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SUPREME FACILITY MANAGEMENT LIMITED

Corporate Identity Number: U63040PN2005PLC020759

Our Company was incorporated on May 19, 2005 as 'Supreme Facility Management Private Limited', a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated May 19, 2005 issued by the Registrar of Companies, Pune. Subsequently, our Company was converted to a public limited company, pursuant to a special resolution passed by the shareholders of our Company at the Registered Office general meeting held on February 9, 2024 and the name of our Company was changed from "Supreme Facility Management Private Limited" to "Supreme Facility Management Limited", pursuant conversion from private to public company and a fresh certificate of incorporation dated March 1, 2024 issued by the Registrar of Companies. For details of change in the name and registered office of our Company, see "History and Certain Corporate Matters" on page Error! Bookmark not defined. (the "Draft Red Herring Prospectus").

Registered Office: A-120, Jai Ganesh Vision, Akurdi, Pune 411035, Maharashtra, India

Contact Person: Varsha Sahbani, Company Secretary and Compliance Officer; Tel: +91 7028091800

E-mail: compliance@supremefacility.com Website: www.supremefacility.com

Corporate Identity Number: U63040PN2005PLC020759

OUR PROMOTERS: LALASAHEB VITTHALRAO SHINDE, RAJENDRA LALASAHEB SHINDE AND MANISHA RAJENDRA SHINDE

INITIAL PUBLIC OFFER OF UP TO 65,80,000 EQUITY SHARES OF FACE VALUE ₹ 10 EACH (THE "EQUITY SHARES") OF SUPREME FACILITY MANAGEMENT LIMITED ("OUR COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SECURITIES PREMIUM OF ₹ [●] PER EQUITY SHARE) ("ISSUE PRICE"), AGGREGATING UP TO ₹ [●] LAKHS (THE "ISSUE") OF WHICH [●] EQUITY SHARES AGGREGATING TO ₹ [●] LAKHS (CONSTITUTING UP TO [●]% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY) WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER ("MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [●] % AND [●] % RESPECTIVELY OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE PRICE BAND, AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER AND WILL BE ADVERTISED IN [●] EDITION OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), [●] EDITION OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER, AND [●] EDITION OF [●], (A WIDELY CIRCULATED MARATHI DAILY NEWSPAPER, MARATHI BEING THE REGIONAL LANGUAGE OF MAHARASHTRA WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE") FOR THE PURPOSES OF UPLOADING ON THEIR WEBSITE IN ACCORDANCE WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS").

ADDENDUM TO THE DRAFT RED HERRING PROSPECTUS DATED JULY 19, 2024: NOTICE TO THE INVESTORS ("THE ADDENDUM")

This addendum ("Addendum") should be read in conjunction with the Draft Red Herring Prospectus dated July 19, 2024 filed with the Emerge platform of NSE Limited in relation to the Initial Public Issue of Supreme Facility Management Limited.

In this regard, the Investor should note that certain updates and modifications has been made in various chapters of the Draft Red Herring Prospectus as per the instruction of the NSE and such updates and modifications are being presented to the Investors for their information and reference by way of this Addendum to the Draft Red Herring Prospectus:

This Addendum is to be read in conjunction with the Draft Red Herring Prospectus and accordingly all references in the Draft Red Herring Prospectus stand amended pursuant to this Addendum. Please note that the changes pursuant to this Addendum will be appropriately included in the Red Herring Prospectus and the Prospectus, as and when filed with NSE Limited and RoC. Please note that this Addendum does not reflect

all the changes that have occurred between the date of filing of the Draft Red Herring Prospectus and the date hereof, and accordingly does not include all the changes and/or updates that will be included in the Red Herring Prospectus and the Prospectus. Potential Bidders should read the Red Herring Prospectus as and when filed with the RoC, and the NSE before making an investment decision in the Issue.

All capitalized terms used in this Addendum shall unless the context otherwise requires, have the same meanings as ascribed in the Draft Red Herring Prospectus.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in 'offshore transactions' in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where such offers and sales are made.

For and on behalf of Supreme Facility Management Limited



Sd/-

Rajendra Lalasaheb Shinde

Managing Director

Place: Pune

Date: September 26,2024

BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE ISSUE
 <p>Khandwala Securities Limited G-II, Ground Floor, Dalamal House, Nariman Point, Mumbai, Maharashtra 400021 India. Telephone: +91 22 4076 7373 E-mail: ipo@kslindia.com Website: www.kslindia.com Investor Grievance E-mail: investorgrievances@kslindia.com Contact Person: Sakshi Sharma/ Parika Shah SEBI Registration No.: INM000001899</p>	 <p>KFin Technologies Limited Selenium Tower-B, Plot 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Telangana Telephone: +91 40 6716 2222/ 1800 309 4001 E-mail: sfml.ipo@kfintech.com Investor grievance email: einward.ris@kfintech.com Website: www.kfintech.com Contact Person: M Murali Krishna SEBI Registration No: INR000000221</p>
ISSUE PROGRAMME	
ANCHOR INVESTOR BID/ ISSUE PERIOD	● *
ISSUE OPENS ON	● *
ISSUE CLOSES ON	● **

^{*}Subject to finalization of Basis of Allotment

^{*}Our Company may, in consultation with the BRLMs, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be 1 (one) Working Day prior to the Bid/Issue Opening Date.

^{**}Our Company may, in consultation with the BRLMs, consider closing the Bid/Issue Period for QIBs 1 (one) Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.

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

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

Issue Related Terms

Term	Description
“Addendum”	This Addendum dated September 26, 2024 to the draft red herring prospectus dated July 19, 2024 filed by our Company with NSE

SUMMARY OF THE ISSUE DOCUMENT

Summary of outstanding litigation

A summary of outstanding litigation proceedings as on the date of this Draft Red Herring Prospectus as disclosed in the section titled “Outstanding Litigations and Material Development” in terms of the SEBI ICDR Regulations and the Materiality Policy is provided below:

Nature of Cases	Number of outstanding cases	Amount Involved [^]
<i>Litigation involving our Company</i>		
Criminal proceedings against our Company	16	109.29
Criminal proceedings by our Company	Nil	Nil
Material civil litigation against our Company	Nil	Nil
Material civil litigation by our Company	Nil	Nil
Actions by statutory or regulatory Authorities	1	120.71
Direct and indirect tax proceedings	16	106.40
<i>Litigation involving our Directors (other than Promoters)</i>		
Criminal proceedings against our Directors (other than Promoters)	Nil	Nil
Criminal proceedings by our Directors (other than Promoters)	Nil	Nil
Material civil litigation against our Director (other than Promoters)	Nil	Nil
Material civil litigation by our Director (other than Promoters)	Nil	Nil
Actions by statutory or regulatory authorities (other than Promoters)	Nil	Nil
Direct and indirect tax proceedings	Nil	Nil
<i>Litigation involving our Promoter</i>		
Criminal proceedings against our Promoter	Nil	Nil
Criminal proceedings by our Promoter	Nil	Nil
Material civil litigation against our Promoter	Nil	Nil
Material civil litigation by our Promoter	Nil	Nil
Actions by statutory or regulatory authorities	Nil	Nil
Direct and indirect tax proceedings	5	15.11
<i>Litigation involving our Subsidiaries</i>		
Criminal proceedings against our Subsidiaries	Nil	Nil
Criminal proceedings by our Subsidiaries	Nil	Nil
Material civil litigation against our Subsidiaries	Nil	Nil
Material civil litigation by our Subsidiaries	Nil	Nil
Actions by statutory or regulatory authorities	Nil	Nil
Direct and indirect tax proceedings	18	6.43

[^] Rounded off to closest decimal

SECTION II – RISK FACTOR

1. *Our business could be adversely affected if our customers fail to renew their contracts with us or we fail to acquire new customers.*

We typically enter into short-term work orders/ contracts for one-year periods. Within the duration of these contracts, the scope of services can vary depending upon the requirements of our customers. Therefore, we need to seek new requirements or cross-sell our service offerings when our current services are completed or terminated with existing customers, and secure new customers in order to expand our business. Similarly, there is no assurance that customers availing our services will look to obtain further services from us or expand their relationship to avail our other offerings. Further, if our customers shift their business for the services we offer to our competitors, or if we are unsuccessful in retaining high renewal rates and favourable contract terms, our business, financial condition, cash flows and results of operations may be adversely affected. The loss or diminution in business from any of our major customers could have a material adverse effect on our revenue from operations. We may not be able to renew our contracts on favourable terms, or at all, or engage new customers in time to reduce the overall customer attrition rate, which could materially adversely affect our revenue and thus our results of operations.

To increase our revenue, we must continue to attract new customers. Our success will depend to a substantial extent on the widespread adoption of our offerings. Numerous factors may impede our ability to add new customers, including but not limited to, our failure to compete effectively against competitors, failure to attract qualified personnel and effectively train our personnel, failure to successfully innovate and deploy new services or failure to provide a quality customer experience and customer support.

13. *We do not own some of the business premises where our Branch offices are located.*

Our premises in which our Registered Office is situated are owned by us. However, some of the premises used by our Company for our business purposes such as our Branches Offices located at Pritampura, Madhya Pradesh, Dharwad, Karnataka and Sanand, Gujarat. For more details on properties taken on lease by our Company, see “***Our Business***” on page 111. If any such lease/rent agreements under which we occupy the premises are not renewed on terms and conditions that are favorable to us, or at all, we may suffer a disruption in our operations which could have a material adverse effect on our business, financial condition and results of operations. If we do not comply with certain conditions of the lease, the lessor may terminate the lease, which could have an adverse effect on our operations. While we have not experienced any issue in renewing the lease arrangement in the past, there can be no assurance that renewal of lease/rent agreements with the owner will be entered into. In the event of non-renewal of lease/rent arrangements, we may be required to shift our business premises to a new location and there can be no assurance that the arrangement we enter into in respect of new premises would be on such terms and conditions as the present one.

14. *We propose to utilize the Net Proceeds to undertake inorganic growth for which the target may not be identified. If Net Proceeds to be utilized towards funding strategic acquisitions and investment are insufficient for the cost of our proposed acquisitions and other strategic initiative, we may have to seek alternative forms of funding.*

We propose to utilise a certain portion of the Net Proceeds towards funding strategic acquisitions and investment as set forth in “**Objects of the Issue**” on page 80. As on the date of this Red Herring Prospectus, we have not identified any potential target for investment or acquisition or entered into any definitive agreements towards

any future acquisitions or strategic initiatives. It is also possible that we may not be able to identify suitable targets, or that if we do identify suitable targets, we may not be able to complete those transactions on terms commercially acceptable to us or at all and/or be able to complete all aspects of the acquisition process and/or receive relevant regulatory clearances (as applicable) in a timely manner or at all. The inability to identify suitable targets or investments and the inability to complete such transactions may adversely affect our competitiveness and growth prospects. Further, we will from time to time continue to seek attractive inorganic opportunities that will fit well with our strategic business objectives and growth strategies, and the amount of Net Proceeds to be used for acquisitions will be based on our management's decision. The amounts deployed towards such initiatives may not be the total value or cost of such acquisitions or investments, resulting in a shortfall in raising requisite capital from the Net Proceeds towards such acquisitions or investments. Consequently, we may be required to explore a range of options to raise requisite capital, including internal accruals or debt financing from third party lenders or institutions.

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

Our Company, our Subsidiaries, our Group Companies our Promoters and Directors are party to certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts and legal forums. A summary of outstanding litigation proceedings involving our Company, Subsidiaries, our Promoters, and our Directors, as on the date of this Draft Red Herring Prospectus as disclosed in “*Outstanding Litigations and Material Developments*” on page 225, in terms of the SEBI ICDR Regulations and the Materiality Policy is provided below:

	<i>(Rs. in Lakhs)</i>	
Nature of Cases	Number of outstanding cases	Amount Involved [^]
<i>Litigation involving our Company</i>		
Criminal proceedings against our Company	16	109.29
Criminal proceedings by our Company	Nil	Nil
Material civil litigation against our Company	Nil	Nil
Material civil litigation by our Company	Nil	Nil
Actions by statutory or regulatory Authorities	1	120.71
Direct and indirect tax proceedings	16	106.40
<i>Litigation involving our Directors (other than Promoters)</i>		
Criminal proceedings against our Directors (other than Promoters)	Nil	Nil
Criminal proceedings by our Directors (other than Promoters)	Nil	Nil
Material civil litigation against our Director (other than Promoters)	Nil	Nil
Material civil litigation by our Director (other than Promoters)	Nil	Nil
Actions by statutory or regulatory authorities (other than Promoters)	Nil	Nil
Direct and indirect tax proceedings	Nil	Nil
<i>Litigation involving our Promoter</i>		
Criminal proceedings against our Promoter	Nil	Nil
Criminal proceedings by our Promoter	Nil	Nil
Material civil litigation against our Promoter	Nil	Nil
Material civil litigation by our Promoter	Nil	Nil
Actions by statutory or regulatory authorities	Nil	Nil

Nature of Cases	Number of outstanding cases	Amount Involved [^]
Direct and indirect tax proceedings	5	15.11
Litigation involving our Subsidiaries		
Criminal proceedings against our Subsidiaries	Nil	Nil
Criminal proceedings by our Subsidiaries	Nil	Nil
Material civil litigation against our Subsidiaries	Nil	Nil
Material civil litigation by our Subsidiaries	Nil	Nil
Actions by statutory or regulatory authorities	Nil	Nil
Direct and indirect tax proceedings	18	6.43

[^] Rounded off to closest decimal

Any litigation involving Company may divert the attention of our management and Promoters and consume our corporate resources and we may incur significant expenses in such proceedings and we may have to make provisions in our financial statements, which could increase our expenses and liabilities. If such litigation are decided against us, there could be a material adverse effect on our reputation, business, financial condition and results of operations, which could adversely affect the trading price of our Equity Shares.

Furthermore, we may not be able to quantify all the claims in which we are involved. Failure to successfully defend these or other claims or if our current provisions prove to be inadequate, our business and results of operations could be adversely affected. Even if we are successful in defending such cases, we will be subjected to legal and other costs relating to defending such litigation, and such costs could be substantial. In addition, we cannot assure that similar proceedings will not be initiated in the future. This could adversely affect our business, cash flows, financial condition, and results of operation. For further details, pertaining to material pending outstanding litigations involving our Company, our Subsidiary, our Group Companies, our Promoters and Directors, see “**Outstanding Litigations and Material Developments**” on page 225.

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

We maintain third party liability insurances for all the buses that we own and use towards our ET Services Segment. Our insurance policies do not have any limitation on liability. We also maintain insurance for our employees. In terms of the insurance policies pertaining to our employees, any claim in excess of sum insured is paid by the employee themselves. Further, our insurance policies are subject to annual renewal, and we cannot assure that we will be able to renew these policies on similar or otherwise acceptable terms, or at all. Please find below the details of total liability cover and total amount claimed over last three financial years, that is, FY 2021-22, FY 2022-23 and FY 2023-24:

Sr. No.	Type of Insurance	FY 21-22		FY 22-23		FY 23-24	
		Total Liability Cover	Total Amount of Claim	Total Liability Cover	Total Amount of Claim	Total Liability Cover	Total Amount of Claim
1	Property Insurance	45,707,000	-	45,707,000	-	45,707,000	-

2	Motor Vehicles	41,860,553	515,046	105,152,555	1,603,133	135,253,175	1,943,018
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Although we have not had any instance of having claim exceeding our insurance, we cannot assure you that such a scenario may not arise in the future. Further, in future, we may experience challenges in obtaining insurance coverage for all our buses or employees at favourable prices, which could require us to incur greater costs. If we are not able to adequately insure against the risks we face, or the insurance coverage we have taken is inadequate to cover our losses, our business, financial condition and results of operations could be adversely affected.

17. *Majority of our Directors do not have any prior experience of directorship of any listed entity.*

Our Directors have not hold directorship of a listed entity and do not have any experience pertaining to listing compliances of a listed entity. Therefore, our Directors may be required to provide additional time and attention to comply with the necessary compliances under the SEBI Listing Regulations, pursuant to listing . However, we do have a qualified Company Secretary and Compliance Officer, who has prior work experience in listed entities, who would be undertaking and overseeing the listing compliances required to be fulfilled by our Company.

18. *Our Promoter cum Director was disqualified from directorship.*

Supreme Systech Private Limited and Supreme Oxtch Private Limited had been compulsorily struck off by due to non-filing of Annual Return for since incorporation of the companies, where one of our Promoters and Directors, Rajendra Lalasaheb Shinde was a Director due which he was disqualified from directorship for the period November 1, 2016 to October 31, 2021. As on date of the Draft Red Herring Prospectus, our Promoters and Directors, Rajendra Lalasaheb Shinde is not disqualified from holding directorship in any other Company.

GENERAL INFORMATION

Book Running Lead Manager

Khandwala Securities Limited

G-II, Ground Floor, Dalamal House,
Nariman Point, Mumbai,
Maharashtra 400021 India.

Telephone: +91 22 4076 7373

E-mail: ipo@kslindia.com

Website: www.kslindia.com

Investor Grievance E-mail: investorsgrievances@kslindia.com

Contact Person: Sakshi Sharma/ Parika Shah

SEBI Registration No.: INM000001899

CAPITAL STRUCTURE

Our Company is in compliance with the Companies Act, 2013 with respect to issuance of securities since inception till the date of filing of Draft Red Herring Prospectus.

OBJECTS OF THE ISSUE

1. **Funding our working capital requirements:**

We propose to utilise Rs. 3000 Lakhs from the Net Proceeds to fund the working capital requirements of our Company in Fiscal 2025. Our business is working capital intensive and we fund a majority of our working capital requirements in the ordinary course of business from banks and financial institutions, and through our internal accruals. As on March 31, 2024, our total outstanding indebtedness in respect of our working capital facilities was ₹ 2,627.06 Lakhs, on a consolidated basis. Our Company's working capital requirements primarily relate to trade receivables, other financial assets, nonfinancial assets and inventory and statutory payments, among others, given that our Company is in the service industry. Typically, in the service industry, billables and expenses are reimbursed by the customers based on submission of invoices along with proof of payment and statutory remittances. Hence, the outflow is upfront before the Company is able to generate receipt of payment. For instance, once a contract has been entered into with the customer, the Company is required to deploy manpower, materials, uniform and equipment from the first day of commencement of such contract. The salary and other statutory payments such as EPF, ESI, labour welfare etc., which is due on the day of completion of the deployed month, are required to be paid / deducted, and only after that, will the Company be able to submit the invoices to the customers along with the corresponding supporting documents post which, the customers agreed credit period is counted. Before getting the first month payment against the invoice, the Company is required to incur expenses up to a minimum of two to three months along with GST, which is also linked to customers payments. Our Company requires additional working capital for funding its incremental working capital requirements in the Financial Years ended March 31, 2025. The funding of the incremental working capital requirements of our Company will help lead to a consequent increase in our profitability and in achieving the proposed targets as per our business plan

Below is the working Capital holding days –

Particulars	Number of Days for the Year Ended			
	March 31, 2022	March 31, 2023	March 31, 2024	March 31, 2025
Current Assets				
Trade Receivables	98	89	102	95
Inventory	61	21	13	15
Current Liabilities				
Trade Payable	222	66	56	55

Increase in the working capital for last three year is in proportionate to increase in the revenue and change in holding days. The detailed justification of the holding days is as below –

Trade Receivables - The average collection days for last three year is 96 Days. Our company have Majority of the Clients which are corporate client. The Normal payment terms with corporate client is 70-75 Days, but always there is delay in collection due to various technical issues e.g. Approval of billing data, PO not available, billing not on time, etc. which leads to delay in submission of invoices by 20-25 days which leads to the 90-95 days credit period. However, the company has to provide service according to the agreement and hence the agreed days get delayed practically. Considering the same trend and addition of new client we are estimated the Credit period of 95 Days similar to the Receivables days in Past.

Inventory - Our Company normally required inventory for Maintenance of Vehicle, Machinery and Inventory towards housekeeping Material which generally comes

to 15 Days. The Holding period of Inventory was high in Fiscal 2022 due to Covid impact which leads to high inventory period. The holding period of Inventory for Fiscal 2023 is 21 days, Fiscal 2024 is 13 days. Going forward, our company will maintain the inventory cycle of 15 days to service the client.

Trade Payable - Our purchase includes Diesel, Spares part for Vehicle and Machine, Raw Material for Food Solution Segment and Housekeeping Material for which suppliers offer us the credit period in the normal course of business The average credit period of last two years (Not considering the FY 2022 due to Covid Impact) is 61 days. The trade payable days estimated as 55 days for the Fiscal 2025 which is in-line with the average trade payable of last two years.

Considering the above holding days the increase in the Working capital limit is mainly due to increase in the Business Size.

2. Inorganic Growth –

We believe that we have benefited significantly from the acquisitions undertaken by us in the past. Set forth hereunder are brief details of certain of the acquisitions that we have undertaken in the past with there track record :

1. **Trimurty Utility Services Private Limited** - Trimurty Utility Services Private Limited (“TUSPL”) was incorporated on June 10, 2010, at Registrar of Companies, Pune. Its registered office is located at Office 120/121, Building No. A, Jai Ganesh Vision, Akurdi, Pune 411035, Maharashtra, India. Our Company acquired of 55% stake in TUSPL in April 2018. TUSPL is engaged in the business of Facility Management, Production Support Service and Corporate Food Solution.

(₹ in lakhs)

Particulars	As on March 31, 2024	As on March 31, 2023	As on March 31, 2022
Revenue from Operation	4779.52	3240.05	2842.7
% Of Contribution in Consolidated Revenue	13.45	9.83	12.04
Profit After Tax (After Minority Interest)	57.95	25.80	23.09
% Of Contribution in Consolidated PAT	7.81	4.66	5.94

The Acquisition of Trimurty Utility Services Private limited allowed us to expand the service portfolio in Corporate Food Solution and addition of the New Client base in Facility Management and Production Support service. The Company has achieved the revenue of Rs 4779.52 Lakhs in FY 2024.

2. **Everdew Engineering Private Limited** - Everdew Engineering Private Limited (“EEPL”) was incorporated on August 28, 2012, at Registrar of Companies, Pune. Its registered office is located at A-120, Jai Ganesh Vision, Akurdi, Pune 411035, Maharashtra, India. EEPL is engaged in the business of Production Support Service and Staffing Service. Our Company acquired of 66.67% stake in EEPL in April 2019.

(₹ in lakhs)

Particulars	As on March 31, 2024	As on March 31, 2023	As on March 31, 2022
Revenue from Operation	1975.12	643.62	803.7
% Of Contribution in Consolidated Revenue	5.56	1.95	3.41
Profit After Tax (After Minority Interest)	84.28	23.81	27.23
% Of Contribution in Consolidated PAT	11.37	4.30	7.01

The Acquisition of Everdew Engineering Private limited allowed us to expand the service portfolio in Production Support Service which is high Margin business. The Acquisition also help us to add the Technical service in our service portfolio. The Company has achieved the revenue of Rs 1975.12 Lakhs in FY 2024 with 11.37 % Contribution in Consolidated PAT.

We undertake that the acquisition will be domestic Companies and our company will disclose the same to stock exchange, details of acquisition and/or investments such as cost and nature of such acquisition and/or investments, as and when acquired.

SECTION – IV ABOUT OUR COMPANY

OUR BUSINESS

ET Services Segment

As on date the Company Own 446 Buses (having capacity of 13 Seats to 55 seats) and total 98 Hired vehicle with detailed breakup of vehicle as per Service offered under ET Service

A. Own Vehicle

Particulars	As on 31 st March 2022	As on 31 st March 2023	As on 31 st March 2024	As on 31 st May 2024
Shuttle Service	283	350	398	446
Private Car Service	-	-	-	-
Bus Services	-	-	-	-

B. Hired Vehicle

Particulars	As on 31 st March 2022	As on 31 st March 2023	As on 31 st March 2024	As on 31 st May 2024
Shuttle Service	85	60	112	98
Private Car Service			Based on the Requirement	
Bus Services			Based on the Requirement	

All own and Hired buses are run for Shuttle service. The Private car and Bus Service are on demand service, whenever we receive the demand, we source Car/Bus from the market and provide to the customer. Generally, the Private Car and Bus Service is on demand service for 1 to 7 days.

Production Support Service

Under this Service all infra including material, consumables, utilities etc are provided by the client and based on their drawing we produce the Product. Below is the detailed breakup of the Product produce in Last 3 FY years under the Production Support Service

Product Manufactured	<i>(Rs. in Lakhs)</i>		
	FY 2023-24	FY 2022-23	FY 2021-22
Heat Exchanger, Pressure Condenser, Power Turbines.	314.13	214.65	287.60
Oil Field Pumps, Agricultural and Industrial Pumps	336.87	284.82	342.36

Boilers Panels & Harps	796.13	643.62	803.70
Total Revenue Earned	1,447.13	1,142.89	1,433.66

Below is the detailed hiring process for the Employee under All the Segment –

As on May 31, 2024, we have an employee strength of over 11,129 employees, which acts as a catalyst to our growth. Out of our total employee, we have over 11,001 employees of which are billable and 128 are unbillable backend employees on the payroll of the Company.

A. Detailed hiring process for billable employee for all the segment –

Once we finalized the Letter of Intent with the new customer detailing the scope of services and the manpower required with required skill set, we start the hiring process of the employee as set out below:

Step 1: Identify the requirement and accordingly define the job description – based on the requirement and skill set, we define the detailed Job Description with number of vacancies.

Step 2: Raise a request with Recruitment /HR team – Once Job description is finalized, we raise a request with Recruitment/HR team to recruit the manpower with the timeliness based on the start of services at client location. We have 6 person recruitment to recruit the Billable Employee.

Step 3: Create a Job Posting - The Recruitment/HR team create a job posting and circulate to the various online and offline channel, including the local job fairs.

Step 4: Finding a Candidates - The Recruitment/HR team upon receiving resumes, shortlist the suitable candidates based on the Job Description who would be a called for an interview, and setup up an interview with the stakeholder (Both Internal and Client (if required))

Step 5: Shortlisting of Candidates – Based on the interview feedback the Recruitment/HR team, the candidates are shortlisted.

Step 6: Reference Check and Background Verification– Once the candidate is shortlisted, the Recruitment/HR team do the reference check and background verification of the candidate.

Step 7: Finalize the CTC – Once we get positive reference check and background verification, Recruitment/HR team finalize the CTC/Job rate in an one to one interaction with the candidates.

Step 8: Issue of Offer letter – Once CTC finalized and agreed with the prospective candidate, we issue the offer letter to candidates detailing the scope of service and other terms and conditions.

Step 9: On boarding of Candidates – Once Candidates accept the offer letter, such candidates are on boarded and company’s policies (both Internal and of the Client to whom he would be assigned) are explained to him for adherence.

Step 10: If required, we impart training to such candidates, so that he/she may deliver the work in the best possible manner.

Normally in billable employees hiring takes place from nearing/local area which source by the recruitment team. Also, in some of the contract the existing employee get transferred to us from the earlier service provider, when we get contract.

B. Detailed hiring process for Non-billable employee for all the segment –

Step 1: Identify the Requirement and define the Job Description – Based on the requirement and skill set, we define the detailed Job Description with number of vacancies.

Step 2: Budget Approval – After identifying the requirement and job Description HR give the budget approval for the vacancy to raise the recruitment request.

Step 3: Raise a request to Recruitment /HR team – Once Job description is finalized, we raise a request to Recruitment/HR team to recruit the manpower with the timeliness of 45 days for new position and 30 days for replacement.

Step 3: Create a Job Posting - The Recruitment/HR team create a Job posting and circulate to the various online and offline channel such as Job Search portal, paper advertisement etc.

Step 4: Finding Candidates - The Recruitment/HR team upon receiving the resumes of candidates scrutinize the same and list out suitable candidates based on the Job Description, and setup up an Interview with HR and Department head who raised the request.

Step 5: Shortlisting of Candidates – Based on the Interview feedback the Recruitment/HR team, shortlist the candidate.

Step 6: Reference Check and Background Verification– Once the Candidate shortlisted the Recruitment/HR team do the reference check and Background verification of the Candidates.

Step 7: Finalize the CTC – Once we get positive reference check and background verification, we finalize the CTC/Job rate with the candidates.

Step 8: Issue of Offer letter – Once CTC finalized, we issue the Offer letter to candidates.

Step 9: On boarding of Candidates – Once Candidates accept the offer letter we do the onboarding. On the day of onboarding we do the Employee familiarization training and explain the company’s policies.

Insurance

We believe that we maintain all material insurance policies that are customary for companies operating in businesses. We have insurance for third party liability for all the Buses, which covers all the liability of third party which does not have any limitation on Liability. There is no past instance where the claim exceeding the Liability in third party Claim. For own damage, of vehicle under insurance, the claim is settled best on the policy wording and the depreciation clause applicable.

With respect to the insurance related to employee medi-claim and workmen compensation policy, if the claim is in excess of sum insured, then such excess sum is paid by the concerned employee.

TBelow is the detailed of the Insurance as Liability Covered V/s Claim received in Last 3 FY’s:

Sr. No.	Type of Insurance	FY 21-22		FY 22-23		FY 23-24	
		Total Liability Cover	Total Amount of Claim	Total Liability Cover	Total Amount of Claim	Total Liability Cover	Total Amount of Claim
1	Property Insurance	45,707,000	-	45,707,000	-	45,707,000	-
2	Motor Vehicles	41,860,553	515,046	105,152,555	1,603,133	135,253,175	1,943,018

Property:

As on date of this Draft Red Herring Prospectus, there is no conflict of interest between the lessor of the immovable properties, (crucial for operations of the company) and the company, Promoter, Promoter Group, Key Managerial Personnel, Directors and subsidiaries / Group Company and its directors.

HISTORY AND CERTAIN CORPORATE MATTERS

Shareholders agreement and other material agreements

As on date of this Draft Red Herring Prospectus, there are no other agreements/ arrangements and clauses / covenants which are material and which needs to be disclosed or non-disclosure of which may have bearing on the investment decision, other than the ones which have already disclosed.

Other Confirmations

As on date of this Draft Red Herring Prospectus, there are no findings or observation of any of the inspections by SEBI or any other regulator which are material and which needs to be disclosed or non-disclosure of which may have bearing on the investment decision.

OUR MANAGEMENT

Changes in Key Managerial Personnel and Senior Managerial Personnel during the last three years

Name of Key Managerial Personnel	Designation	Date of Appointment/ Cessation	Reason for change
Rajendra Lalasaheb Shinde	Managing Director	November 30, 2021	Appointment as Managing Director
Amol Sharad Shingate	Chief Executive Officer	December 1, 2023	Appointment as Chief Executive Officer
Nikhilesh Ratanlal Loya	Chief Financial Officer	January 1, 2024	Appointment as Chief Financial Officer
Hemlata Sureshchand Maniyar	Company Secretary and Compliance Officer	March 15, 2024	Appointment as Company Secretary and Compliance Officer
Hemlata Sureshchand Maniyar	Company Secretary and Compliance Officer	June 21, 2024	Cessation as Company Secretary and Compliance Officer due to personal reasons
Varsha Sahbani	Company Secretary and Compliance Officer	June 21, 2024	Appointment as Company Secretary and Compliance Officer
Surya Banerjee	Country Head - Operations and Business Development	March 2, 2020	Appointment as Country Head - Operations and Business Development
Jitendra Sonar	General Manager - HR, IR and Administration	March 1, 2023	Appointment as General Manager - HR, IR and Administration

Interest of Directors:

As on the date of this Draft Red Herring Prospectus, there is no conflict of interest between the suppliers of raw materials and third-party service providers (crucial for operations of our Company) and our Company, Promoter, Promoter Group, Key Managerial Personnel, Directors and Subsidiaries / Group Companies and its directors.

OUR PROMOTER AND PROMOTER GROUP

Other confirmation

Except as stated below, none of our Promoters or individuals forming part of our Promoter Group were appearing in the list of directors of struck-off companies

Person	Struck off Entities
Rajendra Lalasaheb Shinde	Supreme Systech Private Limited*
	Supreme Oxtech Private Limited*

**Compulsory Struck off. However, as on date of the DRHP, Rajendra Lalasaheb Shinde is not disqualified pursuant to said voluntary strike off.*

Interest of our Promoters

As on the date of this Draft Red Herring Prospectus, there is no conflict of interest between the suppliers of raw materials and third-party service providers (crucial for operations of our Company) and our Company, Promoter, Promoter Group, Key Managerial Personnel, Directors and Subsidiaries / Group Companies and its directors.

SECTION V – FINANCIAL INFORMATION

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

DISCUSSION ON RESULT OF OPERATION

Net Profit after Tax and Extraordinary items –

In absolute number the increase in PAT in FY 2023 is in proportionate to increase in revenue i.e. 42.78% and 39.76% respectively, but in FY 2024 the PAT is increased by 33.75% against the Increase in revenue by 7.91% is due to

- A. Reduction in the Finance cost
 - B. Reduction in the Service charges in “Other Expenses” due to discontinuation of the one of customer who contribute lower margin in ETS segment.
- Due to that there is improvement in the Profit margin in FY 2024.

Secondly, the reduction in Finance Cost is due to

- A. Reduction in the average cost of funding on the borrowing which leads to a reduction of 0.14% in the finance cost as a % of Revenue.
- B. Reduction in Other borrowing cost i.e. Finance cost on Bill Discounting due to effective utilization of the limits which leads to reduction by 0.15% in the finance cost as a % of Revenue.
- C. Reduction in the interest cost on duties and taxes which leads to a reduction of 0.13% in the finance cost as a % of Revenue.

Thirdly, the reduction in Service charges is due to discontinuation of the one of customer under ETS Segment against which we outsource the vehicle from third party as this customer are contributing lower margin

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

I. Litigation involving our Company

A. Litigation filed against our Company

1. Criminal proceedings

i. *Monika Vijay Jagtap and Ors. vs. Kiran Aanandrao and Ors.- MACP 7/2020*

Monika Vijay Jagtap (“**Applicant 1**”), Gyaneshwar Vijay Jagtap (“**Applicant 2**”), Arav Vijay Jagtap (“**Applicant 3**”), Vasant Sonap Jagtap (“**Applicant 4**”) and Bharti Vasant Jagtap (“**Applicant 5**”) (collectively “**Applicants**”) filed a Motor Accident Claim Petition bearing number 7 of 2020 (“**Petition**”) before the Hon’ble Motor Accident Claims Tribunal, Satara (“**Tribunal**”) against Kiran Aanandrao (“**Opponent 1**”), Supreme Facility Management Private Limited (“**Opponent 2**”) and Bajaj Allianz General Insurance Company Limited (“**Opponent 3**”) (collectively “**Opponents**”) under section 166 of the Motor Vehicle Act, 1988. The Applicant 1 contends that her husband, that is, Vijay Jagtap died in an accident due to negligent driving of the Opponent 1 who is an employee of Opponent 2. Therefore, the Applicants has filed the present petition before the Hon’ble Tribunal praying for compensation of ₹65,32,500 along with interest thereon at the rate of 10% per annum from the date of accident till the date of actual realisation to be paid by the Opponents. The matter is presently pending, and the next date of hearing is September 30, 2024.

ii. *Mogha Dhavala Supe and Ors. vs. Bajaj Allianz General Insurance Company Limited and Ors. - MACP 796/2020*

Mogha Dhaval Supe and Ors (“**Applicants**”) filed a Motor Accident Claim Petition bearing number 796 of 2020 (“**Petition**”) before the Hon’ble Motor Accident Claims Tribunal, Thane (“**Tribunal**”) against Bajaj Allianz General Insurance Company Limited and Ors (“**Opponents**”) under section 166 of the Motor Vehicle Act, 1988. The Applicants contend that their relative, Tanaji Mogha Supe died in an accident caused due to negligent and rash driving by the Opponent’s driver. Therefore, the Applicants has filed the present petition before the Hon’ble Tribunal praying for compensation of ₹30,46,392 along with interest thereon at the rate of 12% per annum from the date of accident till the date of actual realisation to be paid by the Opponents. The matter is presently pending, and the next date of hearing is October 10, 2024.

iii. *Shekhar Damu Mundhe vs. Supreme Facility Management Private Limited and Ors. – MACP 12/2021*

Shekhar Damu Mundhe (“**Applicant**”) filed a Motor Accident Claim Petition bearing number 12 of 2021 (“**Petition**”) before the Hon’ble Motor Accident Claim Tribunal, Thane (“**Tribunal**”) against Supreme Facility Management Private Limited (“**Opponent 1**”) and Bajaj Allianz General Insurance Company Limited (“**Opponent 2**”) (collectively “**Opponents**”) under section 166 of the Motor Vehicle Act, 1988. The Applicant contends that he was travelling on a bike with one of his friend and due to rash and negligent driving by the driver of a motor-vehicle owned by the Opponent 1 was involved in an accident due to which the Applicant suffered some grievous injuries. Therefore, the Applicant has filed the present petition before the Hon’ble Tribunal praying for compensation of ₹50,000 along with

interest thereon at the rate of 18% per annum from the date of accident till the date of actual realisation to be paid by the Opponents. The matter is presently pending, and the next date of hearing is November 22, 2024.

iv. Santosh Ramchandra Thombre vs. Supreme Facility Management Private Limited and Ors. – MACP 748/2022

Santosh Ramchandra Thombre (“**Applicant**”) filed a Motor Accident Claim Petition bearing number 748 of 2022 (“**Petition**”) before the Hon’ble Motor Accidents Claim Tribunal, Thane (“**Tribunal**”) against Supreme Facility Management Private Limited (“**Opponent 1**”) and Bajaj Allianz General Insurance Company Limited (“**Opponent 2**”) under section 166 of the Motor Vehicles Act, 1988. The Applicant contends that he was involved in an accident which was caused by the bus registered in the name of Opponent 1. Further, the Applicant contends that he has sustained injuries due to the said accident. Therefore, the Applicant has filed the present Petition before the Hon’ble Tribunal praying for compensation of ₹3,00,000 along with interest thereon at the rate of 12% per annum from the date of accident till the date of actual realisation to be paid by the Opponents. The matter is presently pending, and the next date of hearing is November 13, 2024.

v. Suryakant Pandurang Karpe vs. RCC Logistics Private Limited and Ors. – MACP 70/2021

Suryakant Pandurang Karpe (“**Applicant**”) filed a Motor Accident Claim Petition bearing number 70 of 2021 (“**Petition**”) before Hon’ble Motor Accident Claim Tribunal, Khed (“**Tribunal**”) against RCC Logistics Private Limited (“**Opponent 1**”), ICICI Lombard General Insurance Company Limited (“**Opponent 2**”), Supreme Facility Management (“**Opponent 3**”) and Bajaj Allianz General Insurance Company Limited (“**Opponent 4**”) (collectively “**Opponents**”) under section 166 of the Motor Vehicle Act, 1988. The Applicant contends that he was injured in an accident due to bus registered in the name of the Opponent 3. However, the Opponent 3 has contested stating that due the rash and highspeed driving of Opponent 1 lost control of his vehicle and gave a dash to the vehicle of the Applicant. Therefore, the Applicant has filed the present Petition before the Hon’ble Tribunal for compensation of ₹10,00,000 along with interest thereon at the rate of 12% per annum from the date of accident till the date of actual realisation to be paid by the Opponents. The matter is presently pending, and the next date of hearing is October 10, 2024.

vi. Galabhai Bachubhai Koli Patel C/O Navayug General Labour Union vs. Tata Motors Limited and Ors. – Reference (LCA) 248/2024

Galabhai Bachubhai Koli Patel (“**First Party 1**”) and C/O Navayug General Labour Union (“**First Party 2**”), (collectively “**First Parties**”) filed Reference (LCA) bearing number 248 of 2024 (“**Application**”) before the Hon’ble Labour Court, Kalol (“**Court**”) against Tata Motors Limited (“**Second Party 1**”) and Supreme Facility Management Private Limited (“**Second Party 2**”), (collectively “**Second Parties**”) under section 10 of the Industrial Disputes Act, 1947. The First Party 2 contends that the Second Party 2 had appointed First Party 1 as a contract labour to work at the premises of Second Party 1. Further, the First Parties contend that the Second Parties dismissed the First Party 1 from employment on November 14, 2019 and therefore, a Reference (LCA) bearing 225 of 2020 was filed before the Labour Court, Ahmedabad, however, the First Parties and the Second Parties reached a settlement and the employment of the First Party 1 was restored and informed the First Party 1 to return to their jobs on March 18, 2024. However, the First Party 1 contends that he was refused to be kept on duty and was released on verbal order. Therefore, the First Parties have filed the present Application before the Hon’ble Court praying for reinstatement of First Party 1. The Application is presently pending and the next date of hearing is September 24, 2024.

vii. *State represented through Tarkeshwari S. Kapate vs Supreme Facility Management Private Limited – SCC 18/2023*

State represented through Tarkeshwari S Kapate (“**Complainant**”) filed a Summons Criminal Case bearing number 18 of 2023 (“**Complaint**”) before the Hon’ble Court of Judicial Magistrate First Class, Pimpalgaon (“**Court**”) against Supreme Facility Management Private Limited (“**Accused**”) under section 23 and 24 of the Contract Labour (Regulation & Abolition) Act, 1970 (“**Act**”) read with Contract Labour (Regulation and Abolition) Central Rules, 1971 (“**Rules**”). The Complainant states that the Accused was appointed as the Contractor in terms of the Act by Hindustan Aeronautics Limited Aircraft Division, Nashik (“**HAL**”). Further, the Complainant contends that he had conducted an inspection on September 29, 2022 at the establishment of HAL and issued a report cum show cause notice bearing number NSK-34(49)2022 dated October 10, 2022 for offences under Rules 81(2), 25(2)(ix), 79, 82(1), 65, 75 read with 80(1), 78(1)(a)(i), (ii) and (iii), 78(1)(C), 76(i) and 78(1)(b), thereafter, the Complainant has filed the present Complaint before the Court under section 23 and 24 of the Act wherein, the Accused if found guilty would be liable to imprisonment for a term of 3 months or fine which may extend upto ₹1,000, however, the Complainant has prayed to the Hon’ble Court to take cognizance of the offences and summons be issued to the Accused to stand trial under section 24 of the Act. The Court is yet to issue summons to the Accused and the next date of hearing is January 01, 2025.

GOVERNMENT AND OTHER STATUTORY APPROVALS

Material approvals or renewals for which applications are currently pending before relevant authorities

Sr. No.	Details of Application	Application number	Date of Application
1.	Application made to the Senior Labour Inspector for Shops and Establishment Registration Certificate – Dharwad, Karnataka.	910074	August 3, 2024

Material approvals expired and renewal yet to be applied for

Nil

Material approvals required but not obtained or applied for

Nil

SECTION VIII – DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

There are no material clauses of Article of Association that have been left out from disclosure having bearing on the Issue.