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(Please scan this QR Code to
view the Addendum to DRHP)



SAFE ENTERPRISES RETAIL FIXTURES LIMITED
CIN: U46493MH2024PLC429137

Our Company was originally formed as a partnership firm under the Indian Partnership Act, 1932 under the name and style of “M/s Safe Enterprises” pursuant to a deed of partnership entered between Saleem Shabbir Merchant, Zainab Bai Fakhruddin, Fatema Hatim Merchant and Shirinbhai Asgarali at Mumbai, Maharashtra with effect from August 01, 1976. Further, “M/s Safe Enterprises” was subsequently converted from the partnership firm to a Public Limited Company under Part I of Chapter XXI of the Companies Act, 2013 in the name of “Safe Enterprises Retail Fixtures Limited” and received a certificate of incorporation, issued by the Registrar of Companies, Central Registration Centre on July 21, 2024. Our Company’s Corporate Identity Number is U46493MH2024PLC429137.

Registered Office: Plot No. D-372, TTC MIDC Industrial Area, MIDC Kukshet Village, Sanpada, Thane - 400703, Maharashtra, India

Tel No: +917021883016; **E-mail:** compliance@safeenterprises.com; **Website:** www.safeenterprises.com;

Contact Person: Mohini Raju Waghade, Company Secretary & Compliance Officer

PROMOTERS OF OUR COMPANY: SALEEM SHABBIR MERCHANT, MIKDAH SALEEM MERCHANT, HUZEFA SALIM MERCHANT AND MUNIRA SALIM MERCHANT

ADDENDUM TO THE DRAFT RED HERRING PROSPECTUS DATED DECEMBER 17, 2024: NOTICE TO THE INVESTORS (“THE ADDENDUM”)

INITIAL PUBLIC OFFER OF UPTO 1,23,00,000 EQUITY SHARES OF FACE VALUE OF ₹5/- EACH (THE “EQUITY SHARES”) OF SAFE ENTERPRISES RETAIL FIXTURES LIMITED (“OUR COMPANY” OR “THE ISSUER”) AT AN ISSUE PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING SHARE PREMIUM OF ₹[●] PER EQUITY SHARE) FOR CASH, AGGREGATING UP TO ₹[●] LAKHS (“PUBLIC ISSUE”) OUT OF WHICH [●] EQUITY SHARES OF FACE VALUE OF ₹5/- 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 [●] 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 [●] % AND [●] % 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 20 of the Draft Red Herring Prospectus has been updated;
3. The Chapter titled “Risk Factors” beginning on page 28 of the Draft Red Herring Prospectus has been updated;
4. The Chapter titled “Capital Structure” beginning on page 63 of the Draft Red Herring Prospectus has been updated;
5. The Chapter titled “Objects of the Issue” beginning on page 74 of the Draft Red Herring Prospectus has been updated;
6. The Chapter titled “Basis for Issue Price” beginning on page 89 of the Draft Red Herring Prospectus has been updated;
7. The Chapter titled “Our Business” beginning on page 111 of the Draft Red Herring Prospectus has been updated;
8. The Chapter titled “History and Corporate Structure” beginning on page 145 of the Draft Red Herring Prospectus has been updated;
9. The Chapter titled “Our Management” beginning on page 152 of the Draft Red Herring Prospectus has been updated;
10. The Chapter titled “Our Promoters & Promoter Group” beginning on page 167 of the Draft Red Herring Prospectus has been updated;
11. The Chapter titled “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” beginning on page 232 of the Draft Red Herring Prospectus has been updated;
12. The Chapter titled “Government and Other Approvals” beginning on page 246 of the Draft Red Herring Prospectus has been updated;
13. The Chapter titled “Our Group Companies” beginning on page 256 of the Draft Red Herring Prospectus has been updated;
14. The Chapter titled “Main Provisions of The Articles of Association of Our Company” beginning on page 314 of the Draft Red Herring Prospectus has been updated;
15. The Chapter titled “Material Contracts and Documents for Inspection” beginning on page 327 of the Draft Red Herring Prospectus has been updated;
16. The Chapter titled “Declaration” beginning on page 328 of the Draft Red Herring Prospectus has been updated;
17. 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.

Place: Thane, Maharashtra
Date: March 12, 2025

Mohini Raju Waghade
Company Secretary & Compliance Officer

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, Maharashtra, India.
Tel. No.: +91- 22- 4906 0000;
Email: ib@hemsecurities.com
Investor Grievance Email: redressal@hemsecurities.com
Website: www.hemsecurities.com
Contact Person: Ajay Jain
SEBI Registration Number: INM000010981
CIN: U67120RJ1995PLC010390

MAASHITLA SECURITIES PRIVATE LIMITED

Address: 451, Krishna Apra Business Square, Netaji Subhash Place, Pitampura, New Delhi, 110034, Delhi, India
Telephone: +91-11-45121795
Email: ipo@maashitla.com
Investor Grievance Email: investor.ipo@maashitla.com
Website: www.maashitla.com
Contact Person: Mukul Agrawal
SEBI Registration Number: INR000004370
CIN: U67100DL2010PTC208725

BID/ISSUE PROGRAMME

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

BID/ISSUE OPENS ON:** [●]

BID/ISSUE CLOSES ON:** [●] ***

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

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

***The UPI mandate end time and date shall be at 5:00 p.m. on Bid/Issue Closing Day.

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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. Saleem Shabbir Merchant, Mikdad Saleem Merchant, Huzefa Salim Merchant and Munira Salim Merchant. For Further details, please refer to section titled “Our Promoter & Promoter Group” beginning on page 167 of this Draft Red Herring Prospectus.

Technical and Industry Related Terms:

Term	Description
Phygital	The combination of the physical and digital world.

SECTION II – SUMMARY OF DRAFT RED HERRING PROSPECTUS**C. OUR PROMOTERS**

The Promoters of our Company are Saleem Shabbir Merchant, Mikdad Saleem Merchant, Huzefa Salim Merchant and Munira Salim Merchant.

E. OBJECTS OF THE ISSUE

Our Company intends to utilize the net Proceeds of the Issue to meet the following objects: -

Amt. (Rs. in lakhs)

S. No.	Particulars	Amount
1.	Funding the Capital Expenditure requirements towards setting up of a new manufacturing unit.	7801.30
2.	Investment in our Subsidiary, Safe Enterprises Retail Technologies Private Limited for financing its capital expenditure requirements in relation towards installation of additional plant and machinery	699.02
3.	To Meet Working Capital Requirements of our Company	3000.00
4.	Investment in our subsidiary Safe Enterprises Retail Technologies Private Limited to meet working capital requirements	1000.00
5.	General Corporate Purpose	[●]
	Total	[●]

I. SUMMARY OF RELATED PARTY TRANSACTIONS**(iii) Details of transactions with related parties and balances**

Amount in Rs. Lakhs

Sr. No.	Name	Relationship	Nature of transaction	30-Sep-24		31-Mar-24		31-Mar-23		31-Mar-22	
				Amount of transaction during the year	Balance as at 30 September 2024 Receivable s/ (Payables)	Amount of transaction during the year	Balance as at 31 March 2024 Receivables/ (Payables)	Amount of transaction during the year	Balance as at 31 March 2023 Receivables/ (Payables)	Amount of transaction during the year	Balance as at 31 March 2022 Receivables/ (Payables)
1	Saleem Shabbir Merchant	Chairman & Managing Director	Opening Capital	1044.09		612.12		321.3		301.01	
			% to total revenue	18.08%		6.07%		4.16%		7.79%	
			Remuneration	12		24		24		8.75	
			% to total revenue	0.21%		0.24%		0.31%		0.23%	
			Capital introduced	11.25		10		1.94		1.12	
			% to total revenue	0.19%		0.10%		0.03%		0.03%	
			Capital Withdrawn	-52.74		-110.67		-37.35		-20.92	

			% to total revenue	-0.91%		-1.10%		-0.48%		-0.54%	
			Profit Transferred to partner	207.3		508.64		302.23		31.33	
			% to total revenue	3.59%		5.04%		3.91%		0.81%	
			Transfer of Partners Capital into Share Capital	0.25		0		0		0	
			% to total revenue	0.00%		0.00%		0.00%		0.00%	
			Partners Capital Transferred to Unsecured Loan	1217.9		0		0		0	
			% to total revenue	21.09%		0.00%		0.00%		0.00%	
			Loan Repaid by Company	423.01		0		0		0	
			% to total revenue	7.32%		0.00%		0.00%		0.00%	
			Closing balance		794.89		1044.09		612.12		321.30
			% to total revenue		13.76%		10.35%		7.93%		8.32%
2	Huzefa Salim Merchant	Whole time director	Opening Capital	309.45		291.96		-0.4		-20.19	
			% to total revenue	5.36%		2.89%		-0.01%		-0.52%	
			Remuneration	12		24		24		8.25	
			% to total revenue	0.21%		0.24%		0.31%		0.21%	
			Capital introduced	11.25		12.5		3.48		1.13	
			% to total revenue	0.19%		0.12%		0.05%		0.03%	
			Capital Withdrawn	-41.81		-527.64		-37.35		-20.92	
			% to total revenue	-0.72%		-5.23%		-0.48%		-0.54%	
			Profit Transferred to partner	207.3		508.64		302.23		31.33	
			% to total revenue	3.59%		5.04%		3.91%		0.81%	
			Transfer of Partners Capital into	0.25		0		0		0	

			Share Capital							
			% to total revenue	0.00%		0.00%		0.00%		0.00%
			Partners Capital Transferred to Unsecured Loan	494.19		0		0		0
			% to total revenue	8.56%		0.00%		0.00%		0.00%
			Loan Received by Company	299.18		0		0		0
			% to total revenue	5.18%		0.00%		0.00%		0.00%
			Loan Repaid by Company	0		0		0		0
			% to total revenue	0.00%		0.00%		0.00%		0.00%
			Closing balance		793.37		309.45		291.96	-0.4
			% to total revenue		13.74%		3.066%		3.781%	-0.01%
3	Mikdad Saleem Merchant	Chief Financial Officer & WTD	Opening Capital	314.95		263.92		-26.9		-58.72
			% to total revenue	5.45%		2.62%		-0.35%		-1.52%
			Remuneration	12		24		24		8.25
			% to total revenue	0.21%		0.24%		0.31%		0.21%
			Capital introduced	11.25		25		1.94		13.15
			% to total revenue	0.19%		0.25%		0.03%		0.34%
			Capital Withdrawn	-30.91		-506.6		-37.35		-20.92
			% to total revenue	-0.54%		-5.02%		-0.48%		-0.54%
			Profit Transferred to partner	207.29		508.64		302.23		31.33
			% to total revenue	3.59%		5.04%		3.91%		0.81%
			Transfer of Partners Capital into Share Capital	0.25		0		0		0
			% to total revenue	0.00%		0.00%		0.00%		0.00%
			Partners Capital	510.59		0		0		0

			Transferred to Unsecured Loan								
			% to total revenue	8.84%		0.00%		0.00%		0.00%	
			Loan Received by Company	243.2		0		0		0	
			% to total revenue	4.21%		0.00%		0.00%		0.00%	
			Loan Repaid by Company	0		0		0		0	
			% to total revenue	0.00%		0.00%		0.00%		0.00%	
			Closing balance		753.79		314.95		263.92		-26.9
			% to total revenue		13.05%		3.121%		3.418%		-0.70%
4	Munira Salim Merchant	Non-Executive Director	Opening Capital	793.72		315.47		24.65		4.37	
			% to total revenue	13.74%		3.13%		0.32%		0.11%	
			Remuneration	12		24		24		8.75	
			% to total revenue	0.21%		0.24%		0.31%		0.23%	
			Capital introduced	11.25		10		1.94		1.12	
			% to total revenue	0.19%		0.10%		0.03%		0.03%	
			Capital Withdrawn	-21.2		-64.4		-37.35		-20.92	
			% to total revenue	-0.37%		-0.64%		-0.48%		-0.54%	
			Profit Transferred to partner	207.3		508.64		302.23		31.33	
			% to total revenue	3.59%		5.04%		3.91%		0.81%	
			Transfer of Partners Capital into Share Capital	0.25		0		0		0	
			% to total revenue	0.00%		0.00%		0.00%		0.00%	
			Partners Capital Transferred to Unsecured Loan	999.36		0		0		0	
			% to total revenue	17.30%		0.00%		0.00%		0.00%	

			Loan Repaid by Company	-196.11		0		0		0	
			% to total revenue	-3.40%		0.00%		0.00%		0.00%	
			Closing balance		803.25		793.72		315.47		24.65
			% to total revenue		13.91%		7.865%		4.086%		0.638%
5	Safe Enterprises Shop Fittings Private Limited	Entity controlled or jointly controlled by Director/Directors	Rent	15.93		31.86		31.86		31.86	
			% to total revenue	0.28%		0.32%		0.41%		0.82%	
			Opening Loan & Advances Assets/(Liability)	18.63		34.17		45.98		-35.68	
			% to total revenue	0.32%		0.34%		0.60%		-0.92%	
			Loan Received (Liability)	-4.05		0		0		0	
			% to total revenue	-0.07%		0.00%		0.00%		0.00%	
			Loan repaid (Liability)	0		-15.54		-11.81		0	
			% to total revenue	0.00%		-0.15%		-0.15%		0.00%	
			Loans given	0		0		0		81.67	
			% to total revenue	0.00%		0.00%		0.00%		2.11%	
			Advance Rent	7.72		0		0		0	
			% to total revenue	0.13%		0.00%		0.00%		0.00%	
			Loan Closing balance Assets/(Liability)		22.3		18.63		34.17		45.98
			% to total revenue		0.39%		0.185%		0.443%		1.190%
6	M/s Onsite	Entity controlled or jointly controlled by Director/Directors	Services Purchased	19.94		146.29		102.03		23.78	
			% to total revenue	0.35%		1.45%		1.32%		0.62%	
			Opening Loan & Advances Assets/(Liability)	150.08		150.09		118.93		66.62	
			% to total revenue	2.60%		1.49%		1.54%		1.72%	
			Loans given (Assets)	0.55		2.92		31.16		79.59	

			% to total revenue	0.01%		0.03%		0.40%		2.06%	
			Loan repaid (Assets)	-150.62		-2.93		0		-27.28	
			% to total revenue	-2.61%		-0.03%		0.00%		-0.71%	
			Loan Closing balance Assets/(Liability)		0		150.08		150.09		118.93
			% to total revenue		0.00%		1.49%		1.94%		3.08%
7	Inscite Advisory Services LLP	Entity controlled or jointly controlled by Director/Directors	Services Purchased	35.91		54.13		43.98		28.53	
			% to total revenue	0.62%		0.54%		0.57%		0.74%	
8	Safe Enterprises Retail Technologies Private Limited	Entity controlled or jointly controlled by Director/Directors	Sales	65.56		651.88		296.19		113.38	
			% to total revenue	1.14%		6.46%		3.84%		2.93%	
			Purchase	507.53		913.8		1025.55		873.34	
			% to total revenue	8.79%		9.06%		13.28%		22.61%	
9	Inscite Fintech Solutions Private Limited	Entity controlled or jointly controlled by Director/Directors	Services Purchased	0		1.9		0		0	
			% to total revenue	0.00%		0.02%		0.00%		0.00%	
10	Saleem & Munira Merchant Charitable Foundation	Entity controlled or jointly controlled by Director/Directors	Donation	0	-	22.5		0		0	
			% to total revenue	0.00%		0.22%		0.00%		0.00%	
11	Tasneem Huzefa Merchant	Relative of director	Opening Loan & Advances Assets/(Liability)	-29.81		-29.89		-27.95		-26.19	

			% to total revenue	-0.52%		-0.30%		-0.36%		-0.68%	
			Loan Received (Liability)	0		0		0		0	
			% to total revenue	0.00%		0.00%		0.00%		0.00%	
			Loan repaid (Liability)	29.81		2.24		0		0	
			% to total revenue	0.52%		0.02%		0.00%		0.00%	
			Loans given	0		-2.15		-1.94		-1.75	
			% to total revenue	0.00%		-0.02%		-0.03%		-0.05%	
			Loan Closing balance Assets/(Liability)		0		-29.81		-29.89		-27.95
			% to total revenue		0.00%		-0.30%		-0.39%		-0.724%
12	Design Dollops	Entity controlled or jointly controlled by Director/Directors	Opening Loan & Advances Assets/(Liability)	0		0		2.05		2.05	
			% to total revenue	0.00%		0.00%		0.03%		0.05%	
			Loan Received (Liability)	0		0		0		0	
			% to total revenue	0.00%		0.00%		0.00%		0.00%	
			Loan repaid (Liability)	0		0		-2.05		0	
			% to total revenue	0.00%		0.00%		-0.03%		0.00%	
			Loans given	0		0		0		0	
			% to total revenue	0.00%		0.00%		0.00%		0.00%	
			Loan Closing balance Assets/(Liability)		0		0		0		2.05
					0.00%		0.000%		0.000%		0.053%
13	FAMM Foods & Beverages	Entity controlled or jointly controlled by Director/D	Opening Loan & Advances Assets/(Liability)	0		0		6.19		6.19	
			% to total revenue	0.00%		0.00%		0.08%		0.16%	

		irectors/Re latives	Loan Received (Liability)	0		0		0		0	
			% to total revenue	0.00%		0.00%		0.00%		0.00%	
			Loan repaid (Liability)	0		0		-6.19		0	
			% to total revenue	0.00%		0.00%		-0.08%		0.00%	
			Loans given	0		0		0		0	
			% to total revenue	0.00%		0.00%		0.00%		0.00%	
			Loan Closing balance Assets/(Liab ility)		0		0		0		6.19
			% to total revenue		0.00 %		0.00%		0.00%		0.16%
14	Insync Retail Project Manageme nt Private Limited	Entity controlled or jointly controlled by Director/D irectors/Re latives	Paid towards purchase of Business Undertaking	0	- 75.62	0	-75.62	0	-75.62	0	-75.62
			% to total revenue	0.00%	- 1.31 %	0.00%	-0.75%	0.00%	-0.98%	0.00%	-1.96%

SECTION III: RISK FACTORS

3. Our business is dependent on the sale of our products to certain key customers. The loss of any of these customers or loss of revenue from sales to these customers could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We are majorly dependent on our one largest customer for sale of our products who has contributed to approximately 92.10%, 85.86%, 76.37% and 58.50% of our revenue from operations for the stub period ended on September 30, 2024 and Fiscal 2024, 2023 and 2022. Further, during the said periods, revenue generated from our top five customers was Rs.5380.64 lakhs, Rs.8973.46 lakhs, Rs. 6543.88 lakhs and Rs. 2936.86 lakhs which represented 97.27%, 94.03%, 89.77% and 79.05%, respectively of our revenues from operations.

We have not entered into long term agreements with our largest customer and other top customers and the success of our business is accordingly significantly dependent on maintaining good relationship with them. Customers may also cancel their purchase orders for reasons beyond our control, such as changes in their preferences, their perception of the quality of our products and their financial situation. The loss of our significant top customer or customers could have a material adverse effect on our results of operations. We cannot assure you that we will be able to maintain the historical levels of business from our largest customer or other top customers or that we will be able to substitute the revenues lost by way of termination of work with these customers. Our dependence on our largest customer or other top customers also exposes us to risks associated with their internal management, financial condition and creditworthiness and major events affecting these customers such as bankruptcy, change of management, mergers and acquisitions, reduction in growth or a slow-down in the business of our customers, could adversely impact our business. If our major customer becomes bankrupt or insolvent, we may lose some or all of our business from that customer and our receivables from that customer may have to be written off, adversely impacting our results of operations and financial condition. Further, if such customer does not meet up with our pricing policies, then it may also impact our overall profitability and financial stability. Though we have not faced any such instance in past, 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 fulfil 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.

For details related to sale of our products, kindly refer section titled “***Financial Information of the Company***” beginning on Page 174 of this Draft Red Herring Prospectus.

4. Our Company is dependent on limited number of suppliers, including our subsidiary company, within limited geographical locations for procurement of raw materials. Any delay, interruption or reduction in the supply of raw materials required for our products may adversely affect our business, results of operations, cash flows and financial condition.

We procure our raw material from various suppliers including our subsidiary company i.e. Safe Enterprises Retail Technologies Private Limited. For the stub period ending September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, purchases from our top ten suppliers amounted to Rs. 1921.33 Lakhs, Rs. 3374.59 Lakhs, Rs. 3015.01 Lakhs and Rs. 1965.32 Lakhs respectively, which represented 72.80%, 70.89%, 75.65% and 75.89% of our total raw material purchases, respectively, for the said period. We do not have any long-term supply contracts with these suppliers and therefore, we cannot assure that we shall always have a steady supply of raw material at prices favorable to us.

Further, we also rely on our subsidiary company for procurement of raw material which is our major supplier and accounted for 16.23%, 16.58%, 21.92% and 28.60% of our total raw material purchases, respectively, for the stub period ending September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022. Purchasing from a subsidiary company can provide benefits such as cost savings and streamlined operations, but it also presents certain risks such as management biasness, conflict of interest, impact on consolidated financials etc. Any operational or financial challenges faced by our subsidiary could have a direct impact on our ability to meet customer obligations, potentially affecting our revenue and reputation. Moreover, our reliance on Subsidiary for a substantial portion of our supply needs limits diversification in our supplier base, potentially leaving us vulnerable to disruptions if unforeseen circumstances arise at the subsidiary level.

Additionally, we source our raw materials requirement indigenously. Major portion of our purchases of raw materials for the period ended September 30, 2024 and financial year ended March 31, 2024, 2023 and 2022 is from the state of Maharashtra which is 99.00%, 97.63%, 98.26% and 98.34% of the total purchases of raw material, respectively, for the said period. Our cost of materials consumed constituted a significant component of our expenditure and in stub period ending Sept. 2024 and Fiscal year ending 2024, 2023 and 2022 the same were Rs. 2851.12 Lakhs, Rs. 4725.64 lakhs, Rs. 4048.15 lakhs and Rs. 2556.95 lakhs respectively, which constituted,

78.54%, 67.40%, 68.85% and 69.40%, respectively, of our total expenses. For details related to purchases of raw materials, kindly refer section titled “Financial Information of the Company” beginning on Page 174 of this Draft Red Herring Prospectus.

Inadequate supply of raw material caused either by a sudden change in the prices or imposition of any new taxes or loss of any of our existing major vendors for any reason or any adverse change in the policies of Central/State Government may affect the availability of such raw material which could have a material adverse effect on our business operations and profitability. Further, any materially adverse social, political or economic development, civil disruptions, or changes in the policies of the state government or local governments of Maharashtra may affect continuing operations at our manufacturing units and result in significant loss due to an inability to meet production schedules, which could materially affect our business reputation within the industry. If we cannot fully offset increases in the cost of raw materials, through increases in the prices for our products, we would experience lower margins and profitability, which would have a material adverse effect on our financial condition and results of operations. Our ability to remain competitive, maintain costs and profitability depend, in part, on our ability to source and maintain a stable and sufficient supply of raw materials at acceptable prices. Further, discontinuation of such supply or a failure of these suppliers to adhere to the delivery schedule or the required quality could hamper our production schedule and therefore affect our business and results of operations.

Though we have not faced any such instance in past, there can be no assurance that demand, capacity limitations or other problems experienced by our suppliers will not result in occasional shortages or delays in their supply of raw materials. If we were to experience a significant or prolonged shortage of raw materials from any of our suppliers, and we cannot procure the raw materials from other sources, we would be unable to meet our production schedules for our key products and to deliver such products to our customers in a timely manner, which would adversely affect our sales, margins and customer relations.

Further our Company has outstanding dues of trade payables for the period ending Sept. 2024 and Fiscal years ending 2024, 2023 and 2022 of Rs. 1562.05 Lakhs, Rs. 940.35 lakhs, Rs. 1033.81 Lakhs and Rs. 683.51 lakhs respectively. Any delay in payment to our creditors in future may impact our long-standing relations with our suppliers and may result in stoppage of timely or at all delivery of raw material. Any such disruption would impact the production and overall financial position of our Company.

8. Our Subsidiary Company i.e. Safe Enterprises Retail Technologies Private Limited operate in the similar line of business as us, which may lead to conflict of interest.

Our Subsidiary company i.e. Safe Enterprises Retail Technologies Private Limited, is in the similar line of business as of our Company. We cannot assure that our Promoters who have common interest in said company will not favour the interest of said company. As a result, conflicts of interests may arise in allocating business opportunities amongst our Company and this subsidiary company in circumstances where our respective interests’ conflict. In cases of conflict, our Promoter may favour this company and there can be no assurance that our Promoters or members of the Promoter Group will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours.

However, our Company will ensure necessary procedures and practices as permitted by laws and regulatory guidelines to address situations of conflict of interest as and when they arise. Any such present and future conflicts could have a material adverse effect on our reputation, business, results of operations and financial condition which may adversely affect our profitability and results of operations. For further details, see “***Our Subsidiaries***” and ***Note 26 - Related Party Transactions***” under Section titled “***Financial Information of the Company***” on page 149 and 174 respectively of this Draft Red Herring Prospectus.

9. We may depend on the performance of outside vendors for timely completion of our projects.

While undertaking our projects, in addition to in house business operations we also outsource certain manufacturing activities to third-party vendors, depending on the capacity utilization of the company. When there are additional orders which are beyond our manufacturing capacity, we need to fulfil such orders through requisite outsourcing from outside vendors.

Though we segregate the work to be done by third parties between multiple vendors, we may face the risk of our vendors not being able to deliver on time and/or non-delivery of required components. However, no such instance is faced in past, in the event our vendors are not able to make on time deliveries and we are unable to find an alternative vendor on a short notice, our obligations towards our customers for timely completion of the project will be adversely affected.

Further, even though there is a through quality check by our Quality department for the work done by such outside vendors, if they default on their obligations and work specifications to us, we may not be able to perform our services for our customers in accordance with time-lines or specifications pre-agreed with the customer. Any default, non-performance or negligent act by our vendors may result in delay on our obligations with our customers.

10. Our business is working capital intensive and Inventories and trade receivables form a major part of our current assets. Failure to manage our inventory and trade receivables could have an adverse effect on our sales, profitability, cash flow and liquidity.

Our Company's business is working capital intensive and hence, inventories and trade receivables form a major part of our current assets. The results of operations of our business are dependent on our ability to effectively manage our inventory and trade receivables. To effectively manage our inventory, we must be able to accurately estimate customer demand / potential orders and supply requirements and purchase new inventory accordingly. Though there is no past instance of over or under estimation of inventory, if we misjudge expected customer demand / potential orders, it could cause either a shortage of products or an accumulation of excess inventory. During the period ending September 30, 2024 and fiscal year 2023-24, FY 2022-23 and FY 2021-22 our inventories were Rs. 472.86 lakhs, Rs. 195.46 lakhs, Rs. 100.85 Lakhs and Rs. 124.79 Lakhs respectively.

To effectively manage our trade receivables, we must be able to accurately evaluate the credit worthiness of our customers and ensure that suitable terms and conditions are given to them in order to ensure our continued relationship with them. Moreover, since most of our sales are based on orders received from customers as per their requirements, if we fail to accurately evaluate the credit worthiness of our customers, it may lead to bad debts, delays in recoveries and/ or write-offs which could lead to a liquidity crunch, thereby adversely affecting our business and results of operations. During the period ending September 30, 2024 and fiscal year 2023-24, FY 2022-23 and FY 2021-22 our trade receivables were Rs. 2400.81 lakhs, Rs. 2157.88 lakhs, Rs. 2062.69 Lakhs and Rs. 1006.29 Lakhs respectively. Though there is no past instance on non-recovery of dues from our trade receivables, there can be no assurance that the progress payments and the retention money will be remitted by our customers to us on a timely basis or that we will be able to efficiently manage the level of bad debt arising from such payment practice. The historical holding days of trade receivables had been 72 days, 76 days, 73 days and 74 days respectively for the period ending September 30, 2024 and Fiscal year ending March 31, 2024, March 31, 2023 and March 31, 2022. We may be subject to working capital risks due to delays or defaults in payment by our customers, which may restrict our ability to procure raw materials and make payments when due. In addition, any delay or failure on our part to supply the required quantity or quality of products, within the time stipulated by our agreements, to our customers may in turn cause delay in payment or refusal of payment by the customer. Such defaults/delays by our customers in meeting their payment obligations to us may have a material effect on our business, financial condition and results of operations.

11. We generate our major portion of turnover from our operations in certain geographical regions and any adverse developments affecting our operations in these regions could have an adverse impact on our revenue and results of operations.

We generate a notable portion of our turnover from the State of Maharashtra. For the period ended September 30, 2024 and financial year ended March 31, 2024, March 31, 2023 & March 31, 2022, we derived notable portion of our revenue from the state of Maharashtra i.e. 20.48%, 20.79%, 34.68% and 26.16% of total revenue from operations, respectively and we derived 58.45%, 59.78%, 71.52% and 61.52% of total revenue from operations from top-5 states, respectively, for the period ended September 30, 2024 and financial year ended March 31, 2024, March 31, 2023 & March 31, 2022. For details related to total revenue from operations, kindly refer section titled "***Financial Information of the Company***" beginning on Page 174 of this Draft Red Herring Prospectus.

We carry our entire operations from our manufacturing units located at Thane and Navi Mumbai, Maharashtra. Due to the geographical concentration of our manufacturing units at Maharashtra, our operations are prone to local, regional and environmental factors. Any materially adverse social, political or economic development, civil disruptions, or changes in the policies of the state government or state or local governments, may require a modification of our business strategy, or require us to incur significant capital expenditure or suspend our operations. Any such adverse development affecting continuing operations at our manufacturing units could result in significant loss due to an inability to meet customer orders and production schedules, which could materially affect our business reputation within the industry. Though no such events occurred in past, the occurrence of or our inability to effectively respond to, any such events or effectively manage the competition in the region, could have an adverse effect on our business, results of operations, financial condition, cash flows and future business prospects. We also sale our products in the state of Gujarat, Karnataka, Punjab, Rajasthan, Telangana, Uttar-Pradesh etc. Further, we plan to enter into new geographical location in India including exports to countries like UAE, USA etc. in order to capture future growth trends. Many new Purchase Orders have already been initiated by our company and our subsidiary company i.e. Safe Enterprises Retail Technologies Private Limited, with various customers in new areas (within same states) where sales were not made in past years. For instance, the Company has initiated new Purchase orders at new geographical locations which include small towns/city such as Thattanchavdy in Puducherry, Porvarim in Goa, Dimapur in Nagaland etc. in India. Further, apart from India POs has been executed outside India also such as in Selangor state of Malaysia. Thus we are likely to compete with new/existing players in said location, who might have an established presence in the particular region, and are more familiar with the business practices and have stronger relationships with customers, relevant government authorities, suppliers or are in a stronger financial position than us, all of which may give them a competitive advantage

over us. Our inability to expand into other areas may adversely affect our business prospects, financial conditions and results of operations.

12. We require certain approvals, licenses, registrations and permits to operate our business, and failure to obtain or renew them in a timely manner or maintain the statutory and regulatory permits and approvals required to operate our business may adversely affect our operations and financial conditions.

We require certain statutory and regulatory permits, licenses and approvals to operate our business. We believe that we have obtained requisite permits and licenses which are adequate to run our business, however we cannot assure that there is no other statutory/regulatory requirement which we are required to comply with. Further, some of these approvals are granted for fixed periods of time and need renewal from time to time. We are required to renew such permits, licenses and approvals. There can be no assurance that the relevant authorities will issue any of such permits or approvals in time or at all. Failure by us to renew, maintain or obtain the required permits or approvals in time may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations.

Further, our company have applied for Fire NoC and approval is under process. Additionally, application for shop & establishment certificate for subsidiary i.e. Inscite Advisory Services LLP has been filed and our subsidiary i.e. Safe Enterprises Retail Technologies Private Limited has applied for renewal of Factory License which are under the process of approval. Also, our company has already made the application for change in its name in some of the required Government approvals, which are not in its name as on the date of this Draft Red Herring Prospectus and same is under the process of approval. Additionally, some of our records related to the registration of our erstwhile firm are not traceable. The original registration certificate of the erstwhile partnership firm is not available, and according to the certificate obtained from the Registrar of Firms (RoF) dated November 7, 2024, the firm registration number is B-117707. The details of the partnership firm available in the certificate are only up to the year 2008. As a result, we do not have a complete trail of all the registered deeds from its inception until its conversion, which is certified by M/s Punit Padalia & Co., Chartered Accountants. Further, there are few Licenses and approvals taken by the Partnership firm and those are yet to be cancelled or discontinued, as a result of dissolution of the Partnership firm due to Conversion into the Company. For details regarding pending approvals, please refer to section titled “**Government and Other Approvals**” beginning on page 246 of the Draft Red Herring Prospectus. There can be no assurance that the relevant authorities will issue or renew these approvals or licenses in a timely manner, or at all. In the event of any unanticipated delay in receipt of such approvals, the proposed capacity expansion plan may extend and any such delay could have an adverse impact on our growth, prospects, cash flows and financial condition.

The approvals required by our Company are subject to numerous conditions and there can be no assurance that these would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business.

15. An inability to effectively utilize the existing manufacturing capacities could have an adverse effect on the business, future prospects and future financial performance.

The capacity utilization levels are dependent on the ability to carry out uninterrupted operations at manufacturing units as well as on the market demand of the products sold by us. Among others, the capacity utilization also depends upon the availability of raw materials, labour, industry/ market conditions and procurement practice followed by our customers. For the period ending September 30, 2024 and in Fiscals 2024, 2023 and 2022, our unit-wise overall capacity utilization is detailed below:

For Manufacturing Unit-I

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	For period ended September 30, 2024*
Metal Works (In Tons)				
Installed Capacity	4,579.00	5,534.80	6,490.60	3,400.00
Actual Production	1,924.00	3,623.20	5,747.20	3,040.00
Capacity Utilization (in %)	42.02%	65.46%	88.55%	89.41%

For Manufacturing Unit-II

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	For period ended September 30, 2024*
Metal Works (In Tons)				

Installed Capacity	2,058.50	2,430.20	2,801.90	1,600.00
Actual Production	1,026.00	1,686.80	2,512.80	1,460.00
Capacity Utilization (in %)	49.84%	69.41%	89.68%	91.25%

For Manufacturing Unit-III

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	For period ended September 30, 2024*
Wood Works (In Sq. feet)				
Installed Capacity	26,90,400.00	33,63,000.00	36,01,213.00	18,00,606.00
Actual Production	11,32,800.00	21,24,000.00	30,32,600.00	15,42,000.00
Capacity Utilization (in %)	42.11%	63.16%	84.21%	85.64%

**For 6 Months Period*

Note - Capacity mentioned here is Per Annum considering one operating shifts of 8 hours each.

The information related to the installed capacity is based on the certificate received from M/s Vighnagar Industrial Services, Chartered Engineers, vide their certificate dated November 25, 2024.

Further, Production and Installed Capacity for Subsidiary Company i.e. Safe Enterprises Retail Technologies Pvt. Ltd. is as follows:

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	For period ended September 30, 2024*
Metal Works (In Tons)				
Installed Capacity	2700.00	3200.00	5100.00	2550.00
Actual Production	1503.02	2550.30	4335.51	2197.33
Capacity Utilization (in %)	55.67%	79.70%	85.01%	86.17%

**For 6 Months Period*

The information related to the installed capacity is based on the certificate received from M/s Vighnagar Industrial Services, Chartered Engineers, vide their certificate dated February 11, 2025.

An inability to effectively utilize manufacturing capabilities over extended periods in future could materially and adversely impact the business, growth prospects and future financial performance.

Further, Information relating to the installed capacities and the historical capacity utilization of all manufacturing facilities included in this Draft Red Herring Prospectus is based on various assumptions and estimates of the management, including proposed operations, assumptions relating to availability and quality of raw materials and assumptions relating to potential utilization levels and operational efficiencies. Though the details related to the installed capacities and actual utilization is certified by M/s Vighnagar Industrial Services, Chartered Engineers, the Actual utilization rates may differ significantly from the estimated installed capacities or historical estimated capacity utilization information of our facilities. Undue reliance should therefore not be placed on the installed capacity or historical estimated capacity utilization information for the existing facilities included in this Draft Red Herring Prospectus.

19. We share the same premises of our registered office with our Group Company and both of our subsidiary companies also share the same premises of registered office.

We share the same premises of our registered office i.e. Plot No. D-372, TTC MIDC Industrial Area, MIDC Kukshet Village, Sanpada, Thane - 400703, Maharashtra, India, with Our Group Company, Safe Enterprises Shopfittings Private Limited.

Further, both of our subsidiaries i.e. Safe Enterprises Retail Technologies Private Limited & Inscite Advisory Services LLP along with our group company i.e. Inscite Fintech Solutions Private limited and our Promoter group company i.e. Saleem and Munira Salim Merchant charitable foundation shares the same premises as their registered office which is F-205, 2nd Floor, L&T Seawoods Ltd., Plot No. R-1, Sector-40, Seawoods, Navi Mumbai, Thane - 400706, Maharashtra, India. There is no separate sub-lease agreement or rent sharing agreement between these entities. In case of any dispute, we may suffer a disruption in our operations which could have an adverse effect on our business and operations. Any multiple or overlapping use of the said facilities may create some disruption which may affect our business operations.

20. Our insurance coverage may not be adequate to protect us against all potential losses to which we may be subject and this may have a material effect on our business and financial condition.

Our operations are subject to accidents which are inherent to any business such as risks of employee accidents, fire, earthquakes, flood and other force majeure events, acts of terrorism and explosions including accidents that may cause injury and loss of life, severe damage to and the destruction of property and equipment and environment. We have taken Bharat Laghu Udyam Suraksha Policy from Bajaj Allianz General Insurance Company Limited for our Registered Office & Manufacturing Unit-I, which provide insurance to Building, Plant & machinery, stock & furniture, against loss from fire, earthquake, terrorism etc. We have also taken FG Bharat Sookshma Udyam Suraksha Policy from Future Generali Total Insurance Solutions for our manufacturing unit-II which provide insurance to Building, Plant & machinery, stock & furniture against loss from fire, earthquake, Storm, Tempest, Flood, and Inundation (STFI) terrorism etc. Additionally, we have taken Office & Professional Establishment Protector Insurance policy (Sookshma Udyam) i.e. Fire and allied perils, Burglary and Other perils, Business interruption, public liability and workmen's compensation policy from Iffco - Tokio General Insurance Co. Ltd. for our manufacturing unit-III. For details of insurance policies, see "Our Business" on page 111 of this Red Herring Prospectus.

While we believe that we maintain insurance coverage in adequate amounts consistent with size of our business, our insurance policies do not cover all risks. We have not insured ourselves for Key managerial person insurance, employee compensation insurance, group personal accident, group medical insurance, product liability claims insurance, vehicle insurance and Cash in Transit insurance. Further, we have not taken insurance in respect of our experience center situated in Cochin, Kerala. Failure to effectively cover ourselves against the associated risks may potentially lead to material losses. Though, we have not faced any such instance in past, there can be no assurance that our insurance policies will be adequate to cover the losses/ damages suffered or that such insurance coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim. Further, Insurance Policies are still in the name of Partnership firm and amendment of the same is yet to be done in the name of Company. If we suffer a significant uninsured loss or if insurance claim in respect of the subject matter of insurance is not accepted or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected. There are no past instances of a claim exceeding liability insurance cover and for details related to insurance, kindly refer section titled "Our Business" beginning on Page 111 of this Draft Red Herring Prospectus.

25. The Objects of the Issue for which funds are being raised have not been appraised by any bank or financial institution. Any variation between the estimation and actual expenditure as estimated by the management could result in execution delays or influence our profitability adversely.

The fund requirement and deployment, as mentioned in the "Objects of the Issue" on page 74 of this Draft Red Herring Prospectus is based on the estimates of our management and has not been appraised by any bank or financial institution or any other independent agency. These fund requirements are based on our current business plan. We cannot assure that the current business plan will be implemented in its entirety or at all. In view of the highly competitive and dynamic nature of our business, we may have to revise our business plan from time to time and consequently these fund requirements. The deployment of the funds as stated under chapter "Objects of the Issue" is at the discretion of our Board of Directors and will be subject to monitoring by an external independent agency appointed for the purpose. Further, we cannot assure that the actual costs or schedule of implementation as stated under chapter "Objects of the Issue" will not vary from the estimated costs or schedule of implementation. Any such variance may be on account of one or more factors, some of which may be beyond our control. Occurrence of any such event may delay our business plans and/or may have an adverse bearing on our expected revenues and earnings.

33. Our Group Company had incurred losses and had negative net worth in past and any operating losses in the future could adversely affect the results of operations and financial conditions of our group company.

Our Group Company i.e. Inscite Fintech Solutions Private Ltd., incorporated in September 2021, had incurred loss in F.Y 2021-22, 2022-23 and 2023-24 for an amount of Rs. 0.88 Lakhs, Rs. 4.34 Lakhs and Rs. 40.95 Lakhs, respectively and had negative net worth in FY 2022-23 amounting to Rs. 4.16 Lakhs. The said group company was recognized as a start up in October 2021 and is engaged in the business of creating and selling Fintech-SaaS solutions for businesses. It is in its initial phase of business and has incurred cost towards initial product building. Thus, it has incurred losses in initial years and has a negative net-worth.

Another group company i.e. Safe Enterprises Shopfittings Private Limited, incorporated in January 1991, had incurred loss in FY 2021-22 of Rs. 3.21 Lakhs and had negative net worth of Rs. 1.16 Lakhs and Rs. 12.20 Lakhs in FY 2022-23 and FY 2021-22 respectively. Said company incurred losses as it had to pay an Interest on property tax amounting to Rs. 7.82 Lakhs in the FY 2021-22 which was an unplanned expense that led to an increase in expenses in FY 2021-22 which subsequently resulted in the

negative net worth, however, afterwards in FY 2023-24, the Company witnessed profits and positive net-worth.

Any such operating losses could adversely affect the overall operations of the group and financial conditions and also divert the attention of the management and promoter towards the group company which could have an adverse effect on our operations and financials. For more information, regarding the Company, please refer chapter titled **“Our Group Companies”** beginning on page 256 of this Draft Red Herring Prospectus.

38. We have in the past entered into related party transactions and may continue to do so in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our Company’s financial condition and results of operations.

We have entered into various transactions with our Directors/ Promoters, Promoter Group members, Promoter Group entities and Subsidiaries. These transactions, inter-alia include, remuneration, loans and advances, sales, purchases etc. For details of the percentage of related party transactions as compared to the total revenue, please refer to “Summary of Related Party Transactions” under Section titled “Summary of Draft Red Herring Prospectus” of this Draft Red Herring Prospectus. Our Company has entered such transactions due to easy proximity and quick execution on arms-length price in compliance with provisions of Companies Act 2013 and other applicable laws. Although all related-party transactions that we may enter into in the future are subject to approval by Board or shareholders, as required under the Companies Act, we cannot assure you that such future transactions or any other future transactions, individually or in aggregate, will not have an adverse effect on our financial condition and results of operations or that we could not have achieved more favourable terms if such transactions are not 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.

52. The activities carried out at our manufacturing units can cause injury to people or property in certain circumstances.

The activities carried out at our manufacturing units may be potentially dangerous to our employees. While we employ safety procedures in the operation of our manufacturing units and maintain what we believe to be adequate insurance, there is a risk that an accident may occur at our manufacturing units. An accident may result in personal injury to our employees, destruction of property or equipment, delivery delays, environmental damage, or may lead to suspension of our operations and/or imposition of liabilities. Any such accident may result in litigation, the outcome of which is difficult to assess or quantify, and the cost to defend such litigation can be significant. Though we have not faced any such past instance, the costs to defend any action or the potential liability resulting from any such accident or death or arising out of any other litigation and any negative publicity associated therewith, may have a negative effect on our business, financial condition, results of operations, cash flows and prospects.

54. We may subject to restrictive covenants under our credit facilities that limit our operational flexibility.

The loan agreements entered into by us with banks does not contain specific covenants which require us to obtain the prior approval/ permission from the banks on the occurrence of certain events such as formulation of any scheme of amalgamation or reconstruction, undertaking of any new project or expansion, making any substantial change in our management set up, any change in our capital structure resulting in reduction of capital etc. Accordingly, we have not obtained any such NOC as on the date of this draft red herring prospectus, however, there can be no assurance that such consents will be granted or that we will be able to comply with the financial covenants under our financing arrangements if required anytime in future. For further details, related to the borrowings of the company and other banking facilities, please see **“Statement of Financial Indebtedness”** on page 230 of this Draft Red Herring Prospectus.

56. Industry information included in this Draft Red Herring Prospectus has been derived from industry sources. There can be no assurance that such third-party statistical, financial and other industry information is complete, reliable or accurate.

This Draft Red Herring Prospectus includes information on Industry in which we operate from various sources. For further details, please see **“Industry Overview”** beginning on page 99 of this Draft Red Herring Prospectus. The data has been furnished by independent agency on their websites and has no relationship with our Company, its Promoters, Directors, or the Book Running Lead Manager as on the date of this Draft Red Herring Prospectus. The data used in these sources may have been reclassified by us for the purposes of presentation and may also not be comparable. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness

and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect.

We have not independently verified data from industry publications contained herein and we cannot assure that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regard to other countries. Therefore, discussions of matters relating to India and its economy are subject to the limitation that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete or unreliable. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction.

SECTION IV – INTRODUCTION

CAPITAL STRUCTURE

2. History of Paid-up Share Capital of our Company:

9. Our company is in compliance with the applicable provisions of the Companies Act, 2013 with respect to issuance of securities since inception till the date of filing of this Draft Red Herring Prospectus”

OBJECTS OF THE ISSUE**Requirement of Funds and Utilization of Net Proceeds**

The Net Proceeds are proposed to be used in accordance with the details as set forth below:

Amt. (Rs. in lakhs)

S. No.	Particulars	Amount
1.	Funding the Capital Expenditure requirements towards setting up of a new manufacturing unit.	7801.30
2.	Investment in our Subsidiary, Safe Enterprises Retail Technologies Private Limited for financing its capital expenditure requirements in relation towards installation of additional plant and machinery	699.02
3.	To Meet Working Capital Requirements of our Company	3000.00
4.	Investment in our subsidiary Safe Enterprises Retail Technologies Private Limited to meet working capital requirements	1000.00
5.	General Corporate Purpose	[●]
	Total	[●]

Details of Utilization of Net Proceeds

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

1. Funding the Capital Expenditure requirements towards setting up of a new manufacturing unit

We require various machines such as CNC Router, Dust Collector, Bean Saw, Servo Stabiliser, Hydraulic Lift, Panel Saw, Air compressor etc. for manufacturing of various shop-fitting and retail fixtures and as on September 30, 2024 we are operating at a production capacity of 90.00% (for metal works) and 85.64% (for wood works). As a part of our strategy, we intend to expand our operations, we therefore intend to utilize a part of the Net Proceeds amounting to Rs. 7801.30 Lakhs towards setting up of a new manufacturing unit where all the three existing facilities will be shifted. Currently company is operating from three manufacturing units. Now the Company is strategically moving to one bigger manufacturing unit where the entire existing set up (i.e. current manufacturing units) will be shifted under one roof. This will result into carrying out of all the manufacturing processes at one single place whether its metal work or wood work and accordingly would result into more operational economies of scale due to savings in costs related to logistics and transportation, electricity, repair & maintenance and other related costs. The actual mode of such deployment has not been finalized as on the date of this Draft Red Herring Prospectus. The fund requirements, the deployment of funds and the intended use of the Net Proceeds, for setting up of new manufacturing unit, as described herein are based on our current business plan, current and valid quotations from suppliers, and other commercial and technical factors. However, such total estimated cost and related fund requirements have not been appraised by any bank or financial institution or any other independent agency.

Benefits arising out of the stated object:

To carry out the manufacturing process, as of now the Company buys raw material such as steel in the form of tubes & sheets. In proposed new manufacturing unit, Company will install machines such as Tube cutting and Sheet bending machines, with which it will be able to do tube laser cutting and sheet metal processing & bending activities in house. This way instead of laser cutting and sheet bending activities being done through the outsourced vendors, the cutting process and bending activities will be done in-house which will help in easy adaptations to design changes and modifications as well as making them innovative and creative. We also believe that it will reduce dependency on external parties and potential delays helping us serve customer demands faster. Similarly, Metal painting & Surface treatment activities in new manufacturing unit will be done in-house as related machines are proposed to be purchased in new unit. Currently, such activities cannot be undertaken in existing units due to space constraints. The new manufacturing unit has a bigger area where these machines can be installed and in-house work can be done. Hence, keeping all these benefits in mind and to reap maximum operational economies of scale like increased productivity, reduced unit costs, improved quality etc. the Company is proposing to undertake said capital expenditure.

2. Investment in our Subsidiary, Safe Enterprises Retail Technologies Private Limited for financing its capital expenditure requirements in relation towards installation of additional plant and machinery.

As a part of our strategy, we intend to expand our operations, through our subsidiary Safe Enterprises Retail Technologies Private Limited, we therefore intend to utilize a part of the Net Proceeds amounting to Rs. 699.02 Lakhs towards capital expenditure

requirements in relation to installation of additional plant and machinery at its factory unit located at Gat No. 95, Aalandi-Markal Road, Solu near Bharat Petroleum, Tal-Khed, 412105, Maharashtra, India. The infusion of funds by our Company in our Subsidiary is proposed to be undertaken in the form of equity or debt or a combination of both or in any other manner as may be decided by our Company. The actual mode of such deployment has not been finalized as on the date of this Draft Red Herring Prospectus.

Entire existing set-up in said Subsidiary including the machines, material, manpower and suppliers is geared for the development of the innovative shop fitting solutions only, hence, the infusion of funds is intended in the subsidiary company itself as the capital expenditure is to be to be explicitly used for providing innovative shop fitting solutions only but not the traditional and customized shop fitting solutions.

Benefits arising out of the stated object:

Subsidiary company is investing in Laser machines i.e. Tube & Sheet Laser machines, Laser welding machines along with sheet bending machines, which will result into an increase in overall capacity and capability expansion. These machines will result into an automatic sheet bending without the use of various components and tools which currently the company is using in existing machines. This will result into cost saving related to such tools and components along with enhanced production in less time. Additionally, entire wood work plant is being installed within the factory premises which is a completely new dimension in terms of new capabilities as currently the same is outsourced from other vendors. Thus, In-house wood work will reduce reliance on external suppliers, which can lower material costs and improve profit margins.

Hence, keeping all these benefits in mind and to reap maximum operational economies of scale like increased productivity, reduced unit costs, improved quality etc. the Company is proposing to undertake said capital expenditure.

3. To Meet Working Capital Requirements of our Company

Justification:

Debtors	The historical holding days of trade receivables has been ranging from 73 days to 76 days during Fiscal 2022 to Fiscal 2024. As per the current credit terms and prevalent trend of the industry & in order to expand company's operations, the holding level for debtors is anticipated at 80 days and 107 days of total revenue from operations during Fiscal 2025 and fiscal 2026 respectively. We have witnessed significant growth in past. With the revenue from operations has increased from Rs. 3863.04 lakhs in financial year 2021-22 to Rs. 7721.57 Lakhs and Rs. 10091.49 Lakhs in Financial Years 2022-23 and 2023-24 respectively, representing a Compound Annual Growth Rate (CAGR) of 61.62% over the past three years. To accommodate this growth and to further achieve higher growth in sales we wish to extend more favourable credit terms to our customers which require adequate working capital to support extended credit facilities to our customers. This expansion is crucial for meeting the rising demand in the market and seizing new opportunities for growth in untapped market. Currently, we are operating at maximum capacity and approx. 90% of total revenue from operations is from our one largest customer. Due to capacity constraints we are not able to serve demand orders from many other customers and accordingly we are planning to establish a new manufacturing unit with additional machineries which will increase our overall plant capacity. With increased plant capacity and expansion new orders from other customers will also be served very efficiently. As of now, our largest customer provides us with approx.50% advance payment but from other customers no advance payment is received and payments are realized once installation is successfully done and verified which varies from 60 to 90 days. Further, customers retain 10% of total order amount for a period of 3 to 6 months which results into blockage of the funds with the customers for long. Thus, as per the current credit terms and in order to expand company's operations, the holding level for debtors is anticipated at 80 days and 107 days of total revenue from operations during Fiscal 2025 and Fiscal 2026, respectively. By offering this flexibility, we expect to stimulate increased sales volume and foster stronger customer relationships. This adjustment aligns with our strategy to expand operations while ensuring financial sustainability.
Creditors	Past trend of Trade payables holding days has been in the range of 76 days to 78 days approximately during Fiscal 2022 to 2024. However, with additional working capital funding, our Company intends to reduce trade payable to 65 days and 56 days during Fiscal 2025 and Fiscal 2026 respectively to avail competitive purchase price to increase overall profitability of our Company.

	In past also we have been benefited in terms of price quotations from same suppliers when we had reduced the payment cycle time for them. Such reduction in payment days helps us in getting better discounted prices, thus, improving our overall cost of production and profitability. Our Company plans to streamline its payable processes to its vendors enabling it to negotiate for better rates and thereby the holding levels are expected to reduce to 65 days and 56 days in Fiscal 2025 and Fiscal 2026 respectively. Prompt payments empower us to negotiate more favourable terms and prices, fostering stronger supplier relations and bolstering our bottom line. Additionally, looking ahead to fulfil bulk orders from our customers, we are expecting to procure the products in bulk quantities to avail bulk order discounts and make early payments to the vendors in future, which will again help us in getting better prices, improve our business prospects and face competition in a better manner. Thus, Prompt payments empower us to negotiate more favourable terms and prices, fostering stronger supplier relations.
Inventories	Inventories include raw material, WIP and finished goods. The historical holding days of inventories has been in range of 10 days to 19 days during Fiscal 2022 to 2024. We have witnessed increased sales in past with a Compound Annual Growth Rate (CAGR) of 61.62% over the past three years and with the perspective to increase business operations in future, the Company estimates inventories holding days to be around 30 days and 51 days in Fiscal 2025 and Fiscal 2026 respectively. As business operations are expected to increase in Fiscal 2025 and 2026, it will additionally require higher levels of inventory to meet the required demand and achieve operational efficiency. Further, as a part of our strategy we intend to expand our operations and therefore we intend to utilize a part of the Net Proceeds towards setting up of a new manufacturing unit. The establishment of this new manufacturing unit will require additional levels of inventory to meet increased demand and sales from business operations. We have already acquired new customers in our subsidiary company but these customers are served only innovative solutions through our subsidiary. They also need traditional fixtures which we are unable to serve due to capacity constraints in our company. This growth in business will evidently require us to hold more inventory. With increase in executable orders and to successfully deliver all our orders, we would need higher levels of working capital funds to secure ready inventory which is usually collected at the initiation of the orders. This strategic approach aligns with our goal of sustaining growth while efficiently managing inventory levels to meet order demands effectively. Additionally, as per the requirements of the customers, we need to hold ready stock equivalent to the requirements for various stores of our customers at various locations for an immediate supply to them at the time of opening of the stores which may vary from time to time and even could get extended from the decided timelines. This requirement has led to an increase in holding days of inventory. Thus, the Inventories projected for FY 2024-25 and FY 2025-26 are in line with the Business requirements based on estimated sales and requirements of our customers to hold ready stock in hand. We believe that the investment in working capital to the tune of inventories, will need to be done first and which will further result in successful increase in the turnover. Thus, the infusion of funds will help the Company in holding sufficient inventories which in turn will help in timely fulfilment of orders.

Rationale for the increase in working capital requirement from Rs. 2174.00 lakhs in FY 2025 to Rs. 5176.51 Lakhs in FY 2026:

In the intervening period i.e. period of F.Y 2025-26 being the period before the new factory is ready for commercial production, the company will still need to continue with its orders and since its utilised capacity is already at 90% level, it will outsource part of the production to vendors.

As per the nature of the business of the company, outsourcing basically means that it procures components at a finished or semi-finished stage rather than the usual process of procuring materials at raw material stage and doing the manufacturing processes in house. For example, the company usually procure large size boards and sheets and convert them into required dimensions and shapes using in-house machinery but in case of the cutting and bending processes having a bottleneck constraint, company would procure exact cut sizes from vendors. The outsourcing or making production in-house depends upon the requirement of components along with capacity utilization of the company.

Such vendors who are fulfilling these requirements of exact cut sizes of boards & sheets, generally require immediate or early payments, ranging between 0-15 days. Thus, the company will fulfil orders of customers and serve the estimated increased demand through a combination of in-house manufacturing and outsourcing, for which it will require additional working capital.

4. Investment in our subsidiary Safe Enterprises Retail Technologies Private Limited to meet working capital requirements

Justification:

Debtors	The historical holding days of trade receivables has been ranging from 33 days to 48 days during Fiscal 2022 to Fiscal 2024. As per the current credit terms and prevalent trend of the industry & in order to expand company's operations, the holding level for debtors is anticipated at 61 days and 88 days of total revenue from operations during Fiscal 2025 and fiscal 2026 respectively. Our subsidiary has witnessed significant growth in past. The revenue from operations has increased from Rs. 1521.58 lakhs in financial year 2021-22 to Rs. 2481.88 Lakhs and Rs. 4111.23 Lakhs in Financial Years 2022-23 and 2023-24 respectively, representing a Compound Annual Growth Rate (CAGR) of 64.40% over the past three years. To further achieve higher growth in sales and revenue from operations the Company wishes to extend more favourable credit terms to its customers. Also offering more favourable credit terms will set us apart from our competitors, giving an edge in securing business from new customers. As of now our largest customer which accounts for approx. 40% of total revenue from operations, provides us with approx.50% of advance payment but from other customers no advance payment is received and payments are realized once installation is successfully done and verified which varies from 60 to 90 days. Further, customers retain 10% of total order amount for a period of 3 to 6 months which results into blockage of the funds with the customers. Further, recently our subsidiary company has entered into new sale orders with many new customers and such potential customers agree on liberal credit terms only. By offering this flexibility, we expect to stimulate increased sales volume and foster stronger customer relationships. This adjustment aligns with our strategy to expand operations while ensuring financial sustainability. Additionally, we are planning to purchase additional machineries in our subsidiary company's manufacturing unit which will increase the overall plant capacity. Such expansion will generate higher revenue from operations and we will be required to offer extended credit periods to the customers, allowing them more time to settle their invoices and capture larger customer base in the industry.
Creditors	Past trend of Trade payables holding days has been in the range of 37 days to 74 days approximately during Fiscal 2022 to 2024. However, with additional working capital funding, our Company intends to reduce trade payable to 47 days and 43 days during Fiscal 2025 and Fiscal 2026 respectively to avail competitive purchase price to increase overall profitability of our Company. In past also we have been benefited in terms of price quotations from same suppliers when we had reduced the payment cycle time for them. Such reduction in payment days helps us in getting better discounted prices, thus, improving our overall cost of production and profitability. Our Company plans to streamline its payable processes to its vendors enabling it to negotiate for better rates and thereby the holding levels are expected to reduce to 47 days and 43 days in Fiscal 2025 and Fiscal 2026 respectively. Prompt payments empower us to negotiate more favourable terms and prices, fostering stronger supplier relations and bolstering our bottom line. Additionally, looking ahead to fulfil bulk orders from our customers, we are expecting to procure the products in bulk quantities to avail bulk order discounts and make early payments to the vendors in future, which will again help us in getting better prices, improve our business prospects and face competition in a better manner. Thus, Prompt payments empower us to negotiate more favourable terms and prices, fostering stronger supplier relations
Inventories	Inventories include raw material, WIP and finished goods. The historical holding days of inventories has been in range of 29 days to 32 days during Fiscal 2022 to 2024. We have witnessed increased sales in past with a Compound Annual Growth Rate (CAGR) of 64.40% over the past three years and with the perspective to increase business operations, the Company estimates inventories holding days to be around 33 days and 47 days in Fiscal 2025 and Fiscal 2026 respectively. As business operations are expected to increase in Fiscal 2025 and 2026, it will additionally require higher levels of inventory to meet the required demand and achieve operational efficiency. Further, as a part of our strategy we intend to expand our operations and therefore we intend to utilize a part of the Net Proceeds towards installation of additional plant and machinery at our existing manufacturing unit. This will require additional levels of inventory to meet increased demand and sales from business operations. Recently we have acquired new customers, thus, with increase in executable orders and to successfully deliver all our orders, we

	would need higher levels of working capital funds to secure ready inventory which is usually collected at the initiation of the orders. Increase in the level of inventory needs to be done in order to be able to serve the growing requirements of the customers, accordingly the investment in working capital to the tune of inventories, will need to be done first and which will further result in successful increase in the turnover. This strategic approach aligns with our goal of sustaining growth while efficiently managing inventory levels to meet order demands effectively. Additionally, as per the requirements of the customers, we need to hold ready stock equivalent to the requirements for various stores of our customers at various locations for an immediate supply to them at the time of opening of the stores which may vary from time to time and even could get extended from the decided timelines. This requirement has led to an increase in holding days of inventory. Thus, the Inventories projected for FY 2024-25 and FY 2025-26 are in line with the Business requirements based on estimated sales and requirements of our customers to hold ready stock in hand. Thus, the infusion of funds will help the Company in holding sufficient inventories which in turn will help in timely fulfilment of orders.
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Rationale for increase in working capital requirements for estimated period FY 2026:

Subsidiary company has experienced growth in last three financial years. The revenue from operations has increased from Rs. 1521.58 lakhs in financial year 2021-22 to Rs. 2481.88 Lakhs and Rs. 4111.23 Lakhs in Financial Years 2022-23 and 2023-24 respectively. Hence, the company foresees a rise in working capital needs on account of this continuous increase in the revenue from business operations of the company.

Further, the increase in working capital requirements is driven by the company's expansion initiatives, particularly due to capital expenditure requirements towards installation of additional plant and machinery for increasing the production capacity. With the increase in volume of business, there is a corresponding need for more funds to finance inventory, labour and other operational expenses. To accommodate this growth, the company aims to maintain its debtor cycle which require adequate working capital to support extended credit facilities to its customers. This expansion is crucial for meeting the rising demand in the market and seizing new opportunities for growth in untapped market.

Accordingly, due to expected increase in revenue of operations and for timely fulfilment of its orders, company will be in requirement of greater Inventories in FY 2025-26 of Rs. 569.82 lakhs. As per the requirements of the customers, company needs to hold ready stock equivalent to the requirements for various stores at various locations for an immediate supply to them at the time of opening of the stores. To successfully deliver all the orders company needs to maintain reasonable levels of inventories. This increase in inventory will lead to increase in requirement of working capital.

Further, in FY 2025-26, trade receivables of the Company are expected to increase to Rs. 1424.54 Lakhs, due to extension of more favourable credit term to customers, involving more funds getting blocked in Trade Receivables. Increase in credit terms is primarily driven by the characteristics of our customer base which predominantly comprises of retail industry, where, customers typically prefer to make payments after the completion of work. This will result into more amount getting blocked under trade receivables, thus, resulting into an increase in working capital requirement.

Additionally, company is reducing the trade payable days to 43 days in FY 2025-26 to avail competitive purchase price and to increase overall profitability of our Company. Hence, above mentioned capital expenditure, increase in Inventories and Trade Receivables on one hand and reduction in payment days of Trade Payables on other hand, has led to an increase in the working capital requirement in FY 2026.

Proposed Schedule of Implementation:

The proposed year wise break up of deployment of funds and Schedule of Implementation of Net Issue Proceeds is as under:

Sr. No.	Particulars	Estimated deployment of Net Proceeds			Total
		F.Y. 2024-25	F.Y. 2025-26	F.Y. 2026-27	
1.	Funding the Capital Expenditure requirements towards setting up of a new manufacturing unit	2512.71	4429.65	858.94	7801.30

(₹ In Lakhs)

2.	Investment in our Subsidiary, Safe Enterprises Retail Technologies Private Limited for financing its capital expenditure requirements in relation towards installation of additional plant and machinery	-	209.71	489.31	699.02
3.	To Meet Working Capital Requirements of our Company	-	3000.00	-	3000.00
4.	Investment in our subsidiary Safe Enterprises Retail Technologies Private Limited to meet working capital requirements	-	1000.00	-	1000.00
5.	General Corporate Purpose	[●]	[●]	[●]	[●]
	Total	[●]	[●]	[●]	[●]

To the extent our Company is unable to utilize any portion of the Net Proceeds towards the Objects, as per the estimated schedule of deployment specified above, our Company shall deploy the Net Proceeds in the subsequent Financial Year towards the Objects.

Interim use of Net Proceeds

Pending utilization for the purposes described above, our Company intends to deposit the funds temporarily in the scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934, as may be approved by our Board of Directors in compliance with the Companies Act, 2013 and other applicable laws. Our Company confirms that pending utilization of the Net Proceeds towards the stated objects of the Issue, our Company shall not use/deploy the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in 111 the equity markets.

Variation in Objects

In compliance with Section 27 of the Companies Act, 2013, our Company will not vary the Objects of the Issue unless our Company is authorized to do so by way of a special resolution of its Shareholders and such variation will be in accordance with applicable laws, including the Companies Act, 2013 and the SEBI ICDR Regulations. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act, 2013 and applicable rules. The notice shall simultaneously be published in the newspapers, one in English and one in regional language of where our Registered and Corporate Office is situated, in accordance with the Companies Act, 2013 and applicable rules. Our Promoters or controlling shareholders must provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the Objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

BASIS FOR ISSUE PRICE**7. Set forth below are the details of comparison of key performance of indicators with our listed industry peer:***(₹In Lakhs except percentages and ratios)*

Key Financial Performance	Safe Enterprises Retail Fixtures Limited				Naman In-Store (India) Limited			
	Period ending 30.09.2024	FY 2023-24	FY 2022-23	FY 2021-22	Period ending 30.09.2024*	FY 2023-24	FY 2022-23	FY 2021-22
Revenue from operations ⁽¹⁾	5,776.14	10,091.49	7,721.57	3,863.04	6648.68	14,474.40	14,984.57	5099.41
EBITDA ⁽²⁾	2,366.77	3,425.54	1,919.07	242.09	959.32	2,037.41	1,107.26	302.87
EBITDA Margin (%) ⁽³⁾	40.97%	33.94%	24.85%	6.27%	14.43%	14.08%	7.39%	5.94%
PAT ⁽⁴⁾	1,695.70	2,308.84	1,208.90	125.33	480.69	927.20	435.46	23.42
PAT Margin (%) ⁽⁵⁾	29.36 %	22.88 %	15.66 %	3.24 %	7.23%	6.41%	2.91%	0.46%
RoE(%) ⁽⁶⁾	50.54%	105.34%	134.02%	78.42%	11.82%	41.62%	105.90%	14.94%
RoCE (%) ⁽⁷⁾	53.01%	114.11%	115.98%	40.36%	10.70%	22.01%	24.62%	7.29%

* Source – All the financial information for listed industry peers mentioned above is sourced from the Annual Reports of the aforesaid companies for the year ended March 31, 2024, March 31, 2023 & March 31, 2022 and from Independent Auditor's review report on Unaudited half-yearly financial results for the period ending September 30, 2024.

Notes:

⁽¹⁾ Revenue from operation means revenue from sales, service and other operating revenues

⁽²⁾ EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses - Other Income

⁽³⁾ EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations

⁽⁴⁾ PAT is calculated as Profit before tax – Tax Expenses

⁽⁵⁾ PAT Margin' is calculated as PAT for the period/year divided by revenue from operations.

⁽⁶⁾ Return on Equity is ratio of Profit after Tax and Average Shareholder Equity

⁽⁷⁾ Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus total borrowings {current & non-current}.

SECTION V – ABOUT THE COMPANY**OUR BUSINESS****OVERVIEW:**

Over the years we have expanded our operations through Corporate customers, Experience centre, Distributers and franchisees. We have one Experience Centre at Cochin, Kerela, where anyone can walk in and experience our latest technology enabled Shopfittings and retail fixture solutions, which are used to create unique retail experiences for varied store categories such as fashion & apparels, electronics, departmental store etc. spanning formats such as single brand outlets, multi brand outlets, shop in shops etc. Additionally, we have two franchisees in Navi Mumbai and Hyderabad along with two Distributers in Dubai and Kansas City. Such experience centre and franchises provide a platform to architects and interior designers who work with retailers. Architects and interior designers provide specifications as to which fixtures should be used by retail segments and they can visit such experience centre and franchises along with ultimate customers to showcase the latest technology enabled Shopfittings and retail fixture solutions which cannot be displayed at factory sites. Further, Experience centres provide valuable services to retailers working on smaller scales by offering hands-on experiences and personalized support by demonstrating various designs and specifications related to retail fixture solutions.

OUR STRENGTHS

We believe that the following are our primary strengths:

Established relationships with customers across various geographical locations:

Our product portfolio and quality assurance has helped us establish strong relationships with our major customers. We have established and will continue to focus on strengthening long-standing relationships with customers across various brands that we cater to. Our Company has diversified revenue from multiple geographical locations across India and a portion of revenue from outside India such as USA, UAE, Oman etc. We have generated around 99.42%, 99.15%, 99.03% and 96.77% of our total revenue from domestic sales for the period ending September 30, 2024 and fiscal year ending 2024, 2023 and 2022 respectively and generated around 0.58%, 0.85%, 0.97% and 3.23% of our total revenue from export sales for the for the period ending September 30, 2024 and fiscal year ending 2024, 2023 and 2022 respectively. Currently, we market our products to more than 25 states within India and gradually we intend to expand our business operations to other geographical locations as well. Our presence in multiple geographies not only helps us in expanding our customer base but also helps us by keeping ourselves in tune with the latest technological advancements world-wide and help us to mitigate risk for any unforeseen circumstances in the domestic market and expand our business operations. For the period ending September 30, 2024 and Fiscal year 2024, 2023 and 2022, our top 10 customers contributed approximately 98.67%, 96.79%, 94.68% and 85.79% of our revenue from operations respectively. Our largest customer, contributed to approximately 92.10%, 85.86%, 76.37% and 58.50% of our revenue from operations for respective periods mentioned above.

Our revenue from top five geographies in India in last three years and stub period ending Sept. 30, 2024 is as follows:

Name of State	For the period and year ended							
	30-Sep-24	% to total sales	31-Mar-24	% to total sales	31-Mar-23	% to total sales	31-Mar-22	% to total sales
Maharashtra	1,132.64	20.47	1984.09	20.79	2,527.89	34.68	971.95	26.16
Karnataka	690.30	12.48	887.37	9.30	631.06	8.66	232.44	6.26
Gujarat	568.41	10.27	1061.51	11.12	867.85	11.91	230.04	6.19
Telangana	442.37	8.00	1240.48	13.00	527.45	7.24	499.30	13.44
Uttar Pradesh	398.99	7.21	531.77	5.57	369.72	5.07	241.64	6.50
Total	3232.71	58.43	5705.22	59.78	4923.97	67.56	2175.37	58.55

Rs. in Lakhs

Turnover from other locations such as Andhra Pradesh, Assam, Bihar, Jharkhand, Nagaland, Meghalaya, Uttarakhand, West-Bengal etc. amounted to Rs. 2299.09 lakhs, Rs. 3838.00 lakhs, Rs. 2365.65 lakhs and Rs. 1539.83 lakhs respectively for the stub period ending Sept. 30, 2024 and FY ending 2024, 2023 & 2022, which accounted for 41.57%, 40.22%, 32.44% and 41.45% respectively for the said period.

OUR PRODUCTS:

FASHION RETAIL OUTLETS





PLANT AND MACHINERY:

We require various machines such as CNC Router, Dust Collector, Bean Saw, Servo Stabiliser, Hydraulic Lift, Panel Saw, Air compressor etc., which are owned by the company, for manufacturing of various shop-fitting and retail fixtures.

PRODUCTION AND INSTALLED CAPACITY:**Unit-wise Production and Installed Capacity for our Company****For Manufacturing Unit-I**

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	For period ended September 30, 2024*
Metal Works (In Tons)				
Installed Capacity	4,579.00	5,534.80	6,490.60	3,400.00
Actual Production	1,924.00	3,623.20	5,747.20	3,040.00
Capacity Utilization (in %)	42.02%	65.46%	88.55%	89.41%

For Manufacturing Unit-II

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	For period ended September 30, 2024*
Metal Works (In Tons)				
Installed Capacity	2,058.50	2,430.20	2,801.90	1,600.00
Actual Production	1,026.00	1,686.80	2,512.80	1,460.00
Capacity Utilization (in %)	49.84%	69.41%	89.68%	91.25%

For Manufacturing Unit-III

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	For period ended September 30, 2024*
Wood Works (In Sq. feet)				
Installed Capacity	26,90,400.00	33,63,000.00	36,01,213.00	18,00,606.00
Actual Production	11,32,800.00	21,24,000.00	30,32,600.00	15,42,000.00
Capacity Utilization (in %)	42.11%	63.16%	84.21%	85.64%

*For 6 Months Period

Note - Capacity mentioned here is Per Annum considering one operating shifts of 8 hours each.

The information related to the installed capacity is based on the certificate received from M/s Vighnahar Industrial Services, Chartered Engineers, vide their certificate dated November 25, 2024.

Production and Installed Capacity for Subsidiary Company i.e. Safe Enterprises Retail Technologies Pvt. Ltd.

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	For period ended September 30, 2024*
Metal Works (In Tons)				
Installed Capacity	2700.00	3200.00	5100.00	2550.00
Actual Production	1503.02	2550.30	4335.51	2197.33
Capacity Utilization (in %)	55.67%	79.70%	85.01%	86.17%

*For 6 Months Period

The information related to the installed capacity is based on the certificate received from M/s Vighnahar Industrial Services, Chartered Engineers, vide their certificate dated February 11, 2025.

SALES AND MARKETING: -

The efficiency of the marketing and sales network is a critical success factor of our Company. Our success lies in the strength of our relationship with our customers who have been associated with our Company for a long period. To retain our customers, our Promoters and senior management team, who have vast experience in this industry, regularly interact with them and focus on gaining an insight into the additional needs of such customers. Additionally, our sales & distribution network is aided by our capable in-house marketing

team of 11 employees, which liaise with both domestic and international customers on a regular basis for their inputs, market demands as well as positioning of our products vis-à-vis products of our competitors.

Further, we have two franchisees in Navi Mumbai and Hyderabad along with two Distributers in Dubai and Kansas City which plays an important role in on boarding of the new customers. Also, as a part of our marketing strategy, we employ marketing techniques such as participation in various events and exhibitions, which gives us platform to exhibit our products to enhance our existing customer base.

INFRASTRUCTURE & UTILITIES:

- **Raw Material:** The essential raw materials used by our manufacturing units for manufacturing of shop fittings and retail fixtures are Mild Sheet tubes & sheet, Stainless Steel tubes & sheets, MDF Board, Particle Board, Plywood, Solid wood etc. which we procure from various domestic vendors located at various locations such as Maharashtra, Gujarat, Karnataka, Madhya Pradesh, Delhi, Haryana etc.
- **Information Technology:** We believe that an appropriate information technology infrastructure is important to support the growth of our business. The Company uses Tally Prime Software for maintaining accounting data and also the Company has integrated the inventory systems in the accounting software i.e. in Tally Prime Software itself which enables the company to track procurement of raw materials and sale of finished goods. Further, company uses AutoCAD software for design & development.
- **Environment, Health and Safety:** We prioritize the safety and well-being of our employees and the environment by adhering to strict Environmental, Health, and Safety (EHS) guidelines. This involves conducting regular risk assessments, ensuring safe manufacturing processes, and managing waste effectively. Our facilities meet safety standards, and we invest in sustainable technologies to minimize our environmental impact. By following these practices, we aim to protect our workforce, maintain product quality and positively contribute to our communities while complying with environmental regulations.

HUMAN RESOURCES

We believe that our ability to maintain growth depends to a large extent on our strength in attracting, training, motivating and retaining employees. As on October 31, 2024, our company has employed 193 permanent full-time employees including managerial personnel and has an attrition rate of 2.34%, 0.00% & 3.34% respectively for FY 2021-22, 2022-23 & 2023-24. Our manpower is a prudent mix of the experienced and youth which gives us the dual advantage of stability and growth. We do not hire any contractual labour. Our service processes and skilled/ semi-skilled resources together with our strong management team have enabled us to successfully implement our growth plans.

INSURANCE

Following are the details of Insurance taken by the company:

Amount in Rs. Lakhs					
S. No.	Policy No.	Insurance Co.	Name of Insurance Policy	Sum Insured	Expiry Date
1.	OG-25-1901-4057-00000152	Bajaj Allianz General Insurance Company Limited	Bharat Laghu Udyam Suraksha Policy	635.00	July 12, 2025
2.	OG-25-1901-4002-00000007	Bajaj Allianz General Insurance Company Limited	Consequential Loss (Fire) Insurance Policy	500.00	July 12, 2025
3.	47E06763	IFFCO – TOKIO General Insurance Company Limited	Office & Professional Establishment Protector Insurance Policy (Sookshma Udyam)	119.38	December 27, 2025
4.	F1749317	Future Generali India Insurance Company Limited	FG Bharat Sookshma Udyam Suraksha Policy	250.00	February 24, 2026
5.	F1770416	Future Generali India Insurance Company Limited	Consequential Loss (Fire) of Profit Policy	500.00	February 24, 2026

IMMOVABLE PROPERTIES

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

S. No.	Details of the Properties	Actual use	Owned/ Leased/Rented
1.	Plot No. D-372, TTC MIDC Industrial Area, MIDC Kukshet Village, Sanpada, Thane - 400703, Maharashtra, India	Registered Office and Manufacturing Unit-I	Rented* - The said property has been obtained from Safe Enterprises Shopfittings Private Limited on rent vide leave and license agreement dated July 21, 2024 for a period of 11 months commencing from July 21, 2024 to June 21, 2025.
2.	Plot No. D-374, MIDC, TTC Industrial Area, Kukshet Nerul, Navi Mumbai-400705, Maharashtra, India	Manufacturing Unit-II	Rented- The said property has been obtained from M/s New Bombay Cotton Waste on rent vide Registered leave and license agreement dated March 20, 2024 for a period of 05 years commencing from October 25, 2024 to October 24, 2028.
3.	D-222/19, TTC Industrial Area, Nerul, Navi Mumbai-400705, Maharashtra, India.	Manufacturing Unit-III	Rented- The said property has been obtained from Digha Steel Industries Pvt. Ltd. on rent vide Registered leave and license agreement dated February 08, 2023, for a period of 36 months commencing from February 01, 2023 to January 31, 2026.
4.	Plot No. L-60, Talojia, MIDC, Village-Tondare-Panvel, District-Raigad, Navi Mumbai-410208, Maharashtra, India	Further Expansion	Rented- The said property has been obtained from M/s Trans Tyres LLP. on rent vide Registered leave and license agreement dated August 28, 2024, for a period of 36 months commencing from September 01, 2024 to August 31, 2027.
5.	First Floor, Door No. 43/3573-B1, B2, B3 situated in Sy No. 42, Edapally South Village Taluk, Kanayanoor Taluk, A K Towers Building, opposite Holiday Inn Hotel, NH Bypass, Chakkaraparambu, Cochin-682032, Kerala, India	Experience Centre	Rented- The said property has been obtained from Mrs. Sujitha Nazeer on rent vide leave and license agreement dated October 18, 2024, for a period of 11 months commencing from October 18, 2024 to September 18, 2025.

*The property leased by the Company from the Promoter and Promoter Group is on arm's length basis.

Note: All the lease deeds are adequately stamped/registered, as required.

The following table sets forth the locations and other details of the properties of our Subsidiaries:

Safe Enterprises Retail Technologies Private Limited:

S. No.	Details of the Properties	Actual use	Owned/ Leased/Rented
1.	F-205, 2 nd Floor, L&T Seawoods Ltd., Plot No. R-1, Sector-40, Seawoods, Navi Mumbai, Thane, Maharashtra, India - 400706.	Registered Office	The property is jointly owned by Mikdad Saleem Merchant, Huzefa Salim Merchant, and Munira Salim Merchant. They have granted permission for its use as the registered office of the said entity through a No Objection Certificate.
2.	Gat No. 95, Aalandi-Markal Road, Solu near Bharat Petroleum, Tal-Khed, 412105, Maharashtra, India.	Manufacturing Unit	*Rented: The said property has been obtained from Mrs. Lalita Prakash Thakur on rent vide Registered leave and license agreement dated May 17, 2023, for a period of 60 months commencing from June 01, 2023 to May 31, 2028.

* The lease deed is adequately stamped/registered, as required.

Inscite Advisory Services LLP:

S. No.	Details of the Properties	Actual use	Owned/ Leased/Rented
1.	F-205, 2 nd Floor, L&T Seawoods Ltd., Plot No. R-1, Sector-40, Seawoods, Navi Mumbai, Thane, Maharashtra, India - 400706.	Registered Office	The property is jointly owned by Mikdad Saleem Merchant, Huzefa Salim Merchant, and Munira Salim Merchant. They have granted permission for its use as the registered office of the said entity through a No Objection Certificate.

HISTORY AND CORPORATE STRUCTURE

Brief history of our Company:

Our Company was originally formed as a partnership firm under the Indian Partnership Act, 1932 under the name and style of “M/s Safe Enterprises” pursuant to a deed of partnership entered between Saleem shabbir merchant, Zainab Bai Fakruddin, Fatema Hatim Merchant and Shirinbhai Asgarali at Mumbai, Maharashtra with effect from August 01, 1976. Further, “M/s Safe Enterprises” was subsequently converted from the partnership firm to a Public Limited Company under Part I of Chapter XXI of the Companies Act, 2013 in the name of “Safe Enterprises Retail Fixtures Limited” and received a certificate of incorporation, issued by the Registrar of Companies, Central Registration Centre on July 21, 2024. Our Company’s Corporate Identity Number is U46493MH2024PLC429137.

Saleem Shabbir Merchant, Mikdad Saleem Merchant, Huzefa Salim Merchant, Munira Salim Merchant, Waseem Zafarullah Shaikh Shabbir Hashim Tinwala, Savita Shailesh Patil were the initial subscribers to the Memorandum of Association of our Company.

Amendments to the Memorandum of Association:

Except as stated below there has been no change in the Memorandum of Association of our Company since its Incorporation:

Date of Meeting	Type of Meeting	Nature of Amendments
September 16, 2024	EGM	Alteration in Clause V by increase in the authorized share capital of the Company from ₹1.00 Lakhs divided into 20060 Equity Shares of ₹ 5/- each to ₹2500.00 Lakhs divided into 5,00,00,000 Equity Shares of ₹5/- each.
November 11, 2024	EGM	Earlier Object clause of the company was as follows- “To engage directly or indirectly through one or more subsidiaries in the business of manufacturing, trading, distributing or in any other manner dealing in Retail Fixtures, Shopfittings, Shop display furniture and allied products and to provide services of designing, developing, engineering, installing the same or any other incidental or ancillary services whether on a standalone or turnkey basis.” Alteration in Main Object clause of Memorandum of Association by deletion of Clause III (A) and the insertion of New Clause III (A), as follows- “To engage directly or indirectly, through one or more subsidiaries, in the business of designing, manufacturing, trading, and distributing retail fixtures, shop fittings, and display furniture. To provide services such as conceptual design, prototyping, and installation of customized shop interior solutions across various retail segments, including fashion, lifestyle, electronics, grocery, beauty, telecommunications, food and beverages, gifts and novelties, medical and pharmacy, interior designing etc. To integrate innovative technologies including but not limited to Internet of Things (IoT), LED lighting, digital screens, and modular electrified shop fittings, to transform traditional shops into smart shops, delivering flexible and tailored solutions to retailers, architects, retail designers, and other customers”.

OUR MANAGEMENT

Board of Directors:

Our Company is having total 6 (Six) Directors on the Board comprising 3 (Three) Executive Director and 3 (Three) Non-Executive Director including 1 (one) Managing Director, 2 (Two) Whole-time Directors, 2 (Two) Independent Directors and 1 (one) Non-Executive Women Director. Company has also designated one whole-time Company Secretary and one Chief-Executive Officer.

Brief Profile of Directors:

1. **Saleem Shabbir Merchant**, is Promoter, Chairman and Managing Director of our Company. He has been associated with the entity since 1976 as one of the founding partners of erstwhile Partnership Firm M/S “Safe Enterprises”. After conversion of Partnership firm, he was initially appointed as Director of the company and has been re-designated as Chairman and Managing Director. He has passed Secondary examination (10th) from Taheri High school in 1974. He has overall work experience of around 48 years in retail fixtures Industry. He is playing vital role in Business Planning & Development, formulation of Business strategies and effective implementation of the same. He also looks after the Sales & Marketing activities in our Company. Under his guidance, the Company has witnessed continuous growth.
2. **Mikdad Saleem Merchant**, is Promoter, Whole Time Director and Chief Financial Officer of our Company. He has been associated with the entity since 2011 and he has overall work experience of around 13 years in retail fixtures Industry. He is a qualified member of the Institute of Chartered Accountants of India since year 2011 and he has completed his Bachelor of Commerce from University of Mumbai in 2011. He is well versed with finance and related activities. He is looking after overall finance and secretarial activities in the company and providing his guidance to team on day-to-day basis. He has played an important role in the growth of the company.
3. **Huzefa Salim Merchant**, is Promoter and Whole Time Director of our Company. He has been associated with the entity since 2010. He has a work experience of around 16 years in retail fixtures and shopfitting industry. He has completed his Bachelor of Arts from University of Mumbai in 2004. He looks after the complete production and operational activities of the company which includes vendor management, complete business operations, marketing & development and after sales services in the company. He has played crucial role business development and market expansion of the Company.
4. **Munira Salim Merchant**, is Promoter and Non-Executive Director of our Company. She was admitted as a working Partner in erstwhile Partnership Firm M/S “Safe Enterprises” in the year 2002 and she is associated with the entity since then. She has completed Bachelor of Commerce from University of Bombay in 1980. She has overall work experience of around 22 years in the retail Industry. She is looking after the HR activities of the company including but not limited to recruitment, Employee Relations, performance management, HR Policies and compliance, etc. She has played significant role in team management, Human resource acquisition and retention.
5. **Kedar Mangesh Latke**, is an independent director of our Company. He is a qualified member of the Institute of Company secretaries of India since year 2017. He has overall work experience of 10 years including post qualification work experience of around 7 years in the field of Corporate and Statutory Compliances. Currently, he is also serving ‘Naxnova Technologies Private Limited’ as whole-time Company Secretary.
6. **Seema Shashank Mhatre**, is an independent Director of our Company. She has completed Bachelor of Science from University of Mumbai in 1998. She is a qualified member of the Institute of Company secretaries of India since year 2023. She has a work experience of 11 years in the various fields like Corporate Law, Marketing Management, Insurance etc. Currently, she is working as a proprietor of PCS firm named "Seema Mhatre & Associates".

BRIEF PROFILE OF KEY MANAGERIAL PERSONNEL

Mohini Raju Waghade, is the Company Secretary and Compliance Officer of our Company. She is a qualified Company Secretary and an associate member of the Institute of Company Secretaries of India since year 2022 and has been appointed as Company Secretary and Compliance Officer in our Company with effect from October 17, 2024. She has an experience of more than 2 years in the secretarial matters. She looks after the overall corporate governance and secretarial matters of our Company. Prior to joining our company, she was associated with ‘Family Care Hospitals Limited’ as Company Secretary.

OUR PROMOTERS & PROMOTER GROUP

OUR PROMOTERS:

The Promoters of our Company are Saleem Shabbir Merchant, Mikdad Saleem Merchant, Huzefa Salim Merchant and Munira Salim Merchant.

Details of our Promoters:

A. Individual Promoter:

	<table><tr><th data-bbox="621 480 1520 514">Munira Salim Merchant - Non-Executive Director</th></tr><tr><td data-bbox="621 514 1520 728"> Munira Salim Merchant, aged 67 years, is one of our Promoters and is also the Non-Executive Director on our Board. For Complete profile of Munira Salim Merchant, i.e., his date of birth, residential address, educational qualifications, experience in business or employment, business and financial activities, positions/posts held in the past and other directorships, see <i>“Our Management”</i> beginning on page no. 152 of this Draft Red Herring Prospectus. </td></tr><tr><td data-bbox="621 728 1520 900"> Other ventures of our Promoters- Except as mentioned below and as set out in the chapter titled <i>‘Our Management’</i>, our Promoters are not involved with any other venture, as a shareholder/ stakeholder, proprietor, partner, promoters or director. </td></tr><tr><td data-bbox="621 900 1520 1005"> LLP: • Inscite Advisory Services LLP </td></tr><tr><td data-bbox="621 1005 1520 1152"> Partnership Firm: • M/s Onsite </td></tr><tr><td data-bbox="621 1152 1520 1215"> Her permanent account number is AAGPM4298Q. </td></tr><tr><td data-bbox="621 1215 1520 1302"> For details of his shareholding, please see “Capital Structure” on page 63 of this Red Herring Prospectus. </td></tr></table>	Munira Salim Merchant - Non-Executive Director	Munira Salim Merchant, aged 67 years, is one of our Promoters and is also the Non-Executive Director on our Board. For Complete profile of Munira Salim Merchant, i.e., his date of birth, residential address, educational qualifications, experience in business or employment, business and financial activities, positions/posts held in the past and other directorships, see <i>“Our Management”</i> beginning on page no. 152 of this Draft Red Herring Prospectus.	Other ventures of our Promoters- Except as mentioned below and as set out in the chapter titled <i>‘Our Management’</i>, our Promoters are not involved with any other venture, as a shareholder/ stakeholder, proprietor, partner, promoters or director.	LLP: • Inscite Advisory Services LLP	Partnership Firm: • M/s Onsite	Her permanent account number is AAGPM4298Q.	For details of his shareholding, please see “Capital Structure” on page 63 of this Red Herring Prospectus.
Munira Salim Merchant - Non-Executive Director								
Munira Salim Merchant, aged 67 years, is one of our Promoters and is also the Non-Executive Director on our Board. For Complete profile of Munira Salim Merchant, i.e., his date of birth, residential address, educational qualifications, experience in business or employment, business and financial activities, positions/posts held in the past and other directorships, see <i>“Our Management”</i> beginning on page no. 152 of this Draft Red Herring Prospectus.								
Other ventures of our Promoters- Except as mentioned below and as set out in the chapter titled <i>‘Our Management’</i>, our Promoters are not involved with any other venture, as a shareholder/ stakeholder, proprietor, partner, promoters or director.								
LLP: • Inscite Advisory Services LLP								
Partnership Firm: • M/s Onsite								
Her permanent account number is AAGPM4298Q.								
For details of his shareholding, please see “Capital Structure” on page 63 of this Red Herring Prospectus.								

SECTION VI - FINANCIAL INFORMATION OF THE COMPANY

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

Financial Year ending 2024 Compared to Financial Year ending 2023 (Based on Restated Financial Statements)

Restated profit for the year:

The Company reported Restated profit after tax for the financial year 2023-24 of Rs. 2308.84 Lakhs in comparison to Rs. 1208.90 lakhs in the financial year 2022-23. The increase is due to increase in revenue from operations of the company from Rs. 7721.57 Lakhs in FY 2023 to Rs. 10091.49 Lakhs in FY 2024 representing an increase of approx. 40%. While there is an increase in the revenue from operations of the company by approx. 40% in comparison to previous year, total expenses have increased only upto 19.25% as compared with last year as with increase in production only the variable expenses (which are directly related to production) goes up but other fixed expenses remain unchanged. In FY 2023, total expenses accounted for 76.14% of total revenue which is upto 69.16% of total revenue in FY 2024. Also, company was able to utilise its existing production capacity better in FY 2024 in comparison to FY 2022 & FY 2023 which resulted in an increase in PAT & PAT margin in FY 2024.

Financial Year ending 2023 Compared to Financial Year ending 2022 (Based on Restated Financial Statements)

Restated profit for the year:

The Company reported Restated profit after tax for the financial year 2022-23 of Rs. 1208.90 Lakhs in comparison to Rs. 125.33 lakhs in the financial year 2021-22. Such increase in PAT and PAT margin is in line with the increase in revenue of the company from Rs. 3863.04 lakhs in F.Y. 2021-22 to Rs. 7721.57 Lakhs in FY 2022-23. While there is an increase in the revenue from operations of the company by approx. 100% in comparison to previous year, total expenses have increased only upto 59.58% as compared with last year as with increase in production only the variable expenses (which are directly related to production) goes up but other fixed expenses remain unchanged. In FY 2022, total expenses accounted for 95.37% of total revenue which is upto 76.14% of total revenue in FY 2023. Also, company was able to utilise its existing production capacity better in FY 2023 in comparison to FY 2022 which resulted in an increase in PAT & PAT margin in FY 2023.

SECTION VII – LEGAL AND OTHER INFORMATION**GOVERNMENT AND OTHER APPROVALS****V. Business Related Approvals obtained by our Company:**

Manufacturing Unit II: Plot No. D-374, MIDC, TTC Industrial Area, Kukshet Village, Turbhe Navi Mumbai, Raigad, Maharashtra, 400705

Sr. No.	Nature of Registration/ License	Registration/ License No.	Applicable Laws	Issuing Authority	Date of Issue/ Renewal	Date of Expiry
1.	Factory License	Registration No: 12170350090S-06 License No: 10034543	Factories Act, 1948	Joint Director Industrial Safety and Health, Maharashtra State, Thane	January 01, 2025	December 31, 2027

IX. Licenses/ Approvals which are applied by Company and are pending for approval:

1. The Company has applied for change of name in respect of all registered Trade Marks and designs, which are pending for approval. For further details, please see "**Risk Factor**" beginning on page 28 of this Red Herring Prospectus.
2. The Company has applied for provisional Fire Safety Certificate under Maharashtra Fire Prevention and Life Safety Measures Act, 2006 for Manufacturing Units.

Inscite Advisory Services LLP: F-205, Tower II, L & T Seawoods Ltd. Plot No. R-I, Sector 40, Seawoods Railway, Station, Mumbai City, Navi Mumbai-400705, Maharashtra, India

S. No.	Nature of Registration/ License	Registration/ Certificate No.	Applicable Law/Act	Issuing Authority	Date of Issue	Date of Expiry
6.	Certificate of Enrolment	99845006505P	Maharashtra State Tax on Professions, Trades, Callings and Employment Act, 1975	DS Maharashtra Goods and Services Tax Department	January 03, 2025	Valid till Cancellation

Licenses/ Approvals which are applied by Our Subsidiaries and are pending for approval: -

1. Inscite Advisory Services LLP has applied for Shop and Establishment Certificate on January 03, 2025. Application ID is 100119302503.
2. Safe Enterprises Retail Technologies Private Limited has also made an application for renewal of Factory License on January 23, 2025 and it is under process

OUR GROUP COMPANIES

Details of our Group Companies:

1. Inscite Fintech Solutions Private Limited

Nature of Business:

Inscite Fintech Solutions Private Limited is in the business of designing, developing, distributing and selling technology backed financial accounting and business management applications either on an as it is, customized or Software as a Services (SaaS) along with using banking, payment wallets, payment gateways and the like as integrations with the technology solutions.

2. Safe Enterprises Shopfitting Private Limited

Nature of Business:

Safe Enterprises Shopfittings Private Limited is into the business of leasing and renting of equipment, plant and machinery, land, buildings, agricultural land, plantations, vehicles, electrical and electronic equipment, goods, articles and commodities of all kinds and other movable and immovable properties, rights, claims and other interests therein.

SECTION IX - MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION OF OUR COMPANY

Pursuant to Schedule I of the Companies Act, and the SEBI (ICDR) Regulations, the Main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and Transmission of equity shares or debentures, their consolidation or splitting are as provided below. Each provision below is numbered as per the corresponding article number in the articles of association and defined terms herein have the meaning given to them in the Articles of Association.

The following regulations comprised in the Articles of Association were adopted pursuant to the member's special resolution passed at the Extra Ordinary General Meeting held on September 16, 2024. In substitution for, and to the entire exclusion of, the earlier regulation comprised in the extant Articles of Association of the Company.

Except as disclosed in this section, no material clause of the AoA has been left out from disclosure having bearing on the IPO and the disclosure.

SECTION X – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

Material Documents

10. Copy of the Audit Committee Resolution dated December 11, 2024 for approving the key performing Indicators (KPI's)

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 Draft Red Herring Prospectus 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 Draft Red Herring Prospectus are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

Name and Designation	Signature
Saleem Shabbir Merchant Chairman & Managing Director DIN: 00238277	Sd/-

Date: March 12, 2025

Place: Thane, Maharashtra

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 Draft Red Herring Prospectus 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 Draft Red Herring Prospectus are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

Name and Designation	Signature
Mikdad Saleem Merchant Whole Time Director & Chief-Financial Officer DIN: 06592845	Sd/-

Date: March 12, 2025

Place: Thane, Maharashtra

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 Draft Red Herring Prospectus 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 Draft Red Herring Prospectus are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

Name and Designation	Signature
Huzefa Salim Merchant Whole Time Director DIN: 02071651	Sd/-

Date: March 12, 2025

Place: Thane, Maharashtra

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 Draft Red Herring Prospectus 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 Draft Red Herring Prospectus are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

Name and Designation	Signature
Munira Salim Merchant Whole Time Director DIN: 00238443	Sd/-

Date: March 12, 2025
Place: Thane, Maharashtra

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 Draft Red Herring Prospectus 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 Draft Red Herring Prospectus are true and correct.

SIGNED BY THE INDEPENDENT DIRECTORS OF OUR COMPANY:

Name and Designation	Signature
Kedar Mangesh Latke Independent Director DIN: 06716135	Sd/-

Date: March 12, 2025
Place: Thane, Maharashtra

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 Draft Red Herring Prospectus 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 Draft Red Herring Prospectus are true and correct.

SIGNED BY THE INDEPENDENT DIRECTOR OF OUR COMPANY:

Name and Designation	Signature
Seema Shashank Mhatre Independent Director DIN: 10809108	Sd/-

Date: March 12, 2025

Place: Thane, Maharashtra

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 Draft Red Herring Prospectus 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 Draft Red Herring Prospectus are true and correct.

SIGNED BY THE COMPANY SECRETARY OF OUR COMPANY:

Name and Designation	Signature
Mohini Raju Waghade Company Secretary & Compliance officer M. No.: A68056	Sd/-

Date: March 12, 2025

Place: Thane, Maharashtra