

September 05, 2024

To  
**Listing Department,**  
BSE Limited,  
PJ Towers, Dalai Street,  
Fort, Mumbai - 400 001

**Scrip Code: 543920**

Dear Sir/Madam,

**Sub: Notice of 12<sup>th</sup> Annual General Meeting (AGM) to be held on Monday, September 30, 2024.**

Please find attached herewith the Notice of 12<sup>th</sup> Annual General Meeting along with the annexure, to be held on Monday, September 30, 2024 at 1.30 P.M. through Video Conference (VC) / Other Audio-Visual Means (OAVM).

Kindly take the above on record.

Thanking You,

Yours Faithfully,

**FOR CFF FLUID CONTROL LIMITED**

**SUNIL MENON**  
**MANAGING DIRECTOR**  
**DIN: 00409485**



# Annual Report

## FINANCIAL YEAR 2023-24





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# Chairman's Message



Dear members,

## Overview

I am pleased to present you the annual report of your company for FY 2023-24.

I take this opportunity to share the performance highlights during the year and future outlook for the Company.

During the year under review, your company's operating revenue increased to Rs.10,685.91 lakhs marking a significant growth of 51.21% compared to the previous year's Rs.7,066.63 lakhs.

Your company's net profit for Financial Year 2023-24 was Rs.1,708.77 lakhs, reflecting a significant growth of over 69% compared to Rs.1,013.60 lakhs earned in the Financial Year 2022-23.

The Company has paid first interim Dividend each of Rs. 0.50 per share of face value of 10 each for the Financial Year 2023-24, totaling to Rs.97.37 Lakh. Further, the Board of Directors of the Company has recommended a further final dividend of Rs.0.50 per share of 10 each for approval of shareholders, with a cash outflow of Rs. 97.37 Lakh. On approval by the shareholders, the total cash outflow for payment of Dividend for the Financial Year 2023-24 would be Rs.194.74 Lakh.

Your Company is committed to its social responsibility. In this endeavor, the Company has undertaken various CSR programmes and projects, towards integrating our social and business goals in a sustainable manner in line with schedule VII of the Companies Act, 2013. An amount of Rs. 17.00 Lakh has spent under CSR in the Financial Year 2023-24 against the CSR budget/ obligation of Rs.16.52 Lakh.

Indian Defence Sector, which was so far contributing as strategic sector, is gradually developing as an economic sector, which is capable to contribute to the economic growth of the country. Under the Atmanirbhar Bharat initiative, Government is facilitating the development of the Indian industry to reduce the defence import as well as dependence on the foreign OEMs. Various initiatives of the GoI in recent days have given thrust on the indigenization and indigenous procurement of defence equipment. Over next 5 -10 years such reforms will equally help Defence PSUs and private industry to put a firm step towards achieving a self-sustaining Defence industry in the country.

In addition to technological advancements, CFF is committed to sustainable manufacturing practices, ensuring that our production processes align with global environmental standards.

The future holds exciting prospects as CFF continues to explore new avenues for growth through partnerships, innovation, and the unwavering pursuit of excellence in defense manufacturing. Our focus remains on contributing to a self-reliant India, capable of meeting its defense needs independently.

As we grow from this point onwards, the revenue lumpiness that was visible in the past could yield to a gradual smoothing. The order inflow also has been uniform throughout the Year. We have an order book of Rs. 600+ Crore, enhancing value for all the stakeholders associated with our Company.

In the coming days, we will be pursuing a fund-raising initiative to support a significant new project we've secured for the development of an advanced sonar system. This project represents a critical milestone for our company, requiring the establishment of new production capabilities and a specialized set of skills to meet its unique demands. The funds raised will be instrumental in ensuring we have the necessary resources to deliver on this high-stakes project, positioning our company at the forefront of technological innovation in the industry.

Your Company will continue to pursue global standards, and I am confident that the Company will achieve many milestones. We hope to attain all round success with the continued support and guidance of all our stakeholders. I take this opportunity to extend my sincere gratitude to the Department of Defence Production, Defence Acquisition Council, our valuable customers, our partners, shareholders, Board members, employees, suppliers, banks, regulatory bodies, governments and all stakeholders for supporting the company in its progress

Yours Sincerely

Regards,

Gautam Makkar  
Chairman



# Review by Managing Director



Dear Shareholders,

I am happy to share that FY24 has been one of the most successful years in the history of our Company in terms of key performance parameters. Our revenue from operations grew by an impressive 51.21%, from Rs. 7,066.63 lakhs in FY23 to Rs. 10,685.91 lakhs in FY24.

Similarly, our total income grew from Rs. 7,109.94 lakhs to Rs. 10,697.57 Lakhs. We achieved an EBITDA growth of 63.95%, rising from Rs. 1,882.81 Lakhs to Rs. 3,086.91 Lakhs. Our net profit (PAT) also increased by 68.58%, from Rs. 1,013.60 lakhs to Rs. 1,708.77 lakhs.

## Strategic Partnerships

- **Global Collaborations:** This year, CFF has entered into several strategic partnerships with leading international defense technology firms. These collaborations are focused on technology transfer, enabling the company to enhance its product offerings with cutting-edge innovations from around the world.
  - ◇ **Atlas Elektronik Germany:** In partnership with Atlas Elektronik, CFF has successfully entered into the business of Anti Submarine Warfare with the Low Frequency variable Depth Sonar (LFVDS). The LFVDS system being developed with Atlas Elektronik will mark a significant milestone in enhancing Indian Navy's Anti-Submarine Warfare capabilities. This also makes your company one of the only companies in India manufacturing major systems for Anti-Submarine Warfare. The partnership with Atlas Elektronik envisages expansion to other areas of their expertise like ACTAS Adv., Mine Hunting and Countermeasure Systems (MCM), Torpedo's, Combat management systems (CMS), etc.
  - ◇ **Naval Group France:** CFF has already been working closely with Naval Group on various mechanical systems both manufacturing and servicing. With Indian Navy planning to extend the production of Scorpene Submarines(P75 Project) to a follow on 3 boats with enhanced capabilities, CFF and Naval Group are actively exploring expansion of capabilities of CFF to enhance the make in India component for more systems in India including but not limited to steering gear, weapon systems and other critical systems to be indigenized.
- **Joint Ventures:** Establishing joint ventures with international Defence technology companies will be a key strategy for expanding our production capabilities while maintaining technological superiority.



## Technology Transfer & Innovation

- **Technology Transfer Initiatives:** A cornerstone of our strategy has been the successful transfer of technology from global leaders to our manufacturing units in India. These initiatives ensure that CFF remains at the forefront of defense technology.
  - ◇ **Indigenization:** Through extensive technology transfer agreements, we have indigenized critical components, reducing our reliance on imports and bolstering our domestic supply chain.
  - ◇ **R&D Investments:** Significant investments in research and development have been made to adapt transferred technologies to Indian conditions, ensuring that our products meet the unique requirements of the Indian Navy.

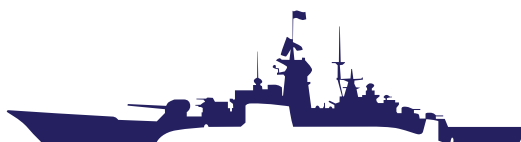
## Make in India – A Core Focus

- **Local Manufacturing Expansion:** Aligned with the "Make in India" vision, CFF is expanding its local manufacturing footprint, with new facilities in Pune dedicated to producing Advanced Sonar systems.
- **Employment Generation:** Our efforts to localize production have generated jobs across various skill levels, contributing to the economic growth of the regions where our facilities are located.
- **Export Target:** With the expertise gained through technology transfer and local manufacturing, CFF will be moving ahead with marketing to secure export orders for various systems to the foreign market, further establishing India as a global defense supplier.

I would like to take this opportunity to thank all the stakeholders, the Board of Directors, our employees, partners and customers, for their unwavering faith and support in our journey. I would also like to extend my gratitude to the Central and State Governments, Ministry of Defence and the Indian Navy for their support and entrusting us with the responsibility of contributing to the Nation's security.

With an optimistic outlook for the year ahead, I look forward to your continued support as we strive towards achieving higher levels of excellence.

Regards,  
Sunil Menon  
Managing Director



## Year At A Glance



Sales  
Growth

**95%**

Profit  
Growth

**309%**

Return on Capital  
Employed

**38%**

Return on Equity

**85%**

Earnings Before Interest,  
Tax, Depreciation &  
Amortization

**116%**



Current  
Ratio

**4.24**

Order Book

**600+  
Crore**

Debt- Equity  
Ratio

**0.19**

Debt Service  
Coverage Ratio

**6.71**

EPS

**₹9.21**

# Board of Directors

## **Gautam Makkar**

*CHAIRMAN AND NON-EXECUTIVE DIRECTOR*

Gautam Makkar, aged 54 years is the founding Promoter of our company and was appointed on the Board of our Company since incorporation. He was re-designation as Chairman and Non-Executive Director w.e.f. September 30, 2022. He has completed his Bachelor of Electrical Engineering from Poona University in the year 1991. He has more than 26 years of experience in the fields of sourcing and providing solutions to defence, power and marine industry. As a Non-Executive Director of the Company, he is responsible for providing his expertise for growth and expansion of our Company.

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## **Sunil Menon**

*MANAGING DIRECTOR*

Sunil Menon, aged 56 years is the founding Promoter of our company and was appointed on the Board of our Company since incorporation. He was re-designated as the Managing Director w.e.f. September 30, 2022. He has completed his Diploma in Hotel Management, Catering and Nutrition from Board of Technical Education Delhi. He has more than 31 years experience in Businesses like defence and in engineering company. He has taken CFF from being a small components manufacturer to a strong company whose product and services portfolio includes Turnkey Projects, Integrating various platform systems. CFF today has a strong product portfolio and a loyal customer base and he has contributed substantially in growth of business and has been a guiding force behind the growth and business strategy of CFF.

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## **Rajnish Prakash**

*NON-EXECUTIVE INDEPENDENT DIRECTOR*

Rajnish Prakash, aged 70 years is a Non-Executive Independent Director of our Company. He was appointed on the Board of our Company w.e.f. September 30, 2022. He has completed Bachelor's Degree of Science in Chemical Engineering from Roorkee Vishwavidyalaya in the year 1974 and obtained Diploma in Chemical Engineering (Reaction Engg.) from Indian Institute of Technology, Delhi in the year 1975. He is associated with Nuclear Power Corporation of India Limited in capacity of Independent Director. He has worked in various government departments and held various post during his entire career. He received INS Homi



Bhabha Life time Achievement Award- 2014 from Indian Nuclear Society & Green tech foundation and Outstanding Engineer award from Institute of Engineer.

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**Priyanka Moondra Rathi,**

*NON-EXECUTIVE INDEPENDENT DIRECTOR*

Priyanka Moondra Rathi, aged 31 years is a Non-Executive Independent Director of our Company. She was appointed on the Board of our Company w.e.f. September 02, 2022. She has completed Bachelors of Commerce degree from Jai Narayan Vyas University in the year 2013 and completed Diploma in MBA in Finance from International Business Management Institute, Berlin, Germany in the year 2015. She is also a member of Institute of Company secretaries of India since 2017 and is currently pursuing Certified Public Accountants course. Currently she is working with Transmissions International India Private Limited Rajasthan and is partner in Priav Eduserve & Consultancy LLP. She has an experience of more than 5 years including internship in the field of Secretarial, Compliances and Legal work.



# Corporate Information

## Board of Directors

Gautam Makkar  
*CHAIRMAN AND NON-EXECUTIVE DIRECTOR*

Sunil Menon  
*MANAGING DIRECTOR*

Rajnish Prakash  
*INDEPENDENT DIRECTOR*

Priyanka Moondra Rathi  
*INDEPENDENT DIRECTOR*

**Company Secretary & Compliance Officer**  
Sonika Mehta

**Chief Financial Officer**  
Hitesh Birla

**Audit Committee**  
Rajnish Prakash (Chairman)  
Priyanka Moondra Rathi,  
Sunil Menon

**Stakeholders Relationship Committee**  
Priyanka Moondra Rathi (Chairman)  
Rajnish Prakash  
Gautam Makkar

**Nomination & Remuneration Committee**  
Priyanka Moondra Rathi (Chairman)  
Rajnish Prakash  
Gautam Makkar

**Corporate Social Responsibility Committee**  
Sunil Menon (Chairman)  
Gautam Makkar  
Rajnish Prakash

## Independent Auditors

**M/s. V. N. Purohit & CO., Chartered Accountants**  
214, New Delhi House, 2<sup>nd</sup> Floor, 27, Barakhamba, New Delhi-110001

## Bankers

**AXIS BANK LIMITED**  
Address: 1<sup>st</sup> Floor Senorita Plot No. 21, Gulmohar Road Near, Juhu Circle, Vile Parle West, Mumbai 400049.

## Registrars and Share Transfer Agents

**Cameo Corporate Services Limited**  
Subramanian Building, No. 1, Club House Road, Chennai – 600 002.  
Tel.: +91 - 44 -40020700 (5 Lines)  
E-mail: [priya@cameoindia.com](mailto:priya@cameoindia.com) / [investor@cameodina.com](mailto:investor@cameodina.com)

**Corporate Identification Number**  
U28990MH2012PLC227023

**Listing**  
BSE SME Platform

**Registered office**  
Plot No 01, Survey No 96, Kumbhivli Madap Khopoli, Khalapur, Raigarh-410203.  
Tel No.: +91-2246086806  
Email ID: [compliance@cffdefensys.com](mailto:compliance@cffdefensys.com)  
Website: [www.cffdefensys.com](http://www.cffdefensys.com)

**Corporate Office:**  
503, Delphi, A Wing, Orchard Avenue, Hiranandani Business Park, Powai, Mumbai-400076.  
Tel No.: +91-2246086806  
Email ID: [compliance@cffdefensys.com](mailto:compliance@cffdefensys.com)  
Website: [www.cffdefensys.com](http://www.cffdefensys.com)

# Notice Of 12<sup>th</sup> Annual General Meeting

NOTICE is hereby given that the Twelfth Annual General Meeting (AGM) of CFF Fluid Control Limited will be held through Video Conferencing (VC)/Other Audio Video Visual Means (OAVM), on Monday, September 30, 2024 at 01.30 P.M. (IST) to transact the following businesses:

## **ORDINARY BUSINESS**

1. To receive, consider and adopt Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2024, together with the Directors' Report and Auditors' Report thereon and Comments of the Statutory Auditor of the Company id any.
2. To appoint a director in place of Shri. Gautam Makkar (DIN- 00354956) who retires by rotation and being eligible offers him-self for re-appointment.
3. To confirm payment of interim dividend and declare final dividend for the financial year 2023-24

## **SPECIAL BUSINESS**

4. To approve remuneration of Cost Auditor for 2024-25.

**To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 148 and such other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration of 1,00,000/- (Rupees One Lakh only), as recommended by the Audit Committee and approved by the Board of Directors payable to M/s. A.S Rao & Co., Practising Cost Accountant (Firm Registration No. 000326) as Cost Auditors to conduct the audit of the relevant Cost records of the Company as prescribed under the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, for the financial year ending March 31, 2025 be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.

5. To Approve to raise capital through FPO/QI or any permissible mode

**To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (including any amendments thereto or re-enactment thereof, for the time being in force) (“Act”), the provisions of the Memorandum and Articles of Association of the Company, Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the “ICDR Regulations”) and rules and regulations framed there under as amended from time to time and subject to other applicable rules, regulations and guidelines issued by the Securities and Exchange Board of India (“SEBI”), the Reserve Bank of India (“RBI”), the Government of India (“GOI”), the Stock Exchanges and / or any other competent authorities from time to time to the extent applicable, and subject to such required further approvals, permissions, consent(s) and sanction(s) as may be necessary from SEBI, Stock Exchanges, RBI, GOI and any other authorities as may be required in this regard and further subject to such terms and conditions or modifications as may be prescribed or imposed by any of them while granting any such approval(s), permission(s), consent(s) and / or sanction(s), which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution), consent of the members be and is hereby accorded to create, offer, issue and allot, with or without green shoe option, such number of equity shares of the Company of face value Rs. 10/- each at the time of issue of shares (“Equity Shares”) and/or any other financial instruments convertible into Equity Shares (including warrants, or otherwise, in registered or bearer form) and/ or any security convertible into Equity Shares with or without voting/special rights and/or securities linked to Equity Shares and/ or securities with or without detachable warrants with right exercisable by the warrant holders to convert or subscribe to Equity Shares (all of which are hereinafter collectively referred to as “Securities”) or any combination of Securities, in one or more tranches, by way of further public offer and/or Qualified Institutions Placement (“QIP”) and/or private placement and/or right issue or a combination thereof, through issue of prospectus and /or placement document/ or other permissible/ requisite offer document to all eligible investors, including Qualified Institutional Buyers (“QIBs”) in accordance with ICDR Regulations, or otherwise, foreign/resident investors (whether institutions, incorporated bodies, mutual funds, individuals or otherwise), venture capital funds (foreign or Indian), alternate investment funds, foreign institutional investors, foreign portfolio investors, qualified foreign investors, Indian and/ or multilateral financial institutions, mutual funds, non-resident Indians, stabilizing agents, pension funds and/or any other categories of investors, whether they be holders of Equity Shares of the Company or not (collectively called the “Investors”) as may be decided by the Board in its absolute discretion and permitted under applicable laws and regulations, through one or more offer document and/or letter of offer and/or placement document and/or on private placement basis,

at such time or times, at such price or prices (including premium or discount, if any), and on such terms and conditions considering the prevailing market conditions and other relevant factors wherever necessary, for issue and allotment of upto 15,25,900 (Fifteen Lakhs Twenty Five thousand Nine hundred) Equity Shares of the Company and other relevant factors and wherever necessary in consultation with lead manager(s) and/or underwriter(s) and/or other advisor(s) appointed and / or to be appointed by the Company ("Issue") and that the Board may finalize all matters incidental thereto as it may in its absolute discretion think fit and to list the Securities to be so created, offered, issued and allotted on the Stock Exchanges as may be decided by the Board from time to time."

"RESOLVED FURTHER THAT (a) the Securities to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company; and (b) the Equity Shares that may be issued by the Company shall rank pari passu with the existing Equity Shares of the Company in all respects."

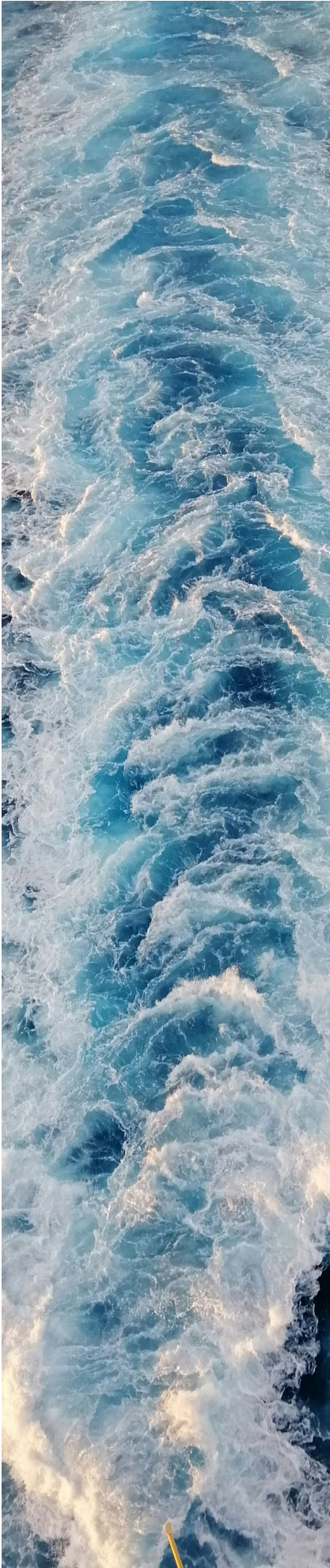
"RESOLVED FURTHER THAT if any issue of Securities is made by way of a QIP in terms of ICDR Regulations (hereinafter referred to as "Eligible Securities" within the meaning of the ICDR Regulations), the allotment of the Eligible Securities, or any combination of Eligible Securities as may be decided by the Board shall be completed within twelve months from the date of this resolution or such other time as may be allowed under the ICDR Regulations from time to time."

"RESOLVED FURTHER THAT in the event that Equity Shares are issued to QIBs by way of a QIP in terms of ICDR Regulations, the relevant date for the purpose of pricing of the Equity Shares shall be the date of the meeting in which the Board decides to open the proposed issue of Equity Shares."

RESOLVED FURTHER THAT in case of further public offer, the equity shares shall be issued by the Company in compliance with the requirements of the SEBI ICDR Regulations and other applicable laws

"RESOLVED FURTHER THAT the Issue to the holders of the Securities, which are convertible into or exchangeable with equity shares at a later date shall be, inter alia, subject to the following terms and conditions: (a) in the event the Company is making a bonus issue by way of capitalization of its profits or reserves prior to the allotment of the Equity Shares, the number of Equity Shares to be allotted shall stand augmented in the same proportion in which the equity share capital increases as a consequence of such bonus issue and the premium, if any, shall stand reduced pro tanto; (b) in the event of the Company making a rights offer by issue of Equity Shares prior to the allotment of the Equity Shares, the entitlement to the Equity Shares will stand increased in the same proportion as that of the rights offer and such additional Equity Shares shall be offered to the holders of the Securities at the same price at which the same are offered to the existing shareholders; (c) in the event of merger, amalgamation, takeover or any other reorganization or restructuring or any such corporate action, the number of Equity Shares, the price and the time period as aforesaid shall be suitably adjusted; and (d) in the event of consolidation and/or division of outstanding Equity Shares into smaller number of Equity Shares (including by way of stock split) or reclassification of the Securities into other se-





curities and/or involvement in such other event or circumstances which in the opinion of concerned stock exchange requires such adjustments, necessary adjustments will be made.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized on behalf of the Company to seek listing of (a) existing Equity shares of the Company on BSE Ltd. (b) of any or all of such Securities to be offered, issued and allotted on BSE Ltd.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to appoint lead manager(s), underwriters, depositories, custodians, registrars, bankers, lawyers, advisors and all such agencies as are or may be required to be appointed, involved or concerned in the Issue and to remunerate them by way of commission, brokerage, fees or the like and also to reimburse them out of pocket expenses incurred by them and also to enter into and execute all such arrangements, agreements, memorandum, documents, etc., with such agencies.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized on behalf of the Company to take all actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient for the Issue and to resolve and settle all questions, difficulties or doubts that may arise in regard to such Issue, including the finalization and approval of the draft as well as final offer document(s), determining the form and manner of the Issue, finalization of the timing of the Issue, identification of the investors to whom the Securities are to be offered, determining the issue price, face value, premium amount on issue/conversion of the Securities, if any, rate of interest, execution of various transaction documents, signing of declarations, creation of mortgage/charge, utilization of the issue proceeds, without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any committee of directors or any director(s) or any other officer(s) of the Company in such manner as they may deem fit in their absolute discretion.”

By Order of the Board of Directors  
For **CFF Fluid Control Limited**

Date: 5<sup>th</sup> September, 2024  
Place: Mumbai

Sd/-  
Sunil Menon  
Managing Director  
DIN: 00409485

## Notes

1. A member entitled to attend and vote at annual general meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. The instrument appointing proxy, in order to be effective, must be deposited at the company's corporate office, duly completed and signed, not less than forty eight hours before the commencement of the meeting. Proxies submitted on behalf of limited companies, societies, etc., Must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the company. In case a proxy is proposed to be appointed by a member holding more than 10% of total share capital of the company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder. The blank proxy form is enclosed.
2. Corporate members intending to send their authorized representative(s) to attend the Meeting are requested to send to the Company a certified true copy of the relevant Board Resolution together with the specimen signature(s) of the representative(s) authorized under the said Board Resolution to attend and vote on their behalf at the Meeting.
3. In Compliance with the MCA Circulars and SEBI Circular, Notice of AGM along with the Annual Report is being sent only through electronic mode to those members whose email addresses are registered with the Company or the Depository. Members may note that the Notice and Annual Report will also be available on the Company's website [www.cffdefensys.com](http://www.cffdefensys.com) and website of the stock exchange i.e. Bombay Stock Exchange Limited at <https://www.bseindia.com> and AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
4. Members desiring any further information on the business to be transacted at the meeting should write to the company at least 15 days before the date of the meeting so as to enable the management to keep the information, as far as possible, ready at the meeting.
5. Only bona fide members of the Company whose names appear on the Register of Members/Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the

- meeting. The Company reserves its right to take all steps as may be deemed necessary to restrict non-members from attending the meeting.
6. Details of Directors retiring by rotation/seeking appointment/ re-appointment at the ensuing Meeting are provided in the explanatory statement annexed to the Notice pursuant to the provisions of (i) Regulation 36(3) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India, forms integral part of the notice as 'Annexure - A'.
  7. Members/Proxies/Authorised Representatives are requested to bring to the Meeting necessary details of their shareholding, attendance slip(s), enclosed herewith duly completed and signed and copy(ies) of their Annual Report
  8. In case of joint holders attending the Meeting, the first holder as per the Register of Members of the Company will be entitled to vote
  9. The Register of Directors and Key Managerial Personnel and their shareholding, Register of Contracts or Arrangements maintained under Section 170 & 189 respectively of the Companies Act, 2013, will be available for inspection by the members at the AGM
  10. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, September 23, 2024 to Sunday, September 29, 2024 (both days inclusive).
  11. Member holding shares in physical form are requested to intimate/ indicating their respective folio no., the change of their addresses and change of bank accounts etc. to Cameo Corporate Services Limited, RTA of the Company, while members holding shares in electronic form may write to the respective depository participant for immediate updation.
  12. To receive communications through electronic means, including Annual Reports and Notices, members are requested to kindly register/update their email address with their respective depository participant. Alternatively, member may send signed copy of the request letter providing the email address, mobile number and self-attested PAN copy along with client master copy (in case of electronic folio)/copy of share certificate (in case of physical folio) via email to [www.cffdefensys.com](http://www.cffdefensys.com) for obtaining the Annual Report and Notice of AGM.
  13. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form, are therefore, and requested to submit their PAN to their Depository Participants with whom they maintain their Demat Accounts. Members holding shares in physical form and submit their PAN to the Company/ RTA viz. Cameo Corporate Services Limited.
  14. All documents referred to in the Notice will be available for inspection at the Company's registered office during normal business hours on working days up to the date of the AGM.
  15. As per the green initiative taken by the Ministry of Corporate Affairs, the shareholders are advised to register their e-mail Ids by sending written request to our RTA M/s Cameo Corporate Services Limited in respect of shares held in physical form and with the concerned Depository Participant in respect of shares held in Demat form to enable the Company to serve them documents I all communications including Annual Reports, Notices, circulars etc. in electronic form.

16. M Rupareliya & Associates, Practicing Company Secretary (Membership No. A51422) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
17. The facility for voting, either through electronic voting system or ballot or polling paper shall also be made available at the meeting and Members attending the meeting who have not already cast their vote by remote evoting or by ballot form shall be able to exercise their right at the meeting.

**18. Voting through electronic means:**

1. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (Listing Regulations), the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at Annual General Meeting by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the Annual General Meeting ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
2. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
3. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
4. The remote e-voting period commences on Thursday, September 26, 2024 (9:00 A.M.) and ends on Sunday, September 29, 2024 (5:00 P.M.). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Monday, September 23, 2024 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
5. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of Monday, September 23, 2024
6. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice electronically and holding shares as of the cut-off date i.e. Friday, August 30, 2024 may obtain the login ID and password by sending a request at [evoting@nsdl.com](mailto:evoting@nsdl.com) or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no. 1800 222 990. In case of Individual Shareholders holding

securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. Monday, September 23, 2024 may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system."

7. How do I vote electronically using NSDL e-Voting system?

*The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:*

**Step 1: Access to NSDL e-Voting system**

Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

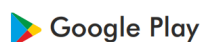
**Type of shareholders**

**Login Method**

**Individual Shareholders holding securities in demat mode with NSDL.**

1. Existing IDeAS user can visit the e-Services website of NSDL Viz. <https://eservices.nsdl.com> either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
2. If you are not registered for IDeAS e-Services, option to register is available at <https://eservices.nsdl.com>. Select "Register Online for IDeAS Portal" or click at <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>
3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

NSDL Mobile App is available on



## Type of shareholders

## Login Method

- 
4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.

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### Individual Shareholders holding securities in demat mode with CDSL

1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website [www.cdslindia.com](http://www.cdslindia.com) and click on login icon & New System Myeasi Tab and then user your existing my easi username & password.
2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.
3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website [www.cdslindia.com](http://www.cdslindia.com) and click on login & New System Myeasi Tab and then click on registration option.
4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on [www.cdslindia.com](http://www.cdslindia.com) home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

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### Individual Shareholders (holding securities in demat mode) login through their depository participants

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a> or call at toll free no.: 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 1800 22 55 33

**Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

*HOW TO LOG-IN TO NSDL E-VOTING WEBSITE?*

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

**Manner of holding shares i.e. Your User ID is:  
Demat (NSDL or CDSL) or Physical**

a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
  - a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c. How to retrieve your 'initial password'?
    - i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - ii. If your email ID is not registered, please follow steps mentioned below **in process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a. Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b. Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c. If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.com](mailto:evoting@nsdl.com) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

## **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system**

### *HOW TO CAST YOUR VOTE ELECTRONICALLY AND JOIN GENERAL MEETING ON NSDL E-VOTING SYSTEM?*

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dis-



- sent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
  6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
  7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [csmayurirupareliya@gmail.com](mailto:csmayurirupareliya@gmail.com) with a copy marked to [evoting@nsdl.com](mailto:evoting@nsdl.com). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on “Upload Board Resolution / Authority Letter” displayed under “e-Voting” tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/ Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 022 - 4886 7000 and 022 - 2499 7000 or send a request at [evoting@nsdl.com](mailto:evoting@nsdl.com).

### **Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [compliance@cffdefensys.com](mailto:compliance@cffdefensys.com)
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [compliance@cffdefensys.com](mailto:compliance@cffdefensys.com) If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e.Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to [evoting@nsdl.com](mailto:evoting@nsdl.com) for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.
19. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 022 - 2499 7000 or send a request at [evoting@nsdl.com](mailto:evoting@nsdl.com).
20. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
21. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
22. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
23. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.cffdefensys.com](http://www.cffdefensys.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.
24. As per regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except for transmission or transposition of securities. In view of this and to eliminate all risks associated with the physical shares members holding shares in physical form are requested to consider converting their holdings into dematerialized form. Members can contact Company or Company's Registrar and Transfer Agents of the Company for any support in this regard.

## **INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [compliance@cffdefensys.com](mailto:compliance@cffdefensys.com). The same will be replied by the company suitably.
6. Shareholders who would like to express their views/ask questions during the AGM may register themselves as an attendee by sending their request in advance at least 2 days prior to meeting mentioning their name, demat account number/folio number, email id, PAN, mobile number at [compliance@cffdefensys.com](mailto:compliance@cffdefensys.com)
7. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 2 days prior to meeting mentioning their name, demat account number/folio number, email id, PAN, mobile number at [compliance@cffdefensys.com](mailto:compliance@cffdefensys.com). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as an attendee will be allowed to express their views/ ask questions during the meeting. The member who has not registered themselves an attendee but have queries during the AGM can use the chat box/ send query button and ask the question.
9. If you have any queries or issues regarding attending AGM & e-Voting from the NSDL e-Voting System, you can write an email to [evoting@nsdl.com](mailto:evoting@nsdl.com) or call at 022 - 4886 7000 and 022 - 2499 7000.
10. All grievances connected with the facility for voting by electronic means may be addressed to (NSDL) National Securities Depository Limited, Trade World, 'A' Wing, 4<sup>th</sup> Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013 or send an email to [evoting@nsdl.com](mailto:evoting@nsdl.com) or call on 022 - 4886 7000 and 022 - 2499 7000. For, any other queries regarding Participating in AGM or other matter kindly write to [compliance@cffdefensys.com](mailto:compliance@cffdefensys.com), In case you have any queries or issues regarding attending Annual General Meeting through VC/OAVM write an email to: [investor@cameodina.com](mailto:investor@cameodina.com).



25. All queries relating to Share Transfer and allied subjects should be addressed to:

**CAMEO CORPORATE SERVICES LIMITED**

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

Tel.: +91 - 44 - 40020700 (5 Lines)

E-mail: [priya@cameoindia.com](mailto:priya@cameoindia.com)

Investor Grievance Email: [investor@cameodina.com](mailto:investor@cameodina.com)

Website: [www.cameoindia.com](http://www.cameoindia.com)

Contact Person: K. Sreepriya

By Order of the Board of Directors  
For CFF Fluid Control Limited

Date: 05<sup>th</sup> September, 2024

Place: Mumbai

Sd/-

Sunil Menon

Managing Director

DIN: 00409485

**Registered office**

Plot No 01, Survey No 96, Kumbhivli Madap Khopoli, Khalapur, Raigarh-410203, Maharashtra, INDIA

**Corporate Office**

503, Delphi, A Wing, Orchard Avenue, Hiranandani Business Park, Powai, Mumbai-400076, Maharashtra, INDIA

**Contact Person**

Sonika Mehta

*COMPANY SECRETARY AND COMPLIANCE OFFICER*

Email: [compliance@cffdefensys.com](mailto:compliance@cffdefensys.com)

Telephone: +91-2246086806

Website: [www.cffdefensys.com](http://www.cffdefensys.com)

## Annexure – A to the Notice

The relevant details of directors who is proposed to be re-appointed director of the Company, as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2 issued by the Company Secretaries of India are as under;

### Details of director seeking re-appointment

Name of Director	Gautam Makkar
DIN	00354956
Current Position	Chairman and Non-Executive Director (Liable to retire by rotation)
Age:	54 years
Qualification:	Bachelor of Electrical Engineering
Experience:	More than 26 years
Expertise in specific functional areas	Experience in the fields of sourcing and providing solutions to defence, power and marine industry.
Brief resume of the director	Mr. Gautam Makkar is the Chairmen and Non Executive Director of the Company and He is the founding Promoter of our company and was appointed on the Board of our Company since incorporation. He has completed his Bachelor of Electrical Engineering from Poona University in the year 1991. He has more than 26 years of experience in the fields of sourcing and providing solutions to defence, power and marine industry and he is responsible for providing his expertise for growth and expansion of our Company.
Date of first Appointment:	16/02/2012
Number of Board Meetings attended during the year:	Attended all the meetings held in F.Y. 2023-2024
Shareholding in the Company:	43,56,340 Equity Shares
Relationship with Other Directors:	Sunil Menon is the brother in law of Gautam Makkar.

Other Directorship	<ol style="list-style-type: none"> <li>1. Airotech Profiles (India) Private limited.</li> <li>2. Autostem Technologies India Private limited.</li> <li>3. Diplok Advisory Private Limited</li> <li>4. FF Flowline Private Limited.</li> <li>5. Flash Forge Private Limited.</li> <li>6. Century Environmental Systems Private Limited</li> </ol>
Memberships/ Chairmanship of Committees	<p>Member of the below mentioned committees of CFF Fluid Control Limited -</p> <ol style="list-style-type: none"> <li>1. Stakeholders Relationship Committee</li> <li>2. Nomination &amp; Remuneration Committee</li> <li>3. Corporate Social Responsibility Committee</li> </ol>

## Explanatory Statement Pursuant to Section 102(1) of the Companies Act, 2013.

### ITEM NO. 04

The Company is required to have the audit of its cost records conducted by a cost accountant in practice under Section 148 of the Act, read with the Companies (Cost Records and Audit) Rules, 2014 ("the Rules").

The Board in its meeting held on 29<sup>th</sup> May 2024, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2025 as per the following details:

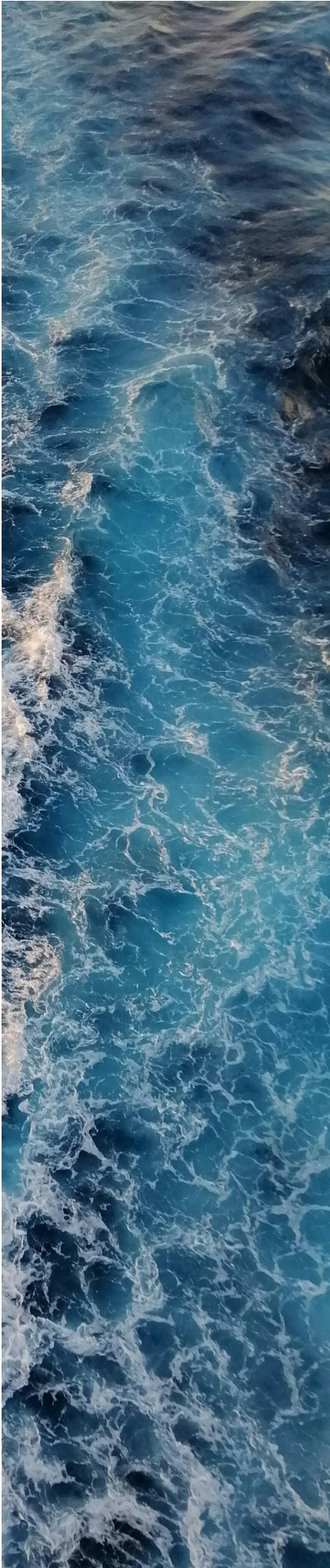
M/s. A.S Rao & Co., Practising Cost Accountant.	Firm No. 000326	Registration	Audit Fees - 1,00,000/-
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In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at item no. 4 of the notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31<sup>st</sup> March, 2025.

The Board commends the Ordinary Resolution set out at item no. 4 of the notice for approval by the members.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMPs is concerned or interested in the Resolution set out at item no. 4 of the accompanying notice.



#### ITEM NO. 05

The proposal to raise capital is expected to provide our Company necessary platform for meeting growing requirements of its expanding business and therefore the Board of Directors of our Company have proposed to raise capital by way of issuance of upto 15,25,900 (Fifteen Lakhs Twenty Five thousand Nine hundred) Equity Shares through any permissible mode or combination of including but not limited to a QIP and/or private placement/ preferential issue and/or right issue or by way of a public issue. The Company proposes to utilize the funds raised through the proposed issuance towards working capital requirement of the Company and towards general corporate purposes.

The Board may in their discretion adopt any one or more of the mechanisms prescribed above to meet its objectives as stated in the aforesaid paragraphs without the need for fresh approval from the Members of the Company. The proposed issue of capital is subject to the applicable regulations issued by the Securities and Exchange Board of India, each to the extent applicable, and any other government/ regulatory approvals as may be required in this regard.

In case the issue is made through a qualified institutions placement, the pricing of the shares that may be issued to qualified institutional buyers pursuant to a qualified institutions placement shall be determined by the Board in accordance with the regulations on pricing of equity shares prescribed under the SEBI ICDR Regulations. The resolution enables the Board to offer such discount as permitted under applicable law on the price determined pursuant to the SEBI ICDR Regulations. The Company may, in accordance with applicable law, offer a discount or such percentage as permitted under applicable law on the floor price determined pursuant to the SEBI ICDR Regulations.

The Special Resolution also seeks to give the Board powers to issue equity shares in one or more tranche or tranches, at such time or times, at such price or prices and to such person(s) including institutions, incorporated bodies and/ or individuals or otherwise as the Board in its absolute discretion deem fit. The detailed terms and conditions for the issue(s)/offering(s) will be determined by the Board or its committee in its sole discretion in consultation with the advisors, lead managers, underwriters and such other authority or authorities as may be necessary considering the prevailing market conditions and in accordance with the applicable provisions of law and other relevant factors.

The Equity Shares to be allotted would be listed on BSE Limited. The offer/ issue/ allotment would be subject to the availability of the regulatory approvals, if any. As and when the Board does take a decision on matters on which it has the discretion, necessary disclosures will be made to the stock exchanges as may be required under the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, Section 62(1)(a) of the Act provides, inter alia, that when it is proposed to increase the issued capital of a company by allotment of further Equity Shares, such further Equity Shares shall be offered to the existing Members of such company in the manner laid down therein unless the Members by way of a special resolution decide otherwise.

Since, the Special Resolution proposed in the business of the Notice may result in the issue of Equity Shares of the Company to persons other than existing Members of the Company, approval of the Members is also being sought pursuant to the provisions of Section 62(1)(c) and other applicable provisions of the Act as well as applicable rules notified by the Ministry of Corporate Affairs and in terms of the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Accordingly, consent of the members is sought for passing a special resolution as set out at item no. 5 of the notice for approving raise capital through FPO/QI or any permissible mode

The Board recommends the Special Resolution set out at item no. 5 of the notice for approval by the members.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMPs is concerned or interested in the Resolution set out at item no. 5 of the accompanying notice.





# Directors' Report

## For The Financial Year Ended March 31, 2024

To The Members:

Your Directors have pleasure in presenting this Twelfth (12<sup>th</sup>) Directors' Report along with the Audited Financial Statements for the Financial Year ended March 31, 2024.

### 1. Highlights of financial performance:

Your Company's Standalone performance during the Financial Year 2023-24 as compared to that of the previous Financial Year 2022-23 is summarized below:

Particulars	Financial Year ended – Amount in '000)	
	31/03/2024	31/03/2023
Total Income	10,69,756.82	7,10,993.96
Profit before Exceptional and Extraordinary Item and Tax	2,40,014.11	1,44,159.93
Less: Prior period items and Extraordinary Item	-	180.24
Profit Before Taxation (PBT)	2,40,014.11	1,43,979.69
Less: Tax Expense	69,136.64	42,619.79
Profit After Taxation (PAT)	1,70,877.47	1,01,359.90

### 2. State of affairs of the company, its subsidiaries & joint ventures & other associates/ review of operations.

Your company is primarily in the business of manufacturing and servicing of critical component systems and test facilities for submarines & surface ships for The Indian Navy.

There has been no change in the nature of business of your Company during the Financial Year 2023-24.

#### Businesses of the Company:

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

The break up of revenue model between defence sector and non defence sector for FY 2023-24 is as shown on the next page:



### 3. Capital expenditure

During the year the company incurred the capital expenditure of Rs. 1,687.73 lakhs on fixed assets.

### 4. Familiarisation programme for directors:

As a practice, all Directors (including Independent Directors) inducted to the Board go through a structured orientation programme. Presentations are made by Senior Management giving an overview of the operations, to familiarise the new Directors with the Company's business operations. The Directors are given an orientation on the products of the business, group structure and subsidiaries, Board constitution and procedures, matters reserved for the Board, and the major risks and risk management strategy of the Company.

During the year under review, no new Independent Directors were inducted to the Board.

### 5. Dividend:

The Board of Directors, in its meeting held on November 03, 2023, has declared an interim dividend @ 5% per equity share (₹0.50 per share) on the paid-up equity share capital of the company which was paid on or before 29<sup>th</sup> November, 2023.

Further, the Board of Directors, in its Meeting held on May 29, 2024 has recommended a final dividend @ 5% per equity share (₹0.50 per share) on the paid-up equity share capital of the Company, subject to approval of shareholders.

### 6. Share capital and reserves:

- a. Share capital The paid up Equity Share Capital of the Company as on March 31, 2023 was Rs. 14,27,41,000/- divided into 1,42,74,100 equity shares of Rs. 10/- each fully paid up. During the year under Review the Company has attained the status of being listed on BSE SME Platform with effect from June 12, 2023. Through its prospectus dated May 23, 2023, the Company successfully raised ₹8,580.00 lakhs by offering 52,00,000 equity shares at ₹10 each via an initial public offering. Further 52,00,000 Equity Shares of face value of Rs. 10/- each were available under the Offer, at Issue Price of Rs. 165. The paid up Equity Share Capital of the Company as on March 31, 2024 is Rs. 19,47,41,000/- divided into 1,94,74,100 equity shares of Rs. 10/- each fully paid up.
- b. Transfer to Reserves: The company retained the entire surplus in the Profit and Loss Account and hence no transfer to General Reserve was made during the year.

### 7. Cash Flow Statements

As required under regulation 34 of the SEBI (LODR) Regulations, 2015, a Cash Flow Statement forms part of Annual Report.

## **8. Transfer of unpaid and unclaimed dividends to investor education and protection fund**

The Ministry of Corporate Affairs under Sections 124 and 125 of the Companies Act, 2013 requires dividends that are not encashed/ claimed by the shareholders for a period of seven consecutive years, to be transferred to the Investor Education and Protection Fund (IEPF). In FY 2023-24, there was no amount due for transfer to IEPF.

## **9. Subsidiary/ joint venture/ associate company**

The Company does not have any Subsidiary, Joint venture or an Associate Company.

## **10. Deposits:**

During the year, the Company has not accepted any deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

## **11. Change in the nature of business, if any:**

During the year, there was no change in the nature of business of the company.

## **12. Material changes and commitments after the reporting period**

There have been no material changes and commitments, which affect the financial position of the Company which have occurred between the end of the FY and the date of this Report.

## **13. Significant and material orders**

There are no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

## **14. Corporate governance**

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 exempts companies which have listed their specified securities on SME Exchange from compliance with corporate governance provisions.

Since the equity share capital of your Company is listed exclusively on the SME Platform of BSE, the Company is exempted from compliance with Corporate Governance requirements, and accordingly the reporting requirements like Corporate Governance Report, Business Responsibility Report etc. are not applicable to the Company.

## **15. Extract of annual return:**

The Annual Return of the Company as on 31<sup>st</sup> March, 2024 is available on the website of the Company at <https://cffdefensys.com/>.

## **16. Scheme of Amalgamation / Arrangement:**

During the Financial Year 2023-24, your Company has not proposed or considered or approved any Scheme of Merger / Amalgamation / Take-over / Demerger or Arrangement with its Members and/or Creditors.

**17. Details in Respect of Adequacy of Internal Financial Controls With Reference to the Financial Statement:**

In the opinion of the Board of Directors of your Company, adequate internal financial controls are available, operative and adequate, with reference to the preparation and finalization of the Financial Statement for the Financial Year 2023-24.

**18. Details of Application Made or any Proceeding Pending Under the Insolvency and Bankruptcy Code, 2016, during the Financial Year along with their status as at the end of the financial year:**

During the Financial Year 2023-24, there was no application made and proceeding initiated / pending by any Financial and/or Operational Creditors against your Company under the Insolvency and Bankruptcy Code, 2016.

As on the date of this Report, there is no application or proceeding pending against your Company under the Insolvency and Bankruptcy Code, 2016.

**19. Details of difference between the amount of valuation at the time of one-time Settlement and the valuation done at the time of taking a loan from the banks or Financial institutions along with the reasons thereof:**

During the Financial Year 2023-24, the Company has not made any settlement with its bankers for any loan(s) / facility (ies) availed or / and still in existence.

**20. Particulars Of Loans, Guarantees And Investments Under Section 186 Of The Companies Act, 2013:**

The Company has not given any loans, guarantees or made any investments under section 186 of the Companies Act, 2013

**21. Board matters:**

**A. Directors' Responsibility Statement pursuant to section 134 of the Companies Act, 2013**

Your Board of Directors hereby confirms that:

- i. In the preparation of the annual accounts of the Company for the year ended March 31, 2024, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- ii. the accounting policies selected were applied consistently and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2024 and of the profit of the company for the year ended on that date;
- iii. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv. the annual accounts have been prepared on a going concern basis;
- v. adequate internal financial controls have been laid down, have been followed and have been operating effectively;

- vi. Proper systems have been devised to ensure compliance with the provisions of all applicable laws and those systems have been adequate and operating effectively.

## **B. Declaration of independent directors**

The Company has received declarations from all its Independent Directors that they meet the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013 and Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Independent Directors have also confirmed that they have complied with the Code for Independent Directors prescribed in Schedule IV of the Companies Act, 2013. Independent Directors of the company have registered their names in the Independent Director's Database maintained by the Indian Institute of Corporate Affairs (IICA).

## **C. Board meetings**

During the financial year 2023-24, Board meetings were convened and held on 10<sup>th</sup> April, 2023, 23<sup>rd</sup> May 2023, 07<sup>th</sup> June 2023, 31<sup>st</sup> July, 2023, 30<sup>th</sup> August 2023, 03<sup>rd</sup> November, 2023 and 5<sup>th</sup> February, 2024.

## **D. Criteria for performance evaluation**

### **Performance evaluation criteria for Independent Directors**

The performance evaluation criteria for independent directors are determined by the Nomination and Remuneration committee. Factors of evaluation include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, integrity and maintenance of confidentiality and independence of behavior and judgment.

### **Executive Directors**

Performance of the Executive Directors is evaluated on broad criteria such as contribution and value addition to the Board and Committees thereof; contribution to the Company and management to achieve its plans, goals, corporate strategy and risk mitigation; level of participation in the Board and Committee meetings, etc. Director being evaluated does not participate in the evaluation process. The performance of Board as a whole is evaluated by the Independent Directors on the basis of its duties and responsibilities as per terms of reference. The Chairman's performance is evaluated by Independent Directors on the above parameters after taking into account the views of Executive and Non-Executive Directors.

## **E. Meeting of Independent Directors**

A separate meeting of Independent Directors of the Company was held on 25<sup>th</sup> March, 2023. At the meeting, the Independent of the company reviewed the performance of the Non-Independent Directors and the Board as a whole; reviewed the performance of the Chairman of the Company, taking into account the views of the Executive and Non-executive Directors and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

The Independent Directors expressed their satisfaction with the overall performance of the Directors and the Board as a whole.

#### F. Directors

There were no Appointment/ Resignation/ Change in Designation of directors during the year under review.

#### G. Retirement by Rotation

Mr. Gautam Makkar, (DIN: 00354956) Chairman and Non-Executive Director retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for reappointment and the resolution under item No.2 seeking approval of the Members for his re-appointment has been incorporated in the Notice convening the 12<sup>th</sup> Annual General Meeting of the Company along with brief details about his.

#### H. Changes in Key Managerial Personnel

There were no Changes in Key Managerial Personnel during the year under review.

Further Pursuant to the provisions of Section 2(51) and 203 of the Companies Act, 2013, as on date of report, following are the Key Managerial Personnel of the Company:

- Sunil Menon, Managing Director,
- Hitesh Birla, Chief Financial Officer and
- Sonika Mehta, Company Secretary and Compliance Officer.

#### I. Disclosures by Directors:

The Board of Directors has submitted notice of interest in Form MBP 1 under Section 184(1) as well as intimation by directors in Form DIR 8 under Section 164(2) and declarations as to compliance with the Code of Conduct of the Company.

Certificate of Non-Disqualification of Directors received from M/s. M Rupareliya & Associates, Practicing Company Secretary is annexed to the Board's Report as "Annexure VI".

#### J. Committees of the board:

- a. Audit Committee:

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

Name of Director	Category	Position in the committee	Attendance at the Audit Committee Meetings held on	
			31.07.2023	03.11.2023
Rajnish Prakash	Non-Executive Independent Director	Chairman	Yes	Yes
Priyanka Moondra Rathi,	Non-Executive Independent Director	Member	Yes	Yes
Sunil Menon	Managing Director	Member	Yes	Yes

The Committee is governed by a Charter, which is in line with the regulatory requirements mandated by the Companies Act, 2013. Some of the important functions performed by the Committee are:

#### Financial Reporting and Related Processes:

- Oversight of the Company's financial reporting process and financial information submitted to the Stock Exchanges, regulatory authorities or the public.
- Reviewing with the Management, the Half Yearly Unaudited Financial Statements and the Auditor's Limited Review Report thereon / Audited Annual Financial Statements and Auditors' Report thereon before submission to the Board for approval. This would, inter alia, include reviewing changes in the accounting policies and reasons for the same, major accounting estimates based on exercise of judgement by the Management, significant adjustments made in the Financial Statements and / or recommendation, if any, made by the Statutory Auditors in this regard.
- Review the Management Discussion & Analysis of financial and operational performance.
- Discuss with the Statutory Auditors its judgement about the quality and appropriateness of the Company's accounting principles with reference to the Accounting Standard (AS).
- Review the investments made by the Company.

All the Members on the Audit Committee have the requisite qualification for appointment on the Committee and possess sound knowledge of finance, accounting practices and internal controls.

#### b. Nomination and Remuneration Committee:

The Nomination and Remuneration Committee, as per Section 178(1) of Companies Act, 2013, our board has constituted Nomination and Remuneration Committee vide Board Resolution dated November 04, 2022 in accordance with the Section 178 of the Companies Act, 2013. The Nomination and Remuneration Committee comprises of:

Name of Director	Category	Position in the committee	Attendance at the Nomination and Remuneration Committee held on 31.07.2023
Priyanka Moondra Rathi	Non-Executive Independent Director	Chairman	Yes
Rajnish Prakash	Non-Executive Non-Independent Director	Member	Yes
Gautam Makkar	Non-Executive Director	Member	Yes

The terms of reference of the Committee inter alia, include the following:

- Succession planning of the Board of Directors and Senior Management Employees;
- Identifying and selection of candidates for appointment as Directors / Independent Directors based on certain laid down criteria;
- Identifying potential individuals for appointment as Key Managerial Personnel and to other Senior Management positions;
- Formulate and review from time to time the policy for selection

- and appointment of Directors, Key Managerial Personnel and senior management employees and their remuneration;
- Review the performance of the Board of Directors and Senior Management Employees based on certain criteria as approved by the Board.

The Company has formulated a Remuneration Policy which is annexed to the Board's Report in "Annexure VII".

c. Stakeholders Relationship Committee:

The Stakeholders Relationship Committee, as per Section 178(5) of Companies Act, 2013, our board has constituted the Stakeholders Relationship Committee vide Board Resolution dated November 04, 2022 in accordance with the Section 178 of the Companies Act, 2013. The Stakeholders Relationship Committee comprises of:  
The terms of reference of the Committee are:

Name of Director	Category	Position in the committee	Attendance at the Stakeholders Relationship Committee held on 31.07.2023
Priyanka Moondra Rathi	Non-Executive Independent Director	Chairman	Yes
Rajnish Prakash	Non-Executive Independent Director	Member	Yes
Gautam Makkar	Non-Executive Director	Member	Yes

- transfer/transmission of shares/debentures and such other securities as may be issued by the Company from time to time;
- issue of duplicate share certificates for shares/debentures and other securities reported lost, defaced or destroyed, as per the laid down procedure;
- issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates / certificates relating to other securities;
- issue and allot right shares / bonus shares pursuant to a Rights Issue / Bonus Issue made by the Company, subject to such approvals as may be required;
- to grant Employee Stock Options pursuant to approved Employees' Stock Option Scheme(s), if any, and to allot shares pursuant to options exercised;
- to issue and allot debentures, bonds and other securities, subject to such approvals as may be required;
- to approve and monitor dematerialization of shares / debentures / other securities and all matters incidental or related thereto;
- to authorize the Company Secretary and Head Compliance / other Officers of the Share Department to attend to matters relating to non-receipt of annual reports, notices, non-receipt of declared dividend / interest, change of address for correspondence etc. and to monitor action taken;
- monitoring expeditious redressal of investors / stakeholders grievances;
- all other matters incidental or related to shares, debenture



During the year, Four (4) complaints were received from shareholders/ Stakeholders and the same has been resolved within the stipulated time. Further there are no balance complaints. The Company had no share transfers pending as on March 31, 2024.

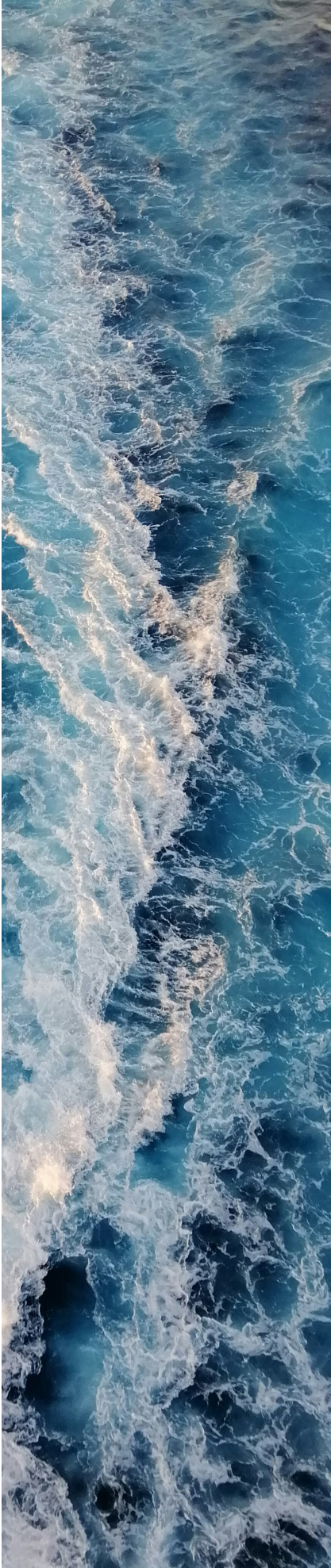
d. The Corporate Social Responsibility Committee:

The Corporate Social Responsibility Committee, as per Section 135 of Companies Act, 2013, our board has constituted the CSR Committee vide Board Resolution dated November 04, 2022 in accordance with the Companies Act, 2013. The Corporate Social Responsibility Committee comprises of:

Name of Director	Category	Position in the committee	Attendance at the Corporate Social Responsibility Committee held on 31.07.2023
Sunil Menon	Managing Director	Chairman	Yes
Gautam Makkar	Non- Executive Director	Member	Yes
Prakash Rajnish	Non - Executive Independent Director	Member	Yes

The terms of reference of the Committee are:

- Formulation of a corporate social responsibility policy to the Board, indicating the activities to be undertaken by the Company in areas or subject specified in the Companies Act, 2013. The activities should be within the list of permitted activities specified in the Companies Act, 2013 and the rules thereunder;
- Recommending the amount of expenditure to be incurred, amount to be at least 2% of the average net profit of the Company in the three immediately preceding financial years or where the Company has not completed the period of three financial years since its incorporation during such immediately preceding financial years;
- Instituting a transparent monitoring mechanism for implementation of the corporate social responsibility projects or programs or activities undertaken by the Company;
- Monitoring the corporate social responsibility policy from time to time and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;
- Identifying corporate social responsibility policy partners and corporate social responsibility policy programmes; Identifying and appointing the corporate social responsibility team of the Company including corporate social responsibility manager, wherever required; and Performing such other duties and functions as the Board may require the Corporate Social Responsibility Committee to undertake to promote the corporate social responsibility activities of the Company or as may be required under applicable laws.



## **22. Transfer of shares and unclaimed dividend to Investor Education and Protection Fund (IEPF):**

During the year under review, your Company has not transferred any unclaimed amount and shares lying with the Company for a period of seven years to the Investor Education and Protection Fund (IEPF) in compliance with the applicable provisions of the Companies Act, 2013.

## **23. Auditors:**

- a. Independent Auditors: M/S. V. N. Purohit & Co., Chartered Accountants - Firm Registration No. 304040E Statutory Auditors of the Company were appointed at the 10<sup>th</sup> Annual General Meeting of the Company held on September 30, 2022 for a period of five years. Accordingly, M/S. V. N. Purohit & Co., will complete their term and tenure as envisaged in Section 139 of the Companies Act, 2013 at the conclusion of this Annual General Meeting to be held in the year 2026.
- b. Cost Auditor: During the year i.e. 2023-24 under review, Cost audit was not applicable to us.  
Further, for the year ended March 31, 2024, the company has an overall annual turnover of ₹107 Crore (One hundred and Seven Crore), which exceeds the criteria laid down under Section 148, i.e., ₹100 crore. Therefore, according to the provisions of Section 148 of the Companies Act 2013, the company will get its Cost Records Audited for the Financial Year 2024-25.
- c. Secretarial auditor: During the year under review, the Board of Directors, on the recommendation of the Audit Committee, has appointed M Rupareliya & Associates, a practicing company secretary, as Secretarial Auditor to conduct the secretarial audit of the Company for the financial year 2023-24.

The company in its Board meeting held on dated 29<sup>th</sup> May 2024, has reappointed M Rupareliya & Associates, a practicing company secretary, as Secretarial Auditor to conduct the secretarial audit of the Company for the financial year 2024-25. They have confirmed their eligibility for the re-appointment.

## **24. Independent auditors' report:**

The Statutory Auditor's report to the Members on the financial statement for the year ended March 31, 2024 does not contain any qualification, reservation, adverse remark or any disclaimer.

## **25. Reporting of fraud:**

During the year under review, there were no instances of frauds reported by Auditors under Section 143(12) of the Companies Act, 2013.

## **26. Credit Rating**

During the year under review, no credit rating has been obtained for the company.

## **27. Management discussion and analysis Report**

A detailed review of operations, performance and future outlook of your Company and its businesses is given in the Management Discus-

sion and Analysis, which forms part of this Report as stipulated under Regulation 34(2)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 details are given in Annexure -IV to this Report.

## **28. Compliance with Secretarial Standards**

The Company has complied with Secretarial Standards notified by the Institute of Company Secretaries of India.

## **29. Conservation of energy, technology absorption and foreign exchange earnings and outgo**

The Information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as Annexure - I to this Report.

## **30. Particulars of contracts or arrangements with related parties referred to in Sub-section (1) of section 188 of the companies act, 2013:**

All related party transactions entered by the Company during the financial year 2023-24 with related parties were on arm's length basis and in the ordinary course of business. No material related party transactions / arrangements were entered into during the financial year by the Company.

The particulars of transactions with related parties referred in section 188(1) of the Companies Act, 2013 entered by the Company during the financial year ended March 31, 2024 in Form AOC-2 is annexed herewith as Annexure - II to this Report.

The details of the transactions with related parties were also provided in the notes to the financial statements.

## **31. Risk management policy**

Your company recognizes Risk Management as a very important part of business and has kept in place necessary policies, procedures and mechanisms. The company proactively identifies monitors and takes precautionary and mitigation measures in respect of various risks that threaten the operations and resources of the company.

The Risk Management Policy of the company is available at the link <https://cffdefensys.com/investors/>.

## **32. Vigil mechanism policy**

Pursuant to the provisions of Section 177 (9) and (10) of the Companies Act, 2013 a Whistle Blower policy has been established. The policy is available at the website link <https://cffdefensys.com/investors/>.

## **33. Corporate social responsibility (CSR) activities during the year 2023-24:**

During the year, the Company has in place a CSR policy laid down in accordance with the provisions of Companies Act, 2013 and rules made thereunder. The Company under its CSR policy, affirms its commitment of seamless integration of marketplace, workplace, environment and community concerns with business operations by undertaking activities

/ initiatives that are not taken in its normal course of business and/or confined to only the employees and their relatives and which are in line with the broad-based list of activities, areas or subjects that are set out under schedule VII of the Companies Act, 2013.

The company has spent an amount of Total Amount of Rs. 25,50,000 on CSR activities as specified in Schedule VII of the Companies Act, 2013, against the 2% of average profit for the last three years.

The Company had deposited a sum of Rs. 8.50 Lakhs pertaining to CSR expenditure for the year ended on 31<sup>st</sup> March 2023 to the "PM Cares Fund" specified under Schedule VII of the Companies Act, 2013 before due date and for the Financial year ended on 31<sup>st</sup> March 2024, the company has spent an amount of Rs. 17,00,000 to KESHAVLAL V. BODANI EDUCATION FOUNDATION for use in their efforts towards providing greater access and quality in education and rehabilitation services to children with disability.

Details of CSR activities are given in Annexure – III to this Report.

#### **34. Significant Regulatory Or Court Orders:**

During the Financial Year 2023-24 and thereafter till the date of this Report, there were no significant and material orders passed by the regulators or Courts or Tribunals which can adversely impact the going concern status of your Company and its operations in future.

#### **35. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

During the year under review, there were no cases received / filed pursuant to the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibitions and Redressal) Act, 2013.

#### **36. Disclosure of significant and material orders passed by regulators etc. under Rule 8(5)(vii) of the Companies (Accounts) Rules 2014 .**

During the year under review, there were no significant or material order(s) passed by the Regulators / Courts or Tribunals which would impact the going concern status of the Company and its future operations.

#### **37. Disclosure of internal financial control systems and their adequacy Rule 8(5)(viii) of the Companies (Accounts) Rules 2014**

Your company has in place adequate internal financial controls with reference to financial statements. The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and aid in the timely preparation of reliable financial statements.

#### **38. Annual Return**

Pursuant to the provisions of Section 92(3) of the Companies Act, 2013, the Annual Return in Form MGT-7 is available on the company's weblink <https://cffdefensys.com/investors/> .

#### **39. Remuneration of directors and employees and related disclosures**

**Remuneration is paid to directors and employees in accordance with the remuneration policy of the company and applicable statutory provisions.**

The information required under Section 197 & Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given below.

- a. The median remuneration of employees of the Company during the financial year is Rs. 26,400/-
- b. Percentage decrease in the median remuneration of employees in the financial year 2023-24 : 10.92 %
- c. Number of permanent employees on the rolls of the Company as on March 31, 2024: 67 (Sixty Seven).
- d. It is hereby affirmed that the remuneration paid during the year is as per the Remuneration policy of the Company.
- e. There is no employee covered under the provisions of section 197(14) of the Companies Act, 2013.

There was no employee in the Company who drew remuneration of Rs. 1,00,00,000/- per annum during the period under review. Hence, the Company is not required to disclose any information as per Rule 5(2) of the Companies (Appointment and Remuneration) Rules, 2014.

#### **40. Listing on stock exchanges**

The Company's Equity shares are listed on BSE SME Platform (Scrip Code: 543920) and the Listing Fees has been paid to them up to date.

#### **41. Policies of The Company:**

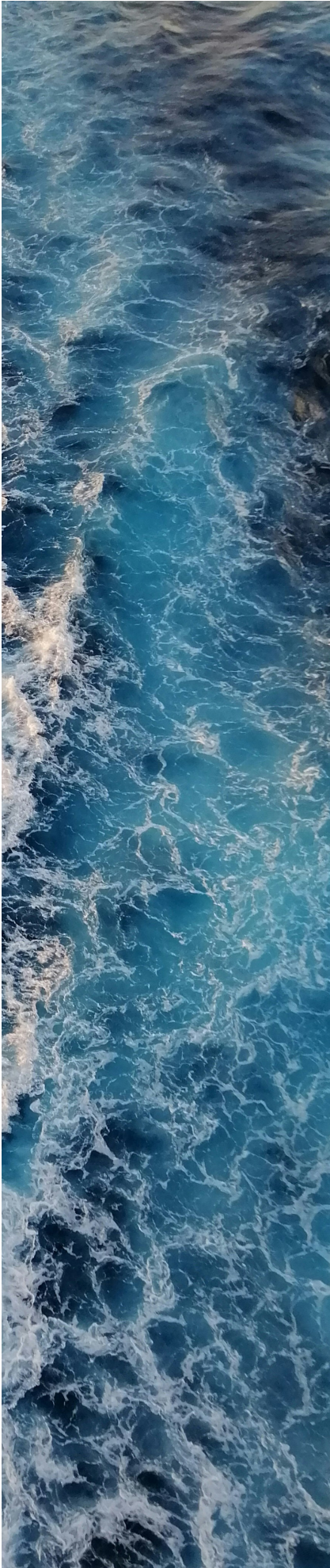
The Companies Act, 2013 read with the Rules framed thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") have mandated the formulation of certain policies for listed and/ or unlisted companies. All the Policies and Codes adopted by your Company, from time to time, are available on the Company's website viz., <https://cffdefensys.com/investors/>, pursuant to Regulation 46 of the Listing Regulations. The Policies are reviewed periodically by the Board of Directors and its Committees and are updated based on the need and new compliance requirements.

#### **42. Human Resources and Industrial relations**

Your directors thank all the employees for their cooperation and the contribution towards harmonious relationship and progress of the company.

#### **43. Prevention of insider trading:**

In compliance with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, the Company has formulated and adopted the revised "Code of Conduct for Prevention of Insider Trading" ("the Insider Trading Code"). The object of the Insider Trading Code is to set framework, rules and procedures which all concerned persons should follow, while trading in listed or proposed to be listed securities of the Company. During the year, the Company has also adopted the Code of Practice and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("the Code") in



line with the SEBI (Prohibition of Insider Trading) Amendment Regulations, 2018. The Code is available on the Company's website - <https://cffdefensys.com/investors/> .

#### **44. Depository System:**

Your Company's Equity Shares are available for dematerialization through National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The ISIN Number of your Company for both NSDL and CDSL is INE0NJ001013.

#### **45. Research and development:**

Your Company works with the purpose of constant innovation to improve farmer productivity and thereby to help in feeding the nation. It continues to focus and invest significantly on cutting edge Research & Development (R&D) initiatives and strongly believes that productive R&D is a key ingredient for the Company's success and growth.

#### **46. Cautionary statement:**

Statements in the Directors' Report and the Management Discussion and Analysis Report describing the Company's objectives, projections, expectations, estimates or forecasts may be forward-looking within the meaning of applicable laws and regulations. Actual results may differ substantially or materially from those expressed or implied therein due to risks and uncertainties. Important factors that could influence the Company's operations, inter alia, include global and domestic demand and supply conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic, political developments within the country and other factors such as litigations and industrial relations.

#### **47. Appreciation:**

Your Directors wish to place on record sincere appreciation for the support and co-operation received from various Central and State Government Departments, organizations and agencies. Your Directors also gratefully acknowledge all stakeholders of your Company, viz., Shareholders, customers, dealers, vendors, banks and other business partners for excellent support received from them during the Financial Year under review. Your Directors also express their genuine appreciation to all the employees of the Company for their unstinted commitment and continued contribution to the growth of your Company.

For and on behalf of the Board of Director of CFF Fluid Control Limited

**Gautam Makkar**  
Chairman  
DIN: 00354956

Place: Mumbai  
Date: 5<sup>th</sup> September 2024

# Annexure I to the Directors' Report

## PARTICULARS IN RESPECT OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO. CFF FLUID CONTROL LIMITED

As at the Financial Year ended March 31, 2024

[Pursuant to Section 134(3) (m) of the Companies Act, 2013 and Rule 8 of the Companies (Accounts) Rules, 2014]

### A. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

The Company is committed to stringent energy conservation measures and accords the highest priority in maintaining effective controls and utilization of energy by replacing the machinery at the appropriate time with the latest machinery feasible for the Company and also ensures optimum use of the machinery.

1. Conservation of Energy
  - a. The steps taken or impact on conservation of energy
    - All old CFL lamps used in the Company are being replaced by energy efficient LED lights in stages.
    - Motion sensors installation is being tried out, we intend to implement soon in other areas.
  - b. The steps taken by the Company for utilizing alternate source of energy – Nil
  - c. The Capital Investment on energy conservation equipment – Nil

### B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

- a. The efforts made towards technology absorption. – A cornerstone of our strategy has been the successful transfer of technology from global leaders to our manufacturing unit in India.
- b. The benefits derived like product improvement, cost reduction, product development or import substitution – These initiatives ensure that CFF remains at the forefront of defense technology.
- c. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) –
  - a. **The details of technology imported;** Towed Wire Antenna (TWA)
  - b. **The year of import;** Commenced in FY23-24, will be completed by FY24-25
  - c. **Whether the technology been fully absorbed;** Will be completed by FY24-25

Appropriate steps are also taken to canalize the waste keeping in view the environmental laws.

### C. RESEARCH & DEVELOPMENT (R&D) ACTIVITIES:

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

### D. FOREIGN EXCHANGE EARNINGS AND OUTGO:

The details of Foreign Exchange Earnings and Outgo of your Company during the Financial Year under review are as follows:

<b>Particulars</b>	<b>Current Year (2023-24) (Rs in '000)</b>	<b>Previous Year (2022-23) (Rs in '000)</b>
Foreign Exchange Earned (Foreign exchange fluctuation gain/loss)	(666.44)	3,532.56
Foreign Exchange Used -	2,40,014.11	1,44,159.93
1. Raw Materials	82,995.78	44,605.39
2. Pursuant to TWA Technology Transfer Agreement	84,932.89	-



## Annexure II to the Directors' Report

### FORM AOC – 2 - MATERIAL RELATED PARTY TRANSACTION

(Pursuant to Clause (h) of Sub-section (3) of Section 134 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for Entering into such contracts or arrangements or transaction	Date of approval by the Board for Entering into such contracts or arrangements or transaction	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
01	NA	NA	NA	NA	NA	NA	NA	NA

2. Details of material contracts or arrangement or transactions at arm's length basis:

#### A. Directors Remuneration

Sr. No.	Name of Related Party and Relationship	Nature of Transaction and amount O/s as	Duration and terms	Amount (In '000 INR)
1.	Sunil Menon	Director and KMP	For FY 2023-24	8,400.00
2.	Hitesh Birla	Chief Financial Officer	For FY 2023-24	1,423.01
3.	Sonika Mehta	Company Secretary	For FY 2023-24	216.00

#### B. Others

Sr. No.	Name(s) of the related party and nature of relationship	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any (In '000 INR)	Date of approval by the Board / others	Amount paid as advances, if any
1.	Flash Forge Pvt. Ltd (KMP have Significant Influence) Loan Taken.	Nil	13,370.00	15.09.2022	Nil
2.	Flash Forge Pvt. Ltd (KMP have Significant Influence) Loan Paid	Nil	22,87,93.75	15.09.2022	Nil
3.	Flash Forge Pvt. Ltd (KMP have Significant Influence) Interest Given	Nil	5,757.20	15.09.2022	Nil
4.	Flash Forge Pvt. Ltd (KMP have Significant Influence) Reimbursement of expenses	Nil	26,015.08	15.09.2022	Nil
5.	Gautam Makker (Director and KMP) Advance given for Business Expenses	Nil	780.00	15.09.2022	Nil
6.	Gautam Makker (Director and KMP) Advance recovered for Business Expenses	Nil	780.00	15.09.2022	Nil

## Annexure III to the Directors' Report

### Annual Report on CSR Activities for Financial Year 2023-24

1. Brief outline on CSR Policy of the Company

The Company's CSR policy is in alignment with the guidelines provided by the Ministry of Corporate Affairs (MCA). The Board has formulated a CSR Policy with the main objective that "the Company shall undertake the CSR activities that help the surrounding communities possible in its means and meeting the regulatory requirements.

Details of the policy can be seen at the company's website: <https://cffdefensys.com/volans/wp-content/uploads/>

2. Composition of CSR Committee

Sr. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Sunil Menon	Chairman of CSR Committee Managing Director	1	1
2.	Gautam Makkar	Member Non- Executive Director	1	1
3.	Prakash Rajnish	Member Non-Executive Independent Director	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

<https://cffdefensys.com/>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable. Not Applicable for the financial year under review.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: NIL

6. Average net profit of the company as per section 135(5): 8,34,39,710

7.

a. Two percent of average net profit of the company as per section 135(5): 16,68,794

b. Surplus arising out of the CSR projects or programmes or activities of the previous financial years.: Not Applicable

c. Amount required to be set off for the financial year, if any: 16,647

d. CSR Budget approved by Board on the recommendation of CSR Committee: 17,00,000

e. Total CSR obligation for the financial year (7a+7b-7c): 16,52,147

8.  
a. CSR amount spent or unspent for the financial year: 17,00,000

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).*		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
17,00,000	-	-	-	-	-

- b. Details of CSR amount spent against ongoing projects for the financial year: Not Applicable  
c. Details of CSR amount spent against other than ongoing projects for the financial year: Not Applicable  
d. Amount spent in Administrative Overheads: Not Applicable  
e. Amount spent on Impact Assessment, if applicable: Not Applicable  
f. Total amount spent for the Financial Year (8b+8c+8d+8e): 17,00,000  
g. Excess amount for set off, if any: 47,853

**NOTE:** During the year, the Company has in place a CSR policy laid down in accordance with the provisions of Companies Act, 2013 and rules made thereunder. The Company under its CSR policy, affirms its commitment of seamless integration of marketplace, workplace, environment and community concerns with business operations by undertaking activities / initiatives that are not taken in its normal course of business and/or confined to only the employees and their relatives and which are in line with the broad-based list of activities, areas or subjects that are set out under schedule VII of the Companies Act, 2013.

The company has spent an amount of Total Amount of Rs. 25,50,000 on CSR activities as specified in Schedule VII of the Companies Act, 2013, against the 2% of average profit for the last three years.

The Company had deposited a sum of Rs. 8.50 Lakhs pertaining to CSR expenditure for the year ended on 31<sup>st</sup> March 2023 to the "PM Cares Fund" specified under Schedule VII of the Companies Act, 2013 before due date and for the Financial year ended on 31<sup>st</sup> March 2024, the company has spent an amount of Rs. 17,00,000 to Keshavlal V. Bodani Education Foundation for use in their efforts towards providing greater access and quality in education and rehabilitation services to children with disability.

S I . Particular No.	Amount (in Rs.)
(i) Two percent of average net profit of the company as per section 135(5)	16,68,794
(ii) Total amount spent for the Financial Year	17,00,000
(iii) Excess amount spent for the financial year [(ii)-(i)]	31,206
(iv) Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v) Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9.

- a. Details of Unspent CSR amount for the preceding three financial years: Not Applicable
- b. Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135 (5). : Not Applicable

**For and on behalf of the Board of  
Director of  
CFF Fluid Control Limited**

**For and on behalf of the CSR  
Committees of  
CFF Fluid Control Limited**

Sd/-  
Sunil Menon  
Managing Director of company  
and Chairman of CSR Committees  
DIN: 00409485

Sd/-  
Gautam Makkar  
Member of CSR Committees  
DIN: 00354956

# Annexure IV to the Directors' Report

## Management Discussion and Analysis

### Forward looking statement

Statements in this Management Discussion and Analysis of Financial Condition and Results of Operations of the Company describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Forward looking statements are based on certain assumptions and expectations of future events.

The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company assumes no responsibility to publicly amend, modify or revise forward looking statements, on the basis of any subsequent developments, information or events. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include changes in government regulations, tax laws, economic developments within the country and such other factors globally.

The financial statements are prepared as per the IND AS guidelines and comply with the Accounting Standards notified under Section 211(3C) of the Act read with the Companies (Accounting Standards) Rules, 2015. The management of CFF Fluid Control Limited has used estimates and judgments relating to the financial statements on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner, the state of affairs and profit for the year.

The following discussions on our financial condition and result of operations should be read together with our audited financial statements and the notes to these statements included in the annual report. Unless otherwise specified or the context otherwise requires, all references herein to "we", "us", "our", "the Company", "CFF" are to CFF Fluid Control Ltd.

**The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications, publicly available documents and industry sources. Neither we nor any other person connected with the Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information.**

## Industry and Overview

India's naval business outlook is poised for significant growth, driven by strategic imperatives, modernization efforts, and an expanding focus on indigenous defense production. The Indian Navy, as a crucial element of the nation's defense strategy, is undergoing a transformation aimed at bolstering its capabilities in response to evolving maritime security challenges.

### 1. Strategic Importance and Modernization

India's geostrategic location, with over 7,500 kilometers of coastline and its proximity to critical sea lanes, underpins the strategic importance of its navy. The Indian government has recognized this by prioritizing naval modernization and expanding the fleet. The Indian Navy is focusing on a balanced mix of platforms, including aircraft carriers, submarines, destroyers, frigates, and corvettes, to enhance its blue-water capabilities and maintain a credible presence in the Indian Ocean Region (IOR).

### 2. Indigenous Defense Production

A key aspect of the naval business outlook is the emphasis on "Aatmanirbhar Bharat" (self-reliant India), which encourages indigenous defense production. The Indian Navy has been a strong proponent of indigenization, with a significant percentage of its future platforms expected to be built in India. Major projects, such as the development of the INS Vikrant, India's first indigenously built aircraft carrier, and the Project 75I-class submarines, highlight this trend.

Indian shipyards like Mazagon Dock Shipbuilders Limited (MDL), Garden Reach Shipbuilders & Engineers (GRSE), Cochin Shipyard Limited (CSL), and Hindustan Shipyard Limited (HSL) are increasingly involved in building advanced warships and submarines, contributing to the growth of the domestic defense industry.

### 3. Expanding International Collaboration

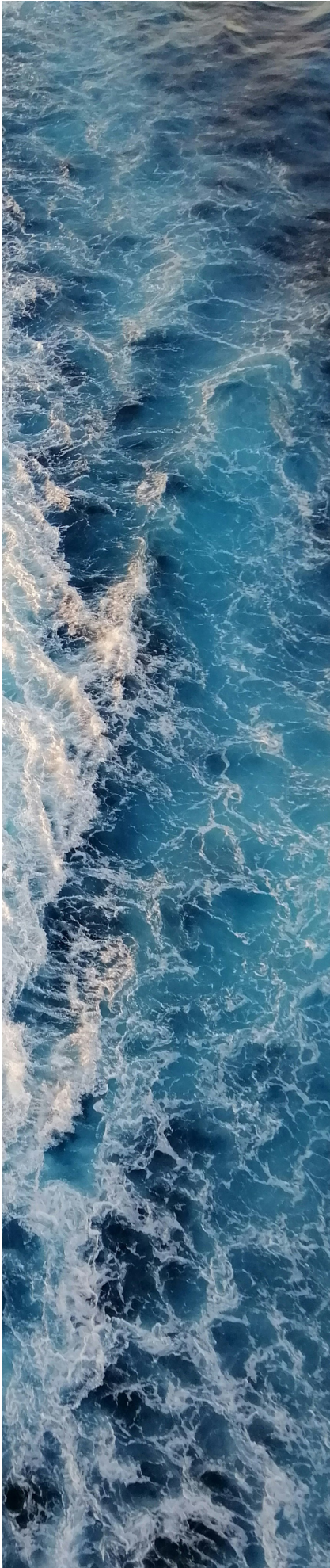
The Indian naval business environment is also characterized by growing international collaborations. India has entered into various defense agreements and joint ventures with countries like the United States, Russia, France, and Israel. These partnerships are not only for the procurement of advanced technology but also for knowledge transfer and co-development, enhancing India's technological base and contributing to the growth of domestic capabilities.

### 4. Focus on Maritime Security and Surveillance

With rising concerns over maritime security, especially in the context of China's increasing influence in the IOR, the Indian Navy is focusing on strengthening its maritime surveillance capabilities. This involves acquiring and upgrading assets like maritime patrol aircraft, unmanned aerial vehicles (UAVs), and sophisticated surveillance systems. The expansion of coastal radar networks and the development of secure communication systems are also priorities.

### 5. Investment in Infrastructure and Logistics

To support its expanding fleet, the Indian Navy is investing in infrastructure development, including modernizing shipyards, building new naval bases, and enhancing logistical support. The construction of new



bases along the eastern and western coasts, as well as in the Andaman and Nicobar Islands, is aimed at improving operational readiness and providing strategic depth.

## 6. Challenges and Opportunities

While the outlook is positive, challenges such as budget constraints, delays in project execution, and the need for greater technological advancements remain. However, these challenges also present opportunities for private sector participation, joint ventures, and innovation in defense technologies. The government's push for increased private sector involvement and public-private partnerships (PPPs) is expected to stimulate competition and drive efficiency in the naval business sector.

## 7. Future Prospects

Looking ahead, the Indian naval business is set to benefit from sustained government support, increasing defense budgets, and a clear strategic focus on maritime security. The ongoing modernization programs, coupled with the drive for indigenization and international collaboration, will likely lead to the growth of the naval industry, making India a significant player in the global defense market.

In conclusion, the Indian naval business outlook is characterized by robust growth potential, driven by strategic imperatives, modernization efforts, and a strong push for self-reliance in defense production. With continued investment in technology, infrastructure, and international partnerships, the Indian Navy is well-positioned to enhance its capabilities and secure its maritime interests in the coming years.

## Opportunities and Threats

### Opportunities in the defence manufacturing

#### Make in India Initiative

The government's emphasis on the 'Make in India' initiative in the Defence sector provides huge opportunities for domestic players to enhance their indigenization efforts.

#### Government Policy Support

- FDI in the defence sector is allowed up to 74% through automatic route (from earlier 49%) for companies seeking new industrial licenses. FDI beyond 74% and up to 100% will be permitted under the Government route.
- The Interim budget 2024-25 earmarked Rs. 60 crore (US\$ 7.2 million) for the Technology Development Fund (TDF) scheme, specifically designed to support new startups, MSMEs, and academia engaged in defence-related innovation aiming to attract young talent interested in niche technology development, fostering collaboration with DRDO.

#### Technological Modernization via Public Private Partnership

- 75 newly-developed Artificial Intelligence (AI) products/technologies are inaugurated. These products are expected to open up new business avenues for the Defence PSUs.

- DRDO's Technology Development Fund (TDF) for MSMEs & Start-ups to indigenize cutting-edge defence technologies. 163 Technologies being indigenized, US\$ 30 million funds sanctioned, 1,703 experts and 5,020 companies engaged.
- Corpus of Rs. 1 lakh crore (US\$ 12 billion) for Deep Tech, offering long-term loans to tech-savvy individuals and companies announced in Interim Budget 2024-25 to accelerate innovation in the defence sector, promoting the development of cutting-edge technologies.
- SRIJAN portal launched to promote indigenization. More than 34,000 items are available for public view and 10,000 items have been indigenized till January 2024.
- Development of an indigenization portal for all defence PSUs and ordnance factories can ensure seamless search experience for stakeholders for processes such as online registration of vendors expressing interest for indigenising a product.

### **Start-up India**

- In the Interim Budget 2024-25, an allocation of Rs. 60 crore (US\$ 7.2 million) was announced for the Technology Development Fund (TDF) scheme, specifically designed to support new start-ups, MSMEs, and academia engaged in defence-related innovation. It aims to attract young talent interested in niche technology development, fostering collaboration with DRDO.

### **Self-reliance**

- The present 'Defence Production & Export Promotion Policy (DPEPP) 2020' is positioned as Ministry of Defence's overarching guiding document to provide a focused, structured and significant thrust to defence production capabilities of the country for self-reliance and exports



## Threats in the defence manufacturing

The defense sector faces a variety of threats that can impact national security, operational effectiveness, and technological superiority. Some of these threats include:

### Cyber Threats

Cyberattacks targeting defense infrastructure, communication networks, and sensitive data are increasingly sophisticated. These can result in data breaches, espionage, and disruption of military operations.

### State-Sponsored Espionage

Nations often engage in espionage to steal defense secrets and technology. This can undermine a country's technological edge and compromise military strategies.

### Terrorism

Terrorist groups pose a direct threat to defense personnel and infrastructure. They can target military bases, installations, and critical infrastructure.

### Insider Threats

Employees or contractors within the defense sector may intentionally or unintentionally compromise security by leaking information or sabotaging operations.

### Supply Chain Vulnerabilities

The globalized supply chain of defense equipment and technology can be infiltrated, leading to the introduction of counterfeit or compromised components.

### Economic and Industrial Espionage

Competitors, including private companies and foreign governments, may engage in espionage to gain economic or technological advantages.

### Advanced Weaponry

The proliferation of advanced weapon systems, including hypersonic missiles, autonomous drones, and artificial intelligence (AI) in warfare, poses new challenges and threats to national defense capabilities.

### Political and Geopolitical Instability

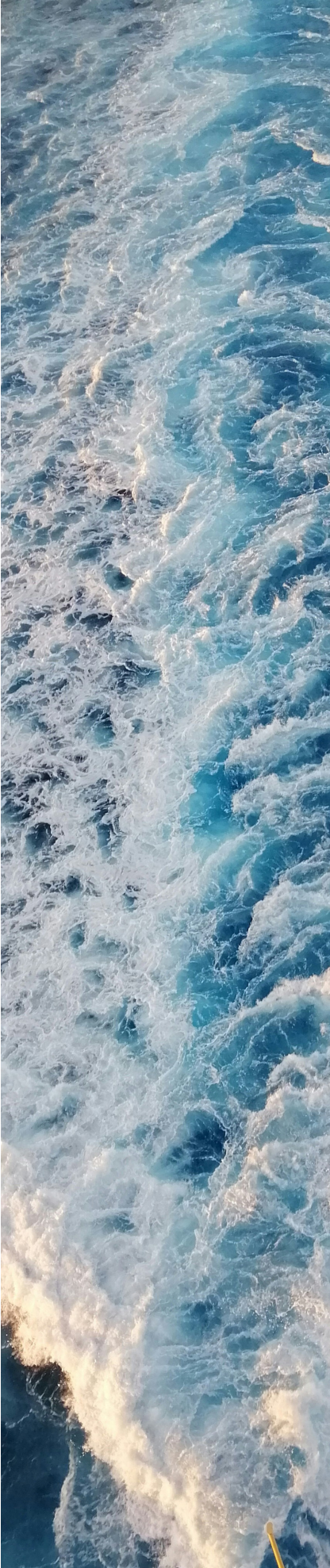
Political instability and shifting alliances can lead to sudden changes in the threat landscape, requiring rapid adjustments in defense strategies.

### Biological and Chemical Threats

The potential use of biological and chemical agents in warfare or terrorism poses a serious risk to defense forces and civilian populations.

### Environmental and Climate Change

Climate change can create new security challenges, such as resource



scarcity, humanitarian crises, and the need for military involvement in disaster response.

#### **Economic Factors**

Budget constraints and economic instability can limit the resources available for defense, impacting readiness and modernization efforts.

#### **Technological Advances by Adversaries**

Rapid technological advancements by potential adversaries can erode a nation's technological superiority and necessitate continuous innovation and adaptation.

Addressing these threats requires a comprehensive and multifaceted approach, including robust cybersecurity measures, intelligence and counterintelligence efforts, and investment in advanced technologies, international cooperation, and flexible defense strategies.

## **Business Performance:**

### **1. REVIEW OF OPERATIONS:**

During the year under review, the operating revenue of your company increased to Rs.10,685.91 lakhs over the previous year's Rs.7,066.63 lakhs a significant growth of 51.21%. Your company earned a net profit of Rs.1,708.77 lakhs for Financial Year 2023-24, compared to Rs.1,013.60 lakhs for Financial Year 2022-23.

### **2. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The company has an Internal Control System commensurate with its requirement and size of business to ensure that the assets and interest of the company assets are safeguarded. The adequacy and effectiveness of the internal control across various activities, as well as compliance with laid down system and policies are comprehensively and frequently monitored by your company's management at all the levels of the organization. The company has established well defined policies and processes across the organization covering all major activities including authority for approvals. In all cases where monetary decisions are involved, various limits and authorities are in place.

The Company's internal controls are structured in a manner that ensure reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use or losses, executing transactions with proper authorization and ensuring compliance of corporate policies, laws and accounting standards.

With a strong monitoring system in place, the Company has an Audit Committee, the details of which have been provided in the Board's Report. The Audit Committee of the Board of Directors review the existing audit procedures and internal systems of control on an ongoing basis keeping in mind the organization's requirements, growth prospects and ever evolving business environment. They also review the internal audit findings and recommendations and ensure that corrective measures are implemented. Suggestions for improvement are considered and the Audit Committee follows up on the implementation of corrective actions.

### **3. RISK MANGEMENT:**

As a step of institutionalizing the risk management in the Company, an elaborate framework has been developed and the Company's top management has overall responsibility for the establishment and oversight of the Company's risk management framework. An important purpose of the framework is to have a structured and comprehensive risk management system across the company which ensures that the risks are being properly identified and effectively managed. The Company has a risk management policy to manage & mitigate these risks. The risk management process includes risk identification, risk assessment, risk evaluation, risk mitigation and regular review and monitoring of risks. The Company's risk management policy aims to reduce volatility in financial statements while maintaining balance between providing

predictability in the Company's business plan along with reasonable participation in market movement.

#### 4. KEY RATIOS

PARTICULARS	2023-24	2022-23	Change in ratios in %
Current ratio	4.24	1.86	128.24%
Debt- Equity Ratio	0.19	1.84	-89.85%
Debt Service Coverage Ratio	6.71	4.07	65.04%
Inventory turnover Ratio	2.38	2.43	-2.32%
Trade receivables turnover ratio	12.60	6.64	89.75%
Return on Equity Ratio	22.64%	50.88%	-55.50%
Trade Payable Turnover Ratio	11.75	4.20	180.09%
Net Capital Turnover Ratio	1.15	2.47	-53.48%
Net Profit Ratio	15.99%	14.34%	11.49%
Return on Capital Employed	17.68%	24.70%	-28.42%

RATIOS WITH VARIANCE MORE THAN 25%	REASONS FOR VARIANCE
Current ratio:	Due to increase in working capital after raising of funds
Debt equity ratio:	Due to repayment of unsecured borrowings.
Debt service coverage ratio:	Due to increase in earnings as compared to earlier year.
Return on equity ratio:	Due to significant increase in shareholder's fund on public issue.
Trade receivable turnover ratio:	Due to increase in turnover for the current year.
Trade payable turnover ratio:	Due to increase in turnover for the current year.
Net capital turnover ratio:	Due to significant increase in working capital as compared to turnover for the current year.
Return on capital employed:	Significant increase in shareholder's fund on public issue.

#### Material developments in Human Resources / Industrial Relations front, including number of people employed.

CFF Fluid Control Limited is part of a dynamic and progressive group that actively fosters a challenging work environment and encourages Entrepreneurship. With trust being the critical part of our business belief, we lay a strong emphasis on integrity, teamwork, innovation, performance and partnership. Our professional staff with diverse backgrounds brings varied talent, knowledge and experience to the Group, helping our businesses to remain competitive, achieve greater success and newer milestones. Our management team and board of directors are resolved to do what, we believe, is best for our shareholders, clients and associates.

At CFF Fluid Control Limited, we recruit for skill, experience, right attitude, commitment and diversity. However, the one common trait that runs through the DNA of every employee is entrepreneurship. We encourage our employees to act as owners, partners and managers of their individual functions while providing a conducive environment for them to be creative and productive.

## **Annexure V to the Directors' Report**

### **Form No. MR-3**

### **SECRETARIAL AUDIT REPORT**

### **FOR THE FINANCIAL YEAR ENDED 2024**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**CFF FLUID CONTROL LIMITED**  
Plot No 01, Survey No 96,  
Kumbhivli Madap Khopoli,  
Khalapur Raigarh MH-410203

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by CFF FLUID CONTROL LIMITED (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information, management representations provided by the Company, its officers, agents and authorized representatives during the conduct of the Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as per Annexure I for the financial year ended on March 31, 2024 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; (Not applicable to the Company during the Audit Period)
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;(Not applicable to the Company during the Audit Period)
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisi-

- tion of Shares and Takeovers) Regulations, 2011;
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; (Not applicable to the Company during the Audit Period)
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2014; (not applicable to the company during the review period)
  - e. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable to the Company during the Audit Period)
  - f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the Audit Period)
  - g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period)
  - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the Audit Period)
  - j. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; (SEBI LODR) and
  - k. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015;

**I further report that**

Based on the information provided and the representation made by the Company and also on the review of the compliance reports of Company Secretary / Chief Executive Officer taken on record by the Board of Directors of the Company, in my opinion, adequate systems and processes exist in the Company to monitor and ensure compliance with provisions of applicable general laws.

**I further report that**

The compliance by the Company of applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, mentioned hereinabove and there is adequate compliance management

system for the purpose of other laws. I have relied on the representations made by the Company and its officers for systems and mechanisms formed by the Company for compliances under other laws and regulations applicable to the Company.

**I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors as on 31<sup>st</sup> March, 2024. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions of the Board and committee meetings are carried out unanimously as recorded in the minutes of the meeting of the board of directors or committees thereof as the case may be. There were no dissenting views of any member of the Board or committees thereof during the period under review.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

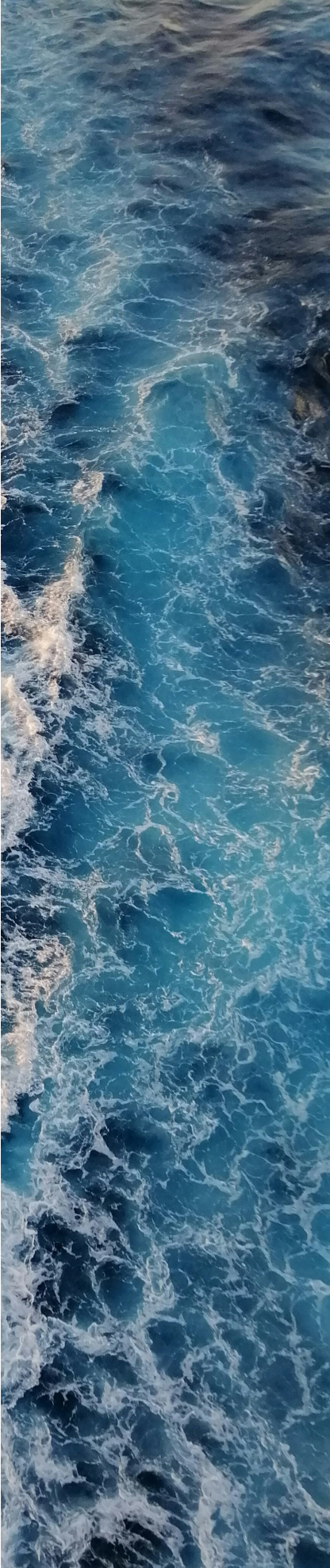
Adequate notice is given to all KMPs / directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions of the Board and committee meetings are carried out unanimously as recorded in the minutes of the meeting of the board of directors or committees thereof as the case may be. There were no dissenting views of any member of the Board or committees thereof during the period under review.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period there were no specific



events / actions having a major bearing on the affairs of the Company in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For, M Rupareliya & Associates  
Practising Company Secretaries

Place: Rajkot  
Date: 05<sup>th</sup> September, 2024

Sd/-  
CS Mayuri Rupareliya

UDIN: A051422F001140620

ACS: A51422  
C.P. No. 18634  
Peer Review No.2017/2022

Note: This report is to be read with my letter of even date which is annexed as Annexure II and forms an integral part of this report.



## **ANNEXURE - I**

### **List of documents verified -**

1. Memorandum & Articles of Association of the Company.
2. Minutes of the meetings of the Board of Directors held during the period under report.
3. Minutes of General Body Meetings held during the period under report.
4. Statutory Registers/Records under the Companies Act and rules made there under
5. Agenda papers submitted to all the directors / members for the Board Meetings and Committee Meetings.
6. Declarations received from the Directors of the Company pursuant to the provisions of 184 of the Companies Act, 2013.
7. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 1956 and Companies Act, 2013 and attachments thereof during the period under report.
8. Various policies framed by the company from time to time as required under the statutes applicable to the company.
9. Processes and procedure followed for Compliance Management System for applicable laws to the Company
10. Communications / Letters issued to and acknowledgements received from the Independent directors for their appointment
11. Various policies framed by the company from time to time as required under the Companies Act

## ANNEXURE - II

To,  
The Members,  
CFF FLUID CONTROL LIMITED  
Plot No 01, Survey No 96,  
Kumbhivli Madap Khopoli,  
Khalapur Raigarh MH-410203

**Sub: Secretarial Audit Report for the Financial Year ended on 31<sup>st</sup> March, 2024**

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records.
3. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
4. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
5. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management and my examination was limited to the verification of procedures on test basis.
7. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For, M Rupareliya & Associates  
Practising Company Secretaries

Place: Rajkot  
Date: 05<sup>th</sup> September, 2024

UDIN: A051422F001140620

Sd/-  
CS Mayuri Rupareliya  
ACS: A51422  
C.P. No. 18634  
Peer Review No.2017/2022

## Annexure VI to the Directors' Report

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of,  
**CFF FLUID CONTROL LIMITED**  
Plot No 01, Survey No 96, Kumbhivli Madap Khopoli,  
Khalapur Raigarh MH-410203

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of CFF Fluid Control Limited having CIN: U28990MH2012PLC227023 hereinafter referred to as the ("Company") produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34 (3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal of Ministry of Corporate Affairs (MCA) i.e. [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2024 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Original Date of appointment in the Company
1.	Gautam Makkar	00354956	16/02/2012
2.	Sunil Menon	00409485	16/02/2012
3.	Prakash Rajnish	08595423	30/09/2022
4.	Priyanka Moondra Rathi	09485101	02/09/2022

Ensuring the eligibility of / for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For M. Rupareliya & Associates  
(Company Secretaries)

Place: Mumbai  
Date: 05<sup>th</sup> September, 2024

Proprietor  
ACS: A51422

UDIN: A051422F001140697  
Peer Review No. 2017/2022

COP No. 18634

## Annexure VII to the Directors' Report

### Remuneration Policy

This Remuneration Policy relating to remuneration for the directors, key managerial personnel and other employees, has been formulated by the Nomination and Remuneration Committee (hereinafter "Committee") and approved by the Board of Directors.

#### Objectives:

The objectives of this policy are to stipulate criteria for:

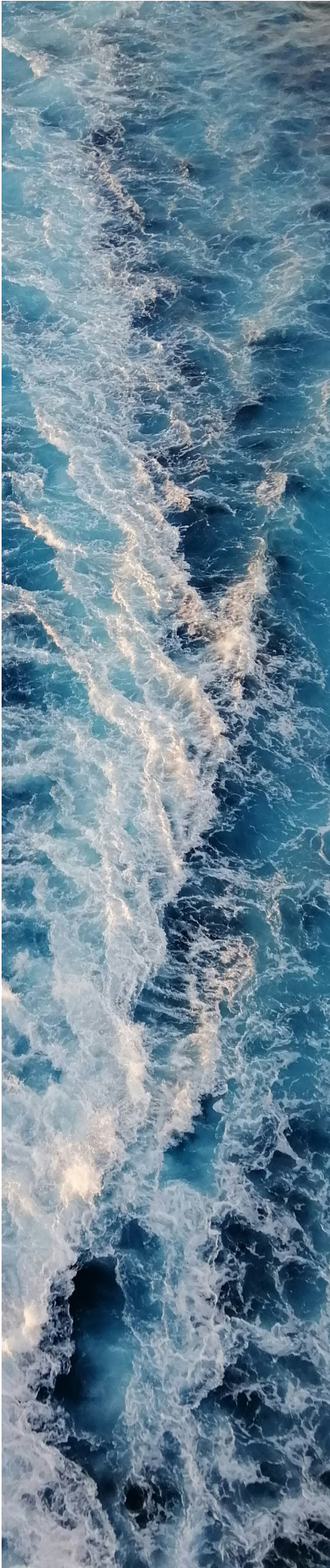
- Appointment, reappointment, removal of Directors, KMPs and Senior Management
- Determining qualifications, positive attributes and independence of a director and recommend to the Board
- Retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage to run the operations of the Company successfully
- Consider and determine the remuneration, based on the fundamental principles of payment for performance, for potential, and for growth

#### Criteria for Appointment:

- Ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment
- Age, number of years of service, specialized expertise and period of employment or association with the Company
- Special achievements and operational efficiency which contributed to growth in business in the relevant functional area
- Constructive and active participation in the affairs of the Company
- Exercising the responsibilities in a bonafide manner in the interest of the Company
- Sufficient devotion of time to the assigned tasks
- Diversity of the Board
- Demonstrable leadership qualities and interpersonal communication skills, devote to the role, compliant with the rules, policies and values of the Company and does not have any conflicts of interest
- Transparent, unbiased and impartial and in accordance with appropriate levels of confidentiality.
- Appointment of Directors and KMPs in compliance with the procedure laid down under the provisions of the Companies Act, 2013, rules made thereunder or any other enactment for the time being in force

#### Criteria for Remuneration:

The Remuneration Policy reflects on certain guiding principles of the Company such as aligning remuneration with the longer term interests of the Company and its shareholders, promoting a culture of meritocracy and creating a linkage to corporate and individual performance, and emphasizing on line expertise and market competitiveness so as to attract the best talent. It also ensures the effective recognition of performance and encourages a focus on achieving superior operational results.



The level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate the directors, key managerial personnel and other employees of the quality required to run the Company successfully. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration to directors, key managerial personnel and senior management personnel should also involve a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

The remuneration of the Non-Executive Directors shall be based on their contributions and current trends, subject to regulatory limits. Sitting fees is paid for attending each meeting(s) of the Board and Committees thereof. Additionally equal amount of commission may be paid to Non executive directors on a pro-rata basis, within limits approved by shareholders

# Independent Auditor's Report

To the members of  
**CFF FLUID CONTROL LIMITED**

## Report on the Audit of Financial Statements

### Opinion

We have audited the accompanying financial statements of CFF FLUID CONTROL LIMITED ("the Company"), which comprise the balance sheet as at 31<sup>st</sup> March 2024, the statement of profit and loss, and cash flow statement for the year ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31<sup>st</sup> March, 2024, the net profit and of the cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with ethical requirements that are relevant to our audit of the financial statements under the provisions of the companies Act, 2013 and the rules thereunder, and we have fulfilled our ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained are sufficient and appropriate to provide a basis for our opinion.

### Information other than the financial statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of auditor's report, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the applicable accounting standards and the other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that are operating effectively for insuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain a reasonable assurance about whether the financial statements as a whole are free from material misstatement,

whether due to fraud or error, and to issue our report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise due to fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of the internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained upto the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonable be thought to bear on our independence, and where applicable, relevant safeguards.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, or when in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonable be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ('the Order'), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure- A, a statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss and Cash flow statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid financial statements comply with the accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure-B. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial statements.
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact, if any, of pending litigations on its financial position, in its financial statements (Refer Note 31 of the financial statements);
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
    - iii. The Company is not required to transfer any amount to the Investor Education and Protection Fund.
    - iv. (a)The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to

the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on audit procedures that we have considered reasonable and appropriate in circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) above, contain any material mis-statement.

- v. The dividend declared and paid during the year by the Company is in compliance with the provisions of section 123 of the Companies Act, 2013
- vi. Based on our examination which includes test checks, the Company has used accounting software for maintaining its books of accounts for the financial year ended on 31<sup>st</sup> March 2024 which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit and the audit trail feature has not been tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1<sup>st</sup> April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per statutory requirements for the record retention is not applicable for the financial year ended on 31<sup>st</sup> March 2024.

- h. In our opinion and according to information and explanations given to us, the company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act.

FOR V.N. PUROHIT & CO.  
Chartered Accountants  
Firm Regn. No. 304040E

O.P. Pareek  
Partner  
Membership No. 014238  
UDIN: 24014238BKAUCJ5695  
New Delhi, the 29<sup>th</sup> day of May, 2024

## ANNEXURE- A TO THE AUDITOR'S REPORT

The Annexure referred to in Paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" of our report of even date to the members of CFF FLUID CONTROL LIMITED (the Company) for the year ended on 31<sup>st</sup> March 2024.

- i. (a) (A) As per the information and explanation given to us, the Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, plant and Equipment,  
(B) As per information and explanation given to us, the company is maintaining proper records showing full particulars of intangible assets;  
  
(b) As per the information and explanation given to us, physical verification of Property Plant and equipment has been conducted at regular interval in a year by the management and no material discrepancies were noticed during the course of verification.  
(c) According to information and explanation given to us, the title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company;  
(d) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not revalued its Property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year. Accordingly, the provision of sub clause (i)(d) of para 3 of the order are not applicable;  
(e) According to the information and explanations given to us and based on our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder. Accordingly, the provision of sub clause (i)(e) of para 3 of the order are not applicable;
- ii. (a) According to the information and explanation given to us, the physical verification of inventory has been conducted by the management once in a year which in our opinion is reasonable and appropriate. Further, during the course of verification, no material discrepancy was noticed for more than 10% in aggregate for each class of inventory;  
(b) As per information and explanation given to us, the periodic returns or statements filed with the banks in respect of working capital limit sanctioned for the company are in agreement with the books of accounts;
- iii. The Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnership or any other parties during the year. Accordingly, the provisions of sub- clause (iii)(a) to (iii)(f) of para 3 of the order are not applicable;
- iv. According to information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 so far as applicable, in respect of providing loans, investments, guarantees and securities;

- v. According to information and explanations given to us, the Company has not accepted public deposits and the provision of section 73 to 76 or other relevant provisions of the Companies Act, 2013 and rules framed thereunder are not applicable to the Company;
- vi. According to information and explanations given to us, the Company is liable to maintain cost records as prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.;
- vii. a) According to information and explanations given to us, the company is regular in depositing undisputed statutory dues related to Goods and Service tax, Provident Fund, Employee State Insurance, Income Tax, cess, and other statutory dues as may be applicable to the appropriate authorities and there are no outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date, they became payable; (b) According to information and explanation given to us, following are the outstanding statutory dues on the part of Company which is not deposited on account of dispute with the appropriate authorities: -

Nature of Dues	Period for which they relate	Designation/Nature of Directorship	Amount (Rs. in "000")	Forum where they are pending
Income tax	A.Y. 2018- 19	39,428.84	CIT (Appeals)	1

- viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year;
- ix. (a) According to information and explanations given to us, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the period covered by this report; (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or other lender; (c) According to the information and explanations given to us by the management, the term loan was applied for the purpose for which the loans were obtained. (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that funds have been raised on short-term basis are not utilised for long term purpose; (e) According to the information and explanations given to us by the management, According to the information and explanations given to us, the Company does not have any subsidiary, associate or joint ventures. Accordingly, provisions of sub- clause (ix)(e) and (f) of para 3 of the order are not applicable.
- x. (a) The company has not raised any money by way of initial public offer or further public offer (including debt instruments). Accord-

ingly, provisions of sub-clause (x)(a) of para 3 of the order are not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, provisions of sub-clause (x)(b) of para 3 of the order are not applicable

- xi. (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit;
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
- (c) According to the Information and explanations given to us, there are no whistle blower complaints received by the company during the year;
- xii. According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions of sub-clause (xii) of para 3 of the order are not applicable;
- xiii. In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the financial statements, etc., as required by the applicable Accounting Standards;
- xiv. (a) Based on information and explanations provided to us, the Company has an internal audit system commensurate with the size and nature of its business;
- (b) The reports of internal auditor for the period under audit have been considered by us;
- xv. According to information and explanations given to us, the Company has not entered into non-cash transactions with its directors or persons connected to its directors and hence, the provisions of Section 192 of the companies Act, 2013 are not applicable to the company;
- xvi. (a) According to information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934;
- (b) According to information and explanations given to us, the company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (COR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934;
- (c) According to information and explanations given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, provisions of sub-clause (xvi) (c) of para 3 of the order are not applicable;
- (d) According to information and explanations given to us, the Group does not have any CIC as part of the Group. Accordingly, the provisions of sub-clause (xvi) (d) of para 2 of the order are not applicable;

- xvii. The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year;
- xviii. There has been no resignation of the statutory auditors during the year covered by this report.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the Balance Sheet date;
- xx. According to the information and explanations given to us, The Company has during the year spent the amount of Corporate Social Responsibility as required under sub-section (5) of Section 135 of the Act. Accordingly, the provisions of sub- clause (xx) of para 3 of the Order are not applicable;
- xxi. According to the information and explanations given to us, the Company does not have any subsidiary, associate or joint venture and as such, not require to prepare the consolidated financial statements. Accordingly, the provisions of sub- clause (xxi) of para 3 of the order are not applicable.

FOR V.N. PUROHIT & CO.  
Chartered Accountants  
Firm Regn. No. 304040E

O.P. Pareek  
Partner  
Membership No. 014238  
UDIN: 24014238BKAUCJ5695  
New Delhi, the 29<sup>th</sup> day of May, 2024

## **ANNEXURE -B TO THE AUDITOR'S REPORT**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section (3) of Section 143 of the Companies Act, 2013**

In conjunction with our audit of the financial statements of the Company as at and for the year ended 31<sup>st</sup> March 2024, we have audited the internal financial controls with reference to financial statements of **CFE FLUID CONTROL LIMITED** (hereinafter referred to as "Company") along with its subsidiaries, as of that date.

### **Management's Responsibility for the Internal Financial Controls**

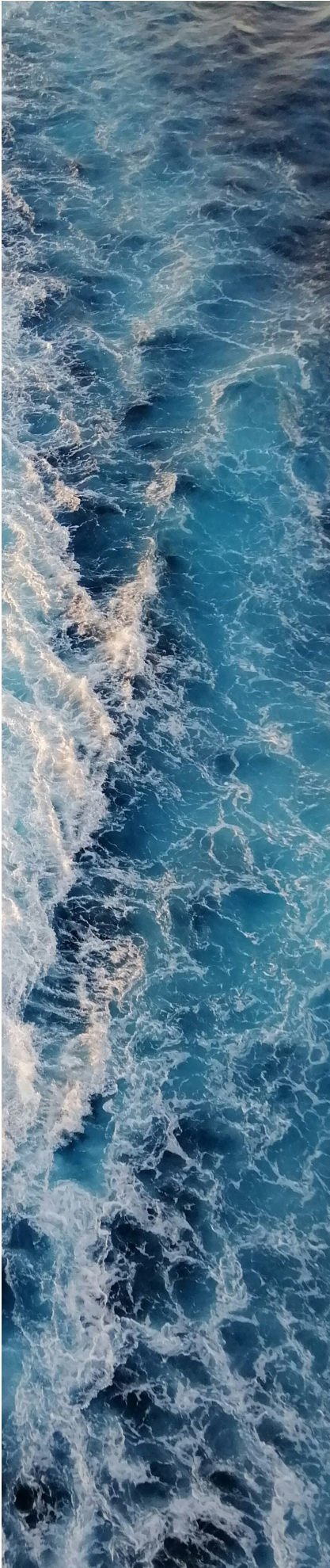
The respective management of the company, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Control over Financial Reporting issued by the Institute of Chartered Accountants of India ("the Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of fraud and errors, the accuracy and completeness of accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls, with reference to the financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material aspects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidences we have obtained for the company to which we are independent auditors is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.



## Meaning of Internal Financial Controls with reference to financial statements

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements includes those policies and procedures that: -

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and the receipt and expenditures of the Company are being only in accordance with authorizations of management and directors of the Company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and could not be detected. Also, projections of any evaluation of the internal financial control with reference to financial statements to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the company, have, in all material aspects, an adequate internal financial controls system with reference to financial statements and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2024, based on "the internal financial controls with reference to financial statements criteria considering the essential components of internal control stated in the Guidance Note.

FOR V.N. PUROHIT & CO.  
Chartered Accountants  
Firm Regn. No. 304040E

O.P. Pareek  
Partner  
Membership No. 014238  
UDIN: 24014238BKAUCJ5695  
New Delhi, the 29<sup>th</sup> day of May, 2024



## Balance Sheet as at 31 March 2024

Particulars	Note	31 03 2024	31 03 2023
<b>I. EQUITY AND LIABILITIES</b>			
(1) Shareholders' funds			
a. Share Capital	3	1,94,741.00	1,42,741.00
b. Reserves and Surplus	4	10,64,620.12	1,07,151.67
<b>Total</b>		<b>12,59,361.12</b>	<b>2,49,892.67</b>
(2) Non-current liabilities			
a. Long-term Borrowings	5	63,905.65	3,02,540.90
b. Long-term Provisions	6	1,566.06	1,133.45
<b>Total</b>		<b>65,471.71</b>	<b>3,03,674.35</b>
(3) Current liabilities			
a. Short-term Borrowings	7	1,70,884.06	1,56,410.89
b. Trade Payables	8		
- Due to Micro and Small Enterprises		-	-
- Due to Others		25,928.03	93,390.94
c. Other Current Liabilities	9	44,298.18	47,157.46
d. Short-term Provisions	10	45,650.18	36,273.78
<b>Total</b>		<b>2,86,760.45</b>	<b>3,33,233.07</b>
<b>Total Equity and Liabilities</b>		<b>16,11,593.28</b>	<b>8,86,800.09</b>
<b>II. ASSETS</b>			
(1) Non-current assets			
a. Property, Plant and Equipment and Intangible Assets			
i. Property, Plant and Equipment	11	3,01,668.71	2,62,839.47
ii. Intangible Assets		485.00	-
iii. Intangible Assets under Development		84,932.89	-
c. Deferred Tax Assets (net)	12	2,948.48	299.87
d. Other Non-current Assets	13	5,618.58	4,568.08
<b>Total</b>		<b>3,95,653.66</b>	<b>2,67,707.42</b>
(2) Current assets			
a. Inventories	14	5,26,818.13	3,72,778.43
b. Trade Receivables	15	88,229.93	81,330.81
c. Cash and cash equivalents	16	1,72,732.25	15,790.58
d. Short-term Loans and Advances	17	786.14	1,516.58
e. Other Current Assets	18	4,27,373.17	1,47,676.27
<b>Total</b>		<b>12,15,939.62</b>	<b>6,19,092.67</b>
<b>Total Assets</b>		<b>16,11,593.28</b>	<b>8,86,800.09</b>

As per our report of even date  
For V. N. PUROHIT & CO.  
Chartered Accountants  
Firm's Registration No. 304040E

For and on behalf of the Board of  
CFF Fluid Control Limited

O.P. Pareek  
Partner  
Membership No. 014238

Gautam Makkar  
Director  
0354956

Sunil Menon  
Director  
0409485

Hitesh Birla  
CFO

Sonika Mehta  
Company Secretary  
M. No. A63323

UDIN: 24014238BKAUCJ5695  
Place: New Delhi  
Date: 29 May 2024

Place: Mumbai  
Date: 29 May 2024

## Statement of Profit and loss for the year ended 31 March 2024

(Rs in '000)

Particulars	Note	31 03 2024	31 03 2023
Revenue from Operations	19	10,68,590.59	7,06,663.24
Other Income	20	1,166.23	4,330.72
<b>Total Income</b>		<b>10,69,756.82</b>	<b>7,10,993.96</b>
<b>Expenses</b>			
Cost of Material Consumed	21	5,47,151.91	4,43,426.95
Operating Expenses	22	92,557.59	19,903.08
Employee Benefit Expenses	23	41,379.75	25,105.58
Finance Costs	24	24,151.34	31,106.67
Depreciation and Amortization Expenses	25	44,525.57	13,195.03
Other Expenses	26	79,976.55	34,096.72
<b>Total expenses</b>		<b>8,29,742.71</b>	<b>5,66,834.03</b>
<b>Profit/(Loss) before Exceptional and Extraordinary Item and Tax</b>		<b>2,40,014.11</b>	<b>1,44,159.93</b>
Exceptional Item		-	-
<b>Profit/(Loss) before Extraordinary Item and Tax</b>		<b>2,40,014.11</b>	<b>1,44,159.93</b>
Prior Period Item		-	180.24
Extraordinary Item		-	-
<b>Profit/(Loss) before Tax</b>		<b>2,40,014.11</b>	<b>1,43,979.69</b>
Tax Expenses			
- Current Tax		70,000.00	38,300.00
- Deferred Tax		-2,648.61	464.95
- Excess/Short Provision Written back/off		1,785.25	3,854.84
<b>Profit/(Loss) after Tax</b>		<b>1,70,877.47</b>	<b>1,01,359.90</b>
Earnings Per Share (Face Value per Share Rs.10 each)			
-Basic (In Rs)	29	9.21	7.10
-Diluted (In Rs)	29	9.21	7.10

See accompanying notes to the financial statements

As per our report of even date  
For V. N. PUROHIT & CO.  
Chartered Accountants  
Firm's Registration No. 304040E

For and on behalf of the Board of  
CFF Fluid Control Limited

O.P. Pareek  
Partner  
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Gautam Makkar  
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Sunil Menon  
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Hitesh Birla  
CFO

Sonika Mehta  
Company Secretary  
M. No. A63323

UDIN: 24014238BKAUCJ5695  
Place: New Delhi  
Date: 29 May 2024

Place: Mumbai  
Date: 29 May 2024

## Cash Flow Statement for the year ended 31 March 2024

Particulars	Note	31 03 2024	31 03 2023
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit after tax		1,70,877.47	1,01,359.90
Profit/(loss) from Discontinuing Operation (after tax)		-	-
Depreciation and Amortisation Expense		44,525.57	13,195.03
Provision for tax		69,136.64	42,619.79
Effect of Exchange Rate Change		666.44	-3,532.56
Loss/(Gain) on Sale / Discard of Assets (Net)		-	-
Bad debt, provision for doubtful debts		-	-
Net Loss/(Gain) on Sale of Investments		-	-
Non Cash Expenses		2,132.61	1,144.55
Dividend Income		-	-
Interest Income		-1,166.23	-798.16
Finance Costs		24,151.34	31,106.67
<b>Operating Profit before working capital changes</b>		<b>3,10,323.84</b>	<b>1,85,095.23</b>
Adjustment for:			
Inventories		-1,54,039.70	-1,64,442.66
Trade Receivables		-6,899.13	50,108.33
Loans and Advances		-	-
Other Current Assets		-2,81,712.18	-56,531.45
Other Non current Assets		-10.00	-
Trade Payables		-68,129.35	-99,183.22
Other Current Liabilities		-2,859.28	23,412.43
Long term Liabilities		-	-
Short-term Provisions		-2,550.00	-
<b>Long-term Provisions</b>		<b>-</b>	<b>-</b>
Cash (Used in)/Generated from Operations		-2,05,875.80	-61,541.34
Tax paid(Net)		61,558.85	31,160.55
<b>Net Cash (Used in)/Generated from Operating Activities</b>		<b>-2,67,434.64</b>	<b>-92,701.89</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Property, Plant and Equipment		-1,67,119.31	-1,94,747.18
Loans and Advances given		51.84	-14.17
Interest received		1,166.23	798.16
Dividend received		-	-
<b>Net Cash (Used in)/Generated from Investing Activities</b>		<b>-1,65,901.24</b>	<b>-1,93,963.19</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from Issue of Share Capital		8,48,328.03	-

Buyback of Shares	-	-
Proceeds from Long Term Borrowings	-2,38,635.26	1,86,668.10
Repayment of Long Term Borrowings	-	-
Proceeds from Short Term Borrowings	14,473.17	1,06,366.62
Repayment of Short Term Borrowings	-	-
Minority Interest Movement	-	-
Dividends Paid (including Dividend Distribution Tax)	-9,737.05	-
Interest Paid	-24,151.34	-31,106.67
Net Cash (Used in)/Generated from Financing Activities	5,90,277.55	2,61,928.05
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>1,56,941.67</b>	<b>-24,737.02</b>
Opening Balance of Cash and Cash Equivalents	15,790.58	40,527.60
Exchange difference of Foreign Currency Cash and Cash equivalents	-	-
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>16</b>	<b>1,72,732.25</b>

**Note:** The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 (AS-3), "Cash Flow Statements".

As per our report of even date  
**For V. N. PUROHIT & CO.**  
**Chartered Accountants**  
Firm's Registration No. 304040E

For and on behalf of the Board of  
**CFF Fluid Control Limited**

**O.P. Pareek**  
Partner  
Membership No. 014238

**Gautam Makkar**  
Director  
0354956

**Sunil Menon**  
Director  
0409485

**Hitesh Birla**  
CFO

**Sonika Mehta**  
Company Secretary  
M. No. A63323

UDIN: 24014238BKAUCJ5695  
Place: New Delhi  
Date: 29 May 2024

Place: Mumbai  
Date: 29 May 2024

## Notes forming part of the Financial Statements

### 1 COMPANY INFORMATION

CFF Fluid Control private Limited is a company incorporated on 16<sup>th</sup> February 2012 and having its registered office at Plot No. 01, Survey No. 96, Khubhivli Madap , Raigad, Maharashtra- 410203 with Registrar of Companies, Maharashtra. It is engaged in the business of manufacturing, Overhaul, repairs and maintenance of shipboard machinery, combat system, reference system, test facilities (pneumatic, hydraulic, electrical, electrical systems) for submarines and surface ships for Indian Navy.

### 2 SIGNIFICANT ACCOUNTING POLICIES

#### a Basis of Preparation

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, as applicable. The financial statements have been prepared under the historical cost convention on accrual basis, except for certain financial instruments which are measured at fair value.

#### b Use of estimates

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expense during the year. Examples of such estimates include provisions for doubtful receivables, provision for income taxes, the useful lives of depreciable Property, Plant and Equipment and provision for impairment. Future results could differ due to changes in these estimates and the difference between the actual result and the estimates are recognised in the period in which the results are known / materialise.

#### c Property, Plant and Equipment

Property, plant and equipment are carried at the cost of acquisition or construction less accumulated depreciation. The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying property, plant and equipment up to the date it is ready for its intended use.

#### d Depreciation / amortisation

In respect of Property, Plant and Equipment (other than freehold land and capital work-in-progress) acquired during the year, depreciation/ amortisation is provided on 'Written Down Value Method' in accordance with the rates and other conditions laid down in Schedule- II of the Companies Act, 2013. The calculation of depreciation is made on annual basis including in case of additions or sale of property, plant & equipment during the year.

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**e Employee benefits**

"Short term benefits such as salary, bonus, leave salary and other benefits are accounted on accrual basis. Defined contribution plans includes company's contributions towards state plans for the employees, such as EPF, ESI etc. where contributions made towards such plans are charged to revenue as and when they become due to the company.

Defined benefit plans includes gratuity, liability of which is provided in the books of account on the basis of actuarial valuation made at the end of year."

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**f Impairment**

At each balance sheet date, the management reviews the carrying amounts of its assets included in each cash generating unit to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset. Reversal of impairment loss is recognised as income in the statement of profit and loss.

---

**g Investments**

Long-term investments and current maturities of long-term investments are stated at cost, less provision for other than temporary diminution in value. Current investments, except for current maturities of long-term investments, comprising investments in mutual funds, government securities and bonds are stated at the lower of cost and fair value.

---

**h Revenue recognition**

Revenue from sale of goods is recognised at the time of delivery of goods. Service revenue is recognised after performance of the service contract is completed. Recognition of revenue is based upon the condition that there is no significant uncertainty exist regarding the amount of consideration that will be derived from sale or services. Revenue is reported net of trade discounts, if any. Dividend is recorded when the right to receive payment is established. Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.

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**i Taxation**

Long-term investments and current maturities of long-term investments are stated at cost, less provision for other than temporary diminution in value. Current investments, except for current maturities of long-term investments, comprising investments in mutual funds, government securities and bonds are stated at the lower of cost and fair value.

Current tax comprises taxes on income and measured at the amount expected to be paid to the tax authorities, using the applicable tax rates.

Deferred tax expense or benefit is recognised on timing differences being the difference between taxable income and accounting income that originate in one period and is likely to reverse in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction for relevant tax paying units and where the Company is able to and intends to settle the asset and liability on a net basis.

The Company offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

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**j Foreign currency transactions**

Income and expense in foreign currencies are converted at exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities other than net investments in non-integral foreign operations are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses are recognised in the statement of profit and loss. Exchange difference arising on a monetary item that, in substance, forms part of an enterprise's net investments in a non-integral foreign operation are accumulated in a foreign currency translation reserve.

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#### k Earning per share

Basic Earnings per Share is computed by dividing the net profit after tax by weighted average number of equity shares outstanding during the year. Diluted Earnings per Share is computed by dividing net profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

#### l Inventories

Inventories are stated at the lower of cost of net realisable value. Net realisable value means the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

#### m Provisions, Contingent liabilities and Contingent assets

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

#### n Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amount of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

### 3 Share Capital (Rs in '000)

Particulars	31 03 2024	31 03 2023
<b>Authorised Share Capital</b>		
Equity Shares, Rs. 10 par value, 21000000 (Previous Year -21000000) Equity Shares	2,10,000.00	2,10,000.00
<b>Issued, Subscribed and Fully Paid up Share Capital</b>		
Equity Shares, Rs. 10 par value 19474100 (Previous Year -14274100) Equity Shares paid up	1,94,741.00	1,42,741.00
<b>Total</b>	<b>1,94,741.00</b>	<b>1,42,741.00</b>

#### (i) Reconciliation of number of shares

Particulars	31 03 2024		31 03 2023	
Equity Shares	No. of shares	(Rs in '000)	No. of shares	(Rs in '000)
Opening Balance	1,42,74,100	1,42,741.00	7,13,705	7,137.05
Issued during the year	52,00,000	52,000.00	1,35,60,395	1,35,603.95
Deletion	-	-	-	-
<b>Closing balance</b>	<b>1,94,74,100</b>	<b>1,94,741.00</b>	<b>1,42,74,100</b>	<b>1,42,741.00</b>

#### (ii) Rights, preferences and restrictions attached to shares

Equity Shares: The Company has one class of equity shares. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(iii) Details of Shares held by shareholders holding more than 5% of the aggregate shares in the company

Equity Shares	31 03 2024		31 03 2023	
Name of Shareholder	No. of shares	(Rs in '000)	No. of shares	(Rs in '000)
Sunil Menon	71,38,260	36.66%	71,36,660	50.00%
Gautam Makkar	43,56,340	22.37%	43,56,340	30.52%
Niranjan Makkar	10,16,740	5.22%	10,16,740	7.12%
Sheeila Makkar	17,63,560	9.06%	17,63,560	12.35%

(iv) Shares held by Promoters at the end of the year 31 March 2024

Name of Promoter	Class of Shares	No. of Shares	% of total shares	% Change during the year
Sunil Menon	Equity	71,38,260	36.66%	0.02%
Gautam Makkar	Equity	43,56,340	22.37%	0.00%
Niranjan Makkar	Equity	10,16,740	5.22%	0.00%
Sheeila Makkar	Equity	17,63,560	9.06%	0.00%

Shares held by Promoters at the end of the year 31 March 2023

Name of Promoter	Class of Shares	No. of Shares	% of total shares	% Change during the year
Sunil Menon	Equity	71,36,660	50.00%	0.00%
Gautam Makkar	Equity	43,56,340	30.52%	0.00%
Niranjan Makkar	Equity	10,16,740	7.12%	0.00%
Sheeila Makkar	Equity	17,63,560	12.35%	0.00%

On 5<sup>th</sup> June 2023, the Company has issued and allotted 52,00,000 equity shares having face value of Rs. 10 each by way of Initial Public Offer at an issue price of Rs. 165 per equity share.

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

4 Reserves and Surplus (Rs in '000)

Particulars	31 03 2024	31 03 2023
<b>Securities Premium</b>		
Opening Balance	-	27,871.77
Add: Issue of Shares	8,06,000.00	-
Less: Adjusted towards issue expenses	9,671.97	-
Less: Issue as Bonus Shares	-	27,871.77
Closing Balance	7,96,328.03	-
<b>Statement of Profit and loss</b>		
Balance at the beginning of the year	1,07,151.67	1,13,523.96
Add: Profit/(loss) during the year	1,70,877.47	1,01,359.90
Less: Appropriation		
Interim dividend	9,737.05	-
Issue as Bonus Shares	-	1,07,732.19
Balance at the end of the year	2,68,292.09	1,07,151.67
<b>Total</b>	<b>10,64,620.12</b>	<b>1,07,151.67</b>



During the year, the Company has incurred expenses towards public issue amounting to Rs. 96.72 lakhs which were adjusted from securities premium as per provisions of Section 52 of the Companies Act, 2013. During the year, the Company has paid an interim dividend of Rs. 0.50 per equity share as decided by the Board of Directors in their meeting held on 3<sup>rd</sup> November 2023.

#### 5 Long term borrowings (Rs in '000)

Particulars	31 03 2024	31 03 2023
Secured Term loans from banks	63,905.65	87,117.15
Unsecured Loans and advances from related parties	-	2,15,423.75
<b>Total</b>	<b>63,905.65</b>	<b>3,02,540.90</b>

#### Particulars of Long term Borrowings

Name of Lender/ Type of Loan	Nature of Security	Rate of Interest	Monthly Installments	No of Installments
Axis Bank Limited- Term Loan	See Note Below	Repo + 2.75% p.a.	1166660	60
Axis Bank Limited- ECLGS Term Loan	See Note Below	Repo + 2.75% p.a.	394444	36
Axis Bank Limited- ECLGS Term Loan	See Note Below	Repo + 2.75% p.a.	775000	36

Term loan obtained from Axis Bank Limited effectively carrying interest of 9.25% p.a. to be repaid over 72 months including moratorium period of 12 months and is secured against hypothecation on the entire movable assets of the company (Present and Future), equitable mortgage of the Company's factory Land and Building located at Plot No. 1, Survey No. 96, Village Khumbivali, Taluka Khalapur, Dist. Raigad, Maharashtra, corporate guarantee of M/s Flash Forge Private Limited and personal guarantee of the directors, Mr. Gautam Makkar and Mr. Sunil Menon.

Additional credit facility under Emergency Credit Line Guarantee Scheme was received from Axis Bank to the tune of Rs. 158.00 Lakhs and Rs. 142.00 Lakhs effectively carrying interest of 9.25% p.a. to be repaid over 5 years including moratorium period of 2 years under the same collateral as mentioned above.

#### 6 Long term provisions (Rs in '000)

Particulars	31 03 2024	31 03 2023
Provision for employee benefits	1,566.06	1,133.45
<b>Total</b>	<b>1,566.06</b>	<b>1,133.45</b>

#### 7 Short term borrowings (Rs in '000)

Particulars	31 03 2024	31 03 2023
Current maturities of long-term debt	21,833.25	10,088.89
Secured Loans repayable on demand from banks	1,49,050.81	1,46,322.00
<b>Total</b>	<b>1,70,884.06</b>	<b>1,56,410.89</b>

#### Particulars of Short term Borrowings

Name of Lender/Type of Loan	Rate of Interest	Nature of Security
Axis Bank Limited	Repo Rate + 3.35% p.a.	See Note below

Bank cash credit (Existing limits & New limits) from Axis Bank Limited is secured against exclusive first charge by way of hypothecation on the entire Current Assets of the com-

pany (Present and future). Extension of exclusive charge by way of equitable mortgage on land and building, owned by the company, corporate guarantee of M/s Flash Forge Private Limited and personal guarantee of directors, Mr. Gautam Makkar and Mr. Sunil Menon.

**8 Trade payables (Rs in '000)**

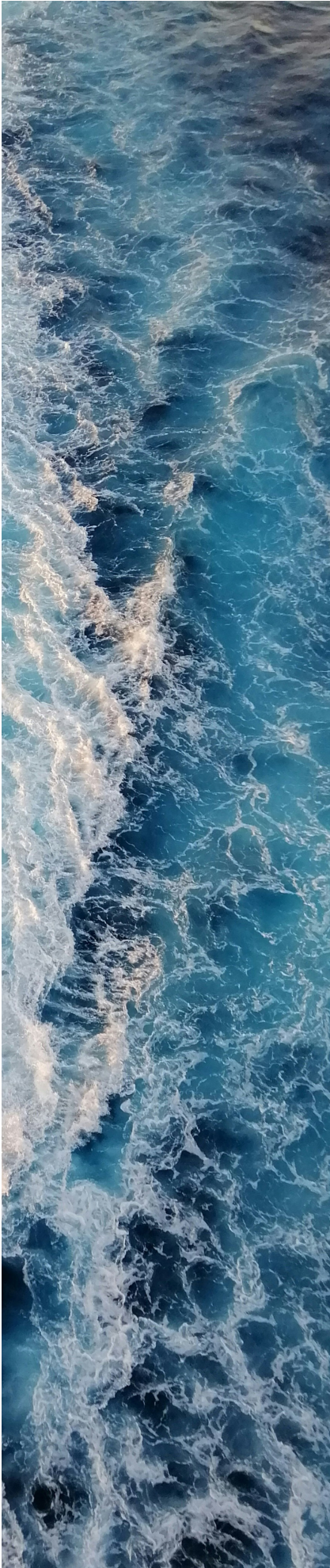
Particulars	31 03 2024	31 03 2023
Due to Micro and Small Enterprises	-	-
Due to others	25,928.03	93,390.94
<b>Total</b>	<b>25,928.03</b>	<b>93,390.94</b>

**8.1 Trade Payable ageing schedule as at 31 March 2024 (Rs in '000)**

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME					-
Others	75,614.86	17,247.29	-	528.79	93,390.94
Disputed dues- MSME					-
Disputed dues- Others					-
<b>Sub total</b>					<b>93,390.94</b>
MSME - Undue					
Others - Undue					
<b>Total</b>				25,928.03	<b>93,390.94</b>

**8.2 Trade Payable ageing schedule as at 31 March 2023**

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME					-
Others	75,614.86	17,247.29	-	528.79	93,390.94
Disputed dues- MSME					-
Disputed dues- Others					-
<b>Sub total</b>					<b>93,390.94</b>
MSME - Undue					
Others - Undue					
<b>Total</b>					<b>93,390.94</b>



There are no dues to Micro enterprises and small enterprises as defined under Micro, Small & Medium Enterprises Development Act, 2006 which are outstanding for a period more than 45 days as on balance sheet date. The information regarding Micro, Small and Medium Enterprises has been determined on the basis of information available with the Company and have been duly relied upon by the auditors of the Company.

#### 9 Other current liabilities (Rs in '000)

Particulars	31 03 2024	31 03 2023
Unpaid dividends	3.78	-
Application money received for allotment of securities and due for refund and interest accrued thereon	-	19,864.01
Advance from customers	18,450.27	10,326.04
Audit fees payable	324.00	270.00
EPF and ESIC payable	241.91	269.97
Other expenses payable	21,238.22	9,739.69
Professional tax payable	12.80	9.20
TDS payable	4,027.20	6,678.55
<b>Total</b>	<b>44,298.18</b>	<b>47,157.46</b>

#### 10 Short term provisions (Rs in '000)

Particulars	31 03 2024	31 03 2023
Others		
-For CSR expenses	-	850.00
-For income tax (net of advances)	45,650.18	35,423.78
<b>Total</b>	<b>45,650.18</b>	<b>36,273.78</b>

11 Property, Plant and Equipment (Rs in '000)

Particulars	Gross Block			Depreciation and Amortization				Net Block	
	As on 01-Apr-23	Addition	Deduction	As on 31-Mar-24	As on 01-Apr-23	Addition	Deduction	As on 31-Mar-24	As on 31-Mar-24
<b>(i) Property, Plant and Equipment</b>									
Land	21,974.00	-	-	21,974.00	-	-	-	-	21,974.00
Plant and Machinery	1,58,267.20	72,314.31	-	2,30,581.51	38,705.64	31,311.83	-	70,017.46	1,60,564.05
Building	1,49,356.86	642.59	-	1,49,999.46	29,296.27	11,459.61	-	40,755.88	1,09,243.58
Computers	1,174.82	-	-	1,174.82	835.30	200.12	-	1,035.41	139.40
Furniture and Fixture	2,328.99	10,334.83	-	12,663.82	1,879.88	1,426.57	-	3,306.45	9,357.36
Office Equipment	3,425.78	63.08	-	3,488.86	3,055.65	105.56	-	3,161.20	327.66
Vehicles	89.23	-	-	89.23	4.68	21.89	-	26.57	62.66
<b>Total</b>					<b>93,390.94</b>				<b>93,390.94</b>
<b>(ii) Intangible Assets</b>									
Design Software	-	485.00	-	485.00	-	-	-	-	485.00
<b>Total</b>	-	<b>485.00</b>	-	<b>485.00</b>	-	-	-	-	<b>485.00</b>

Particulars	Gross Block			Depreciation and Amortization				Net Block	
	As on 01-Apr-22	Addition	Deduction	As on 31-Mar-23	As on 01-Apr-22	Addition	Deduction	As on 31-Mar-23	As on 31-Mar-23
<b>(i) Property, Plant and Equipment</b>									
Land	21,974.00	-	-	21,974.00	-	-	-	-	21,974.00
Plant and Machinery	56,645.47	1,01,621.73	-	1,58,267.20	34,379.09	4,326.54	-	38,705.64	1,19,561.56
Building	56,979.36	92,377.50	-	1,49,356.86	20,758.03	8,538.24	-	29,296.27	1,20,060.60
Computers	740.99	433.83	-	1,174.82	716.98	118.32	-	835.30	339.52
Furniture and Fixture	2,328.99	-	-	2,328.99	1,722.98	156.90	-	1,879.88	449.11
Office Equipment	3,204.28	221.50	-	3,425.78	3,005.30	50.35	-	3,055.65	370.13
Vehicles	-	89.23	-	89.23	-	4.68	-	4.68	84.55
<b>Total</b>	<b>1,41,873.09</b>	<b>1,94,743.79</b>	-	<b>3,36,616.88</b>	<b>60,582.37</b>	<b>13,195.03</b>	-	<b>73,777.40</b>	<b>2,62,839.47</b>
<b>(ii) Intangible Assets</b>									
Design Software	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-	-
<b>(iii) Intangible Assets under Development</b>								84,932.89	-

The Company pursuant to Technology Transfer Agreement has incurred a sum of Rs. 849.33 lakhs during the year towards "Towed Wired Antenna" (TWA) technology from NEREIDES, France who is engaged in manufacturing TWA and will transfer its technology, process, knowhow and product development to the Company.

**Intangible assets under development (Rs in '000)**

Particulars	31 03 2024	31 03 2023
Opening Balance	-	-
Add: Addition during the year	84,932.89	-
Less: Capitalised during the year	-	-
<b>Closing Balance</b>	<b>84,932.89</b>	-

Intangible assets under development	Amount in CWIP for a period of				31 March 2024	Amount in CWIP for a period of				31 March 2023
	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years		Total	Less than 1 year	1-2 Years	2-3 Years	
Projects in progress	84,932.89	-	-	-	84,932.89	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-

**12 Deferred tax assets net (Rs in '000)**

<b>Particulars</b>	<b>31 03 2024</b>	<b>31 03 2023</b>
Deferred tax assets (net)	2,948.48	299.87
<b>Total</b>	<b>2,948.48</b>	<b>299.87</b>

**12.1 Significant Components of Deferred Tax (Rs in '000)**

<b>Particulars</b>	<b>31 03 2024</b>	<b>31 03 2023</b>
<b>Deferred Tax Asset</b>		
Difference between book depreciation and tax de- preciation	936.71	299.87
Expenses allowable under Section 35D	2,011.77	-
<b>Gross Deferred Tax Asset (A)</b>	<b>2,948.48</b>	<b>299.87</b>
<b>Deferred Tax Liability</b>		
<b>Gross Deferred Tax Liability (B)</b>	<b>-</b>	<b>-</b>
<b>Net Deferred Tax Asset (A)-(B)</b>	<b>2,948.48</b>	<b>299.87</b>

**12.2 Significant components of Deferred Tax charged during the year**

<b>Particulars</b>	<b>31 03 2024</b>	<b>31 03 2023</b>
Difference between book depreciation and tax depreciation	-636.85	464.95
Expenses allowable under Section 35D	-2,011.77	-
<b>Total</b>	<b>-2,648.62</b>	<b>464.95</b>

**13 Other non current assets (Rs in '000)**

<b>Particulars</b>	<b>31 03 2024</b>	<b>31 03 2023</b>
Security Deposits	2,618.58	4,450.58
Others		
-Earnest money deposit	3,000.00	117.50
<b>Total</b>	<b>5,618.58</b>	<b>4,568.08</b>

**14 Inventories (Rs in '000)**

<b>Particulars</b>	<b>31 03 2024</b>	<b>31 03 2023</b>
Raw materials	5,26,818.13	3,72,778.43
<b>Total</b>	<b>5,26,818.13</b>	<b>3,72,778.43</b>

**15 Trade receivables (Rs in '000)**

<b>Particulars</b>	<b>31 03 2024</b>	<b>31 03 2023</b>
Unsecured considered good	88,229.93	81,330.81
<b>Total</b>	<b>88,229.93</b>	<b>81,330.81</b>

15.1 Trade Receivables ageing schedule as at 31 March 2024 (Rs in '000)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables- considered good	88,229.93					88,229.93
Undisputed Trade Receivables- considered doubtful						-
Disputed Trade Receivables considered good						-
Disputed Trade Receivables considered doubtful						-
<b>Sub total</b>						<b>88,229.93</b>
Undue - considered good						
<b>Total</b>						<b>88,229.93</b>

15.2 Trade Receivables ageing schedule as at 31 March 2023 (Rs in '000)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables- considered good	81,330.81					81,330.81
Undisputed Trade Receivables- considered doubtful						-
Disputed Trade Receivables considered good						-
Disputed Trade Receivables considered doubtful						-
<b>Sub total</b>						<b>81,330.81</b>
Undue - considered good						
<b>Total</b>						<b>81,330.81</b>

16 Cash and cash equivalents (Rs in '000)

Particulars	31 03 2024	31 03 2023
Cash on hand	802.11	852.94
Balances with banks in current accounts	1,53,024.39	567.67
<b>Cash and cash equivalents - total</b>	<b>1,53,826.50</b>	<b>1,420.61</b>
Other Bank Balances		
Deposits with original maturity for more than 3 months but less than 12 months	18,905.75	14,369.97
<b>Total</b>	<b>1,72,732.25</b>	<b>15,790.58</b>

17 Short term loans and advances (Rs in '000)

Particulars	31 03 2024	31 03 2023
Other loans and advances (Unsecured, considered good)		
-Advances to employees	786.14	1,516.58
<b>Total</b>	<b>786.14</b>	<b>1,516.58</b>

18 Other current assets (Rs in '000)

Particulars	31 03 2024	31 03 2023
Advance to suppliers	3,27,979.84	81,971.50
Input credit under GST	62,446.91	29,588.38
Prepaid expenses	-	3,702.24
Retention money	36,946.42	32,414.15
<b>Total</b>	<b>4,27,373.17</b>	<b>1,47,676.27</b>

19 Revenue from operations (Rs in '000)

Particulars	31 03 2024	31 03 2023
Sale of products	10,12,053.68	6,82,547.04
Sale of services	56,536.91	24,116.20
<b>Total</b>	<b>10,68,590.59</b>	<b>7,06,663.24</b>

20 Other Income (Rs in '000)

Particulars	31 03 2024	31 03 2023
Interest Income	1,166.23	798.16
Others		
-Foreign exchange fluctuation gain	-	3,532.56
<b>Total</b>	<b>1,166.23</b>	<b>4,330.72</b>

21 Cost of Material Consumed (Rs in '000)

Particulars	31 03 2024	31 03 2023
<b>Raw Material Consumed</b>		
Opening stock	3,72,778.43	2,08,335.77
Purchases	7,01,191.61	6,07,869.61
Less: Closing stock	5,26,818.13	3,72,778.43
<b>Total</b>	<b>5,47,151.91</b>	<b>4,43,426.95</b>

22 Operating Expenses (Rs in '000)

Particulars	31 03 2024	31 03 2023
Electricity expenses	4,862.19	3,640.68
Factory expenses	274.46	6.40
Job work charges	60.00	6,555.11
Labour charges	5,973.53	6,650.74
Packing charges	-	5.81
Repair and maintenance	79,519.37	1,412.27
Testing charges	270.08	560.17
Transportation	1,597.96	1,071.90
<b>Total</b>	<b>92,557.59</b>	<b>19,903.08</b>

23 Employee benefit expenses (Rs in '000)

Particulars	31 03 2024	31 03 2023
Salaries and wages	39,371.21	24,211.28
Contribution to provident and other funds	1,296.70	387.15
Staff welfare expenses	279.23	212.60
Gratuity	432.61	294.55
<b>Total</b>	<b>41,379.75</b>	<b>25,105.58</b>

Defined Contribution Plan (Rs in '000)

Particulars	31 03 2024	31 03 2023
Employers Contribution to Provident Fund	1,230.51	361.75
Employers Contribution to ESI	26.65	25.40

**Defined Benefit Plan**

**Changes in the present value of the defined benefit obligation (Rs in '000)**

<b>Particulars</b>	<b>31 03 2024</b>	<b>31 03 2023</b>
Current Service Cost	408.29	320.29
Interest Cost	81.04	59.14
Actuarial (Gain) / Loss	-56.72	-84.88
<b>Defined Benefit Obligation at year end</b>	<b>432.61</b>	<b>294.55</b>
Fair value of plan assets as at the beginning of the year	-	-
Expected return on plan assets	-	-
Contributions	-	-
Benefits paid	-	-
Actuarial gain/ (loss) on plan assets	-	-
<b>Fair value of plan assets as at the end of the year</b>	<b>-</b>	<b>-</b>

**Reconciliation of present value of defined benefit obligation and fair value of assets (Rs in '000)**

<b>Particulars</b>	<b>31 03 2024</b>	<b>31 03 2023</b>
Present value obligation as at the end of the year	1,566.06	1,133.45
Fair value of plan assets as at the end of the year	-	-
Funded status/(deficit) or Unfunded net liability	-1,566.06	-1,133.45
<b>Amount classified as:</b>		
Short term provision		
Long term provision	1,566.06	1,133.45

**Expenses recognized in Profit and Loss Account (Rs in '000)**

<b>Particulars</b>	<b>31 03 2024</b>	<b>31 03 2023</b>
Current service cost	408.29	320.29
Interest cost	81.04	59.14
Deficit in acquisition cost recovered	-	-
Expected return on plan assets	-	-
Net actuarial loss/(gain) recognized during the year	-56.72	-84.88
<b>Total expense recognised in Profit and Loss</b>	<b>432.61</b>	<b>294.55</b>

**Actuarial assumptions (Rs in '000)**

<b>Particulars</b>	<b>31 03 2024</b>	<b>31 03 2023</b>
Discount Rate	6.97%	7.15%
Expected Rate of increase in Compensation Level	7.00%	7.00%
Expected Rate of return on Plan assets	0.00%	0.00%
Mortality Rate	100% of IALM 2012-14	100% of IALM 2012-14
Retirement Rate	15%/10%/5% as per age	15%/10%/5% as per age
Average Attained Age	34	34
Withdrawal Rate	15%/10%/5% as per age	15%/10%/5% as per age

**General Description of the Plan**

None



24 Finance costs (Rs in '000)

Particulars	31 03 2024	31 03 2023
Interest expense	21,564.93	27,428.08
Other borrowing costs	2,586.41	3,678.59
<b>Total</b>	<b>24,151.34</b>	<b>31,106.67</b>

25 Depreciation and amortization expenses (Rs in '000)

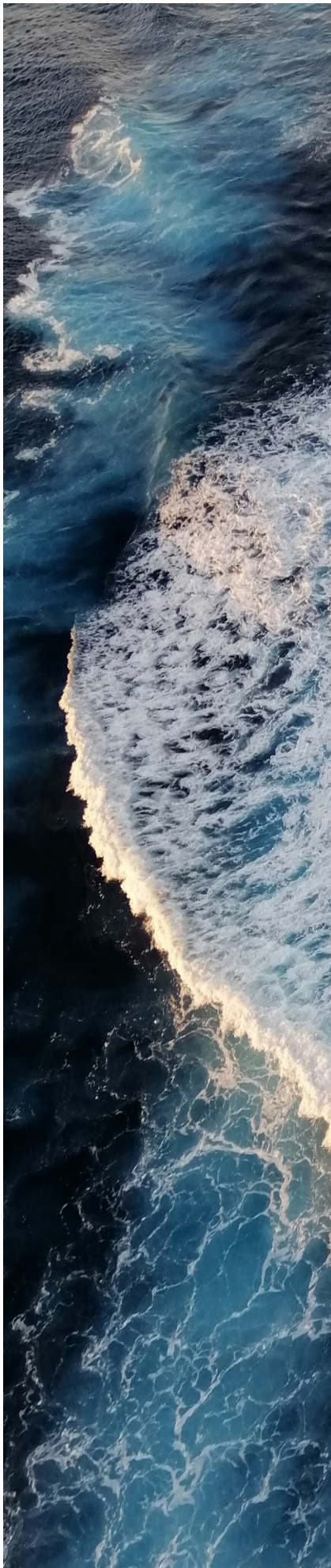
Particulars	31 03 2024	31 03 2023
Depreciation	44,525.57	13,195.03
<b>Total</b>	<b>44,525.57</b>	<b>13,195.03</b>

26 Other expenses (Rs in '000)

Particulars	31 03 2024	31 03 2023
Auditors' Remuneration	300.00	700.00
Commission	-	7.00
Conveyance expenses	-	55.09
Insurance	497.57	255.61
Professional fees	53,674.92	4,371.18
Rent	9,044.12	6,862.28
Rates and taxes	220.03	-
Telephone expenses	185.86	185.74
Travelling Expenses	3,769.36	938.29
Bank charges	223.06	178.70
Business promotion	224.85	-
<b>Total continued</b>	<b>68,139.77</b>	<b>13,553.89</b>

Other expenses (Rs in '000)

Particulars	31 03 2024	31 03 2023
<b>Total continued from previous table</b>	<b>68,139.77</b>	<b>13,553.89</b>
CSR expenses	1,700.00	850.00
Directors' sitting fees	425.00	-
Donation	1,100.00	50.00
Filing fees	97.60	2,493.90
Foreign exchange fluctuation loss	666.44	-
Inspection charges	111.81	243.05
Interest on statutory dues	179.14	192.96
Late delivery charges	3,101.57	13,160.53
Listing fees	40.00	-
Miscellaneous expenses	304.12	295.37
Office maintenance	1,112.86	416.66
Postage and stamp expenses	315.10	2,683.72
Printing and stationery	284.21	76.64
Remuneration to cost auditors	100.00	-
Remuneration to internal auditors	150.00	-
Tender fees	1,810.88	-
Vehicle running & maintenance	294.05	-
Website charges	44.00	80.00
<b>Total</b>	<b>79,976.55</b>	<b>34,096.72</b>



27 Prior Period Item (Rs in '000)

Particulars	31 03 2024	31 03 2023
MVAT Demand for earlier years	-	180.24
<b>Total</b>	<b>-</b>	<b>180.24</b>

28 Tax Expenses (Rs in '000)

Particulars	31 03 2024	31 03 2023
Auditors' Remuneration	70,000.00	38,300.00
Commission	-2,648.61	464.95
Conveyance expenses	1,785.25	3,854.84
<b>Total continued</b>	<b>69,136.64</b>	<b>42,619.79</b>

29 Earning per share (Rs in '000)

Particulars	31 03 2024	31 03 2023
Profit attributable to equity shareholders (Rs in '000)	<b>1,70,877.47</b>	<b>1,01,359.90</b>
Weighted average number of Equity Shares	1,85,50,603	1,42,74,100
Earnings per share basic (Rs)	9.21	7.10
Earnings per share diluted (Rs)	9.21	7.10
Face value per equity share (Rs)	10	10

30 Auditors' Remuneration (Rs in '000)

Particulars	31 03 2024	31 03 2023
Payments to auditor as		
- Auditor	300.00	300.00
- Examination of Restated Financial Statements	-	400.00
<b>Total</b>	<b>300.00</b>	<b>700.00</b>

31 Contingent Liabilities and Commitments (Rs in '000)

Particulars	31 03 2024	31 03 2023
Claims against the Company not acknowledged as debt	-	-
Income tax demand for AY 2022- 23	-	11,054.34
Income tax demand for AY 2018- 19, appeal filed with CIT (A)	39,428.84	-
<b>Total</b>	<b>39,428.84</b>	<b>11,054.34</b>

32 Expenditure made in Foreign Currencies (Rs in '000)

Particulars	31 03 2024	31 03 2023
Pursuant to TWA Technology Transfer Agreement	84,932.89	-
<b>Total</b>	<b>84,932.89</b>	<b>-</b>

33 Value of Import on CIF basis (Rs in '000)

Particulars	31 03 2024	31 03 2023
Raw Materials	82,995.78	44,605.39
Components and Spare Parts	-	-
Capital goods	-	-
<b>Total</b>	<b>82,995.78</b>	<b>44,605.39</b>

**34 Un-hedged foreign currency exposure (Rs in '000)**

The foreign currency exposure of the company is not hedged. A details of Un-hedged foreign currency exposure at the year end is given below: -

Particulars	Foreign Currency(FC)	31 March 2024	31 March 2023	31 March 2024	31 March 2023
		Amount in FC	Amount in FC	Amount in INR	Amount in INR
Trade payables-Credit Balance	EURO	-	172.90	-	15,435.74
Trade Advances-Debit Balance	EURO	165.37	294.89	14,903.51	26,326.80
<b>Total</b>		<b>165.37</b>	<b>467.79</b>	<b>14,903.51</b>	<b>41,762.54</b>

**35 Related Party Disclosure**

**(i) List of Related Parties**

**Relationship**

Sunil Menon	Director and KMP
Gautam Makker	Director and KMP
Flash Forge Private Limited	KMP have Significant Influence
Sonika Mehta	Company Secretary
Hitesh Birla	Chief Financial Officer

**(ii) Related Party Transactions (Rs in '000)**

Particulars	Relationship	31 March 2024	31 March 2023
Advance given			
- Gautam Makker	Director and KMP	780.00	-
Advance recovered			
- Gautam Makker	Director and KMP	780.00	-
Remuneration			
- Sunil Menon	Director and KMP	8,400.00	4,200.00
Loan taken			
- Flash Forge Private Limited	KMP have Significant Influence	13,370.00	2,26,535.00
Loan repaid			
- Flash Forge Private Limited	KMP have Significant Influence	2,28,793.75	1,06,860.00
Interest given			
- Flash Forge Private Limited	KMP have Significant Influence	5,757.20	18,586.13
Rembursement of expenses			
- Flash Forge Private Limited	KMP have Significant Influence	26,015.08	48,710.00
Salary			
- Hitesh Birla	Chief Financial Officer	1,423.01	946.76
- Sonika Mehta	Company Secretary	216.00	90.20

**(ii) Related Party Balances (Rs in '000)**

Particulars	Relationship	31 March 2024	31 March 2023
Borrowings			
- Flash Forge Private Limited	KMP have Significant Influence	-	2,15,423.75
Payable against expenses			
- Flash Forge Private Limited	KMP have Significant Influence	195.81	6,819.80
Remuneration payable			
- Sunil Menon	Director and KMP	281.28	900.00
Salaries payable			
- Sonika Mehta	Company Secretary	18.00	16.60
- Hitesh Birla	Chief Financial Officer	53.48	128.13

**36 Registration of Charge**  
The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

**37 Ratio Analysis**

Particulars	Numerator/Denominator	31 March 2024	31 March 2023	Change in %
(a) Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	4.24	1.86	128.24%
(b) Debt-Equity Ratio	$\frac{\text{Total Debts}}{\text{Shareholder's Equity}}$	0.19	1.84	-89.85%
(c) Debt Service Coverage Ratio	$\frac{\text{Earning available for Debt Service}}{\text{Debt Service}}$	6.71	4.07	65.04%
(d) Return on Equity Ratio	$\frac{\text{Profit after Tax}}{\text{Average Shareholder's Equity}}$	22.64%	50.88%	-55.50%
(e) Inventory turnover ratio	$\frac{\text{Total Turnover}}{\text{Average Inventories}}$	2.38	2.43	-2.32%
(f) Trade receivables turnover ratio	$\frac{\text{Total Turnover}}{\text{Average Account Receivable}}$	12.60	6.64	89.75%
(g) Trade payables turnover ratio	$\frac{\text{Total Purchases}}{\text{Average Account Payable}}$	11.75	4.20	180.09%
(h) Net capital turnover ratio	$\frac{\text{Total Turnover}}{\text{Net Working Capital}}$	1.15	2.47	-53.48%
(i) Net profit ratio	$\frac{\text{Net Profit}}{\text{Total Turnover}}$	15.99%	14.34%	11.49%
(j) Return on Capital employed	$\frac{\text{Earning before interest and taxes}}{\text{Capital Employed}}$	17.68%	24.70%	-28.42%

Current ratio: Due to increase in working capital after raising of funds.

Debt equity ratio: Due to repayment of unsecured borrowings.

Debt service coverage ratio: Due to increase in earnings as compared to earlier year.

Return on equity ratio: Due to significant increase in shareholder's fund on public issue.

Trade receivable turnover ratio: Due to increase in turnover for the current year.

Trade payable turnover ratio: Due to increase in turnover for the current year.

Net capital turnover ratio: Due to significant increase in working capital as compared to turnover for the current year.

Return on capital employed: Significant increase in shareholder's fund on public issue.

**38 Undisclosed Income**

The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

**39 CSR Expenditure**

Particulars	31 03 2024	31 03 2023
Amount required to be spent by the company during the year	1,668.79	833.35
Amount of expenditure incurred	2,550.00	-
Shortfall at the end of the year	-	833.35
Total of previous years shortfall	833.35	-
Movement in the provision	-850.00	850.00

**Reason for shortfall**

The Company has made an excess expenditure under its CSR policy to the extent of Rs. 47.85 thousand.

#### **Nature of CSR activities**

The Company had deposited a sum of Rs. 8.50 Lakhs pertaining to CSR expenditure for the year ended on 31<sup>st</sup> March 2023 to the "PM Cares Fund" specified under Schedule VII of the Companies Act, 2013 before due date.

During the year, the Company has in place a CSR policy laid down in accordance with the provisions of Companies Act, 2013 and rules made thereunder. The Company under its CSR policy, affirms its commitment of seamless integration of marketplace, workplace, environment and community concerns with business operations by undertaking activities / initiatives that are not taken in its normal course of business and/or confined to only the employees and their relatives and which are in line with the broad-based list of activities, areas or subjects that are set out under schedule VII of the Companies Act, 2013.

#### **40 Other Statutory Disclosures as per the Companies Act, 2013**

The Company did not have any long- term contracts including derivative contracts for which there were any material foreseeable losses.

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

The title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and capital work-in progress are held in the name of the Company as at the balance sheet date.

#### **41 Segment Reporting**

In absence of any identifiable business segment, Accounting Standard (AS) 17 on Segment Reporting are not applicable on the Company.

#### **42 Realisable value of assets**

In the opinion of the management, the current assets, loans and advances have a realizable value in the ordinary course of business is not less than the amount at which they are stated in the balance sheet.

#### **43 Confirmation of balances**

Balance shown under receivables, payables and advances are subject to confirmation.

#### **44 Regrouping**

Previous year's figures have been re- arranged or re- grouped wherever considered necessary.

#### **45 Rounding off**

Figures have been rounded off to the nearest thousands of rupees.

As per our report of even date  
**For V. N. PUROHIT & CO.**  
Chartered Accountants  
Firm's Registration No. 304040E

For and on behalf of the Board of  
**CFF Fluid Control Limited**

**O.P. Pareek**  
Partner  
Membership No. 014238

**Gautam Makkar**  
Director  
0354956

**Sunil Menon**  
Director  
0409485

**Hitesh Birla**  
CFO

**Sonika Mehta**  
Company Secretary  
M. No. A63323

UDIN: 24014238BKAUCJ5695  
Place: New Delhi  
Date: 29 May 2024

Place: Mumbai  
Date: 29 May 2024







**CFF**

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