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Aztec Fluids & Machinery Limited

(Formerly known as Aztec Fluids & Machinery Private Limited)

CIN: U24100GJ2010PLC060446

Our Company was originally incorporated as a private limited Company under the name of “Aztec Fluids & Machinery Private Limited” on April 28, 2010 under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat, Dadra and Nagar Haveli bearing registration number as 060446. Thereafter, our Company was converted from private limited to public limited, pursuant to a special resolution passed by the shareholders of our Company on November 08, 2023 and the name of the Company was changed from “Aztec Fluids & Machinery Private Limited” to “Aztec Fluids & Machinery Limited” vide fresh certificate of incorporation dated November 24, 2023, issued by the Registrar of Companies, Ahmedabad. The Corporate identification number of our Company is U24100GJ2010PLC060446.

Registered Office: Part H Plinth, 4th Floor, Takshashila Square, Near Krishnabag Four Rd, Maninagar, Ahmedabad, Gujarat-380028.

Contact Person: Rekha Vishal Jhanwar, Company Secretary & Compliance Officer

Tel No: +91-7048333211; **E-mail:** cs@aztecfluids.com; **Website:** www.aztecindia.org

PROMOTERS OF OUR COMPANY: PULIN KUMUDCHANDRA VAIDHYA, AMISHA PULIN VAIDHYA AND KUMUDCHANDRA BHAWANDAS VAIDYA

ADDENDUM DATED APRIL 23, 2024 TO THE DRAFT RED HERRING PROSPECTUS DATED JANUARY 30, 2024: NOTICE TO THE INVESTORS (“THE ADDENDUM”)

INITIAL PUBLIC OFFER OF UPTO 36,00,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH (THE “EQUITY SHARES”) OF AZTEC FLUIDS & MACHINERY LIMITED (FORMERLY KNOWN AS AZTEC FLUIDS & MACHINERY PRIVATE LIMITED) (“OUR COMPANY” OR “AFML” OR “THE ISSUER”) AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING UP TO ₹ [●] LAKHS (“PUBLIC ISSUE”) OUT OF WHICH 1,82,400 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE PUBLIC ISSUE LESS MARKET MAKER RESERVATION PORTION I.E., ISSUE OF 34,17,600 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING UPTO ₹ [●] LAKHS IS HEREIN AFTER REFERRED TO AS THE “NET ISSUE”. THE PUBLIC ISSUE AND NET ISSUE WILL CONSTITUTE 26.47% and 25.13% RESPECTIVELY OF THE POST- ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

Potential Bidders may note the following:

1. The Chapter titled “Definitions and Abbreviations” beginning on page 1 of the Draft Red Herring Prospectus has been updated;
2. The Chapter titled “Summary of Draft Red Herring Prospectus” beginning on page 17 of the Draft Red Herring Prospectus has been updated;
3. The Chapter titled “Risk Factors” beginning on page 22 of the Draft Red Herring Prospectus has been updated;
4. The Chapter titled “Capital Structure” beginning on page 53 of the Draft Red Herring Prospectus has been updated;
5. The Chapter titled “Statement of Special Tax Benefit” beginning on page 74 of the Draft Red Herring Prospectus has been updated;
6. The Chapter titled “Our Business” beginning on page 89 of the Draft Red Herring Prospectus has been updated;
7. The Chapter titled “Our Promoters & Promoter Group” beginning on page 125 of the Draft Red Herring Prospectus has been updated;
8. The Chapter titled “Outstanding Litigation and Material Developments” beginning on page 179 of the Draft Red Herring Prospectus has been updated;
9. The Chapter titled “Government and Other Statutory Approvals” beginning on page 182 of the Draft Red Herring Prospectus has been updated;
10. The Chapter titled “Other Regulatory and Statutory Disclosures” beginning on page 187 of the Draft Red Herring Prospectus has been updated;
11. Please note that all other details in, and updates to the Red Herring Prospectus/ Prospectus with respect to issue price and/or other relevant details will be carried out in the Red Herring Prospectus, as and when filed with ROC, SEBI and the Stock Exchange.

The above is to be read in conjunction with the Draft Red Herring Prospectus and accordingly their references in the Draft Red Herring Prospectus stand amended pursuant to this Addendum. Please note that the changes pursuant to this Addendum will be appropriately included in the Red Herring Prospectus/ Prospectus, as and when filed with the RoC, the SEBI and the Stock Exchanges. 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.



Aztec Fluids & Machinery Limited
(Formerly known as Aztec Fluids & Machinery Private Limited)

Sd/-

Rekha Vishal Jhanwar,
Company Secretary & Compliance Officer

Place: Ahmedabad

Date: April 23, 2024

BOOK RUNNING LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
	
HEM SECURITIES LIMITED Address: 904, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Lower Parel, Mumbai-400013, India Tel. No.: +91- 022- 49060000; Fax No.: +91- 022- 22625991 Email: ib@hemsecurities.com Investor Grievance Email: redressal@hemsecurities.com Website: www.hemsecurities.com Contact Person: Neelkanth Agarwal SEBI Registration Number. INM000010981	BIGSHARE SERVICES PRIVATE LIMITED Address: S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093, Maharashtra, India. Tel No.: +91 22 6263 8200 Facsimile: +91 22 6263 8299 Email: ipo@bigshareonline.com Website: www.bigshareonline.com Contact Person: Babu Rapheal C SEBI Registration Number: INR000001385

BID/ISSUE PROGRAMME

ANCHOR PORTION ISSUE OPENS/ CLOSES ON: [●]* BID/ISSUE OPENS ON: [●] BID/ISSUE CLOSES ON: [●]****

*The Company may, in consultation with the Book Running Lead Manager, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date.

**Our Company may, in consultation with the BRLM, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

Company related and Conventional terms

Term	Description
Promoter(s)	Shall mean promoters of our Company i.e. Pulin Kumudchandra Vaidhya, Amisha Pulin Vaidhya and Kumudchandra Bhagwandas Vaidya. For further details, please refer to section titled " <i>Our Promoter & Promoter Group</i> " beginning on page 125 of this Draft Red Herring Prospectus.

SECTION II – SUMMARY OF DRAFT RED HERRING PROSPECTUS

C. PROMOTERS

Pulin Kumudchandra Vaidhya, Amisha Pulin Vaidhya and Kumudchandra Bhagwandas Vaidya are the Promoters of our Company.

F. PRE-ISSUE SHAREHOLDING OF PROMOTERS AND PROMOTER GROUP

Our Promoters and Promoter Group collectively holds 1,00,00,000 Equity shares of our Company aggregating to 100% of the pre-issue paid-up Share Capital of our Company. Following are the details of the shareholding of the Promoters and Promoter Group, as on date of this Draft Red Herring Prospectus:

Sr. No	Names	Pre IPO		Post IPO	
		Shares Held	% Shares Held	Shares Held	% Shares Held
	Promoters (A)				
1.	Pulin Kumudchandra Vaidhya	74,99,700	75.00%	74,99,700	[●]
2.	Amisha Pulin Vaidhya	24,99,800	25.00%	24,99,800	[●]
3.	Kumudchandra Bhagwandas Vaidya	100	0.00	100	[●]
	Sub Total (A)	99,99,600	100.00	99,99,600	[●]
	Promoter Group (B)				
4.	Rekhaben Kumud Vaidya	100	0.00	100	[●]
5.	Jayeshbhai Ramjibhai Vakani	100	0.00	100	[●]
6.	Chandrabhaga Jayeshbhai Vakani	100	0.00	100	[●]
7.	Pulin K Vaidhya HUF	100	0.00	100	[●]
	Sub Total (B)	400	0.00	400	[●]
	Total (A) + (B)	1,00,00,000	100.00	1,00,00,000	[●]

G. SUMMARY OF FINANCIAL INFORMATION

Following are the details as per the restated financial statements for the six months period ended September'23 and financial years ended on March 31, 2023, March 31, 2022 and March 31, 2021:

Particulars	(₹ in lakhs)			
	September 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Equity Share Capital	1,000.00	200.00	1.00	1.00
Net Worth	1,868.87	1,535.60	1,238.56	958.92
Revenue from Operations	3,572.68	5,426.11	4,571.55	3,389.94
Profit after tax	333.27	327.38	311.25	246.28
Earnings per Share <i>(based on weighted average number of shares)</i>	3.33	3.27	3.11	2.46
Net Asset Value per Share <i>(based on weighted average number of shares)</i>	18.69	15.36	12.39	9.59
Total Borrowings	610.57	562.31	552.40	514.34

H. AUDITOR QUALIFICATIONS NOT GIVEN EFFECT IN THE RESTATED FINANCIAL STATEMENTS

There have been no audit qualifications/observations in Statutory Auditor's Report for year/period ended 30.09.2023, 31.03.2023, 31.03.2022, 31.03.2021 which requires adjustments in restated financial statements. For further details, please refer to "Restated Financial Information" on page 130 of the DRHP.

I. SUMMARY OF OUTSTANDING LITIGATIONS

Our Company, Promoters and Directors are involved in certain legal proceedings. A brief detail of such outstanding litigations as on the date of this Draft Red Herring Prospectus are as follows:

(a) **Tax Proceedings**

Nature of Proceedings	Number of cases	Amount involved* (₹ in lakhs)
Direct Tax		
TDS defaults	3	0.35
Indirect Tax		
GST	3	23.33
Custom Duty – Supreme Court**	1	260.36 <i>(along with confiscation of goods and penalty)</i>
Custom Duty - Commissioner of Customs (Appeal)***	15	179.24
Total	22	463.28

N. WEIGHTED AVERAGE PRICE OF THE SHARES ACQUIRED BY PROMOTERS IN LAST ONE YEAR

Sr. No.	Name of the Promoter	No. of Shares acquired in last one year	Weighted Average Price (in ₹)
1.	Pulin Kumudchandra Vaidhya	60,00,000*	Nil*
2.	Amisha Pulin Vaidhya	20,00,000*	Nil*
3.	Kumudchandra Bhagwandas Vaidya	100	Nil

*Number of shares include bonus issue of shares allotted in last one year

O. AVERAGE COST OF ACQUISITION OF SHARES

The average cost of acquisition of Equity Shares by our Promoters is set forth in the table below:

Sr. No.	Name of the Promoter	No. of Shares held	Average cost of Acquisition (in ₹)
1.	Pulin Kumudchandra Vaidhya	74,99,700	0.01
2.	Amisha Pulin Vaidhya	24,99,800	0.01
3.	Kumudchandra Bhagwandas Vaidya	100	0.00

SECTION III: RISK FACTORS

INTERNAL RISK FACTORS

1. *There are outstanding legal proceedings involving our Company, our Directors and our Promoters. Any adverse decisions could impact our networth, profitability, cashflows and divert management time and attention and have an adverse effect on our business, prospects, results of operations and financial condition.*

There are outstanding legal proceedings involving our Company, our Directors and our Promoters. For details, see “*Outstanding Litigation and Material Developments*” beginning on page 179 of this Draft Red Herring Prospectus.

Litigations involving the Company.

Nature of Proceedings	Number of cases	Amount involved* (₹ in lakhs)
Direct Tax		
TDS defaults	3	0.35
Indirect Tax		
GST	3	23.33
Custom Duty – Supreme Court**	1	260.36 (along with confiscation of goods and penalty)
Custom Duty - Commissioner of Customs (Appeal)***	15	179.24
Total	22	463.28

4. *Our Statutory Auditor have included certain qualifications in their Audit Report for financial statements pertaining to F.Y. 2020-21, 2021-22 and 2022-23 and tax audit reports for the same financial years.*

Our Statutory Auditor have included certain qualifications/observations in their Audit Reports and Tax Audit reports for financial statements pertaining to F.Y. 2020-21, 2021-22 and 2022-23. Below are the details of the same:

Basis for Opinion

F.Y. 2022-23, 2021-22 and 2020-21

- Travelling Expenses debited to Profit Loss A/c not segregated between domestic travelling Expenses & Foreign Travelling Expenses because of evidences/explanations & information regarding foreign travelling Expenses not provided by the management.

- The company has not received confirmation of balances and transactions from concerned entities in relation to sales, purchases, Debtors, Creditors, Loans & Advances, Liabilities Any overstatement/or understatement of such items, pursuant to receipt of confirmation of balances and, transactions from respective entities and impact thereof on the financial statements /s not quantifiable.

In respect of statutory dues

F.Y. 2022-23

According to the information & Explanation provided by the management, a lump sum amount of Rs 50, 00,000/- paid to the concerned department under protest and Custom Duty paid of Rs 862873/- in financial year 2019-20, Rs 7205917.45/- in financial year 2020-21, Rs 10889780.30/- in financial year 2021-22 and Rs 11105114.30 in financial year 2022-23 under protest which not recognized as a direct expenses till custom related matter not finally decide which shown under the head of Short term loan & advances in Balance Sheet for the year 2023.

As per information and explanation provided by the management, There is a dispute finally decided before Honourable High Court regarding initiated the proceeding and conducted inquiry/investigation for the imports made at various Customs Stations

are wholly illegal and without jurisdiction due to DRI Officer is not proper officer who can invoke section 28 of the customs Act and therefore, the notice issued by the DRI under section 28 of Customs Act is ex facie illegal and without any authority or jurisdiction.

F.Y. 2021-22

According to the information & Explanation provided by the management, a lump sum amount of Rs 50, 00,000/- paid to the concerned department under protest and Custom Duty paid of Rs 862873/- in financial year 2019-20, Rs 7205917.45/- in financial year 2020-21 and also Rs 10889780.30/- paid under protest which not recognized as a direct expenses till custom related matter not finally decide which shown under the head of Short term loan & advances in Balance Sheet for the year 2022.

F.Y. 2020-21

According to the information & Explanation provided by the management, a lump sum amount of Rs 50, 00,000/- paid to the concerned department under protest and Custom Duty paid of Rs 862873/- in financial year 2019-20 and also Rs 7205917.45/- in financial year 2020-21 under protest which not recognized as a direct expenses till custom related matter not finally decide by the High Court which shown under the head of Short term loan & advances in Balance Sheet for the year 2021.

Our results of operations for the F.Y./period stated as below is presented hereunder:

(₹ In lakhs)

Particulars	Apr.'23-Sept.'23	FY 2022-23	FY 2021-22	FY 2020-21
Profit before tax (PBT)	538.20	430.88	413.97	342.70
Profit after tax (PAT)	333.27	327.38	311.25	246.28

Major Observations/Qualifications in the Tax Audit Report

F.Y. 2022-23 and 2021-22

Assessee informed that the required information under clause 44 has not maintained in absence of any disclosure requirement under the GST Law further the software of the assessee is not configured to generate reports on information asked for under this clause. In view of the above, we are unable to verify and report the desired information under this clause.

It is not possible for us to determine the breakup the total expenditure of entities registered or not under the GST as necessary information is not maintained by the assessee in its books of accounts further the standard accounting software used by the assessee is not configured to generate the reports in respect of historical data in absence of any prevailing statutory requirements regarding the requisite information in this clause.

There is no assurance that our statutory audit reports or tax audit reports for any future fiscal periods will not contain qualifications, matters of emphasis or other observations which may affect our results of operations in such future periods. For further details, see, *“Financial Information of the Company”* on page 130 of this DRHP.

5. The Jet Inks Acquisition is not yet completed, and there are inherent uncertainties associated with uncompleted acquisitions, including that there may be certain risks associated with the Jet Inks that our Company is not aware of.

Our Company proposes to utilise an estimated amount of ₹ 1400.00 lakhs out of the issue proceeds towards acquisition of Jet Inks Private Limited. Our company has executed a term sheet dated November 6th, 2023, pertaining to the acquisition of all of the equity shares of Jet Inks Private Limited (“Jet Inks”) from its Promoters. Pursuant to the term sheet, our Company has acquired 18.05% stake in Jet Inks at a consideration of Rs. 3 crores. Further, our Chairman & Managing Director, Pulin Kumudchandra Vaidhya, has also become a Director in Jet Inks Private Limited. For the purpose of Issue, we have included certain information related to the Jet Inks in this Draft Red Herring Prospectus. There may be material risks associated with the Jet Inks Private Limited about which our Company is not aware. Any discovery of unknown liability concerning the Jet Inks or any adverse fact pertaining to the Company may materially and adversely affect our business, financial condition and results of operations. For further details, please refer chapter titled *“Objects of the Issue”* beginning on page 62 of this Draft Red Herring Prospectus.

6. ***We do not own the existing manufacturing facility, repair & testing centre and regional offices from which we carry out our business activities. In case of non-renewal of rent agreements or dispute in relation to use of the said premise, our business and results of operations can be adversely affected.***

A part of our existing manufacturing facility located at Shed 68, Sarjan Industrial Park, Ambika tube mill compound, Nr. Vatva Overbridge, Vatva, Ahmedabad -382443 has been obtained by us from our Promoter & Director, Amisha Pulin Vaidhya on NOC basis. Further, the repair & testing facility located at Maninagar, Ahmedabad, is obtained by us on rent through Leave and License Agreement dated November 09, 2023 executed between Pulin Kumudchandra Vaidhya & Amisha Pulin Vaidhya. Further, our regional offices are obtained by us on rent from third parties. In the event of termination/non-renewal of said agreements, we may be required to vacate the said premises which may cause disruption in our inventory management, corporate affairs and business and impede our effective operations which could lead temporarily impact our business operations until we get suitable alternative premises. For details on the duration of existing rent/lease agreements for our premises, please refer to the section titled "Our Business-Properties" beginning on page 96 of this Draft Red Herring Prospectus. In addition, few of the agreements pertaining to the lease/rent has irregularities of enforceability, such as non-registration of agreement and inadequate payment of stamp duty, which may affect the evidentiary value of the relevant agreements in specific performance or other injunctive procedures in a court of law, and could impair our operations. Further, it may result in levy of penal charges, in case cognizance being taken by concerned Authorities. There can be no assurance that we will, in the future, be able to renew the agreements for the existing locations on same or similar terms, or will be able to find alternate locations for the offices on similar terms favorable to us, or at all. We may also fail to negotiate the renewal of our rent agreements for our premises, either on commercially acceptable terms or at all, which could result in increased rental rates for subsequent renewals or searching of new premises, affecting our financial condition and operations. In the event that the rent agreement is terminated or they are not renewed on commercially acceptable terms, we may suffer a disruption in our manufacturing operations which could materially and adversely affect our business, financial condition and results of operations.

7. ***There are certain non-compliances of provisions of Companies Act, 2013 along with discrepancies/errors in some of our corporate records relating to forms filed with the Registrar of Companies. Any penalty or action taken by any regulatory authorities in future, for non-compliance with provisions of corporate or any other law could impact the financial position of the Company to that extent.***

Our Company has not filed certain ROC forms such as Form CHG-1 for creation of charge on vehicle loans taken in the past, due to over sightedness, which is a non-compliance of Section 77 of the Companies Act, 2013 and is subject to penalty under section 86 and/or other relevant provision(s) of Companies Act, 2013 which states that the company shall be liable to a penalty of five lakh rupees and every officer of the company who is in default shall be liable to a penalty of fifty thousand rupees. In case of any action being taken by the regulatory authorities against the Company and/or its officers, the same may have an adverse effect on our business, financial conditions and result of operations.

8. ***Substantial portion of our revenues has been dependent upon few customers, with which we do not have any firm commitments. The loss of any one or more of our major customer would have a material adverse effect on our business, cash flows, results of operations and financial condition.***

The substantial portion of our revenues has been dependent upon few customers. For instance, our top ten customers for the six months period ended Sept.'23, F.Y. ended March 31, 2023 and March 31, 2022 accounted 56.33%, 57.11% and 57.85% of our revenue from operations for the respective year. Our reliance on a limited number of customers for our business exposes us to risks, that may include, but are not limited to, reductions, delays or cancellation of orders from our significant customers, a failure to negotiate favourable terms with our key customers or the loss of these customers, all of which would have a material adverse effect on the business, financial condition, results of operations, cash flows and future prospects of our Company. However, with an experience of over a decade in this field, we have been able to develop long-standing relationships with our customers some of whom have been with us for around five years. For instance, companies such as Astral pipes, Prince pipes, Ashirvad Pipes, Makson Pharmaceuticals, Sentini Flopipes and Best Ink and Solutions have been our customers for the last five fiscals.

The contribution of our top ten customers in our sales as a percentage of the revenue from operations during Fiscal 2023 are disclosed hereunder:

S. No.	Customer	% contribution in the revenue from operations for Fiscal 2023
1	Customer 1	35.01%
2	Customer 2	10.32%
3	Customer 3	3.72%
4	Customer 4	1.82%
5	Customer 5	1.34%
6	Customer 6	1.07%
7	Customer 7	1.02%
8	Customer 8	1.00%
9	Customer 9	0.96%
10	Customer 10	0.86%
Total		57.11%

In addition, we have not entered into long term agreements with our customers and the success of our business is accordingly significantly dependent on maintaining good relationship with them. The loss of one or more of these significant customers or a reduction in the amount of business we obtain from them could have an adverse effect on our business, results of operations, financial condition and cash flows.

Further, there is no guarantee that we will retain the business of our existing key customers or maintain the current level of business with each of these customers. In order to retain some of our existing customers, we may also be required to offer terms to such customers which may place restraints on our resources. Additionally, our revenues may be adversely affected if there is an adverse change in any of our customers' supply chain strategies or a reduction in their outsourcing of products we offer, or if our customers decide to choose our competitors over us or if there is a significant reduction in the volume of our business with such customers.

We cannot assure you that we will be able to maintain historic levels of business and/or negotiate and execute long term contracts on terms that are commercially viable with our significant customers or that we will be able to significantly reduce customer concentration in the future. Further, the sales volume may vary due to our customers' attempts to manage their inventory, market demand, product and supply pricing trends, change in customer preferences etc., which may result in decrease in demand or lack of commercial success of our products, which could reduce our sales and adversely affect our business, cash flows, results of operations and financial condition.

In addition, we are exposed to payment delays and/or defaults by our major customers and our financial position and financial performance are dependent on the creditworthiness of our customers. There is no guarantee that all or any of our customers will honor their outstanding amounts in time and whether they will be able to fulfill their obligations, due to any financial difficulties, cash flow difficulties, deterioration in their business performance, or a downturn in the global economy. If such events or circumstances occur from all or any of our major customer, our financial performance and our operating cash flows may be adversely affected.

14. We have not entered into definitive agreements for the acquisition of Jet Inks Private Limited. The completion of the Jet Inks acquisition is subject to a number of conditions, which may not be fulfilled or waived.

Our Company proposes to utilise an estimated amount of ₹ 1400.00 lakhs out of the issue proceeds towards acquisition of Jet Inks Private Limited. Pursuant to the term sheet dated November 6th, 2023 entered among Barrla Fets Private Limited, Mr. Badr Mansur Hamza Al Refae and Jagdeesan Rajendran (shareholders of Jet Inks Private Limited) and our Company, our Company shall acquire 100% of the outstanding equity share capital of Jet Inks Private Limited from the existing shareholders at a total consideration of Rs. 1700.00 lakhs as reduced by any undisclosed liability or liability agreed to be taken up/settled by the Promoters in respect of Company but required to be paid by the Acquirer after due diligence, by March'24 and on such other terms and conditions as set out in the term sheet. Pursuant to the term sheet, our Company has acquired 18.05% stake in Jet Inks at a consideration of Rs. 3 crores. Further, our Chairman & Managing Director, Pulin Kumudchandra Vaidhya, has also become a Director in Jet Inks Private Limited. For further details, please refer chapter titled "*Objects of the Issue*" beginning on page 62 of this Draft Red Herring Prospectus.

The Jet Inks acquisition is subject to i) completion of due diligence by our Company ii) entrance of definitive agreements as per the term sheet which include Share Purchase Agreement, Non-compete agreement and lease and sale agreement for the factory premises of Jet Inks; iii) our Company successfully raising funding for the consideration payable for the Jet Inks acquisition; and iii) the fulfilment of conditions specified in the share purchase agreement which is yet to be executed. While proceeds from the Issue are proposed to be utilised for funding the Jet Inks acquisition, our Company may not have funds available by March'24 to meet in full its payment obligations for the Jet Inks Acquisition. This could delay completion of the Jet Inks Acquisition, reduce the anticipated benefits of the acquisition or result in a material adverse effect on the business, results of operations, financial condition and prospects of our Company. If completion of the Jet Inks acquisition does not occur within the timeframe contemplated, our Company may experience a delay in achieving its strategic objectives and could suffer a significant impact on its reputation, which could have a material adverse effect on our business, results of operations and financial condition.

18. We may fail to realise targeted synergies or other anticipated benefits from the acquisition of Jet Inks.

Our Company proposes to utilise an estimated amount of ₹ 1400.00 lakhs out of the issue proceeds towards acquisition of Jet Inks Private Limited. We are pursuing the Jet Inks acquisition to diversify the customer base, leverage on its manufacturing capacity & sales network and strengthen our presence in South region of India. We seek to create long-term value for our stakeholders through the Jet Inks acquisition. For further details, please refer chapter titled "*Objects of the Issue*" beginning on page 62 of this Draft Red Herring Prospectus. However, there can be no guarantee that we will realise any or all of the anticipated benefits from the Jet Inks acquisition in a timely manner or at all. In particular, our ability to realise anticipated benefits and the timing of this realisation may be affected by a variety of factors, including but not limited to:

- the challenges involved in integrating our Company and Jet Inks IT infrastructure, processes and systems;
- inability to retain the customer base of Jet Inks; and
- unforeseeable events, including major changes in the industries in which our Company and Jet Inks operate.

If the anticipated benefits that our Company expects are not realised or are delayed, our business, results of operations, financial condition and prospects could be adversely affected. Even if we are able to successfully integrate our businesses and operations, it may not be possible to realise the full benefits of the integration opportunities, the synergies that we currently expect to result from the Jet Inks acquisition, or realise these benefits within the time frame that we currently expect.

19. Our company is entirely dependent on third-party logistics service providers for the transportation of raw materials and finished products.

We do not maintain an in-house transportation facility and depend on third-party transportation and logistics services at every stage of our business activities, including procurement from suppliers and delivering finished products to customers. While we engage transportation companies as needed, we have not established definitive agreements with any third-party transport service providers.

The transportation solutions available in the markets where we operate are typically fragmented, and the cost incurred for goods transported by third-party carriers often exceeds the contracted transportation fees. Consequently, recovering compensation for damaged, delayed, or lost goods can be challenging. Recent instances, such as transportation vehicles being on strike due to fuel price increases, resulted in delays and potential disruptions in handling and procurement processes, which could have led to possible damage to products in transit. Although no such instances have been noticed as on date but such instances if occur may affect our business operations.

20. We have incurred significant indebtedness which exposes us to various risks which may have an adverse-affect on our business and results of operations

Our ability to borrow and the terms of our borrowings will depend on our financial condition, the stability of our cash flows, general market conditions, economic and political conditions in the markets where we operate and our capacity to service debt. As on September 30, 2023, our total outstanding indebtedness was ₹ 610.57 lakhs.

Our significant indebtedness in future may result in substantial amount of debt service obligations which could lead to:

1. increasing our vulnerability to general adverse economic, industry and competitive conditions;

2. limiting our flexibility in planning for, or reacting to, changes in our business and the industry;
3. affecting our credit rating;
4. limiting our ability to borrow more money both now and in the future; and
5. increasing our interest expenditure and adversely affecting our profitability.

If the loans are recalled on a short notice, we may be required to arrange for funds to fulfil the necessary requirements. The occurrence of these events may have an adverse effect on our cash flow and financial conditions of the company. For further details regarding our indebtedness, see “*Statement of Financial Indebtedness*” on page 168 of this Draft Red Herring Prospectus

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

Our Company has entered into various transactions with our Directors, Promoters and Promoter Group members/entities. These transactions, inter-alia includes, sales, purchase, remuneration, loans and advances, rent payments etc. For instance, our expenses in relation to related party transactions for the nine months period ended Dec. '23, F.Y. 2022-23, F.Y. 2021-22 and F.Y. 2020-21 were Rs. 601.80 lakhs, Rs. 372.42 lakhs, Rs. 382.45 lakhs and Rs. 222.34 lakhs respectively, which constituted 13.16%, 7.42%, 9.04% and 7.11% respectively. For details, please refer to *Annexure XXXII - Related Party Transactions*” under Section titled “*Financial Information of the Company*” and Chapter titled “*Capital Structure*” beginning on page 130 and 53 respectively of this Draft Red Herring Prospectus. Our Company has entered into such transactions due to easy proximity and quick execution. While we believe that all such transactions have been conducted on an arm’s length basis and in the ordinary course of business, there can be no assurance that we could not have achieved more favorable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. Any future transactions with our related parties could potentially involve conflicts of interest. Accordingly, there can be no assurance that such transactions, individually or in the aggregate, will not have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

30. Our operations are subject to high working capital requirements. Our inability to maintain an optimal level of working capital required for our business may impact our operations adversely.

Our business requires significant amount of working capital and major portion of our working capital is utilized towards trade receivables, other current assets and inventories. Our growing scale and expansion, if any, may result in increase in the quantum of current assets. Our inability to maintain sufficient cash flow, credit facility and other sources of funding, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, could adversely affect our financial condition and result of our operations. Further, we have high outstanding amount due from our debtors which may result in a high risk in case of non-payment by these debtors. In case of any such defaults from our debtors, may affect our business operations and financials.

CAPITAL STRUCTURE

9. Shareholding Pattern of the Company

The table below represents the shareholding pattern of our Company in accordance with Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as on the date of this Draft Red Herring Prospectus:

13. Capital Build-up in respect of Shareholding of our Promoters

As on the date of this Draft Red Herring Prospectus, Our Promoters Pulin Kumudchandra Vaidhya , Amisha Pulin Vaidhya, Kumudchandra Bhagwandas Vaidya hold 99,99,600 Equity Shares of our Company. None of the Equity Shares held by our Promoters is subject to any pledge.

Set forth below is the build-up of the shareholding of our Promoters in our Company since incorporation.

Date of Allotment and made fully paid up/ Transfer	No. of Equity Shares	Face Value Per Share (₹)	Issue/ Acquisition/ Transfer Price (₹)	Consideration	Nature of Issue	Pre-Issue Shareholding %	Post-Issue Shareholding %
Pulin Kumudchandra Vaidhya							
April 28, 2010	2,500	10	10	Cash	Subscription to MOA	0.03%	[●]
February 23, 2013	5,000	10	10	Cash	Acquisition by way of Transfer of Shares ⁽ⁱ⁾	0.05%	[●]
July 11, 2022	14,92,500	10	Nil	Nil	Issue of Bonus Shares in ratio of 199:1	14.93%	[●]
September 30, 2023	60,00,000	10	Nil	Nil	Issue of Bonus Shares in ratio of 4:1	60.00	[●]
November 06, 2023	(300)	10	-	Gift	Transfer of shares ⁽ⁱⁱ⁾	(0.00)	[●]
Total (A)	74,99,700					75.00%	[●]
Amisha Pulin Vaidhya							
April 28, 2010	2,500	10	10	Cash	Subscription to MOA	0.03%	[●]
July 11, 2022	4,97,500	10	Nil	Nil	Issue of Bonus Shares in ratio of 199:1	4.98%	[●]
September 30, 2023	20,00,000	10	Nil	Nil	Issue of Bonus Shares in ratio of 4:1	20.00%	[●]
November 06, 2023	(200)	10	-	Gift	Transfer of shares ⁽ⁱⁱⁱ⁾	(0.00)	[●]
Total (B)	24,99,800					25.00%	[●]
Kumudchandra Bhagwandas Vaidya							
November 06, 2023	100	10	-	Gift	Acquisition of shares by way of gft ^(iv)	-	[●]
Grand Total	99,99,600					100%	

Note: None of the Shares has been pledged by our Promoters.

(i) Details of Acquisition by Pulin Kumudchandra Vaidhya of 5000 Equity Shares dated February 23, 2013.

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer
1.	February 23, 2013	Shlok Vijay Kumar Bhatia	5,000
Total			5,000

(ii) Details of transfer of 300 equity shares by way of Gift from Pulin Kumudchandra Vaidhya dated November 06, 2023:

Sr. No.	Date of Transfer	Name of Transferee	No. of Share Transfer
1.	November 06, 2023	Pulin K Vaidhya HUF	100
2.	November 06, 2023	Kumudchandra Bhagwandas Vaidya	100
3.	November 06, 2023	Rekhaben Kumud Vaidya	100
Total			300

(iii) Details of transfer of 200 equity shares by way of Gift from Amisha Pulin Vaidhya dated November 06, 2023:

Sr. No.	Date of Transfer	Name of Transferee	No. of Share Transfer
1.	November 06, 2023	Jayeshbhai Ramjibhai Vakani	100
2.	November 06, 2023	Chandrabhaga Jayeshbhai Vakani	100
Total			200

(iv) Details of Acquisition of 100 equity shares by way of Gift from Pulin Kumudchandra Vaidhya dated November 06, 2023:

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer
1.	November 06, 2023	Pulin Kumudchandra Vaidhya	100
Total			100

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

Sr. No.	Name of the Promoters	No. of Shares held	Average cost of Acquisition (in ₹)
1.	Pulin Kumudchandra Vaidhya	74,99,700	0.01
2.	Amisha Pulin Vaidhya	24,99,800	0.01
3.	Kumudchandra Bhagwandas Vaidya	100	0.00

15. Shareholding of Promoters & Promoter Group

Following are the details of pre and post Issue shareholding of persons belonging to the category “Promoters and Promoter Group”:

Sr. No	Names	Pre IPO		Post IPO	
		Shares Held	% Shares Held	Shares Held	% Shares Held
Promoters (A)					
1.	Pulin Kumudchandra Vaidhya	74,99,700	75%	74,99,700	[●]
2.	Amisha Pulin Vaidhya	24,99,800	25%	24,99,800	[●]
3.	Kumudchandra Bhagwandas Vaidya	100	Negligible	100	[●]
Sub Total (A)		99,99,600	100.00	99,99,600	[●]
Promoter Group (B)					
4.	Rekhaben Kumud Vaidya	100	Negligible	100	[●]
5.	Jayeshbhai Ramjibhai Vakani	100	Negligible	100	[●]
6.	Chandrabhaga Jayeshbhai Vakani	100	Negligible	100	[●]
7.	Pulin K Vaidhya HUF	100	Negligible	100	[●]
Sub Total (B)		400	Negligible	400	[●]

Sr. No	Names	Pre IPO		Post IPO	
		Shares Held	% Shares Held	Shares Held	% Shares Held
	Total (A) + (B)	1,00,00,000	100.00	1,00,00,000	[●]

18. Details of Promoters' Contribution Locked-in for Three Years.

Pursuant to Regulation 236 and 238 of SEBI (ICDR) Regulations, 2018, an aggregate of 20.00% of the post issue capital held by our Promoters shall be considered as Promoter's Contribution ("**Promoters Contribution**") and shall be locked-in for a period of three years from the date of allotment of Equity shares issued pursuant to this Issue. The lock in of Promoter's Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

As on the date of this Draft Red Herring Prospectus, our Promoters hold 99,99,600 Equity Shares constituting [●]% of the Post-Issue, subscribed and paid up Equity Share Capital of our Company, which are eligible for the Promoters' contribution.

Our Promoters Pulin Kumudchandra Vaidhya has given written consent to include 27,25,000 Equity Shares held by them and subscribed by them as part of Promoters Contribution constituting 20.04% of the post issue Equity Shares of our Company. Further, they have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters contribution, for a period of three years from the date of allotment in the Issue.

Date of Allotment/ Transfer and made fully Paid Up	No. of Equity Shares locked-in	Face Value Per Share (₹)	Issue/ Acquisition/ Transfer Price (₹)	Nature of transaction	Post-Issue Shareholding %	Lock in Period
Pulin Kumudchandra Vaidhya						
September 30, 2023	27,25,000	10	Nil	Bonus Issue	20.04%	3 years
Total	27,25,000				20.04%	

The minimum Promoter's contribution has been brought in to the extent of not less than the specified minimum lot and from persons defined as "**Promoter**" under the SEBI (ICDR) Regulations. All Equity Shares, which are being locked in are not ineligible for computation of Minimum Promoters Contribution as per Regulation 237 of the SEBI (ICDR) Regulations and are being locked in for 3 years as per Regulation 238(a) of the SEBI (ICDR) Regulations i.e. for a period of three years from the date of allotment of Equity Shares in this issue.

The entire pre-issue shareholding of the Promoters and Promoter Group, other than the Minimum Promoters contribution which is locked in for three years, shall be locked in for a period of one year from the date of allotment in this Issue.

OBJECTS OF THE ISSUE

Details of Utilization of Net Proceeds

The details of utilization of the Net Proceeds are set forth herein below:

1. Funding of the proposed acquisition of equity shares of Jet Inks Private Limited

In order to support the inorganic growth of our Company, we intend to acquire the 100% equity shares of Jet Inks Private Limited (“**Jet Inks**”). Incorporated in 2002, Jet Inks is engaged in the business of manufacturing of inks and also deals in printers, consumables and spares and has its registered office situated at 2/126, P.S. Sivaswamy Salai, 3rd Floor, Mylapore, Chennai, Tamil Nadu. We seek to create long-term value for our stakeholders through the Jet Inks Acquisition by leveraging on the Jet Inks existing manufacturing capacity and presence in Southern region of India. The Jet Inks acquisition is being carried out to diversify the customer base, leverage on its manufacturing capacity & sales network and strengthen our presence in South and East region of India.

Our company has executed a term sheet dated November 6th, 2023, pertaining to the acquisition of all of the equity shares of Jet Inks Private Limited (“Jet Inks”) from its Promoters. Pursuant to the term sheet, our Company has acquired 18.05% stake in Jet Inks at a consideration of Rs. 3 crores. As per the term sheet, we are required to make payment of total consideration of Rs. 17 crores as reduced by any undisclosed liability or liability agreed to be taken up/settled by the Promoters in respect of Company but required to be paid by the Acquirer after due diligence, by March 31, 2024. Our Company is yet to execute the definitive agreements which inter-alia includes Share Purchase Agreement, Non-compete agreement and lease and sale agreement for the factory premises of Jet Inks. For further details, please refer risk factor “*We have not entered into definitive agreements for the acquisition of Jet Inks Private Limited. The completion of the Jet Inks acquisition is subject to a number of conditions, which may not be fulfilled or waived*” on page 25 of this DRHP. Our Company has already deployed Rs. 3.00 crores for acquiring 18.05% stake in Jet Inks pursuant to term sheet dated November 6th, 2023.

Summary of financial information of Jet Inks Private Limited:

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Total Income	3,936.73	3,660.54	4,027.64
Profit after tax	13.98	70.73	37.69
Networth	1,407.13	1,393.15	1,322.42
Long term borrowings	42.81	8.75	104.60
Short term borrowings	954.47	976.71	695.92

Jet Inks Private Limited
Statement of Assets and Liabilities

(Rs. in lakhs)

Particulars		As 31 March 2023	at 31 March 2022	As 31 March 2021
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
(a)	Share capital	450.00	450.00	450.00
(b)	Reserves and surplus	957.13	943.15	872.42
		1,407.13	1,393.15	1,322.42
2	Non-current liabilities			
(a)	Long-term borrowings	42.81	8.75	104.60
(b)	Long-term provisions	53.31	46.32	
		96.13	55.07	104.60
3	Current liabilities		-	
(a)	Short-term borrowings	954.47	976.71	695.92
(b)	Trade Payables			
	i) Total outstanding dues of micro and small enterprises	74.84	68.84	96.19
	ii) Total outstanding dues to creditors other than micro and small enterprises.	179.75	465.34	240.91
(c)	Other current liabilities	338.75	356.26	232.84
(d)	Short-term provisions	39.31	22.67	98.65
		1,587.12	1,889.82	1,364.52
	TOTAL	3,090.37	3,338.04	2,791.53
	ASSETS			
1	Non-current assets			
(a)	Property, plant and equipment and Intangible assets			
	(i) Property, plant and equipment	52.82	81.15	89.86
		52.82	81.15	89.86
(b)	Non-current investments			-
(c)	Deferred tax assets (net)	28.69	26.95	13.23
(d)	Long-term loans and advances	29.97	163.38	44.68
		58.65	190.33	57.91
2	Current assets			
(a)	Inventories	1,165.09	1,027.96	673.25
(b)	Trade receivables	952.23	1,151.70	1,105.22
(c)	Cash and cash equivalents	3.07	8.41	235.75
(d)	Short-term loans and advances	596.46	620.05	604.71
(e)	Other current assets	262.05	258.43	24.84
		2,978.90	3,066.56	2,643.76
	Total	3,090.37	3,338.04	2,791.53

For further details on financial information of Jet Inks Private Limited, please refer to page 165 of this DRHP.

Shareholding pattern of Jet Inks Private Limited:

S. No	Name of Shareholder	No. of Shares
1.	Barrla Fets Private Limited	36,41,733
2.	Badr M AI Refae	900
3.	Rajendran Jagadeesan	2,50,225
4.	Aztec Fluids & Machinery Limited	8,57,142

	Total 47,50,000
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STATEMENT OF SPECIAL TAX BENEFITS

To,
The Board of Directors
Aztec Fluids & Machinery Limited
5th Floor, Takshashila Square,
Krishna Baug Cross Road, Maninagar,
Opposite Sankalp Restaurant,
Ahmedabad - 380 008
Gujarat, India

Dear Sir,

Sub: Statement of Tax Benefits ('The Statement') available to Aztec Fluids & Machinery Limited (Erstwhile Known As Aztec Fluids & Machinery Private Limited) ('The Company') and its shareholders under the Direct and Indirect Tax Laws in India

We hereby report that the enclosed annexure prepared by the management of **Aztec Fluids & Machinery Limited (Erstwhile Known As Aztec Fluids & Machinery Private Limited)**, states the special tax benefits available to the Company and the shareholders of the Company under the Income-Tax Act, 1961, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 (collectively the "GST Act") presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions which, based on business imperatives which the Company may face in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure cover only special tax benefits available to the Company and do not cover any general tax benefits available to the Company. Further, the preparation of enclosed statement and the contents stated therein is the responsibility of the Company's management. We are informed that, this Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of Equity shares ("the Issue") by the Company.

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

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

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

Our views are based on facts and assumptions indicated to us and the existing provisions of tax law and its interpretations, which are subject to change or modification from time to time by subsequent legislative, regulatory, administrative, or judicial decisions. Any such changes, which could also be retrospective, could have an effect on the validity of our views stated herein.

We assume no obligation to update this statement on any events subsequent to its issue, which may have a material effect on the discussions herein. This report including enclosed annexure are intended solely for your information and for the inclusion in the Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus or any other issue related material in connection with the proposed initial public offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent

For K A R M A & CO LLP
Chartered Accountants
Firm's Reg. No. 127544W/W100376
Peer Review Certificate Number: 013252
Sd/-
Ca Jignesh A Dhaduk
Partner
M. No.: 129149
Place: Ahmedabad
Date: 27/01/2024

OUR BUSINESS

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section “Forward-Looking Statements” for a discussion of the risks and uncertainties related to those statements and also the section “Risk Factors” for a discussion of certain factors that may affect our business, financial condition, or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the Twelve-month period ended March 31 of that year. In this section, a reference to the “Company” or “we”, “us” or “our” means Aztec Fluids & Machinery Limited.

All financial information included herein is based on our “Financial information of the Company” included on page 130 of this Draft Red Herring Prospectus.

Established in 2010, we provide coding and marking solutions to a diverse range of industries such as personal care, food & beverages, pharmaceuticals, construction materials, cables, wires & pipes, metals, automotive & electronics, agrochemicals, chemicals & petrochemicals etc. Our product portfolio includes (i) printers such as continuous inkjet printers (CIJ), Thermal Transfer Over printers (TTO), Drop on demand printers (DOD), NIJ printers (i.e. piezoelectric printers) and laser printers (ii) printer inks and (iii) printer consumable items i.e. makeup and cleaning solvents. Our range of products allows our customers to print vital variable information like batch number, date, price, logo, brand, size, barcodes, promotional codes, meter marks, special marks etc. on the products such as steel tubes, aluminum panels, G.I. sheets, laminates, glass, PVC, plywood, woven sac, corrugated boxes, plastics and packing materials.

Since 2015, we are an exclusive distributor of Lead Tech (Zhuhai) Electronic Co. Ltd., China for CIJ Printers, TTO Printers and a range of associated equipment and accessories for various countries such as India, Sri Lanka, Nepal, Bhutan, Bangladesh, Kenya and Nigeria. The other type of printers such as DOD and NIJ are imported by us from other foreign suppliers. After import of printers, based on the customers’ requirements we carry out certain functions such as printer configuration & stand installation on printers. We also carry the necessary testing and trial run to check the desired output of printers.

We procure inks from Fluidtech Corp (“Fluidtech”), a partnership firm of our Promoters, Mr. Pulin Vaidhya and Mrs. Amisha Vaidhya with which we have entered into a manufacturing and supply agreement dated December 22, 2023. Fluidtech specializes in manufacturing a diverse colours of inks, including red, black, yellow, white, green, pink and UV, which are used in the printers in which we deal in. We also have a manufacturing setup at Vatva, Ahmedabad from where we manufacture printer consumable items i.e. makeup and cleaning solvents as well as inks as per requirement basis. As on date of this DRHP, we own two registered patents on the cartridge design in which the inks and makeup are filled. The cartridges are purchased by us from a local manufacturer, which manufactures the cartridges as per our design specifications. In order to shield from the risks associated with counterfeit products, we embed a PCB chipset on each cartridge for identification purpose.

With our registered office in Ahmedabad, we own a warehouse at Survey 252, Kanera, Kheda, Gujarat, primarily for storing imported printers. To support our growth initiatives, we’ve recently acquired a substantial land parcel covering two plots at Survey No. 331 and 333 in Kanera, Kheda, Gujarat, measuring a total area of 7,689 square meters. These plots are strategically located in close proximity to our existing warehouse. The building construction work, encompassing the ground and first floor, has been completed at Survey No. 333. This newly constructed space will be dedicated to printer assembling, configuring, testing, and other relevant activities associated with printer. Currently, our printer testing and repairing operations are conducted at Maninagar and Vatva, both located in Ahmedabad, Gujarat.

Photograph of new building constructed at 333, Kanera, Kheda for proposed printer assembly operations



Further, we've leased plot number 331 to Fluidtech for a period of 5 years from November 01, 2023, for setup of manufacturing facility of inks, makeup and cleaning solvents. Thus, going forward, we intend to discontinue the manufacturing operations of makeup, cleaning solvents and inks from our Vatva unit, as we will be procuring the same from Fluidtech from its nearby new manufacturing unit at 331, Kanera, Kheda, Gujarat.

We generate major domestic sales through our customers situated in Gujarat, Rajasthan and Tamil Nadu. In Fiscal 2023, the largest share of our revenue, accounted for 37.04% originated from Gujarat, followed by Rajasthan which accounted for 9.86%. For details on geographical wise revenue, please refer to ***“Our Competitive Strengths - Well diversified customer base spread across various industries and geography.”*** For the six months period ended Sept.'23 and Fiscal 2023, we have served over 1000 and 1100 customers respectively. Our ability to provide wide range of coding and marking solutions has helped us garner customers engaged in various sectors such as personal care, food & beverages, pharmaceuticals, construction materials, cables, wires & pipes, metals, automotive & electronics, agrochemicals, chemicals & petrochemicals. Our customer base includes some of the renowned names such as Astral Limited, ADF Foods Limited, Eris Lifesciences Limited, Rossari Biotech Limited, Surya Roshni Ltd, Vectus Industries Ltd., ERIS Therapeutics Limited, Resinova Chemie Limited, Prince Pipe & Fittings Limited, Oswal Cables Pvt Ltd, Digicode, Codjet India and Makson Pharmaceuticals.

With the Head Office at Ahmedabad, Gujarat, we've strategically established regional offices at Mumbai (West region), Kolkata (East region), and Hyderabad (South region). As on December 31, 2023, we possessed a dedicated team of 28 employees for sales & marketing function and a team of 45 service engineers which provides after sales service and support to our clientele at their respective locations.

Our company has recently executed a term sheet, dated November 6th, 2023, pertaining to the acquisition of all the equity shares of Jet Inks Private Limited (“Jet Inks”), which is a Chennai based company, engaged in the business of manufacturing of inks and also deals in printers, consumables and spares. Pursuant to the term sheet, our Company has acquired 18.05% stake in Jet Inks at a consideration of Rs. 3 crores. For further details, please refer to chapter titled ***“Objects of the Issue”*** and ***“Other Financial Information”*** on page 62 and 164 of this DRHP.

Our existing Promoters, Mr. Pulin Kumudchandra Vaidhya, Mrs. Amisha Pulin Vaidhya and Kumudchandra Bhagwandas Vaidya has more than 25 years, 13 years and 47 years of experience in this industry. We have benefited immensely from the vast experience of our promoters on account of their sound knowledge of the market, high contacts with clients and suppliers and better decision-making power. Our Promoter, Mr. Pulin Kumudchandra Vaidhya has been awarded with Vibrant leadership award for excellence in manufacturing & export of CIJ inks & printers in 2020 and pioneers of Gujarat award in 2023.

Our Competitive Strengths

Well diversified customer base spread across various industries and geography

For the six months period ended Sept.'23 and Fiscal 2023, we have served over 1000 and 1100 customers respectively. We have sold our products in India and several other countries across the globe which include China, Malaysia, African countries such as Nigeria, Rwanda, Mozambique Kenya Ghana, Uganda, Zambia and Middle East countries such as Saudi Arabia and

Kingdom of Bahrain. For the six months period ended Sept.'23, our revenue from operations were Rs. 35.73 crores of which approximately 94.39% of the revenue were from domestic markets and 5.61% from international markets. In India, during the same period, we have sold our products to around 24 states and 3 union territories including Gujarat, Rajasthan, Tamil Nadu, Uttar Pradesh, West Bengal, Assam, Haryana, Maharashtra, Telangana, Andhra Pradesh, Jharkhand, Delhi, Uttarakhand, Orissa, Madhya Pradesh, Himachal Pradesh, Karnataka, Chhattisgarh, Punjab, Bihar, Kerala, Jammu & Kashmir, Manipur, Dadar and Nagar Haveli, Puducherry, Goa, Arunachal Pradesh, Mizoram, Daman and Diu. Our revenue from exports for F.Y. 2022-23, 2021-22 and 2020-21 were 3.29%, 7.32% and 4.95% of our revenue from operations respectively.

The following table sets forth the bifurcation of revenue (Geographical-wise) for the six months period ended Sept.'23 and Fiscal 2023, 2022 and 2021:

(Rs. in lakhs)								
Category	Apr-Sept'23	% of revenue from operations	F.Y. 2022-23	% of revenue from operations	F.Y. 2021-22	% of revenue from operations	F.Y. 2020-21	% of revenue from operations
Domestic (A)								
Andhra pradesh	101.18	2.83%	95.12	1.76%	132.17	2.89%	62.32	1.84%
Arunachal pradesh	1.48	0.04%	2.49	0.05%	4.45	0.10%	1.79	0.05%
Assam	194.36	5.44%	75.71	1.40%	47.14	1.03%	36.37	1.07%
Bihar	48.8	1.37%	62.22	1.15%	39.22	0.86%	32.66	0.96%
Chhattisgarh	9.32	0.26%	5.84	0.11%	0	0.00%	1.68	0.05%
Dadar and nagar haveli	75.98	2.13%	49.04	0.91%	56.19	1.23%	38.19	1.13%
Daman and Diu	0	0.00%	0	0.00%	0.82	0.02%	33.68	0.99%
Delhi	59.35	1.66%	143.36	2.65%	121.25	2.65%	107.82	3.18%
Goa	0.42	0.01%	1.74	0.03%	1.51	0.03%	0	0.00%
Gujarat	1322.76	37.04%	2195.64	40.53%	2037.93	44.61%	1423.76	42.01%
Haryana	176.54	4.94%	280.59	5.18%	163.97	3.59%	196.48	5.80%
Himachal pradesh	6.39	0.18%	5.75	0.11%	2.59	0.06%	0.73	0.02%
Jammu & Kashmir	0	0.00%	0	0.00%	0	0.00%	0.14	0.00%
Jharkhand	53.47	1.50%	89.68	1.66%	34.75	0.76%	30.48	0.90%
Karnataka	60.71	1.70%	97.32	1.80%	128.09	2.80%	83.5	2.46%
Kerala	12.3	0.34%	28.81	0.53%	19.74	0.43%	15.16	0.45%
Madhya pradesh	6.4	0.18%	17.34	0.32%	8.4	0.18%	22.32	0.66%
Maharashtra	166.73	4.67%	380.52	7.02%	269.82	5.91%	288.7	8.52%
Manipur	1.83	0.05%	0.57	0.01%	0.48	0.01%	2.42	0.07%
Mizoram	0.48	0.01%	2.62	0.05%	0.36	0.01%	1.53	0.05%
Orissa	86.73	2.43%	169.23	3.12%	69.24	1.52%	1.92	0.06%
Puducherry	2.14	0.06%	0.83	0.02%	1.48	0.03%	0	0.00%
Punjab	21.53	0.60%	19.92	0.37%	5.96	0.13%	0.71	0.02%
Rajasthan	352.3	9.86%	553.08	10.21%	433.67	9.49%	313.34	9.25%
Tamil nadu	260.1	7.28%	451.66	8.34%	297.97	6.52%	231.37	6.83%
Telangana	102.4	2.87%	235.68	4.35%	82.88	1.81%	55.55	1.64%
Uttar pradesh	85.81	2.40%	113.35	2.09%	89.07	1.95%	100.74	2.97%
Uttarakhand	72.54	2.03%	65.42	1.21%	88.79	1.94%	70.94	2.09%

West Bengal	89.07	2.49%	95.92	1.77%	95.94	2.10%	67.13	1.98%
Total (A)	3371.12	94.39%	5239.45	96.71%	4233.88	92.68%	3221.43	95.05%
International (B)								
Australia	0.83	0.02%	0.66	0.01%	0.22	0.00%	0	0.00%
Bangladesh	0	0.00%	0	0.00%	0	0.00%	4.01	0.12%
Bhutan	0	0.00%	0	0.00%	0	0.00%	0.71	0.02%
Burundi	0	0.00%	0	0.00%	15.46	0.34%	0	0.00%
China	40.54	1.14%	7.98	0.15%	11.86	0.26%	0	0.00%
Ethiopia	0	0.00%	0.7	0.01%	3.1	0.07%	0	0.00%
Gabon	3.08	0.09%	20.49	0.38%	10.99	0.24%	11.86	0.35%
Ghana	18.6	0.52%	15.65	0.29%	48.16	1.05%	0	0.00%
Guinea	10.35	0.29%	0	0.00%	0	0.00%	0	0.00%
Deemed Exports	7.7	0.22%	7.73	0.14%	26.05	0.57%	0	0.00%
Kenya	11.45	0.32%	0	0.00%	0	0.00%	17.94	0.53%
Kingdom of Bahrain	6.96	0.19%	8.1	0.15%	0	0.00%	0	0.00%
Malaysia	4.27	0.12%	3.7	0.07%	4.5	0.10%	0	0.00%
Maputo		0.00%	0	0.00%	0	0.00%	15.42	0.45%
Mozambique	4	0.11%	7.37	0.14%	4.52	0.10%	0	0.00%
Nepal	5.72	0.16%	12.97	0.24%	29.26	0.64%	0.29	0.01%
New Zealand	0.9	0.03%	3.77	0.07%	2.79	0.06%	9.34	0.28%
Nigeria	26.69	0.75%	30.68	0.57%	120.61	2.64%	79.74	2.35%
Republic of The Congo	0	0.00%	0	0.00%	6.06	0.13%	0	0.00%
Rwanda	16.28	0.46%	16.15	0.30%	16.59	0.36%	7.67	0.23%
Saudi Arabia	9.31	0.26%	0	0.00%	0	0.00%	0	0.00%
Tanzania	0	0.00%	0	0.00%	0.71	0.02%	0	0.00%
Uganda	27.23	0.76%	42.49	0.78%	33.35	0.73%	20.69	0.61%
Zambia	6.58	0.18%	0	0.00%	0	0.00%	0	0.00%
Total (B)	200.48	5.61%	178.46	3.29%	334.22	7.32%	167.67	4.95%
Grand Total (A) + (B)	3571.61	100.00%	5417.89	100.00%	4568.1	100.00%	3389.08	100.00%

Varied product range appealing to a diverse customer base

Our product portfolio includes (i) printers such as continuous inkjet printers (CIJ), Thermal Transfer Overprinters (TTO), Drop on demand printers (DOD), NIJ printers (i.e. piezoelectric printers) and laser printers (ii) printer inks and (iii) printer consumable items i.e. makeup and cleaning solvents. Our range of products allows our customers to print vital variable information like batch number, date, price, logo, brand, size, barcodes, promotional codes, meter marks, special marks etc.

The following table sets forth information on our product mix in terms of revenue contribution in the periods indicated:

Category	(Rs. in lakhs)							
	F.Y. 2020-21	%	F.Y. 2021-22	%	F.Y. 2022-23	%	Apr.'23 to Sept.'23	%
Printers sold (in no.)	664		853		971		601	
Printers sold (Rs. in lakhs)	1088.38	32.11	1450.11	31.74	1694.60	31.28	1218.08	34.10

Ink sold (Rs. in lakhs)	905.85	26.73	1377.09	30.15	1509.53	27.86	929.85	26.03
Makeup & Cleaner sold (Rs. in lakhs)	940.41	27.75	1201.74	26.31	1600.66	29.54	1020.53	28.57
Others (AMC, Service, etc.) (Rs. in lakhs)	81.57	2.41	108.86	2.38	102.96	1.90	50.63	1.42
Spares (Rs. in lakhs)	372.86	11.00	430.31	9.42	510.14	9.42	352.52	9.87
TOTAL REVENUE*	3389.08	100.00	4568.10	100.00	5417.89	100.00	3571.61	100.00

*Percentage is calculated based on revenue from operations (excluding other operating income)

The following table set forth the details of revenue earned by the Company as a distributor of Lead Tech printers for the periods indicated below along with percentage:

Particulars	F.Y. 2020-21	F.Y. 2021-22	F.Y. 2022-23	Apr.'23-Sept.'23
Number of printers sold of Lead Tech (As distributor)	648	802	910	544
Revenue earned (As distributor)	1028.55 lakhs	1350.80 lakhs	1539.68 lakhs	942.38 lakhs
% of Revenue from operations (excluding other operating income)	30.35%	29.57%	28.42%	26.39%

Manufacturing Process of inks

Raw Material Selection: In preparing our inks, we choose pigments and chemical to provide vibrant colors, select binders for adhesion, and decide on solvents to control viscosity and aid spreading. we used chemicals such as 1-Methoxy 2-Propanol, Methyl Ethyl Ketone, Iso Propyl Acetate, N Methyl Pyrrolidone and Veri plus SK.

Weighing and Mixing: We weigh raw materials precisely based on a set formula and thoroughly mix pigments, binders, and solvents to create a consistent blend.

Dispersion: To ensure uniformity, we subject the mixture to dispersion, breaking down clumps of pigment particles for an even distribution in the ink.

Grinding: After dispersion, we grind the mixture for a finer particle size, enhancing smoothness and print quality.

Letdown: In the letdown phase, we combine the ground mixture with additional components to adjust viscosity and color strength.

Testing: We conduct quality control tests, checking color consistency, viscosity, pH, and other properties to meet our standards.

Filtration: Before packaging, we filter the ink to remove impurities, enhancing its purity.

Packaging: The final ink is packaged into cartridges.

Infrastructure & Utilities:

Logistics: We do not maintain an in-house transportation facility and depend on third-party transportation and logistics services at every stage of our business activities, including procurement from suppliers and delivering finished products to

customers. While we engage transportation companies as needed, we have not established definitive agreements with any third-party transport service providers. The transportation solutions available in the markets where we operate are typically fragmented, and the cost incurred for goods transported by third-party carriers often exceeds the contracted transportation fees. Consequently, recovering compensation for damaged, delayed, or lost goods can be challenging. Recent instances, such as transportation vehicles being on strike due to fuel price increases, resulted in delays and potential disruptions in handling and procurement processes, which could have led to possible damage to products in transit. Although no such instances have been noticed as on date but such instances if occur may affect our business operations.

Raw Materials: Our raw material requirement for manufacturing of inks and consumable items includes dyes, conductive salts, pigments, solvents, additives, chemicals etc. which are procured by us from domestic market.

We import printers mainly from China. For the six months period ended Sept. '23, F.Y. 2022-23, F.Y. 2021-22 and F.Y. 2020-21, our imports were Rs. 1969.21 lakhs, Rs. 2658.94 lakhs, Rs. 2320.77 lakhs and Rs. 1524.79 lakhs respectively, which constituted 83.32%, 79.41%, 77.42% and 75.03% of purchase for respective period/year.

Details of top supplier for six months period September 30, 2023 is given below:

Top Supplier for F.Y. 2023-24 (till September 30st):

S. No.	Name of Supplier	Amt. (Rs. In Lacs)	(%) of Total Purchase
1.	Supplier 1	1658.92	64.51%

Top 5 Supplier for F.Y. 2023-24 (till September 30st):

S. No.	Name of Supplier	Amt. (Rs. In Lacs)	(%) of Total Purchase
1.	Supplier 1	1658.92	64.51%
2.	Supplier 2	210.49	8.19%
3.	Supplier 3	236.83	9.21%
4.	Supplier 4	82.22	3.20%
5.	Supplier 5	53.31	2.07%
	Total	2241.77	87.18%

Top 10 Supplier for F.Y. 2023-24 (till September 30st):

S. No.	Name of Supplier	Amt. (Rs. In Lacs)	(%) of Total Purchase
1.	Supplier 1	1658.92	64.51%
2.	Supplier 2	210.49	8.19%
3.	Supplier 3	236.83	9.21%
4.	Supplier 4	82.22	3.20%
5.	Supplier 5	53.31	2.07%
6.	Supplier 6	48.33	1.88%
7.	Supplier 7	21.52	0.84%
8.	Supplier 8	25.08	0.98%
9.	Supplier 9	21.73	0.84%
10.	Supplier 10	16.91	0.66%
	Total	2375.34	92.37%

Top Supplier for F.Y. 2022-23:

S. No.	Name of Supplier	Amt. (Rs. In lacs)	(%) of Total Purchase
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1.	Supplier 1	2415.09	68.22
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Top 5 Suppliers for F.Y. 2022-23:

S. No.	Name of Supplier	Amt. (Rs. In lacs)	(%) of Total Purchase
1.	Supplier 1	2415.09	68.22
2.	Supplier 2	199.60	5.64
3.	Supplier 3	191.44	5.41
4.	Supplier 4	115.77	3.27
5.	Supplier 5	73.39	2.07
	Total	2995.29	84.61

Top 10 Suppliers for F.Y. 2022-23:

S. No.	Name of Supplier	Amt. (Rs. In lacs)	(%) of Total Purchase
1.	Supplier 1	2415.09	68.22
2.	Supplier 2	199.60	5.64
3.	Supplier 3	191.44	5.41
4.	Supplier 4	115.77	3.27
5.	Supplier 5	73.39	2.07
6.	Supplier 6	73.03	2.06
7.	Supplier 7	41.78	1.18
8.	Supplier 8	40.58	1.15
9.	Supplier 9	36.84	1.04
10.	Supplier 10	34.87	0.99
	Total	3222.39	91.03

SALES AND MARKETING:

Our sales and marketing strategy is primarily focused on customer engagement along with seeking to establish new relationships with customers across a varied range of industries. Our sales and marketing division is headed by Pulin Kumudchandra Vaidhya, Managing Director, who leads our teams responsible for business development and customer relationship management. As on December 31, 2023, we possessed a dedicated team of 28 employees for sales & marketing function and a team of 45 service engineers which provides after sales service and support to our clientele at their respective locations. In order to promote our sales, we have regional offices at Mumbai (West region), Kolkata (East region), and Hyderabad (South region).

The senior management is actively involved in managing client relationships and business development through targeted interaction with multiple contacts at different levels. Our marketing team along with our Promoters through their experience and good rapport with customers owing to timely and quality delivery of service plays an instrumental role in creating and expanding the sales network of our Company.

Details of top customer, top 5 customers and top 10 customers pertaining to six months period ended September 30, 2023 and F.Y. 2022-23 is given below:

Top customer for F.Y. 2023-24 (Till September 30):

S. No.	Name of Customer	Amount. (Rs. in lakhs)	(%) of Total Turnover
1	Customer 1	1149.27	32.17%

Top 5 customers for F.Y. 2023-24 (Till September 30):

S. No.	Name of Customer	Amount. (Rs. in lakhs)	(%) of Total Turnover
1	Customer 1	1149.27	32.17%
2	Customer 2	244.12	6.83%
3	Customer 3	153.40	4.29%
4	Customer 4	145.22	4.06%
5	Customer 5	103.18	2.89%
	Total	1795.19	50.24%

Top 10 customers for F.Y. 2023-24 (Till September 30):

S. No.	Name of Customer	Amount. (In lakhs)	(%) of Total Turnover
1	Customer 1	1149.27	32.17%
2	Customer 2	244.12	6.83%
3	Customer 3	153.40	4.29%
4	Customer 4	145.22	4.06%
5	Customer 5	103.18	2.89%
6	Customer 6	70.62	1.98%
7	Customer 7	39.58	1.11%
8	Customer 8	40.54	1.13%
9	Customer 9	37.40	1.05%
10	Customer 10	29.05	0.81%
	Total	2012.39	56.33%

Top customer for F.Y. 2022-23:

Sr No	Name of Customer	Amt. (Rs. In Lacs)	(%) of Total Turnover
1	Customer 1	1899.74	35.01%

Top 5 customers for F.Y. 2022-23:

Sr No	Name of Customer	Amt. (Rs. In Lacs)	(%) of Total Turnover
1	Customer 1	1899.74	35.01%
2	Customer 2	559.93	10.32%
3	Customer 3	201.97	3.72%
4	Customer 4	98.63	1.82%
5	Customer 5	72.72	1.34%
TOTAL		2832.99	52.21%

Top 10 customers for F.Y. 2022-23:

Sr No	Name of Customer	Amt. (Rs. In Lacs)	(%) of Total Turnover
1	Customer 1	1899.74	35.01%
2	Customer 2	559.93	10.32%
3	Customer 3	201.97	3.72%
4	Customer 4	98.63	1.82%
5	Customer 5	72.72	1.34%
6	Customer 6	58.21	1.07%
7	Customer 7	55.26	1.02%
8	Customer 8	54.05	1.00%
9	Customer 9	51.84	0.96%
10	Customer 10	46.64	0.86%

	Total	3098.98	57.11%
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Immovable Properties:

The following are the details of the immovable properties owned/ leased/ rented by our company.

Sr. No.	Usage	Address	Owned/Leased/Rent	Area
1	Registered Office	Part H Plinth,4th Floor (Top Floor) Takshashila Square, Nr. Krishnabag Four Road, Maninagar, Ahmedabad, Gujarat380028.	Owned	875 Sq.Ft.
2	Regional Office, Kolkata	P-165/B, Metropolitan Cooperative Housing Society Ltd, Canal South Road, Kolkata - 700105, West Bengal	Leased via Lease Agreement dated June 01, 2023 executed between Atindra Projects Private Limited and our Company from June 01, 2023 to May 31, 2026 at a rent of Rs. 25,000 p.m.	798 Sq.Ft.
3	Regional Office, Mumbai	Shop No. 101, 1st Floor, Infinity Business Park, B/h Pendharkar College, MIDC Phase -1, Dombivali East, Thane – 421203	Leased via Lease Agreement dated December 10, 2022 executed between Mr. Arun Mahadev Sawant (Owner of Vijay Enterprises) and our Company from November 01, 2022 to October 31, 2024 at a rent of Rs. 18,500 p.m.	650 Sq.Ft.
4	Regional Office, Hyderabad	H.No. 16-11-16/30/1/C, Sreepuram colony, Malakpet, Hyderabad – 500036	Rented via Rent Agreement dated January 01, 2024 executed between Gundavaram Venugopal Rao and our Company for a period of 11 months from January 01, 2024 to November 30, 2024 at a rent of ₹23,600/- p.m.	1200 Sq.Ft.
5	Guest House, Guwahati	Second Floor, House No. 717, Dhirenpara A.K dev Road, Near Fru, Guwahati-781025	Rented via tenancy Agreement dated December 21, 2023 executed between Mrs Usha Rani Deka and our Company for a period of 11 months at a rent of Rs. 12,000 p.m.	800 Sq.Ft.
6	Repair and testing facility	1/B, Jayhind Society, Nr. Rambag, Maninagar, Ahmedabad, Gujarat, 380008	Rented via Leave and License Agreement dated November 09, 2023 executed between Pulin Kumudchandra Vaidhya, Amisha Pulin Vaidhya as “Licensor” and our Company for a period of 11 months and 29 days from November 01, 2023 at a rent of Rs. 1,00,000 p.m.	297 Sqm
7	Existing Manufacturing facility	69, Sarjan Industrial Park, Ambika tube mill compound, Nr. Vatva Overbridge, Vatva, Ahmedabad - 382443	Owned	108.45 Sqm
8		Shed 68, Sarjan Industrial Park, Ambika tube mill compound, Nr. Vatva Overbridge, Vatva, Ahmedabad -382443	No objection certificate dated 07-12-2023 executed between Amisha Pulin Vaidhya and us.	267.48 Sqm
9	Warehouse	Survey No 252, Kanera, Kheda, Gujarat, 387540	Owned	1463 Sqm

10	Proposed printer assembly unit	Survey No 333, Kanera, Kheda, Gujarat, 387540	Owned	4047 Sqm
11	Let out property	Survey No 331, Kanera, Kheda, Gujarat, 387540	Owned and given on rent to Fluid Tech Corp. (promoter group entity) through Leave and License Agreement dated November 01, 2023 for a period from November 01, 2023 to October 30, 2028 at a rent of Rs. 25,000 p.m.	3642 Sqm


OUR PROMOTERS & PROMOTER GROUP

Our Promoters:

The promoters of our Company are Pulin Kumudchandra Vaidhya, Amisha Pulin Vaidhya and Kumudchandra Bhagwandas Vaidya.

As on date of this Draft Red Herring Prospectus, the Promoters, in aggregate, hold 99,99,500 Equity shares of our Company, representing 100.00% of the pre-issue paid-up Equity Share capital of our Company. For details of the build-up of the Promoter's shareholding in our Company, see "*Capital Structure-Capital Build-up in respect of Shareholding of our Promoters*", on page 53 of this Draft Red Herring Prospectus.

Details of our Promoters:

	Kumudchandra Bhagwandas Vaidya.– Non Executive Director	
	Qualification	Bachelor of Commerce
	Age	69 years
	'Date of Birth	December 11, 1954
	Address	17, Bhuleshwar Society, Nr Ram Krishna Ashram, Maninagar East, Ahmedabad-380008, Gujarat.
	Experience	46 years
	Occupation	Business
	PAN	AEUPV5235N
	No. of Equity Shares & % of Shareholding (Pre-Issue)	100 Equity Shares aggregating to 0.001% of Pre-Issue Paid up Share Capital
	Other Ventures	Nil

For brief biography of our Promoters, please refer to Chapter titled "*Our Management*" beginning on page 111f of this Draft Red Herring Prospectus.

Interest of our Promoters:

i) Interest in promotion and shareholding of Our Company:

Our Promoters are interested in the promotion of our Company and also to the extent of their shareholding and shareholding of their relatives, from time to time, for which they are entitled to receive dividend payable, if any, and other distribution in respect of the Equity Shares held by him and his relatives. As on the date of this Draft Red Herring Prospectus, our Promoters, Pulin Kumudchandra Vaidhya, Amisha Pulin Vaidhya and Kumudchandra Bhagwandas Vaidya collectively holds 99,99,600 Equity Shares in our Company i.e., 100% of the pre issue paid up Equity Share Capital of our Company. Our Promoters may also be deemed to be interested to the extent of the remuneration, as per the terms of their appointment and reimbursement of expenses payable to them for the rent, purchase and sale transactions. For details, please refer to *Note Z – "Related Party Transactions"* beginning on page 159 of this Draft Red Herring Prospectus.

For details regarding the shareholding of our Promoter in our Company, please see "*Capital Structure*" on page 53 of this Draft Red Herring Prospectus.

OUR PROMOTER GROUP:

In addition to the Promoters, the following individual and entities are part of our Promoter Group:

1. Natural Persons who are part of the Promoter Group

As per Regulation 2(1)(pp)(ii) of the SEBI (ICDR) Regulations, 2018, the Natural persons who are part of the Promoter Group

(due to their relationship with the Promoters) are as follows:

Relationship with Promoters	Name of the Relatives		
	Pulin Kumudchandra Vaidhya	Amisha Pulin Vaidhya	Kumudchandra Bhagwandas Vaidya
Father	Kumudchandra B Vaidya	Jayeshbhai R Vakani	Late: Bhagwantdas Sankalchand Vaidhya
Mother	Rekhaben Kumud Vaidya	Chandrabhaga Jayeshbhai Vakani	Late: Kamalben Bhagwandas Vaidhya
Spouse	Amisha Pulin Vaidhya	Pulin Kumudchandra Vaidhya	Rekhaben Kumud Vaidya
Brother	-	Siddharthbhai J Vakani	Himanshu Bhagwandas Vaidhya
		Kunal J Vakani	Sharad Bhagwandas Vaidhya
			Late Kamlesh B. Vaidhya
Sister	Bhumika K Vaidya	Amreliya Kirtiben Purshottambhai	
		Purvi A. Solanki	
		Riddhi Nimesh Shah	
Son	-	-	Pulin Kumudchandra Vaidhya
Daughter	Diya Pulin Vaidhya	Diya Pulin Vaidhya	Bhumika K Vaidya
	Zinnia Pulin Vaidhya	Zinnia Pulin Vaidhya	
Spouse's Father	Jayeshbhai R Vakani	Kumudchandra B Vaidya	Himatlal Laljibhai Langhnojya
Spouse's Mother	Chandrabhaga Jayeshbhai Vakani	Rekhaben Kumud Vaidya	Lalitaben Himatlal Langhnojya
Spouse's Brother	Siddharthbhai J Vakani	-	Vijay Himatlal Langhnojya
	Kunal J Vakani		Anil Himatlal Langhnojya
Spouse's Sister	Amreliya Kirtiben Purshottambhai	Bhumika K Vaidya	Mina Sharad Vaidya
	Purvi A. Solanki		
	Riddhi Nimesh Shah		

FINANCIAL INFORMATION OF THE COMPANY

Independent Auditor's Report on Restated Financial Statements

To,
The Board of Directors,
AZTEC FLUIDS & MACHINERY LIMITED

Dear Sir,

1. We have examined the attached Restated Financial Statements of Aztec Fluids and Machinery Limited, comprising the Restated Statement of Assets and Liabilities as at September 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021, the Restated Statements of Profit and Loss, the Restated Cash Flow Statement for the years/period ended September 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021 the Summary Statement of Significant Accounting Policies, the Notes and Annexures as forming part of these Restated Financial Statements (collectively, the "Restated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on 18th January, 2023 for the purpose of inclusion in the Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus ("Draft Offer Document/Offer Document") prepared by the Company in connection with its proposed SME Initial Public Offer of equity shares ("SME IPO") prepared in terms of the requirements of:
 - a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");
 - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and
 - c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").
2. The Company's Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the Draft Offer Document/Offer Document to be filed with Securities and Exchange Board of India, relevant stock exchange and Registrar of Companies, Ahmedabad in connection with the proposed SME IPO.

The Restated Financial Information has been prepared by the management of the Company on the basis of preparation stated in Annexure IV of the Restated Financial Information. The Board of Directors responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors is also responsible for identifying and ensuring that the Company complies with the Companies Act, (ICDR) Regulations and the Guidance Note.
3. We, K A R M A & CO. LLP, Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India ("ICAI") and holds the peer review certificate dated 15th July, 2021 valid till 31st July, 2024. We confirm that there is no express refusal by the peer review board of ICAI to renew the certificate and the process to renew the peer review certificate has been initiated by us.
4. We have examined such Restated Financial Information taking into consideration:
 - a. The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 06th October, 2023 in connection with the proposed IPO of the Company;
 - b. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
 - c. Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and

- d. The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.
5. These Restated Financial Information have been compiled by the management from the Audited Financial Statements of the Company for the period ended 30th September, 2023, 31st March 2023, 31st March 2022 and 31st March, 2021 which has been approved by the Board of Directors. The Audit of financial statements of the Company for the year ended 30th September, 2023, March 31, 2023, March 31, 2022, and March 31, 2021 was conducted by M/s. Rachin M Shah & Associates. Accordingly reliance has been placed on the financial information examined by them for the said years. The financial report included for September 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021.
6. For the purpose of our examination, we have relied on:
- a) Auditors' reports dated 05th January, 2024 issued by us for the period ended 30th September, 2023, and dated 09th September, 2023, 09th September, 2022 and 28th November, 2021 respectively issued by M/s. Rachin M Shah & Associates, on the financial statements of the Company as at and for the period ended 31st March 2023, 31st March 2022 and 31st March 2021 as referred in Paragraph 5 above;
7. Based on our examination and according to the information and explanations given to us, we report that the Restated Financial Information have been prepared:
- a) after incorporating adjustments for the changes in accounting policies and regrouping/reclassifications retrospectively, if any in the financial years/period ended September 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021 to reflect the same accounting treatment as per the accounting policies and grouping/classifications; and
- b) In accordance with the Act, ICDR Regulations and the Guidance Note.
8. We have also examined the following Notes to the Restated financial information of the Company set out in the Annexure V, prepared by the management and approved by the Board of Directors on 18th January, 2023 for the years/period ended September 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021

Annexure V - Notes to the Restated Summary Financial Information;

- a) Restated Statement of Share Capital, Reserves and Surplus as appearing in Note A to this report;
- b) Restated Statement of Long Term Borrowings as appearing in Note B to this report;
- c) Restated Statement of principal terms of Secured Loans and Assets charged as security as appearing in Note B(A) to this report;
- d) Restated Statement of Deferred Tax (Assets) / Liabilities as appearing in Note C to this report;
- e) Restated Statement of Long term liabilities as appearing in Note D to this report;
- f) Restated Statement of Short term borrowings as appearing in Note E to this report;
- g) Restated Statement of Trade Payables as appearing in Note F to this report;
- h) Restated Statement of Other Current Liabilities as appearing in Note G to this report;
- i) Restated Statement of Short Term Provisions as appearing in Note H to this report;
- j) Restated Statement of Fixed Assets as appearing in Note I to this report;
- k) Restated Statement of Non-Current Investment as appearing in Note J to this report;
- l) Restated Statement of Other Non-Current asset as appearing in Note K to this report;

- m) Restated Statement of Trade Receivables as appearing in Note L to this report;
 - n) Restated Statement of Cash and Cash Equivalents as appearing in Note M to this report;
 - o) Restated Statement of Inventories as appearing in Note N to this report;
 - p) Restated Statement of Short Term Loans and Advances as appearing in Note O to this report;
 - q) Restated Statement of Other Current Assets as appearing in Note P to this report;
 - r) Restated Statement of Revenue from Operations as appearing in Note Q to this report;
 - s) Restated Statement of Other Income as appearing in Note R to this report;
 - t) Restated Statement of Raw Material Consumption & Purchase of stock in trade as appearing in Note S to this report;
 - u) Restated Statement of Change in Inventories as appearing in Note T to this report;
 - v) Restated Statement of Employee Benefit Expenses as appearing in Note U to this report;
 - w) Restated Statement of Finance Cost as appearing in Note V to this report;
 - x) Restated Statement of Depreciation & Amortization as appearing in Note W to this report;
 - y) Restated Statement of Other Expenses as appearing in Note X to this report;
 - z) Restated Statement of Contingent Liabilities as appearing in Note Y to this report;
 - aa) Restated Statement of Related Party Transactions as appearing in Note Z to this report;
 - bb) Restated Statement of Tax Shelter as appearing in Note AA to this report;
 - cc) Capitalization Statement as appearing in Note AB to this report;
 - dd) Restated Statement of Mandatory Accounting Ratios as appearing in Note AC to this report;
 - ee) Restated Statement of Other Disclosures as per Schedule-III of the Companies Act, 2013 in Notes AD to this report
 - ff) Ratio Analysis as appearing in Note AE to this report
9. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
 10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
 11. Our report is intended solely for use of the Board of Directors for inclusion in the Draft Offer Document/ Offer Document to be filed with Securities and Exchange Board of India, relevant stock exchange and Registrar of Companies, Ahmedabad in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.
 12. In our opinion, the above financial information contained in Annexure I to Annexure V of this report read with the respective Significant Accounting Policies and Notes to Accounts as set out in Annexure IV are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, ICDR Regulations, Engagement Letter and Guidance Note and give a true and fair view in conformity with the accounting principles generally accepted in India, to the extent applicable.

For, K A R M A & C O L L P
Chartered Accountants
Firm Reg No: 127544W/W100376
Peer Review Certificate Number: 013252
Sd/-

Jignesh A Dhaduk
Designated Partner
Mem. No: 129149

UDIN: 24129149BKEBCG2707
Place: Ahmedabad
Date: January 18, 2024

NOTE B(A) RESTATED STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY

(Rs. in Lakhs)

Sr. No.	Name of Bank	Secured Against	Terms of Repayment	Amount			
				30-09-2023	31-03-2023	31-03-2022	31-03-2021
10	ICICI Bank ECLDISB Loan A/c	Second Charge by hypothecation of stocks, receivables, Properties as specified and Movable fixed assets except vehicles	Repayable After 24 Monthes Rate of Interest 8.25%	32.00	32.00	32.00	0.00

Note: 1

Amounts of gratuity provision, Prepaid insurance, Adjustments relating to MF investment and income derived therefrom, & adjustment of Deferred tax and Fixed deposit relating to the prior period have been adjusted in the year to which the same relates to and the same amount is arrived on account of change in Opening Balance of Reserve and Surplus due to the restated effect on the profit / (loss) of prior period.

Appropriate adjustments have been made in the restated financial statements, wherever required, by reclassification of the corresponding items of Income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financial of the company for all the years and requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018.

For, K A R M A & CO LLP
Chartered Accountants
Firm Reg No: 127544W/W100376
Peer Review Certificate Number: 013252

Sd/-
Jignesh A Dhaduk
Designated Partner
Mem. No: 129149
UDIN: 24129149BKEBCG2707

Date: 18th January, 2024
Place: Ahmedabad

STATEMENT OF FINANCIAL INDEBTEDNESS

**For K A R M A & CO LLP
CHARTERED ACCOUNTANTS
Firm's Reg. No. 127544W/W100376
Peer Review Certificate Number: 013252**

Sd/-

**CA JIGNESH A DHADUK
PARTNER
M. NO.: 129149
PLACE: AHMEDABAD
DATE: 27-01-2024**

SECTION VII – LEGAL AND OTHER INFORMATION
OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

A. LITIGATION INVOLVING THE COMPANY

(b) Tax Proceedings

Nature of Proceedings	Number of cases	Amount involved* (₹ in lakhs)
Direct Tax		
TDS defaults	3	0.35
Indirect Tax		
GST	3	23.33
Custom Duty – Supreme Court**	1	260.36 (along with confiscation of goods and penalty)
Custom Duty - Commissioner of Customs (Appeal)***	15	179.24
Total	22	463.28

GOVERNMENT AND OTHER STATUTORY APPROVALS

IX. MATERIAL LICENSES / APPROVALS WHICH HAS BEEN APPLIED BUT NOT RECEIVED

(i) We have made any application for registration of regional office at Mumbai under The Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2017, which is pending for approval.

(ii) We have made any application for registration under the West Bengal Shops & Establishment Act, 1963 for regional office at Kolkata, which is pending for approval.

X. MATERIAL LICENSES / APPROVALS FOR WHICH THE COMPANY IS YET TO APPLY

(i) We are yet to apply for the registration of our testing & repair center at Ahmedabad and regional office located at Hyderabad.

(ii) We are yet to apply for registration under Employees State Insurance Act, 1948 for our regional offices situated at Hyderabad and Kolkata.

OTHER REGULATORY AND STATUTORY DISCLOSURES

We confirm that we comply with all the below requirements / conditions so as to be eligible to be listed on the SME Platform of BSE:

1. As on March 31, 2023, the Company has net tangible assets of ₹ 3090.04 Lakhs.
2. The Company has not been referred to NCLT under IBC.
3. There is no winding up petition against the company, which has been admitted by the court.

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Addendum is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Addendum are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

Name and Designation	Signature
Amisha Pulin Vaidhya Executive Director DIN:03077466	Sd/-

Date: April 23, 2024
Place: Ahmedabad, Gujarat

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Addendum is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Addendum are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY

Name and Designation	Signature
Pulin Kumudchandra Vaidhya Managing Director 03012651	Sd/-

Date: April 23, 2024

Place: Ahmedabad, Gujarat

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Addendum is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Addendum are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY

Name and Designation	Signature
Ashish Anantray Shah Independent Director 01264668	Sd/-

Date: April 23, 2024
Place: Ahmedabad, Gujarat

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Addendum is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Addendum are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY

Name and Designation	Signature
Milan Desai Independent Director 10416277	Sd/-

Date: April 23, 2024
Place: Ahmedabad, Gujarat

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Addendum is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Addendum are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY

Name and Designation	Signature
Kumudchandra Bhagwandas Vaidhya Non-Executive Director 10382278	Sd/-

Date: April 23, 2024
Place: Ahmedabad, Gujarat

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Addendum is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Addendum are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

Name and Designation	Signature
Harsh Tejeenath Rawal Chief Financial Officer AQKPR6509D	Sd/-

Date: April 23, 2024
Place: Ahmedabad, Gujarat

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Addendum is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Addendum are true and correct.

SIGNED BY THE COMPANY SECRETARY OF OUR COMPANY

Name and Designation	Signature
Rekha Vishal Jhanwar Company Secretary & Compliance Officer M.No.: A42596	Sd/-

Date: April 23, 2024
Place: Ahmedabad, Gujarat