

<b>Retail Research</b>	<b>: IPO Note</b>
<b>Sector</b>	<b>: Services</b>
<b>Price Band (INR)</b>	<b>: 55 to 57</b>
<b>Issue Type</b>	<b>: Bookbuilding IPO</b>

## About The Company

Armour Security (India) Ltd. ki shuruat 27 August 1999 ko hui thi jab company ek Private Limited entity ke roop me operate kar rahi thi. February 2024 me company ne apna status upgrade karke Public Limited Company banaya aur May 2024 me naya certificate issue hua. Iska matlab hai ki company ke paas 25+ saal ka operating experience hai aur ab public company structure ke saath scale-up aur long-term growth ka roadmap follow kiya ja raha hai. Company ka registered office Defence Colony, New Delhi me hai aur branches Haryana, Himachal Pradesh, Uttar Pradesh, Punjab aur Maharashtra me located hain. Operations PAN India level par spread hain, jo company ke wide geographical presence ko reflect karta hai.

Company ki leadership aur promoter strength Armour Security ka ek major pillar hai. Founder aur Promoter Mr. Vinod Gupta ko security planning aur management me 20+ saal ka experience hai. Woh company ke vision, strategy aur long-term direction ko guide karte hain. Saath hi, Mrs. Arnima Gupta, jo Promoter aur Managing Director hain, unke paas 15+ saal ka experience hai. Woh day-to-day operations, business development, financial decision-making aur risk identification & mitigation sambhali hain. Strong promoter background company ko execution capability, operational stability aur client confidence provide karta hai.

Armour Security ek service-based aur manpower-driven company hai. Iska core business private security services se shuru hota hai, jisme trained security guards aur security teams corporate offices, industrial units, banks, hospitals, government establishments aur educational institutions jaise sectors me deploy ki jaati hain. Client ke requirement ke hisaab se individual guards ya full security teams provide ki jaati hain, jo flexible aur customized service model ko dikhata hai.

Security ke alawa, company other manpower services bhi offer karti hai, jiska focus blue-collar workforce par hai. Isme skilled, semi-skilled aur unskilled manpower shamil hota hai jaise data entry operators, pantry boys, drivers, gardeners, electricians, plumbers, clerks aur attendants. Company short-term aur long-term dono tarah ke staffing solutions provide karti hai, jis se client ki operational continuity ensure hoti hai.

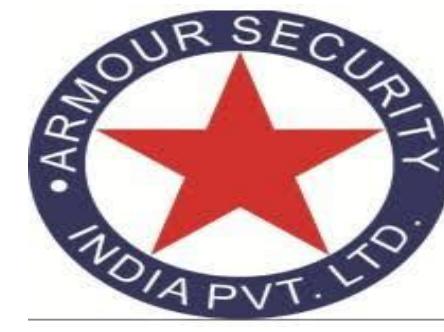
Integrated Facility Management (IFM) Armour Security ka ek important vertical hai, jisme company one-stop solution provider ke roop me kaam karti hai. Iske under housekeeping, cleaning & sanitation, waste management, pest control, MEP maintenance, energy management aur building maintenance jaise services shamil hain. IFM model se client ka overall operating cost kam hota hai aur multiple vendors manage karne ki complexity bhi reduce ho jaati hai.

Housekeeping services company ka ek core vertical hai, jisme office cleaning, mechanical cleaning (scrubbing aur vacuum machines ke through), industrial aur large-area cleaning jaise solutions diye jaate hain. Services on-site ya after-hours basis par bhi provide ki jaati hain. Is segment me company ka focus right manpower selection, proper training, modern equipment aur consistent service quality par hota hai.

<b>Issue Details</b>	
IPO Open Date	14-Jan-26
IPO Close Date	19-Jan-26
Price Band (Rs)	55 to 57
Lot Size	2000 Shares
Issue Size (Rs Cr)	46,50,000 shares
Face Value	RS 10 per share
Sales Type	Fresh Capital
Issue Type	Bookbuilding IPO
Listing At	NSE SME
Share Holding Pre Issue	12220000 shares
Share Holding Post Issue	16870000 shares
QIB	0.99%
Retail Share	46.88%
NII Share	47.10%
Promoter Holding Pre Issue	96.80%
Promoter Holding Post Issue	

<b>Shareholding Pattern (%)</b>	
Mr. Vinod Gupta	48.40%
Mrs. Arnima Gupta	48.40%

<b>Objects of the Issue</b>	<b>Estimated Amount (INR Cr.)</b>
Funding of Working Capital requirement	15.9
Funding Capital expenditure requirements for purchasing of machinery, equipment and vehicles	1.61
Pre-payment/re-payment of, in part or full, certain outstanding borrowings of the Company	2.4



# ARMOUR SECURITY INDIA

Inke alawa, Armour Security kuch value-added services bhi provide karti hai jaise event management, firefighting training aur drills, security training programs, supervision aur compliance services. Ye services company ko sirf manpower supplier se aage le jaakar ek comprehensive service partner banati hain.

Machinery aur assets ke level par, company ko heavy machinery ki requirement nahi hoti kyunki ye ek asset-light service business hai. Facility management ke liye modern cleaning aur maintenance equipment ka use kiya jaata hai, jo efficiency aur service quality ko improve karta hai.

Company ke key business processes me service development aur regular employee training, manpower supply chain management (taaki daily hiring aur replacement smoothly ho), strong CRM system, financial control aur budgeting, HR management (recruitment, payroll aur compliance) aur operations & quality control shamil hain. Site supervision aur regular inspections ke through service consistency maintain ki jaati hai.

Client experience flow end-to-end structured hai, jisme tender bidding (GeM aur private portals), client inquiry, requirement assessment, proposal & pricing, manpower planning, deployment, regular monitoring & reporting, issue resolution, client feedback aur cross-selling ke steps shamil hote hain. Iska objective long-term client retention aur relationship deepening hota hai.

Competitive strengths ki baat karein to Armour Security diversified service portfolio (Security + Manpower + IFM), experienced promoters, technology-enabled operations (ERP systems, smartphones, real-time reporting), strong regulatory compliance (ISO certifications aur PSARA license), high customer retention aur cost-effective solutions ke saath operate karti hai.

Business aur growth strategy ka focus strong CRM, regular client follow-ups, continuous employee training & upskilling, strict quality control, ISO-based audits aur existing clients ko cross-selling ke through multiple services offer karne par hai. Ek hi client se multiple services generate karna company ke wallet share aur profitability ko improve karta hai.

Marketing aur revenue generation ka major source government aur PSU tenders hain, jabki private clients promoters ke strong industry network, direct inquiries aur dedicated tender & sales team ke through onboard kiye jaate hain. Overall, Armour Security ek experienced, diversified aur scalable service platform ke roop me position ki gayi hai.

## RISK

### Service Concentration Risk:

Company ka 100% revenue mainly Security Manpower Services aur Integrated Facility Management (IFM) se aata hai, isliye agar client preference change hoti hai, service quality maintain nahi hoti ya competition badhta hai to demand, brand image, revenues, profitability aur cash flows negatively impact ho sakte hain.

### Customer Concentration Risk:

Company ka revenue kuch limited major customers par dependent hai aur agar koi bada customer contract terminate kar deta hai ya renewal nahi karta to company ke revenues aur profitability par direct adverse effect pad saka hai.

### Government Contract Dependency Risk:

Company ka significant revenue government tenders se aata hai aur tender loss, policy changes ya payment delays ki wajah se business continuity aur cash flows par pressure aa saka hai.

### Geographic Concentration Risk:

Company ka revenue kuch specific regions se zyada generate hota hai aur un regions me political, economic ya regulatory issues aane par financial performance adversely affect ho sakti hai.

### Legal Proceedings Risk:

Company, promoters, directors aur group entities ke against pending legal proceedings hain, jinke adverse outcomes financial losses, penalties aur reputation damage ka cause ban sakte hain.

### Negative Cash Flow Risk:

Company ne past me operating aur financing activities se negative cash flows report kiye hain, jo future me continue hone par growth aur working capital position ko stress me daal sakte hain.

### Object Clause Non-Compliance Risk:

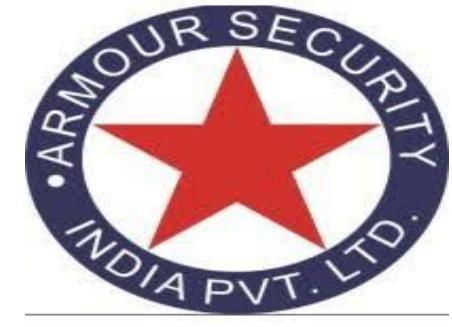
Facility Management Services April 2022 se start ki gayi jabki MOA me pehle iska provision nahi tha, jo Companies Act, 2013 ke under technical non-compliance hai aur ROC penalties ka risk create karta hai.

### Promoter Past Disqualification Risk:

Promoter Mr. Vinod Gupta 2016–2021 ke dauran ek struck-off company se association ke kaaran disqualified rahe, jo investor perception aur company reputation par negative impact daal saka hai.

### DIR-12 Non-Filing Risk:

Disqualification ke baad DIR-12 timely file nahi hua aur annual returns me incorrect disclosures hui, jisse penalties aur compliance risks arise ho sakte hain.



# ARMOUR SECURITY INDIA

## RISK

### Board Composition Non-Compliance Risk:

Company ne kuch period ke liye minimum director requirement comply nahi ki, jisse governance concerns aur ROC penalties ka risk bana.

### Independent Director Disqualification Risk:

Ek Independent Director bhi past me struck-off company se association ke kaaran disqualified rahe, jo governance aur credibility concerns create karta hai.

### Statutory Dues Delay Risk:

Past me GST, TDS, PF aur ESIC filings me delays hue hain, jo repeat hone par penalties, reputation damage aur employee dissatisfaction ka cause ban sakte hain.

### Contingent Liability Risk:

Company ke kuch contingent liabilities hain jo actual liabilities me convert hone par cash outflow aur profitability ko impact kar sakti hain.

### Demand Loan Repayment Risk:

Company ke kuch loans repayable on demand hain aur agar lender ne sudden repayment maangi to liquidity aur working capital crisis ho sakta hai.

### Charge Creation Non-Compliance Risk:

Kuch loans par ROC ke saath CHG-1 filing nahi hui, jisse penalties aur regulatory non-compliance ka risk hai.

### No Monitoring Agency Risk:

IPO proceeds kisi independent monitoring agency ke under nahi honge, jisse fund utilisation par transparency risk create hota hai.

### Objects of Issue Not Appraised Risk:

IPO ke objects kisi bank, financial institution ya independent agency dwara appraise nahi kiye gaye hain, jisse execution risk increase hota hai.

### Capex Execution Risk:

Machinery, equipment aur vehicles ke liye abhi tak orders place nahi kiye gaye hain, aur delay ya cost overrun se business plans aur ROI impacted ho sakta hai.

### Related Party Transaction Risk:

Company ne past me related party transactions kiye hain aur future me bhi ho sakte hain, jo arms-length par na hone par governance aur minority shareholder risks create kar sakte hain.

### Related Party Property Acquisition Risk:

Company ne Defence Colony property promoters se equity shares ke through acquire ki hai, jisse valuation aur governance perception risk investors ke liye arise hota hai.

### Insurance Coverage Risk:

Company ke paas insurance coverage hai par coverage sufficient na hone par major incidents se financial loss aur cash flow impact ho sakta hai.

### License & Regulatory Approval Risk (PSARA):

Security business PSARA license par dependent hai aur license renewal ya compliance failure se operations partially ya fully suspend ho sakte hain.

### Contract Labour Act Compliance Risk:

Company ka manpower model Contract Labour Act, 1970 ke under aata hai aur statutory non-compliance par penalties, legal action aur contract loss ka risk hai.

### Firearm & Ammunition Risk:

Kuch security staff firearms carry karte hain aur misuse ya legal violations ki situation me company ko serious legal aur reputational damage ho sakta hai.

### Tender-Based Business Dependency Risk:

Company ka significant business tender-based contracts se aata hai aur tender loss ya aggressive bidding margins aur revenues par pressure bana sakti hai.

### Political & Administrative Decision Risk:

Government aur PSU contracts political aur policy decisions par depend karte hain, jisse cancellation, delays aur payment issues ka risk hota hai.



# ARMOUR SECURITY INDIA

## RISK

### Margin Volatility Risk:

Different business verticals me margins vary karte hain, jisse earnings predictability aur financial stability par impact pad sakta hai.

### Intense Competition Risk:

Security aur manpower services highly competitive hain aur pricing pressure ke kaaran company ko margins sacrifice karne pad sakte hain.

### Pricing Model Change Risk:

Competition ke chalte pricing model changes profitability aur cash flows ko negatively impact kar sakte hain.

### Technology Disruption Risk:

Automation, AI aur advanced surveillance technologies long term me manpower-based security services ki demand ko reduce kar sakti hain.

### Brand Reputation Risk:

Company ka brand trust aur service quality par dependent hai aur kisi bhi service failure ya negative incident se client loss aur revenue impact ho sakta hai.

### Operational Risk:

High-risk aur sensitive locations par operations ke dauran accidents ya service lapses se financial aur reputational damage ho sakta hai.

### Large Workforce Risk:

Large employee base ke kaaran labor disputes, misconduct aur service-related claims ka risk bana rehta hai.

### Manpower Intensive Business Risk:

Business human resources par heavily dependent hai aur wage hikes, staff shortages ya minimum wage increases margins ko pressure me daal sakte hain.

### Talent Attraction & Retention Risk:

Skilled manpower attract aur retain na kar paane par service quality aur growth adversely affect ho sakti hai.

### Key Management Dependency Risk:

Company promoters aur senior management par decision-making heavily dependent hai aur unki non-availability business continuity risk create kar sakti hai.

### Leasehold Premises Risk:

Kuch offices leased premises par hain aur lease renewal failure se operations aur cost structure impacted ho sakta hai.

### Future Fund Raising Risk:

Growth ke liye future me debt ya equity raise karni pad sakti hai, jo unfavorable terms ya dilution ka risk la sakti hai.

### Internal Control System Risk:

Weak internal controls operational errors, financial misstatements aur reputation damage ka cause ban sakte hain.

### Promoter Majority Control Risk:

IPO ke baad bhi promoters majority stake hold karenge, jisse minority shareholders ke interests par influence pad sakta hai.

### No Listed Company Experience Risk:

Directors ke paas listed company experience nahi hone ke kaaran post-listing compliance aur governance challenges aa sakte hain.

### Promoter Competing Business Risk:

Promoter ki proprietary firm same line of business me operate karti hai, jisse conflict of interest aur business diversion perception risk hota hai.

### Promoters & Directors Interest Risk:

Promoters aur directors shareholders hone ke kaaran personal financial interests decision-making ko influence kar sakte hain.

### Listed Company Compliance Burden Risk:

Listing ke baad compliance aur governance costs badh jaati hain aur inadequate resources se non-compliance ka risk hota hai.

### Promoter Share Cost vs Issue Price Risk:

Promoters ne shares lower cost par acquire kiye hain aur higher IPO price ke baad selling pressure aur perception risk ho sakta hai.

### Dividend Uncertainty Risk:

Company ke future dividend payments guaranteed nahi hain aur ye profits, cash flows aur capex needs par depend karenge.



# ARMOUR SECURITY INDIA

## RISK

### Regulatory Change Risk:

Frequent regulatory changes compliance cost aur operations ko adversely impact kar sakte hain.

### Force Majeure Risk:

Natural aur man-made events jaise pandemics, war ya unrest se business disruption aur revenue loss ho sakta hai.

### Sovereign Rating Downgrade Risk:

India ki credit rating downgrade hone par market sentiment aur share price negatively affect ho sakta hai.

### Competition Law Risk:

Competition laws ke strict interpretation se penalties aur business restrictions ka risk hai.

### Global Financial Instability Risk:

Global economic instability Indian markets me volatility la sakti hai, jisse share price unpredictable ho sakta hai.

### Taxation Risk:

Adverse tax law changes profits aur company valuation ko impact kar sakte hain.

### Inflation Risk:

Rising inflation se wages aur operating costs badh sakti hain aur pass-through na hone par margins shrink ho sakta hain.

### Foreign Judgment Enforcement Risk:

Foreign investors ke liye foreign court judgments ka India me enforcement difficult ho sakta hai.

### Issue Price & Valuation Risk:

IPO valuation assumptions par based hoti hai aur listing ke baad market price significantly differ kar sakte hai.

### ASM/GSM Surveillance Risk:

Stock exchanges ASM/GSM measures laga sakte hain, jisse liquidity aur trading freedom reduce ho sakta hai.

### Anti-Takeover Provisions Risk:

Indian takeover laws ke kaaran shareholders takeover premium ka benefit nahi le paate.

### Currency Fluctuation Risk:

Exchange rate volatility business performance stable hone ke bawajood share price ko impact kar sakti hai.

### No Trading History Risk:

Shares pehle publicly trade nahi hue hain, jisse listing ke baad liquidity risk ho sakta hai.

### Price Volatility Risk:

Listing ke baad share price highly volatile reh sakta hai aur investors issue price par exit kar paayein, iski guarantee nahi.

### Capital Gains Tax Risk:

Shares bechne par applicable taxes post-tax returns ko reduce kar sakte hain.

### Lock-in & Selling Restriction Risk:

IPO ke baad immediate selling restrictions ke kaaran liquidity delay ka risk hota hai.

### Future Dilution Risk:

Future equity ya convertible issuances se shareholding dilute ho sakti hai.

### FPI/FDI Restriction Risk:

Foreign investment limits liquidity aur valuation ko constrain kar sakti hain.

### Bid Withdrawal Restriction Risk:

Issue close hone ke baad bid withdrawal allowed nahi hota, jisse investors market risk bear karte hain.

### Pre-emptive Rights Limitation Risk:

Indian law ke under pre-emptive rights limited hone ke kaaran future dilution risk badhta hai.

### Shareholder Rights Limitation Risk:

Indian shareholders ke rights kuch foreign jurisdictions ke comparison me limited hote hain.

### FATCA Compliance Risk:

FATCA compliance requirements se foreign payments delay ya block ho sakte hain.



# ARMOUR SECURITY INDIA

## PORTFOLIO

(Amount in Lakhs)

Service Category	Upto 30.9.2024	%	FY 23-24	%	FY 22-23	%	FY 21-22	%
Integrated Facility Management	928.45	53.88%	1,723.45	52.33%	1,606.10	55.68%	1,309.45	48.84%
Security Manpower Services	794.84	46.12%	1,569.84	47.67%	1,278.54	44.32%	1,371.39	51.16%
<b>Total Revenue</b>	<b>1,723.29</b>	<b>100.00%</b>	<b>3,293.29</b>	<b>100.00%</b>	<b>2,884.64</b>	<b>100.00%</b>	<b>2,680.84</b>	<b>100.00%</b>

## GEOGRAPHY WISE SERVICES

(Amount in Lakhs)

State	Upto 30.9.2024		FY 2023-24		FY 2022-23		FY 2021-22	
	Amount	% of Total Sales	Amount	% of Total Sales	Amount	% of Total Sales	Amount	% of Total Sales
Bihar	-	0.00%	11.20	0.34%	13.70	0.47%	25.71	0.96%
Chandigarh	112.65	6.54%	171.67	5.21%	-	0.00%	-	0.00%
Delhi	754.34	43.77%	1,421.66	43.17%	1,513.95	52.48%	1,430.55	53.36%
Haryana	54.71	3.17%	75.60	2.30%	25.68	0.89%	52.04	1.94%
Himachal Pradesh	40.63	2.36%	62.15	1.89%	37.21	1.29%	45.97	1.71%
Hyderabad	12.89	0.75%	17.74	0.54%	21.35	0.74%	5.36	0.20%
Ladakh	6.94	0.40%	-	0.00%	-	0.00%	-	0.00%
Madhya Pradesh	0.70	0.04%	1.39	0.04%	1.12	0.04%	-	0.00%
Maharashtra	341.37	19.81%	639.63	19.42%	512.54	17.77%	502.43	18.74%
Punjab	21.99	1.28%	67.93	2.06%	145.56	5.05%	293.29	10.94%
Rajasthan	-	0.00%	-	0.00%	8.73	0.30%	-	0.00%
Uttar Pradesh	377.06	21.88%	822.26	24.97%	597.28	20.71%	314.95	11.75%

State	Upto 30.9.2024		FY 2023-24		FY 2022-23		FY 2021-22	
	Amount	% of Total Sales						
Uttarakhand	-	0.00%	1.19	0.04%	7.52	0.26%	10.55	0.39%
West Bengal	-	0.00%	0.88	0.03%	-	0.00%	-	0.00%
<b>Total Revenue</b>	<b>1,723.29</b>	<b>100.00%</b>	<b>3,293.29</b>	<b>100.00%</b>	<b>2,884.64</b>	<b>100.0%</b>	<b>2,680.84</b>	<b>100.00%</b>



## ARMOUR SECURITY INDIA

### SPLIT OF SERVICES TO GOVERNMENT / NON – GOVERNMENT ENTITY

Particulars	Up to 30.09.2024	FY 2023-24	FY 2022-23	FY 2021-22
	(as a % of the total revenue for the respective year)			
Government	41%	44%	42%	46%
Non-Government	59%	56%	58%	54%

### DETAILS OF TOP FIVE / TEN CUSTOMERS

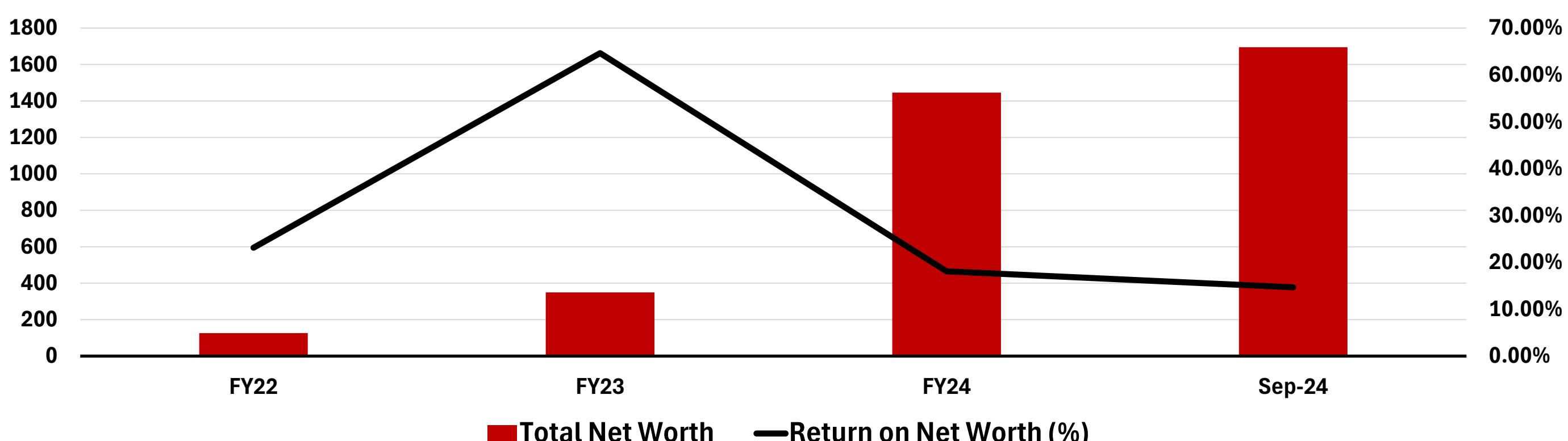
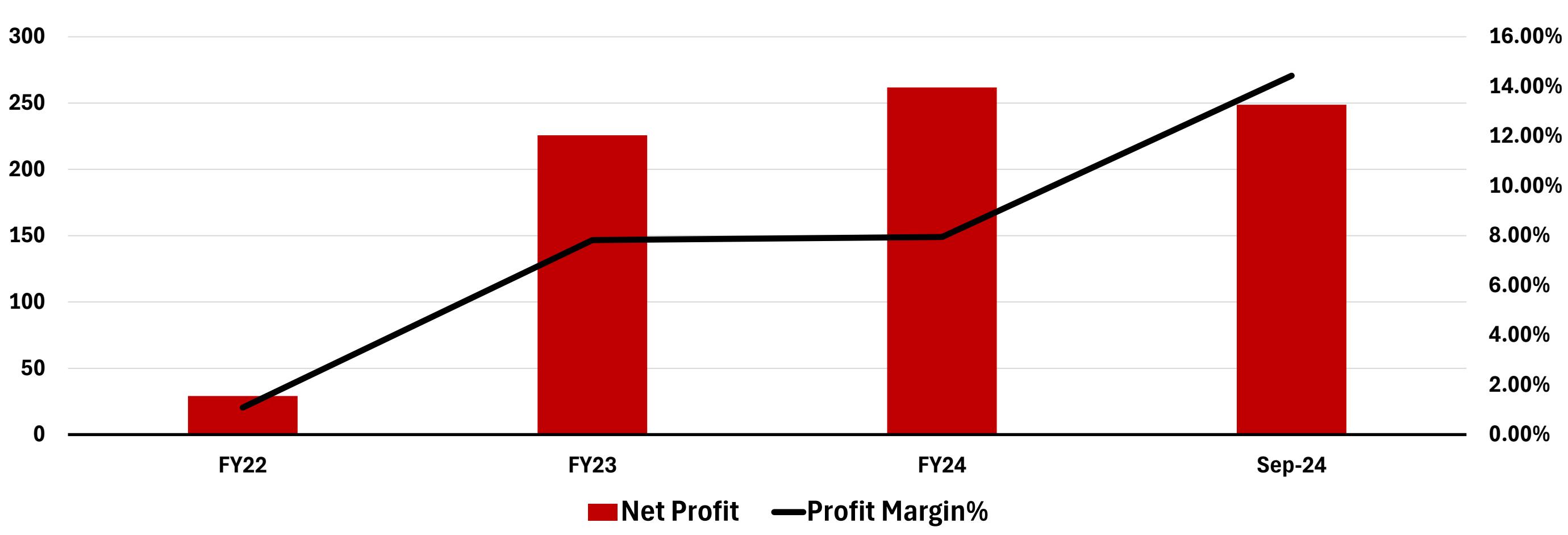
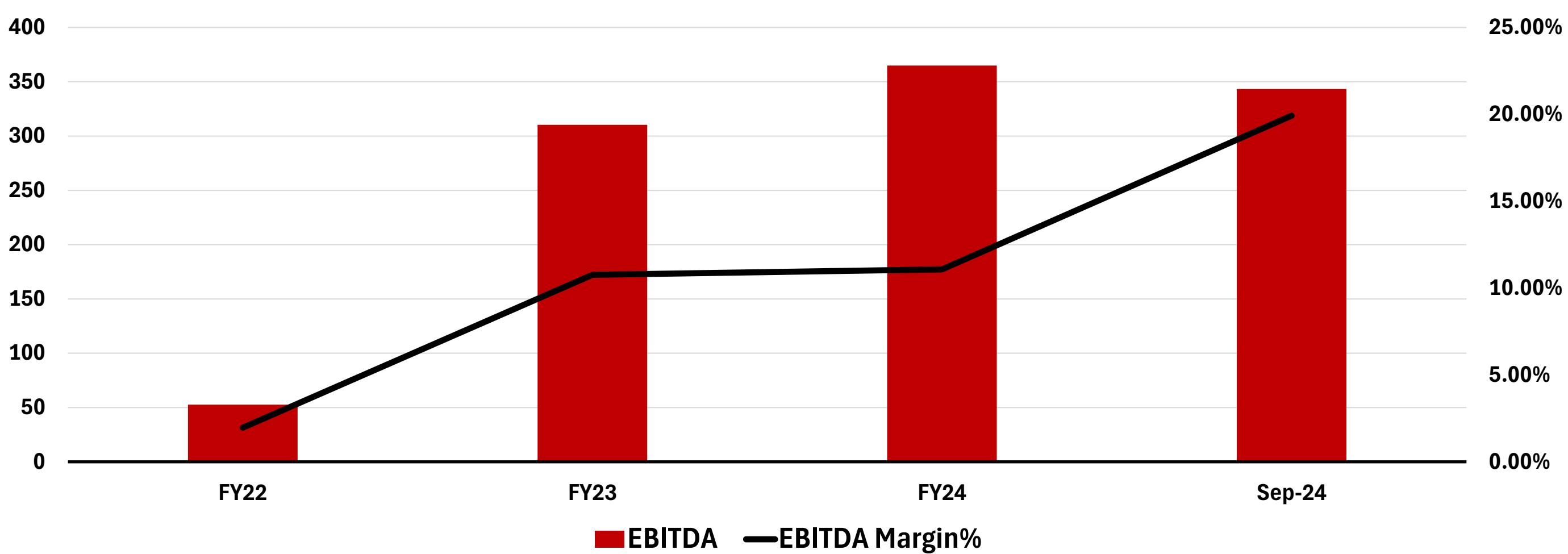
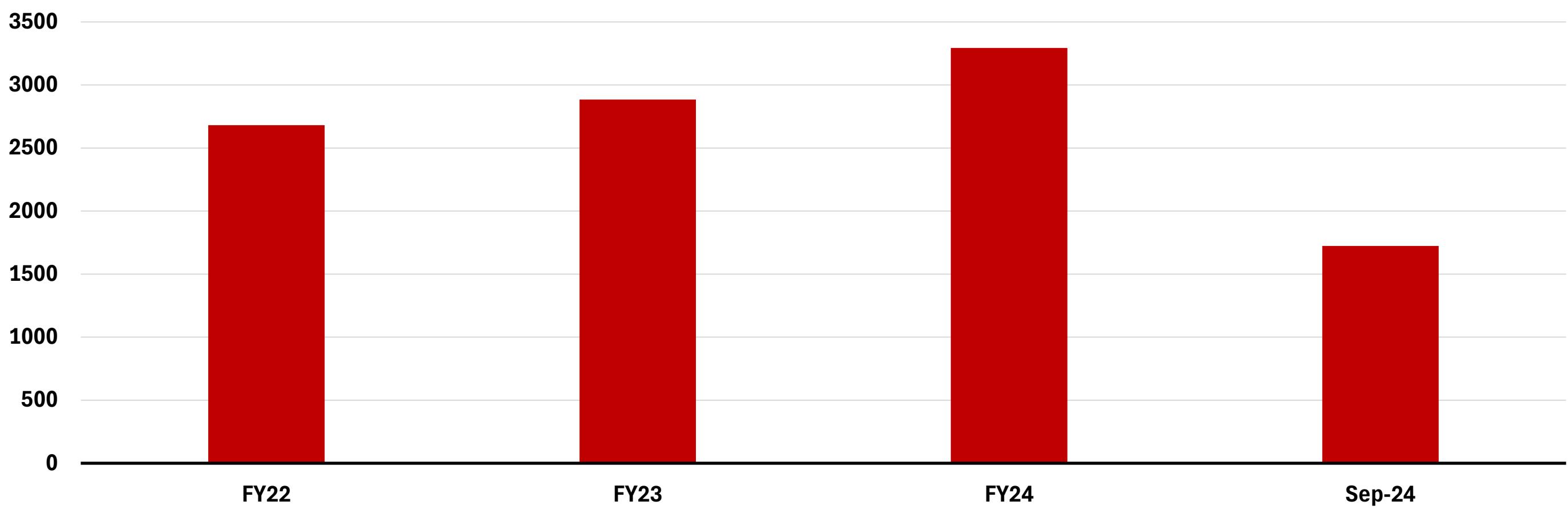
Category of Customers	Upto 30.9.2024		FY 2023-24		FY 2022-23		FY 2021-22	
	Amount	% of Total Sales	Amount	% of Total Sales	Amount	% of Total Sales	Amount	% of Total Sales
Top 5 Customers	1139.10	66.10%	1952.29	59.28%	1847.96	64.06%	1702.81	63.52%
Top 10 Customers	1369.91	79.49%	2451.77	74.45%	2217.85	76.88%	2044.95	76.28%



# ARMOUR SECURITY INDIA

## FINANCIAL ANALYSIS (INR in Lakhs)

Revenue

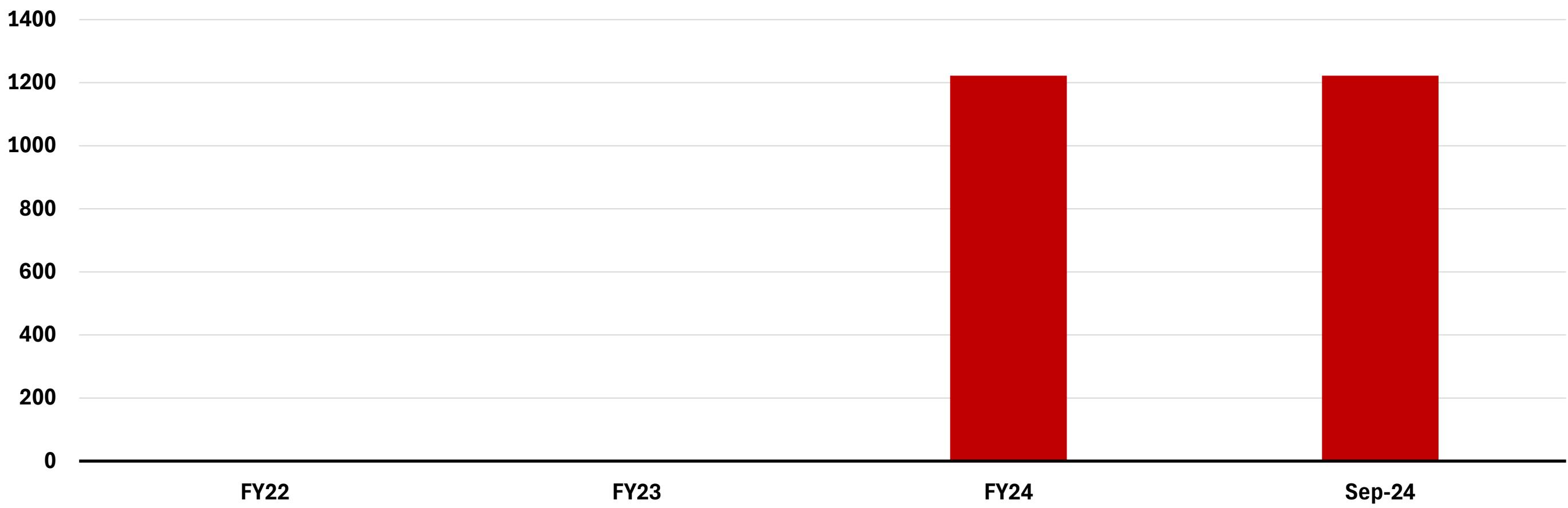




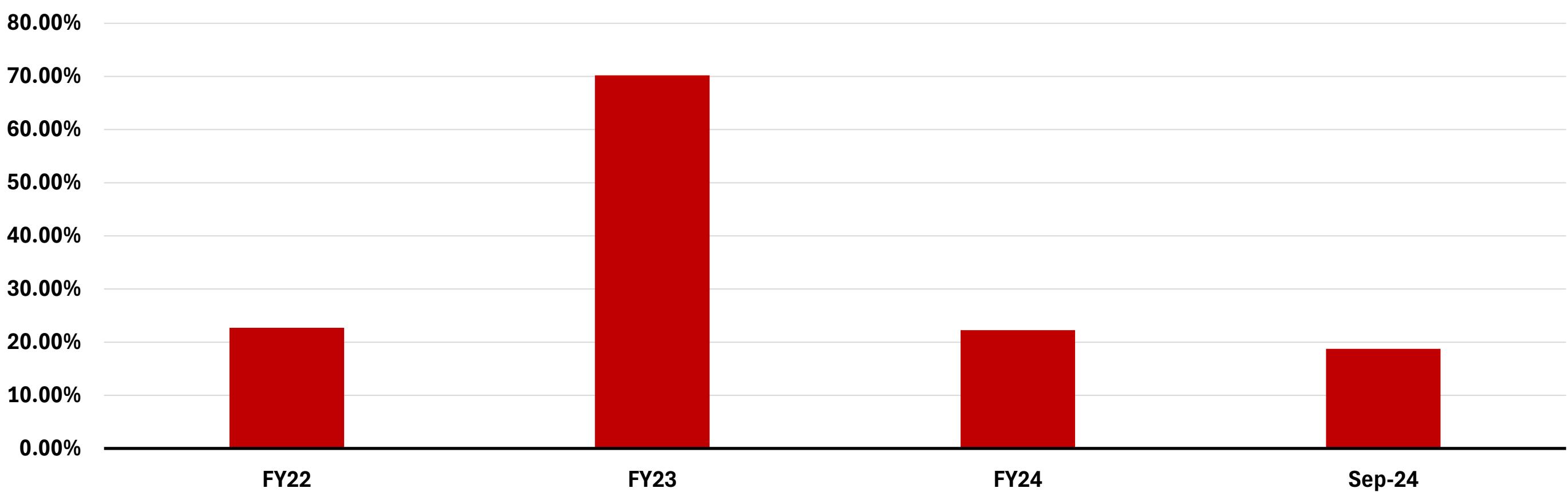
# ARMOUR SECURITY INDIA

## FINANCIAL ANALYSIS (INR in Lakhs)

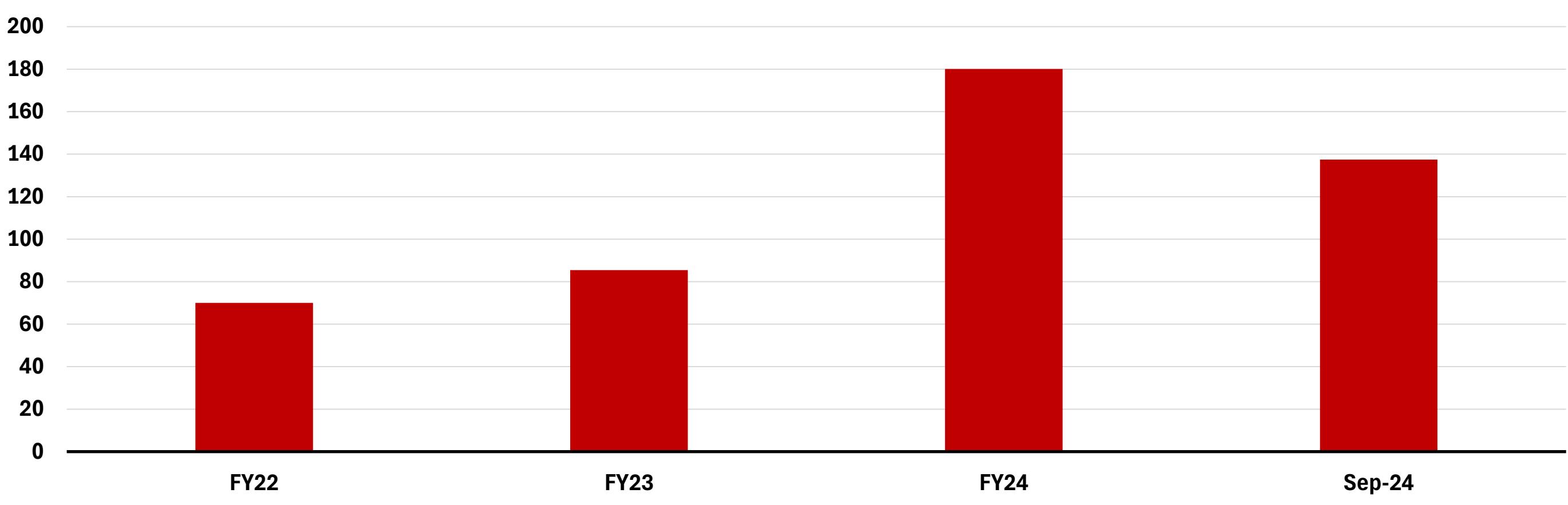
### Total Share Capital



### ROCE %



### Total Borrowings



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