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**AITMC VENTURES LIMITED
CIN: U01611HR2016PLC06675**

Our Company was originally incorporated as a private limited company under the Companies Act, 2013 in the name and style of "AITMC Ventures Private Limited" bearing Corporate Identification Number U74999HR2016PLC066758 dated 21 December, 2016 issued by the Registrar of Companies, Delhi & Haryana. Subsequently, our Company was converted into public limited company pursuant to a shareholders' resolution passed at an Extra-Ordinary General Meeting held on July 20, 2023, and the name of our Company was changed to "AITMC Ventures Limited" and a fresh Certificate of Incorporation dated August 18, 2023 was issued by Registrar of Companies, Delhi & Haryana. For further details, please refer to "**Our History and Certain Other Corporate Matters**" beginning on page **102** of the Draft Red Herring Prospectus.

Registered Office: 84-85 Chakkarpur NA, Gurugram, Haryana 122002 India

Contact Person: Mohhammad Bilal, Company Secretary & Compliance Officer; **Tel No:** 1800-123-5414 **Email:** cs@avplinternational.com; **Website:** www. avplinternational.com

Contact Person: Mohhammad Bilal, Company Secretary and Compliance Officer;

OUR PROMOTERS: (I) DEEP (II) PREET SANDHUU (III) NISHA SAHARAN

THE ISSUE COMPRISE OF A PUBLIC ISSUE OF 2,07,32,000 EQUITY SHARES OF FACE VALUE OF ₹2/- EACH FULLY PAID (THE "EQUITY SHARES") FOR CASH AT A PRICE OF ₹ [●]/- PER EQUITY SHARES (INCLUDING A PREMIUM OF ₹ [●]/- PER EQUITY SHARE) AGGREGATING TO ₹ [●]/-LAKHS ("THE ISSUE") BY OUR COMPANY. THE ISSUE COMPRISES A RESERVATION OF WHICH [●] EQUITY SHARES OF ₹2/- EACH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER RESERVATIONS PORTION AND A NET ISSUE TO THE PUBLIC OF [●] EQUITY SHARES OF ₹2/- EACH 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 THE COMPANY. THE FACE VALUE OF THE EQUITY SHARES IS ₹ 2/- EACH.

THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLM ADVERTISED IN ALL EDITIONS OF A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER, ALL EDITIONS OF A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER (HINDI BEING THE REGIONAL LANGUAGE OF HARYANA, WHERE OUR REGISTERED OFFICE IS LOCATED) AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED "NSE") FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITE.

Potential Bidders may note the following:

1. The Following Changes or Updation have been incorporated under the chapter "Risk Factor" of the Draft Red Herring Prospectus:

- a) Risk Factor No. 7 Our directors have previously been subject to regulatory action by the Ministry of Corporate Affairs has been further elaborated to include the period of disqualification.
- b) Risk Factor No. 8 Our Company has delayed payment of Government and statutory dues, and has been penalized has been further elaborated to include steps taken to rectify the risk.
- c) Risk Factor no. 12 There are certain discrepancies/errors and non-compliance noticed in some of our corporate records relating to forms filed with the Registrar of Companies and other provisions of Companies Act, 2013, the exact non compliances have been added and elaborated.
- d) Risk Factor No. 15 Our current lines of business are seasonal in nature, the nature and factors affecting seasonality have been added.
- e) Risk Factor No. 17 Our Farmer's City Mart (FCM) business is predicated upon the successful integration of diverse sections of local farming communities. Multiple socioeconomic factors are involved in the process and we may be unable to address all such issues effectively or in a timely manner to achieve the full potential of the FCM business, the risk factor has been elaborated to include the sections of farming communities and their relationship with FCM.
- f) Risk Factor No. 18 The company has failed to file eform CHG-1 for creation of charge against loans taken for various motor vehicles purchased, has been further elaborated to include steps taken to rectify the risk.
- g) Risk Factor No. 19 Our Company has incurred a financial loss in the past, the exact circumstances and reasons for the loss have been elaborated.
- h) Risk Factor No. 19 We may be subject to fraud, theft, employee negligence or similar incidents, past incident of theft has been added to the risk.
- i) Risk Factor No. 24 There are certain pending legal proceedings involving our Company as well as the Promoters and Directors of our Company. Any adverse outcome on such proceedings may affect our business, financial condition and reputation, the table has been updated to show the denomination of the amount involved.

- j) Risk Factor No. 30 We have carried out Related Party Transactions in the past and may need to continue to do so in future which may involve potential conflicts of interest, confirmation that the transactions were and future transactions shall be in compliance with regulations has been added.
 - k) Risk Factor No. 33 We depend upon our relationships with our clients and other industry participants to source business has been elaborated in greater detail.
 - l) New Risk Factor Our Statutory Auditors have qualified our Financial Statements has been added.
 - m) Due to reshuffling or addition/deletion of risk factors, the sequence of the risk factors in DRHP has been changed.
2. **The Following Changes or Updation have been incorporated under the chapter “General Information” of the Draft Red Herring Prospectus:**
 - a) Under “DETAILS OF INTERMEDIARIES PERTAINING TO THIS ISSUE AND OUR COMPANY”, name of the Advisor to the Issue has been removed and Peer Review No. of the Peer Reviewed Auditor has been added.
 3. **The Following Changes or Updation have been incorporated under the chapter “Objects of the Issue” of the Draft Red Herring Prospectus:**
 - a) Under the object “Investment in of our Subsidiaries, namely, SPH Aviation Private Limited and Famer’s City International Private Limited for funding business initiatives”, the utilization of proceeds and information about the subsidiaries is elaborated in greater detail based on observations by NSE.
 - b) Under the object “Working Capital Requirements”, the Details of Estimation of Working Capital requirements have been updated to reflect restated figures and the table has been further updated to include various metrics to help the investor make an informed decision.
 4. **The Chapter titled “Our Business” of the Draft Red Herring Prospectus has been redrafted and updated as suggested by NSE.**
 5. **The Following Changes or Updation have been incorporated under the chapter “Our Management” of the Draft Red Herring Prospectus:**
 - a) Brief profile of our director Mr. Tarun Panghal has been expanded.
 - b) Changes in our board has been updated to be in chronological order and include reasons for resignation of our Directors.
 6. **The Following Changes or Updation have been incorporated under the chapter “Our Promoters” of the Draft Red Herring Prospectus:**
 - a) Brief profile of our Promoter, Mr. Deep has been expanded.
 7. **Details of Subsidiaries of the Company have been removed from the chapter “Our Group Entities” of the Draft Red Herring Prospectus.**
 8. **Details of Subsidiaries have been included in a new chapter titled “Our Subsidiaries”.**
 9. **In Chapter titled “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” of Draft Red Herring Prospectus factors affecting results of operations has been redrafted as suggested by NSE.**
 10. **The Following Changes or Updation have been incorporated under the chapter “Outstanding Litigations and Material Developments” of the Draft Red Herring Prospectus:**
 - a) Summaries of pending legal cases have been inserted.
 11. **The Following Changes or Updation have been incorporated under the chapter “Government and Other Approvals” of the Draft Red Herring Prospectus:**
 - a) Shop and Establishments license has been added to “Labour Law Related Approvals”.
 - b) Recent RPTO approvals have been added to “Business Related Certifications”.

Point to be Noted:

There may be additional changes in the relevant pages of the RHP, in order to incorporate the above stated changes.

The information in this Addendum supplements and updates the information in the Draft Red Herring Prospectus, as applicable, and the aforementioned changes are to be read in conjunction with the Draft Red Herring Prospectus. Accordingly, appropriate references in the Draft Red Herring Prospectus stand updated pursuant to this Addendum. Unless further updated, the changes pursuant to this Addendum, including the consequent changes to the relevant portions of the sections “Risk Factors”, “General Information”, “Object of the Issue”, “Our Business”, “Our Management”, “Our Promoters”, “Management’s Discussion And Analysis of Financial Conditions and Results of Operations”, “Outstanding Litigations And Material Developments” and “Government and Other Approvals” beginning on pages cover page, 05, 19, 25, 62, 79, 122, 293 and 306 respectively, of the Draft Red Herring Prospectus, as a result of the abovementioned changes, there will be suitable updating in the Draft Red Herring Prospectus and the Prospectus, as and when they are filed with the RoC, the SEBI and the Stock Exchange. Investors should not rely on the Draft Red Herring Prospectus or this Addendum for any investment decision and should read the Draft Red Herring Prospectus, as and when it is filed with the RoC, the SEBI and the Stock Exchange before making an investment decision with respect to the Offer.

The Equity Shares offered in the Offer have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) within the United States only to “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities

Act and referred to in the Draft Red Herring Prospectus as “U.S. QIBs”) in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and (ii) outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. For the avoidance of doubt, the term “U.S. QIBs” does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in the Draft Red Herring Prospectus as “QIBs”. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. All capitalised terms used in this Addendum shall, unless the context otherwise requires, have the meaning ascribed to them in the Draft Red Herring Prospectus.

Place: Gurugram

Date: [●]

On behalf of AITMC Ventures Limited

Sd/-

Mohammad Bilal

Company Secretary and Compliance Officer

BOOK RUNNING LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
	
SKI CAPITAL SERVICES LIMITED SEBI Registration No.: INM000012768 Address: 718, Dr Joshi Road, Karol Bagh, New Delhi-110005 Telephone No: +91-011-41189899 Website: skicapital.net Email ID: avlipo@skicapital.net Contact Person: Mr. Manick Wadhwa / Mr. Ghanisht Nagpal	BIGSHARE SERVICES PRIVATE LIMITED SEBI Registration No.: INR000001385 Address: Office No S6-2, 6th floor Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai - 400093 Tel No: +91 -22-6263-8200; Email: ipo@bigshareonline.com Contact Person: Mr. Babu Raphael
ISSUE PROGRAMME	
ANCHOR INVESTOR BIDDING DATE	[●]
ISSUE OPENS ON: [●]	ISSUE CLOSES ON: [●]

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

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SECTION III – RISK FACTORS

Our directors have previously been subject to regulatory action by the Ministry of Corporate Affairs.

Our directors, Deep and Preet Sandhu, have previously faced regulatory action by the Ministry of Corporate Affairs. They were disqualified under section 164(2) of the Companies Act due to the failure of companies where they were directors, KSD Infrastructure Private Limited and Voice Infotech Private Limited, to file financial statements or annual returns for three consecutive years. They were disqualified from the years 2016 till 2018. As of the date of this Draft Red Herring Prospectus, Deep and Preet Sandhu are eligible to serve as directors on our Board.

Our Company has delayed payment of Government and statutory dues, and has been penalized.

Our Company has a history of delayed payments and contributions towards Goods and Services Tax (GST), Employee State Insurance (ESI), Employee Provident Fund (EPF), and Advance Tax, resulting in the imposition of interest and penalties on these amounts. These delays were attributed to inadequacies in compliance controls, SOP, and internal systems.

However, since the discovery of these delays, we have proactively taken corrective measures. The Company has appointed a dedicated Compliance Officer and CFO to professionalize and formalize compliance processes. As of the date of filing this Draft Red Herring Prospectus, there are no pending dues or delayed statutory payments.

Despite the corrective actions taken, future delays or lapses in compliance with regulatory authorities' requirements could still occur, potentially resulting in financial penalties, legal liabilities, and damage to our reputation.

There are certain discrepancies/errors and non-compliance noticed in some of our corporate records relating to forms filed with the Registrar of Companies and other provisions of Companies Act, 2013.

There are certain discrepancies and non-compliance noticed in some of our corporate records relating to forms filed with the Registrar of Companies. Our Company has made clerical mistakes in documents and forms filed in registrar of Companies. Further, there are some cases where forms have been filed belatedly in Registrar of Companies for which requisite delayed fees was paid by the Company or have not been filed at all. Any penalty or action taken by any regulatory authorities in future for non-compliance with provisions of corporate and other law could impact the financial position of the Company to that extent.

Error in filing eform PAS-3 for conversion of Loan into equity:

- The specific error mentioned is the selection of an incorrect mode of allotment, mistakenly choosing an option other than cash. This is a critical error as it may have implications on the proper recording of financial transactions and compliance with legal provisions.
- Reference is made to Section 62(3) of the Companies Act, 2013, which addresses the conversion of loans into equity. According to this section, such conversions are to be carried out under the private placement process, and the conversion of loan into equity should be treated as shares allotted for consideration in cash. Selecting a mode of allotment other than cash deviates from the prescribed procedure and may result in non-compliance.

Although no show cause notice has been issued against the Company till date in respect of above, in the event of any cognizance being taken by the concerned authorities in respect of above, penal actions may be taken against the Company and its directors, in which event the financials of the Company and its directors may be adversely affected.

Our current lines of business are seasonal in nature.

Our skilling business in India aligns with the seasonal patterns of agriculture, resulting in fluctuations during sowing and harvesting seasons as elaborated below:

Farming Culture and Priorities:

- The cyclical nature of farming activities significantly influences the entire farming population. During critical phases like sowing and harvesting, the farming community is engrossed in these labor-intensive tasks, diverting their attention and resources towards ensuring successful crop cultivation.

Occupational Engagement:

- The entire farming populace, including potential skilling program participants, is deeply engaged in the demanding tasks associated with these key agricultural activities. Farming families, being predominantly self-reliant, often prioritize agricultural work over participation in skill development programs during peak farming seasons.

Limited Bandwidth for Additional Commitments:

- Farming communities experience heightened workloads and time constraints during peak seasons. Their focus is primarily on ensuring a successful crop yield, leaving limited bandwidth for engaging in additional commitments, such as enrolling in skill development programs.

Decreased Participation Rates:

- Given these considerations, the demand for skill development experiences a natural dip during peak agricultural activities. The prevailing farming culture leads to decreased participation rates in our skilling programs during these periods, impacting our enrollment numbers.

Opportunities Beyond Peak Seasons:

- During off-peak seasons or lulls in agricultural activities, there emerges a window of opportunity to engage the farming community in skill development initiatives. These periods are strategically leveraged to enhance participation rates and provide valuable training experiences to a wider audience.

However, with the introduction of additional lines of business, such as drone pilot training and Farmers' City Marts, we anticipate a reduction in the seasonal impact on our revenue streams. However, no assurance can be made regarding the extent of this reduction in the seasonal impact on our revenue streams.

Our Farmer's City Mart (FCM) business is predicated upon the successful integration of diverse sections of local farming communities. Multiple socioeconomic factors are involved in the process and we may be unable to address all such issues effectively or in a timely manner to achieve the full potential of the FCM business.

Our FCM business is a community connect initiative and relies on our ability to bring several distinct interest groups together to form a coherent ecosystem for transactions in products and services across the entire agrarian value chain as elaborated below:

Farmers, whether they are large-scale operators, smallholders, marginal cultivators, or tenants: Encounter numerous challenges when trying to access a centralized marketplace for procuring their bulk agricultural necessities. The absence of successful integration exacerbates these difficulties. FCM plays a pivotal role in overcoming these challenges by facilitating seamless transactions. This ensures that these crucial contributors to the agricultural supply chain are not only acknowledged but also supported in sourcing a diverse range of essential inputs. Moreover, it connects them to Agri output hubs in Mandis, facilitating their large-scale farming operations and enabling them to sell their produce efficiently.

The FCM serves as a comprehensive platform, allowing farmers to explore advanced agricultural inputs in one place. This one-stop solution empowers farmers by providing valuable information about cutting-edge agricultural machinery, enabling them to enhance their produce, ultimately leading to better prices in the market. Additionally, the platform serves as a gateway for farmers to access government-subsidized schemes, offering them the necessary support for their agricultural endeavors.

Furthermore, the FCM shall collaborate with AVPL to organize various training programs. These programs are designed to raise awareness and equip farmers with modern farming skills, aligning them with the demands of contemporary

agriculture. Through these initiatives, farmers become more informed and proficient, contributing to the sustainable development of the agricultural sector.

Agribusiness and Allied Services:

The coordination of diverse sections is pivotal for traders, processors, and service providers who rely on FCM as a marketplace. Disruption in coordination could hamper their ability to connect with a varied customer base, limiting the scope for agribusiness growth and collaboration.

Rural Professionals and Educated Youth:

Without successful integration, the platform may not effectively engage educated youth and rural professionals. Coordination ensures that FCM becomes a dynamic hub for innovation, technology adoption, and the provision of specialized services that contribute to the overall development of the agricultural sector

Local issues may come in the way of successful operation of an FCM and the persistence of such issues may adversely impact our FCM business.

The company has failed to file eform CHG-1 for creation of charge against loans taken for various motor vehicles purchased

Our company has not filed eform CHG-1 for the creation of charges against loans obtained for the purchase of various motor vehicles. This non-compliance represents a potential risk to our business and regulatory adherence. Filing eform CHG-1 is a legal requirement for recording and notifying the creation of charges on assets acquired with loans. Failure to comply with this requirement can result in legal and financial consequences, including potential disputes with lenders and regulatory actions. Engagements with our lending institutions have been started to ensure seamless collaboration in the completion of the filing process. This involves coordination with the lenders to facilitate the necessary documentation and procedural requirements.

We cannot guarantee complete mitigation of associated risks. This non-compliance may impact our relationships with lenders and regulatory standing, potentially affecting our financial and operational stability.

Our Company has incurred a financial loss in the past.

The Company experienced a loss of ₹23.08 Lakhs in the Financial Year 2020-2021. The financial losses incurred by our company during the specified period primarily stem from the unprecedented challenges posed by the global COVID-19 pandemic. The intricacies of government instructions during this period, coupled with the erratic opening and closing of training operations, led to operational disruptions.

During periods of operational hiatus, where training activities were intermittently halted, the company continued to bear the full burden of rents and salaries, despite a reduced or uncertain revenue stream. The ambiguous nature of government guidelines further exacerbated the challenges, making it difficult to navigate the operational landscape effectively.

Compounding these difficulties, the stringent COVID-19 restrictions resulted in a substantial decline in enrolments. The confluence of limited operational capacity, reduced demand, and fluctuating governmental directives impacted the financial performance during this period.

It's crucial to highlight that these losses are situational, primarily attributable to the exceptional circumstances surrounding the global pandemic.

It's important to acknowledge that financial performance can be unpredictable, and past losses do not guarantee future profitability. While the Company may have strategies in place to improve its financial standing, there remains an inherent uncertainty regarding its ability to avoid losses in future periods. While the Company's financial results are subject to various factors and market conditions, some of which may be beyond its control. There can be no guarantee that the Company will achieve consistent profitability in the future.

We may be subject to fraud, theft, employee negligence or similar incidents.

Our operations may be subject to incidents of theft or damage to inventory in transit and otherwise. Our industry typically encounters some inventory loss on account of employee theft, robbery, vendor fraud, and general administrative error. We shall maintain large amounts of high value inventory at all times. There can be no assurance that we will not experience any fraud, theft, employee negligence, security lapse, loss in transit or similar incidents in the future, which could adversely affect our results of operations and financial condition.

Your attention is drawn to the 'Litigations' chapter, wherein it is elucidated that individuals named Manish and Sanjeev, formerly employed in the accounts department of our company, were implicated in the misappropriation of funds. Consequently, our company has initiated legal proceedings by filing a police complaint against them at the jurisdictional police station.

Additionally, in case of losses due to theft, fire, breakage or damage that may be caused by other casualties, flood, earthquake or any other natural calamities, there can be no assurance that we will be able to recover from our insurers the full or adequate amount of any such loss that we may suffer in a timely manner. If we incur a significant inventory loss due to third-party or employee theft and if such loss exceeds the limits of, or is subject to an exclusion from, coverage under our insurance policies, it could have an adverse effect on our business, results of operations and financial condition.

Any adverse outcome on such proceedings may affect our business, financial condition and reputation.

There are outstanding legal proceedings against our Company and Directors, which are pending at various levels of adjudication before various courts, tribunals and other authorities. The summary of outstanding matters set out below includes details of the above proceedings.

(In ₹ Lakhs)

Particulars	By/Against	Civil Proceedings	Criminal Proceedings	Tax Proceedings	Actions by regulatory authorities	Amount Involved (₹)
Company	By	1	1	-	-	32.25
	Against	-	-	-	-	-
Promoter	By	1	-	-	-	-
	Against	1	-	-	-	-
Group Companies/Entities	By	-	-	-	-	-
	Against	-	-	-	-	-
Directors other than promoters	By	-	-	-	-	-
	Against	-	-	-	-	-

For further details, please refer to chapter titled “***Outstanding Litigations & Material Developments***” on page 212 of this Draft Red Herring Prospectus.

We have carried out Related Party Transactions in the past and may need to continue to do so in future which may involve potential conflicts of interest.

Our Company has entered into few related party transactions with our Promoters, Directors, Promoter Group, Group companies/entities during the last three Financial Years. The details pertaining to related party transactions (RPT) for the past three financial years can be referenced in Annexure 34 - Restated Statement of Related Party Disclosure on page 199 of the DRHP. It is essential to highlight that these RPTs have undergone a thorough audit by an Independent Auditor.

The audit has concluded that the related party transactions were conducted on an arm's length basis and are fully compliant with the provisions of the Companies Act, 2013, and other applicable laws.

While our Company believes that all such transactions have been conducted on the arm's length basis, there can be no assurance that it could not have been achieved on more favourable terms had such transactions not been entered into with related parties. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation.

We depend upon our relationships with our clients and other industry participants to source business.

Our business operations rely on the strength of our relationships with clients and industry participants, serving as a pivotal factor in sourcing business across our three distinct segments: skill and drone pilot training, drone assembly, and agri-retail. In the domain of skill and drone pilot training, our ability to secure projects is intricately tied to our relationships with government bodies, private institutions, and other industry stakeholders. Any deterioration in these relationships or a failure to establish and capitalize on new

ones may pose a substantial risk to the growth and sustainability of our skill training initiatives, potentially adversely impacting our business prospects and financial condition.

Similarly, within the drone assembly segment, the success of our projects is contingent upon fostering and maintaining strong connections with industry participants. Any impediment to these relationships, whether in terms of client satisfaction, collaborative ventures, or supplier networks, could impede the growth trajectory of our drone assembly business. This risk emphasizes the importance of continuous relationship management and the potential consequences of any lapse in this regard.

In the agri-retail segment, our ability to thrive is closely linked to our relationships with both suppliers and customers. Establishing and maintaining robust connections within the agricultural ecosystem is paramount for the success of our agri-retail ventures. Any disruption or failure to effectively manage these relationships may have adverse effects on our ability to procure and sell agricultural products efficiently.

The interconnectedness of our business segments magnifies the significance of relationship management across the skill and drone pilot training, drone assembly, and agri-retail domains. The risks associated with potential challenges in maintaining or establishing these crucial relationships extend across all facets of our business, underscoring the need for proactive and strategic relationship management practices in each segment to mitigate potential adverse effects on our business, prospects, and financial condition.

Our Statutory Auditors have qualified our Financial Statements.



Our audited financials have been qualified by our Statutory Auditors, and this qualification has been reflected in our restated financials. The qualifications pertain to non-payment of Employee Provident Fund (EPF) and Employee State Insurance (ESI), as well as delays in the payment of these statutory dues. It is important to note that the Company has since taken corrective measures and has fully settled all outstanding EPF and ESI dues. Presently, the Company is in full compliance with all statutory obligations related to EPF and ESI.

While we have addressed the issues leading to the qualifications, the fact that our financials were qualified may impact our credibility and investor confidence. These qualifications may be perceived negatively, potentially affecting our ability to attract investors or secure financing on favorable terms.

SECTION IV – INTRODUCTION

GENERAL INFORMATION

DETAILS OF INTERMEDIARIES PERTAINING TO THIS ISSUE AND OUR COMPANY

BOOK RUNNING LEAD MANAGER TO THE ISSUE	
SKI CAPITAL SERVICES LIMITED SEBI Registration No.: INM000012768 Address: 718, Dr Joshi Road, Karol Bagh, New Delhi- 110005 Telephone No.: +91-011-41189899 Email: avlipo@skicapital.net Website: https://www.skicapital.net/ Contact Person Name: Mr. Manick Wadhwa /Mr. Ghanisht Nagpal	
REGISTRAR TO THE ISSUE	
BIG SHARE SERVICES PRIVATE LIMITED SEBI Registration No.: INR000001385 Address : Office No S6-2, 6th floor Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai - 400093 Tel No: +91 -22-6263-8200; Email: ipo@bigshareonline.com Website: https://www.bigshareonline.com/ Contact Person: Mr. Babu Raphael	
BANKERS TO THE ISSUE, REFUND BANKER AND SPONSOR BANK	
[•]	[•]
MARKET MAKER	
[•]	[•]
STATUTORY & PEER REVIEW AUDITORS OF THE COMPANY	SECRETARIAL ADVISOR TO THE ISSUE
NKSC & Co., Chartered Accountants Firm Registration No.: 020076N Peer Review No.: 020016N Address: 208, Vats Market (Shiva Market), Pitampura, Delhi-110034 Tel. No: +91-011-43538598 Fax No.: N.A. Email: priyank@valuesquare.co.in Website: www.valuesquare.co.in Contact Person: CA Priyank Goyal	Manthan Negandhi & Co., Company Secretaries Firm Registration Number: S2018MH640600 Peer Review No.: 3229/2023 Address: Office No.1218, Prasad Chambers, Opera House, Mumbai- 400004 Mob: +91-9969296249 Email: partner@mknco.in Contact person: CS Manthan Negandhi
LEGAL ADVISOR TO THE ISSUE	PRINCIPAL BANKERS OF THE COMPANY
M/s. Vakalat India, Advocates Address: 305-A, D. Mall, 3rd floor, Netaji Subhash Place, New Delhi 110034 Registration No. F/1564/1093/2011 (WB) DHCBA Membership no.: 25521/2022 Mobile No: +91-9038090848 Fax No.: NA Website: www.vakalatindia.com Email Id: vakalatindia@gmail.com Contact Person: Mr. Kausik Chatterjee (Advocate)	ICICI Bank Limited Address: Office No. 11 Times Tower MG Road Gurgaon 122001 Tel. No.: +91-9899015003 Fax No.: NA Email: Harsh.chawla@icicibank.com Website: www.icicibank.com Contact Person: Harsh Chawla (BM)
SYNDICATE MEMBER	
[•]	

OBJECTS OF THE ISSUE

DETAILS OF UTILIZATION OF ISSUE PROCEEDS

1. Investment in of our Subsidiaries, namely, SPH Aviation Private Limited and Famer's City International Private Limited for funding business initiatives:

Our Company manages two subsidiaries, SPH Aviation Private Limited and Farmer's City International Private Limited. SPH Aviation is expanding its drone training programs and establishing a drone assembly plant, in alignment with our Company's rural and agri focus. Simultaneously, Farmer's City International is enhancing its Farmer's City Marts, streamlining access to farming essentials and access to drone-as-a-service for our trained pilots.

Our company proposes to utilize Rs 3000.00 lakh of the net proceeds towards funding business initiatives.

SPH Aviation Private Limited ("SPH"):

SPH Aviation Private Limited has three DGCA approved RPTOs in Sirsa, Sonipat and Gurugram which is actively expanding its RPTO network and diversifying its training programs. We aim to cater to the increasing demand for skilled drone pilots, providing the necessary training and DGCA certification to meet industry requirements. SPH operates in two business lines is as follows:

- RPTO Division
- Drone Assembly Division

Introduction to RPTO Division:

AVPL is currently conducting Multi-Sector Training revolving rural communities with Kisan Drone Training /Drone Entrepreneur Training. However, in SPH, the company intends to introduce new courses as per DGCA Guidelines, namely Drone Pilot (Remote Pilot Certificate) – Medium Drones and Agriculture Drone Spraying Course. These courses are distinct from the current offerings at AVPL and will contribute to the company's diversification efforts.

The training for these new courses will be conducted at the following AVPL training centers:

1. Near Jan Nayak Chaudhary Devi Lal Vidyapeeth, Barnala Road, Sirsa, Haryana - 125055.
2. Kami Road, Sonapat, Haryana -131001.

The management has strategically identified locations and districts for the establishment of RPTOs across India. This decision is the outcome of an analysis, considering gaps in area coverage by the Company and its competitors. Additionally, the selection process focused on areas with high growth potential.

Our Company is currently working on the field level to mobilize and counsel candidates who possess specific education and work experience. Following a rigorous selection process, candidates will be enrolled for training, and after a 10-day test, passing candidates will continue the course, as per the Company's final filtration criteria.

Among these candidates, individuals will undergo an extensive 390-hour training programme to become certified Kisan Drone Operators. To facilitate their training, State Governments and the Union Government will sponsor the training costs through various training schemes, allowing candidates to receive training free of cost.

Introduction to Drone Assembly Division:

The company has established a Drone Assembly Plant at Village Dulhera, Bahadurgarh-Jhajjar` Road, District Jhajjar, Haryana. The application for type certification under the DGCA for the commercial sale of drones to be manufactured in the assembly plant has been submitted. This application has been assessed and evaluated by an accredited agency of the Ministry of Civil Aviation, as disclosed in the 'Our Business' chapter on page [●] of this DRHP.



(Location photographs of our Drone Assembly Plant.)

Drones manufactured by our Company shall be earmarked for sale to qualified Drone Pilots as per Govt. of India regulations. As the Govt. of India allows drones to be purchased only by certified pilots, the drone pilots qualifying from our RPTOs are immediately eligible to purchase their own drones. By the time candidates begin to qualify as Drone Pilots after the mandatory training from these RPTOs and are ready to offer drone services, our Company already has a ready pool of captive customers. To make drones accessible to the trained candidates, the drones shall be part financed/subsidised under various government schemes and programmes.

Business Strategy for SPH:

Our approach includes expanding the number of RPTOs and establishing a drone assembly plant, reflecting our commitment to advancing the aviation industry. Furthermore, our collaboration with Farmer's City Marts (FCMs) will create additional opportunities for pilots trained by SPH to offer drone services for farming and rural-specific uses, at the village level, by offering a variety of services such as spraying, seed planting, crop health assessments, and mapping, among others.

This comprehensive approach ensures that skilled candidates have access to the necessary training and resources to become certified Kisan Drone Operators. By leveraging government subsidies, our Company aims to empower individuals with drones, enabling them to explore entrepreneurial opportunities in the agricultural sector.

For further information on SPH, refer to the chapter “Our Subsidiaries” on page [●] of this Draft Red Herring Prospectus.

Utilisation of proceeds towards SPH:

Our company proposes to utilize Rs 1500.00 lakh of the net proceeds towards funding of the increase of number of RPTO and for working capital requirements of our drone assembly plant further breakdown of which is as follows:

- A. Capital Expenditure towards setup of RPTO
- B. Working Capital requirements of RPTO
- C. Working Capital requirements towards Drone Assembly Plant

Details of utilisation of proceeds:

A. Capital Expenditure towards setup of RPTO:

SPH intends to expand its RPTO network by establishing 10 more RPTO, bringing the total number of RPTO operated by SPH to 13. The total estimated cost of each Proposed RPTO is ₹ 75.82 Lakhs, and we propose to utilize ₹ 75 Lakh per RPTO, with ₹750.00 Lakhs being utilised from the Net Proceeds from the issue. The intended use of the Net Proceeds, for the proposed RPTOs, as described herein are based on our current business plan, internal management estimates, current and valid quotations from suppliers / vendors, and other commercial and technical factors. However, such estimated cost and related fund requirements have not been appraised by any bank or financial institution. Further, no second-hand or used machinery/ equipment are proposed to be purchased out of the Net Proceeds.

Break-up of the estimated costs per RPTO:

Out of the expenses mentioned below, we are yet to place order of any of the proposed expenses. The detailed breakup is as follows:

(In ₹)

S.No.	Expense Category & Purpose	Total costs	Amount to be utilized from the net proceeds	Quotation received from	Date of quotation & reference no.	Validity of quotation
1	Small Training Drones	8,00,000	8,00,000	Garuda Aerospace Private Limited	20.01.2024	19.08.2024
2	Additional batteries (22000 MHA) - for small drones	1,03,015	1,03,015	Garuda Aerospace Private Limited	20.01.2024 Estimated Number: 6557	19.06.2024
3	Propeller for small drones	20,000	20,000	Enestock Private Limited	10.12.2023 Proforma invoice: 140	10.12.2024
4	Landing Gear for small drones	10,000	10,000	Enestock Private Limited	10.12.2023	10.12.2024
5	Flying Simulator for small drones	61,000	61,000	Smart Sun Technologist	31.10.2023	
6	Laptop for small drones	43,000	43,000	Smart Sun Technologist	07.10.2023	
7	Medium Training Drones	10,00,000	10,00,000	Garuda Aerospace Private Limited	12.02.2024	13.08.2024
8	Additional batteries (25000 MHA) - for medium drones	1,24,000	1,24,000	Garuda Aerospace Private Limited	12.02.2024 Estimated Number: 6579	13.08.2024
9	Propeller for medium drones	40,000	40,000	Enestock Private Limited	10.12.2023	10.12.2024
10	Landing Gear for medium drones	10,000	10,000	Enestock Private Limited	10.12.2023	10.12.2024
11	Flying Simulator for medium drones	1,52,500	1,52,500	Smart Sun Technologist	31.10.2023	
12	Laptop for medium drones	1,07,500	1,07,500	Smart Sun Technologist	07.10.2023	
13	Agriculture Small Training Drones	4,00,000	4,00,000	Garuda Aerospace Private Limited	20.01.2024 Estimated Number: 6557	19.08.2024
14	Various Lab Equipment (General Tools, Barometers, Anemometer, Safety jackets, etc)	3,23,550	3,23,550	Smart Sun Technologist	13.09.2023	

15	Books for library	38,540	38,540	Jain Book Depot	8.12.2023	
16	Multiple office equipment (Projector, Power back-up, Writing pad chairs, Printer with scanner, Pin board, etc)	1,68,910	1,68,910	Smart Sun Technologist	31.10.2023	
17	Building & Flying Base Rents (1 Year)	28,80,000	28,80,000	Aakriti Infrapromoters Private Limited	01.02.2024	
18	Maruti Eeco Vehicle (Two Vehicles)	13,00,000	12,17,985	Quotation attached from online portal	29.02.2024	
	Total	75,82,015	75,00,000	-	-	-

Total estimated Expenses:

(In ₹ Lakhs)

Number of RPTO proposed	Cost per RPTO	Total costs	Amount to be utilized from the net proceeds
10	75,82,015	7,58,20,150	7,50,00,000

The expected schedule of implementation of the establishment of RPTOs is set forth below:

S.No.	Particular	Expected commencement date	Expected completion date
1	Acquisition for leases for flying bases	01/05/2024	30/06/2024
2	Planning and procurement of equipment	01/07/2024	31/07/2024
3	Submission of application for DGCA approval	01/09/2024	30/10/2024
4	Commencement of training	01/01/2025	-

B. Working Capital requirements towards RPTO:

RPTOs face a time gap between providing training upfront and receiving payments from government schemes. To bridge this gap, working capital is necessary, ensuring operations continue smoothly without financial strain during the waiting period for government reimbursements. We propose to utilise ₹ 250.00 Lakhs towards working capital requirements of our RPTOs.

The proposed funding of such working capital requirements is set forth below:

(In ₹ Lakhs)

Particulars	31-03-2024	31-03-2025	31-03-2026
	Projected	Projected	Projected

Current Assets			
Trade Receivables	19.73	198.84	441.86
Total (A)	19.73	198.84	441.86
Current Liabilities			
Trade payables	2.96	21.30	41.42
Total (B)	2.96	21.30	41.42
Working Capital Gap (A-B)	16.77	177.53	400.44
Change in Working Capital Gap		160.77	222.90
FUNDING PATTERN			
Net Proceeds from the IPO		100.00	150.00
Working Capital Borrowings			
Internal Accruals/ Net Worth	-	60.77	72.90

Particulars	31-03-2024	31-03-2025	31-03-2025
	Projected	Projected	Projected
	Days	Days	Days
Trade Receivables	100	140	160
Trade Payables	15	15	15

Particulars	Assumptions and Justifications
Trade Receivables	<p>The company plans to deploy 10 RPTOs in a 3-year phase aiming 1 RPTO in FY-24, 6 RPTO's in FY-25 and 10 RPTO's by the end of FY-26, aiming to significantly enhance its production capacity. At peak operational efficiency, each RPTO is forecasted to generate a monthly revenue of 12 lakhs. Projections delineate a trajectory of occupancy/utilization rates at 50%, 60%, and 70% over the ensuing three years, reflecting the company's modus operandi in securing government contracts and orders. Anticipated growth in government orders is poised to propel annual revenue to 72 lakhs in FY-24, 518.40 lakhs in FY-25 and to 1008 lakhs by the close of FY-26.</p> <p>The company's primary revenue source, derived from government contracts characterized by prolonged payment tenures, is anticipated to extend the receivable days. Projections indicate an increase in receivable days from 100 in FY-24 to 140 days in FY-25 and further to 160 days in FY-26. Consequently, receivables are expected to ascend gradually and proportionately from 19.73 lakhs in FY-24, to 198.84 lakhs in FY-25 and to 441.86 lakhs in FY-26. This anticipated receivable amount adheres to the trade receivable ratio</p>

	methodology. Simultaneously, the RPTOs are poised to inject substantial revenue streams, fortifying the company's working capital, notwithstanding the inherent elongation of the receivable cycle associated with government engagements.
Trade Payables	<p>The company anticipates total expenses to range between 70-80% of revenue over the next three years, translating to 55.44 lakhs in FY-24, 393.98 lakhs in FY-25, and 756 lakhs in FY-26. Concurrently, the company is steadfast in its commitment to sustaining a disciplined and structured payment approach, aligning payable days to stabilize at 15 days for the ensuing three fiscal years. This decision mirrors not only financial prudence but also underscores our dedication to nurturing enduring relationships with valued service providers.</p> <p>Consequently, payables are projected to experience a notable increase from 2.96 lakhs in FY-24 to 21.30 lakhs in FY-25, further escalating to 41.42 lakhs in FY-26. This calculated financial strategy positions the company to navigate future challenges while upholding industry benchmarks and fortifying our partnerships with key service providers.</p>

C. Working Capital requirements towards Drone Assembly Plant:

The operational efficiency and sustainability of a drone assembly plant are critically dependent on the availability and management of working capital. This capital is essential for covering the day-to-day operational expenses that arise from the assembly process, including but not limited to, procurement of raw materials, payment of wages, and maintenance of inventory. We propose to utilise ₹ 750.00 Lakhs towards working capital requirements of our drone assembly plant.

The proposed funding of such working capital requirements is set forth below:

(In ₹ Lakhs)

Particulars	31-03-2024	31-03-2025	31-03-2026
	Projected	Projected	Projected
Current Assets			
Trade Receivables	-	2,219.18	2,589.04
Inventories	-	234.00	312.00
Other Current Assets			
Total (A)	-	2,453.18	2,901.04
Current Liabilities			
Trade payables	-	1,479.45	1,726.03
Other Current Liabilities			
Total (B)	-	1,479.45	1,726.03
Working Capital Gap (A-B)	-	973.73	1,175.01
Change in Working Capital Gap		973.73	201.29
FUNDING PATTERN			
Net Proceeds from the IPO		400.00	100.00

Working Capital Borrowings		573.73	101.29
Internal Accruals/ Net Worth	-		

Particulars	31-03-2024	31-03-2025	31-03-2025
	Projected	Projected	Projected
	Days	Days	Days
Trade Receivables	0	90	90
Inventories	0	10	10
Trade Payables	0	60	60

Particulars	Assumptions and Justifications
Trade Receivables	The company aims to sell 1800 drones in FY-25 and 2100 drones in FY-26, each priced at 5 lakhs, resulting in revenues of 9000 lakhs and 10,500 lakhs, respectively. Maintaining a steadfast approach, the company plans to uphold a consistent 90-day receivable cycle across both FY-24 and FY-25, anticipating receivables at 2219.18 lakhs in FY-25 and 2589.04 lakhs in FY-26. This commitment underscores the company's disciplined policy, ensuring financial stability while adhering to industry standards for receivable management.
Inventories	Projections for FY-25 and FY-26 indicate an anticipated average inventory of 90 and 120 drones, respectively. Each drone is estimated to cost 2.60 Lakhs. These projections are meticulously crafted, considering key factors such as demand forecasts, lead times, and optimal minimum order quantities to enhance operational efficiency and prevent potential stockouts. The financial outlook reveals an expected average inventory value of 234 lakhs for FY-25 and 312 lakhs for FY-26. These projections are aligned with the company's goal to balance operational flexibility.
Trade Payables	The company foresees total expenses of 8037 lakhs in FY-25 and 9250.5 lakhs in FY-26, with approximately 59% allocated to COGS, 32% to operating expenses, and 9% to other overheads. In adherence to a disciplined and structured payment approach, payable days are slated to stabilize at 60 days for these two fiscal years, reflecting our commitment to financial prudence. As a result of this strategy, payables are projected to amount to 1479.45 lakhs in FY-25 and 1726.03 lakhs in FY-26. This approach positions the company to navigate expenses efficiently while sustaining robust partnerships within the business ecosystem.

Farmer's City International Private Limited ("FCIPL"):

At Farmer's City International Private Limited which is an NSDC/ASCI accredited company, committed to expanding the reach of tech enabled Farmer's City Marts (FCMs) at the village level. These central hubs for essential farming necessities and agri inputs streamline the agricultural ecosystem, making vital products like pesticides, fertilizers and seeds easily accessible to farming communities. These stores will offer a one-stop solution for farmers, providing a range of essential services and agri inputs.

Business strategy of FCIPL:

The Farmers City Stores will be instrumental in bridging the gap between farmers' requirements and availability of necessary inputs by offering the following services:

- Drone-as-a-Service: Farmers can hire drones for various agricultural purposes.
- Pesticides: Access to a wide range of quality pesticides.
- Fertilizers: Offering a diverse selection of fertilizers for different crops.
- Cattle Feed: Providing nutritious feed for livestock.
- Seeds: Offering a variety of high-quality seeds for crop cultivation.
- Agri Equipment Rental: Facilitating the hiring of agricultural equipment.
- PM KUSUM Products: Connecting farmers with empanelled vendors under PM KUSUM which is a government initiative aimed at promoting the use of solar energy among farmers in India. The scheme comprises various components, including the installation of solar pumps, setting up grid-connected solar power plants, and the solarization of existing grid-connected agriculture pumps. Operated under our stewardship, Farmer's City Marts function as platforms, encompassing both physical and digital mediums. These platforms are designed to provide farmers with accessible means to engage with empanelled vendors, thereby facilitating efficient and expedited transactions related to PM KUSUM products and services.
- Assistance to farmers in accessing microfinance options linked to the Kisan Credit Card.

Moreover, Farmers City Marts will function as Custom Hiring Centers ("CHC(s)") and aggregators, offering the following additional services:

- Sale/Purchase/Rental of Lands, Livestock, and Agri Equipment.
- Information on exporters interested in direct purchases from farmers' fields.
- Updates on Union Government and State Government schemes for farmers.
- Information on insurance and financial assistance available from various organizations.

Over the last years we have reached out to rural and farmer families through skilling & training programmes. Besides, the Company has also engaged with local agri intermediaries, financiers and influencers ("Aadhtis") to develop a strong community based on the integration of diverse elements of the agri value chain. By transforming Aadhtis into Agri Entrepreneurs and establishing Farmers City Stores, the Company will develop the agricultural landscape and enhance farmer empowerment through comprehensive support and services, Aadhtis will not only provide financial assistance but also serve as a hub for procuring various agri inputs and other essential products required by farmers. By diversifying their offerings, Aadhtis stand to generate additional revenue streams, complementing their existing business.

Each FMC will be the focal point of the local agrarian community to transact in the entire range of goods and services across the farming value chain including seeds, fertilizers, pesticides, agricultural machinery and Drone-as-a-Service which will also be offered through them by Farmers' Cooperatives.

The company has recently entered into a crucial and key Agreement with the National Council of State Agricultural Marketing Boards (COSAMB), a national-level autonomous body representing State Agricultural Marketing Boards across the country. This association encompasses over 7,000 regulated markets, primarily wholesale markets. Additionally, there are 27,738 rural periodic markets, with 15% falling under regulatory oversight, and the remaining 85% managed by local self-government institutions or government departments.

Under this significant agreement, our company gains the opportunity to establish Farmers City Marts (FCMs) in a Company Owned Company Operated model within all regulated markets in India. This strategic move aims to facilitate engagement with a vast network of markets, contributing to the growth and outreach of the company.

Furthermore, the agreement allows the company to aggregate products from companies dealing in agricultural inputs and outputs, providing a comprehensive platform for market participants.

In line with this initiative, the company has developed an Android mobile application, successfully enrolling approximately 500 farmers. Additionally, the company has reached out to the National Skill Development Corporation (NSDC) for the authorization of short-term training courses through the mobile app and camp-level training of farmers at the FCMs.

The company plans to initiate regulatory approvals related to the Food Safety and Standards Authority of India (FSSAI), pesticide, and fertilizer sale licenses. These applications will be submitted at a later date, contingent upon the physical realization of the Farmers City Marts (FCMs). Importantly, Farmers City International Private Limited (FCIPL) already holds basic regulatory approvals such as PAN and GST.

For logistical purposes, FCIPL intends to leverage the AVPL’s existing training center locations for storage of inventory and coordination. The extensive network of training centers is strategically positioned to cover a wide region of service, contributing to efficient hub operations.

This strategy encompasses market expansion, technology adoption, regulatory compliance, and optimal utilization of existing infrastructure to bolster the company's presence and impact in the agricultural sector.

For further information on FCIPL, refer to the chapter “Our Subsidiaries” on page [●] of this Draft Red Herring Prospectus.

Utilisation of proceeds towards FCIPL:

Our company proposes to utilize Rs 1500.00 lakh of the net proceeds towards funding of the increase of number of and for working capital requirements of our FCMs, further breakdown of which is as follows:

- A. Capital Expenditure towards setup of FCM
- B. Working Capital requirements of FCM

Details of utilisation of proceeds:

A. Capital Expenditure towards setup of FCMs:

FCIPL intends to expand its FCM network by establishing 75 FCMs. The total estimated cost of each Proposed FCM is ₹ 5.00 Lakhs, and we propose to utilize ₹ 5.00 Lakh per FCM, with ₹375.00 Lakhs being utilised from the Net Proceeds from the issue. The intended use of the Net Proceeds, for the proposed FCMs, as described herein are based on our current business plan, internal management estimates, current and valid quotations from suppliers / vendors, and other commercial and technical factors. However, such estimated cost and related fund requirements have not been appraised by any bank or financial institution. Further, no second-hand or used machinery/ equipment are proposed to be purchased out of the Net Proceeds.

Break-up of the estimated costs per FCM:

Out of the expenses mentioned below, we are yet to place order of any of the proposed expenses. The detailed breakup is as follows:

(In ₹)

S.No.	Expense Category & Purpose	Total costs	Amount to be utilized from the net proceeds	Quotation received from	Date of quotation & reference no.	Validity of quotation
1	Rental Deposit	1,00,000	1,00,000	Internal management estimate based on market survey		
2	Office Furnitures - Expandable Storage Rack (11 Units)	1,47,411	1,47,411	Ans Interior and Construction	20.01.2024	20.05.2024
3	Main Desk	38,321	38,321	Ans Interior and Construction	20.01.2024	20.05.2024
4	Side Unit	17,702	17,702	Ans Interior and Construction	20.01.2024	20.05.2024

5	Chair (2 Units)	67,460	67,460	Ans Interior and Construction	20.01.2024	20.05.2024
6	Slotted Angle Rack (3 Units)	19,407	19,407	Ans Interior and Construction	20.01.2024	20.05.2024
7	Office Table	9,711	9,711	Ans Interior and Construction	20.01.2024	20.05.2024
8	Computer	29,990	29,990	Smart Sun Technologist	1.02.2024	25.04.2024
9	Printer	4,999	4,999	Smart Sun Technologist	1.02.2024	25.04.2024
10	Telephone	4,999	4,999	Smart Sun Technologist	1.02.2024	25.04.2024
11	Office Electrification	10,000	10,000	Ans Interior and Construction	25.01.2024	25.05.2024
12	Name Board	5,000	5,000	Ans Interior and Construction	25.01.2024	25.05.2024
13	Market survey & project report preparation	5,000	5,000	Cha-Chi Communications	1.03.2024	1.03.2026
14	Travelling Expenses	5,000	5,000	Cha-Chi Communications	1.03.2024	1.03.2026
15	Advertisement and Publicity	10,000	10,000	Cha-Chi Communications	1.03.2024	1.03.2026
16	Contingencies	25,000	25,000			
	Total	5,00,000	5,00,000			

Total estimated Expenses:

(In ₹ Lakhs)

Number of FCMs proposed	Cost per FCM	Total costs	Amount to be utilized from the net proceeds
75	500,000	3,75,00,000	3,75,00,000

The expected schedule of implementation of the establishment of FCMs is set forth below:

S.No.	Particular	Expected commencement date	Expected completion date
1	Acquisition for leases	01/04/2024	30/06/2024
2	Planning and procurement of setup	01/07/2024	30/09/2024
4	Commencement of commercial sales	01/10/2024	-

B. Working Capital requirements of FCM:

FCMs require a robust working capital framework to manage the day-to-day operations, ensuring a consistent supply of agricultural products and services to meet the dynamic needs of the farming community. Working capital is crucial for maintaining inventory, handling operational expenses, and providing the necessary liquidity to facilitate smooth transactions within the marts. We propose to utilise ₹ 1125.00 Lakhs towards working capital requirements of our FCMs.

The proposed funding of such working capital requirements is set forth below:

(In ₹ Lakhs)

Particulars	31-03-2024	31-03-2025	31-03-2026
	Projected	Projected	Projected
Current Assets			
Trade Receivables	-	1,350.00	1,575.00
Other Current Assets			
Total (A)	-	1,350.00	1,575.00
Current Liabilities			
Trade payables	-	150.00	160.00
Other Current Liabilities			
Total (B)	-	150.00	160.00
Working Capital Gap (A-B)	-	1,200.00	1,415.00
Change in Working Capital Gap		1,200.00	215.00
FUNDING PATTERN			
Net Proceeds from the IPO	-	950.00	175.00
Working Capital Borrowings	-	250.00	40.00
Internal Accruals/ Net Worth			

Particulars	31-03-2024	31-03-2025	31-03-2025
	Projected Days	Projected Days	Projected Days
Trade Receivables	0	150	160
Trade Payables	0	60	60

Particulars	Assumptions and Justifications
Trade Receivables	<p>The company's expansion plan includes opening 75 marts each in FY-25 and FY-26, positioned as comprehensive solutions for farmers' needs, generating revenues of 180 lakhs per mart in FY-25 and 210 lakhs per mart in FY-26. This initiative is projected to yield a total revenue of 13,500 lakhs in FY-25 and 15,750 lakhs in FY-26 for Farmer's City.</p> <p>In line with a steadfast commitment to financial discipline, the company aims to uphold receivable days at 150 in FY-25 and 160 in FY-26, maintaining a consistent approach to receivable management. This commitment is anticipated to result in receivables of 5547.95 lakhs in FY-25 and 6904.11 lakhs in FY-26, underscoring the company's dedication to financial stability.</p>
Trade Payables	<p>The company envisions total expenditures of 12,150 lakhs in FY-25 and 14,175 lakhs in FY-26, comprising approximately 94.5% in direct costs and 5.5% in operating expenses. Adhering to a rigorous and organized payment strategy, we plan to stabilize payable days at 60 for both fiscal years, a testament to our dedication to financial prudence.</p> <p>This strategic approach is expected to culminate in projected payables of 2,219.18 lakhs in FY-25 and 2,589.04 lakhs in FY-26. Such a methodology positions the company to navigate expenses effectively while fortifying enduring partnerships within the broader business landscape.</p>

Proposed form of investment:

We propose to continue making investments in new business initiatives by directly financing all or a portion of the incubation costs, infrastructure costs as well as other related ancillary costs from the Net Proceeds. We may invest through equity or debt or any other instruments in these subsidiaries as may be decided by the board of directors of the Company from time to time. Any additional funding requirements for the new business initiatives shall be met out of the portion of the Net Proceeds allocated for general corporate purposes and/or through our internal accruals or debt financing or any combination thereof.

Nature of benefit expected to accrue:

Our Company, oversees the growth and development of its subsidiaries, SPH Aviation Private Limited and Farmer's City International Private Limited, stands to gain several significant benefits from funding these initiatives.

Investing in SPH's expansion of RPTOs and the establishment of a drone assembly plant presents the holding company with opportunities to diversify its portfolio, tap into the thriving aviation sector, and generate revenue streams from the burgeoning drone technology market. This strategic move aligns with the broader corporate vision of our Company to expand its presence in technology-driven industries, enhancing its overall market positioning and profitability.

On the other hand, funding the expansion of Farmer's City Marts offers our Company a strong foothold in the agricultural and rural market segment. These initiatives streamline the supply chain for farming essentials and, through collaboration with SPH Aviation, unlock the potential for drone services tailored to farming and rural needs. This positions us for long-term benefits such as increased market share, revenue diversification, and alignment with sustainable and rural-focused business practices.

2. Working Capital Requirements

Our Company is a DGCA approved RPTO and a “Category A” Training Partner recognized by the National Skill Development Corporation (NSDC) and AVPL is accredited by multiple state and central authorities, serving a broad spectrum of government departments with drone, agriculture, and multi-sector training programs. The company has secured numerous work orders and expressions of interest for additional training centers from various state governments, government agencies and entities engaged in related fields. These expressions of interest, both direct and indirect, highlight the industry's recognition of and demand for the company's specialized expertise. The expansion strategy is likely to lead to increased working capital requirements, with our offering more advantageous terms to our customers. As we gear up for enhanced activities in RPTO operations and skill training, the demand for drone components, materials, and related services is expected to grow. To meet these operational demands while ensuring efficient cash flow management, the company plans to efficiently manage its working capital requirements. These proactive measures are anticipated not only to consolidate the company's position with existing clients but also to penetrate new markets, driving the projected increment in our business.

For detailed information on the business of our Company please refer to the section entitled “Our Business” beginning on page number 93 of this Draft Red Herring Prospectus.

Details of Estimation of Working Capital requirements are as follows:

(Amount in INR Lakhs)

Particulars	31-03-2021	31-03-2022	31-03-2023	31-03-2024	31-03-2025
	Restated Audited	Restated Audited	Restated Audited	Projected	Projected
Current Assets					
Trade Receivables	1148.64	1035.97	1719.88	3077.92	5684.25
Short term Loans and Advances	103.24	138.63	306.80	1243.82	2067.47
Other Current Assets	61.24	73.36	53.41	373.15	826.99
Total (A)	1313.12	1247.96	2080.09	4694.88	8578.71
Current Liabilities					
Trade payables	296.39	539.28	755.72	1152.78	2105.28
Other Current Liabilities	79.63	150.15	315.81	746.29	1447.23
Total (B)	376.02	689.43	1071.53	1899.07	3552.51
Net Working Capital (A-B)	937.10	558.53	1008.56	2795.81	5026.20
Movement in Working Capital		-378.57	450.03	1787.25	2230.39
FUNDING PATTERN					
Net Proceeds from the IPO	-	-	-	250.00	1,000.00
Working Capital Borrowings	529.92	321.47	107.76	1,537.25	1,230.39
Internal Accruals/ Net Worth	555.03	580.76	1098.62		

Particulars	31-03-2021	31-03-2022	31-03-2023	31-03-2024	31-03-2025
	Restated Audited	Restated Audited	Restated Audited	Projected	Projected
Trade Receivables	359	333	297	267	270
Trade Payables	93	174	131	100	100

Particulars	Assumptions and Justifications
Trade Receivables	<p>The receivables days have demonstrated a gradual reduction over the audited period, signaling an enhancement in collections efficiency. The days are expected to remain at a higher range (267 days in FY 2024 and 270 in FY 2025) due to the nature of the company's operations, primarily sourced by government contracts, which traditionally exhibit longer payment tenures. The company's plans of establishing Remote Pilot Training Organizations (RPTOs) is projected to significantly contribute to revenues, with the on-going plan to set up RPTOs in FY 24 and scale them up in FY 25. These centers are anticipated to infuse substantial revenue streams, maintaining a healthy working capital despite the elongated receivable cycle inherent to nature of engagements.</p>
Trade Payables	<p>The payable days are projected to normalize at 100 days for FY 2024 and FY 2025. This reflects the company's intent to adhere to a structured payment discipline that aligns with industry benchmarks while sustaining relationships with our service providers. To accommodate the operational demands and to manage cash flows more efficiently, the company has initiated dialogues with its suppliers to negotiate extended payment terms.</p>

SECTION V – ABOUT THE COMPANY

OUR BUSINESS

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

The financial information used in this section, unless otherwise stated, is derived from our Financial Information, as restated and prepared in accordance with Indian GAAP, Companies Act and SEBI Regulations as included in this Draft Red Herring Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Information” beginning on pages 18 and 127 respectively.

BUSINESS OVERVIEW

Our Company was originally incorporated as a private limited company under the Companies Act, 2013 in the name and style of “AITMC Ventures Private Limited” bearing Corporate Identification Number U74999HR2016PLC066758 dated 21 December, 2016 issued by the Registrar of Companies, Delhi & Haryana. Subsequently, the objects of our Company were changed pursuant to a shareholders’ resolution passed at an Extra-Ordinary General Meeting held on June 26, 2023, vide Corporate Identification Number U01611HR2016PTC066758. Further, our Company was converted into public limited company pursuant to a shareholders’ resolution passed at an Extra-Ordinary General Meeting held on July 20, 2023, and the name of our Company was changed to “AITMC Ventures Limited” and a fresh Certificate of Incorporation dated August 18, 2023 was issued by Registrar of Companies, Delhi & Haryana. As on date of this Draft Red Herring Prospectus, the Corporate Identification Number of our Company is U01611HR2016PLC066758.

Our Company is DGCA Accredited RPTO and a “Category A” Training Partner recognized by the National Skill Development Corporation (NSDC) and serves a wide range of government departments & agencies including other training providers. We operate in multiple states across India with our registered address being 84-85, Chakkarpur, Gurugram Haryana, 122002, India.

Our Company currently operates across two broad business verticals:

- Skill Development
- Drones Skilling

Our primary business revolves around community engagement within the agricultural sector and the delivery of training programs. Notably, we are establishing a self-sustained ecosystem that encompasses the complete farming value chain, with a particular focus on drone technology.

We have established a presence within agricultural communities in multiple Indian states, primarily through vocational training and skill development programs tailored to farmers and their families. In 2022, we introduced our Tech Enablement division, providing advanced training in drone handling and operations.

SWOT Analysis

Strength	Weakness
<ul style="list-style-type: none">• Established Stakeholder in the Agri Sector: AVL's presence in the agricultural sector, extensive domain knowledge, and years of experience in providing skilling and training programs to farming families is a significant strength.• Robust Ground-Level Connect: AVL's community engagement and an audience of farming families provide a valuable edge over competitors, fostering trust and loyalty among stakeholders.• Alignment with Government Policies: The company's strategies align with government priorities for employment and farm income augmentation, making AVL well-positioned to benefit from government incentives and	<ul style="list-style-type: none">• Limited UAV Fleet: AVL's current UAV fleet of training drones might be insufficient to meet the demands of its expansion plans.• RPTO Rollout Uncertainty: The status of the planned RPTOs remains unclear, posing a risk to AVL's growth strategy and its ability to meet the demand for drone pilots.• Resource Constraints: Expanding the RPTO network and establishing Farmer's City Marts (FCMs) demands significant resources, both in terms of funding and skilled manpower.• Market Sensitivity: AVL operates in the agricultural sector, which is susceptible to market fluctuations and external factors such as weather conditions, economic

<p>support.</p> <ul style="list-style-type: none"> ● Sound Financials: With a track record of consistent growth and profitability, AVL's strong financials are a testament to its stability and management. ● Accreditations/Affiliations: Having key accreditations and affiliations in the drone skilling and technology business enhances AVL's credibility and reputation. 	<p>downturns, and natural disasters. These factors can impact AVL's business.</p>
<p>Opportunity</p>	<p>Threats</p>
<ul style="list-style-type: none"> ● Growing Drone Demand: The increasing adoption of drone technology in agriculture presents a substantial growth opportunity for AVL's Drone-as-a-Service (DaaS) offerings. ● Government Support: The Indian government's focus on technology enablement in agriculture and support for drone usage can provide AVL with favourable incentives and subsidies. ● Expanding Training Ecosystem: AVL's plan to train an increasing number of candidates per year as DGCA Certified Drone Pilots aligns with the rising demand for skilled drone operators. ● Community Engagement: Leveraging its community connections, AVL can establish numerous Farmer's City Marts (FCMs), offering an opportunity to enhance value across the farming value chain. 	<ul style="list-style-type: none"> ● Competitive Landscape: Increasing competition from other drone technology companies may erode AVL's market share and pricing power in the future. ● Regulatory Challenges: Evolving regulations and compliance requirements related to drone operations could pose operational challenges and increase costs. ● Resource Dependency: AVL's expansion plans and drone training initiatives require significant financial resources, which may strain the company's financial health. ● Market Volatility: The agricultural sector's sensitivity to market fluctuations, climate change, and unforeseen events could impact both farmer incomes and AVL's revenues.

SKILL DEVELOPMENT

Since 2016, our company has been actively engaged with the community, providing training and skilling services in collaboration with the National Skill Development Council and state government departments. Our focus has been on improving farmers' income levels by creating revenue opportunities and industry-relevant skills. Recognizing that agriculture is often a seasonal endeavour, especially for small-scale landowners with modest holdings averaging 2-3 acres, we have structured our business model to offer multiple avenues for augmenting their economic prospects.

With India's youthful population and demographic advantages, there is potential for progress when farmers and their families acquire versatile skills in emerging sectors. Our primary mission is to empower farmers and their dependents with training and expertise in various farming-related job roles, ultimately making a positive impact on their lives and the agricultural landscape.

A typical farming family usually cultivates small land parcels. To diversify their income sources, it becomes essential to explore additional opportunities, taking into account the skills and interests of family members. At our company, we provide training programs tailored to farmers' families, aligning our offerings with their skills and aspirations.

For female members, who possess expertise in handicrafts, hospitality, and the beauty sector, our training programs focus on these areas, equipping them with the necessary skills to contribute to the family's monthly income. Male members receive training from us in progressive farming, agri inputs, electronics, renewable energy, media, and more.

We also collaborate with other training organizations, providing services and executing training programs on their behalf. This partnership approach allows us to extend our impact and reach to a wider audience, ensuring that even more individuals and communities can benefit from our expertise in training and skill development.

Since 2022, we have introduced our "Drone Skilling" business, offering training to individuals seeking qualification as DGCA certified drone pilots. We have already initiated operations in our RPTOs and have received positive responses to our initiative from government ministries and departments. These government-sponsored schemes aim to enhance farm income and promote the utilization of drone technology in precision farming.

Key Training Programmes

Our company conducts value-driven training programs under Government Departments and various agencies, including NSDC, as part of different skilling and training initiatives launched by the Union Government and State Governments. Some prominent skilling programs in which our company actively participates include:

- a) **DDUGKY** – Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY) is the demand-driven placement-linked skill training initiative of the Ministry of Rural Development¹ (MoRD), Government of India, uniquely aimed at rural poor youth between 15 and 35 years of age, with the purpose to create income diversity in poor families and help rural youth realise their career aspirations.
- b) **HSDM-STT SURYA** – “Surya” is a flagship scheme of Haryana Skill Development Mission for Short term skill Trainings, Training of Trainers, Up-Skilling and Recognition of Prior Learning for the Youth of Haryana with 100% financial support granted by Government of Haryana.
- c) **PMKVY** – Pradhan Mantri Kaushal Vikas Yojana (PMKVY) is the flagship scheme of the Ministry of Skill Development and Entrepreneurship (MSDE) implemented by National Skill Development Corporation (NSDC). The objective of this Skill Certification scheme is to enable Indian youth to take up industry relevant skill training that will help them in securing a better livelihood.
- d) **DDAY-NULM** – Deen Dayal Antyodaya Yojana or the National Urban Livelihood Mission is a scheme under the Ministry of Housing and Urban Affairs that focuses on reducing poverty and vulnerability of the urban poor households. The National Urban Livelihoods Mission scheme was launched by the Ministry of Housing and Urban Poverty Alleviation, Government of India. Under this scheme we have trained over 180 candidates in the state of Madhya Pradesh.
- e) **SEEKHO AUR KAMAO** – The Ministry of Minority Affairs implemented ‘Seekho Aur Kamao’ scheme (SAK) for the benefit of six (6) notified minority communities, that targeted to upgrade the skills of minority youth (14-45 years) in various modern/ traditional skills depending upon their qualification, prevailing economic trends, and market potential, that could earn them suitable employment or make them suitably skilled to take up self-employment. 33% of total allocation was also earmarked for female beneficiaries.
- f) **USTTAD** – The Ministry of Minority Affairs has proposed the Upgrading the Skills and Training in Traditional Arts/Crafts for Development (USTTAD) scheme to promote the heritage of traditional arts and crafts of minorities.
- g) **GHARIB NAWAZ** – The Maulana Azad Education Foundation (MAEF) has started the Gharib Nawaz Employment Scheme for Minorities from the year 2017-18 so that short term job oriented skill development courses may be provided to minorities’ youth in order to enable them for skill based employment.
- h) **NSKFDC-STT** – National Safai Karamcharis Finance & Development Corporation (NSKFDC) is a wholly owned Government of India Undertaking under the Ministry of Social Justice & Empowerment (M/o SJ&E). NSKFDC has been in operation since October, 1997, as an Apex Corporation for the all-round socio-economic uplift of Safai Karamcharis, scavengers and their dependents throughout India, through various loan and non-loan based schemes.

Our business heavily relies on contractual agreements, notably with governmental authorities and historically affiliated entities. Refer to Risk Factor No. 6 on page 20 for details on potential risks associated with non-renewal, conflicts, and termination clauses, impacting our financial stability and future prospects.

Candidate Enrolment Process:

Our student acquisition mechanism comprises three basic approaches:

- (a) *Online Registration:* The respective government ministry/department provides a link on their website where interested candidates can register themselves. They can search for the nearest skill development centre and view the courses offered at that centre. Candidates can then gather details and contact the centre directly for the enrolment process.
- (b) *Skill Development Melas:* In some states, the respective department organizes skill development melas or fairs. These events serve as a platform for candidates to learn about various skill development programs. Within these melas, there is typically a stall dedicated to skill development programs. A representative from the Skill Department is present at the stall to provide information to interested candidates. They collect the candidates' details and forward them to the nearest skill development centre. The centre team then contacts the candidates and facilitates their enrolment.
- (c) *Mobilization Activities:* The marketing team responsible for the skill development business at each centre also conducts various mobilization activities to reach out to potential candidates. These activities may include promoting the courses through channels such as social media, distributing pamphlets, placing advertisements in newspapers, organizing social

meetings with NGOs, and engaging with local community leaders like the President/Sarpanch/MC (Municipal Corporation) of relevant areas. Door-to-door awareness programs may also be conducted to inform and encourage individuals to enroll in the skill development courses.

Timelines of the Courses Offered by our Company

- a) **Recognition of Prior Learning (RPL):** The duration of the RPL course is approximately 12 hours. RPL focuses on assessing and certifying the skills and knowledge of individuals acquired through informal or non-formal learning.
- b) **Short Term Training (STT):** The duration of the Short Term Training courses varies depending on the specific job role. It can range from 90 hours to 600 hours. These courses are designed to provide focused training and skill development in a relatively short period.
- c) **Long Term Training (DDU GKY or any Special Project):** The duration of the Long Term Training courses, such as those offered under the DDU GKY (Deen Dayal Upadhyaya Grameen Kaushalya Yojana) or other special projects, varies significantly. The duration can range from 240 hours to 2200 hours, depending on the job role and the depth of training required.

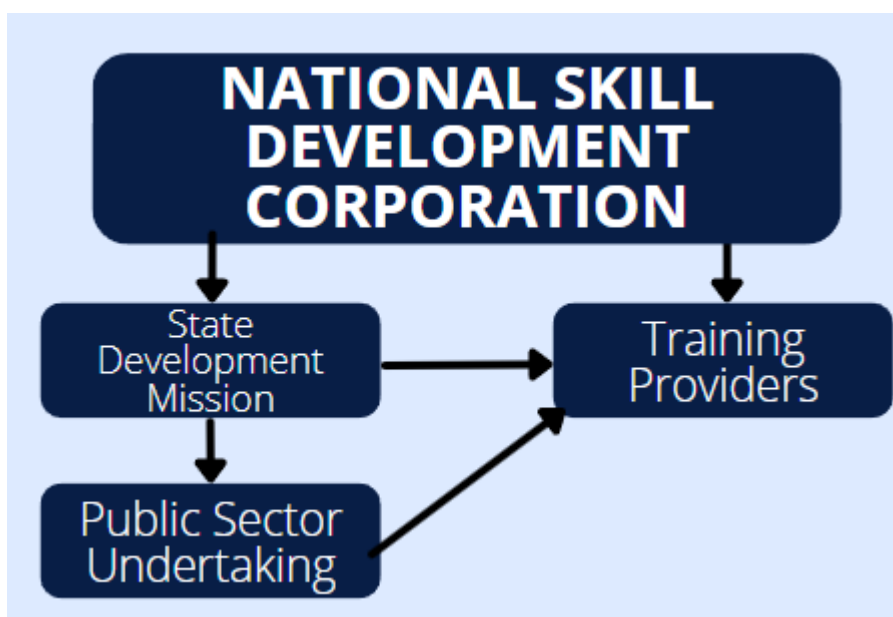
Revenue Realization Process

For candidates enrolled in the skill development courses the full fee is paid by the government or the respective department, as per the course category. The government or concerned department covers the cost of training for the candidates. Individual candidates do not pay any fees out of their own pockets.

Training of Trainers: The fee for the Training of Trainers is given by the organization or the individual trainer availing the training. The specific payment arrangements for the trainers may vary depending on the organization or the agreement between the trainer and the training provider. In the context of skill development initiatives, Sector Skill Councils play a pivotal role as certifying bodies responsible for certifying trainers. This certification is a crucial step to render trainers eligible to conduct training sessions under various schemes of the Skill India Mission.

The process involves the certifying body, typically a Sector Skill Council, overseeing the training of trainers within the premises of training partners. These training partners are instrumental in delivering the necessary skills and knowledge to potential trainers. In return for providing infrastructure for the training of trainers, the certifying body compensates the training partners with infra-utilization fees. The Company has a track record of acting as a training partner and receiving payments from the Government for undertaking the training of trainers for various government skilling schemes.

Fee payment arrangements may differ slightly based on the specific skill development scheme, state, or organization involved. The information provided above is based on the general understanding that the government or department covers the full fee for candidates, and the fee for the Training of Trainers is handled separately.



1. National Skill Development Corporation (NSDC):

- At the top of the flow chart is the National Skill Development Corporation (NSDC). NSDC serves as a central coordinating body for skill development initiatives in the country.

2. Flow to Training Provider:
 - The first flow from NSDC leads directly to Training Providers. Under various skill development schemes, NSDC directly assigns work to Training Providers. This implies that certain projects or programs are executed by Training Providers under the direct coordination of NSDC.
3. Flow to State Development Missions (SDMs):
 - The second flow from NSDC directs funds to State Development Missions (SDMs) under specific schemes. NSDC allocates financial resources to SDMs to support skill development initiatives at the state level.
4. SDMs Allocation of Work:
 - SDMs, having received funds from NSDC, then further allocate work. SDMs have the authority to assign projects or programs to Training Providers or Public Sector Undertakings (PSUs) based on the specific requirements and objectives of the schemes.
5. PSUs Allocation of Work:
 - In the case of PSUs, they have the autonomy to independently allocate work to Training Providers. This means that PSUs, having received assignments or projects, have the discretion to engage Training Providers to carry out specific skill development activities.

The payment cycle varies for the different skill development schemes, the details are given below:

(a) RPL: The payment for RPL is made as a one-time full fee after certification. After the candidate successfully completes the RPL process and receives the certification, the full fee amount is disbursed.

(b) STT:

- For Minority schemes the payment is made in three tranches. The first tranche, which is 30% of the total fee, is given in advance at the time of signing the Memorandum of Understanding (MoU) as per guidelines. The second tranche is disbursed after certification, and the third tranche is provided after placement, either in self-employment or wage employment, as per the guidelines.

- For NSDC (National Skill Development Corporation) or SSDM (State Skill Development Mission) sponsored programmes the payment process differs slightly. The first invoice can be raised after 21 days of training, covering 30% of the total fee. The second and third tranches follow the same pattern as mentioned in the Minority scheme.

(c) Long Term Schemes (including DDU-GKY) – The funds for DDU GKY courses are released by the department in four tranches. Each tranche constitutes 25% of the total amount, as prescribed in the guidelines. The funds are disbursed in a phased manner, with the first, second, third, and fourth tranches being released accordingly.

Payment cycles and tranches mentioned above are based on the information provided and may vary based on the specific guidelines and processes established by the government or respective departments. The general pattern indicates that government payments are typically made between October to March, with the remaining months focused on internal documentation and invoice verification.

DRONE SKILLING

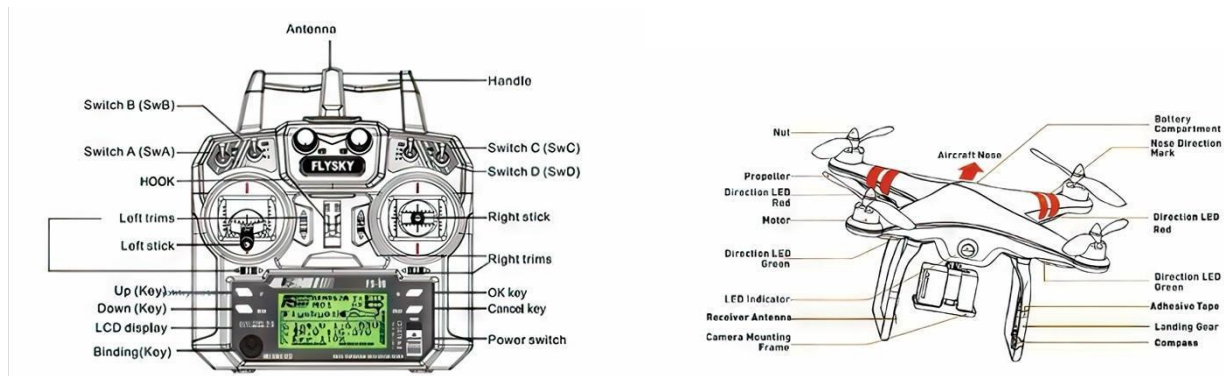
Training Programmes:

Programmes currently provided by AVPL	Programmes currently provided by SPH
<p>Drone Pilot Training STT (Small Drones) - Drone pilot training involves learning the regulations, flight theory, technology, operations, and data management necessary to safely and effectively operate drones. It covers both theoretical knowledge and practical flight skills. We have one operational RPTC certified by DGCA that provide drone pilot training services to eligible candidates.</p> <p>Kisan Drone Operator – Accredited by ASCI/NSDC, the Kisan Drone Operator course trains participants in drone technology, safety, agriculture applications, and entrepreneurship, preparing them for the agricultural drone industry with a focus on regulatory compliance and practical skills.</p>	<p>Drone Pilot Training STT (Small Drones) - Drone pilot training involves learning the regulations, flight theory, technology, operations, and data management necessary to safely and effectively operate drones. It covers both theoretical knowledge and practical flight skills. We have three operational RPTCs certified by DGCA that provide drone pilot training services to eligible candidates.</p>

SPH Aviation Private Limited ("SPH"), a subsidiary of AVL with a 76% ownership, currently conducts the Drone Skilling business. SPH is recognized by the Directorate General of Civil Aviation (DGCA) as a RPTO and offers certified training programs at three locations. Presently, we operate three DGCA accredited RPTOs in Gurugram, Sirsa, and Sonapat. These facilities are supported by an in-house fleet of training drones, all of which possess the requisite Type Certification from DGCA.

Upon successful completion of the training program, the RPTO issues a Remote Pilot Certificate (“RPC”) through DGCA's Digital Sky Platform, specifying the Class & Category of the drone. According to the Drone Rules of 2021, the RPC remains valid for a maximum period of 10 years.

As per Drone Rules 2021 released by the Ministry of Civil Aviation, an individual must have a valid Remote Pilot Certificate from a DGCA-authorized RPTO to fly drones legally in the country. Drone pilots qualifying from our RPTOs shall be eligible to purchase drones as per extant DGCA rules and regulations. We wish to encourage our students to offer “Drone-as-a-Service” (DaaS) with their own drones that they will have the option to purchase from our Company’s Drone Assembly vertical.



AVL offers training to potential “Dronepreneurs” through structured training programmes supported by the government. By leveraging government subsidies and financial partnerships, AVL aims to empower individuals with Agri-Drones, enabling them to explore entrepreneurial opportunities in the agricultural sector.

To support our vision, we have established an "Aviation Hub" in Hisar, Haryana for R&D and application testing.



PLACE OF BUSINESS OF THE COMPANY

We operate our business from the following locations:

Description	State	Owned by	Location	Validity
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Registered Office	Haryana	Manoj Kumar Yadav and Zile Singh	Basement to Fifth floors, 84-85, Khasra No. 164, Revenue Estate of Village Chakkarpur, Tehsil-Wazirabad, Gurugram, Haryana, PIN 122002	11 Months from 29.12.2023
Corporate Office	Haryana	Startup Stairs Private Limited (part of promoter group)	Gali No.7 Kadipur Enclave Plot No.264, Gurugram, Haryana 122001	11 Months from 29.12.2023
Training Center	Haryana	Mahender Pratap Tewatia	D-1425, Rasulpur, Palwal, Haryana 121102 (near Axis Bank)	11 Months from 29.12.2023
Training Center	Haryana	Dushyant Chautala	Near Jan Nayak Chaudhary Devi Lal Vidyapeeth, Barnala Road, Sirsa, Haryana 125055	3 years from 23.05.2022
Training Center	Haryana	Ashish Gupta	561, KumharWara, Ballabhgarh, Faridabad, Haryana 121004	11 Months from 29.12.2023
Training Center	Madhya Pradesh	Prayas Gautam, Samadhan Gautam, Purnima Gautam and Vinita Gautam	217/2, 217/3, 217/4/1 and 217/4/2, Kamla Nagar, Nagukhedi, Ujjain Road, Dewas, Madhya Pradesh PIN 455001	11 Months from 29.12.2023
RPTO (Operational)	Haryana	Sarita Yadav	Gali No.7, Kadipur Enclave, Opp. Sector 10 Bus Stand, Gurugram, Haryana 122006	11 Months from 29.12.2023
RPTO (Operational)	Haryana	Aakriti Ganga Education Trust	Village Dulhera, Bahadurgarh-Jhajjar Road, District-Jhajjar, Haryana	11 Months from 29.12.2023
RPTO (Operational)	Haryana	Dushyant Chautala	Near Jan Nayak Chaudhary Devi Lal Vidyapeeth, Barnala Road, Sirsa, Haryana 125055	11 Months from 29.12.2023
RPTO (Operational)	Haryana	Puran Murti Educational Society	Kami Road, Sonapat, Haryana PIN 131001	11 Months from 29.12.2023
RPTO (Approval yet to be applied)	Gujarat	Arpil Shah	Opp. Sumandeep Hospital, Waghodia Road, Vadodara, Gujarat 390025	11 Months from 29.12.2023
RPTO (Approval yet to be applied)	Gujarat	Anil Kumar Motabhai Pandya	Nirja Education Campus, Mosada Highway, Lunawada, Mahisagar, Gujarat PIN 389110	11 Months from 29.12.2023
RPTO (Approval yet to be applied)	Gujarat	Chandrakant Jamnprashad Mishra	Opp. Sai Avenue Building, Jhalod Road, College Road, Dahod 389151	11 Months from 29.12.2023
RPTO (Approval yet to be applied)	Madhya Pradesh	Prayas Gautam	Vidhyakunj International School, Kamala Nagar, Ujjain Road, Dewas, Madhya Pradesh 455001	11 Months from 29.12.2023

COLLABORATIONS/ TIE-UPS/ JOINT VENTURES

The Company does not have any Collaboration/Tie Ups/ Joint Ventures, as on date of Draft Red Herring Prospectus.

SUBSIDIARIES/ ASSOCIATE COMPANIES

As of the date of this DRHP, the Company has two subsidiaries in which it holds a 76% ownership stake: SPH Aviation Private Limited and Farmer's City International Limited

CAPACITY & CAPACITY UTILIZATION

As of the date of this DRHP, the Company does not presently operate any manufacturing facilities. However, the Company is actively in the process of establishing a drone assembly plant on a turnkey basis at Village Dulhera, Bahardurgarh-Jhajjar Road, District Jhajjar, Haryana.

PLANT & MACHINERY

We currently use 14 drones and 20 drones have been ordered for further growth of operations. For details related to our plant and machinery, kindly refer to the “*Restated Financial Information*” on page 127 of this DRHP.

HUMAN RESOURCES

We have a qualified and professional employee base of 113 full time employees as of the date of this Draft Red Herring Prospectus. Our manpower is a prudent mix of the experienced and young people which gives us the dual advantage of stability and growth, execution of services within time and quality, we believe human capital is one of the most valuable assets of our Company as their technical know-how and skill sets position us at a competitive advantage over our competitors in providing some of our services. All our employees are on a full-time basis and the Company has no contractual employees.

Trainer Recruitment Process

One key aspect of our trainer recruitment process is being affiliated with sector skill council-approved training partners under various government schemes. These sector skill council-approved training partners are recognized entities that set industry standards and provide certifications in specific skill domains. AVPL places a strong emphasis on aligning with these partners to ensure that our trainers possess the requisite skills and qualifications that meet industry benchmarks.

Prospective trainers at AVPL are required to participate in training-of-trainers programs facilitated by these sector skill council-approved training partners. These programs are designed to enhance their pedagogical skills, industry knowledge, and overall training proficiency. Through this training, potential trainers not only refine their technical skills but also acquire effective teaching methodologies, ensuring that they can effectively transfer their knowledge to the learners.

The pivotal point in the hiring process is the certification obtained by the trainers through these sector skill council-approved training partners. AVPL exclusively considers certified trainers from these partners for employment. This certification process acts as a quality assurance mechanism, validating that the trainers meet the necessary industry standards and are well-equipped to deliver high-quality training programs.

Department wise bifurcation of our employees are as under as on date of this Draft Red Herring Prospectus: -

Department	Number of Employees
Management	2
Training (Operations)	81
Human Resource	5
Information Technology	1
Housekeeping	12
Administration	5
Editor	1
Finance	2
Total	113

MARKETING

Our marketing strategy is rooted in a deep understanding of our unique strengths and the industry landscape. At the core of our approach is the fact that our Promoters hail from an agriculture and rural background, providing us with invaluable local connections

that span generations. These connections are not merely contacts but enduring relationships forged over time through shared experiences and a genuine commitment to the community.

In addition to our rich agricultural heritage, our business of skilling centers is founded on expertise and merit, distinguishing us in a highly competitive sector. We have diligently built a reputation, earning the trust of government bodies and departments that allows us to consistently secure work under various government schemes.

Furthermore, our reach extends beyond our own operations, the company engages in undertaking work awarded to other companies within similar business lines, being private or PSU entities. This signifies that the company participates in collaborative endeavors and partnerships, extending its expertise and services to support and contribute to projects initiated by other entities operating in comparable business domains.

The company not only directly engages with the Government or government agencies but also collaborates with other companies and entities. In the latter case, these companies are entrusted by the Government agencies to execute specific projects or tasks. This multifaceted approach showcases the versatility of our business model, allowing us to play a pivotal role in both direct government engagements and collaborative ventures with other entities appointed by government agencies. This strategic diversification enhances our ability to address a broad spectrum of needs within our industry, fostering a dynamic and resilient operational framework.

Furthermore, it is noteworthy to mention that these collaborative entities compensate AVPL for the usage of idle capacity of infrastructure and trainers of our centers when AVPL is not running its own courses. This mutually beneficial arrangement not only optimizes the utilization of our resources but also contributes to additional revenue streams, further solidifying our financial position and sustainability in the market. This collaborative approach allows us to harness the collective strengths of our industry peers, fostering growth and innovation within the sector.



Deep, Our Promoter, on stage at a large-scale agricultural event.

BUSINESS STRATEGY

1. Expanding Rural Training Partnerships

Our primary objective is to foster enduring and sustainable partnerships with farmers and rural communities, aimed at fostering consistent growth. We plan to extend our current network by continually enhancing our expertise and broadening our capabilities in providing skill training and drone pilot training. Empowering our rural populace and prioritizing their needs are foundational principles within our organization. This is achieved through strengthening our training expertise and deepening our connections within farming communities. Our focus is to guide our trainees towards enhanced engagement and satisfaction throughout their journey with us.

2. Enhancing Operational Efficiencies

Our company is dedicated to optimizing operations, reducing costs, and ensuring competitiveness in the rural training landscape. We believe this can be achieved by strengthening our domestic presence and capitalizing on economies of scale in providing skill training and drone pilot training. By expanding our training offerings within our existing regions, we aim to reach new rural communities while optimizing our infrastructure. These measures will boost our market share and overall profitability.

3. Resource Optimization

Our commitment to optimizing resource utilization remains unwavering. We have made significant investments and plan to further enhance our activities by establishing customized systems and processes to improve management control in providing skill training and drone pilot training. This will enhance efficiency and maximize the utility of our resources. We will continue to foster an inclusive culture to ensure our employees remain engaged and dedicated to providing exceptional training services.

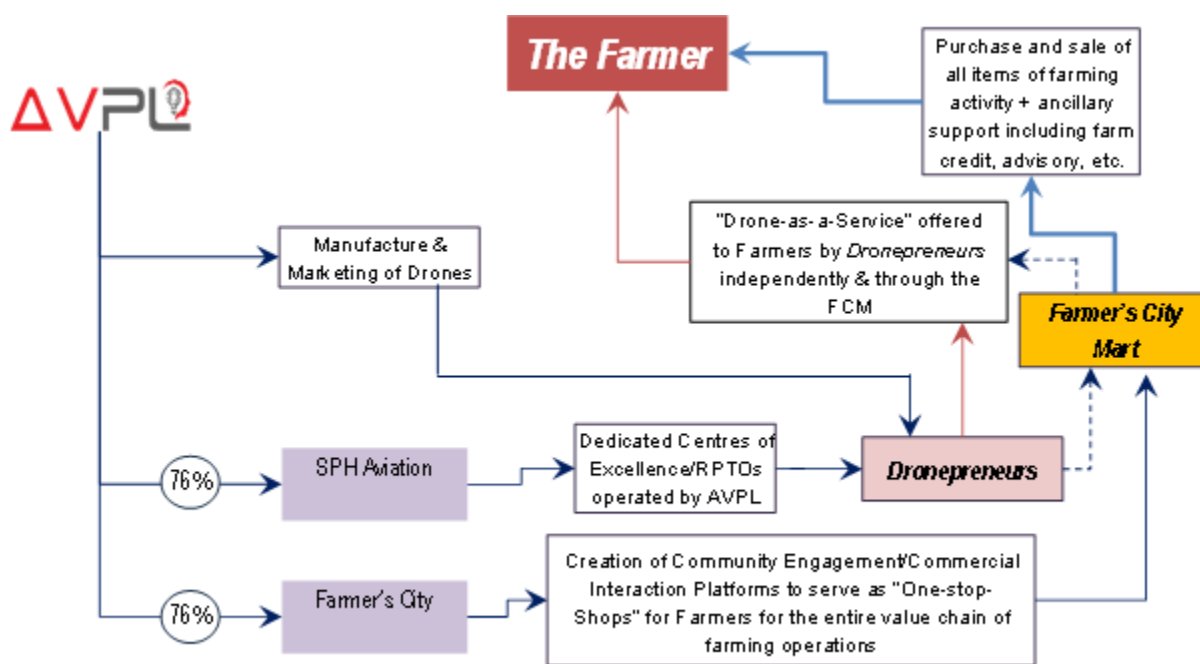
4. Elevating the Training Experience

We recognize that maintaining a high standard of service is crucial for retaining our trainees and driving repeat engagements in skill training and drone pilot training. We will closely collaborate with our rural partners to strengthen these relationships. Our employees will be consistently trained to design and deliver solutions tailored to the unique needs of our trainees. Our strong customer goodwill has already resulted in recurring training requests from many of our valued partners.

5. Building a Professional Training Organization

Transparency, commitment, and coordination are our guiding principles when working with our trainers, trainees, government authorities, banks, and other stakeholders in providing skill training and drone pilot training. We possess the necessary experience and a dedicated workforce to manage our day-to-day training operations. Additionally, we engage external experts on specific technical and financial aspects of our training business. Our goal is to reinforce and fortify our organization's standing in the rural training sector for years to come.

Our company aims to develop an ecosystem across three primary business verticals, as illustrated in the schematic diagram provided below.



Drones manufactured by us will be available for sale to Dronepreneurs and qualified Drone Pilots in compliance with Government of India regulations.


INSURANCE

Insurance policies purchased by our Company:

Nature	Policy No.	Start date	End date	Sum insured
Motor Insurance (Toyota Fortuner)	67140031230350004678	25.04.2023	24.04.2024	17,53,920

INTELLECTUAL PROPERTY

As on the date of this Draft Red Herring Prospectus, following are the details of intellectual properties of the Company:

S. No.	Nature of IP	Name	Class	Status
1	Trademark		9, 12	Applied (Formalities Check Pass)
2	Trademark	AVPL	9,12	Applied (Formalities Check Pass)
3	Trademark	KISAN KA KON AVPL DRONE	9, 12	Applied (Formalities Check Pass)
4.	Certification	Type Certificate - VIRAJ	NA	Applied (Statement of Conformity Stage)
5.	Website Domain	www.avplinternational.com	NA	Registered

OPERATIONAL SEGMENTED REVENUES

The Company operates in a single segment of vocational training in one geographical area of India. Therefore, the disclosure requirements as per Accounting Standard 17 “Segment Reporting” are not applicable to the Company.

For a comprehensive understanding of our operational segmented revenues, please refer to “*Restated Financial Information*” on page 127 of the DRHP.

INDEBTEDNESS

For details of indebtedness please refer to “*Statement of Financial Indebtedness*” on page 203 of the Draft Red Herring Prospectus.

OUR MANAGEMENT

BRIEF PROFILE OF THE DIRECTORS OF OUR COMPANY

- For Profiles of **Deep** and **Preet Sandhuu** refer to the section “*Our Promoters*” on page 117 of this Draft Red Herring Prospectus.
- Tarun Panghal**, Director of our Company and has worked as Head of Skill Training at AITMC Ventures Pvt Ltd (July 2021 - September 2022), he has improved communication, effectively led teams, and showcased strong organizational skills. Proficient in verbal and written communication, he excels in issue identification and resolution. Tarun holds a Bachelor of Arts degree in Geography with Honours from Punjab University, Chandigarh, he is a recent graduate and undergoing Commercial Pilot training and, therefore, does not have prior professional experience.

CHANGES IN THE BOARD

Save and except as mentioned below, there has been no change in directorships in our Company:

S. No	Name of Director/CFO/CS	Designation	Date of Appointment	Date of Cessation	Reason for Change
1	Ms. Preet Sandhuu	Director	30-08-2023		Regularization
2	Mr. Permender Kumar Malik	Independent Director	25-08-2023		
3	Ms. Rennie Joyy	Independent Director		25-08-2023	Other commitments, time constraints
4	Ms. Rennie Joyy	Independent Director	21-08-2023		
5	Mr. Sanjay Kakra	Independent Director	21-08-2023		
6	Mr. Deep	Managing Director	01-08-2023		
7	Ms. Preet Sandhuu	Additional Director	21-01-2023		
8	Ms. Nisha Saharan	Director		21-01-2023	Inability to participate
9	Mr. Abhimanyu	Director		28-07-2022	Inability to participate
10	Mr. Abhimanyu	Director	30-06-2022		
11	Ms. Sharmila	Director		01-01-2022	Personal reasons
12	Mr. Ravi Kant	Director		01-01-2022	Resigned post-employment termination
13	Ms. Seema Devi	Director		01-01-2022	Due to advancing age
14	Mr. Prabh Kirat	Director		15-09-2021	Resigned upon job departure
15	Ms. Sharmila	Director	07-07-2021		
16	Mr. Tarun Panghal	Director	07-07-2021		

17	Mr. Prabh Kirat	Director	20-01-2020		
18	Mr. Deep	Director	07-09-2020		
19	Ms. Nisha Saharan	Director	17-06-2019		
20	Mr. Ravi Kant	Director	17-06-2019		
21	Ms. Preet Sandhuu	Director		17-06-2019	Time constraints
22	Mr. Deep	Director		12-01-2019	Time constraints
23	Ms. Seema Devi	Director	28-09-2018		
24	Mr. Deep	Director	21-12-2016		
25	Ms. Preet Sandhuu	Director	21-12-2016		

OUR PROMOTERS

EXPERIENCE OF OUR PROMOTERS

Deep is the Founder and Managing Director of our Company, specializing in drone technology for agriculture. He holds a bachelor's degree in IT from Kurukshetra University, with expertise in robotics, artificial intelligence, and machine learning. Deep has received the Bharat Gaurav Award and participated in the Indian delegation for World Skill Kazan. He has experience in the fields for website and software development, solar power and construction from his previous ventures. He is currently leading AITMC towards an Initial Public Offering (IPO).

OUR GROUP ENTITIES

In terms of the SEBI ICDR Regulations and the applicable accounting standards (Accounting Standard 18 and Indian Accounting Standard 24), for the purpose of identification of “group companies” in relation to the disclosure in Issue Documents, our Company has considered the companies with which there have been related party transactions in the last three years, as disclosed in the chapter titled “Restated Financial Information” beginning on Page 127 of this Draft Red Herring Prospectus.

Pursuant to a resolution passed by our Board dated September 25, 2023 for the purpose of disclosure in the Issue Documents for the Issue, a company shall be considered material and disclosed as “Group Company”, if:

- a. Such company (ies) in which, the investment in the form of equity or loan by the Company exceeds 10% of the net worth of the Company for the last audited financial year;
- b. Where the Company has entered into one or more transactions with such company (ies) in the last audited financial year, cumulatively exceeding 10% of the total revenue of the Company for the last audited financial year;
- c. Any other company/ entities that the Board may decide to consider material.

Accordingly, based on the parameters outlined above, as on date of this Draft Red Herring Prospectus, our Board has identified that our Company doesn't not have any Group Entities.

OUR SUBSIDIARIES

As on the date of this Draft Red Herring Prospectus, our Company has two Subsidiaries. Their details are provided below:

Name of Group Companies	Date of Acquisition	Country of Incorporation	% Equity interest June 30, 2023	% Equity interest March 31, 2023
SPH Aviation Private Limited	01-Jan-23	India	76%	76%
Farmers City International Private Limited	06-Feb-23	India	76%	76%

1. SPH Aviation Private Limited

Registered Office address

D-1001 Monsoon Breeze, Sector 78, Near Rampura Flyover, Na Vrangpur (157), Gurgaon, Haryana

Financial Performance

Summarised Statement of Profit and Loss

(in INR Lakhs)

Particulars	June 30, 2023	March 31, 2023
Revenue from operations	9.45	15.40
Other income	-	-
Total Income	9.45	15.40
Cost of Services	2.40	2.63
Purchase of stock-in-trade	-	-
Change in inventories	-	-
Employee benefits expense	10.00	6.71
Finance cost	-	-
Depreciation and amortisation expenses	1.35	0.52
Other expenses	2.47	2.30
Total Expenses	16.21	12.16
Profit before tax	(6.76)	3.24
Tax expense	0.03	0.73
Profit after tax	(6.79)	2.51

Summarised Balance Sheet

(in INR Lakhs)

Particulars	June 30, 2023	March 31, 2023
Equity & Reserves	(3.28)	3.51
Non-current liabilities	-	-
Current liabilities	60.07	21.22

Non-current assets	35.38	4.55
Current assets	21.41	20.18

Shareholding Pattern

Sl. No	Name	Type of Shares	Number of Shares	% of Shares Held
1.	AITMC Ventures Limited	Equity Shares	7,600	76%
2.	Ms. Mudavath Krishnaveni	Equity Shares	1,200	12%
3.	Ms. Preeti	Equity Shares	1,200	12%
	Total		10,000	100%

Promoters

- AITMC Ventures Limited
- Ms. Mudavath Krishnaveni
- Ms. Preeti

2. Farmers City International Private Limited

Registered Office address

GH-23, Sector-43 The Royal CGHS Limited, Gurgaon, Haryana

Financial Performance

Summarised Statement of Profit and Loss

(in INR Lakhs)

Particulars	'June 30, 2023	'March 31, 2023
Revenue from operations	35.78	54.59
Other income	-	21.68
Total Income	35.78	76.27
Cost of Services	-	18.38
Purchase of stock-in-trade	35.42	2.22
Change in inventories	-	0.22
Employee benefits expense	-	16.30
Finance cost	-	0.12
Depreciation and amortisation expenses	1.08	7.76
Other expenses	0.00	0.68
Total Expenses	36.50	45.69
Profit before tax	(0.72)	30.58
Tax expense	(0.10)	9.48
Profit after tax	(0.62)	21.10

Summarised Balance Sheet

(in INR Lakhs)

Particulars	'June 30, 2023	'March 31, 2023
Equity & Reserves	45.33	45.95
Non-current liabilities	-	-
Current liabilities	67.32	31.90
Non-current assets	17.20	18.18
Current assets	95.44	59.67

Shareholding Pattern

Sl. No	Name	Type of Shares	Number of Shares	% of Shares Held
1.	AITMC Ventures Limited	Equity Shares	31,667	76%
2.	Mr. Vivek Bansal	Equity Shares	4167	10%
3.	Startup Stairs Private Limited	Equity Shares	833	2%
4.	Mr. Anirudh Singh	Equity Shares	4,167	10%
5.	Mr. Aditya	Equity Shares	833	2%
	Total		41,667	100%

Promoters

- AITMC Ventures Limited
- Mr. Vivek Bansal
- Mr. Anirudh Singh

B. Nature and Extent of Interest of Group Companies

Business interest of Our Subsidiaries in our Company

Except as disclosed in the section Restated Financial Information -Notes forming part of the Restated Financial Information – Note 39: Related Party Disclosures” on page 127, Our Subsidiaries have no business interests in our Company.

In the promotion of our Company

Our *Subsidiaries* have no interest in the promotion of our Company.

Interest in the property of Our Company

Our Subsidiaries have no interest in any property acquired by our Company neither in the preceding two years from the date of this Draft Red Herring Prospectus nor in the property proposed to be acquired by our Company as on the date of filing of this Draft Red Herring Prospectus. Our Subsidiaries also do not have any interest in any transaction regarding the acquisition of land, construction of buildings and supply of machinery, etc. with respect to our Company.

For more information, refer to “*Our Business*” beginning on page number 93 of this Draft Red Herring Prospectus.

C. Litigations

As on the date of this Draft Red Herring Prospectus, there is no pending litigation involving Our Subsidiaries which will have a material impact on our Company.

D. Common Pursuits between Our Subsidiaries and our Company

As on the date of this Draft Red Herring Prospectus, there is no common pursuits between Our Group Entities and our Company which will have a material impact on our Company, except as stated in “*Our Business*” and “*Objects of the Issue*” beginning on page [●] and [●] of this Draft Red Herring Prospectus.

E. Related business transactions with the Subsidiaries and significance on the financial performance of our Company
Other than the transactions disclosed in Annexure 36 of Restated Financial Statements under “*Restated Financial Information*” beginning on page 127 of this Draft Red Herring Prospectus, there are no other related business transactions between Our Group Entities and impact the financial performance of our Company.

Confirmations

None of Our Subsidiaries have its equity shares listed on any stock exchange.

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

SUMMARY OF MAJOR ITEMS OF INCOME AND EXPENDITURE

FISCAL 2023 COMPARED WITH FISCAL 2022

Revenue from Operation

The revenue from operations for Fiscal March 2023 increased by 89.90%, going from ₹1,129.53 Lakh in Fiscal March 2022 to ₹ 2,144.99 Lakh. This increase was primarily due to increase in number of students trained by the company by 77% from 0.135 Lakh students in Fiscal March 2022 to 0.240 Lakh students in Fiscal March 2023 attributed to the introduction of additional courses and schemes throughout the year and average fee from each student also increased by 17% from 0.077 Lakhs Fiscal March 2022 to 0.090 Lakhs in Fiscal March 2023 This change can be attributed to the Company's expansion into higher-value courses during this period. Further, the company initiated several new programs under Haryana Skill Development Mission and ITI Limited, that significantly contributed to our Revenue. The below table clarifies further.

Financial Year	No. of students	Revenue (₹ in Lakh)	Average Revenue per student (₹ in Lakh)
2023	23,950	2,075.00	0.090
2022	13,500	1,129.53	0.077

Other Income

The increase in other income, rising from ₹ 4.53 Lakhs in Fiscal March 2022 to ₹ 57.03 Lakhs in Fiscal March 2023, representing a growth of 1158.94 %, can be primarily attributed to rental income. The Company has taken a premises situated at Village Vaidwala near Jan Nayak Chaudhary Devi Lal Vidhyapeeth, Barnala Road, Sirsa-125055, Tehsil & District Sirsa (Haryana) on lease vide lease agreement dated May 23, 2022 for a monthly rental of ₹ 5,00,000 for period of 3 years and the area of the said premises is 93,654 sq. feet. The premises is being used for the purpose of Educational professional courses.

However, since the area of the premises is more than required by the Company. The same was let out to M/S Bharat Scouts and Guide (BSG) at a monthly rental of ₹ 3,38,983 for period of 11 months w.e.f. 1st July 2022 vide sub lease/ rental agreement dated July 1, 2022. The area of the premises given on sub-lease is 10,000 sq. feet. BSG shall use this premise only for conducting government approved or funded educational and vocational training programs and/or schemes.

For easy reference, the below table explains financial year wise rental income (included under the "Other Income" head of Profit & Loss Account).

Financial Year	Sub-lease rental income
FY 2020-21	Nil
FY 2021-22	Nil
FY 2022-23	30,50,847
FY 2023-24 (Up to Jun 2023)	6,77,966

Purchase of traded goods

The increase in the purchase of traded goods, which went from ₹0 Lakhs in Fiscal March 2022 to ₹ 2.44 Lakhs in Fiscal March 2023, as the subsidiary company i.e. Farmer's City International Private Limited started selling various agri commodities.

Cost of Services

The increase in the cost of service, which went from ₹628.04 Lakhs in Fiscal March 2022 to ₹825.26 Lakhs in Fiscal March 2023, This is increased due to several factors, including center running cost, center food cost and increased in number of training centers which results in higher rental cost

Employee Benefit Expenses

Employee benefit expenses has increased by ₹ 113.12 Lakhs i.e. 54.53% from ₹ 207.45 Lakhs in Fiscal March 2022 to ₹ 320.57 Lakhs in Fiscal March 2023. This increase was primarily due to increase in the Manpower of the Company to sustain the growth.

Finance Costs

Finance Costs have increased from ₹ 54.03 Lakhs in Fiscal March 2022 to ₹ 55.5 Lakhs in Fiscal March, 2023 due to increase in other finance costs.

Depreciation and Amortization Expenses

Depreciation has increased by 25.03% from ₹ 91.18 Lakhs in Fiscal March, 2022 to ₹ 114.00 Lakhs in Fiscal 2023 due to purchase of new furniture and office equipment.

Other Expenses

Other expenses recorded a 129.32% increase, rising from ₹ 97.85 Lakhs in Fiscal March 2022 to ₹ 224.39 Lakhs in Fiscal March 2023. This upswing can be attributed to several factors, including higher communication expenses, increased in printing & stationery cost, transportation cost and a rise in general expenses.

Tax Expenses

The Company's tax expenses has increased from ₹ 29.78 in the Fiscal March, 2022 to ₹178.90 Lakhs in Fiscal March, 2023. This was primarily due to higher profit before tax during the financial year.

Profit after Tax

The company's Profit after Tax experienced a significant increase of 1,770.42%, rising from ₹25.73 Lakhs in Fiscal March 2022 to ₹481.31 Lakhs in Fiscal March 2023. This growth can be attributed to various contributing factors across different financial dimensions. The main reason for increase in PAT can be attributed to 89.90% increase in Revenue from Operations in Fiscal 2023. However, there were no significant corresponding increase in cost of services were observed as the Company's existing set up was better equipped to train more students. The average cost per employee remained almost same as it was in Fiscal 2022. Further, employee benefit expenses and depreciation in FY 2023 is lower by 3.18% and 1.95% respectively as a percentage of Revenue as compared to FY 2022 due to efficient utilization of existing resources.

FISCAL 2022 COMPARED WITH FISCAL 2021

Revenue from Operation

There is an insignificant decrease of -3.28% was observed in Revenue during the Fiscal 2022 as compared to Fiscal 2021. The decrease is due to lower fees mix i.e. decrease in average fee by 12% from 0.087 Lakh in Fiscal March 2021 to 0.077 Lakh in Fiscal March 2022 even though there were higher number of students trained in Fiscal 2022. The below table explains this with better clarity.

Financial Year	No. of students	Revenue (₹ in Lakh)	Average Revenue per student (₹ in Lakh)
2022	13,500	1,129.53	0.077
2021	12,820	1,167.84	0.087

Other Income

The increase in other income, rising from ₹0.24 Lakhs in Fiscal March 2021 to ₹4.53 Lakhs in Fiscal March 2022, the growth can be primarily attributed to the boost in interest income generated from fixed deposit.

Purchase of traded goods

No traded goods were purchased during the year as business activity had not started.

Cost of Services

The decrease in the cost of service, which was ₹839.56 Lakhs in Fiscal March 2021 to ₹628.04 Lakhs in Fiscal March 2022. This decreased due to several factors, including center running cost, center food cost and decreased in training partner expenses.

Employee Benefit Expenses

Employee benefit expenses had increased by ₹ 86.02 Lakhs from ₹121.43 Lakhs in Fiscal March 2021 to ₹207.45 Lakhs in Fiscal March 2022. This increase was primarily due to increase in the Manpower of the Company.

Finance Costs

Finance Costs had marginally decreased from ₹65.35 Lakhs in Fiscal March 2021 to ₹54.03 Lakhs in Fiscal March, 2022 due to decrease in borrowing cost.

Depreciation and Amortization Expenses

Depreciation had increased by ₹29.90 Lakhs from ₹61.28 Lakhs in Fiscal March, 2021 to ₹91.18 Lakhs in Fiscal March 2022 due to purchase of new furniture and office equipment.

Other Expenses

Other expenses had increased by ₹23.08 Lakhs from ₹74.77 Lakhs in Fiscal March 2021 to ₹97.85 Lakhs in Fiscal March 2022. The increase was primarily due to incurrance of expenses attributed towards travelling and conveyance expenses, printing and stationery expenses, communication expenses, repair and maintenance.

Tax Expenses

Tax Expenses had increased by ₹1.01 Lakhs from ₹28.77 Lakhs in Fiscal March, 2021 to ₹29.78 Lakhs in Fiscal March 2022, due to increase in profit.

Profit after Tax

After accounting for taxes at applicable rates, the Company reported an increase in net profit of ₹ 48.81 Lakh from ₹ -23.08 Lakh in Fiscal March 2021 to ₹ 25.73 Lakh in Fiscal March 2022.

The main reason for the same is due to the decrease in cost of services in FY 2022 by 16% as a percentage of Revenue as compared to FY 2021. During the Fiscal 2021, the Company was operating through 20 centres across India. The average cost per centre per month was approx. ₹ 3.00 Lakh per month which totals at ₹ 720 Lakh per year. However, in Fiscal 2022 the average cost per centre per month came down to approx. ₹ 1.80 Lakh per month (approx. ₹ 430 Lakh per year) due to delivery of courses through online mode given the Covid-19 pandemic. The online mode of delivery of courses resulted into significant lesser trainers and reduction in other operating expenses at centres.

Further, in Fiscal 2022 the Company made certain strategic decisions such as hiring of more professional and qualified staff in Head Office to open different avenues of revenue. Such decisions costed the Company higher average salary that resulted into an increase in employee benefit expenses of ₹ 86 Lakh as compared to FY 2021. Furthermore, there were increase in depreciation and other expenses by ₹ 29.90 Lakh and 23.08 Lakh in Fiscal 2022 as compared to Fiscal 2021.

SECTION VII – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

LLITIGATIONS INVOLVING THE COMPANY: 2

1. Litigation Involving Criminal Laws: 1

By the company: 1

Our company filed a police complaint against two of its ex-employees namely Sanjeev Sinha and Manish Thakur under Sections 120B/379/408/420 of the Indian Penal Code, 1860 for misappropriation and embezzlement of ₹11,28,419/- in aggregate. The complaint has culminated into an FIR No. 275/2023 Police Station- Sector 10, Gurugram, Haryana. The case is under investigation by the Haryana Police who have been directed by the Judicial Magistrate 1st Class, Gurugram, Haryana to submit Action Taken Report or ATR by 22.03.2024 in an application filed by our company seeking monitoring of the investigation.

2. Litigation Involving Actions By Statutory/ Regulatory Authorities

Nil

3. Disciplinary Actions By Authorities

Nil

4. Litigation Involving Tax Liability

Nil

5. Other Pending Litigation Based On Materiality Policy Of Our Company: 1

By the company:1

Our company has filed a consumer complaint against the ICICI Lombard General Insurance Company Limited in the year 2023 before the Gurugram District Consumer Disputes Resolution Commission, Haryana challenging repudiation of our company's claim of ₹20,97,702/- arising out of a Motor Vehicle Insurance availed by our company against one of the cars owned by it. After completion of pleadings therein, the complaint case is fixed by the commission on 15.05.2024 for taking evidence.

II. LITIGATIONS INVOLVING THE PROMOTER OF THE COMPANY: 2

1. Litigation Involving Criminal Laws: 2

Connected litigations by and against the company:2

Based on a complaint filed by one Mr. Basant Daultani, the Vidhansabha Police Station of the Raipur District in the State of Chhattisgarh registered an FIR being No. 389/2023 against Mr. Deep @ Mr. Deep Sihag Sisai, Managing Director and one of the Promoters of our company under Section 420 of the Indian Penal Code, 1860.

Interestingly, the FIR was filed on 30.10.2023 and caused to be publicized in the print media on 31.10.2023/ 01.11.2023 after filing of DRHP on 25.10.2023.

Mr. Deep @ Mr. Deep Sihag Sisai has already filed a Petition under Section 482 of the Code of Criminal Procedure, 1973 before the Hon'ble Chhattisgarh High Court at Bilaspur being CRMP No. 2706 of 2023 seeking quashing of the FIR. CRMP No. 2706 of 2023 was taken up for hearing by the Hon'ble Justice Narendra Kumar Vyas on 29.11.2023 and after hearing the parties including the Learned Deputy Advocate General for the State of Chhattisgarh, the Hon'ble Judge has directed issuance of notice upon the complainant Mr. Basant Daultani.

Meanwhile, it transpired upon receipt of concurring Reports by two reputed Forensic Science Laboratories namely M/s Truth Foundation and M/s Sherlock Institute of Forensic Science dated 07.12.2023 and 04.12.2023 respectively that Mr. Basant Daultani forged signature of Mr. Deep @ Mr. Deep Sihag Sisai on fabricated documents. Hence, Mr. Deep @ Mr. Deep Sihag Sisai filed a complaint against Mr. Basant Daultani, Ms. Garvita Rajput and Mr. Vikram Rajput at the Barakhamba Road Police Station at New Delhi which leading to FIR No. 164/2023 dated 08.12.2023 under Section 469 (Forgery for purpose of harming reputation) and 471 (Using as genuine a forged document or electronic record) of the Indian Penal Code, 1860. The further police investigation in this case is ongoing/ pending.

2. Litigation Involving Actions By Statutory/ Regulatory Authorities

Nil

3. Disciplinary Actions By Authorities

Nil

4. Litigation Involving Tax Liability

Nil

5. Other Pending Litigation Based On Materiality Policy Of Our Company

Nil

III. LITIGATIONS INVOLVING THE DIRECTORS OF THE COMPANY OTHER THAN PROMOTER OF THE COMPANY: NIL

1. Litigation Involving Criminal Laws

Nil

2. Litigation Involving Actions By Statutory/ Regulatory Authorities

Nil

3. Disciplinary Actions By Authorities

Nil

4. Litigation Involving Tax Liability

Nil

5. Other Pending Litigation Based On Materiality Policy Of Our Company

Nil

IV. LITIGATIONS INVOLVING GROUP ENTITIES: NIL

1. Litigation Involving Criminal Laws

Nil

2. Litigation Involving Actions By Statutory/ Regulatory Authorities

Nil

3. Disciplinary Actions By Authorities

Nil

4. Litigation Involving Tax Liability

Nil

5. Other Pending Litigation Based On Materiality Policy Of Our Company

Nil

V. LITIGATIONS RELATING TO THE DIRECTORS OF GROUP ENTITIES: NIL

1. Litigation Involving Criminal Laws

Nil

2. Litigation Involving Actions By Statutory/ Regulatory Authorities

Nil

3. Disciplinary Actions By Authorities

Nil

4. Litigation Involving Tax Liability

Nil

5. Other Pending Litigation Based On Materiality Policy Of Our Company

Nil

V.LITIGATIONS RELATING TO THE SUBSIDIARY COMPANY AND HOLDING COMPANY: NIL

1. Litigation Involving Criminal Laws

Nil

2. Litigation Involving Actions By Statutory/ Regulatory Authorities

Nil

3. Disciplinary Actions By Authorities

Nil

4. Litigation Involving Tax Liability

Nil

5. Other Pending Litigation Based On Materiality Policy Of Our Company

Nil

VII.LITIGATIONS RELATING TO THE DIRECTORS OF SUBSIDIARY COMPANY: NIL

1. Litigation Involving Criminal Laws

Nil

2. Litigation Involving Actions By Statutory/ Regulatory Authorities

Nil

3. Disciplinary Actions By Authorities

Nil

4. Litigation Involving Tax Liability

Nil

5. Other Pending Litigation Based On Materiality Policy Of Our Company

Nil

VIII.DETAILS OF THE PAST PENALTIES IMPOSED ON THE COMPANY / DIRECTORS: NIL

OTHER LITIGATIONS INVOLVING ANY OTHER ENTITIES WHICH MAY HAVE A MATERIAL ADVERSE EFFECT ON THE COMPANY

There is no outstanding litigation, suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offenses, tax liabilities, prosecution under any enactment in respect of the Companies Act, Show Cause Notices or Legal Notices pending against any company whose outcome could affect the operation or finances of the Company or have a material adverse effect on the position of the Company.

GOVERNMENT AND OTHER APPROVALS

LABOUR LAW RELATED APPROVALS

S. No.	Nature of registration or licence	Registration Number	Issuer	Date of Issue	Validity
1.	Employees' Provident Fund Code	GNGGN2972011000	Employees' Provident Fund Organization, Ministry of Labour and Employment, Government of India	26.06.2023	Till cancelled
2.	Employees' State Insurance Corporation	69000896910001399	Employees' State Insurance Corporation	Not found	Till cancelled
3.	NSDC Certificate for Approved Training Partner	NSDC2022-23/8541	National Skill Development Corporation	25.11.2022	Till cancelled
4.	Shop and Establishment	PSA/REG/GGN/LI-Gggn-VII/0319749	Labour Department, Haryana	02.01.2024	Till cancelled

BUSINESS RELATED CERTIFICATIONS

S. No.	Nature of registration or licence	Registration Number	Issuer	Date of Issue	Validity
1.	*Remote Pilot Training Organization Approval	RA0623000001I	Director General of Civil Aviation, Government of India	19.05.2023	18.05.2033
2.	Remote Pilot Training Organization Approval	04/2024	Director General of Civil Aviation, Government of India	14.02.2024	13.02.2034
3.	Remote Pilot Training Organization Approval	06/2024	Director General of Civil Aviation, Government of India	23.02.2024	22.02.2034
4.	Remote Pilot Training Organization Approval	01/2024	Director General of Civil Aviation, Government of India	02.01.2024	01.01.2034