Experience Centre at Bengaluru, Karnataka. Our Experience centre is an interactive space that is designed to showcase an immersive near-live experience of deployment; first hand experience of operating a Combat Management System in an Operations room environment. The available functions range from Aircraft Carrier, Frigates, Destroyers, Off Shore Patrol Vessels and Missile Boats as individual platforms or as part of a fleet.

We believe that through R&D, we have developed ~~robust~~ design and technological capabilities, which allow us to develop new ~~and cutting-edge~~ products and solutions, undertake process innovation and improve existing portfolio. It has also facilitated in developing technology for future requirements and further helps us in expanding our role in the defence sector. We believe that our focus on R&D also distinguishes us as a leading company in the Indian defence industry since most of our products and components are designed, developed and manufactured by us in India. We believe our comprehensive R&D efforts will be a crucial strength towards ensuring that we remain competitive in the years to come.

### **Well Positioned to Benefit from the Government’s “Atmanirbhar Bharat” and ‘Make in India’ Initiatives**

India is witnessing path-breaking reforms in the defence sector. The Ministry of Defence has announced the Defence Acquisition Procedure which has come into effect from October 1, 2020. This procedure focuses on significantly boosting indigenous production and turning India into a global manufacturing hub of weapons and military platforms. This procedure has been aligned with the vision of the Government’s Atmanirbhar Bharat (self-reliant India) initiative and to empower Indian defence industry through ‘Make in India’ projects. We believe that this policy will provide a significant boost to indigenous manufacturing companies such as ours and that with our domain expertise, R&D and manufacturing capabilities, we are poised to take full benefit of the same. For instance, the Department of Military Affairs, MoD has prepared a list of 101 items for which there would be an embargo on the import (“Import Embargo List”), as set out in its press release dated August 9, 2020. Through a second positive indigenisation list notified on May 31, 2021 to which a list of 108 items were added, the Government’s resolve to give preference to domestic suppliers and manufacturers in arms purchases is clear.

The second list lays special focus on weapons and systems, which are currently under development or under trials and are likely to translate into firm orders in the future. The ‘Second Positive Indigenisation List’ comprises complex systems, sensors, simulator, weapons and ammunition, such as **Helicopters, Next Generation Corvettes, Air Borne Early Warning and Control (AEW&C) systems, Tank Engines, Medium Power Radar for Mountains, MRSAM Weapon Systems** and many more such items to fulfil the requirements of the Indian armed forces. This second list is planned to be implemented progressively with effect from Dec. 2021 to Dec. 2025.

Some of the products listed in the Import Embargo List such as **Corvettes, Air Borne Early Warning and Control (AEW&C) systems, Tank Engines, Medium Power Radar** are currently manufactured by us. This not only helps us increase our foothold as a supplier for products which are currently manufactured by us, but also gives an opportunity to expand our existing products portfolio by using R&D.

### **Strong Relationships with a Diverse and Global Customer Base**

We have a diversified customer base which ranges from private platform players, Government arms and government organizations involved in defence research, to various defence public sector undertakings. We also cater to international customers including ~~several~~ global Navy clients. We believe that our established ~~heritage~~ of experience in designing, developing and manufacturing systems and sub-systems for diverse customers in defence sector has enabled us to develop a deep understanding of the sectors and customers’ requirement. Our partnership with overseas technology companies also enables us to serve as manufacturing partner for global customers of such companies.

A key focus of our business is on providing high quality products and solutions which are designed, developed and/or manufactured to meet the specific requirements of our customers at competitive pricing. We are committed to enhancing customer satisfaction by continually improving the effectiveness of our quality management system to drive organisational performance. We also aim to provide our customers with quality after-sales service by efficiently handling after sales support requirements. By doing so, we believe that we are able to deepen our customer relationships to become their preferred suppliers. We are also continually innovating and working on offering value added and technologically advanced products and solutions to our customers.

We believe that our long-standing relationship with our customers and goodwill in the industry will help us to become their most preferred supplier in a likely event of exponential increase of demand. We have also increased our presence across India and in Canada, United States of America, Malaysia, Singapore, United Kingdom and France throughout the project life cycle including after sale services.

### **Experienced Management Team**

An experienced and mature management team is a major driving force behind the sustained performance of C2C Advanced Systems over the years. Senior management team members are either with our Company for a long time or are industry veterans bringing in high level of domain expertise and extensive intra-industry relations.

The management team is led by our Promoters, Commander Narendra Lanka, Commodore Kuriyedath Ramesh and Murtaza Soomar.

Further, our key management personnel and senior management personnel possess extensive management skills, operating experience and industry knowledge and are able to formulate business strategies, take advantage of the market opportunities and also execute them in an effective manner. Our key management personnel are committed to our long-term growth and have shown their ability to steer us through different economic cycles.

In addition, we believe that our middle management team and our skilled work force comprising of 107 technologists and engineers and skilled employees provide us with the depth of expertise and managerial skills required to manage our business. We believe that our qualified and experienced management team and technically skilled employee base have contributed to the growth of our operations and the development of in-house processes and competencies. For details, see the section entitled “Our Management” on page 57 of this Draft Red Herring Prospectus.

### **Our Business Strategy**

We envisage long term growth by building long term relations with customers. Our strategy will be to focus on capitalizing on our core strengths and expanding the operations of our business. We intend to focus on our existing projects with specific emphasis on the following factors as business and growth strategy:

#### **Strengthen our Foothold in India’s Expanding Market**

In addition to benefiting from the overall growth that is expected in India’s economy and defence sector, we believe we can strengthen our foothold in Indian market by continuing to focus on our competitive strengths and increase our market penetration. We believe we can expand our market share by focusing on increasing our products and solutions portfolio, enhancing our existing capabilities and indigenising advanced foreign technologies. Recent initiatives of the Government i.e. “Atmanirbhar Bharat Abhiyan”, the Defence Acquisition Procedure and “Make in India” reflects its focus on ‘self-reliance’ wherein indigenisation and innovation is enabled through processes of ‘Make’, ‘Design and Development’ and ‘Strategic Partnership’. We believe that expanding our products and solutions portfolio by designing, developing and/or manufacturing new products and solutions will enable us to establish new customer base. Apart from the above, we believe we can also capture an increased market share by expanding our presence across various cities in India, especially from the perspective of marketing and after sales services.

At present, India is one of the largest importers of defence equipment with majority of its defence needs being met through imports, though India’s arms imports have decreased in the recent years. The Government of India aims to develop a strong self-reliant domestic industry in the defence sector with substantial participation from the private sector, including MSMEs and start-ups to reverse the trend of imports. In this regard, the Government

has taken several initiatives like the Make-In-India programme, creation of an eco-system for the development of technologies through innovation by MSMEs / start-ups, etc. With the support of the Government, the Indian industry is expected to move up in the value chain and deliver quality products, systems and services to the defence forces.

Toward MoD's big push for the Atmanirbhar Bharat initiative, MoD has put an import embargo on 400 plus items from Aug 2020 and published four positive indigenisation lists of Services with timelines to boost the indigenisation of defence production. Under these changing business scenarios, it behoves us to focus on enhancing our interaction levels and building long-term relationships with emerging strategic partners, users and other key stake holders in the Indian defence and security industry.

### **Leveraging our Market Skills and Relationships**

Our Company believes that our business is a by-product of relationships. This is a continuous process in our organization and the skills that we impart in our people give importance to customers. We aim to enhance the growth by leveraging our relationships and further enhancing customer satisfaction. We plan to increase our customers by meeting orders in hand on time, maintaining our customer relationship and renewing our relationship with existing buyers.

### **Strengthening our Business through Effective Branding, Promotional and Digital Activities**

We seek to increase our brand awareness through marketing initiatives, new product lines and brand extensions, effective online marketing strategies. Brand reputation is considered the top criteria in decision-making, with word of mouth, feedback from customers playing a crucial role. Our marketing and advertising initiatives are directed to increase brand awareness to cater to new customers. We plan to effectively utilize our website, social networking sites and other online platforms of communication to build consumer knowledge of our brands.

### **Delivering Excellence through Innovation**

To harness the favourable business environment in the country at present, our long-term strategy comprises of five key areas of focus that will facilitate realization of our vision and mission. These key focus areas are centred around and draw strength from our core operational philosophy of; 'Delivering Excellence through Innovations'. The key focus areas are:

- Sustain and enhance our business in 'Situational Awareness and Decision Support Systems and Sub-Systems' domain.
- Leverage our core competencies to develop dual-use opportunities delivering solutions to customers in civil domains.
- Develop capabilities in AI/ML based advanced analytics domain to add substantial value across entire range of our products and services.
- Develop and expand our international business.
- Ensure continual development of our human resource to harness their full potential.
- Enhance financial performance and deliver sustainable growth in shareholder value.

### **Our Expertise**

We have been at the forefront of product development in mission critical applications. Our key domains expertise includes C4I systems for effective situational awareness and decision support, AI/ML based big data analytics, enterprise integration of real time data from IIOT and embedded/FPGA designs.

### **C4I Systems (Command, Control, Computing, Communication Intelligent systems)**

At the core of our C4I systems are the command and control functions, which facilitate military commanders and organizational leaders to make decisions, allocate resources, and direct forces effectively. The communication backbone provide robust communication capabilities, enabling seamless information exchange between various units, platforms, and personnel. This includes voice, data, and video communications. Our C4I systems aim to integrate different elements seamlessly, creating a cohesive and interoperable environment. This integration enhances the overall efficiency of operations.

The phenomenal advancements made in the field of high-speed computing and information technology to process and analyse voluminous data have been effectively used by us to provide an edge to our C4I systems. This includes data storage, retrieval, and processing capabilities to support decision-making. Our C4I systems also incorporate intelligence components, allowing organizations to collect, process, analyse, and disseminate intelligence information to support operational planning and execution.

In Défense and security of the country, accurate situational awareness is necessary for quick coordination and effective responses to rapidly changing operational scenarios. C2C Advanced systems has built using in-house development of underlying technologies, products, platforms and systems. C4I systems integrate the command and control needs together with communications and computer systems to digitized battlefield C4i by applying advanced technologies in combination with commercial-off-the-shelf (COTS) hardware and software packages.

Our systems employ a building-block approach to link various needs and in a net centric environment. We use tactical computers, digital maps, message handling systems, border surveillance, advanced communication controllers and modems as well as various components to develop software based situational awareness platforms. We also provide software infrastructure and applications for mobile and airborne platforms, for the individual soldier, and for headquarters Command and Control (C2) applications. Based on these core technology building blocks, we offer our customers comprehensive integrated solutions of C4I for land, sea air and autonomous systems.

The systems process, manage and present massive amounts of data arriving from various sources into a user-friendly format. We also provide a full range of simulators and customizable training programs.

Our C4i solutions includes:

- Computers: Tactical computing solutions for various mission critical applications for all levels of fighting forces.
- Communications: Tactical communication systems that enable timely and relevant information dissemination to all facets of the force, from the individual soldier to vehicle commanders, deployed command posts and general headquarters. These communications solutions encompass radio, IP and satellite equipment and systems. Tactical internet is enabled by systems such as our Tactical Multimedia Router (Elbit TMR™), a unique military-grade triple-play IP routing solution for mobile and deployed command posts.
- Command and Control: Our capabilities on a networked basis, allows maximizing power and accuracy while minimizing the risk of friendly fire and collateral damage. These interconnected systems enable modern forces to synchronize their response with speed, precision and intelligence. Fully aware that advanced C4i is the key determinant in effective response on acts of terrorism
- Intelligence: We use variety of sensors such as radars, sonars, Infra-red, satellite sensors, visual, voice and sensors for intelligence gathering as well as tools for process and evaluate threats.
- C4i is the acronym for the above.
- This innovation driven, integrated modular systems provide warriors with greater situational awareness, enhanced force coordination and a shortened sensor-to-shooter decisions.

# Defense Systems



## NAVAL

To Float, To move & To fight



## AIRBORNE

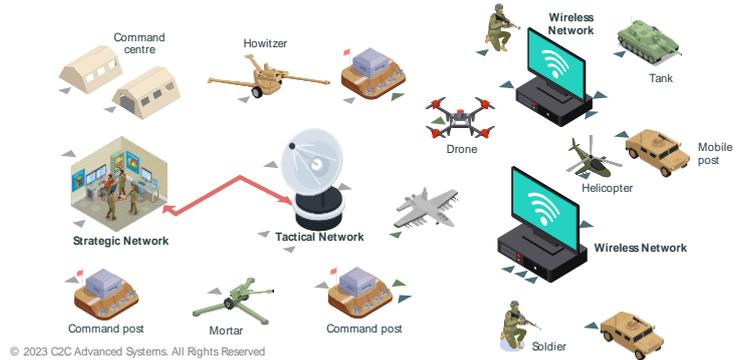


Air defense platforms | ISR systems | Reconnaissance platforms | Drone command & control | Anti drone systems

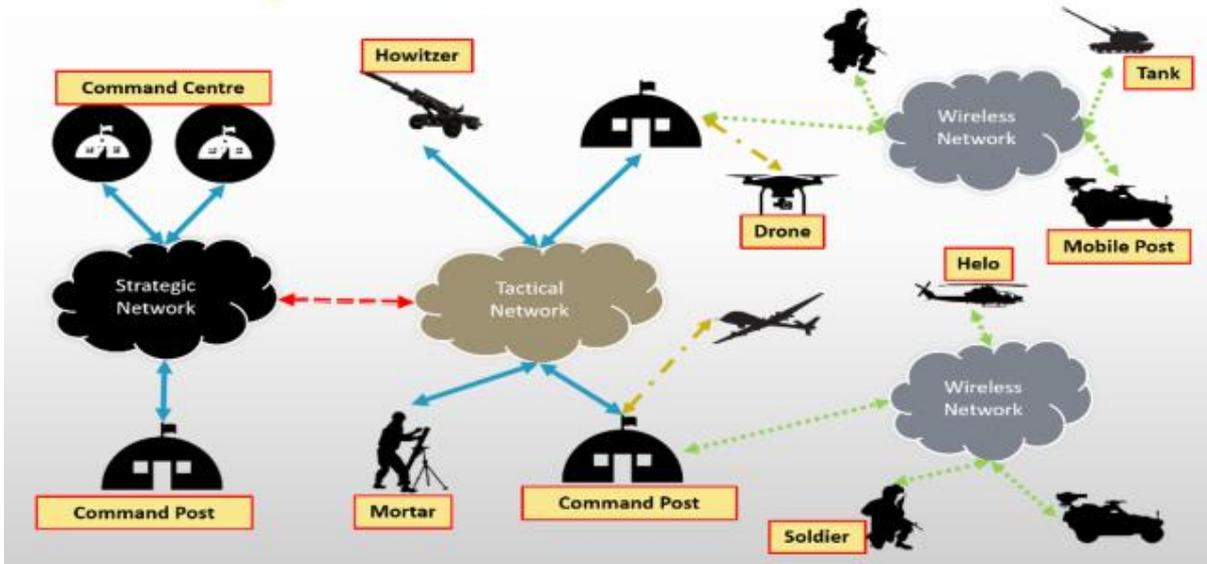


## ARMY

Battlefield Management | Tactical communication | Electronic warfare systems  
Logistics and maintenance | Fire control systems



## C4 I Systems



### Combat Management System

One of our highly significant achievements has been successful delivery of new-generation Combat Management System (CMS) for two Malaysian Navy frigate. Design and development of state-of-the-art Combat Management Systems (CMSs) for warships and submarines is considered one of the most complex endeavours in the realm of C4I systems. It also calls for sustained honing of competencies in the field of system and software engineering and comprehensive domain knowledge.

Supported by a host of advance analytics and decision support features, the CMSs have become an integral part of modern warships and submarines ensuring highest degree of combat-worthiness of the platforms at all times.

With the successful delivery of two CMS projects to the Malaysian Navy, C2C Advanced System has joined the select band of companies capable of designing, developing and deploying CMSs. With many new CMS projects in the pipeline, we remain deeply committed to delivering the utmost value to our esteemed customers in this niche technological domain.

Combat Management Systems delivers “real time knowledge superiority” over potential adversaries, shorten decision-making cycles and execute rapid and accurate weapon engagement in any task. It also ensures optimum response to changing events. It is an open and fully distributed architecture, with Commercial Over The Shelf (COTS) building blocks,

The system has high levels of redundancy protecting the system from any single failure. CMS systems can be used from small patrol boats to frigates to aircraft carriers and for commanding Naval airborne systems- both manned and autonomous.

The Combat Management System (CMS) in the Marine environment (Navy) has to perform the following key functions:

**Situational Awareness.** Realtime awareness of the battle environment at sea which includes surface, subsurface and air. Sensors like radars, electro-optical systems and sonar, communication, Satellite data provide the data that requires processing to provide situational awareness.

**Intelligence.** Convert the above disparate data into actionable intelligence through processing, interpretation, collation, evaluation to deliver a common operational picture.

**Planning and decision-making.** Commanders can rapidly make actionable plans for decision-making and implementation, in a continuously changing and complex battle environment.

**Weapon systems command and control.** An effective CMS will also direct the weapon systems through their sensors to engage and destroy any incoming threat or deliver munitions to destroy the enemy targets.

The entire system will be part of a network-centric warfare (NCW) where each system becomes a separate node point with similar node points on other vessels.

CMS is a software-intensive system has the flexibility to operate in a complex naval battle environment, interact with other sub-systems elements on the ship and also be interoperable with other vendor systems of vessels of own navy as well navies of friendly countries. It should be able to cope with mass information with minimum crews. CMS is simple in concept but extremely complex in the architecture and design. C2C Advanced systems is one of very few global companies which has proven its current generation CMS by implementing for two Naval ships for the Royal Malaysian Navy.

## Combat Management System (CMS)



## Integrated Platform Management System (IPMS)

- Fully automated platform control and monitoring system encompassing all propulsion, power generation & distribution and damage control machineries and systems.

- Highly modular and scalable system architecture with ability to integrate diverse origin machineries, sensors and systems.
- Comprehensive platform automation capabilities directed towards ensuring unprecedented levels of operational effectiveness.

Today's warships have highly automated systems for the ship survivability and operational effectiveness. Integrating these capabilities at the platform level can deliver optimized operational effectiveness. The C2C Advanced systems Integrated Platform Management Systems (IPMS) provides integrated monitoring and control of ship propulsion, electrical functions, auxiliaries and damage and stability control systems.

In addition to the automation of these platform systems, the additional features can be integrated in the IPMS such as:

- Training Systems for effective operations
- Stability and Battle Damage Control System
- Closed Circuit Television (CCTV) System with Image recognition with AI/ML algorithm and applications
- Virtual Maintenance (VM) Systems

**System Architecture** – C2c advanced system architecture for IPMS is a real time distributed digital control systems. Our open architecture system is built around multifunction control consoles and Remote sensors and processors. For data acquisition and control. The consoles provide the Human Machine Interfaces (HMI) at an efficient operation at the crew level. The isbuilt highly redundant data bus..

Open system architecture allows for the use of a variety of data networks in accordance with customer requirements.

**Human Machine Interfaces** - The HMI architecture and design is sophisticated for application in modern generation fighting ships design that is consistent with its application in a sophisticated warship. Portability is built for operating units for support emergency situations.

This provided a very high level of survivability, because total platform control can be exercised from several widely separated locations on the ship.

Or Tiled, Layered Graphics (TLG) approach facilitates the automatic decluttering of information at the various levels of zoom, ensuring easily readable displays at all times. TLG also provides a novel form of navigation through the ability to pan and zoom in a "world view" of the ship. Alternatively, a structured windows approach is used with four windows that can be displayed simultaneously on the screen, allowing the operator to manage several different systems at once.

**Data Acquisition and Control** - Our systems that can interface to as few as 100 signals and to a virtually infinite number of sensors and actuators. Oure IPMS manages vast array different signals and provides efficient data acquisition and further processing through our proprietary data analytics capability.

Our architecture is based on Commercial over the counter (COTS) open architecture electronic modules that integrate both signal conditioning and processing functions. The sensors acquires data, performs check for limit violation, transmit the data to other IPMS subsystems as required, process automatic control sequences, output control signals to actuators.

The automatic propulsion control and power management software is built in to control software for other platform machinery and systems. These units are rugged and can withstand the most stringent environmental conditions.

**Gas Turbine Engine Controller** – Our systems integrate with gas turbine engine controllers for a variety of gas turbines used on modern warships. The IPMS architecture with its capability for Virtual maintenance capabilities has significantly reduced life cycle costs by supporting the Engine Control Module

**Data Logging, Trending, and Reporting** - the IPMS on a real time records the changes in sensor data and the control commands together with the date and time stamps for each value and can be analyzed on board and shore facilities to help build AI/ML algorithms.

**On-Board Training Systems** - The IPMS can include advanced simulation capabilities whereby the operator consoles can also operate in training mode.

**Battle Damage Control System** – This allows early damage recognition and effective coordination of damage control actions and can include any or all of the following features:

**Damage plotting:**

The Commanding Officer, Engineering Officer, and the Damage Control Assistant receive in real-time the complete, up-to-date picture of the damage situation giving them the information edge they need to effectively command the ship.

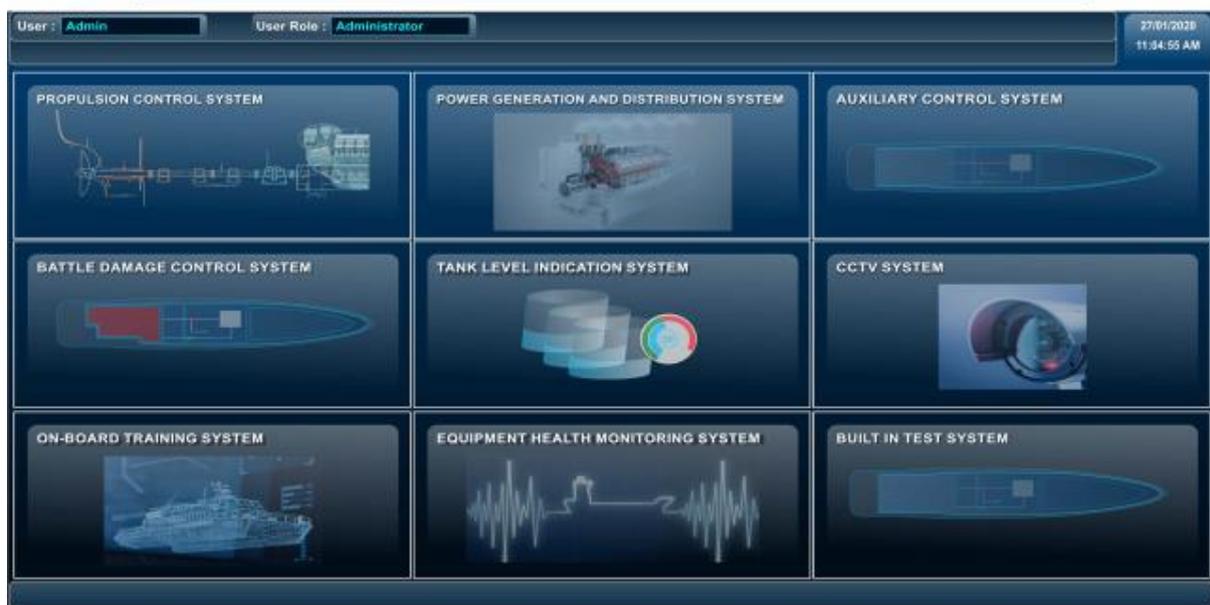
**Ship stability system:**

This allows the ship to sail and maintain stability

**Digital CCTV System:** Integrated a digital closed-circuit television system provides video monitoring of the ship's machinery and other critical locations. This is connected to the multifunctional consoles to deliver real time intelligence on damages, malfunctions and flooding etc.

**Virtual Maintenance System:** Monitoring vibrations of specialized engine and drive systems is integrated with the IPMS to provide periodic monitoring of equipment health. Predictive and virtual maintenance are critical elements will allow the ships to repaired faster and turnarounds

## Integrated Platform Management System (IPMS)



### **Integrated Vessel Management System (IVMS)**

- A unique offering from C2C AS to provide an Integrated Vessel Management System (IVMS) comprising key functionalities of IBS, IPMS and CMS systems.
- Cost effective solution for small ships and crafts.

- Retains all crucial features of unique system architectural approach of C2C AS : Scalability, Modularity, High-performance and Reliability

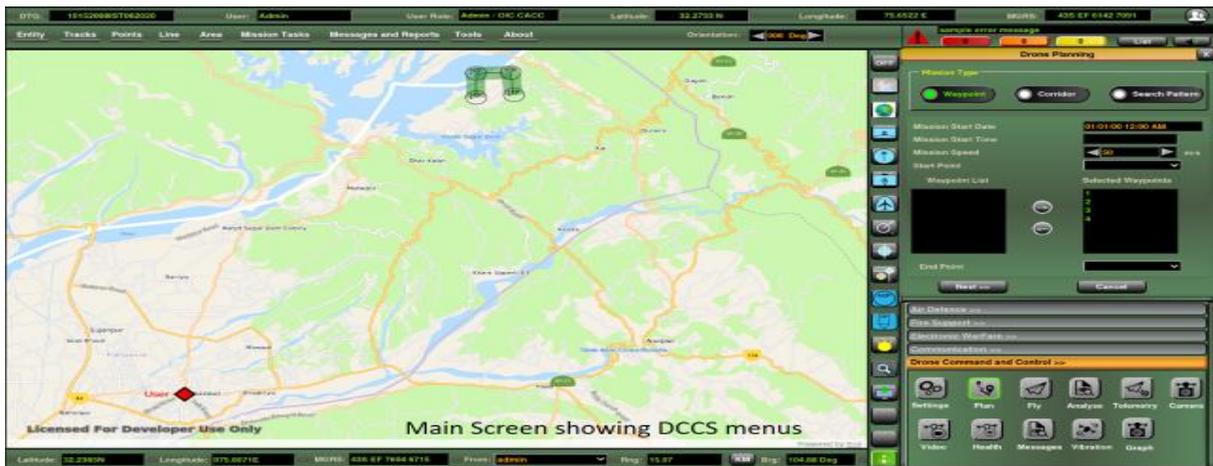


### **Drone Command & Control System (DCCS)**

Our Drone Command & Control System (DCCS) is a component of the Air Defence Sub-system. Air Defence Sub-systems means ground-based air defence systems and solutions designed for use by armed forces and they include:

- Radar distribution systems
- Radar excitation unit air borne fighters
- Intelligence, surveillance and reconnaissance systems with data processing
- Stationary critical asset protection systems
- Modular multi-mission mobile air defence systems
- Command and control systems for air defence
- Anti-aircraft gun fire control units for air defence systems
- Multi-spectrum sensor network solutions
- Electro-optic target tracking sensors integration

Track data from Radars and other sensors is used to create a composite and correlated Air Situation Picture. Threat Evaluation algorithms assesses the threat and decisions in respect of functionalities pertaining to Search, Surveillance, Reconnaissance, and Target Engagement. The system can carry out planning for a large variety of drones based on availability. It can also plan for drone swarms and integrated operations between the Drones. All information with respect to the Drones viz. endurance, range, height ceiling, speed, radar cross section etc., are taken into consideration during the planning operations. All these enable creation of a detailed drone flying mission.



### Anti-Drone Command & Control System

One of our recent achievements in the domain of C4I systems has been design and development of Anti-Drone Command & Control System. Our system caters for a complete response range using Smart Radio Frequency Jammer (Inhibitor) to protect vulnerable assets, namely: defence and strategic assets across the country, national monuments, airports, border posts, large outdoor conventions, crowded market places, hospitals, schools, etc..

Drones are inexpensive to design and manufacture, and widely adopted and deployed as the first line of Défense and for offense that can cause serious damage to adversaries. Swarm drones, Kamikaze drones, surveillance drones require highly sophisticated hardware and software driven command and control and situational awareness platform.

Drones can threaten security in a variety of ways, including:

- Surveillance by adversaries
- Airspace obstruction
- Unauthorized media
- Destructive payloads

As drones have become more sophisticated and cost significantly lower than the manned systems, the need to counter adversarial drones has become important.

C2C Advanced systems has developed proprietary anti/counter-drone command and control (CUAS C2) solution to protect against the persistent and escalating threat from drones. By leveraging AI and machine learning (ML), C2C's solution provides continuous, autonomous interrogation and verification of drones.



## Intellectual Property

We currently do not have any registered trade marks or logo. However the following have been developed by us as a part of our intellectual property:



### Technology Portfolio

Architecture/Design/Products	Technology portfolio- Naval and Marine Application	Solution
To Float. To Move To Fight Stability & Damage control systems	Naval systems  Naval- Destroyers, corvettes, Frigates, Mine countermeasure vessels, Offshore patrol vessels, Coast Guard	Data Conversion systems
Integrated Navigation and tactical systems		Digital tactical conference table ECDIS/WECDIS Digital Maritime operations plotter
Combat management system Integrated bridge system -Navy Integrated platform management system Drone Command and Control system		Integrated navigational suite for boats Chart server and clients
		Radar data distribution unit Gun fire management system Navigation data panel Display control system CCTV system Inertial navigation system Conning system Gunfire predictor system
Tactical Communication systems		Ships helicopter operations control Tactical data link
Battlefield simulation		Simulator architecture and design



### Technology Portfolio

Land/Air based		
Battlefield management system communication systems	Tactical Data link	Mechanized columns, Brigade operations
		Net centric Situational awareness platform for land based columns
		Net Centric Theater level awarness platform for filed commanders, decision makers
		Fracticide avoidance system
		Operation and logistics planning system
		Training simulators
CMS- Airborne		Combat air patrols ISR platform
		Electronic warfare Airbase and headquarter
		Mission control and planning system
		ISR Control systems
		Integrated command and control system
		Net centric operations
		Interoperability system
Thetare level		Joint operation of Army Navy and Airborne
Net centric theater management system		Net centric interoperable system for mission planning for joint operation of army Navy and Airforce
UAV/Counter UAV		Command and control system
		UAV mission planning

Engineered solutions		
Signal Processing	End-End Radar Solution- Rvideo Suite	Radar Processing Units Soft Scan Converter Video Extraction & Distribution Radar Interface Cards Display Cards Radar Situational Display Radar Plot Extraction & tracking Radar Video Compression/ Decompression Radar Chart Solution
Display Processing	BSU Radar I/o Display Cards RADAR / SONAR Video Display Integration	
EO/ Video Processing	Advanced Data Processing solutions Advanced Image/ Video Processing solutions	Platform Stabilizers Motion Controllers Trackers and Positioners IR Thermal Image processing and Fusion Video recording Video Extraction Video tracking Video Track processing
NETWORK Reliability Solution	Redundant Network Interface Card- RNIC	
Simulators	CMS Simulator GIS simulator DMFC Simulators Radar Simulators Flight Control Simulators Any Customized Virtualization	
Customized System Design & Integration		
COTS Ruggedization		
Form Fits/ Retro Fits	MVME Radar Solution Reverse Engineering on requirement bases	

System Design & Engineering	
	Structural Design
	Structural & Thermal Analysis
	Testing and Validation
	Engineering Software software solutions
	System Software
	IEEE12207 International Standard System and Software Engg with Software Life Processes
	BSP Firmware and Device Driver Development for Specific Applications
	RTOS Based Application Development
	Multi CPU, Multi I/Os, Multi Bus, Multi OS Software Integration
	Specialized GUI Developments and HMI Designs
	Integration Middleware (Data Distribution System)
	Customized Embedded Control Softwares
	GIS based applications
	Product
	Mother boards
	CoMe
	Chasis
	OTT

### Our Products

The products that are supplied by the Company are

1. Combat Management System
2. C4I Systems
3. Anti Drone Command and Control System
4. Air Defence Sub-systems
5. Integrated Platform Management Systems
6. Integrated Vessel Management System

These are in the form of code which is supplied to the clients who use them on their equipment.



- Linux OS  
 - Fully qualified to MIL-STD-810F/JSS 55555

SECURE EARTH GROUP

60



## Hardware Engineering Capability

**In House Design and Architecture**

**Aviation/Marine Grade**

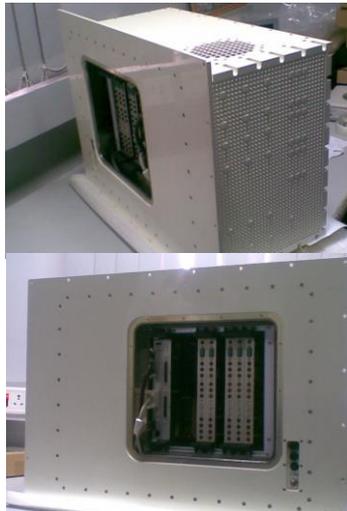
**Compliant to MIL Std 810, 461F, JSS 55555**

**Structural Analysis**

**Obsolescence Management through Hardware upgrade**



## Radar Beam Steering Unit



- Designed towards PA Radars
- Air-to-Air Heat exchangers
- Rugged conduction Cooled PS unit
- Computer
  - PowerPC with high speed Parallel IOs
  - customized Array Cards to handle PCMs
  - VME Form factor
  - Lynx OS
- Fully qualified to MIL-STD-810F/JSS 55555
- Field Deployable / Water Proof/Dust Proof

SECURE EARTH GROUP

61

## VPX ATR

- Customized Computing , control  
and Network Backbone ATRs

- Latest VPX Technology
- Customized product
- 10Gb high speed links
- 3.5 Inch Panel PC , rugged



- designed towards Naval  
Submarine

- High Shock /48g with spiral shock  
mounts
- ARINC standard Tray
- MIL-STD-810G
- EMI/EMC 461F

SECURE EARTH GROUP

62

## COTS Rugged: Routers



- CISCO 2821 based
- Configuration
  - 16 Copper Ports /100Mbps
  - 16 V.35 Ports
  - 4 FXS
  - 4 FXO
- Built-in Climatic Controller (SACC)
- 19 Inch Rack mount
- Deployed in Army Communication  
Systems
- Qualified to JSS 55555 L2H
- Different Configurations available

SECURE EARTH GROUP

63

## COTS Rugged: Ethernet Switches



- CISCO 2960 based
- Configuration
  - 24 Copper Ports /100Mbps
  - 18 Copper and 6 Fiber available
- Built-in Climatic Controller (SACC)
- 19 Inch Rack mount
- Deployed in Navy and Army Communication Systems
- Qualified to JSS 55555 Naval and Ground
- Different Configurations available

SECURE EARTH GROUP

64

## COTS Rugged: HP Work Station



- Rugged military version of HP XW9400 high-end workstation computer.
- AMD Opteron 2212 2.0 GHz processor, 8GB RAM, 4xSATA, NVidia Quadro Gx card
- Interfaces such as Ethernet, USB, Fire wire, Sound, etc.
- Fully sealed all aluminium 19" 5HU chassis
- MIL-STD-461
- EMI/RFI/EMC: MIL-STD-461E
- Vibration: 20-50 Hz, PSD 0.02g<sup>2</sup>/Hz falling to 0.001g<sup>2</sup>/Hz at 500 Hz
- Shock: Up to 25G/ 6ms, Half Sine (Non Operating)

SECURE EARTH GROUP

65

## Misc. Ruggedized Products



### **Datalink Systems ¼ ATR**

- 3U cPCI based
- Supports Data Acquisition and Control



### **3.5" Panel PC**

- ARM based
- 2x SIO, 16x GPIO, 7 Function Keys, Audio Out
- Used in applications for controlling SBCs

SECURE EARTH GROUP

66

## Upgraded DMFC



- Sleek Console for hatch entry
- 20 Inch , dual multi function display , high resolution: 1600x1200
- Function Keyboard, Switches and Indicators
- Rugged ASCII Keyboard and trackball
- Computer
  - Intel Core i7 based Front end Processor
  - High end Graphics
  - VME Form factor , rugged enclosure
- Designed to MIL-STD-810F/JSS 55555

SECURE EARTH GROUP

67

## Naval Chart Display



- 40 Inch rugged display
  - 3M DST touch
  - Graphics card with 1900x1200 Resolution
- Rugged ASCII Keyboard with Touchpad
- Computer
  - Includes 2 Independent systems for Gx Server & NAS server application
  - Intel Core i7 based Front end Processor
- Fully qualified to MIL-STD-810F/JSS 55555

SECURE EARTH GROUP

68

## Our business model for Digital Transformation

### (Industry 4.0 based Virtual Supply Chain, Logistics and Maintenance)

Leveraging our core expertise in design and development of software intensive 'system of systems', we at C2C have made significant forays into developing 'dual use' systems and sub-systems designed to achieve comprehensive transformation of industrial organizations. In the context of Industry 4.0, such a transformation, which is aptly known as 'Digital Transformation', represents the fourth industrial revolution, characterized by the use of advanced technologies to create "smart factories" and connected ecosystems. Its essence being integration of digital technologies, data analytics, and smart systems into various aspects of industrial processes to improve efficiency, productivity, and overall business operations.

Some of the defining features of Digital Transformation within the framework of Industry 4.0 are:

- **Interconnected Devices and Systems:** IIoT Integration: Industry 4.0 involves the extensive use of the Industry Internet of Things (IIoT), where physical devices and machinery are embedded with sensors and connected to the internet to enable real-time data exchange.
- **Big Data Analytics:** Digital Transformation leverages big data analytics to process and analyse vast amounts of data generated by connected devices. This facilitates informed decision-making and predictive analytics for better operational insights.
- **Smart Manufacturing:** Digital Transformation embraces smart manufacturing, where production processes are digitally optimized and automated. This includes the use of robotics, autonomous systems, and intelligent machines to enhance efficiency and flexibility.
- **Integration of Physical and Digital Systems:** Digital Transformation in Industry 4.0 involves the integration of cyber-physical systems, where the physical production processes are closely connected and synchronized with digital systems and networks.
- **Advanced Robotics and Automation:** Robotics in Manufacturing, Automation robotics, and autonomous systems are integral components of Industry 4.0, leading to more efficient and flexible manufacturing processes. Collaborative robots (Cobots) work alongside human workers in a coordinated manner.

- Cloud Computing-Cloud-Based Solutions: Industry 4.0 leverages cloud computing for storage, processing, and accessing data from anywhere. Cloud-based solutions enable scalability, accessibility, and real-time collaboration.
- Augmented Reality (AR) and Virtual Reality (VR): AR and VR technologies are used for training, maintenance, and design processes. They enhance worker skills, improve maintenance procedures, and contribute to more effective product design and prototyping.
- Digital Twin Technology: Digital twins, which are virtual representations of physical objects or systems, play a crucial role in Industry 4.0. They enable monitoring, analysis, and optimization of physical assets and processes in real time.
- Cyber Security Measures: Security in Connectivity: As industries become more interconnected, there is an increased focus on robust cyber security measures to protect sensitive data, prevent unauthorized access, and ensure the integrity of industrial systems.
- Supply Chain Digitization: Digital Transformation in Industry 4.0 extends to supply chains, where there is a focus on end-to-end visibility, traceability, and optimization through the use of digital technologies.
- Customization and Flexibility: Industry 4.0 enables more flexible and customizable production processes, allowing companies to respond quickly to changes in market demands and customer preferences.

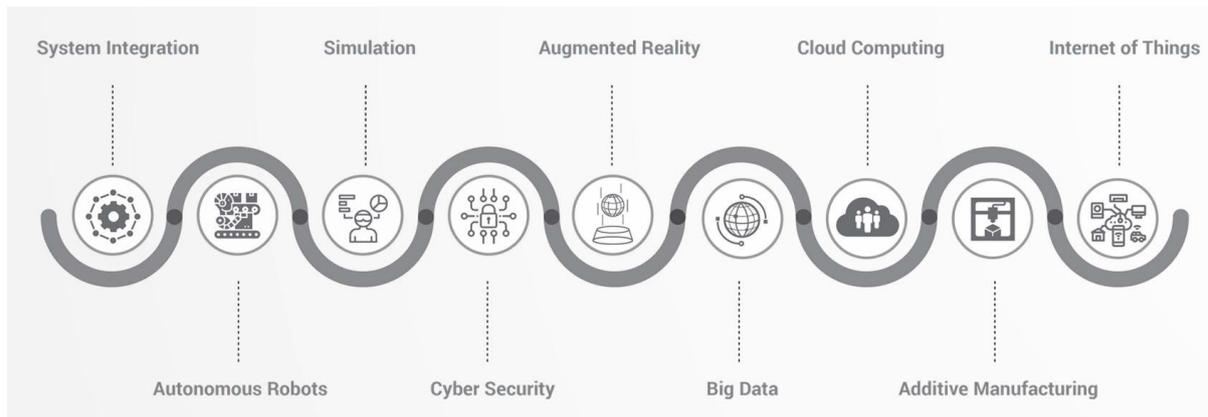
### **Digital transformation and Implementation and Services**

IIOT integration with ERP is a natural extension to our capabilities. IIOT based on sensors is applicable in defence and in dual use in Industry 4.0/Transportation/Logistics applications. With extensive experience, we pride ourselves in delivering ERP solutions focused on real time data derived Virtualization of Logistics, Supply Chain and Maintenance and other business solutions as an integral part of the end customers' overall business value chain. This, in turn, drives us to align our solutions and services to vision and objectives of the organizations concerned, ultimately resulting in bringing substantial value to our end customers in terms of optimised business operations and improved decision making. Our solutions and services in this domain include:

- Virtualization of Logistics, Supply Chain and Maintenance as key focus
- AI/ML in these key areas
- ERP Strategy and Deployment including HANA Migration
- ERP Program Management and Change Management
- ERP Review Services
- ERP IT Strategy and Risk Assessment
- ERP Custom Solutions
- Comprehensive Annual Maintenance Contracts
- Deliverables include: Requirement gathering including 'as is' and 'to be' eco system, Mapping Business Processes, Data Migration, Unit and Integration Testing and highly effective Application Management Service (AMS).

### **Business Application Services**

- Software Development & Maintenance
- UI/UX Engineering & Dashboards
- Enterprise Cloud Solutions
- Enterprise Mobility Solutions
- Electronic Documentation (IETM Level 4.0)
- Special Purpose System Integration Solutions
- Sensor based Smart security Solution for key urban needs



### **AI/ML based Advance Data Analytics**

One of the key expertise domains of C2C Advanced Systems is our ability to deliver highly reliable, scalable and modular AI/ML powered systems and solutions that bring substantial value to our end customers in terms of optimised business operations and improved decision making. In short, we make our customers' data to result in smarter operations and thereby increasing profitability and excellence in what they do. Some of key areas of our specialization on this domain are:

- **AI/ML Based Big Data Analytics Frameworks.** Harnessing the power of big data for informed decision-making and improved operational efficiency.
- **AI/ML based Advanced Analytics Layer for Situational Awareness and Decision Support Systems.** Highly efficient Situational Awareness and Decision Support Systems with advanced AI/ML capabilities specifically designed to improve situational awareness for decision making on real time basis.
- **Image and Video Analytics.** Image and Video analytics for object identification and classification, change detection, anomalous behaviour, movement detection, etc.
- **Natural Language Processing Systems.** Enable machines to understand, interpret, and respond to a variety of human languages effectively. Typical solutions include:
  - **Language Translators.** Break down language barriers with AI-powered translation services for global communication.
  - **Sentiment Analysis.** Gain valuable insights from customer sentiments to drive better products and services.
  - **Social Media Monitoring.** Monitor and analyse social media data to enhance brand reputation and understand customer perception.
  - **Chatbot Solutions.** Implement interactive and efficient chatbot for seamless customer support and engagement.
  - **Document Summarization.** Automatically summarize large volumes of text for faster information extraction. Also caters for: Text Categorisation, Text Clustering, Named Entity Extraction and Alert Generation.
  - **Email Filtering.** Ensure inbox efficiency and security with AI-based email filtering solutions.
- **AI/ML Solutions as a Service.** Artificial intelligence (AI) consulting is a proven way to get expert guidance on leveraging AI technologies and effective AI integration into business operations. As an experienced AI consulting partner, C2C can support our customers in realizing effective AI/ML based

solutions to meet their specific needs by providing consultancy services including human resource through various life cycle stages.

### **Experience and product development centres**

As a company we are unique in India to conceptualize and build Experience Centre where our platforms can be showcased and the battlefield and environment simulated with real data so that the clients have real time experience and allow for changes in the design to suit their particular needs.

The first -hand experience and the close interaction with our clients allows us to market and sell our systems effectively and globally.

### **Defence and security**

C2C Advanced Systems' Experience Centre at Bengaluru is one of the most treasured assets of the company. Our Experience Centre is a testament to our commitment to innovation and excellence. This facility is not just a showcase of our technology but also a dynamic space designed to engage our customers and empower our software professionals.

Our Experience Centre is built with the core objective of providing our prospective customers with hands-on experience of our cutting-edge technology proprietary projects encompassing the entire spectrum of our key domains, viz. Situational Awareness and Decision Support C4I Systems, AI/ML based Data Analytics Platforms, Enterprise integration IIOT Systems and Embedded Systems.

In addition, the Experience Centre also serves the crucial purpose of training our young software professionals enabling them to understand the fine nuances of the key domains in our areas of expertise. This goes a long way towards ensuring that all our team members have a comprehensive understanding of end users' expectations and aspirations. We have also been extensively using the Experience Centre to train our customers' representatives resulting in greatly reducing their learning curve vis-à-vis the new systems thus imparting impetus to the final acceptance of our products.

Over the years, we have added a number of representative systems to our Experience Centre. Primary among them are Combat Management System (CMS) Integrated Platform Management System (IPMS), Battle Field Management System (BMS), Aircraft Reconnaissance System, Drone Command and Control system, Small Craft Tracker, Ship Stability Software, Misc. Navigational Aids, Radar Tracking System, AI/ML based Data Analytics Framework for Predictive Maintenance & Object Detection and Identification and miscellaneous Enterprise integration with IIOT based systems/sub-system.

Various factors which have contributed immensely towards ensuring that C2C Advanced Systems' Experience Centre remains vitally relevant are:

- Strict adherence towards ensuring that the all the reference systems at the Experience Centre remain truly representative and bring out key characteristics and inherent strengths of our design and development practices – which are based on internationally approved standards.
- Ensuring that the systems remain hardware and software agnostics at all times thereby providing our esteemed customers a wide range of choices.
- Unwavering focus on simulating entire range of functionalities of the target systems
- Continual upgradation of all the systems and sub-systems to cater for new technologies, interfaces and functionalities to remain relevant at all times.
- Strict adherence to various stages of system and software life cycles stages based on international standards.
- Ability to tailor demonstrations based on the specific needs and interests of each customer.
- Focus on collating feedback from customers to understand their impressions and areas for improvement

We intend to replicate this center in Dubai for global customers. We are yet to identify the premises for the Dubai Experience Centre.

## CMS Experience Center



- First Hand experience of operating a CMS system in an OPS room environment
- Customers can customise the requirements based on their concept of operations
- Pick and choose functions from our compendium of functions
- Available functions range from operations of an Air Craft Carrier , Frigates , Destroyers , Off Shore Patrol Vessels and Missile Boats as individual platforms or as a fleet

COMMERCIAL CONFIDENTIAL- NOT FOR RE DISTRIBUTION



### **Digital transformation experience and product development centre**

We intend to create a Digital transformation centre in Bengaluru and Dubai to support Virtual supply chain, logistics and preventive maintenance as part of Digital transformation practice.

The intent is to showcase the efficiencies and cost savings that will accrue for the Defence and security applications and Industry 4.0.

The hardware and the software will replicate the current the current generation sensors, data analytics, AI/ML and integration into Enterprise Systems.



demonstration will cover the following aspects of the

- **Virtual Preventive maintenance**

Sensors from field equipment, maritime and airborne provide continuous real time data to ensure performance of the systems. This would be available to analyze and provide corrective measures including advanced maintenance planning

- **Virtual Logistics**

Availability of the equipment and resources is key to delivery of battle field results. The combat management systems provide real time analytics to support the planning process to ensure optimal delivery of support equipment through virtual logistics

- **Virtual supply chain**

Critical component and war fighting need optimization achieve quick results. Our military platforms provide the data analytics to provide the commanders real time information to deliver supplies when needed and with speed.

- The digital transformation chain will continuously update the enterprise systems to ensure real time visibility to the decision makers. We integrate the real time data analytics with enterprise systems to achieve high levels of operational efficiency.

Our digital transformation practice is applicable in Industry 4.0 as the processes and the analytics are similar.

### Our Order Book

Set forth below are details of our order book as on March 15, 2024

Particulars	Number of Orders	Value (₹ in Lakhs)
IP led revenue Orders	4	1562.20
Defense project led Orders	5	2228.74
Defense Service led Orders	3	1767.14
Digital Transformation Orders	2	969.37
<b>Total</b>		<b>6527.45</b>

### Our Customers and Suppliers

We have long standing relationships with most of our customers. Our customer base ranges from, government organizations involved in defence and space research to various defence undertakings both in the public and private sector.

Typically, the procurement by government related entities takes place through a tender process. In the tender process, the customer initially issues an Expression of Interest (“EOI”) publicly and usually on its website. As a

response to the EOI, bidders such as our Company, send proposals bidding for the particular contract, typically without specific price information. Based on such proposals, the customer then issues a request for information (“RFI”) with specific requirements, pursuant to which only certain suppliers apply who can satisfy such requirements. The customer then issues a request for quotation or tender documents, pursuant to which suppliers send the detailed proposal including the price quote. Thereafter, the customer conducts a technical evaluation and price evaluation. The lowest bidder satisfying the technical criteria (L1 and in some cases L1 and L2) is decided based on all costs including logistics, warranty and servicing. Finally, the customer issues a purchase order based on which the supplier will provide the products and services. Under the terms of the purchase orders we receive, bullet payments which refer to One time (lumpsum/bigger amount) payment to reduce total liability, are made at the time of delivery on proof of dispatch, proof of receipt and inspection of the products. The final products are delivered as per the delivery schedule under the purchase orders. Our customers mention specifications of the products and we are required to supply the products in accordance with such specifications.

We provide a warranty period for our products (typically 12 months from the date of acceptance of products). Any manufacturing defects in our products during the warranty period are required to be repaired or replaced by us at our expense. Depending on the customer, we are also required to provide performance bank guarantee. Any delay in the supply of goods may lead to the levy of liquidated damages or invocation of the performance bank guarantee by our customers. The value of the performance bank guarantees ranges from 5% to 10% of the contract value.

### **Raw Materials**

**Mechanical:** The aluminium is sourced from various vendors available in the market. The raw material thereafter is processed through various machining firms in industrial areas.

**Electrical/ Electronic / Mechanical Connectors:** Some of the boards are ab-initio designed in house and fabricated and assembled in house. Special purpose boards are procured through various suppliers either within India or from outside India.

### **Capacity**

The installed/utilized capacity of our machines cannot be specified as the same is dependent on the nature of the product, its design and specifications, raw material, and other relevant details. Since we are engaged in designing, developing, manufacturing and testing of a wide range of defence engineering products and solutions, which are customised to order placed by our customers, an estimate with respect to installed or utilised capacity cannot be specified.

### **Our Representative Offices**

Currently we have no representative offices. We have already set up a branch office at USA and intend to set up branch offices in Singapore, United Kingdom, Dubai and Malaysia in the near future.

### **Infrastructural Facilities**

#### **Electricity**

Our Experience Centre, our facilities, the Registered and Corporate office draw electricity from the local power distribution companies’ system. In addition, all of them, are equipped with diesel generators which provide back-up power in certain areas in the event of break downs or power grid failure.

#### **Water**

Our water requirements are met by the State water boards in Bengaluru.

### **Quality Management System**

Quality is at the core of everything we do. We employ rigorous processes and adhere to the highest quality standards to ensure the delivery of quality products and services to our clients worldwide. Drawing upon our deep domain knowledge, we possess the capability to architect, engineer, and build software systems tailored to specific hardware, both at the system and sub-system levels. We are a CMM Level 3 and ISO 9001-2015 certified company. As on December 31, 2023 we employed 107 personnel for quality control functions across our operations.

## Quality

We implement stringent testing protocols for both software and hardware components to ensure the reliability, security and performance of C4I Systems, AI/ML models, and Industry 4.0 products. We continuously adhere to industry-specific and regulatory certification standards to meet the quality requirements of defence systems and Industry 4.0 applications. We also foster a culture of continuous improvement, incorporating feedback from clients and stakeholders to enhance product quality and meet evolving industry standards.

## Competition

While there are several companies which manufacture certain of the products that we sell in various geographical markets, we do not have any direct competitor for our business. We believe that since the parameters of competition are less firmly established than in certain other types of businesses, it is difficult to predict how the competitive landscape of our business will develop over the long term. General competitive factors in the market, which may affect the level of competition over the short and medium term, include product features, design, quality, price, delivery, general customer experience, time to market, availability of after-sale and logistics support, and relationships between producers and their customers.

For risks in relation to the competition we face, see “Risk Factors– *“We operate in a competitive business environment. Failure to compete effectively against our competitors and new entrants to the industry in any of our business activities may adversely affect our business, financial condition and results of operations.”* on page 4 of this Draft Red Herring Prospectus.

## Sales and Marketing

Our sales and business development team forges strategic alliances with defence organizations, technology integrators, and industry partners to enhance the market presence and broaden the reach of C4I Systems. They work closely with clients to understand their unique needs and offer tailored solutions, showcasing the capabilities of AI/ML-based Data Analytics and Industry 4.0 products for competitive advantage. The team also continuously explores opportunities for international expansion, targeting regions with growing demand for advanced defence systems and Industry 4.0 solutions.

The process of acquisition of business from government undertakings is as under:

The expression of interest takes place through a tender process. In the tender process, the customer initially issues an Expression of Interest (“EOI”) publicly and usually on its website. As a response to the EOI, bidders such as our Company, send proposals bidding for the particular contract, typically without specific price information. Based on such proposals, the customer then issues a request for information (“RFI”) with specific requirements, pursuant to which only certain suppliers apply who can satisfy such requirements. The customer then issues a request for quotation or tender documents, pursuant to which suppliers send the detailed proposal including the price quote. Thereafter, the customer conducts a technical evaluation and price evaluation. The lowest bidder satisfying the technical criteria (L1 and in some cases L1 and L2) is decided based on all costs including logistics, warranty and servicing. Finally, the customer issues a purchase order based on which the supplier will provide the products and services.

The process of acquisition of business from non-government undertakings is through presentations made by our marketing department and discussions with our prospective clients.

## Marketing

Our Marketing is through **leadership** by establishing the company as a thought leader in the field through whitepapers, webinars, and participation in industry conferences, showcasing expertise in C4I Systems, AI/ML, and Industry 4.0; by leveraging digital marketing channels to promote innovative products, share success stories and engage with the target audience through social media, content marketing and online advertising and by conducting live demonstrations and simulations to highlight the capabilities of C4I Systems and the transformative impact of AI/ML and Industry 4.0 products

## Human Resources

As of December 31, 2023, we employed 107 employees and breakdown of our full-time employees as of the date indicated is as under:

Functional Departments	Number of employees
Defence Project Delivery	53
Digital Transformation	19
IP Development, Research and Development	13
Corporate Finance, Administration and support services	17
Sales and Marketing	5
Total	107

The employees in the Defence Project Delivery Department work on the projects which are to be delivered to defence establishments across the world while the Digital Transformation department handles the industry software 4.0 which is meant to improve the efficiency of industry processes.

Our management policies, working environment, career development opportunities and employee benefits are instrumental in maintaining good employee relations and employee retention. We identify, develop and retain our talent through an array of initiatives which include talent acquisition, learning and development, compensation and benefits, employee engagement and performance management. Our Company manages our payroll system and ensures that we adhere to the relevant employment laws and statutory requirements.

### Details of Attrition amongst out employees

The details of attrition rate of employees for the last three (3) financial years are as follows:

Particulars	For the half year ended	For the Financial year ended		
	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Average number of employees	107	58	41	40
Number of employees retired / left	6	16	20	6
Attrition Rate (%)	5.6	27.59	48.78	15.00

Although, during the past three (3) financial years we have added more employees than those who have left, we cannot assure you that there will be no attrition of employees in future. If we are unable to retain talent required for our business, or hire employees with similar talents and experience in the same cost, we may incur additional costs or we may face difficulties in our operations and performance due to lack of skilled and experienced workforce which could have a material adverse effect on our profitability, financial condition and results of operations.

## Insurance

Our operations are subject to risks inherent to the engineering and manufacturing industry, such as work accidents, storm, fire, earthquake, flood, inundation, explosions including hazards that may cause severe damage, including the physical destruction of property, breakdown of computing systems and other force majeure events. We are subject to losses resulting from defects or damages arising during transit of our products.

We maintain insurance coverage, as needed for goods on transit in amounts which we believe are commercially appropriate.

All our operations are in the cloud and data protected through stringent firewalls.

We believe that our insurance coverage is in accordance with industry custom, including the terms of and the coverage provided by such insurance.

## Transportation

Typically, our products are shipped directly to our customers. In certain cases, our customers may directly pick the goods at our own facilities. The mode of transportation for a particular shipment include road, water and air to deliver our products to our customers based on mutually agreed terms and conditions and on the urgency, size and value of the order. We have arrangements with local as well as national carriers and transport companies for transportation of products. Further, we also engage third-party logistics services providers to provide support on our transportation requirements.

## Health, Safety and Environment

We are committed to following best practices and complying with all applicable health, safety and environmental legislation and other requirements in our operations. Employee health and safety is of high importance to us. Any mishaps or accidents at our facilities could lead to property damage, production loss, adverse publicity and accident claims. We aim to become a zero-accident organisation and continually take initiatives to reduce the risk of accidents and prevent environmental pollution at our facilities. We also carry out regular fire drills. Our safety management team carries out regular safety inspections of our production facilities to ensure compliance with safety measures.

We are subject to extensive health, safety and environmental laws, regulations and production process safety and environmental technical guidelines which govern our processes and facilities. For further details, see “Key Regulations and Policies in India” on page 56 of this Draft Red Herring Prospectus.

## Property

### Leasehold Property

Sr. No.	Details of the Deed/Agreement	Particulars of the property, description and area	Consideration/ License Fee/Rent	Tenure/ Term	Usage
1.	Lease Agreement dated February 01, 2022 with Mr Mohamed Shafiullah and letter dated February 28, 2024	Second Floor, 86 Wings of Eagles, SS Commercial Estate, Nagavarapalya Main Road, CV Raman Nagar, Bengaluru – 560 093	₹. 2,24,000 per month; Security Deposit : ₹ 10,00,000	Upto February 28, 2026	Registered Office
2.	Lease Agreement dated March 01, 2023 with Ms Pushpa Kumari	C04, Anand Niketan, New Delhi – 110 021	₹. 1,70,000 per month; Security Deposit: 3 months rent	Upto June 30, 2025	Corporate Office
3.	Lease Agreement dated February 07, 2022 with Mr Mohamed Shafiullah and letter dated February 28, 2024	Unit No: 2, 1 <sup>st</sup> Floor, Sy NO: 136/2, BMP Khatha No:81, Earthen Latitude, S S Commercial Estate, Nagavarapalaya, CV Raman Nagar, Bengaluru – 560 093	₹54,000 per month + ₹ 6,000 per month maintenance charges	For 24 months up to February 28, 2026	Operations Centre
4.	Lease Agreement dated June 23, 2022 with Mr Mohamed Samadh	BMP No: 216/2, Zareen Heights, Nagavarapalaya, CV Raman Nagar, Bengaluru – 560 093	₹2,10,000 per month. Security Deposit : ₹ 5,00,000	For 24 months Up to April 01, 2026	Operations Centre
5.	Lease Agreement dated June 23, 2022 with Mr Mohamed Shafiullah and letter dated February 28, 2024	BMP Khatha No:80, Earthen Latitude, S S Commercial Estate, Nagavarapalaya, CV Raman Nagar, Bengaluru – 560 093	₹40,000 per month + ₹ 5,000 per month maintenance charges	For 24 months Up to February 10, 2026	Operations Centre

## **KEY REGULATIONS AND POLICIES**

### **Deleted the Paragraph on Explosives Act, 1884**

## **II. Regulations relating to Foreign Trade**

### **3. FEMA (Non- Debt Instruments) Rules, 2019**

In terms of the FEMA NDI Rules, a person resident outside India may make investments into India, subject to certain terms and conditions, and provided that an entity of a country, which shares land border with India or the beneficial owner of an investment into India who is situated in or is a citizen of any such country, shall invest only with government approval.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/ RBI.

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 foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Rules. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India. Each Bidder 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 Bidder shall intimate our Company and the Registrar to the Issue in writing about such approval along with a copy thereof within the Issue Period.

## **IV CORPORATE LAWS**

### **Companies Act, 2013:**

The Companies Act, 2013 came into existence by repealing the Companies Act, 1956 in a phased manner. It received the assent of the President on August 29, 2013. The Ministry of Corporate Affairs, has also issued rules complementary to the Companies Act, 2013 establishing the procedure to be followed by companies in order to comply with the substantive provisions of the Companies Act, 2013. The Companies Act, 2013 deals with matters related to Incorporation of Companies, Prospectus and allotment of securities, Share capital and Debentures, Acceptance of Deposits by Companies, Management and Administration, Appointment and Qualifications of Directors and other matters incidental thereto which are necessary for better Corporate Governance, bringing in more transparency in relation to Compliances and protection of shareholders & creditors.

The provisions of this Act shall apply to all the companies incorporated either under this act or under any other previous law. It shall also apply to banking companies, companies engaged in generation or supply of electricity and any other company governed by any special act for the time being in force. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

## **VIII . Legislations on Taxation**

### **Central Goods and Services Tax Act, 2017**

The Central Goods and Services Tax Act, 2017 (the “GST Act”) levies tax on the supply of goods and services throughout India to replace multiple taxes levied by the Central and State Governments on production, supply and sale of goods and providing of services in India, applicable from July 1, 2017. Under the GST Act, goods and services are taxed under five different categories, being 0%, 5%, 12%, 18% and 28%. GST is levied on all transactions such as supply, transfer, purchase, barter, lease, or import of goods and/or services. Transactions made within a single state are levied with Central GST (“CGST”) by the Central Government and State GST (“SGST”) by the government of that state. For inter-state transactions and imported goods or services, an Integrated GST (“IGST”) is levied by the Central Government. GST is a consumption-based tax; therefore, taxes are paid to the state where the goods or services are consumed and not the state in which they were produced.

Additional tax-related laws that are applicable to us include the Income Tax Act, 1961 along with various rules and notifications issued by the tax authorities.

## **HISTORY AND CERTAIN CORPORATE MATTERS**

### **Added the following in the table on Major Milestones**

*\* OSI is engaging C2C to provide software development services based in India. This includes the start-up of the software development team, the necessary workspace, physical equipment and management. OSI will train and provide two C2C team leads at OSI Canada to become the leaders of OSI India team of testers and developers in India. OSI India staff will execute work packages as specified by OSI Software Project Manager; OSI India team leads will ensure OSI India staff are delivering quality work on time and within budget; OSI India team leads will liaise with OSI Canada for direction and review benchmarks as required.*

## **OUR MANAGEMENT**

### ***Brief Profile of Directors***

2. **Murtaza Ali Soomar**, a commerce graduate brings about 2 decades of entrepreneurial experience to his current strategic position within the company. He was at the helm of scaling, diversifying and providing strategic direction to the endeavour, that rose up from a small family-run business to a specialized, medium-scale enterprise, constantly expanding and renewing its capacity and offer to discerning and specialized clientele. He is also the Chief Financial Officer of the Company.
3. We have included the following under Lt Gen PJS Pannu:

Lt Gen PJS Pannu, a second-generation Indian Army officer with a military career spanning almost four decades, brings leadership and strategic as well as operational experience to the Company. Lt Gen Pannu has served in some of the most challenging and high-stakes environments including the Siachen Glacier- one of the highest battleground in the world, where Indian and Pakistani forces have engaged in intermittent conflict since 1984, and has served on both the Line of Control (LoC) and the Line of Actual Control (LAC) with China. He has undertaken various leadership roles and strategic responsibilities, including serving as Deputy Chief of Integrated Defence Services and Chairman of the Executive Committees of the Tri-service Think Tanks. He has also been involved in numerous operational and tactical operations, both within India and during international missions

Deleted the table on Attrition from this chapter and shifted it to our Business Chapter under “Human Resources”

## **OUR PROMOTER AND PROMOTER GROUP**

1. Included the PAN Number of the individual promoters Ms Lakshmi Chandra, Kuryedath Ramesh, Subrahmanya Srinivasa Narendra Lanka, Murtaza Ali Soomar and Ms Maya Chandra.

**1. Lakshmi Chandra**

	<p><b>Lakshmi Chandra</b> holds a Bachelors degree in Social Sciences from the Madras University and a Master’s degree in Business Administration from the Rutgers University, New Jersey, USA. She has 18 years of experience as a technology licensing specialist and has about 10 years’ experience as a digital design specialist.</p>
<p><b>Date of Birth</b></p>	<p>For these details please see “Management” on Page57. Of this DRHP.</p>
<p><b>Age</b></p>	
<p><b>Educational Qualification</b></p>	
<p><b>Present Residential Address</b></p>	
<p><b>Directorship held</b></p>	
<p><b>PAN Number</b></p>	<p>ALGPC7458P</p>
<p><b>Other Ventures</b></p>	<p>PVR Multimedia Private Limited Taamarai Designs Private Limited C2C Innovations Private Limited Bhujang Innovations Private Limited C2C Singapore Pte Limited</p>

**2. Kuriyedath Ramesh**

	<p>Kuriyedath Ramesh joined the Indian Navy in 1986 as a Naval Cadet. He completed his B Tech. degree in 1990 from INS Shivaji. He retired from the Navy in 2011 after about 25 years of service in the Indian Navy. He has also completed an Executive Management Course for Armed Forces Officers from IIM Bangalore</p>
<p><b>Date of Birth</b></p>	<p>For these details please see “Management” on Page 154 Of this DRHP.</p>
<p><b>Age</b></p>	
<p><b>Educational Qualification</b></p>	
<p><b>Present Residential Address</b></p>	
<p><b>Directorship held</b></p>	
<p><b>PAN Number</b></p>	<p>AGUPR9456</p>

<b>Other Ventures</b>	<b>None</b>
-----------------------	-------------

3. Subrahmanya Srinivas Narendra Lanka

	<p><b>Subrahmanya Srinivasa Narendra Lanka</b>  Commander LSS Narendra (Retd.) brings with him professional knowledge and operational competencies honed over 30 years of dedicated service in the Indian Navy and Indian Industry. As a technical officer in the Indian Navy, Commander Narendra has served with distinction in a variety of challenging appointments of crucial operational importance and has always pursued professional excellence in the larger interest of the Service. After successful completion of his B.Tech (Electrical) degree from Naval Engineering College, INS Shivaji, Lonavala, Commander Narendra was Commissioned in the Indian Navy in the year 1991. He was subsequently selected to undergo Advance Naval Weapons System Engineering course from Defence Institute of Advance Technology (DIAT), Pune in affiliation with Pune University from where he was awarded Master of Engineering (ME) degree in Electronics and Telecommunications. He has been associated with our Company since incorporation.</p>
<b>Date of Birth</b>	<b>For these details please see” Management on Page 154 of this DRHP.</b>
<b>Age</b>	
<b>Educational Qualification</b>	
<b>Present Residential Address</b>	
<b>Directorship held</b>	
<b>PAN</b>	ABXPL20371
<b>Other Ventures</b>	<b>None</b>

4. Murtaza Ali Soomar

	<p><b>Murtaza Ali Soomar is a commerce graduate and has about 2 decades of diverse entrepreneurial experience,</b></p>
<p><b>Date of Birth</b></p>	<p><b>For these details please see “Management” on Page 154 of this DRHP.</b></p>
<p><b>Age</b></p>	
<p><b>Educational Qualification</b></p>	
<p><b>Present Residential Address</b></p>	
<p><b>Directorship held</b></p>	
<p><b>PAN Number</b></p>	<p><b>AUQPS1059K</b></p>
<p><b>Other Ventures</b></p>	<p><b>Zafsa Packaging Limited</b></p>

5. Maya Chandra

	<p>Maya Chandra is a graduate in Economics from the London School of Economics and has diverse interests in social welfare projects.</p>
<p><b>Date of Birth</b></p>	<p><b>13.01.1983</b></p>
<p><b>Age</b></p>	<p><b>41</b></p>
<p><b>Educational Qualification</b></p>	<p><b>Graduate from the London School of Management</b></p>
<p><b>Present Residential Address</b></p>	<p><b>C4 Anand Niketan, New Delhi 110 021</b></p>

<b>Directorship held</b>	
<b>PAN Number</b>	AUXPC6959M
<b>Other Ventures</b>	

2.

3. **Included** “Our Company confirms that the permanent account number, Passport Number and the bank account number, of our individual promoters shall be submitted to the Stock Exchange at the time of filing the Draft Red Herring Prospectus.”

## OUR GROUP COMPANIES

As per the SEBI (ICDR) Regulations, 2018, for the purpose of identification of Group Company, our Company has considered those companies as our Group Company with which there were related party transactions as per the Restated Financial Statements of our Company in any of the last three financial years as considered material by our Board. Further, pursuant to a resolution of our Board dated February 08, 2024 for the purpose of disclosure in relation to Group Company in connection with the Issue, a company shall be considered material and disclosed as a Group Company if such company fulfils both the below mentioned conditions: -

(i) Such company that forms part of the Promoter Group of our Company in terms of Regulation 2(1) (pp) of the SEBI(ICDR)Regulations 2018; and

(ii) Where the Company has entered into one or more transactions with such company in preceding fiscal or audit period as the case may be exceeding 10.00% of total revenue of the company as per Restated Financial Statements.

Based on the above, the following Companies has been identified as our Group Companies:

1. Realtime Techsolutions Limited
2. KTI Intelligent Systems Private Limited

### DETAILS OF OUR GROUP COMPANIES

#### 1. Realtime Techsolutions Limited

##### Registered office

The Registered Office of Realtime Techsolutions Private Limited is 59, 3<sup>rd</sup> Floor, 4<sup>th</sup> Main, 18<sup>th</sup> Cross, Malleswaram Bengaluru – 560 055, Karnataka, India.

##### Business Activities:

Realtime techsolutions (RTTS) delivered sub systems that were the integral part of systems built by third parties. RTTS utilizes Commercial off the shelf electronics, hardens them with Realtime software programming including field gate array programming to capture the complex data, cyber security to protect the equipment and advanced engineered mechanical packaging and systems and deliver a subsystem that system providers like Bharat Electronics, DRDO, Tata, Indian Military utilize to deliver systems for various warfare applications. C2C Advanced systems was using RTTS as its vendor for the subsystems. However, all businesses including the clients of RTTS have now been transferred to C2C Advanced systems. RTTS does not have staff to conduct any business.

##### Financial Performance

The financial information of Realtime Techsolutions Private Limited is as under:

**Audited, (₹ in Lakhs)**

Particulars	FY 2022-23	FY2021-22	FY 2020-21
Total Revenue from operations	151.77	457.79	1217.91
Profit Before Tax	15.42	(19.02)	(105.74)
Profit After Tax	20.38	(11.37)	(105.74)
Equity Share Capital	430.36	430.36	430.36
Networth	1260.79	1240.41	1251.78
EPS ( Basic and Diluted) in Rs.	0.47	(0.26)	(2.46)

Realtime Techsolutions Private Limited does not have a website. Information with respect to (i) reserves (excluding revaluation reserve); (ii) sales; (iii) profit after tax; (iv) earnings per share; (v) diluted earnings per share; and (vi) net asset value, based on the audited financial statements for the preceding three years (for which

audit has been done as on date of this Draft Red Herring Prospectus) shall be hosted on the website of our Company at [www.c2c.as.com](http://www.c2c.as.com).

**2. KTI Intelligent Systems Private Limited** having CIN U72900KA2009PTC107714.

**Registered office**

The Registered Office of KTI Intelligent Systems Private Limited is No: 425, 3<sup>rd</sup> Floor, 2<sup>nd</sup> Main Road, Kasthuri Nagar, East of NGEF, Near SBM Bank, Bengaluru – 560 043, Karnataka, India

Business Activities : The Company is in the business of computer related activities like maintenance of websites of other companies and making multimedia presentations for other companies.

**Financial Performance**

**The financial information of KTI Intelligent Systems Private Limited is as under:**

**Audited, (₹ in Lakhs)**

<b>Particulars</b>	<b>FY 2022-23</b>	<b>FY2021-22</b>	<b>FY 2020-21</b>
Total Revenue from operations	0.00	0.00	20.81
Profit Before Tax	(3.24)	(29.15)	(34.55)
Profit After Tax	(3.24)	(29.15)	(34.55)
Equity Share Capital	50.00	50.00	50.00
Networth	129.27	131.57	160.72
EPS ( Basic and Diluted) in Rs.	(0.46)	(5.83)	(6.91)

KTI Intelligent Systems Private Limited does not have a website. Information with respect to (i) reserves (excluding revaluation reserve); (ii) sales; (iii) profit after tax; (iv) earnings per share; (v) diluted earnings per share; and (vi) net asset value, based on the audited financial statements for the preceding three years (for which audit has been done as on date of this Draft Red Herring Prospectus) shall be hosted on the website of our Company at [www.c2c.as.com](http://www.c2c.as.com).

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

### *Comparison of Nine Months Period Ended December 31, 2023 with Financial Year Ended March 31, 2023*

#### **Revenue from Operations**

The revenue from operations for the nine months period ended December 31, 2023 was ₹ 2,206.05 Lakhs as compared to ₹804.87 Lakh for FY 2022-23 showing an increase of ₹ 1,401.18 lakhs or 174.09% on account of increased domestic and export sales. Buoyed by the number of contracts obtained in the financial year 2023, the company was able to successfully showcase its products and managed to bag orders from companies both in India and countries like Singapore, Malaysia, United States and Canada. The Orders increased as is evident from the Order Book included in Page ... of the DRHP and hence the total income for the stub period increased to ₹.2,206.05 lakhs for the stub period.

#### **Profit after Tax (PAT)**

Profit after Tax was ₹ 554.87 Lakhs for the nine-months period ended December 31 2023 as compared to ₹ 287.52 Lakhs for the FY 2022-23 showing an increase of 267.35 lakhs or 92.98% due to the reasons discussed above. Further, Since it is mid year figure, the revenues booked in 9 months are just 50% of annual revenues, since most sales incur in last quarter, while the fixed expenses of the Company are spread uniformly throughout the year.

### *Comparison of Financial Year Ended March 31, 2023 with Financial Year Ended March 31, 2022*

#### **Revenue from Operations**

The revenue from operations for the FY 2022-23 was ₹804.87 Lakh as compared to ₹34.69 Lakh during the FY 2021-22 showing an increase of ₹770.18 lakhs or 2220.18% on account of increased domestic and export sales. After a challenging year in FY 2022, the company managed to obtain a major contract from the Malaysian Navy for its Combat Management Systems in the financial year 2022-23 which resulted in the increase in sales for the financial year ended March 31, 2024. It also started concentrating on exports from financial year 2022-23 which lead to an exponential growth and an increase in revenues from the year 2022-23.

#### **Profit after Tax (PAT)**

Profit after Tax was ₹ 287.52 Lakhs in the FY 2022-23 as compared to a loss of ₹238.21 Lakhs in FY 2021-22 showing an increase of ₹ 525.73 lakhs or 220.70%. The increase was due to increase in the Revenue from operations and moderate increase in expenses. Post COVID-19, the company tried to bid for indigenous defence contracts. However, the contracts were not awarded due to the tendering process and other hurdles, the Company started to expand its horizon. It bid successfully for selling and execution of "Combat Management System" (CMS) to Royal Malaysian Navy against stiff competition from most established global platform players and this was a testament to capabilities of the Company. The Company has successfully sold its CMS to 2 Malaysian Frigates and thereafter has started to export to other countries. Since this was one of the most successful capability demonstrations in Intelligent platform from an Indian company, the Company bagged contracts from companies like Maritronics India Private Limited, OSI Maritime ODC, Canada and C2C Inc, USA. This increased the total sales income to ₹.804.87 lakhs for the financial year ended March 31, 2023.

The total expenses for the financial year were ₹.515.86 lakhs which included ₹176.09 lakhs for purchases (which had increased due to the increase in orders) and employee benefit expenses to ₹ 308.27 lakhs as a greater number of employees have been recruited, the number being 58 as at the end of March 31, 2023.

Due to an increase in sales and not an equally proportionate increase in expenses, the PAT for the company for the financial year ended March 31, 2023 was ₹.287.52 lakhs and hence there is a rise in PAT margin as well. When compared to the loss of the previous year, the profit is steep and due to the above reasons.

## ***Comparison of Financial Year Ended March 31, 2022 with Financial Year Ended March 31, 2021***

### **Revenue from Operations (on Page 236 of the DRHP)**

The revenue from operations for the FY 2021-22 was ₹ 34.69 Lakhs as compared to ₹ 107.68 Lakhs during the FY 2020-21 showing a decrease of ₹ 72.99 lakhs or 67.78%. The revenue from operations for the year ended FY 2022 reduced to Rs.34.69 lakhs, as there were only 4 customers during that period as under:

1. Arico Marine Private Limited	:	8,85,150
2. Maritronics India Private Limited	:	20,42,000
3. Tata Advanced Systems Limited	:	4,61,400
4. Vik Sandvik Design India Private Limited	:	80,000
Total		34,68,550

All the clients were domestic clients and there were no other major contracts that were obtained by the Company in the tender process or otherwise. The Company's business was largely dependent on contracts from Government of India (GoI) and their OEMs/intermediaries and associated entities including defence public sector undertakings. In the absence of government contracts, the Company's prospects were challenged. The reason for not securing contracts was because of Covid lockdowns.

### **Profit after Tax (PAT) / Net Loss (on Page 236 of the DRHP)**

The net loss was ₹ 238.21 Lakhs in the FY 2021-22 as compared to a net loss of ₹ 11.78 Lakhs in FY 2021-22 an increase of ₹ 226.43 Lakhs due to a reduction in sales and an increase in expenditure. The COVID-19 pandemic and associated responses had adversely affected workforces, consumer sentiment, economies and financial markets around the world, including India in the financial year 2020-21. In order to contain the spread of the COVID-19 pandemic, the GoI along with State Governments declared a lockdown in the country, including severe travel and transport restrictions and a directive to all citizens to shelter in place, unless essential. The lockdown required private, commercial and industrial establishments to remain temporarily closed. This affected the Company and hence the sales were muted during the financial year ended March 30, 2021

While our Company employed the appropriate safety precautions and travel arrangements for our employees, we could not start significant operations or generate substantial revenues till August 2020, due to low attendance, lack of support from ancillary industries which were not functional at the time, impediments in logistics of domestic and imported goods and non-availability of our customers for inspection and clearances.

We have earned a revenue of Rs. 107.68 lakhs for the financial year ended 2021 while the total expenses for the same period was Rs.124.14 lakhs. This was the year when there was the devastating wave of the Covid-19 pandemic and although the sales were muted, all other expenses like employee benefit expenses arising from salaries, bonuses, wages, contribution to provident fund, gratuity, employees' state insurance had to be incurred. Rent, rates and repairs had to be paid for our registered office. Our business is based on high quality human resources who are difficult to find and train and hence we chose to keep paying them to ensure we have continuity of business.

Since the company had employed 40 qualified engineers the employee compensation during that period was Rs.26.61 lakhs and other expenses were Rs.61.87 lakhs. Hence the company made a loss before tax of Rs.16.01 lakhs and after taxes made a loss of Rs.11.78 lakhs. Hence the company had a negative PAT margin during the financial year ended March 31, 2021.

## GOVERNMENT AND OTHER APPROVALS

### 1. Incorporation Documents

Sl.No	Nature of Registration / License	Registration / License Number	Applicable Laws	Issuing Authority	Date of Issue	Date of Expiry
1	Certificate of Incorporation in the name of C2C DB Systems Private Limited	U72200KA2018PTC110361	Companies Act, 2013	RoC, Bangalore, Karnataka	February 21, 2018	Valid till cancelled or replaced by a fresh certificate
2	Fresh Certificate of Incorporation consequent to change of name to C2C Advanced Systems Private Limited	U72200KA2018PTC110361	Companies Act, 2013	RoC, Bangalore, Karnataka	May 12, 2022	Valid till cancelled or replaced by a fresh certificate
3	Fresh Certificate of Incorporation consequent upon conversion from C2C Advanced Systems Private Limited to C2C Advanced Systems Limited	U72200KA2018PLC110361	Companies Act, 2013	RoC, Bangalore, Karnataka	December 22, 2023	Valid till cancelled or replaced by a fresh certificate

### IV. Industrial Laws and Labour Laws applicable to the Company

Sl. No	Nature of Registration / Licence	Registration / Licence Number	Applicable Laws	Issuing Authority	Date of Issue	Date of Expiry
1	Registration under Employees Provident Fund	PYKRP1737010000	Employees Provident Fund and Miscellaneous Provisions Act, 1952	Regional Provident Commissioner	27/02/2024	Valid till Cancellation
2	Professional Tax Certificate of Enrolment	395826013	Goods and Services Act	Karnataka Sales Tax Department	26/07/2018	Valid till Cancellation
3	Udyam Registration	UDYAM-KR-03-0038491	The Micro, small and Medium Enterprises	Ministry of Micro, Small & Medium Enterprises	28/12/2020	Valid till Cancelled

Sl. No	Nature of Registration / Licence	Registration / Licence Number	Applicable Laws	Issuing Authority	Date of Issue	Date of Expiry
	with MSME for the Company: Micro Social Category-General		Development Act, 2006			
4	Registration under the Shops and Establishment Act	32/57/CE/0034/2018	Shops and Establishment Act	Office of the Senior Labour Inspector, Bangalore, Karnataka	14/02/2024	31/12/2027
5	Registration under the Shops and Establishment Act	2024055783	Shops and Establishment Act	Department of Labour, Delhi	19/03/2024	Valid till cancelled
6	Export Licence	Clearance to be taken as and when any defense material is exported	-	Ministry of Defense, Department of Defense Production	-	-
7	Export Clearance	-	For export of Munitions List Items to Malaysia	Ministry of Defense, Department of Defense Production	04.12.2018	Valid till cancelled

#### V. Industrial Licences applied for but not yet received

Sl. No	Nature of Registration / Licence	application Number	Applicable Laws	Issuing Authority	Date of Issue	Date of Expiry
1	Factories License	IL / IDR / ACK/ 277146/2024	Factories Act, 1948	DPIIT	Applied on 19-01-24	-

**CASH FLOW STATEMENT**  
**C2C Advanced Systems Limited**

(Formerly known as C2C Advanced Systems Private Limited )

Restated Ind AS Statement of Cash Flows

All Amount in INR Lakhs unless otherwise stated

S. No.	Particulars	As at Dec 31, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
<b>I</b>	<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>				
	Profit before Tax and exceptional items	745.67	290.87	(239.80)	(16.01)
	<u>Adjustments for:</u>				
	Depreciation	86.28	87.75	25.15	29.70
	Provision for Gratuity	-	7.16	4.41	12.76
	Finance Cost	6.48	7.58	6.35	0.04
	Finance Income	(1.81)	(1.86)	(0.10)	-
	<b>Operating Profit before Working Capital Changes</b>	836.62	391.50	(204.00)	26.50
	Net Changes in Trade Payables	(138.53)	85.48	(145.64)	30.00
	Net Changes in Other Current Financial Liabilities	393.13	68.92	32.34	48.30
	Net Change in Lease Liability	(60.50)	(45.96)	(31.14)	-
	Net Changes in Trade Receivables	(1,778.23)	(717.44)	(3.92)	98.95
	Net Changes in Other Current Financial Assets	(380.65)	11.61	(68.67)	20.20
	Net Changes in Other Current Assets	(40.58)	(148.75)	1.04	(5.95)
	Net Changes in Inventories	33.22	(126.37)	4.18	(3.68)
	<b>Cash Generated from Operations</b>	(1,135.56)	(481.00)	(415.81)	214.33
	Less: Payment of Taxes (net of refunds)	(9.33)	-	-	(2.71)
	<b>Net Cash Generated from Operating Activities</b>	<b>(1,144.89)</b>	<b>(481.00)</b>	<b>(415.81)</b>	<b>211.62</b>
<b>II</b>	<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>				
	Net Changes in Property, Plant & Equipment	(2.60)	(5.36)	-	(0.03)
	Net Changes in Intangible Assets	-	(311.65)	-	-
	Net Changes in Intangible Asset Under Development	-	311.65	(0.42)	(311.23)

S. No.	Particulars		As at Dec 31, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
	Net Changes in Other Non- Current Assets		(34.28)	(5.66)	(4.11)	(2.40)
III	<b>Net Cash used in Investing Activities</b>		<b>(36.88)</b>	<b>(11.01)</b>	<b>(4.53)</b>	<b>(313.66)</b>
	<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>					
	Net Change in Share Capital		303.01	99.99	-	-
	Security Premium Received		886.79	-	-	-
	Share Application Money Received		174.00			
	Finance Cost		(0.79)	(1.50)	(6.26)	(0.04)
	Net Change in Long-Term Borrowings		-	(9.61)	(7.13)	76.98
	Net Change in Short-Term Borrowings		(76.79)	399.57	427.09	26.24
	<b>Net Cash used in Financing Activities</b>		<b>1,286.22</b>	<b>488.46</b>	<b>413.70</b>	<b>103.17</b>
IV	<b>Net Increase/(decrease) in Cash &amp; Cash Equivalents</b>	<b>(I+II+III)</b>	<b>104.45</b>	<b>(3.56)</b>	<b>(6.63)</b>	<b>1.13</b>
V	<b>Cash &amp; Cash Equivalents at the beginning of the period</b>		<b>0.15</b>	<b>3.71</b>	<b>10.35</b>	<b>9.22</b>
VI	<b>Cash &amp; Cash Equivalents at the end of the period</b>	<b>(IV+V)</b>	<b>104.61</b>	<b>0.15</b>	<b>3.71</b>	<b>10.35</b>

*The accompanying notes 1 to 25 are an integral part of the financial statements*

This is the Cash Flow Statement referred to in our Report of even date.

For and on behalf of  
**PK Chand & Co.**  
Chartered Accountants  
FRN: 512371C

FOR AND ON BEHALF OF  
**C2C Advanced Systems Limited**  
*(formerly known as C2C Advanced Systems Private Limited)*  
CIN: U72200KA2018PLC110361

**Prashant Kumar Chand**  
Partner  
Membership No. 091046

**Lakshmi Chandra**  
(Managing Director)  
DIN: 07436752

**Murtaza Ali Soomar**  
(Director)  
DIN: 05194435

**Place: NOIDA**  
**Date: March 26, 2024**

## NOTES TO RESTATED FINANCIAL STATEMENTS

### NOTE NUMBER 30 – RELATED PARTY DISCLOSURES

THE REFERENCE TO PVR MULTIMEDIA PRIVATE LIMITED AS ULTIMATE HOLDING COMPANY WILL BE DELETED. IT WILL READ AS PROMOTER COMPANY

### OTHERS

1. **Agreement with NSDL has been updated as April 15, 2024 at all the relevant places in the DRHP.**
2. Point 8 in Page 249 of the DRHP has been modified and reads as under:
  8. “In accordance with Regulation 230(1)(b) of the SEBI (ICDR) Regulations, our Company has entered into agreement with depositories for dematerialization of specified securities already issued and proposed to be issued.”
3. Point 12 in Page 342 of the DRHP has been rectified and reads as under:
  12. Approval from NSE vide letter dated [●] to use the name of NSE in the Red Herring Prospectus/ Prospectus for listing of Equity Shares on the NSE EMERGE.